

CONCERTO LOFTS MAINTENANCE CORPORATION ASSOCIATION
Annual Budget Report: Cover Letter
Fiscal Year: January 1, 2024 – December 31, 2024

November 17, 2023

RE: Annual Budget Report and Annual Policy Statement

Dear Concerto Lofts Maintenance Corporation Member:

Enclosed are copies of the Annual Budget Report and Annual Policy Statement for the fiscal year of **January 1, 2024 – December 31, 2024**. This information is required to be distributed to each association member in accordance with California Civil Code §§ 5300 and 5310.

Effective January 1, 2024, the monthly assessment will increase by an average of 8.3% per unit, per month. Please see the attached unit assessment schedule as the Association calculates assessments on a variable basis. Please also note that we have a new accounting software, so your account number was changed from a 7-digit number to a 12-digit number, effective August 1st. To help make things easier, the last 7 digits of your account have remained the same. Here are some items to consider since the assessments have changed:

- *If you are set up for automated recurring payments via Seabreeze Management Company's free Direct Debit (ACH) program, your payment will automatically be adjusted to reflect the increase.*
- *If you pay by check with your statement, please be sure to pay attention to the new fee and adjust accordingly.*
- *All other methods of payment including eCheck or credit card via <https://commarea.cincwebaxis.com> or auto-payments you schedule with your own bank, credit card, or other automatic deduction system must have the payments adjusted to ensure the credits are properly applied going forward. It's important to note that even though the eCheck and credit card payments are made through <https://commarea.cincwebaxis.com>, users are the ones who input the amounts and Seabreeze employees cannot change those for you.*
- *Additionally as noted, this year due to a change in the accounting system, your account number was changed from a 7-digit number to a 12-digit number -- **please make that change with your bill-payment company to ensure the credits are properly applied going forward.***

The Association must provide for reserve funds to maintain, repair or replace major components identified in a reserve study, which is mandated by California law. The current assessment program in the budget does provide funding for reserves. A reserve study has been completed and is available for review upon request; however, a summary of the study is enclosed.



BAY AREA
COACHELLA VALLEY
INLAND EMPIRE
LAS VEGAS
LOS ANGELES
ORANGE COUNTY
SAN DIEGO

Last year, the Association's reserve study reflected the following items for repair and/or replacement this year, but these items have not been completed yet for the reasons noted below:

<i>Reserve Component</i>	<i>Reason for Deferral</i>
Paint: Wood and Metal Surfaces	These areas do not require paint at this time will review for 2025.
Elevated structure evaluation	Evaluation will be scheduled for 2024.
Minor Termite	Termite treatment done as needed.
Elevator Door Equipment	Not required at this time but recommended by the vendor to add to reserve components to fund for future replacement.
Elevator – 5 -year load test	Due 2024
Tree Trim	Tree trimming completed annually Sept/Oct
Methane Sensors	Replaced with Nov 2023 Reg 4 testing.
Fire Suppression System	Inspected annually with Reg 4 testing.

The Association does not currently have any outstanding loans and did not borrow from reserves.

As of the last board meeting, the Board of Directors does not anticipate the need to levy a special assessment to repair, replace or restore any major component or provide adequate reserves during the next fiscal year.

At the end of the fiscal year: (a) the estimate of cash reserves necessary is \$1,889,876 the amount of actual accumulated reserves is estimated to be 575,578 which equaled 30.5% of actual cash reserves set aside in relation to the estimate of reserves necessary to repair, replace, restore, or maintain the major components.

The following annual policy statement is provided to you in accordance with the requirements of California Civil Code Section 5310.

1. The name and address of the person designated to receive official communications to the Association: Community Manager – Concerto Lofts

Maintenance Corporation, c/o Seabreeze Management, 26840 Aliso Viejo Parkway, Suite #100, Aliso Viejo, CA 92656.

The Association's mailing address for overnight payment of assessment is:

Concerto Lofts Maintenance Corporation
c/o Seabreeze Management
26840 Aliso Viejo Parkway, Suite #100
Aliso Viejo, CA 92656

2. Association members may submit a request to the Association to have the Association's annual budget report, review of the Association's financial statement, the Association's annual policy statement, requests for assessment payments made by the member, pre-lien notices (as described in Civil Code Section 5660), copy of a recorded notice of delinquent assessment, and notice of default, sent to up to two (2) different specified addresses. Such request must be delivered to the Association by e-mail at customercare@seabreezemgmt.com or fax at (949) 855-6678.
3. General notices from the Association to the members will be posted at the following location(s) in the community: www.concertoplayavista.com or the community bulletin board.
4. Association members can arrange to have all general notice items provided to them by individual delivery by submitting a written request to the association by e-mail at customercare@seabreezemgmt.com or fax at (949) 855-6678.
5. Association members may receive copies of minutes, proposed minutes, or summary minutes of meetings of the Association's board of directors (other than meetings held in executive session) by submitting a written request to the person identified in Item 1 above at the address specified in Item 1, or by e-mail at customercare@seabreezemgmt.com or fax at (949) 855-6678. Such minutes, proposed minutes, or summary minutes will be available no later than thirty (30) days after the meeting.
6. The Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of assessments are attached hereto.
7. The Association's discipline policy and schedule of penalties for violations of the Association's governing documents are attached hereto.
8. A summary of dispute resolution procedures is attached hereto.
9. A summary of the Association's requirements for approval of physical changes to property is attached hereto.

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)

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 with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

Budget Summary Report
Concerto Lofts Maintenance Corporation
2024

	<u>2023 Budget</u>	<u>2024 Budget</u>
Income		
5010 - Regular Assessments	592,841.74	641,910.24
Total Income	592,841.74	641,910.24
Total Concerto Lofts Maintenance Income	592,841.74	641,910.24
Administration Expenses		
6010 - Audit	1,200.00	1,300.00
6015 - Reserve Study	800.00	800.00
6026 - Keys/Transmitters/Tags	300.00	300.00
6035 - Office & Postage	6,000.00	3,100.00
6036 - Parcel Service	1,924.00	1,756.80
6040 - Management Services	26,553.00	27,548.76
6045 - Records Storage	175.00	175.00
6046 - 1099 Tax Form Billing	0.00	640.00
6050 - Fees & Licenses	530.00	530.00
6051 - Reg 4 Fire Inspection Fess	7,000.00	7,000.00
6055 - Attorney Fees	10,000.00	10,000.00
6056 - Lien Fees	1,000.00	1,000.00
6061 - Board Meeting Expenses	200.00	0.00
6071 - Website Monitoring	300.00	300.00
6085 - Miscellaneous Administration	0.00	0.00
Total Administration Expenses	55,982.00	54,450.56
Landscape		
6405 - Landscape Contract	22,968.00	22,968.00
6410 - Landscape Extras	2,500.00	2,500.00
6420 - Backflow	300.00	300.00
6425 - Tree Maintenance	0.00	700.00
Total Landscape	25,768.00	26,468.00
Maintenance		
6501 - Building Maintenance Contract	23,499.96	24,960.00
6510 - Lighting Maintenance	1,000.00	1,000.00
6525 - Lighting Supplies	0.00	0.00
6550 - Janitorial Service	70,047.12	46,800.00
6551 - Janitorial Supplies	1,000.00	1,000.00
6553 - Plumbing Repair & Maintenance	13,000.00	40,200.00
6555 - Pest Control	2,856.00	3,000.00
6560 - Pest Control Extras	500.00	500.00
6565 - Termite Treatment	0.00	1,000.00
6570 - Window Washing	8,000.00	6,400.00
6575 - Parking Easement	9,868.56	13,063.00
6585 - Heating & Air/Cooling Towers	1,000.00	1,000.00
6586 - Boiler Maintenance	3,500.00	3,500.00
6587 - Methane System Maintenance	16,452.00	9,230.00
6589 - Emergency Generator	1,600.00	1,800.00
6591 - Elevator	14,163.36	16,453.80
6595 - Miscellaneous	10,000.00	6,500.00
Total Maintenance	176,487.00	176,406.80

