

Figueroa Arms

Articles



3808353

ARTICLES OF INCORPORATION
OF
FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC.

FILED
Secretary of State
State of California

JUL 17 2015

ARTICLE I

The name of this corporation is FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC.

ARTICLE II

A. This corporation is a Nonprofit Mutual Benefit Corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

B. The specific purpose of this corporation is to maintain and manage the common areas of the FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC. common interest development for the exclusive benefit of the owners and residents of the separate interests therein, to preserve, manage, maintain and control the architectural appearance of the development, to administer and enforce the covenants, conditions and restrictions, to fix, levy and collect assessments, to hold, manage, and administer real property of the corporation, to promote the health, safety and welfare of all the resident owners thereof within that certain common interest development situated in the City of Los Angeles, County of Los Angeles, State of California, more particularly described as the westerly 120 feet of Lots 1 and 2, all of Lot 3 and the easterly half of Lot 4, of the Map of the Royal Tract, as filed in Book 24, Page 12 of Miscellaneous Maps, and Lot 110 plus the south half of Lot 108 of the Map of Figueroa Square, as filed in Book 6, Page 154 of Tract Maps, Los Angeles County Recorder, State of California; to exercise all of the powers and privileges and to perform all of the duties and obligations of FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC. arising from that certain Declaration of Covenants, Conditions and Restrictions and Reservation of Easements for Figueroa Arms, Inc. ("Declaration") to be recorded with the Los Angeles County Recorder and applicable to the above common interest development, as such Declaration may be amended from time to time; and to further own, hold, operate, lease, manage, encumber and/or assign that certain real property previously owned by Figueroa Arms Apartments, Inc. and described as Lot 109 of the Map of Figueroa Square, as filed in Book 6, Page 154 of Tract Maps, together with Lots 4 and 5 of the Map of Bowen and Chamberlins Main and Figueroa Street Tract, as filed in Book 5, Page 186 of Tract Maps, Los Angeles County Records, State of California.

3808353

ARTICLE III

The name and address in the State of California of this corporation's initial agent for service of process is:

Donalea Bauer
1275 Center Court Drive
Covina, CA 91724

ARTICLE VI

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

ARTICLE V

This corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act (Civil Code §§ 4000-6150). The name and address of the association's managing agent is as follows:

Donalea Bauer
Lordon Management Company
1275 Center Court Drive
Covina, CA 91724

ARTICLE VI

The address of the business or corporate office of this association is 4125 South Figueroa Street, Los Angeles, California 90037. This office is on site at the common interest development.

ARTICLE VII

Amendment of these Articles of Incorporation shall require the vote or written consent of members representing a majority of the voting power of the association membership.

ARTICLE VIII

Every person or entity who is a record owner of a fee interest in any Unit (as defined in the Declaration) within the common interest development, which is subject by the Declaration to assessment by the association, shall be a member of the association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to

3808353

and may not be separated from ownership of any Unit which is subject to assessment by the association.

IN WITNESS WHEREOF, for the purpose of forming this corporation, the undersigned, constituting the Incorporator of the FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC. association, does hereby execute these Articles of Incorporation on this 17th day of July, 2015.



STANLEY FELDSOTT, Incorporator



I hereby certify that the foregoing
transcript of 2 page(s)
is a full, true and correct copy of the
original record in the custody of the
California Secretary of State's office.

JUL 24 2015 *nc*

Date: _____

Alex Padilla

ALEX PADILLA, Secretary of State

Figueroa Arms

Budget



SENT 10/25/19

Figuroa Arms Condominium Association, Inc.

October 9, 2019

Dear Community Member:

Please be advised that our Association is required to distribute financial information to all members on an annual basis per California Civil Code Section #5300. This information updates each member on the operating budget for the next fiscal year as well as information on collection procedures, insurance disclosures and documents that are available to each member. We have tried to make this information as comprehensive as possible while presenting it in a format that we hope is easy to understand. If you should have any questions, please feel free to contact Lordon Management for additional information at (626) 967-7921.

Enclosed please find a copy of the pro forma budget for the next year. The Board of Directors has reviewed the budget and has attempted to keep the dues as low as possible while still meeting the operating expenses and future reserve requirements for the association. The assessment fees for the next fiscal year are \$415.00 per month.

It is important for our community to collect assessment fees on a timely basis in-order-to meet our operating expenses. If a homeowner becomes delinquent in the payment of their assessment fees, the following collection procedure will be used:

1. All payments are due on the 1st of the month.
2. Payments are subject to late and/or interest fees if payments are not received by the 15th of the month.
3. For all late payments, a late fee and/or interest fees will be assessed, as the law allows in the following amount: 10.00% plus interest at 12.00% of the unpaid balance.
4. A demand letter will be sent to the owner notifying them of the impending lien and allowing 30 days to submit payment in full. A demand letter fee of \$40.00 will be added to the owners account.
5. A lien will be placed on the property if an account is not paid within 60 days of the original due date.
6. If a lien is prepared against an account, a lien fee of \$150.00 is assessed against the owner's account.
7. Foreclosure proceedings will begin upon recordation of the lien. All legal/lien processing fees and costs will be billed to the owner's account as part of the legal action. All payments are applied to the oldest amounts first, including late fees.
8. An NSF fee of \$20.00 will be assessed against the account for any returned checks.

We thank you for the support of the Figuroa Arms Condominium Association, Inc.. It takes the interest, involvement and cooperation of the association members in-order-for our association to be successful.

If you should have questions on any of this information, please feel free to contact Lordon Management for assistance at (626) 967-7921.

Figuroa Arms Condominium Association, Inc.

Figueroa Arms

INSURANCE NOTIFICATION

Effective January 1, 1997, the California Civil Code was amended to require that associations prepare and distribute summaries to the general membership of specific insurance policies carried.

This summary of the association's policies of insurance provides only certain information, as required by subdivisions (b)(9) of 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 provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

The information provided is only a summary of the identified insurance policies. The actual terms and conditions of the policies will control whether the Association has coverage for a particular claim, the limits of available insurance for the claim and who is responsible to pay any deductible or retention.

The Association's property manager and the Association's Board members are not able to provide you with individual advice or recommendations concerning your own insurance needs. If you have questions concerning your current insurance coverage or additional coverage that may be available to you as a member of an Association, please contact your insurance agent.

Insurance Summary:

Insurance Type	Carrier	Policy Date	Coverage Amount	Deductible \$	Deductible %	Common Area Only
Liability	State Farm	10/01/19 - 10/01/20	2,000,000		0	
Liability	State Farm	10/01/19 - 10/01/20	2,000,000		0	
Bond	State Farm	10/01/19 - 10/01/20	100,000	250	0	
Directors & Officers	State Farm	10/01/19 - 10/01/20	2,000,000		0	
Worker's Comp	AmTrust	03/29/19 - 03/29/20	1,000,000		0	
Fire & Liability	State Farm	10/01/19 - 10/01/20	1,451,600	1,000	0	
Fire & Liability	State Farm	10/01/19 - 10/01/20	8,334,300	1,000	0	

***Note: If your Association carries earthquake coverage, you should speak to your agent for coverage relating to real property and earthquake loss assessment coverage.**

**FIGUEROA ARMS OWNERS ASSOCIATION
ANNUAL POLICY STATEMENT (Civil Code 5310 & 5320)**

OFFICIAL COMMUNICATIONS CONTACT:

The name and address of the person designated to receive official communications to the association per Civil Code section 4035 is Donalea Bauer at Lordon Management at the corporate headquarters at 1275 E. Center Court Drive, Covina, CA 91724.

