



DATE: June 29, 2023
TO: The Membership – PH&L Community Association
FROM: The Board of Directors
RE: 2023/2024 Budget – Effective August 1, 2023

Each year the association's volunteer Board of Directors performs a very careful review of the past year's expenses and income to best project the amount to collect from each member in the upcoming fiscal year. When reviewing the budget, the Board considers several factors such as: recurring contract costs, inflation, utility usage and rates, insurance, and appropriate reserve contributions (savings) each month to pay for repair, restoration and/or replacement of common area components as needed.

As a result of this review, the Board has determined that effective August 1, 2023, the overall budget of the Association's expenses will require an increase to meet the association's financial needs in the upcoming fiscal year. The association's assessments are calculated on a variable assessment schedule which means our legal documents require some expenses be allocated differently based on unit size or type. This is called a "variable assessment" because the resulting assessment amount varies from unit to unit. Additionally, certain expenses are separated between the PH&L 'master' assessment, and the PH&L 'cost center' assessment. Cost center expenses are defined as those shared exclusively amongst loft units. A variable/lofts assessment schedule is included in this budget packet to show the amounts owed by each unit. Please review the schedule to determine your new assessment amount.

The Board of Directors reviewed this budget extensively. If you have any questions, we encourage you to contact our Community Manager, Crystal Valencia at Crystal.Valencia@fsresidential.com or 310-981-9923.

What Is Included In This Budget Packet?

State law and the association's governing documents require the Board of Directors to distribute the following documents annually to each member:

- A summary of the *pro forma* budget for the upcoming fiscal year
- Variable assessment schedule
- Delinquency Policy
- Written Notice of Assessments, Foreclosure, and Payment Plans
- Alternative Dispute Resolution (ADR) procedure
- Internal Dispute Resolution (IDR) procedure
- Discipline Policy
- Schedule of Penalties for Violation of the Association's Documents
- Architectural Submittal and Appeal process
- Insurance Summary
- FHA Certification Disclosure
- VA Certification Disclosure
- Billing Disclosure Form
- ADR/IDR Policy



About the Reserve Study

The reserve study was not ready in time for this mailing, so it will be sent and posted separately.

Insurance Information

The association carries General Liability insurance in the amount of \$16 million, which does meet the minimum amount specified in California law to ensure that owners are only individually liable for their proportionate share of special or regular assessments levied to pay any judgments against the association which exceed the limits of the association's insurance.

Additional disclosures about the association's insurance policies can be found within this packet, including the name(s) of the insurer(s), the types of insurance, the policy limits, and the amount of deductibles (if any).

Other Disclosures

The Board of Directors does not anticipate that any special assessment will be required during the upcoming fiscal year to repair, replace and/or restore any major components or to provide adequate reserves.

Please contact our community manager, Crystal Valencia at 310-981-9923 or via e-mail at Crystal.Valencia@fsresidential.com should you have any questions or if you would like to have a copy of the complete *pro forma* operating budget provided to you at the association's expense or a copy of the complete reserve study plan. These documents are also available for review at 3415 S. Sepulveda Blvd. Suite 720, Los Angeles, CA 90034 by appointment.

ANNUAL POLICY STATEMENT – PH&L COMMUNITY ASSOCIATION

The board is required to distribute an annual policy statement that provides the association members with information about its policies.

1. The name and address of the person designated to receive official communications to the association is the Manager on behalf of PH&L c/o FirstService Residential, 3415 S. Sepulveda Blvd. Suite #720, Los Angeles, CA 90034.
2. Members may submit a request to the address noted above to have notices sent to up to two different specified addresses.
3. Civil Code permits the association to provide General Notices to the membership via newsletter, billing statement messages, association website, or posting in a prominent location. If the association chooses to post notices, they will be located on the community bulletin boards.
4. If you would like all notices, including general notices, to be sent to you by individual delivery, please log in to the community website at <https://PHLCommunity.connectresident.com> and update your communication preferences within the "My Account" settings of your profile.
5. Copies of board meeting minutes for meetings that are open to the membership are available upon written request throughout the year. Minutes can be released to you thirty days following the meeting date and any charges involved for copying and postage for those minutes are the responsibility of the requesting owner. If the minutes are not



approved by the Board within the 30-day period of the request, draft minutes will be provided to you.

* The association's board of directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve study specialists, CPA's and/or other professionals and is relying upon this information, financial data and reports pursuant to the California Corporations Code in providing the association membership the information contained in this Assessment Reserve Funding Disclosure Summary. The information contained within the reserve study includes assumptions regarding future events based on information supplied to the association's board of directors from said professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a 30-year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next 30 years. Furthermore, severe weather conditions, earthquakes, floods or other acts of God, the occurrence of vandalism and other events that are difficult to anticipate cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain pursuant to the association's CC&Rs.

PH&L Community Association
2023-2024 Budget

Number of Units: **73**

	PER UNIT	PER MONTH (rounded)	PER YEAR (rounded)
Income			
Member Assessment	470.16	34,322	411,859
Other Income	42.69	3,116	37,397
Total Income	512.85	37,438	449,256
	=====	=====	=====
Reserve Funding	148.40	10,833	130,000
Operating Expenses			
Utilities:	68.72	5,017	60,200
Landscape:	24.51	1,789	21,472
SHARED COSTS:	217.76	15,896	190,754
Common Area:	44.04	3,215	38,580
Administration:	9.42	688	8,250
Total Operating Expenses	364.45	26,605	319,256
Total Reserve Funding	148.40	10,833	130,000
Total Operating & Reserves	512.85	37,438	449,256
	=====	=====	=====

The pro forma operating budget is available at the business office of the

TYPICAL OPERATING EXPENSE CATEGORIES GENERALLY INCLUDE:

Utilities: electricity, gas, water

Landscape Maintenance: contract maintenance service, replacement of plant material,

Common Area: handyman services, pest control, light maintenance, fencing repair, etc.

Administration: annual audit, taxes & licenses, legal service, management fees,

PH&L Community Association Lofts Cost Center
2023-2024 Budget

Number of Units: 63

	PER UNIT	PER MONTH <i>(rounded)</i>	PER YEAR <i>(rounded)</i>
Income			
Member Assessment	156.58	9,865	118,376
Other Income	0.00	0	0
Total Income	156.58	9,865	118,376
Reserve Funding	30.86	1,944	23,328
Operating Expenses			
Utilities:	104.76	6,600	79,200
Common Area:	20.93	1,319	15,824
Administration:	0.03	2	24
Total Operating Expenses	125.72	7,921	95,048
Total Reserve Funding	30.86	1,944	23,328
Total Operating & Reserves	156.58	9,865	118,376

The pro forma operating budget is available at the business office of the

TYPICAL OPERATING EXPENSE CATEGORIES GENERALLY INCLUDE:

Utilities: electricity, gas, water

Landscape Maintenance: contract maintenance service, replacement of plant material,

Common Area: handyman services, pest control, light maintenance, fencing repair, etc.