Budget Summary Report
Concerto Lofts Maintenance Corporation
2024

	<u>2023 Budget</u>	<u>2024 Budget</u>
Property Protection		
6605 - Access Gate	3,000.00	3,000.00
6613 - Fire Monitoring/Sprinkler Service	3,116.00	3,116.00
6615 - Fire Equipment Repair	3,500.00	3,500.00
Total Property Protection	9,616.00	9,616.00
Utilities Expenses		
6700 - Sewer/Water	72,100.00	76,200.00
6705 - Electric	45,118.12	40,000.00
6710 - Gas	37,316.90	52,428.00
6720 - Telephone	10,464.00	10,980.00
6725 - Refuse	34,153.00	35,856.00
6735 - Internet	2,000.00	2,399.88
Total Utilities Expenses	201,152.02	217,863.88
Insurance Expenses		
6800 - Insurance Master Policy	31,500.00	32,105.00
Total Insurance Expenses	31,500.00	32,105.00
Taxes Expenses		
6850 - Federal Taxes	3,000.00	0.00
6860 - State Income Tax	2,500.00	0.00
Total Taxes Expenses	5,500.00	0.00
Operating Contingency		
8900 - Operating Contingency	10,000.00	5,000.00
Total Operating Contingency	10,000.00	5,000.00
Reserves		
9000 - Reserve Allocation	76,836.68	120,000.00
Total Reserves	76,836.68	120,000.00
Total Concerto Lofts Maintenance Expense	592,841.70	641,910.24
Total Association Net Income / (Loss)	0.04	(0.00)

Concerto Lofts
2024 VARIABLE ASSESSMENT SCHEDULE

Variable Common Expenses per Exhibit F

	GL	Description	Monthly
	6800	Insurance Master Policy	2,675.42
	6710	Gas	4,369.00
	6700	Sewer/Water	6,350.00
	6725	Refuse	2,988.00
	9058	Painting	0.00
	9065	Roof	0.00
	9018	Boiler Heating	0.00

Monthly Variable 16,382.42
Aggregate base sq footage 101,352
Monthly Cost Factor 0.161638810

A. Variable Costs Description

1. Insurance
2. Domestic Gas (if common)
3. Domestic Water/Sewer (if common)
4. Refuse Disposal
5. Paint
6. Roof
7. Hot Water Heater (if common)

Total Variable Cost

		Monthly Fixed Budget		Total		2024		Total Monthly		Total Annual	
# of		Square	Percent vs Sq Ft	Variable	Percent	Monthly	Combined	Assmts this unit	Assmts this unit	Assmts this unit	Assmts this unit
Units	Square Footage	Footage	Total	Variable	Percent	Monthly	Combined	Assmts this unit	Assmts this unit	Assmts this unit	Assmts this unit
3	595	1,785	0.0176119	0.161639	96.18	288.53	416.97	513.14	1,539.43	18,473.13	
3	596	1,788	0.0176415	0.161639	96.34	289.01	416.97	513.30	1,539.91	18,478.95	
9	780	7,020	0.0692636	0.161639	126.08	1,134.70	416.97	543.05	4,887.41	58,648.94	
11	845	9,295	0.0917101	0.161639	136.58	1,502.43	416.97	553.55	6,089.07	73,068.90	
1	1008	1,008	0.0099455	0.161639	162.93	162.93	416.97	579.90	579.90	6,958.79	
2	1010	2,020	0.0199305	0.161639	163.26	326.51	416.97	580.22	1,160.45	13,925.34	
11	1135	12,485	0.1231845	0.161639	183.46	2,018.06	416.97	600.43	6,604.70	79,256.43	
2	1175	2,350	0.0231865	0.161639	189.93	379.85	416.97	606.89	1,213.79	14,565.43	
1	1184	1,184	0.0116821	0.161639	191.38	191.38	416.97	608.35	608.35	7,300.17	
9	1188	10,692	0.1054937	0.161639	192.03	1,728.24	416.97	608.99	5,480.95	65,771.39	
1	1195	1,195	0.0117906	0.161639	193.16	193.16	416.97	610.13	610.13	7,321.51	
1	1198	1,198	0.0118202	0.161639	193.64	193.64	416.97	610.61	610.61	7,327.33	
1	1199	1,199	0.0118301	0.161639	193.80	193.80	416.97	610.77	610.77	7,329.27	
4	1210	4,840	0.0477544	0.161639	195.58	782.33	416.97	612.55	2,450.20	29,402.42	
3	1212	3,636	0.0358750	0.161639	195.91	587.72	416.97	612.87	1,838.62	22,063.45	
1	1222	1,222	0.0120570	0.161639	197.52	197.52	416.97	614.49	614.49	7,373.88	
1	1223	1,223	0.0120669	0.161639	197.68	197.68	416.97	614.65	614.65	7,375.82	
1	1297	1,297	0.0127970	0.161639	209.65	209.65	416.97	626.61	626.61	7,519.36	
1	1307	1,307	0.0128957	0.161639	211.26	211.26	416.97	628.23	628.23	7,538.75	
1	1371	1,371	0.0135271	0.161639	221.61	221.61	416.97	638.57	638.57	7,662.89	
1	1374	1,374	0.0135567	0.161639	222.09	222.09	416.97	639.06	639.06	7,668.71	
1	1375	1,375	0.0135666	0.161639	222.25	222.25	416.97	639.22	639.22	7,670.65	
1	1414	1,414	0.0139514	0.161639	228.56	228.56	416.97	645.52	645.52	7,746.30	
1	1415	1,415	0.0139612	0.161639	228.72	228.72	416.97	645.69	645.69	7,748.24	
12	1435	17,220	0.1699029	0.161639	231.95	2,783.42	416.97	648.92	7,787.03	93,444.36	
1	1436	1,436	0.0141684	0.161639	232.11	232.11	416.97	649.08	649.08	7,788.97	
1	1437	1,437	0.0141783	0.161639	232.27	232.27	416.97	649.24	649.24	7,790.91	
1	1470	1,470	0.0145039	0.161639	237.61	237.61	416.97	654.58	654.58	7,854.92	
1	1753	1,753	0.0172962	0.161639	283.35	283.35	416.97	700.32	700.32	8,403.84	
1	1799	1,799	0.0177500	0.161639	290.79	290.79	416.97	707.76	707.76	8,493.07	
1	2544	2,544	0.0251006	0.161639	411.21	411.21	416.97	828.18	828.18	9,938.12	
89	39,402	101,352	1	5	6,369	16,382.42	12,926	19,295	0	53,493	641,910

Total Per
unit Type

		2023		Increase/Decrease		\$ Increase	
Prior Yr	Prior Yr	Prior Yr	Prior Yr	from Prior Yr	from Prior Yr	\$ Increase	\$ Increase
Variable	Fixed	Combined	Fixed	from Prior Yr	from Prior Yr	\$ Increase	\$ Increase
85.65	391.17	476.82	7.62%	\$ 36.33	1,229.16		
85.79	391.17	476.96	7.62%	\$ 36.34	1,229.57		
112.28	391.17	503.45	7.87%	\$ 39.60	3,915.09		
121.63	391.17	512.80	7.95%	\$ 40.75	4,882.86		
145.10	391.17	536.27	8.14%	\$ 43.63	466.18		
145.38	391.17	536.55	8.14%	\$ 43.67	932.91		
163.38	391.17	554.55	8.27%	\$ 45.88	5,318.97		
169.14	391.17	560.31	8.31%	\$ 46.59	978.02		
170.43	391.17	561.60	8.32%	\$ 46.75	490.24		
171.01	391.17	562.18	8.33%	\$ 46.82	4,417.09		
172.01	391.17	563.18	8.33%	\$ 46.94	491.74		
172.45	391.17	563.62	8.34%	\$ 46.99	492.15		
172.59	391.17	563.76	8.34%	\$ 47.01	492.29		
174.17	391.17	565.34	8.35%	\$ 47.21	1,975.18		
174.46	391.17	565.63	8.35%	\$ 47.24	1,482.21		
175.90	391.17	567.07	8.36%	\$ 47.42	495.44		
176.05	391.17	567.22	8.36%	\$ 47.44	495.57		
186.70	391.17	577.87	8.44%	\$ 48.75	505.69		
188.14	391.17	579.31	8.45%	\$ 48.92	507.06		
197.35	391.17	588.52	8.51%	\$ 50.06	515.81		
197.78	391.17	588.95	8.51%	\$ 50.11	516.22		
197.92	391.17	589.09	8.51%	\$ 50.13	516.35		
203.54	391.17	594.71	8.54%	\$ 50.82	521.68		
203.68	391.17	594.85	8.55%	\$ 50.83	521.82		
206.56	391.17	597.73	8.56%	\$ 51.19	6,294.66		
206.71	391.17	597.88	8.56%	\$ 51.21	524.69		
206.85	391.17	598.02	8.57%	\$ 51.22	524.83		
211.60	391.17	602.77	8.59%	\$ 51.81	529.34		
252.34	391.17	643.51	8.83%	\$ 56.81	568.03		
258.96	391.17	650.13	8.86%	\$ 57.63	574.32		
366.20	391.17	757.37	9.35%	\$ 70.81	676.17		