SECONDARY ADDRESS NOTIFICATION REQUEST:

An owner of the community may submit a written request to have notices sent to up to two different specified addresses, per Civil Code Section 4040.

LOCATION FOR THE POSTING OF GENERAL NOTICE:

In conjunction with Civil Code 4045 (a) the location, if any, designated for posting of a general notice in the community is at the mailbox area.

MEMBERS OPTION TO RECEIVE GENERAL NOTICES:

An owner has the option to receive general notices by individual delivery, per Civil Code 4045 (b).

MEMBERS RIGHT TO RECEIVE COPIES OF MINUTES:

An owner may receive a copy of the monthly board meeting minutes by submitting a written request to Lordon Management. Please note that the association may charge a fee to cover the costs of duplication and mailing. Civil Code 4950 (b)

ASSESSMENT COLLECTION POLICIES:

In conjunction with Civil Code 5730, a copy of the collection policies for the community are provided within this package.

DELINQUENT ASSESSMENT COLLECTIONS:

In conjunction with Civil Code 5850, a copy of the association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments are provided within this package.

DISCIPLINE POLICY:

In conjunction with Civil Code 5850 a copy of the Discipline policy, if any, including any reimbursement or fine penalties are included within this package.

DISPUTE RESOLUTION:

In conjunction with Civil Code 5920 and 5965, a summary of the dispute resolution procedures are included within this package

Civil Code 4615 deals with the enforcement of the governing documents for the association. The association or a member of the association can file a lawsuit for Declaratory Relief or Injunctive Relief, either exclusively or in conjunction with a claim for Monetary Damages not to exceed \$5,000 (other than for Association assessments), the parties shall endeavor to submit the matter to Alternative Dispute Resolution prior to the filing of a lawsuit. There are certain conditions in this code that must be met. Please note that failure to comply with the pre-filing requirements of Section 4615 may result in the loss of your rights to sue the association or a member of the association regarding the enforcement of the governing documents. You may contact Lordon Management for additional information pertaining to this code.

ARCHITECTURAL MODIFICATION REQUEST:

In conjunction with Civil Code 4765, a summary of the physical change to property is included within this package.

MAILING ADDRESS FOR OVERNIGHT PAYMENTS:

In conjunction with Civil Code 5655, the mailing address for overnight payment of assessments is 1275 E. Center Court Drive, Covina, CA 91724.

ANNUAL FINANCIAL REPORT:

The association will perform an annual review or audit each year. A copy of this information will be submitted to each owner approximately 120 days after the end of the fiscal year.

ANNUAL BUDGET REPORT (Civil Code Section 5300)

PRO FORMA OPERATING BUDGET:

In conjunction with the Civil Code requirements, please find a copy of the pro forma operating budget included within this package.

SUMMARY OF THE RESERVES:

In conjunction with Civil Code 5565 please find a summary of the association's reserves included within this package.

SUMMARY OF RESERVE FUNDING PLAN:

In conjunction with Civil Code 5550 and 5570 please find a copy of the reserve funding plan or the summary form within this package.

DEFERRED MAINTENANCE:

In conjunction with the Civil Code, the Board of Directors has no plans to defer maintenance within the community.

SPECIAL ASSESSMENT:

In conjunction with the Civil Code, the Board of Directors has not determined, nor anticipates any special assessments for the purpose of funding the repairs, replacement or restoration of any major component. In the event an emergency or unforeseen event occurs, a special assessment may be required.

RESERVE FUNDING:

The association typically relies primarily on funding for the reserves from monthly assessment fees. From time to time, events may occur that cause the association to consider a special assessment and/or a loan to deal with emergency situations.

RESERVE CALCULATIONS:

In conjunction with Civil Code 5570, you will find included in this package reserve study report calculations utilized to create the reserve funding projections.

LOAN:

In conjunction with the Civil Code, there is a loan with Popular which commenced on September 1st, 2015 which matures in 240 months on September 1st, 2035 with an interest rate of 5.5%.

INSURANCE DISCLOSURE:

In conjunction with the Civil Code, please find enclosed within this package a summary of the insurance policies that are currently in effect for the association.

Figuroa Arms Condominium Association, Inc.

ACCEPTED BUDGET

Budget Period: 01/01/2020 - 12/31/2020

Units: 75

\$415.00

Account Name	GL Number	Current Monthly Budget	Accepted Monthly Budget	Accepted Annual Budget
INCOME				
INCOME - ASSESSMENT INCOME				
Regular assessments	50100	31,125.00	31,125.00	373,500.00
TOTAL INCOME - ASSESSMENT INCOME		31,125.00	31,125.00	373,500.00
INCOME - OTHER MEMBER INCOME				
Late charge assessments	50400	0.00	0.00	0.00
Lien assessments	50500	0.00	0.00	0.00
Legal assessments	50600	0.00	0.00	0.00
Parking assessments	50700	3,000.00	3,100.00	37,200.00
Nsf check collection	50800	0.00	0.00	0.00
Key/gate card income	51000	0.00	0.00	0.00
TOTAL INCOME - OTHER MEMBER INCOME		3,000.00	3,100.00	37,200.00
INCOME - OTHER INCOME				
Violation / Fine	51200	0.00	0.00	0.00
Interest income	51300	0.00	0.00	0.00
Washer/dryer income	51600	450.00	500.00	6,000.00
Lease income	52200	10,100.00	11,500.00	138,000.00
TOTAL INCOME - OTHER INCOME		10,550.00	12,000.00	144,000.00
TOTAL INCOME		44,675.00	46,225.00	554,700.00
EXPENSES				
EXPENSES - ADMINISTRATIVE				
Audit & bookkeeping	60100	215.00	215.00	2,580.00
Reserve study	60101	35.00	35.00	420.00
Office/bank charges	60200	75.00	140.00	1,680.00
Office supplies	60205	30.00	20.00	240.00
Legal/liens/Collection Costs	60300	2,000.00	1,700.00	20,400.00
License, fees and permits	60400	18.00	18.00	216.00
Management services	60600	1,500.00	1,550.00	18,600.00
Printing & postage	60800	380.00	400.00	4,800.00
Loan expense	61200	14,817.00	14,812.00	177,744.00
TOTAL EXPENSES - ADMINISTRATIVE		19,070.00	18,890.00	226,680.00
EXPENSES - UTILITIES				
Utility-electric	65100	700.00	750.00	9,000.00
Utility gas	65200	1,200.00	1,200.00	14,400.00

