

Section 15.7. Mortgagees Furnishing Information: Mortgagees are hereby authorized to furnish information to the Board concerning the status of any Mortgage.

Section 15.8. Conflicts: In the event of any conflict between any of the provisions of this Article and any of the other provisions of the Association Management Documents, the provisions of this Article shall control.

Section 15.9. Priority of Mortgagee: Nothing in the Association Management Documents shall give an Owner, or any other party, priority over the rights of a First Mortgagee in the case of a distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of any Units or Condominium Common Area.

Section 15.10. Federal Agency Agreement: The Board may enter into any agreements with any of the Federal Agencies as necessary to satisfy guidelines or regulations of any such Federal Agency which would permit such Federal Agency to purchase, insure or guarantee, as applicable, First Mortgages encumbering Condominiums.

ARTICLE 16 PROTECTION FROM LIENS

Section 16.1. Association to Defend: In the event that a lawsuit is brought against all or substantially all of the Owners within a Condominium Project which will or could result in any lien or encumbrance being levied against an entire Condominium Project, the Association shall defend such lawsuit and the costs of such defense shall be a Special Assessment against all of the Owners within such Condominium Project joined as defendants in such lawsuit; provided, however, in the event that an insurance carrier is obligated to provide such defense under a policy of insurance carried by the Association, the Association shall be relieved of the obligation to provide such defense. Nothing contained herein shall in any way limit the rights of any Owner or Owners to retain counsel of their choice to represent them in such lawsuit at their own expense. In such event, such Owner or Owners shall not be relieved of liability for the Special Assessment provided for in this Section.

Section 16.2. Liens Against Condominiums: The filing of liens against Condominiums shall comply with California Civil Code Section 1369 and until such section is supplemented or amended to provide otherwise, shall be as provided in this Section. No labor performed or services or materials furnished within a Condominium Project with the consent of, or at the request of, an Owner or such Owner's agent or contractor shall be the basis for the filing of a lien against any other Condominium of any other Owner in

such Condominium Project unless that other Owner has expressly consented to or requested the performance of the labor or furnishing of the materials or services. However, express consent shall be deemed to have been given by the Owner of any Condominium in the case of emergency repairs thereto. Labor performed or services or materials furnished for the Common Area, if duly authorized by the Association, shall be deemed to be performed or furnished with the express consent of each Owner. An Owner may remove his Condominium from a lien against two or more Condominiums or any part thereof by payment to the holder of the lien of the fraction of the total sum secured by the lien which is attributable to such Condominium.

Section 16.3. Other Liens: In the event that a lien or encumbrance not covered by California Civil Code Section 1369 is attached to all or substantially all of a Condominium Project by reason of a judgment or otherwise, the Association shall promptly take the appropriate steps to remove such lien, including but not limited to the payment of money and the posting of a bond. The Association shall have the power to borrow money and to take such other steps as are necessary to free a Condominium Project of such liens. Simultaneously with any action taken pursuant to this Section, the Association shall levy a Special Assessment against all of the Owners whose Condominiums were subject to the lien or encumbrance which caused the Association to act pursuant to said Section equal to each such Owner's pro rata share of such lien or encumbrance. In the event that such Special Assessment is not paid prior to the delinquency date (as defined in the Section entitled "Delinquency" of the Article entitled "Assessments" of this Declaration), the Board may effect the remedies contained in Section 1367 of the California Civil Code and the Article entitled "Assessment" of this Declaration.

Section 16.4. Reimbursement: In the event that it shall be proven in a court of law of competent jurisdiction over the claim or claims causing the Association to take action under this Article that a judgment resulting in a lien on all or a portion of the Condominium Project was primarily due to the acts or omissions of a particular Owner or Owners or the families or agents thereof, such Owner or Owners shall reimburse the Association for all expenses incurred by it pursuant to the provisions of this Article. Upon such reimbursement the Association shall distribute the funds received to the Owners against whom Special Assessments were levied pursuant to the provisions of this Article.