43,081.34



Concerto Lofts Maintenance Corporation

Playa Vista, CA

Level of Service: **Update "No-Site-Visit"**

Report #: **19820-4**

of Units: 89

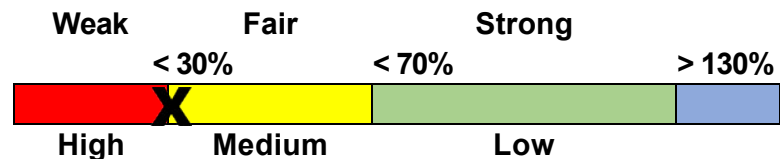
January 1, 2024 through December 31, 2024

Findings & Recommendations

as of January 1, 2024

Projected Starting Reserve Balance	\$575,578
Current Full Funding Reserve Balance	\$1,889,876
Average Reserve Deficit (Surplus) Per Unit	\$14,767
Percent Funded	30.5 %
Recommended 2024 "Monthly Full Funding Contributions"	\$28,700
Alternate minimum contributions to keep Reserve above \$0	\$24,400
Most Recent Reserve Contribution Rate	\$6,403
Annual Deterioration Rate	\$339,073

Reserve Fund Strength: 30.5%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves **2.00 %**

Annual Inflation Rate **3.00 %**

This is an Update "No-Site-Visit", and is based on a prior Report prepared by Association Reserves. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist Sabrina C. Willison RS #334.

The Reserve Fund is at 30% funded level at 30.5 % funded, which is a weak position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently high. The objective of this multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

The Annual Deterioration rate for your Reserve Components is \$339,073.

Based on this starting point, your annual deterioration rate, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to **increase** your Reserve contributions to \$28,700.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$24,400.

To receive a copy of the full Reserve Study, contact the Association.

Assessment and Reserve Funding Disclosure Summary

Concerto Lofts Maintenance Corporation, Playa Vista

For Fiscal Year Beginning: 1/1/2024

of units: 89

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$10,000.00	\$112.36
Total Assessment Income:	\$37,110.10	\$416.97

per: Month

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount Per Unit*	Purpose
------	------------------------	---------

Total: \$0.00

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **No**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*
2025	\$600.00
2030	\$10,000.00
2035	\$10,000.00
2037	\$25,000.00
2040	\$43,000.00

Total: \$88,600.00

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2024
Fully Funded Balance (based on formula defined in 5570(b)4):	\$1,889,876
Projected Reserve Fund Balance:	\$575,578
Percent Funded:	30.5 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$14,767

From the 9/22/2023 Reserve Study by Association Reserves and any minor changes since that date.

* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Sabrina Willison

Date: 11/15/2023

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

30-Year Reserve Plan Starting with Board of Directors 2024 Rate

19820-4

Fiscal Year Start: 1/1/2024						Interest: 2.00 %		Inflation: 3.00 %	
Reserve Fund Strength: as-of Fiscal Year Start Date						Projected Reserve Balance Changes			
				% Increase					
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2024	\$575,578	\$1,889,876	30.5 %	Medium	56.18 %	\$120,000	\$0	\$8,998	\$379,550
2025	\$325,026	\$1,904,881	17.1 %	High	8.00 %	\$129,600	\$53,400	\$3,297	\$506,400
2026	\$4,923	\$1,800,159	0.3 %	High	8.00 %	\$139,968	\$0	\$1,319	\$19,096
2027	\$127,114	\$2,205,009	5.8 %	High	8.00 %	\$151,165	\$0	\$3,247	\$83,648
2028	\$197,878	\$2,566,632	7.7 %	High	8.00 %	\$163,259	\$0	\$4,406	\$122,455
2029	\$243,088	\$2,910,581	8.4 %	High	3.00 %	\$168,156	\$0	\$6,206	\$39,415
2030	\$378,034	\$3,362,172	11.2 %	High	3.00 %	\$173,201	\$890,000	\$7,141	\$1,111,722
2031	\$336,654	\$2,734,980	12.3 %	High	3.00 %	\$178,397	\$0	\$8,285	\$30,747
2032	\$492,589	\$3,214,888	15.3 %	High	3.00 %	\$183,749	\$0	\$10,452	\$133,264
2033	\$553,526	\$3,616,487	15.3 %	High	3.00 %	\$189,262	\$0	\$6,921	\$610,503
2034	\$139,206	\$3,551,849	3.9 %	High	3.00 %	\$194,939	\$0	\$4,220	\$55,168
2035	\$283,198	\$4,070,938	7.0 %	High	3.00 %	\$200,788	\$890,000	\$7,822	\$882,172
2036	\$499,635	\$3,767,867	13.3 %	High	3.00 %	\$206,811	\$0	\$7,002	\$512,276
2037	\$201,172	\$3,851,199	5.2 %	High	3.00 %	\$213,016	\$2,225,000	\$21,018	\$757,763
2038	\$1,902,442	\$3,699,118	51.4 %	Medium	3.00 %	\$219,406	\$0	\$40,284	\$32,672
2039	\$2,129,460	\$4,304,704	49.5 %	Medium	3.00 %	\$225,988	\$0	\$37,759	\$743,462
2040	\$1,649,746	\$4,212,193	39.2 %	Medium	3.00 %	\$232,768	\$3,827,000	\$50,596	\$2,345,840
2041	\$3,414,270	\$2,482,780	137.5 %	Low	3.00 %	\$239,751	\$0	\$70,917	\$41,321
2042	\$3,683,617	\$3,091,952	119.1 %	Low	3.00 %	\$246,943	\$0	\$74,998	\$182,841
2043	\$3,822,718	\$3,590,951	106.5 %	Low	3.00 %	\$254,352	\$0	\$73,028	\$663,702
2044	\$3,486,395	\$3,627,471	96.1 %	Low	3.00 %	\$261,982	\$0	\$70,677	\$231,634
2045	\$3,587,420	\$4,128,488	86.9 %	Low	3.00 %	\$269,842	\$0	\$66,055	\$899,545
2046	\$3,023,771	\$3,975,511	76.1 %	Low	3.00 %	\$277,937	\$0	\$63,490	\$34,490
2047	\$3,330,708	\$4,728,442	70.4 %	Low	3.00 %	\$286,275	\$0	\$61,848	\$819,334
2048	\$2,859,497	\$4,715,647	60.6 %	Medium	3.00 %	\$294,863	\$0	\$58,167	\$250,237
2049	\$2,962,291	\$5,309,317	55.8 %	Medium	3.00 %	\$303,709	\$0	\$62,139	\$71,188
2050	\$3,256,951	\$6,126,515	53.2 %	Medium	3.00 %	\$312,821	\$0	\$36,610	\$3,199,195
2051	\$407,185	\$3,768,319	10.8 %	High	3.00 %	\$322,205	\$0	\$8,906	\$254,115
2052	\$484,181	\$4,395,405	11.0 %	High	3.00 %	\$331,871	\$0	\$5,156	\$789,335
2053	\$31,873	\$4,513,300	0.7 %	High	3.00 %	\$341,827	\$0	\$0	\$891,960

CONCERTO LOFTS MAINTENANCE CORPORATION ASSESSMENT COLLECTION POLICY

Adopted by the Board of Directors on August 11, 2021

Prompt payment of assessments by all Owners is critical to the financial health of the Association. Accordingly, the Board of Directors takes its obligations under the Declaration of Covenants, Conditions and Restrictions ("CC&Rs") and the California Civil Code to enforce the members' obligation to pay assessments very seriously. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. All policies and practices outlined below shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&Rs and applicable sections of the California Civil Code, the following is the Association's Assessment Collection Policy:

1. Regular monthly assessments are due and payable on the **first** (1st) day of each month. It is the responsibility of the Owner of record to pay each assessment in full each month regardless of receipt of a statement.
2. All other assessments, including special assessments, are due and payable on the date specified by the Board in the notice of assessment.
3. Assessments, late charges, interest and fees, and collection costs, including attorney's fees, are both the personal obligation of the Owner of the property at the time the assessment or other sums are levied and a lien/debt on the property.
4. Payments are posted on the date received by the Association. Assessments are delinquent if not paid within **fifteen (15) days** after they become due. If the 15th day falls on a Saturday, Sunday, or bank holiday, the delinquency deadline will be extended until 3:00 p.m. on the next business day.
5. Delinquent assessments shall be subject to a late charge equal to ten percent (10%) of the unpaid assessment or ten dollars (\$10.00), whichever is greater.
6. Interest on all sums imposed in accordance with this Assessment Collection Policy including the delinquent assessments, fees and costs of collection and attorney's fees shall be at a rate of 12% per year, commencing **thirty (30)** days after the assessment becomes due.
7. A Reminder Notice will be sent on or about the 5th of each month to all delinquent Owners if the amount owed is greater than or equal to the current monthly assessment. A fee will be charged for each Reminder Notice sent.
8. Residents who are delinquent may be subject to suspension of the use of Common Area amenities, restrictions on membership privileges, and revocation of voting privileges in upcoming votes of the membership.
9. If the assessment is not paid within **sixty (60) days** of the due date,

the Association will send a letter ("Notice of Intent to Lien") by certified mail to the delinquent Owner's addresses of record, including primary and secondary addresses provided to the Association by Owner, informing the Owner of the following;

The letter described in this Paragraph will be sent to the delinquent Owner at least **thirty (30)** days prior to recording a lien against the delinquent Owner's separate interest. The cost of the letter will be billed to the delinquent Owner's account.