Administration: annual audit, taxes & licenses, legal service, management fees,

PH&L Community Association

Assessment Summary for Fiscal 2024

Community	Plan	Sq. Ft.	No. of Units
Park Homes	Plan 1	3,351	5
Park Homes	Plan 2-A/B	3,470	4
Park Homes	Plan 2-C	3,493	1
Lofts	Plan A	1,039	21
Lofts	Plan B	1,235	20
Lofts	Plan C-1	1,384	14
Lofts	Plan C-2	1,357	8
			73

Fiscal 2023 (prior year) Assessment			
Base	Lofts	Homes Water	Total
\$ 463.56		\$ 55.00	\$ 518.56
\$ 467.43		\$ 55.00	\$ 522.43
\$ 468.18		\$ 55.00	\$ 523.18
\$ 388.42	\$ 132.91		\$ 521.33
\$ 394.80	\$ 146.26		\$ 541.06
\$ 399.64	\$ 156.41		\$ 556.05
\$ 398.77	\$ 154.58		\$ 553.35

Fiscal 2024 (new year) Assessment			Change	
Base	Cost Ctr	Total	\$ Amount	%
\$ 554.43	\$ 55.00	\$ 609.43	\$ 90.87	17.5%
\$ 559.90	\$ 55.00	\$ 614.90	\$ 92.47	17.7%
\$ 560.96	\$ 55.00	\$ 615.96	\$ 92.78	17.7%
\$ 448.09	\$ 131.26	\$ 579.34	\$ 58.01	11.1%
\$ 457.10	\$ 148.60	\$ 605.70	\$ 64.64	11.9%
\$ 463.95	\$ 161.78	\$ 625.74	\$ 69.69	12.5%
\$ 462.71	\$ 159.39	\$ 622.11	\$ 68.76	12.4%

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Lofts Only Special Area Assessment
Park Homes Special Area (water) Assessment

PH&L COMMUNITY ASSOCIATION

DELINQUENT ASSESSMENT COLLECTION POLICY

Effective: JULY 2023

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our Association. Your Board of Directors takes very seriously its obligation under the CC&R's and the California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent, and effective manner. Therefore, pursuant to the CC&R's and Civil Code, the following are the Association's assessment collection practices and policies:

- Regular monthly assessments are due and payable on the 1st day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received.
- All other assessments, including, but not limited to, Special Assessments, Reimbursement Assessments, Reconstruction Assessments, and Capital Improvement Assessments are due and payable on the date specified by the Board in the notice of assessment.
- Regular monthly assessments and all other assessments (as defined in Paragraph 2) are collectively referred to herein as "Assessments".
- Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the Assessment or other sums are levied.
- Unpaid Assessments are delinquent 15 days after they are due.
- A late charge of \$10.00 or 10%, whichever is greater, will be charged for any Assessment that is not received on or before the 15th day of the month, prior to the close of business.
- Interest on the balance due will accrue at a rate not to exceed 12% per annum; commencing thirty (30) days after the Assessment becomes due.
- At fifteen (15) days past due, the association may invite owner(s) to a hearing for the purpose of revoking membership privileges. Those privileges can include access to common areas or facilities, and/or services paid for by the association.
- When an Assessment becomes more than forty-five (45) days past due, the Association will send a validation notice to the billing address on record with the association. The owner will be charged a fee for the notice, as well as all costs to complete the transmittal of the notice. If an owner writes to dispute the amount owed or to request "original creditor" information within the validation period set forth in the notice, then the Association will cease collection of the debt, or any disputed portion of the debt, until the Association responds appropriately as required by law (see applicable consumer protection laws).
- When an Assessment becomes more than eighty (80) days past due, the Association will send an intent to lien/pre-lien letter to each owner, as required by the Civil Code, by certified mail to the owner's address of record. The owner will be charged a fee for the notice, as well as all costs to complete the transmittal of the letters

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- If the owner fails to pay the amounts set forth in the intent to lien/pre-lien letter within 30 days of receipt of that letter, a lien for the amount of any delinquent Assessments, late charges, interest and/or costs of collection, including attorneys' fees, may be recorded against the owner's property. The owner will be charged a fee for the lien, as well as any processing fees, recording service, and costs. A copy of the lien will be sent to each owner at his/her address of record via certified mail within ten (10) days of recordation thereof. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law.
 - Prior to the recording of a Board authorized lien for delinquent Assessments, an owner that is delinquent has the right to participate in internal dispute resolution ("IDR") pursuant to the "meet and confer" program in accordance with California Civil Code. Prior to recording a lien, the Board of Directors will approve such action by a majority vote of the Board of Directors.
 - Upon receipt of payment in full, that includes any late fees, interest, collection costs and/or attorneys' fees, a Release of Lien will be recorded. Copies of the Release of Lien will be sent to all owners of record. The owner will be charged a fee for the release, as well as any processing fees, recording service, and costs. All county recording fees are charged as applicable and as counties may charge from time to time.
- If an owner is delinquent for thirty (30) additional days after the Notice of Delinquent Assessment (Lien) has been recorded, the Assessment collection matter will be referred to the Association's attorney or collection agent, and the lien may be enforced by judicial or non-judicial foreclosure sale, or by money judgment at the Association's option. An actual foreclosure sale of an owner's property will not be conducted unless or until either; (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and/or fees; or (b) the assessments are delinquent for more than twelve (12) months. [You could lose ownership of your property if a foreclosure action is completed. You will be responsible for significant additional fees and costs, including attorneys' fees, if a foreclosure action is commenced against your property.] The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the Minutes of the next open session Meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the Minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent owners the option of participating in IDR or Alternative Dispute Resolution ("ADR").
- Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association.
- The Association will charge a processing fee to the owner for a returned check.
- Any owner who is unable to pay Assessments will be entitled to submit a written request for a payment plan to be considered by the Board of Directors. The Board of Directors is not required to approve a payment plan. If a payment plan is approved, the Board of Directors may establish the terms of the payment plan. A payment plan request or approved payment plan will not impede the Board's ability to vote for and record a lien.

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- The mailing address for overnight payment of assessments is:

FirstService Residential California, LLC
15241 Laguna Canyon Rd
Irvine, CA 92618

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

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The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code).

ASSIGNMENT OF RENTS

In the event that the Association files any action against an Owner for unpaid Assessments on Owner's Unit, and said Unit is or becomes rented or leased at any time during the pendency of the action, the Association shall have the right, upon ex parte notice and application, to request that the Court order Owner to assign all rents due from the renter/lessor of said Unit to the Association until such time as all Assessment delinquencies are cured.

ALTERNATIVE DISPUTE RESOLUTION

5925. As used in this article: (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision making

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process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

- (1) Enforcement of this title.
- (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
- (3) Enforcement of the governing documents of a common interest development.