Utility phone	65300	170.00	200.00	2,400.00
Utility trash	65400	988.00	800.00	9,600.00
Utility water/sewer	65500	3,350.00	3,800.00	45,600.00
Utility internet	65800	45.00	55.00	660.00
TOTAL EXPENSES - UTILITIES		6,453.00	6,805.00	81,660.00
EXPENSES - INSURANCE				
Insurance master policy	70300	1,700.00	2,078.00	24,936.00
Worker's compensation	70400	30.00	30.00	360.00
TOTAL EXPENSES - INSURANCE		1,730.00	2,108.00	25,296.00
EXPENSES - TAXES				
Real property taxes	75300	100.00	1,000.00	12,000.00
State & federal taxes	75400	2,000.00	2,000.00	24,000.00
TOTAL EXPENSES - TAXES		2,100.00	3,000.00	36,000.00
EXPENSES - CONTRACTED SERVICES				
Contracted elevator service	80201	714.00	755.00	9,060.00
Contracted gardening service	80301	650.00	650.00	7,800.00
Gardening extras/supplies	80303	35.00	20.00	240.00
Contracted janitorial services	80401	850.00	1,000.00	12,000.00
Contracted pest control servic	80501	75.00	75.00	900.00
Contracted patrol/common area	80701	6,048.00	6,850.00	82,200.00
Contracted boiler maintenance	82301	50.00	50.00	600.00
TOTAL EXPENSES - CONTRACTED SERVICES		8,422.00	9,400.00	112,800.00
EXPENSES - MAINTENANCE				
Carpet	85400	40.00	0.00	0.00
Electrical	85800	35.00	30.00	360.00
Fence,wall,gate	86000	35.00	25.00	300.00
Fire extinguishers	86100	35.00	35.00	420.00
General maintenance	86300	400.00	400.00	4,800.00
Locks & keys	86600	100.00	150.00	1,800.00
Maintenance supplies	86700	60.00	60.00	720.00
Plumbing	87000	100.00	100.00	1,200.00
Roof repairs	87100	100.00	100.00	1,200.00
TOTAL EXPENSES - MAINTENANCE		905.00	900.00	10,800.00
TOTAL EXPENSES BEFORE RESERVES		38,680.00	41,103.00	493,236.00
EXPENSES - PROVISION FOR RESERVES				
Concrete Repairs	95110	100.00	50.00	600.00
Block wall	95301	15.00	15.00	180.00
Wood lattice fences	95310	0.00	0.00	0.00
Chain link fence	95312	25.00	25.00	300.00
Railing Paint fire escape	95323	300.00	300.00	3,600.00
Asphalt Sealcoat & Striping	95424	53.00	60.00	720.00

Asphalt Major Rehab	95425	100.00	100.00	1,200.00
Flat Roof	95528	1,000.00	800.00	9,600.00
Interior Paint	95702	200.00	200.00	2,400.00
Paint repair wrought iron	95708	300.00	400.00	4,800.00
Recreation & Laundry Area	95901	0.00	1.00	12.00
Lobby Furniture	95903	0.00	1.00	12.00
Office furniture/equipment	95904	0.00	1.00	12.00
Restroom rehab	95906	0.00	1.00	12.00
Gym Equipment	95909	25.00	25.00	300.00
Gym flooring	95922	10.00	10.00	120.00
Landscape & trees	96100	0.00	50.00	600.00
Irrigation equipment	96104	25.00	25.00	300.00
Exterior paint	96303	400.00	200.00	2,400.00
Common area light fixtures	96314	25.00	35.00	420.00
Carpet flooring	96500	115.00	125.00	1,500.00
Tile flooring	96502	35.00	25.00	300.00
Elevator	96601	1,000.00	939.00	11,268.00
Booster Pump	96701	20.00	20.00	240.00
Entry Awning Repairs	96804	25.00	25.00	300.00
Gate operator	96806	15.00	25.00	300.00
Security System	96809	50.00	50.00	600.00
Intercom system	96811	0.00	0.00	0.00
Vehicle - Entry gates	96814	35.00	35.00	420.00
Pedestrian gates	96815	40.00	40.00	480.00
Ext metal fence & rails	96902	50.00	50.00	600.00
Courtyard Rehab	97005	20.00	20.00	240.00
Corridors/walkways	97201	350.00	350.00	4,200.00
Fire escape	97507	90.00	90.00	1,080.00
Fire prevention	97508	80.00	80.00	960.00
Gutters & Downspouts	97600	80.00	80.00	960.00
Mailboxes	98001	40.00	40.00	480.00
Exterior doors	98008	50.00	50.00	600.00
Plumbing	98400	200.00	200.00	2,400.00
Boilers	98403	100.00	95.00	1,140.00
Water Storage Tank	98405	75.00	69.00	828.00
Entry Awning Paint	98801	30.00	30.00	360.00
Skylights	98831	120.00	120.00	1,440.00
Brick Facade	98832	200.00	200.00	2,400.00
Unplanned project fund	98844	522.00	0.00	0.00
Bulkhead Paint	98900	100.00	100.00	1,200.00
TOTAL EXPENSES - PROVISION FOR RESERVES		6,020.00	5,157.00	61,884.00

TOTAL EXPENSES	44,700.00	46,260.00	555,120.00
BUDGET SURPLUS / (DEFICIT)		0.00	

Figueroa Arms Condominium Association, Inc.