10. An Owner may submit a written request to the Association to meet with the Board to discuss a payment plan for the amount set forth in the Notice of Intent to Lien. The Board shall meet with the delinquent Owner in executive session within **forty-five (45) days** of the date of the postmark of the request. If there is no regularly scheduled Board meeting during this period, then the Board may designate a committee of one or more Board members, but less than a quorum, to meet with the Owner.
11. If the delinquent Owner fails to pay the amount set forth in the Notice of Intent to Lien (a) within thirty (30) days of the date of receipt of the Notice of Intent to Lien, or (b) in the event the delinquent Owner fails to submit a request to meet, as set forth in the Paragraph above, within **thirty (30) days** of the date of the receipt of the Notice of Intent to Lien, then the Board may resolve to record a lien against the Owner's separate interest. The delinquent Owner will be charged for the lien costs associated with preparation and recordation of the lien. An itemized statement of the charges owed by the Owner will be recorded together with the lien.
12. A copy of the recorded lien shall be sent via certified mail to every person who is shown as an Owner of the separate interest in the Association's records no later than **ten (10) days** after recordation. Notices shall also be sent to any secondary address provided by Owner.
13. After recordation of a lien, all subsequent payments made by personal check will be held for posting pending verification of funds and clearance by the bank.
14. If an Owner is delinquent for **thirty (30) additional days** after the lien has been recorded, the 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. Costs associated with the preparation of documents required to open the case file with the attorney or collection agent will be the responsibility of the delinquent Owner.
15. No assessment lien may be foreclosed until (a) the amount of the delinquent assessments secured by the lien (exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees or interest) equals or exceeds \$1,800.00, or (b) the assessments are more than twelve (12) months delinquent. If the Association chooses to foreclose a lien under these circumstances, it shall, prior to foreclosing, offer the Owner an opportunity to "meet and confer" regarding the delinquency, in accordance with Civil Code Section 5900 or participate in alternative

dispute resolution with a neutral third party pursuant to Civil Code Section 5925. The decision to pursue dispute resolution, or a particular type of alternative dispute resolution is the Owner's choice; however, binding arbitration shall not be available if the Association intends to initiate judicial foreclosure.

16. The decision to initiate foreclosure of a lien must be made by the Board and may not be delegated to an agent of the Association. The Board's decision to foreclose a lien must be by a majority vote of the Board members in executive session, and the Board's vote shall be recorded in the minutes of the next regular session meeting. The Board shall maintain the confidentiality of the Owners by identifying the matter in the minutes by the parcel number of the separate interest, rather than the name of the Owners. A Board vote to approve foreclosure of a lien shall take place at least **thirty (30) days** prior to any public sale.
17. The Board shall provide notice of its decision to foreclose on an assessment lien by (a) personal service to the Owner if the Owner occupies the separate interest, or to the Owner's legal representative, or (b) first class mail, postage prepaid, at the most current address for the Owner shown on the books of the Association, including primary and any secondary address provided by Owner, if the Owner does not occupy the separate interest.
18. A nonjudicial foreclosure is subject to a **ninety (90) day** right of redemption.
19. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association and the Association may turn the matter over to legal counsel at any time.
20. The mailing address for overnight payment of assessments is:
Seabreeze Management Company, Inc.
26840 Aliso Viejo Pkwy, Suite 100
Aliso Viejo, CA 92656
21. The Association may alternatively file a civil action in Small Claims Court.
22. In the event that the Association files an action against an Owner for unpaid Assessments, and that separate interest is, or becomes rented or leased at any time during the pendency of the action, the Association shall have the right to request that the Court order Owner to assign all rents due from the renter/lessor of the separate interest to the Association until such time as all Assessment delinquencies are cured.

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)

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).

An association distributing the notice required by this section to an Owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section [11211.7](#) of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.

IMPORTANT HOMEOWNER NOTICE

SUMMARY OF INTERNAL DISPUTE RESOLUTION PROCESS AND ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

ASSOCIATION'S INTERNAL DISPUTE RESOLUTION PROCESS ("IDR").

In accordance with Civil Code Section 5900 et seq., the Association has adopted the following internal dispute resolution process to be followed by the Association and owners in connection with disputes relating to the enforcement of the Association's governing documents, the Davis-Stirling Common Interest Development Act (Civil Code Section 4000 et seq.) and Section 7110 et seq. of the Nonprofit Mutual Benefit Corporation Code (collectively, the "Disputes").

Either party to a Dispute 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) An owner 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.
- (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.
- (6) The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied: (a) The agreement is not in conflict with law or the governing documents of the common interest development or association; and (b) 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."

Please note that a member of the association may not be charged a fee to participate in the process.

ALTERNATIVE DISPUTE RESOLUTION ("ADR").

Please be advised that California Civil Code Section 5925 et seq. Requires that the Association and owners endeavor to submit certain types of disputes to ADR prior to initiating a lawsuit. This notice merely provides a summary of the statute. If there is a dispute which may require ADR pursuant to Civil Code Section 5925 et seq., please review all of the provisions of the statute or seek your own independent legal counsel.

PARTIES BOUND BY THE STATUTE

The parties required to comply with the new statute are the Association (through the Board of Directors) and any owners of record.

DISPUTES SUBJECT TO THE STATUTE (QUALIFYING DISPUTES)

Section 5930 provides that the Association or owners may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to ADR. An “enforcement action” is defined as a civil action or other proceeding for any of the following purposes:

- 1) Enforcement of the Davis-Stirling Common Interest Development Act (Civil Code Section 4000 et seq.);
- 2) Enforcement of the California Nonprofit Mutual Benefit Corporation law, commencing with Corporations Code Section 7110; or
- 3) Enforcement of the Association’s governing documents.

Where, however, an owner has a private dispute with another owner or a tenant, or the Board has a dispute with a third party such as a landscaper, such a dispute is not within the confines of the statute.

DISPUTES SPECIFICALLY EXCLUDED FROM THE STATUTE

The ADR statute 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 \$5,000. The following types of disputes are specifically excluded from being required to resort to ADR:

- 1) A Small Claims action;
- 2) Assessment collection, except as provided for in Civil Code Section 5620;
- 3) Claims for money damages in excess of \$5,000 in conjunction with a claim for declaratory, injunctive or writ relief;
- 4) Action for preliminary or temporary injunctive relief; and
- 5) The filing of a cross-complaint in response to a complaint already filed.

COMPLIANCE PROCEDURES

- A. **INITIATING PARTY.** The party pursuing the dispute, prior to filing any lawsuit, must serve on the other party a “Request for Resolution” including the following information and language:

- 1) A brief description of the dispute;

- 2) A request that the matter be submitted to ADR;
 - 3) A notice that the party receiving the Request for Resolution (the "Responding Party") is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected; and
 - 4) If the party on whom the Request is served is an owner: a copy of Civil Code Section 5925 et seq.
- B. SERVICE.** A Request for Resolution may be served by personal delivery, First-Class mail, express mail, facsimile transmission or other means reasonably calculated to provide the Responding Party actual notice of the Request.
- C. RESPONDING PARTY'S OBLIGATION.** Upon receipt of a Request for Resolution, the Responding Party, whether the Association or an owner, has thirty (30) days in which to either accept or reject the Request. In the event no such response is received, the Request is deemed "rejected."
- D. TIME FOR COMPLETION OF ADR.** Where the Request is accepted, the parties must complete the ADR within ninety (90) days of receipt of the acceptance. However, the parties can stipulate in writing to extend this period.
- E. COST OF ADR.** The cost of ADR shall be borne by the parties.
- F. TOLLING OF STATUTE OF LIMITATIONS.** If a Request for Resolution is served before the end of the applicable statute of limitations, the time limitation is tolled for certain periods specified in Civil Code Section 5945.
- G. CERTIFICATE.** In the event that a lawsuit is eventually commenced, the party filing must 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 5925 et seq.; (2) one of the parties to the dispute did not accept the terms offered for alternative dispute resolution; or, (3) preliminary or injunctive relief is necessary.