5930. (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in the Code of Civil.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935. (a) Any party to a dispute may initiate the process required by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

- (1) A brief description of the dispute between the parties.
- (2) A request for alternative dispute resolution.
- (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
- (4) If the party on whom the request is served is the owner of a separate interest, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

5940. (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

5945. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

- (a) The period provided in Section 5935 for response to a Request for Resolution.
- (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

5950. (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following

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conditions is satisfied:

- (1) Alternative dispute resolution has been completed in compliance with this article.
- (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.
- (3) Preliminary or temporary injunctive relief is necessary.
- (b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955. (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

5960. In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965. (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

(b) The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process.

INTERNAL DISPUTE RESOLUTION

5915. Statutory Dispute Resolution Procedure

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The association's board of directors shall designate a member of the board to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

(c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

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- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.
- (d) A member of the association may not be charged a fee to participate in the process.

AMENDED AND RESTATED ASSOCIATION NEIGHBORHOOD GUIDELINES*

ADOPTED: June 24, 2013

INTRODUCTION

These Association Neighborhood Guidelines ("Rules") set forth the rules for all Owners and Occupants at Park Homes and Lofts. These Rules amend and restate in their entirety, and supersede, any earlier Association Neighborhood Guidelines related to the Community.

Each Owner remains responsible for the actions of its family members, tenant(s) and its and their guests, invitees, visitors and "Service Providers" (defined below). Therefore, it is important that all Owners review, understand and comply with these Rules. For clarification of any of the Rules set forth herein, please contact the association management company retained by the Association from time to time (the "Property Management Company").

These rules supplement certain rules and guidelines established in the Declaration, which shall be enforced as provided in these Rules. See, for example, Article II of the Declaration.

ENFORCEMENT OF GOVERNING DOCUMENTS

The Association has the responsibility and right to enforce compliance with the Rules set forth in this Handbook and the terms of any other Governing Document. Depending upon the severity and frequency of the violation and the violator, the choice of enforcement procedure(s) and/or the enforcement remedy utilized may vary.

Owners may report violations to the Association by submitting a written notice to the Property Management Company describing the violation in detail. Unless accompanied by a photograph clearly showing the type and location of a violation, all written notices require the signature of Owners of at least two different Condominiums. Similar notices will not be accepted from any Resident other than an Owner. Except for emergency situations, any Resident who is not an Owner who wishes to report a violation must coordinate such violation notice(s) through the Owner of its leased Condominium. The Property Management Company may also report any violations within the Property Management Company personnel's personal knowledge or as described to the Property Management Company personnel with personal knowledge of the violation.

Once the Association receives a written notice of a violation, the enforcement process may be started against the alleged violating Owner, as set forth below. However, nothing in this section shall obligate or require the Board, or any authorized committee, to take any such action.

Actions That May Be Taken By The Association. The Association may implement one or any combination of the following actions to address violations of and enforce the Governing Documents:

1. **Notice and Hearing.** At the time a violation is reported, action may be taken as follows:

(a) To the extent practical, the Property Management Company will verify the accuracy of the reporting. If deemed valid, the Property Management Company, on behalf of the Association, will provide a first written notice to the violating Owner. The first notice will contain a description of the violation, provide the corrective action and a timeframe in which the corrective action must be taken. The notice will also include instructions regarding responses to the violation notice.

If an allegation concerns a tenant, the first written notice will be addressed to the applicable Owner and, provided the Property Management Company has been provided appropriate contact information by the Owner, a copy will be sent to the accused tenant. Unless otherwise determined by the Board, all further communications and/or correspondence concerning corrective actions, hearings, charges, or fines will be addressed to the applicable Owner only. However, the Association shall have the right, but not the obligation, to deal directly with a tenant; therefore, the Board may send communications to both Owner and tenant as it deems appropriate. It is the Owner's responsibility to enforce compliance by its tenant(s) with any corrective actions promulgated by the Board.

*Section 4.2.6 of the Declaration provides the Board with the power to adopt, amend and repeal these Rules as it deems reasonable and provides the Association with the right to enforce these Rules. In the event of any conflict between these Rules and the Declaration or Bylaws, the Declaration and Bylaws shall prevail.

(b) If the violation continues or is repeated after the first written notice, a second written notice to request the Owner appear before the Board will be sent ("**Notice of Hearing**"). The Notice of Hearing will be delivered to the applicable Owner no less than ten (10) days prior to the date of the hearing. The notice shall include the date, time, and location of the hearing and the nature of the alleged violation. An Owner will be provided an opportunity to address the Board at the hearing. This process is referred to herein as "**Notice and Hearing**".

For any allegation of a continuing violation against a tenant, the applicable Owner must appear on behalf of its tenant. The accused tenant(s) may attend the hearing, however, such tenant may not speak or address the Board unless the Board asks the tenant to answer specific questions.

(c) At the hearing, the Board will allow the Owner to present evidence and testimony as reasonable under the circumstances. The Board may ask questions of any person present at the hearing providing evidence and the applicable Governing Documents will be reviewed, if necessary.

(d) After the hearing, the Board will deliberate and vote in executive session. The Owner will be notified of the Board's decision, in writing, within fifteen (15) business days after the hearing.

(e) If the Board concludes that the alleged violation occurred, the Board may impose monetary penalties, temporarily suspend voting privileges or take any other disciplinary action permitted under the Governing Documents. The Board may also concurrently refer the matter to the Association's legal counsel for further action. If a lawsuit is filed to correct a violation, the Owner may be liable for the Association's legal costs and fees as indicated below.

2. **Enforcement Assessments.** The Association may impose a special assessment to reimburse the Association for costs of repairing damage to the Association Property, to reimburse the Association for costs incurred in bringing the Owner's Condominium into compliance with the Governing Documents or to remove item(s) wrongfully left on or attached to Association Property, including, but not limited to, legal fees, upon Notice and Hearing as described above.

3. **Suspension of Member Privileges.** The Association may suspend an Owner's voting rights or rights to use the Association Property facilities following Notice and Hearing.

4. **Internal Dispute Resolution.** If the violation continues, the Association may invite the Owner to participate in internal dispute resolution pursuant to California Civil Code Section 1363.810.

5. **Alternative Dispute Resolution.** If the violation continues, the Association may request that a dispute be resolved through alternative dispute resolution procedures pursuant to California Civil Code Section 1369.510. Any costs incurred for the mediator or arbitrator are to be split among the parties.

6. **Legal Action.** The Association may proceed with legal action to compel compliance with the Governing Documents. The prevailing party of any dispute is entitled to recovery of attorneys' fees and costs.

7. **Immediate Cure.** Notwithstanding the foregoing, under circumstances involving conduct that constitutes (a) an immediate and unreasonable infringement of, or threat to, the safety, security or quiet enjoyment of Occupants and/or Association personnel; (b) a traffic or fire hazard; or (c) a threat of material damage to or destruction of the Association Property, the Board, or its authorized representative, may undertake any appropriate corrective or legal action without providing a Notice and Hearing. Accordingly, the Property Management Company and Association personnel have the right to enter any Condominium to address such circumstances and such person(s) entering will not be liable to the Owner of the Condominium for any acts of trespass or any damage that could not reasonably be avoided. Additionally, depending on the severity and urgency of the circumstances, the Association may immediately take any appropriate legal action, such as obtaining a Temporary Restraining Order or any other applicable legal remedy.