STATUS OF RESERVES

Budget Period: 01/01/2020 - 12/31/2020

GL No	Account Name	Current Budget	Estimated Year End Reserve	Funded Current	Replacement Cost	Method	Total Life	Remain. Life	Accepted Budget	Funded New
40110	Concrete repairs	100.00	2,400.00	47%	5,150.00	1		36	50.00	82%
40301	Block wall	15.00	380.00	12%	3,090.00	1		48	15.00	36%
40310	Wood Lattice fences	0.00	0.00	0%	3,708.00	1		168	0.00	0%
40312	Chain link fence	25.00	-1,150.00	-10%	11,330.00	1		192	25.00	32%
40323	Railing Paint fire escape	300.00	4,800.00	41%	11,813.00	1		24	300.00	102%
40424	Asphalt Sealcoat & Striping	53.00	2,236.00	42%	5,356.00	1		24	60.00	69%
40425	Asphalt major Rehab	100.00	3,600.00	6%	58,916.00	1		168	100.00	35%
40528	Flat roof	1,000.00	383.00	0%	97,335.00	1		36	800.00	30%
40702	Interior Paint	200.00	4,000.00	21%	19,467.00	1		72	200.00	95%
40708	Paint repair wrought iron	300.00	5,200.00	40%	12,978.00	1		12	400.00	77%
40800	General operating		-10,939.64		0.00	3		0		
40901	Recreation & Laundry Area	0.00	0.00	0%	5,150.00	1		72	1.00	1%
40903	Lobby Furniture	0.00	200.00	4%	5,150.00	1		72	1.00	5%
40904	Office Furniture/equipment	0.00	0.00	0%	3,090.00	1		60	1.00	2%
40906	Restroom Rehab	0.00	200.00	16%	1,288.00	1		72	1.00	21%
40909	Gym Equipment	25.00	371.51	3%	12,875.00	1		48	25.00	12%
40913	Cabinets rehab	0.00	0.00		0.00	1		0	0.00	
40922	Gym Flooring	10.00	200.00	11%	1,854.00	1		108	10.00	69%
41100	Landscaping & trees	0.00	0.00	0%	2,575.00	1		48	50.00	93%
41104	Irrigation equipment	25.00	300.00	19%	1,545.00	1		48	25.00	97%
41303	Exterior paint	400.00	4,800.00	28%	17,119.00	1		48	200.00	84%
41314	Common area light fixtures	25.00	75.00	1%	5,562.00	1		132	35.00	84%
41500	Carpet Flooring	115.00	2,300.00	21%	10,815.00	1		48	125.00	77%
41502	Tile flooring	35.00	700.00	7%	10,300.00	1		156	25.00	45%
41600	Elevators Controller/Selector	0.00	0.00		0.00	1		84		
41601	Elevator	1,000.00	16,268.34	9%	184,370.00	1		36	939.00	27%
41602	Elevator Cab	0.00	0.00		0.00	1		36		
41603	Elevator Doors	0.00	0.00		0.00	1		0		
41701	Booster Pump	20.00	400.00	17%	2,318.00	1		72	20.00	79%
41804	Entry Awning Repairs	25.00	700.00	15%	4,635.00	1		72	25.00	54%
41806	Gate operator	15.00	300.00	5%	6,180.00	1		72	25.00	34%
41809	Security system	50.00	853.21	6%	15,450.00	1		108	50.00	40%
41811	Intercom System	0.00	200.00	6%	3,605.00	1		168	0.00	6%
41814	Vehicle - Entry gates	35.00	420.00	6%	7,210.00	1		168	35.00	87%
41815	Pedestrian gates	40.00	480.00	6%	7,416.00	1		168	40.00	97%
41902	Metal fence & rails	50.00	600.00	2%	33,990.00	1		144	50.00	23%
42005	Courtyard Rehab	20.00	1,256.00	54%	2,318.00	1		48	20.00	96%

42007	Stairway paint	0.00	1,381.00		0.00	1	0		
42201	Corridors/walkways	350.00	7,000.00	13%	53,239.00	1	60	350.00	53%
42507	Fire escape	90.00	2,280.00	25%	9,270.00	1	72	90.00	94%
42508	Fire prevention	80.00	510.00	5%	10,300.00	1	108	80.00	89%
42600	Gutters & Downspouts	80.00	1,072.00	10%	10,300.00	1	72	80.00	66%
43001	Mailboxes	40.00	800.00	12%	6,953.00	1	96	40.00	67%
43008	Exterior doors	50.00	1,000.00	23%	4,326.00	1	36	50.00	65%
43400	Plumbing	200.00	-16,160.00	-314%	5,150.00	1	60	200.00	-81%
43403	Boilers	100.00	6,105.00	22%	27,810.00	1	228	95.00	100%
43405	Water Storage Tank	75.00	1,300.00	25%	5,150.00	1	60	69.00	106%
43800	Property Taxes		0.00		0.00	3	0		
43801	Entry Awning Paint	30.00	600.00	23%	2,575.00	1	60	30.00	93%
43831	Skylights	120.00	1,840.00	24%	7,725.00	1	36	120.00	80%
43832	Brick Facade	200.00	4,800.00	5%	96,614.00	1	120	200.00	30%
43844	Unplanned project fund	522.00	3,764.00		0.00	1	0	0.00	
43900	Bulkhead paint	100.00	2,400.00	51%	4,687.00	1	24	100.00	102%
								5,157.00	

Method 1 - Based on the estimated replacement cost and remaining life.

Method 2 - Value based on the DRE reserve guidelines.

Method 3 - Flat rate.

Method 4 - Flat amount requested by the board of directors.



ENFORCEMENT PROCEDURES

The House Rules & Regulations are mostly common sense and revolve around safety, security, preserving property values and being a good neighbor. Most of you will never run afoul as you practice these rules naturally. However, these rules are needed in order to protect the rights and well-being of our residents, as well as protect the interests and investment of the Association.

All homeowners are ultimately responsible for the behavior of their tenants, relatives, guests, pets, housekeepers, and contractors. Any violation of our governing documents (FACA Bylaws, CC&R's and House Rules & Regulations) committed by anyone attached your unit may result in fines being levied against your unit.

VIOLATIONS AND FINE POLICY

- Any violation may result in a fine of \$50
- Repeat offenses will result in increased fines of \$100 and \$200 per offense and possible hearing before the Board of Directors
- Repeated violations may also result in the revoking of privileges as stated in CC&R's Section 2.5(h) and Section 11

Homeowners have the right to appeal or contest violations and may request a hearing before the Board of Directors. If the Association is forced to employ an attorney to ensure compliance, collect fines, lien property, etc., the resident/homeowner may be liable for the attorney fees and related expenses in addition to the fines and/or costs of repairs.

Any consent or approval given under these House Rules by the management shall be revocable at any time. These House Rules may be added to, amended or repealed at any time by resolution of the Board of Directors of the Association.



FIGUEROA ARMS CONDO. ASSOCIATION

C/O Lordon Management Company

Notice of Delinquency Policy Change-Reminder

February 1, 2017

Please be advised of the following changes being made to Figueroa Arms Condominium Association's delinquency policy.

In accordance to the Association's CC&R's Article IV Covenant of Assessments, Section 4.8 Delinquency, updates to the existing enforced policy will commence after the 30 day review period. Assessments are delinquent fifteen (15) days after they become due. If an Assessment is delinquent, the Association may recover all of the following: (i) reasonable costs incurred in collecting the delinquent Assessment, including reasonable attorneys' fees; (ii) A late charge equal to ten percent (10%) of the delinquent Assessment, or the maximum amount allowable by law, whichever is greater; and (iii) Interest on all sums, including the delinquent Assessment, reasonable fees and costs of collection, and attorneys fee, at an annual interest rate of twelve percent (12%) commencing thirty (30) days after the Assessment becomes due.

Policy Changes

Currently, delinquent assessments are being penalized with a late charge of 10%, the newly enforced policy will include the 12% annual interest for all assessments 30 days past due.

After the 30 day review period, this change will come in effect and all remaining policies will continue.

Policy Summary

Assessments due on the 1 st of each month	No penalty
Assessments received after the 15 th of each month	Penalty, 10% of assessment fee
Assessments 30 days+ past due each month	Penalty, 12% annual interest rate

Southern California's leading property management firm. Large enough to serve, small enough to care.

Corporate Office
1275 Center Court Dr.
Covina, CA 91724
(626) 967-7921

Orange County
17852 E. 17th St., Ste. 212
Tustin, CA 92780
(714) 505-1444

Los Angeles / Ventura County
31255 Cedar Valley Drive, Ste. 202
Westlake Village, CA 91362
(818) 707-0200

Kern County
5001 E. Commercecenter Dr., Ste. 285
Bakersfield, CA 93309
(661) 861-1772



Parking Fees-Reminder

Date: May 15th, 2017
To: All owners and residents of FACA
RE: Parking Policy Change

In order to clarify the price for parking and ensure everyone is paying the same rate, the Board has voted to streamline pricing and charge a single rate of \$35/month for all parking spots, across both Lot #1 and Lot #2.

