2829 CALIFORNIA STREET AND 1933 DIVISADERO STREET CONDOMINIUM ASSOCIATION, INC.

_____, 2026

To: All 2829 California Street and 1933 Divisadero Street Condominium Association, Inc. ("Association") Members

Re: Proposed CC&Rs Amendment on Submetering Water and Sewer for Commercial Units

Dear Members:

Enclosed is the Ballot for the proposed First Amendment to the 2829 California Street and 1933 Divisadero Street Declaration of Covenants, Conditions and Restrictions ("CC&Rs Amendment"), which would modify the manner in which water, sewer, and scavenger service costs are allocated between the Residential and Commercial Units..

The Association consists of thirteen (13) Residential Units and three (3) Commercial Units. Under the current CC&Rs, water, sewer, and scavenger service costs are included among certain shared expenses allocated among all sixteen (16) Units based upon their relative square footage. The Association currently receives a single water and sewer bill for the Property, which does not separately identify the amount of water and sewer service attributable to each Commercial Unit.

The proposed CC&Rs Amendment would provide for each Commercial Unit to be responsible for its own water, sewer, and scavenger service costs. to implement the proposed change with respect to water and sewer service, the Association intends to install submeters for the three (3) Commercial Units so that the water and sewer usage attributable to each Commercial Unit can be measured and charged accordingly.

Accordingly, the CC&Rs Amendment proposes to amend Section 5.3D(1) of the CC&Rs to delete the following stricken language and to add the following underlined language:

D. Shared (Residential and Commercial) Assessments. Except as otherwise provided in Subsections A, B, and C:

(1) The portion of Regular and Special Assessments levied for the cost of insurance, exterior and interior Common Area painting and reserves for exterior and interior Common Area painting, roofing and reserves for roofing, major repair, replacement and improvement of the structural elements of the Common Area ~~water and sewer service, and scavenger service,~~ shall be allocated among all Units (Commercial Units and Residential Units) based upon their relative square footage of interior floor area as shown on Exhibit "C" (and there shall be no division of costs based upon which building a Unit is located within). <u>The Commercial Units shall pay for their own water and sewer service. Each Commercial Unit shall be responsible for arranging and paying for its own scavenger service</u>; and

(2) All other portions of Regular and Special Assessments shall be allocated

equally.

Please follow the voting instructions to complete and to return the enclosed Ballot.

Sincerely,
2829 California Street and 1933 Divisadero Street Condominium Association, Inc.