8. **Fines.** The fine schedule for violations is established by the Board and is subject to change from time to time. The Board may enforce the collection of any fines or other charges through a special assessment or any legal action that is available to the Board and is deemed appropriate. Payment of a special assessment or fine, or completion of a suspension period does not eliminate the Owner's obligation to correct the violation.

(a) Non-Major Violations (that is, any violation not constituting a major violation as described in subparagraph (b) below):

(i) First (1st) Occurrence: Written notice of violation with request of corrective action within the specified timeframe. Below are some of the timeframes to complete certain corrective action. For infractions not listed below the Board will inform the Owner of the timeframe to complete the corrective action.

- a. Architectural Application Infraction – Immediate Cease and Desist and one week (7 days) to submit a complete Architectural Application, which must be reviewed and approved prior to proceeding with improvements.
- b. Anything left in Common Area outside of front door of Condominium in the Lofts buildings, or visible from the public sidewalk in the Park Homes, in violation of these Rules, the Declaration or the Bylaws – Immediately or it may be removed by the Association immediately and without notice.
- c. Unauthorized/Inappropriate Items in Exclusive Use Common Area or in garage space- 48 hrs to remove item from patio or garage space
- d. Holiday Decorations – 48 hrs to remove decorations.
- e. Oversized BBQ propane tank – 24 hrs to remove from Community.
- f. Nuisances (noise, barking dogs, etc.) – Immediately

(ii) Second (2nd) Occurrence and/or failure to correct within the required timeframe: Notice and Hearing and depending on the outcome of the hearing, a potential fine ranging between \$50-\$500 depending on the severity of the violation.

(iii) Third (3rd) Occurrence and/or failure to correct within required timeframe of 2nd occurrence or continued failure to correct 1st violation: Referral to the Association Attorney and a potential fine of \$100-\$1000 depending on the severity of the violation or imposition of the maximum fine permitted by law.

(b) Major Violation Fine Schedule:

(i) Notice and Hearing and depending on the outcome of the hearing, a potential fine ranging between \$500-1000 per occurrence plus any cost of homeowner damage; and referral to the Association Attorney.

(ii) An example of a major violation is failure to obtain architectural approval prior to making a structural modification, negligent damage to Common Property/Association Property, life threatening or safety violations, tampering with or wrongfully activating fire or methane detection or suppression systems, propping open or manually holding Lofts elevator doors open, etc. except in the case of a violation related to propping or manually holding a Lofts elevator door open, the fine may be up to the amount of an after hour service call by elevator maintenance company, without regard to whether a service call is required or can be found to result from such actions.

(c) Move-In/Move-Out & Furniture Delivery Fine Schedule):

(i) First (1st) Occurrence: Notice and Hearing and depending on the outcome of the hearing, a potential fine of \$500 plus cost of any damage occurred determined by the Association; except in the case of a violation related to propping or manually holding a Lofts elevator door open, the fine may be up to the amount of an after hour service call by elevator maintenance company, without regard to whether a service call is required or can be found to result from such actions.

(ii) Second (2nd) Occurrence: Notice and Hearing and depending on the outcome of the hearing, a potential penalty of maximum fine permitted by law.

(iii) Third (3rd) Occurrence: Referral to the Association Attorney.

(d) Absent decision by the Board to the contrary, after Notice and Hearing, fines will double with each repeat occurrence or any failure to remedy any violation. A matter will be considered a repeat occurrence if it relates to the same Condominium which is owned by the same Owner even if the Owner has entered into a new lease and has a new tenant or a different person otherwise resides in the Condominium than resided in the Condominium on the earlier occurrence.

9. Other Remedies. The Association may take any other actions or a combination of actions, as permitted under the Governing Documents and/or applicable law.

**AMENDED AND RESTATED
ARCHITECTURAL GUIDELINES**

ADOPTED: June 24, 2013

INTRODUCTION TO THE ARCHITECTURAL GUIDELINES

These Architectural Guidelines are designed with the goal of maintaining the aesthetic beauty, and preserving the safety, value and desirability of Park Homes and Lofts. By adhering to these Architectural Guidelines, which include guidelines and standards for all improvements as well as sound and noise attenuation guidelines, all Occupants will benefit from the beauty and enjoyment of Park Homes and Lofts. These Architectural Guidelines amend and restate in their entirety, and supersede, any earlier Architectural Guidelines related to the Community.

Except as permitted in the Declaration, no work constituting an "Improvement" as defined below shall be performed without the prior approval of the Architectural Committee. Prior to making any Improvements to a Condominium, an Owner must first submit a complete Architectural Application to the Board of Directors or Architectural Committee. The Board shall review and approve, or disapprove applications for Improvements to Condominiums and fulfill other requirements set forth in these Architectural Guidelines, the Declaration and the Master Governing Documents. The Association will determine if approval of the Playa Vista Design Review Committee is required for the Improvement. In addition, it is the Owner's responsibility to determine whether any building or other permit is required from the City of Los Angeles or County building or fire department or any government agency having jurisdiction and to obtain all such required permits prior to commencing construction.

After receiving written approval from the Board, the Playa Vista Design Review Committee (if required) and complying with ordinances and regulations of applicable governmental agencies, an Owner may install Improvements, or undertake the approved action. Please review these "Architectural Guidelines" prior to completing your application form to ensure the submittal is complete. In the event of a conflict between these Architectural Guidelines and the Declaration, the Declaration shall prevail.

If at any time you have any questions regarding the review process, please contact the Property Management Company.

PURPOSE

These Architectural Guidelines are not intended to restrict individual creativity or personal preference, but rather to assure and preserve the value, desirability, attractiveness and architectural integrity of Park Homes and Lofts.

APPLICABILITY TO DECLARANT

The limitations and/or requirements provided in these Architectural Guidelines do not apply to the Declarant and neither the Association, the Board nor the Architectural Committee, if such a committee is appointed, shall have any rights of review or approval with respect to any Improvements made by the Declarant.

SUBMITTAL OF APPLICATION FOR ARCHITECTURAL APPROVAL

Submittal of Application: Prior to the commencement of any Improvements within a Condominium, all Owners must first submit an application to the Property Management Company. The Board shall promulgate Architectural Standards for Improvements, which shall include the requirements for plans drawings and specifications to be reviewed by the Board. Owners will be responsible for any fees set by the Board for review of the Submittal Package (defined below) and any fees of outside consultants such as architects, engineers and contractors procured by the Board to review the Submittal Package or perform inspections at the request of the Board. At the time of submission of plans and specifications to the Board, such Owner must present estimates of the commencement and completion dates for the proposed Improvements with the Submittal Package.

No tenant may submit a request for Improvements to a Condominium. Only the Owner of a Condominium may send a Submittal Package to the Board for review.