In addition, beginning July 1st, 2017, all motorcycles must be registered with Lordon and assigned a parking spot. Pricing for all motorcycle spots will be \$25/month, across both Lots #1 and #2.

Please contact management for more information on how to complete your registration to avoid fines and possible towing of your vehicle at owner's expense.

SUMMARY OF CHANGES:

Monthly Parking Fees Prior to July 1st, 2017

\$25.00/Owners
\$50/Renters

Monthly Parking Fees Effective July 1st, 2017

\$35.00 for all parking spaces (lot #1 & lot #2)
\$25.00/month, motorcycle spaces
*All motorcycles are required to register and pay for space use.

If you wish to make any written comments on these proposed rule changes, please email or mail your comments to Lordon Management Company so it can be delivered to the Board prior to the Board Meeting scheduled for June 15th, 2017. Alternatively, if you can attend the Board Meeting, your constructive comments will be considered by the Board of Directors.

Sincerely,

On Behalf of the Board of Directors
Figueroa Arms Condominiums



LOBBY RULES

These rules exist to protect the safety and security of our community, as well as maintain the condition of our building.

- Do not open doors for anyone you do not recognize
- Do not prop open lobby door
- Please make sure lobby door closes behind you
- No moving in/out through the main lobby, use side entrances only
- No large items, materials or handcarts may be brought through the lobby, use side entrances only

Please report any rule infractions, abuse or theft to Lordon Management and/or Security ASAP. Failure to abide by our Community Rules may result in fines or revoking of privileges.



FIGUEROA ARMS
CONDOMINIUM ASSOCIATION

GYM RULES

These rules exist to protect the gym equipment, you and those that will work out after you.

- Gym amenities are for FACA Homeowners and Renters only (ages 16 and over)
- No food, drink, glass, pets or smoking allowed (water bottles OK)
- Appropriate athletic clothing required
- Do not drop or slam the weights/stack down
- Place all weights back on rack and bars back on stations when finished
- Please wipe your sweat off equipment when finished
- Turn off lights when you leave the gym

Please report any rule infractions, abuse or theft to London Management and/or Security ASAP. Failure to follow abide by our Community Rules may result in fines or revoking of privileges.

FHA Condominium Approval Status

“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.

However, it should be noted that HUD/FHA status may change without further notice.

*Common Interest Development Name: **Figueroa Arms Homeowners Association***

FHA: The common interest development is a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

FHA ID#: N/A

FHA Status: N/A

Expiration of FHA Approval: N/A

VA Condominium Approval Status

“Certification by the federal Department of Veteran 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 plentiful buyers of the separate interest.

*Common Interest Development Name: **Figueroa Arms Homeowners Association***

The common interest development is a condominium project. The association of this common interest development is not certified by the Department of Veteran Affairs.

VA ID#: N/A

VA Status: N/A

Expiration of VA Approval: Note-If project is VA approved, it does not need to complete a renewal or another approval. VA approval does not expire.

Figueroa Arms Homeowners Association
Request for Annual Notice of Address, Representative and Rental Status
(Civil Code § 4041)
October 10, 2019

Civil Code § 4041 states that owners shall provide written notice to the Association of all-of the following information, annually. Please complete the form below and return it to the Association within 30 days. This information is online to complete and update at any time – please go online and log in or register for the first time at www.mylordon.com. You can update online in lieu of mailing the form.

1. The address or addresses to which notices from the Association are to be delivered if different than current address bills are being mailed to.

2. An alternate or secondary address (if any) to which notices from the Association are to be delivered.

3. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence from the property.

4. The property is – (check one)

owner-occupied rented out developed, but vacant undeveloped land

5. Member Name (Must be on title): _____

Property Address: _____

Lordon Management Account #: _____

Please return this form to: **Lordon Management**
1275 E Center Court Drive, Covina, CA 91724

***** Do not return with your payment as that goes to a bank lockbox.**

**FIGUEROA ARMS HOMEOWNERS ASSOCIATION
DISCLOSURE REGARDING APPROVAL NEEDED
TO MAKE PHYSICAL CHANGES TO PROPERTY**

Architectural Disclosure

According to the Association's governing documents, all changes to the common area, and /or to the exterior of any unit/lot by an owner require the prior written approval of the Association's Board of Directors (and in some cases a certain percentage of the owners must approve such as change).

Owners must submit a written application identifying the proposed change(s) to the Board. The Board in its sole discretion will approve or disapprove of the owner's application, in writing, within 60 days subject to appropriate conditions required by the Board, pursuant to the Association's governing documents.

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 Section 5720 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 5650, 5740, and 5720 of the Civil Code)

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 areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 5650 and 5655 of the Civil Code)

The association must comply with the requirements of Section 5650 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 5650 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 (a) 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, he or she 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 5650 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 5 (commencing with Section 5925) of Chapter 4 of Title 6 of Division 2 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 2 (commencing with Section 4925) of Chapter 7 of Title 6 of Division 2 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 5740 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare 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 exist. (Section 5665 (a) of the Civil Code)

The board of directors 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 (b) of the Civil Code)

This Notice is furnished pursuant to California Civil Code §5730 (a)

**ALTERNATIVE DISPUTE RESOLUTION (ADR) RIGHTS
(SUMMARY)**

California Civil Code section 5925 *et seq.* requires that the Association and owners endeavor to submit certain types of dispute 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.
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 5600;
3. Claims for money damages in excess of \$5,000.00 in conjunction with a claim for declaratory, injunctive or writ relief;
4. Actions 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 "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.
 4. If the party on whom the Request is served is an owner, a copy of the 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 the 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 the 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 the 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 THE ENFORCEMENT OF THE GOVERNING DOCUMENT OR THE APPLICABLE LAW.

This summary is provided in accordance with Civil Code sections 5930.

**INTERNAL DISPUTE RESOLUTION (IDR) RIGHTS
(SUMMARY)**

Pursuant to Civil Code section 5900 *et seq.*, the following internal dispute resolution process is 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 the law or 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.

A member of the association may not be charged a fee to participate in the process

This summary has been provided in accordance with Civil Code section 5920.

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY¹

FIGUEROA ARMS CA May 19, 2019, For the Fiscal Year Ending Dec 31, 2019

- (1) The regular assessment per ownership interest is \$415.00 per month
 Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page _____ of the attached summary.

- (2) Additional regular or special 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:

Date assessment will be Due:	Amount per Ownership Interest per Month (If Assessments are variable, see note immediately below):	Purpose of the Assessment
	Total:	

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page _____ of the attached report.

- (3) Based upon the most recent reserve study and other information available to the Board of Directors, will currently projected reserve account balances 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?

Yes X No

NOTE: If the association does not adopt the recommended 30-year funding plan in this reserve study the answer to the question #3 could be NO.