CONSEQUENCES FOR FAILURE TO COMPLY WITH THE ADR LAW

The failure to file the aforementioned certificate with the Court is grounds for a demurrer or motion to strike unless the Court finds that dismissal of the action for failure to comply would result in substantial prejudice to one of the parties. Additionally, in awarding attorney's fees and costs, a court may consider whether a party's refusal to participate in ADR before commencement of the enforcement action was reasonable. As a result, it is important to seek independent counsel in the event that you, as an owner have further questions.

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 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.

The preceding summary has been provided in accordance with Civil Code Section 5965.

CONCERTO LOFTS MAINTENANCE CORPORATION DESIGN STANDARDS

Design Review Guidelines

INTRODUCTION TO THE ARCHITECTURAL GUIDELINES

These Design Review Guidelines are designed with the goal of maintaining the aesthetic beauty of the Concerto Lofts Community.

Prior to making any Improvements to your Condominium and/or any Exclusive Use Easement Area appurtenant to your Condominium such as your balcony or patio (collectively "Residential Unit"), you must first submit a complete Architectural Application to the Board or, if there is one, to the Architectural Committee. After receiving written approval from the Board, all approvals must then be submitted to the Master Association, PVPAL, to receive written approval prior to commencement of work. The PVPAL Design Review Committee has up to 45 days for the review of any application. After you comply with applicable city/governmental agencies, you may install your Improvements, or undertake your approved action. Please review these Design Review Guidelines prior to completing your application form to ensure your submittal is complete. In the event of a conflict between these Architectural Guidelines and the Declaration, the Declaration shall prevail.

As a member of the Association you are also subject to ALL PVPAL Declarations, Standards and Guidelines. You are required to submit all architectural requests to Concerto Lofts Maintenance Corporation and to PVPAL in order to be in compliance.

PURPOSE

These Design Review 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 Concerto Lofts.

As set forth in the Declaration, the Board has the power to review and approve all Improvements upon or around any Residential Unit.

The Board also has the power to delegate its review and approval rights under Article 6 of the Declaration to a Design Review Committee. If the Board appoints a Design Review Committee, all rights contained in these Design Review Guidelines shall apply to the Design Review Committee, and all references to the Board shall be deemed to refer to the Design Review Committee.

SUBMITTAL OF APPLICATION FOR ARCHITECTURAL APPROVAL

Submittal of Application: Prior to the commencement of any addition, alteration, construction work or other Improvements of any type on any Residential Unit, an Owner must first submit an application to the Board for approval of such work. Unless specifically exempted under these Architectural Guidelines, you should submit an application for approval of all Improvements in accordance with the procedures set forth below. The following is intended to describe some of the Improvements which require approval by the Board. Even though a proposed Improvement may not be listed below, you should submit an application for your proposed Improvement, unless the Declaration or Design Review Guidelines specifically exempts that particular Improvement from architectural review.

1. Residential Units. Board approval is required for the following proposed Improvements to Residential Units.
 - a. **Interior Improvements:** All Interior Improvements to your Residential Unit (including modifications and alterations), require the approval of the Board. For the purpose of these Architectural Guidelines, the term "Interior Improvements" shall include, but not be limited to:
 - Flooring (tile, marble, granite, wood, etc.)
 - Window coverings including draperies, blinds, shades, shutters, etc.
 - Plumbing
 - Security system

- Permanent fixtures
 - Ceilings and columns
 - Any other Improvement which may impair or alter the structural integrity of the building or the Residential Unit.
- b **Electrical, Heat and Plumbing:** New installations or changes to any originally installed electrical, heating or plumbing of any kind require approval by the Board.
- c **Flooring:** Any flooring to be installed within the Residential Units requires approval by the Board.
- d **Window Coverings:** All window coverings shall be of a neutral color harmonious with and not conflict with the color scheme of the exterior wall surface of the Community.
- e **Interior Changes or Additions:** Any change or modification impacting the structural integrity of walls, ceilings, columns or transference of sound requires the approval of the Board.
- f **Umbrellas:** Placement of more than one umbrella on any patio or balcony requires the approval of the Board. So long as an resident is only placing one umbrella per balcony or patio and the umbrella is of a solid, neutral color which is harmonious with and does not conflict with the color scheme of the exterior wall surface of the Condominium or the Project, the approval by the Board is not required.
- g **Entry Door Hardware:** Owners shall not remove or replace any hardware on any entry doors without the prior approval of the Board. Owners may re-key, but changing the hardware changes the outside aesthetics of the Condominium Building.

Failure to Obtain Approval: Failure to obtain approval by the Board and by PVPAL may constitute a violation of the Declaration, and may require modification or removal of unauthorized work of Improvements at your expense. In addition, a building or other permit may be required by the County or City Building Department, or other governmental agencies prior to the commencement of any work. Neither the Board, nor the Association, assumes any responsibility for failure to obtain such permits. Also, obtaining such permits does not waive the obligation to obtain Board approval.

Declarant Approvals: In addition to the approvals by the Board, any Improvements within a Residential Unit, including its Exclusive Use Easement Areas, or the surrounding Common Area shall, require the prior written consent of the Declarant for until the date a certificate of occupancy is issued for the last Residential Unit in the Project, unless the Declarant has notified the Association, in writing, that it (i) waives its consent to the particular work of Improvement, or (ii) no longer desires to exercise such right of review and approval for any future works of Improvement.

ARCHITECTURAL REVIEW SUBMITTAL REQUIREMENTS

Send requests to:

Concerto Lofts Maintenance Corporation
Attention: Concerto Lofts Architectural Review
Seabreeze Management Company
750 N Vincente Suite 800
West Hollywood, CA 90069
(800)232-7517

ARCHITECTURAL REVIEW PROCESS AND PROCEDURES

Application for Approval: All applications for any Improvements requiring approval by the Board must be submitted in writing on the Home Improvement Form found in the "Forms" section of this Community Handbook ("Home Improvement Form"), together with the items described below ("Submittal Package"). A copy of the Home Improvement Form can also be obtained from the Property Management Company.

Delivery of Submittal Package: The Submittal Package and any re-submittals must be delivered 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 Improvements (other than patio furnishings and window coverings) must include three (3) sets of each of the following:

- Home Improvement Form
- Plans and specifications showing the location, nature, kind, shape, height and materials, including the color and any other requirements set forth herein ("Plans and Specifications"), clearly indicating all proposed modifications
- Description of materials and colors and material samples
- A proposed construction schedule (including proposed start and completion dates)
- Certificates of insurance (including contractors exclusions and proof of valid workers compensation insurance)
- Permits and licenses, if applicable
- \$50.00 Application Processing Fee made payable to the Concerto Lofts Maintenance Corporation

NO REVIEW WILL OCCUR unless all required plans, forms, fees and information for your proposed improvement(s) are included in your Submittal Package.

The Submittal Package with the appropriate fees and deposits should be sent to the address set forth above.

Submittal Package Review Fees – Made Payable to Concerto Lofts Maintenance Corporation

1. **Application Processing Fee:** Each Owner must pay \$50.00 as an application processing fee ("Application Processing Fee"). The Application Processing Fee is payable to the Property Management Company.
2. **Outside Consultant Fee:** The Board may also require an Owner to pay any fees, costs or expenses associated with the review and approval of the Owner's Plans and Specifications by an Outside Consultant or any costs associated with the review of the Plans and Specifications by an architect on the Architectural Committee, if any.
3. **Additional Fees:** Additional fees may be imposed on Owners if determined necessary, based upon the complexity or scope of the Submittal Package and/or to retain consultants. If such fees are determined necessary, you will be notified by the Property Management Company and you will be required to submit the additional fee(s) within ten (10) days of the request.

Review of Application: The Property Management Company, upon behalf of the Board, will review the Submittal Package and Submittal Fee to ensure that it contains all of the information 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 are paid. Failure to submit a complete Submittal Package and include the appropriate fees with the Submittal Package will constitute an incomplete application, and the application will be returned to the Owner for completion prior to 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) 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 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 such thirty (30) day period, then the Owner shall have the right to deliver a reminder notice to the Board and Property Management Company. If the Owner fails to receive a response within thirty (30) days after delivery of the Owner's reminder notice to the Board and the Property Management Company, the Submittal Package will be deemed approved provided that any Improvements conform to all conditions and restrictions contained in this Community Handbook and the Declaration and are in harmony with similar structures erected within the Project.