Improvements. The following types of work constitute an "Improvement" for which Board approval is required. The following list is by way of example only and prior Board approval shall be required for any similar work even if not specifically listed below:

- Any alterations to the Common Area, (including any Exclusive Use Common Area) including lighting, electrical, plumbing or drainage alterations;
- Alterations to or replacements of the flooring in any Lofts Condominium;

- Alterations to, adding new or moving any non-load bearing walls of any Condominium (moving, altering or removing any load bearing wall is strictly prohibited);
- Any plumbing, electrical or other work which would result in the penetration of the unfinished surfaces of the ceilings, walls or floors;
- Alterations to any existing electrical, HVAC/heating/duct work, plumbing, drainage, electrical, fire sprinkler or any other fire life safety system; and
- Any other work which may impair or alter the structural integrity of the building or the Condominium(s) of the Community.

Failure to Obtain Approval: Failure to obtain the necessary approval from the Board, or failure to complete the Improvements in conformity with the plans and specifications and construction schedule, if applicable, approved by the Board, shall constitute a major violation of the Declaration and these Architectural Guidelines and may require modifications or removal of any work or improvement at the Owner's expense, in addition to any fines, assessments and/or surcharges against such Owner.

Combining Two Condominiums: Upon approval from the Board, where an Owner has acquired fee title to two or more contiguous Condominiums, the demising wall or floor between such two or more adjoining Condominiums may be removed to combine such Condominiums so as long as the Owner adheres to the following requirements: (a) outside consultants consisting of both an architect and structural engineer licensed in the State of California have approved the plans and specifications for such Improvements, (b) such Improvements do not adversely impact the structural integrity of the Community, do not contain any common utilities, and do not affect any other Condominiums or encroach upon any adjacent Condominiums or Association Property, and (c) the plans and specifications are otherwise in conformance with the requirements of the Declaration and these Architectural Guidelines. The combined Condominiums shall thereafter become one Condominium and such Condominium may not be divided at anytime in the future. However, any combining of two Condominiums are provided in this section does not affect an Owner's voting rights or any of its liabilities under the Declaration or other Governing Documents. Therefore, such Owner remains responsible for assessments and all other costs levied by the Association for each of its Condominiums as if the Condominiums were not combined.

Inspection: At anytime during construction of any approved Improvements, the Board (of any other party authorized by the Board) shall have the right to enter a Condominium to inspect the progress or completion, as applicable, upon giving **twenty-four (24) hours** written notice.

FIRE MONITORING SYSTEM

If any portion of the fire monitoring system for the Community must be disconnected to install an Owner's approved Improvement, such Owner must first obtain approval from the Board and if approved, the Property Management Company who will coordinate the shut-off on the scheduled day(s). On the day shut-off is to occur, the requesting Owner must (i) check-in with the Property Management Company on the day the disconnection is to occur ("**Disconnection Day**") to confirm all arrangements are in place for the disconnection; and (ii) provide for a **twenty-four (24) hour** per day fire watch starting on the Disconnection Day and ending when the Property Management Company certifies in writing to the Owner that the fire monitoring system is once again operating. The Property Management Company must approve the persons or company responsible for the fire watch.

ARCHITECTURAL REVIEW SUBMITTAL REQUIREMENTS

Send requests to:

PH&L Community Association
C/O FirstService Residential CDRT
3415 S. Sepulveda Blvd. Suite 720
Los Angeles, California 90034
Phone: 800.448.9356
Email: Chris.Moran@fsresidential.com

ARCHITECTURAL REVIEW PROCESS AND PROCEDURES

Application for Approval: All applications for any Improvement requiring approval by the Board must be submitted in writing, together with the items described below ("**Submittal Package**") to the Property Management Company, who will forward the Submittal Package to the Board.

Delivery of Submittal Package: The Submittal Package may be delivered in person to the Property Management Company; if mailed, the Submittal Package should be sent in a manner where receipt for delivery can be obtained. This may include personal delivery, overnight courier or any method where the Property Management Company acknowledges receipt of the Submittal Package in writing.

Submittal Package: In order to expedite the approval process, the Submittal Package for any Improvement must include three (3) sets of each of the following:

1. Home Improvement Form (which are available from the Property Management Company's office)
2. Plans and specifications showing the location, nature, kind, shape, height and materials, including the color (for exterior Improvements only) and any other requirements set forth herein clearly indicating all proposed modifications
3. Floor plans (only if you are requesting permission to remove or relocate a wall)
4. Description of materials and colors (including proposed start and completion dates)
5. A proposed construction schedule (including proposed start and completion dates)
6. Certificates of insurance for Service Providers (including contractors exclusions and proof of valid workers compensation insurance)
7. Any and all necessary permits and licenses, if applicable
8. The application-processing fee.
9. Names, addresses and phone numbers of all Service Providers who will work on your Condominium.

The Board will not review an application unless all required plans, forms, fees and information for the proposed Improvement(s) are included in the Submittal Package.

Plans and specifications for Improvements must be of sufficient completeness and clarity so that the Board will be able to make an informed decision with respect to the requested Improvements. Plans and specifications that are not of sufficient completeness or clarity, or that do not conform to applicable building codes will be rejected.

SUBMITTAL PACKAGE REVIEW FEES

1. **Application Processing Fee:** For each Submittal Package sent to the Board, the Owner must pay the application-processing fee of \$35 ("Application Processing Fee").
2. **Outside Consultant Fee:** The Board may also require an Owner to pay fees, costs or expenses associated with the review and approval of any plans and specifications by an independent consultant or by an architect procured by the Board, if needed. All structural improvements must be approved by a licensed architect, sound engineer and any other person reasonably required to evaluate the design.
3. **Inspection Fee:** The Board shall have the right, but not the obligation, to hire consultants or architects to inspect the construction of any approved Improvement at any time with **twenty-four (24) hour** prior written notice. Owners will be responsible for any fees or costs associated with such inspection. If such fees apply, the Board will notify the appropriate Owner and such Owner will be required to submit the additional fee(s) within **ten (10) days** after the request.
4. **Additional Fees:** Additional fees may be imposed if determined necessary, based upon the complexity or scope of the Submittal Package and/or to retain consultants. If such fees are determined necessary, the appropriate Owner will be notified by the Property Management Company and the Owner will be required to submit the additional fee(s) **within ten (10) days** after the request.
5. **Checks:** All checks should be made payable to the "PH&L Community Association".

Review of Application: The Property Management Company shall, upon behalf of the Board, review the Submittal Package to ensure that it contains all of the information, forms and fees required.

If the Submittal Package is complete, the Property Management Company will forward the Submittal Package to the Board. The Property Management Company may determine and notify the Owner that, based upon the proposed Improvements or the complexity of the proposed Improvements, additional review fees will be required. The Submittal Package will not be submitted to the Board unless the Submittal Package is completed and until such fees, if any, are paid. Failure to submit a complete Submittal Package or to include the appropriate fees, if any, with the Owner for completion without review by the Board. The Submittal Package may be deemed complete by the Owner unless the Owner is informed otherwise by the Property Management Company, within **ten (10) business days** after delivery to the Property Management Company.