- (4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate Date Assessment will be Due:	Amount per Ownership Interest per Month:
	Total:

¹ Civil Code, Section 5570 effective January 1, 2014

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

FIGUEROA ARMS CA May 19, 2019, For the Fiscal Year Ending Dec 31, 2019

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$506,344, based in whole or in part on the last reserve study or update prepared by Reserve Study Specialists as of May 19, 2019. The projected reserve fund cash balance at the end of current fiscal year is \$186,219, resulting in reserves being 36.78% percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$186,219. (See attached explanation)
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is (SEE ATTACHED 30 YEAR FUNDING PLAN) and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (SEE ATTACHED 30 YEAR FUNDING PLAN) leaving the reserve at (SEE ATTACHED 30 YEAR FUNDING PLAN) percent funding. If the Reserve Funding Plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (SEE ATTACHED 30 YEAR FUNDING PLAN), leaving the reserve at (SEE ATTACHED 30 YEAR FUNDING PLAN) percent funding.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 0.10 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00 percent per year.

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 55530 [sic; s/b 5550]. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

[Civil Code Section 5570 (b)(4) referred to paragraphs (6) and (7) provides: "For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund in accordance with this calculation."]

DISCLAIMER: The information contained in this disclosure is a PROJECTION ONLY. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.

EXECUTIVE SUMMARY

FIGUEROA ARMS CA

Association Name: FIGUEROA ARMS CA
 Address: 4125 S. Figueroa Street, Los Angeles, CA 90037

Association Type:	Condominiums	Current Fiscal Year:	2019
Number of Units:	75	Current Year End Fully Funded Reserves:	\$506,344
Year Built:	1927	Current Year Annual Liability:	\$54,885
Fiscal Year Begins:	January 01	Current Year End Percent Funded:	36.78%
Starting Fiscal Year:	2020	Average Reserve Deficit (Surplus)/Unit:	\$4,268.33
Monthly Dues:	\$415.00		
End of Current Year Projected Reserves:	\$186,219		
Current Annual Reserve Contribution:	\$71,940		
Reserve Account Interest Rate %:	0.10		
Annual Inflation Rate %:	3.00		
Reserve Account Interest Tax Rate %:	25.00		
Minimum Reserve Balance:	\$0		
Contingency %:	5.00		

Reserve Study Type: Update, without site inspection
 Site Inspection Date: Jun 04, 2018 by RSS
 Reserve Study Date: May 19, 2019

RECOMMENDED RESERVE CONTRIBUTION INCREASES
 2020-2049 Reserve contribution increase by 3.23%
 For full details see recommended 30-year reserve funding plan

RECOMMENDED FUNDING PLAN, SIX-YEAR SUMMARY

Year	2020	2021	2022	2023	2024	2025
Special assessments:	\$0	\$0	\$0	\$0	\$0	\$0
Recommended annual reserve contribution:	\$74,264	\$76,662	\$79,139	\$81,695	\$84,333	\$87,057
Contribution per unit/month:	\$82.52	\$85.18	\$87.93	\$90.77	\$93.70	\$96.73
Contribution increase on the year before per unit/month:	\$2.58	\$2.67	\$2.75	\$2.84	\$2.93	\$3.03
Recommended reserve contribution increase %:	3.23%	3.23%	3.23%	3.23%	3.23%	3.23%
Annual expenses:	\$66,841	\$2,911	\$296,419	\$88,456	\$33,630	\$106,464
End of year balance:	\$193,809	\$267,734	\$50,684	\$43,992	\$94,760	\$75,457
Accrued liability:	\$505,801	\$579,202	\$363,132	\$350,432	\$394,122	\$368,294
Percent funded:	38.32%	46.22%	13.96%	12.55%	24.04%	20.49%
Deficiency/(Surplus) per unit:	\$4,160	\$4,153	\$4,166	\$4,086	\$3,991	\$3,904

RESERVE COMPONENTS

FIGUEROA ARMS CA

Inflation Rate	3	Current	Forecast		Unit		Description
Fiscal Year End	Dec 31	Repair	Replace	Total Rem	Life	Quantity	Cost
%		%					
Reserve Components		Cost	Life	Life	Unit	Unit	Cost
ROOFING							
1- Flat Roof		84460	20	3	20500 sq ft	4.12	Low slope flat roof replacement budget every 20 years
2- Gutters & Downspouts		10300	25	6	1000 ft	10.30	Gutter & downspouts replacement budget every 25 years
3- Roof Inspection & Repair		12875	5	5	1 budget	12875.00	Roof inspection & repair budget every 5 years
4- Skylights		7725	20	3	5 each	1545.00	Skylights replacement budget every 20 years
PAINTING							
5- Bulkhead Paint		4687	12	0	1300 sq ft	3.61	Bulkhead paint budget every 12 years
6- Entry Canopy Paint		2575	12	0	1 each	2575.00	Entry canopy paint budget every 12 years
7- Metal Railing Paint		11813	6	0	9175 sq ft	1.29	Metal railing & fire escape repair & paint budget every 6 years
8- Metal Fences & Gates Paint		12978	6	0	10080 sq ft	1.29	Metal fences & gates repair & paint budget every 6 years
9- Interior Paint		19467	12	6	21000 budget	0.93	Hallways, stairwells/common area wall/ceiling repair/paint every 12 years
10- Exterior Stucco Paint		13596	12	0	13200 sq ft	1.03	Exterior stucco repair & paint budget every 12 years
11- Wood Trim Paint		9167	6	0	8900 sq ft	1.03	Wood trim paint budget every 6 years
12- Wood Trim Repair	10	7334	12	0	8900 sq ft	8.24	Wood trim repair/replace budget at 10% of total every 12 years
BUILDING REPAIR							
13- Bulkhead Repair		22660	20	6	1 each	22660.00	Bulk head repair budget every 20 years
14- Entry Canopy Repair		4635	25	6	1 each	4635.00	Entry canopy repair budget every 25 years
15- Walkways	25	30579	10	4	4750 sq ft	25.75	Walkways/decks repair/waterproof/seal at 25% of total every 10 years
16- Courtyard Rehab		2318	5	4	1 budget	2318.00	Courtyard rehab budget every 5 years
17- Brick Façade Repair		96614	12	10	26800 sq ft	3.61	Brick façade repair/restoration budget every 12 years
18- Fire Escape Repair		9270	12	6	4 each	2317.50	Fire escape repair budget every 12 years
19- Cabinets Rehab		1030	25	22	1 budget	1030.00	Cabinets rehab budget every 25 years
20- Restroom Rehab		1288	15	6	1 each	1288.00	Restroom rehab budget every 15 years
21- Exterior Doors		4326	25	3	6 each	721.00	Exterior doors replacement budget every 25 years
ASPHALT & CONCRETE							
22- Asphalt Seacoat & Striping		5356	6	4	26000 sq ft	0.21	Asphalt seal/stripe budget every 6 years
23- Asphalt Cut & Patch, Crack Fill	5	6695	6	4	26000 sq ft	5.15	Asphalt cut & patch, minor repair, at 5% of total every 6 years
24- Asphalt Remove & Replace	65	52221	36	16	26000 sq ft	3.09	Asphalt remove & replace at 65% of total or 100% overlay every 36 years
25- Concrete Repairs		5150	5	3	1 budget	5150.00	Concrete walks repair/replaces budget every 5 years
LANDSCAPING							
26- Irrigation Equipment		1545	10	4	1 budget	1545.00	Irrigation liner, valves & lines replacement budget every 10 years
27- Landscaping & Trees		2575	5	4	1 budget	2575.00	Landscaping upgrade & tree removal/replace budget every 5 years