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 forty-five (45) 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.

As a member of the Association, you are also subject to all PVPAL Declarations, Standards and Guidelines. You are required to submit all architectural requests to the PVPAL Design Review Committee in order to be in compliance. After receiving approval from the Coronado Maintenance Corporation, all approvals must then be submitted to the Master Association, PVPAL, to receive written approval prior to commencement of work. The PVPAL Design Review Committee has up to 45 days for the review of any applications. (PVPAL attempts to approve all applications within two (2) to four (4) weeks, as a general rule.)"

Improvement Plans:

Plans and Specifications for works of Improvement must be prepared in accordance with the applicable building codes, and with sufficient clarity and completeness to enable the Board to make an informed decision on your request.

Diligence in Construction:

Upon final approval by the Coronado Maintenance Corporation and PVPAL of the Submittal Package, the Owner shall promptly commence construction and diligently pursue completion of the construction in conformance with the construction schedule.

GENERAL CONDITIONS

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

1. **Building Permits:** Building permits may be required for certain Improvements or changes. The applicant shall obtain Board approval of any Improvements requiring a building permit prior to requesting such permit from the City.
2. **Damage to Common Area and/or Association Property:** An Owner shall be responsible for any damage to the Common Area and/or Association Property. All applicable charges for restoration will be charged back to the Owner by the Coronado Maintenance Corporation and are due and payable within thirty (30) days from notification to the Owner.

3. Effect of Approval: Approval of plans is not authorization to proceed with Improvements on any property other than the Residential Unit, including its Exclusive Use Easement Area, if applicable, owned by the applicant.
4. Building Code Requirements: It shall be the responsibility of the Owner to ensure that proposed modifications shall be consistent with applicable building code requirements. No Improvements will be permitted that could impair the structural integrity or mechanical systems of the Project, or lessen the support of any portion of the Project.
5. Access to Residential Unit: To the extent permitted under California Civil Code Section 1360, each Owner may modify his or her Residential Unit and the route over the Association Property leading to the front door of his or her Residential Unit, at his or her sole expense, to facilitate access to his or her Residential Unit by persons who are blind, visually impaired, deaf or physically disabled, or to alter conditions which could be hazardous to such persons. Upon moving out of a Residential Unit, the Owner shall be obligated to remove any modifications and restore the area to its original condition. If an Owner fails to do so, the Association may do so on the Owner's behalf and the Owner shall be liable to reimburse the Association for all of its costs and expenses.

REQUIREMENTS FOR CONTRACTORS, SUBCONTRACTORS AND ANY OTHER WORK

Insurance and Contractors License: Each Owner shall ensure that all contractors, subcontractors, or any other person or entity who/which performs work on or within the Project, including the interior of any Residential Unit, shall provide proof of insurance, proof of valid workers compensation insurance, a California State Contractors License (if applicable) to the Board. **The Association shall be named as an additional insured on the Certificates of Insurance for the period of time the work is in progress.**

Registration of Work: All contractors, subcontractors, or any other persons, who perform work on or within the Project including the interior of any Residential Unit, shall provide prior notice to the Property Management Company and shall wear an identification badge, and must follow the map provided by the Property Management Company. A representative of the Property Management Company has the right to accompany the person or persons performing the work and take photographs of the condition of the Common Area or Association Property prior to the commencement of the work and after completion of the work.

Damage: Any damage caused by contractors or sub-contractors to any Common Area, Association Property or Residential Units is the Owner's responsibility. Any damage must be reported immediately to the Property Management Company. The Owner will be held liable for the actions of his/her contractors, subcontractors and/or workers and the Owner will be responsible for any costs of repair incurred by the Association.

Protecting Floor Areas: All floor areas are to be protected with carpet runners from the elevator to the Residential Unit. The protective coverings must be removed and the floor cleaned by 5:00 P.M. each day.

Trash and Debris: All trash and debris must be carried off-site on a daily basis. Neither the trash bins in the Parking Garage, nor the trash chutes, may be used for disposing of construction debris.

Electrical and Plumbing: All electrical and plumbing work must be performed by a contractor licensed in the State of California in accordance with authorized Plans and Specifications. All plumbing must be properly insulated for sound and must be isolated from walls, studs, joists, ceilings and flooring.

Utility Shutdowns: Any plan to temporarily disconnect for any reason a Residential Unit's utilities must occur on a date coordinated with the Property Management Company at least one (1) week prior to the proposed date for interruption of utility service. If any Property Management Company or Association staff is used, the Owner must pay all expenses (including overtime) when using the employee.

Working Hours: Working hours for any Improvements are limited to Monday through Friday, 8:00 a.m. to 5:00 p.m., and Saturday from 9:00 a.m. to 5:00 p.m. No work is allowed on Sunday or on the following holidays: New Year's Day, Memorial Day, 4th of July, Labor Day, Thanksgiving, Yom Kippur and Christmas Day. Workers may access the Project thirty minutes before the applicable "Working Hours," but may not make any disruptive noise until "Working Hours" begin.

Parking of Vehicles: Contractors must park vehicles in accordance with the Community Guidelines and any other requirements established by the Association.

Conduct by Workers: Workers are not allowed to bring their pets within the Project and will be denied entry if they have a pet with them. Workers are prohibited from creating nuisance noise unrelated to the construction work. Workers are also prohibited from eating meals or taking breaks on the grounds in the Common Area or Association Property. All workers must wear shoes, pants or shorts and shirts with sleeves in the building at all times. No workers may use the power from the hallway.

Selection of Contractors: The Owner may select any general contractor he/she chooses or act as the general contractor and hire sub-contractors. All contractors must be licensed in the State of California and must have Workers Compensation Insurance and General Liability in amounts deemed adequate by the Board.

Property Damage Insurance, Certificates of Insurance: Certificates of insurance must be presented to the office and no work will be allowed until the certificates are submitted.

Stopping Work: The Association has the right to stop any work that is in violation of these regulations, creates a fire or safety hazard, or interferes with activities in Common Area or Association Property.

Fire Safety Devices: No one shall remove any permanent smoke detectors, sprinklers, security speakers or fire safety devices anywhere in or about a Residential Unit, the Common Area or the Association Property. If spray paint, sanding, or any other work that could potentially set off the smoke detectors or fire sprinklers will be performed, it is permissible to cover smoke detectors and/or fire sprinklers with plastic (and no other material), but the plastic **must be removed at the end of the each day. A fine of \$500 will be charged for each smoke detector or fire sprinkler left covered overnight.** Arrangement with the Association needs to be made in order to cover and protect smoke detectors located in the Common Area corridors adjacent to the Residential Unit.

Fire exits and hallways may not be blocked at any time. A fine of \$100 will be charged for blocking fire exits.

Equipment: Contractors must use their own equipment. The use of Common Area electricity facilities, and Association tools and equipment is prohibited. Workers are also prohibited from using their equipment in the parking areas or garage or other Common Area. The Association is not responsible for the disappearance of any tools, equipment or materials left in the Common Area or Association Property.

Minimizing Dirt, Etc.: The front door of each Residential Unit must be kept closed during construction in order to contain dust, dirt, noise, paint fumes, etc.

Owner Responsibility: Each Owner is responsible for any violations by such Owner's contractor or subcontractors of the Architectural Guidelines, the Association Rules and the Declaration.

Smoking: Smoking is prohibited throughout the entire Community by any contractor or subcontractor performing work for any resident.

FAILURE TO COMPLY WITH REQUIRED PROCEDURES

If any architectural change is made without the approval by the Board or any violation of the Architectural Guidelines occurs, the Board may deliver written notice of violation to the Owner ("Violation Notice"). The Violation Notice shall specify a time period for removal of the non-conforming Improvement which the Board reasonably determines is necessary to remove the non-conforming Improvement. The Owner shall, upon receipt of the Violation Notice remove the non-conforming Improvement within the time period specified in the Violation Notice or make an appeal to the Board in writing (if an Architectural Committee is formed, violation notice appeals should still be made to the Board). If an Owner fails to file an appeal within thirty (30) days of the receipt of the Violation Notice, the Owner shall have waived any right to appeal.

Upon receipt of a written appeal, the Board shall, if there is a fine schedule adopted by the Board, stay the enforcement of the fine or imposition of any further fines until an appeal hearing has been concluded. Within thirty (30) days of 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 the Owner shall have the opportunity to present any information or evidence to have the fine excused or mitigated. The decision of the Board shall be final.