The Board will review the Submittal Package and will provide written notification of approval, approval with conditions, or disapproval of the proposed modifications to the Property Management Company. The Property Management Company will then provide written notice of the actions taken by the Board within **thirty (30) days** after such action is taken but not more than **sixty (60) days** from the receipt of the Submittal Package along with one (1) set of the Submittal Package, appropriately marked with the Board's action. If an Owner fails to receive notice of the action by the Board within the **sixty (60) day** period, then the Owner shall have the right to deliver a reminder notice in person or by certified mail, return receipt requested, to the Board and the Property Management Company. If the Owner fails to receive a response within **fifteen (15) days** after delivery of the Owner's reminder notice to the Board and the Property Management Company, the Submittal Package will be deemed approved.

The Architectural Committee shall review and approve or disapprove Submittal Packages solely on the basis of the considerations set forth in Section 5.3 of the Declaration. The Architectural Committee shall not be responsible for reviewing, nor shall its approval of any plan or design or other portion of a Submittal Package be deemed approval of, any such item from the standpoint of structural safety or conformance with building or other codes, which shall be entirely the responsibility of the applicable Owner.

If an Owner's proposal is not approved, or returned as incomplete, a revised Submittal package may be submitted. Provided the re-submittal is prompt, and does not constitute a substantially revised proposal, the Board will attempt to review the re-submitted application within the initial **sixty (60) day** period. If the re-submittal is not prompt or includes substantially revised plans and specifications, an additional **thirty (30) days** may be required to complete the Board's review.

Approval by Master Design Review Committee: Certain major improvements must be approved by the Playa Vista Parks and Landscape Corporation Design Review Committee. If review by the Master Design Review Committee is required, the Board will notify the Owner when the Board provides the final approval of the Submittal Package. The Master Design Review Committee will require approval of the Board before they will review any improvement plans. Please contact the Property Management Company for the Playa Vista Parks and Landscape Corporation for more information about improvement plans submittal requirements.

Diligence in Construction: Upon final approval of plans and specifications of any proposed Improvement and obtaining all necessary building permits, the Owner shall promptly commence construction and diligently pursue the Improvements to completion in compliance with the construction schedule provided in its Submittal Package. An Owner must notify the Board within **seven (7) business days** after becoming aware of any delays in the start or completion dates provided in its Submittal Package by delivering the Property Management Company written notice. However, if any date(s) as originally approved by the Board are delayed by more than **sixty (60) days**, such Owner may be required to submit a new Submittal Package reflecting its revised date projections. If a new Submittal Package is required by the Board, such Owner may be responsible for fees and deposits in connection with such new Submittal Package.

GENERAL CONDITIONS

Approval by the Board does not constitute waiver of the requirements of any governmental agencies. Architectural approval of plans does not constitute acceptance of any technical or engineering specifications, and the Association assumes no responsibility for such. The function of the Board is to review submittals for architectural design of Improvements, placement of Improvements, exterior color schemes, exterior finishes and materials and similar features that are recommended for use in the Community. All technical and engineering matters are the responsibility of the Owner. In addition to the restrictions set forth in the Declaration and this Handbook, each Owner shall also comply with the following restrictions and guidelines in connection with any proposed Improvement:

1. **Building Permits:** The applicant shall obtain Board approval of any Improvements requiring a building permit prior to requesting such permit from the City. Any required building permits must be obtained by the Owner, at such Owner's expense. The Association assumes no responsibility for failure to obtain building permits. Obtaining such permits does not waive the Owner's obligation to obtain Board approval.
2. **Damage to Association Property:** An Owner shall be responsible for any damage to the Association Property or any Master Association owned property caused by such Owner or its Service Provider(s). All applicable charges for restoration will be charged back to the Owner by the Association and are due and payable within **thirty (30) days** after notification to the Owner. Failure to pay within the allotted timeframe may subject such Owner to additional fees.
3. **Structural Alterations:** No structural alterations to the interior of or Association Property surrounding any Condominium shall be made and no plumbing, electrical or other work which would result in the penetration of the unfinished surfaces of the ceilings, walls or floors shall be performed by any Occupant without the prior written consent to the Board.
4. **Effect of Approval:** Approval of plans is only authorization to proceed with the authorized Improvements to the Condominium owned by the applying Owner.
5. **Building Code Requirements:** It is the Owner's responsibility to ensure that proposed modifications are consistent with applicable building code requirements and all other local ordinances and/or requirements of applicable governmental agencies. No Improvements will be permitted that could impair the structural integrity or mechanical systems of the Community, or lessen the support of any portion of the Community.
6. **Mechanic's Liens:** No Owner may cause or permit any mechanic's lien to be filed against the Community for labor or materials alleged to have been furnished or delivered to the Community or any Condominium for such Owner, and any Owner who does so shall immediately cause the lien to be discharged within **five (5) days** after notice to the Owner from the Board. If any Owner fails to remove such mechanic's lien within the time specified, the Board may discharge the lien and charge the Owner a Special Assessment for such cost of discharge.
7. **Concrete Walls or Slabs:** No Owner shall drill, penetrate or otherwise tamper with the concrete or other structural components of the Community, including any Exclusive Use Easement Area.
8. **Liability:** Neither the Board nor any member thereof shall be liable to the Owner for any damage, loss or prejudice suffered or claimed on account of (a) the approval or disapproval of any plans and specifications; (b) failure to obtain building permits; or (c) the construction or functioning of any Improvements.

COMPLIANCE WITH REQUIRED PROCEDURES

If any architectural change subject to Board approval is made without obtaining such approval, the Board may deliver a written notice of violation to the applicable Owner. The violation notice shall (1) specify a time period for removal of the unauthorized Improvement; (2) provide the corrective actions as determined by the Board and a timeframe to perform such corrective actions; or (3) pursue any other remedy available to the Association. Upon receipt of such notice, such violating Owner shall: (i) remove the unauthorized Improvement at its sole cost and expense; (ii) take the necessary corrective measures within the time period specified in the violation notice; or (iii) appeal in writing to the Board. If an Owner fails to appeal within **fifteen (15) days** after the receipt of such violation notice, the Owner will be deemed to have waived any right to appeal. Failure to remove such unauthorized Improvement or perform the corrective actions may subject such violating Owner to fines and other charges as determined by the Board.

Upon receipt of a written appeal, the Board shall stay the enforcement of any fine or imposition of any further fines until an appeal hearing has been concluded. Within **thirty (30) days** after a request for a hearing, the Board shall schedule an appeal at a time and date to be determined by the Board. The appeal hearing shall be conducted in an informal manner and such appealing Owner shall have the opportunity to present any information or evidence relevant to justify its Improvement or to have the applicable fine excused or mitigated. The decision of the Board rendered after such hearing shall be final.