RESERVE COMPONENTS

FIGUEROA ARMS CA

Inflation Rate	%	3	Current	Forecast	Repair	Replace	Forecast	Repair	Total Rem	Life	Quantity	Unit	Unit	Cost	Description
Fiscal Year End	Dec 31	%	Repair	Life	Cost	Life	Cost	Life	Cost	Life	Quantity	Unit	Unit	Cost	Description
Reserve Components															
COMMON AREAS															
28-	Gym Equipment				12875	10	4	10	each		10	each		1287.50	Gym exercise machines/equipment replace budget every 10 years
29-	Lobby Remodel				5150	15	6	1	budget		1	budget		5150.00	Lobby furniture replace/remodel budget every 15 years
30-	Recreation & Laundry Area				5150	15	6	1	budget		1	budget		5150.00	Recreation/laundry area furniture/fixtures replace/remodel every 15 years
31-	Office				3090	12	5	1	budget		1	budget		3090.00	Office furniture/equipment replace/upgrade/remodel budget every 12 years
FENCES & RAILS															
32-	Block Wall				3090	10	4	1	budget		1	budget		3090.00	Block wall repair/replace budget every 10 years
33-	Chain Link Fences				11330	40	16	440	ft		440	ft		25.75	Chain link fences replacement budget every 40 years
34-	Pedestrian Gates				7416	30	14	8	each		8	each		927.00	Pedestrian gates replacement budget every 30 years
35-	Vehicle Gates				7210	25	14	2	each		2	each		3605.00	Vehicle gates replace budget every 25 years
36-	Wood Lattice Fences				3708	20	14	120	ft		120	ft		30.90	Wood lattice fences replacement budget every 20 years
37-	Metal Fences & Rails				33990	24	12	8800	sq ft		8800	sq ft		15.45	Metal fences & rails repair/replace budget at 25% of total every 24 years
ELECTRICAL & MECHANICAL															
38-	Intercom System				3605	15	14	1	each		1	each		3605.00	Entry intercom system replace/upgrade budget every 15 years
39-	Security System				15450	10	9	1	budget		1	budget		15450.00	Security cameras & recording replace/upgrade budget every 10 years
40-	Light Fixtures Common Area				5662	25	11	60	each		60	each		92.70	Common area light fixtures replace budget every 25 years
41-	Gate Operators				6180	15	6	2	each		2	each		3090.00	Gate operators replacement budget every 15 years
42-	Elevator Controller/Selector				12360	15	7	2	each		2	each		6180.00	Elevator controller/selector replace budget every 15 years
43-	Elevator Mechanical				154500	35	3	2	each		2	each		77250.00	Elevator mechanical components repair/upgrade every 35 years
44-	Elevator Cab				12360	15	3	2	each		2	each		6180.00	Elevator cab remodel budget every 15 years
45-	Elevator Doors				5150	25	22	2	each		2	each		2575.00	Elevator doors replacement budget every 25 years
PLUMBING															
46-	Boilers				27810	20	19	2	each		2	each		13905.00	Hot water boilers replacement budget every 20 years
47-	Circulation Pump				2318	15	6	1	each		1	each		2318.00	Circulation pump replacement budget every 15 years
48-	Water Storage Tank				5150	40	5	1	each		1	each		5150.00	Water storage tank replacement budget every 40 years
49-	Plumbing Repairs				5150	5	5	1	budget		1	budget		5150.00	Plumbing, sewer & drains repair/replace budget every 5 years
FLOORING & OTHERS															
50-	Carpet Flooring				10815	12	4	3500	sq ft		3500	sq ft		3.09	Carpet flooring replacement budget every 12 years
51-	Mat Flooring, Gym				1854	15	9	600	sq ft		600	sq ft		3.09	Gym mat flooring replacement budget every 15 years
52-	Tile Flooring				10300	35	13	1250	sq ft		1250	sq ft		8.24	Tile flooring replacement budget every 35 years
53-	Mailboxes				6953	20	8	75	each		75	each		92.71	Cluster mailboxes replacement budget every 20 years
54-	Fire Prevention				10300	20	9	75	each		75	each		137.33	Fire alarm system & extinguishers replace/upgrade budget every 20 years
55-	Unplanned Project Fund				2744	1	1	1	budget		1	budget		2744.23	5% of Annual liability for unplanned or emergency projects