APPROVED WITH CONDITIONS

A copy of the executed request form and an approval report or a copy of the plans stamped and signed by the Board will be returned to the applicant. The plans will contain Board changes or stipulations that shall become a part of the plans and shall represent the terms and conditions of approval to be satisfied by the Applicant. All use restrictions contained in the Declaration shall be in full force and effect and shall control the construction activities of the Owner.

DISAPPROVAL BY THE ARCHITECTURAL COMMITTEE (APPEAL)

If the Architectural Committee is appointed and the Architectural Committee disapproves any application or approves any application with conditions, the party or parties making such application may appeal in writing to the Board. The Board must receive the written request for appeal not more than thirty (30) days following the disapproval decision of the Architectural Committee. Within thirty (30) days following receipt of the written request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within the thirty (30) day period shall be deemed a decision against the appellant. The decision the Board on an appeal shall be binding and final.

INSPECTION AND CORRECTION OF WORK

Right of Inspection During Course of Construction: The Board or its duly authorized representative may enter into any Residential Unit during the course of construction or installation of any Improvements for the purpose of inspecting such construction and/or installation to determine whether it was performed in substantial compliance with the approved Plans and Specifications, the contractor's guidelines and applicable governmental regulations. If the Board determines that such construction and/or installation is not being done in substantial compliance with the approved Plans and Specifications, it shall notify the Owner of such non-compliance. If the Board determines that such construction and/or installation is not being done in substantial compliance with the contractor's guidelines or applicable governmental rules and regulations, work may be stopped ("red-tagged") by the Board, the City of Los Angeles, AQMD or CalOSHA until the work complies with the applicable standards. Copies of inspection sign-off(s) by the City of Los Angeles shall be provided to the Property Management Company and/or the Board before work can re-commence.

The Board may not enter into a Residential Unit without obtaining the prior permission of the Owner or occupant of such Residential Unit; provided, however, that such permission shall not be unreasonably withheld and shall be given for entry by the Board or Architectural Committee during the daylight hours within forty-eight (48) hours of the request for entry.

Notice of Completion: Upon the completion of any construction or reconstruction or the alteration or refinishing of any Improvements, or upon the completion of any other work for which approved Plans and Specifications are required, the Owner shall give written notice of completion thereof to the Board.

Inspection: Within thirty (30) days thereafter the Board, or its duly authorized representative, shall have the right to enter into Residential Unit, as provided in Section 9.6.3 of the Declaration, to inspect such 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, reconstruction, alteration or refinishing was not done in substantial compliance with the approved Plans and Specifications, it shall notify the Owner in writing of such non-compliance within such thirty (30) day period, specifying particulars of non-compliance, and shall require the Owner to remedy such non-compliance.

Non-Compliance: If, upon the expiration of thirty (30) days from the date of such notification, the Owner shall have failed to remedy such non-compliance, the Board after affording such Owner notice and hearing, shall determine whether there is a non-compliance, and if so, the nature thereof and the estimated cost of correcting or removing the

same. If non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than thirty (30) days from the date of the Board ruling. If the Owner does not comply with the Board ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying Improvement or remedy the non-compliance and the Owner shall reimburse the Association for all costs and expenses incurred in connection therewith upon demand and release the Association from any claims arising from such work. If such expenses are not promptly repaid by the Owner to the Association, the Board shall levy an enforcement assessment against such Owner for reimbursement.

Review Oversight: Any architectural approval involving an oversight of the Declaration or architectural review policy does not constitute a waiver of that rule and therefore, must be corrected upon notice by the Board.

ARCHITECTURAL STANDARDS

The standards set forth below shall apply to the Improvements within the Project. These standards are in addition to the standards set forth in the Community Guidelines and the other Governing Documents.

DRAINAGE

There shall be no interference with the established drainage patterns over any Residential Unit, including any Exclusive Use Easement Area, Common Area or Association Property unless an adequate alternative provision is made for proper drainage and written approval is obtained from the Board. The installation of any tile or other flooring material on balconies or patios is strictly forbidden, as it will interfere with proper drainage.

Failure to make adequate provisions for proper drainage in the event it is necessary to change the established drainage over a Residential Unit could cause major problems and result in imminent danger to person(s) or property of other residences.

If an Owner alters the drainage, or if Owner installs Improvements in such a way as to alter the drainage, such Owner, not the Association, will be responsible for any resulting consequences in any way related to drainage. Owner is responsible for any damage caused by Owner's failure to properly provide for adequate drainage.

LIGHTING (EXTERIOR)

No exterior electrical, gas or other artificial exterior lighting shall be installed (including holiday lights), other than lighting initially installed by Declarant.

WINDOW COVERINGS AND TREATMENTS

GUIDELINES:

1. Each Owner shall, within one hundred eighty (180) days after the close of escrow for his or her Residential Unit, install window coverings on all windows. All window coverings must be of a neutral color harmonious with and not conflict with the color scheme of the exterior wall surface of the Residential Unit. Window coverings may consist of curtains, draperies, blinds, shades or shutters. Aluminum foils or other reflective materials, bed sheets, papers, and the like may not be applied to windows, at any time.

2. To enhance the appearance of the building, curtains, drapes, shutters, blinds, and other window materials subject to view from the exterior shall be restricted as to the color of the side exposed to the exterior. Only window coverings and materials of a neutral color are allowed and approved.
3. Each Owner is responsible for the care and maintenance of the window coverings. Drapes, curtains, shutters, blinds and other window materials must be kept in good condition. The Association can compel an Owner to replace shabby and torn materials exposed to the exterior.
4. No exterior screens are permitted unless (i) installed in connection with the original construction of the Project, or (ii) screens which are replacement of existing screens, or (iii) screens which an Owner places on French doors or entry doors, subject to Architectural approval.

STRUCTURAL LOAD CHANGES

The upper floors in Concerto Lofts are designed to support a forty (40) pound per square foot live load plus a twenty-five (25) pound per square foot dead load as outlined in the Uniform Building Code, Table 16A, Item 12. Any modifications to a Residential Unit that might increase such load of a Residential Unit's floor must be approved by a structural engineer and the Board. 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 aquariums.

STRUCTURAL ALTERATIONS

Except as permitted under the Declaration, no structural alterations to the interior of the Common Area surrounding any Residential Unit 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 Owner without the prior written consent of the Board.

FLOORING

SUBMITTAL REQUIREMENTS:

No Owner shall install flooring (including without limitation tile or hardwood floors) or replace any flooring unless the prior approval of the Board has been obtained. Any installation of 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 Residential Units below the floor either directly through the floor or by going around the floor and through the surrounding walls.

GUIDELINES:

1. STC and impact insulation class will be approximately 57 for carpet and pad
2. STC and impact insulation class will be approximately 55 for wood or tile.
3. All floor areas within a Residential Unit shall be covered with materials designed to minimize noise transmission. The installation of carpet must also include the installation of padding if the Residential Unit is situated on any floor above any other Residential Units or any Common Areas.

SOUND ATTENUATION

In any multi-family dwelling, sound may be audible between units, particularly where the sound level of the source is sufficiently high and the background noise in an adjacent Residential Unit is very low. Each Resident shall endeavor to minimize any noise transmission from his or her Residential Unit, and shall adhere to any of the Community Guidelines which are designed to minimize noise transmission.

GUIDELINES:

1. No modifications shall be made to any Residential Unit which would result in a reduction in the minimum impact insulation class of the Residential Unit.
2. Speakers, of any kind, for electronic equipment, including without limitation, televisions, stereos, Ipods, and computer systems, may not be attached, installed or hung from any wall within the Condominium, regardless if such wall does not adjoin a neighboring Condominium. Plasma and/or flat screen televisions are also prohibited from being hung or attached from any wall or ceiling within the Condominium. All speakers and televisions, including plasma and/or flat screen televisions, must be elevated from the floor by a proper stand, table, or entertainment center to mitigate sound and vibration transmission thorough the floors and walls.
3. Floor supported musical instruments (pianos and organs) shall have at least ½ inch neoprene pads under the supports to minimize vibration transmission into the structure.
4. All furniture on hard surfaces shall contain rubber castors or felt pads.

**CONCERTO LOFTS MAINTENANCE
CORPORATION
COMMUNITY
GUIDELINES**

COMMUNITY GUIDELINES*

INTRODUCTION

The Community Guidelines established for Concerto Lofts are intended to foster an environment of neighborliness, consideration and cooperation. These Community Guidelines constitute Association Rules contemplated by the Declaration. All Owners, residents and their guests are required to follow these Community Guidelines as a means of acting on behalf of the greater good of the project and its well being. The Board has adopted these Community Guidelines, set forth below, in addition to the provisions of the Declaration and the Bylaws. In the event of any conflict between these Community Guidelines and the Declaration or Bylaws, the provisions of the Declaration or Bylaws (whichever applies) shall prevail.