DISAPPROVAL BY THE ARCHITECTURAL COMMITTEE (APPEAL)

If an Architectural Committee is appointed by the Board and the Architectural Committee disapproves any application or approves any application with conditions, the Owner submitting such application may appeal in writing to the Architectural Committee. The Architectural Committee must receive the written request for appeal not more than **thirty (30) days** following the disapproval decision of the Architectural Committee. The Architectural Committee will review and make comments to the written appeal which will be reviewed by the Board. Within **forty-five (45) days** following receipt of the written request for appeal, the Board shall render its written decision. The decision of the Board shall be binding and final.

INSPECTION AND CORRECTION OF WORK

1. **Right of Inspection During Course of Construction:** Upon **twenty-four (24) hour** notice, the Board or a representative of the Board may enter and inspect the Condominium during the course of construction or installation of any Improvements for the purpose of inspecting such construction and/or installation to determine whether it is performed in substantial compliance with the approved plans and specifications, the contractor's guidelines and applicable governmental rules. Consent to such entries shall constitute a condition of approval of an application for an Improvement; provided, however the Board or its representative may not enter a Condominium without first obtaining permission of the Owner of such Condominium. Such permission shall not be unreasonably withheld by an Owner and must be given within **forty-eight (48) hours** of the request for entry.
2. **Notice of Completion:** Upon the completion of any construction or reconstruction of any work subject to these Architectural Guidelines, written notice of completion ("Completion Notice") thereof must be delivered to the Property Management Company, on behalf of the Board within **seven (7) business days** after such completion date.
3. **Inspection After Completion:** Within **thirty (30) days** after receiving the Completion Notice, the Board, or its duly-authorized representative, shall have the right to enter into Condominium, to inspect such newly completed Improvement to determine whether it was constructed, reconstructed, altered or refinished to substantial compliance with the approved plans and specifications. If the Board finds that such construction or reconstruction of such Improvement was not done in substantial compliance with the approved plans and specifications, it shall (1) deliver a written notice of non-compliance ("Non-compliance Notice") to the applicable Owner specifying the reason for the Non-compliance Notice, and provide a time frame in which such non-compliance must be corrected; or (2) commence legal proceedings to enforce compliance. If an Owner does not receive a Non-compliance Notice within **thirty (30) days** following the delivery of its Completion Notice as described herein, the Improvements shall be deemed to be in compliance with these Architectural Guidelines and approved by the Board.

ARCHITECTURAL STANDARDS

These standards are in addition to the standards set forth in the Architectural Guidelines and providing more detailed information necessary for certain types of Improvements.

LIGHTING (EXTERIOR)

No exterior electrical, gas or other artificial exterior lighting shall be installed, other than lighting initially installed by Declarant.

WINDOW COVERINGS AND TREATMENTS

1. **Acceptable Materials.** Window coverings may consist of draperies, shades or shutters. Aluminum foil or other similar materials, bed sheets, paper, and the like may not be applied to windows, at any time.
2. **Prohibited Materials.** Exterior wrought iron or metal bars will not be approved by the Board and window tinting is not allowed on Condominiums.
3. **Color Consistency.** For any Occupant installed window coverings (not including any window coverings installed by Declarant), the color of curtains, drapes, shutters, blinds, and other window materials subject to view from the exterior of a Condominium must be consistent with the color scheme of the exterior façade of the Community.
4. **Exterior Screens.** No exterior screens are permitted except on windows which open and as provided by Declarant and replacements thereof with like screens. Screen doors are subject to approval of the Architectural Committee.

5. **Maintenance.** Each Occupant is responsible for the care and maintenance of its window coverings. Drapes, curtains, shutters, blinds, and all other window coverings, and all permitted screens, must be kept in good condition. Each Occupant will be required to replace shabby and torn materials/coverings exposed to the exterior.

STRUCTURAL LOAD CHANGES

Any modifications to a Condominium including, any Exclusive Use Easement Area, that might exceed the live load restriction for the building must be approved by a structural engineer and the Board. The requesting Owner will be responsible for any costs associated with such approval. These items include, without limitation, changes in flooring (i.e., installation of ceramic tile, marble, granite, hard wood, etc.) and the placement of pool tables, pianos, and large potted plants or trees, and aquariums.

FLOORING

No Occupant of a Lofts Condominium shall replace any hard-surface flooring (including, without limitation, tile or hardwood floors) unless the applicable Owner has obtained the prior approval of the Board. Any replacement of hardwood flooring permitted by the Board must include a sound control underlayment system. Installation of such sound control underlayment system shall include provisions for a perimeter insulation material which will ensure that impact noises are not transmitted into the Condominiums below the floor (either directly through the floor or by going around the floor and through the surrounding walls). The following are guidelines for flooring:

- STC and impact insulation class will be approximately 57 for carpet and pad.
- STC and impact insulation class will be a minimum of 55 for wood or tile.
- STC and impact insulation class for marble, travertine and other types of tile must comply with the minimum standard STC and impact insulation customary for such material as recommended by the Service Provider installing the flooring; provided, however, such standards are approved by the Board.

All floor areas within a Condominium shall be covered with materials designed to minimize noise transmission. The installation of carpet must also include the installation of padding if the Condominium is situated on any floor above any other Condominium(s) or any Association Property.

Failure to ensure that flooring material and installation procedures adhere to these requirements may require removal at the Owner's expense.

ADDITIONAL SUBMITTAL REQUIREMENTS FOR HARD-SURFACE FLOORING

Owners subject to these flooring restrictions must submit the following (in addition to meeting the above listed requirements) for any hard-surface flooring to the Board:

1. A construction drawing clearly indicating the type of flooring to be installed and the underlayment to be provided to mitigate against impact noises such as footfalls. The drawing must clearly identify all materials, their composition and thickness.
2. A plan view drawing of the hard surface flooring area indicating the location of all adjacent partitions, cabinets, etc., with referenced details indicating the method of isolating the hard surface flooring along the entire perimeter.
3. A copy of the installation instructions from the acoustical floor underlayment manufacturer.
4. The name, qualifications, and experience of the Service Provider who will install the hard surface flooring and acoustical underlayment with a listing of his experience in the installation of floors utilizing impact insulation materials.
5. The proposed individual(s) who will oversee the installation in order to verify that the installation is in accordance with the manufacturer's requirements.

SOUND AND VIBRATION ATTENUATION

Sound may be audible and vibrations may be felt between Condominiums, particularly where the sound level of the source is sufficiently high and the background noise in an adjacent Condominium is very low. Each Owner shall endeavor to minimize any noise transmission from its Condominium.

1. No holes or other penetrations shall be made in demising walls (party walls) without the prior approval of the Board. No penetrations of any sort shall be made in the ceiling of any Condominium. Acoustical sealant shall be packed around all holes made by nails or screws when hanging items from the wall.
2. No modifications shall be made to any Condominium that would result in a reduction in the minimum impact insulation class of the Condominium.
3. Speakers for music reproduction, televisions and other audio-visual devices shall not be supported from or contact demising walls and shall be elevated from the floor by a proper acoustic platform.
4. Pianos shall have at least one-half inch (½") neoprene pads under its legs to minimize vibration transmission into the structure of other Condominiums.