As a point of clarification, all references below to Common Area and Association Property include, but are not limited to, corridors and halls, elevators, interior courtyards and the Parking Garage.

ENFORCEMENT OF GOVERNING DOCUMENTS

If there is a violation of the Association's Governing Documents, including these Community Guidelines or Architectural Guidelines, then a member may submit a Rules and Violation Report to the Property Management Company, describing the violation at hand, the Residential Unit number of the violator, and all other pertinent information, including their own information. If you would like to report a violation, please complete a Rules and Violation Report Form and submit it to the Property Management Company. A copy of a Rules and Violation Report can be found in the "Forms" section of this Community Handbook. No member complaint can be acted upon unless there is supporting documentation, i.e., a written complaint.

VIOLATION ENFORCEMENT PROCEDURE

Any violation of the Governing Documents, including the Community Handbook, will be processed according to the procedures outlined below.

In the event one or more Members of the Association or Board files a Rules and Violation Report, the Board will act as follows:

1. Send a letter to the Owner stating the violation and deadline for curing the violation.
2. Upon expiration of the cure date, if the violation still exists, a second letter will be sent stating that the failure to abide by the Governing Documents continues to exist and the Owner will be asked to attend a hearing with the Board.
3. The Owner will be notified as to the decision rendered by the Board as a result of the hearing. If the Owner/resident is found to be in violation of the Association's Governing Documents, the Board will either: (i) seek remedy by use of alternative dispute resolution procedures such as mediation or arbitration; (ii) apply monetary fines to the Owner's assessment billing as described below; or (iii) choose to correct (or cause to be corrected) the violation and assess the Owner for reimbursement of costs, all in accordance with the Governing Documents.
4. If the decision is to pursue a monetary fine system, the Association Fine Schedule outlined below will apply.

VIOLATION FINE SCHEDULE

First Occurrence: A Notice of Violation with a request to correct/repair the deficiency.

Second Occurrence: A letter with a \$100.00 fine, plus request to correct/repair.

Third Occurrence: A letter with a fine of \$200.00, request to correct/repair. May be referred to the Association's attorney.

Fines will continue to double with each repetition of the offense. The Board will determine the time for curing of violations for each Owner consistent with previously reported similar violations as applicable. Should a violation occur which imposes financial obligations on the Association, then the responsible party for the violation shall reimburse, by way of special assessment, the Association for this financial obligation. Example: repair and replacement cost will be charged to the responsible party for damaged walls, carpet or other common area.

PROCEDURE FOR RESIDENTIAL OWNER HEARINGS

If you have been invited to attend a hearing for an alleged violation of the Association's Governing Documents, the following procedure will be followed:

1. You will be introduced to the Board of Directors and other Association representatives.
2. The acting chairperson will summarize the reason for your invitation to the hearing.
3. You may present written or oral evidence to state your position.
4. The requirements of the Association's Governing Documents will be reviewed for clarification of issues.
5. The Board may ask you questions.
6. You may ask the Board questions and make a final statement.
7. Your participation in the foregoing is appreciated by the Board. The Board will deliberate and vote in closed session.
8. You will be notified of the Board's decision, in writing, within ten (10) business days.

ACCESS PROCEDURES

The Association is equipped with controlled access doors and locking mechanisms, fire monitoring and fire-life systems and related building improvements. A key faub system allows Owners to access to the Common Area and Association Property, including the Parking Garage. This system identifies when a particular Owner accesses a particular part of the Common Area or Association Property, and if the key faub is lost or stolen, the key faub can be made non-operable. Even with this advanced technology, however, no building has completely secured facilities and no warranty is made or implied as to safety. It takes the vigilant observation and prompt action of the Owners in order to prevent accidents, unauthorized access and failure of these systems. Please report any observed condition and violations promptly to the Property Management Company.

All residents are responsible for seeing that all entry/exit gates and doors to the Project and storage areas are closed and in a secure, locked position at all times. Forcing gates apart is prohibited. Contractors or other personnel are not allowed to prop gates open, not even for very short periods of time.

An access device shall control access to the Parking Garage. All Owners will be assigned and issued a remote transponder at the time of move-in by the Association. There is a \$50 charge (or whatever the Board deems reasonable) for the replacement of each transponder that is lost. There is a \$50 charge for the replacement of each access key faub that may be lost. There is \$150 charge for each common area key that is lost. Such charges may be changed from time to time without notice. Damaged key faubs can be replaced with the Property Management Company for the cost of the key faub.

INSURANCE DISCLOSURE SUMMARY

CONCERTO LOFTS MAINTENANCE

Pursuant to Section 5300 of the California Civil Code, the association is providing you with the following regarding its insurance policies:

- A. General Liability Insurance – Policy Period 06/01/2023 – 06/01/2024
The insurer is Truck Insurance Exchange
The policy limits of the insurance are \$1,000,000 per occurrence, and \$2,000,000 in the aggregate.
The insurance deductible is \$0
- B. Property Insurance – Policy Period 06/01/2023 – 06/01/2024
The insurer is Truck Insurance Exchange
The policy limits of insurance are \$34,674,000
The insurance deductible is \$25,000
- C. Directors and Officers Coverage – Policy Period 06/01/2023 – 06/01/2024
The insurer is Truck Insurance Exchange
The policy limits of insurance are \$1,000,000
The insurance deductible is \$5,000
- D. Fidelity Insurance – Policy Period 06/01/2023 – 06/01/2024
The insurer is Truck Insurance Exchange
The policy limits of insurance are \$800,000
The insurance deductible is \$10,000
- E. Workers Compensation Insurance – Policy Period 06/01/2023 – 06/01/2024
The insurer is Mid-Century Insurance Company
The policy limits of insurance are \$1,000,000
The insurance deductible is \$0
- F. Umbrella Liability Insurance – Policy Period 06/01/2023 – 06/01/2024
The insurer is Federal Insurance Company
The policy limits of insurance are \$10,000,000
The insurance deductible is \$0

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, 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 payment 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.

Concerto Lofts Maintenance Corporation Charges for Documents Provided

This disclosure is provided to you in accordance with the requirements of California Civil Code Section 4528.

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

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.

Property Address:

Owner of Property:

Owner's Mailing Address (If known or different from property address.):

Provider of the Section 4525 Items:

Print Name _____ Position or Title _____ Association or Agent

Date Form Completed:

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section	Fee	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	25.00	
CC&Rs	Section 4525(a)(1)	50.00	
Bylaws	Section 4525(a)(1)	40.00	
Operating Rules	Section 4525(a)(1)	40.00	
Age restrictions, if any	Section 4525(a)(2)	No Cost	
Rental restrictions, if any	Section 4525(a)(9)	No Cost	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	50.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	50.00	
Financial statement review	Sections 5305 and 4525(a)(3)	45.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	In Budget	
Insurance summary	Sections 5300 and 4525(a)(3)	40.00	
Regular assessment	Section 4525(a)(4)	No Cost	
Special assessment	Section 4525(a)(4)	No Cost	
Emergency assessment	Section 4525(a)(4)	No Cost	
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	No Cost	
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	No Cost	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	No Cost	

Charges for Documents Provided

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Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	No Cost	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	No Cost	
Required statement of fees	Section 4525	165.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	75.00	
Total fees for these documents			

* The information provided by 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 shall be charged separately.

*All fees are subject to change. Seabreeze Management Company offers "Bundle & Save" packages which could reduce the cost of the transaction.

*All escrow documents must be ordered and purchased through www.homewisedocs.com

Concerto Lofts Maintenance Corporation
Federal Housing Administration (FHA) 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 a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

Notice: The foregoing reflects the status of this association's certification as of the date of this disclosure. The status of that certification can change during a fiscal year. Members may wish to verify the association's status during the fiscal year at <https://entp.hud.gov/idapp/html/condlook.cfm>, or by consulting with a local Realtor.

The State of California requires that this notice be submitted to you annually on a separate sheet of paper.

Concerto Lofts Maintenance Corporation
Department of Veterans Affairs (VA) 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 a condominium project. The association of this common interest development is not certified by the Federal Department of Veterans Affairs.

Notice: The foregoing reflects the status of this association's certification as of the date of this disclosure. The status of that certification can change during a fiscal year. Members may wish to verify the association's status during the fiscal year at <https://lgy.va.gov/lgyhub/condo-report>, or by consulting with a local Realtor.

The State of California requires that this notice be submitted to you annually on a separate sheet of paper.