SIGNS

No sign or advertising media shall be displayed on or in a Condominium that is visible from the exterior, except the following:

1. One (1) "For Sale" or "For Lease" sign that is no larger than eighteen inches (18") by twenty-four inches (24") in size and shall be of a color and style authorized by the Board.
2. Any sign permitted or required by applicable laws.
3. Signs erected by Declarant for the purpose of developing, improving or selling Condominiums.
4. Any other sign or display authorized by the Board.

In addition, any sign must meet the requirements of the Playa Vista Parks and Landscape Corporation Community Guidelines and the Master Declaration.

PH&L COMMUNITY ASSOCIATION

Insurance Disclosure

In accordance with California Civil Code, we are providing you the following insurance information within sixty (60) days preceding the beginning of the Association's fiscal year.

A. GENERAL LIABILITY INSURANCE

1. The Association's general liability insurance carrier is Farmers Insurance Exchange
2. The Association has the following general liability insurance for the period of 08/22/2022 to 08/22/2023
 - a. \$1,000,000 maximum limit per occurrence
 - b. \$2,000,000 annual aggregate

B. PROPERTY INSURANCE

1. The Association's property insurance carrier is Farmers Insurance Exchange
2. The Association has the following property insurance for the period of 08/22/2022 to 08/22/2023
 - a. \$22,252,800 guaranteed replacement cost
 - b. \$25,000 deductible

C. EARTHQUAKE INSURANCE

1. The Association does not have earthquake insurance coverage through Scott Litman Insurance Agency

D. FLOOD INSURANCE

1. The Association does not have flood insurance coverage through Scott Litman Insurance Agency

E. EXCESS/UMBRELLA INSURANCE

1. The Association's excess/umbrella insurance carrier is Federal Insurance Company
2. The Association has the following excess/umbrella insurance for the period of 08/22/2022 to 08/22/2023
 - a. \$25,000,000 maximum limit

F. FIDELITY INSURANCE

1. The Association's fidelity insurance carrier is Farmers Insurance Exchange
2. The Association has the following fidelity insurance for the period of 08/22/2022 to 08/22/2023
 - a. \$1,500,000 maximum limit

G. DIRECTORS & OFFICERS INSURANCE

1. The Association's directors & officer's carrier is Farmers Insurance Exchange
2. The Association has the following directors & officer's insurance for the period of 08/22/2022 to 08/22/2023
 - a. \$1,000,000 maximum limit
 - b. \$1,000 deductible

This summary of the association's policies of insurance provides only certain information and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Annual Disclosure provided by Scott Litman Insurance Agency
4500 Park Granada Blvd., Suite 202, Calabasas, CA 91302
818-879-5980 fax 818-879-5990

Federal Housing Administration Certification Disclosure

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development [(is)/ is not] a condominium project. The association of this common interest development [is /(is not)] certified by the Federal Housing Administration.

This information regarding the association's Federal Housing Administration certification status is as of June 29, 2023.

For current information, please visit the Federal Housing Administration website at: <https://entp.hud.gov/idapp/html/condlook.cfm>

Veterans Affairs Certification Disclosure

Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development (is) / is not] a condominium project. The association of this common interest development [is (is not)] certified by the federal Department of Veterans Affairs.

This information regarding the association's Veterans Affairs certification status is as of June 29, 2023.

For current information, please visit the U.S. Department of Veterans Affairs website at: <https://lgy.va.gov/lgyhub/condo-report>



FirstService Residential California
15421 Laguna Canyon Road
Irvine, CA 92618
(800) 428-5588

Billing Disclosure Form - *Provided as required by Section 4525**

Effective 1/1/2023

THIS IS NOT AN INVOICE: This form is being provided as required by California Civil Code §4530 and is not intended to be utilized as a total amount due on any specific resale transaction.

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents, but shall not be required to purchase all of the documents listed on this form.

Account Information:

Association:

Property Address:

Owner of Property:

Owner's Mailing Address:

Provider of §4525 Items:

Print Name:

Position/Title:

Date Completed:

Not Available (N/A), Not Applicable N/App), OR Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)

		Fee For Document	
Articles of incorporation or statement that not incorporation	Section 4525(a)(1)	\$48.00	
CC&Rs	Section 4525(a)(1)	\$55.00	
Bylaws	Section 4525 (a)(1)	\$48.00	
Operating Rules	Section 4525 (a)(1)	\$34.00	
Age restrictions, if any	Section 4525 (a)(2)	\$0.00 (Included in CC&Rs)	
Rental restrictions, if any	Section 4525 (a)(9)	\$0.00 (Included in CC&Rs)	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$48.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$0.00 (Included in Budget)	
Financial statement review	Sections 5305 and 4525(a)(3)	\$48.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	\$0.00 (Included in Budget)	
Insurance summary	Sections 5300 and 4525(a)(3)	\$0.00 (Included in Budget)	
Regular assessment	Section 4525(a)(4)	\$0.00 (Included in Statement)	
Special assessment	Section 4525(a)(4)	\$0.00 (Included in Statement)	
Emergency assessment	Section 4525(a)(4)	\$0.00 (Included in Statement)	
Other unpaid obligations of the seller	Sections 5675 and 4525(a)(4)	\$0.00 (Included in Statement)	
Approved changes to assessments	Sections 5300 & 4525(a)(4), (8)	\$0.00 (Included in Budget)	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7) & 6100	See disclosure if applicable	
Preliminary list of defects	Section 4525(a)(6), 6000 and 6100	See disclosure if applicable	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	\$0.00 (Included in Statement)	
Required statement of fees	Section 4525	\$0.00 (Included in Statement)	



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15421 Laguna Canyon Road
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Billing Disclosure Form - *Provided as required by Section 4525**

Effective 1/1/2023

Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$97.00
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TOTAL FEES for these documents:

\$378.00 DO NOT PAY

*The Information provided in this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. The documents listed on this form are the property of the Association, and not FirstService Residential. Please visit www.fsresidential.com/california, click Order Documents & Certifications in the upper left-hand corner, and follow the instructions to download a full list of fees and services.

Dispute Resolution Procedures: Alternative Dispute Resolution and Internal Dispute Resolution

ALTERNATIVE DISPUTE RESOLUTION

5925. As used in this article: (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

(1) Enforcement of this title.

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).

(3) Enforcement of the governing documents of a common interest development.

5930. (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in the Code of Civil.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935. (a) Any party to a dispute may initiate the process required by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

(4) If the party on whom the request is served is the owner of a separate interest, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

5940. (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

5945. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

5950. (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the

court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955. (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

5960. In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965. (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

(b) The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process.

INTERNAL DISPUTE RESOLUTION

5915. Statutory Dispute Resolution Procedure

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The association's board of directors shall designate a member of the board to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

(c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of the common interest development or association.

(2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

(d) A member of the association may not be charged a fee to participate in the process.