FIGUEROA ARMS CA

30 YEAR RESERVE FUNDING PLAN (RECOMMENDED)

Calendar Year	Starting Reserve Balance	Total Annual Expenditure	Annual Reserve Contribution	Reserve Contribution			Interest Received	Tax on Interest	End of Year Balance	Fully Funded Balance	Percent Funded	Deficiency Surplus () Per Unit
				Contribution Per Month	Contribution Increase %	Contribution Increase Per Unit						
2020	\$186,219	\$66,841	\$74,264	\$82.52	3.23	\$2.58	\$0	\$56	\$193,809	\$505,801	38.32%	\$4,160
2021	\$193,809	\$2,911	\$76,662	\$85.18	3.23	\$2.67	\$0	\$58	\$267,734	\$579,202	46.22%	\$4,153
2022	\$267,734	\$296,419	\$78,139	\$87.93	3.23	\$2.75	\$0	\$307	\$50,684	\$363,132	13.96%	\$4,166
2023	\$50,684	\$88,456	\$81,695	\$90.77	3.23	\$2.84	\$0	\$92	\$43,992	\$350,432	12.55%	\$4,086
2024	\$43,992	\$33,630	\$84,333	\$93.70	3.23	\$2.93	\$0	\$86	\$94,760	\$394,122	24.04%	\$3,991
2025	\$94,760	\$106,464	\$87,057	\$96.73	3.23	\$3.03	\$0	\$138	\$75,457	\$368,294	20.49%	\$3,904
2026	\$75,457	\$60,340	\$89,869	\$99.85	3.23	\$3.12	\$0	\$30	\$105,076	\$389,878	26.95%	\$3,797
2027	\$105,076	\$18,808	\$92,772	\$103.08	3.23	\$3.23	\$0	\$151	\$179,154	\$455,769	39.31%	\$3,688
2028	\$179,154	\$45,982	\$95,769	\$106.41	3.23	\$3.33	\$0	\$57	\$229,111	\$498,653	45.95%	\$3,594
2029	\$229,111	\$173,949	\$98,862	\$108.85	3.23	\$3.44	\$0	\$279	\$154,233	\$417,112	36.98%	\$3,505
2030	\$154,233	\$11,498	\$102,055	\$113.39	3.23	\$3.55	\$0	\$205	\$244,945	\$497,899	49.20%	\$3,373
2031	\$244,945	\$52,374	\$105,352	\$117.06	3.23	\$3.66	\$0	\$298	\$298,146	\$542,627	54.94%	\$3,260
2032	\$298,146	\$117,988	\$108,755	\$120.84	3.23	\$3.78	\$0	\$353	\$289,176	\$525,547	55.02%	\$3,152
2033	\$289,176	\$117,476	\$112,267	\$124.74	3.23	\$3.90	\$0	\$345	\$284,227	\$511,007	55.62%	\$3,024
2034	\$284,227	\$32,358	\$115,894	\$128.77	3.23	\$4.03	\$0	\$342	\$368,019	\$583,763	63.04%	\$2,877
2035	\$368,019	\$143,078	\$119,637	\$132.93	3.23	\$4.16	\$0	\$428	\$344,900	\$550,676	62.63%	\$2,744
2036	\$344,900	\$9,643	\$123,501	\$137.22	3.23	\$4.29	\$0	\$407	\$459,063	\$652,805	70.32%	\$2,583
2037	\$459,063	\$83,404	\$127,490	\$141.66	3.23	\$4.43	\$0	\$523	\$503,541	\$687,094	73.29%	\$2,447
2038	\$503,541	\$148,794	\$131,608	\$146.23	3.23	\$4.58	\$0	\$569	\$486,782	\$659,965	73.76%	\$2,309
2039	\$486,782	\$37,512	\$135,859	\$150.95	3.23	\$4.72	\$0	\$555	\$585,546	\$746,336	78.46%	\$2,144
2040	\$585,546	\$42,471	\$140,247	\$155.83	3.23	\$4.88	\$0	\$656	\$683,814	\$833,462	82.04%	\$1,995
2041	\$683,814	\$248,996	\$144,777	\$160.86	3.23	\$5.03	\$0	\$756	\$580,162	\$719,893	80.59%	\$1,863
2042	\$580,162	\$197,515	\$149,454	\$166.06	3.23	\$5.20	\$0	\$655	\$532,592	\$657,710	80.98%	\$1,668
2043	\$532,592	\$117,049	\$154,281	\$171.42	3.23	\$5.36	\$0	\$610	\$570,282	\$677,540	84.17%	\$1,430
2044	\$570,282	\$173,614	\$159,264	\$176.96	3.23	\$5.54	\$0	\$650	\$556,419	\$644,914	86.28%	\$1,180
2045	\$556,419	\$54,787	\$164,409	\$182.68	3.23	\$5.72	\$0	\$639	\$666,520	\$733,756	90.84%	\$896
2046	\$666,520	\$6,096	\$169,719	\$188.58	3.23	\$5.90	\$0	\$751	\$830,707	\$877,684	94.65%	\$626
2047	\$830,707	\$96,183	\$175,201	\$194.67	3.23	\$6.09	\$0	\$918	\$910,414	\$939,682	96.89%	\$390
2048	\$910,414	\$94,456	\$180,860	\$200.96	3.23	\$6.29	\$0	\$1,001	\$997,568	\$1,009,222	98.85%	\$155
2049	\$997,568	\$120,165	\$186,702	\$207.45	3.23	\$6.49	\$0	\$1,091	\$1,064,923	\$1,059,214	100.54%	(\$76)

30 YEAR RESERVE FUNDING PLAN (WITH NO INCREASE IN CONTRIBUTION) FIGUEROA ARMS CA

30 YEAR RESERVE FUNDING PLAN (WITH NO INCREASE IN CONTRIBUTION) FIGUEROA ARMS CA

Calendar Year	Starting Reserve Balance	Total Annual Expenditure	Annual Reserve Contribution	Reserve Contribution			Special Assessment	Interest Received	Tax on Interest	End of Year Balance	Fully Funded Balance	Percent Funded	Deficiency Surplus () Per Unit
				Annual Reserve Contribution	Per Unit Increase	% Increase							
2020	\$186,219	\$66,841	\$71,940	\$79.93	0.00	0.00	\$0	\$222	\$56	\$191,485	\$505,801	37.86%	\$4,191
2021	\$191,485	\$2,911	\$71,940	\$79.93	0.00	0.00	\$0	\$227	\$57	\$260,684	\$579,202	45.01%	\$4,247
2022	\$260,684	\$296,419	\$71,940	\$79.93	0.00	0.00	\$0	\$297	\$74	\$36,427	\$363,132	10.03%	\$4,356
2023	\$36,427	\$88,456	\$71,940	\$79.93	0.00	0.00	\$0	\$72	\$18	\$19,966	\$350,432	5.70%	\$4,406
2024	\$19,966	\$33,630	\$71,940	\$79.93	0.00	0.00	\$0	\$56	\$14	\$58,318	\$394,122	14.80%	\$4,477
2025	\$58,318	\$106,464	\$71,940	\$79.93	0.00	0.00	\$0	\$94	\$24	\$23,864	\$368,294	6.48%	\$4,592
2026	\$23,864	\$60,340	\$71,940	\$79.93	0.00	0.00	\$0	\$60	\$15	\$35,509	\$389,878	9.11%	\$4,725
2027	\$35,509	\$18,808	\$71,940	\$79.93	0.00	0.00	\$0	\$71	\$18	\$88,694	\$455,769	19.46%	\$4,894
2028	\$88,694	\$45,982	\$71,940	\$79.93	0.00	0.00	\$0	\$125	\$31	\$114,746	\$498,653	23.01%	\$5,119
2029	\$114,746	\$173,949	\$71,940	\$79.93	0.00	0.00	\$0	\$151	\$38	\$12,850	\$417,112	3.08%	\$5,390
2030	\$12,850	\$11,498	\$71,940	\$79.93	0.00	0.00	\$0	\$49	\$12	\$73,329	\$497,899	14.73%	\$5,661
2031	\$73,329	\$52,374	\$71,940	\$79.93	0.00	0.00	\$0	\$109	\$27	\$92,977	\$542,627	17.13%	\$5,995
2032	\$92,977	\$117,988	\$71,940	\$79.93	0.00	0.00	\$0	\$129	\$32	\$47,025	\$525,547	8.95%	\$6,380
2033	\$47,025	\$117,476	\$71,940	\$79.93	0.00	0.00	\$0	\$93	\$21	\$1,552	\$511,007	0.30%	\$6,793
2034	\$1,552	\$32,358	\$71,940	\$79.93	0.00	0.00	\$0	\$38	\$9	\$41,162	\$583,763	7.05%	\$7,235
2035	\$41,162	\$143,078	\$71,940	\$79.93	0.00	0.00	\$0	\$77	\$19	(\$29,917)	\$560,676	-5.43%	\$7,741
2036	(\$29,917)	\$9,643	\$71,940	\$79.93	0.00	0.00	\$0	\$6	\$2	\$32,384	\$652,805	4.96%	\$8,272
2037	\$32,384	\$83,404	\$71,940	\$79.93	0.00	0.00	\$0	\$68	\$17	\$20,971	\$687,094	3.05%	\$8,882
2038	\$20,971	\$148,794	\$71,940	\$79.93	0.00	0.00	\$0	\$57	\$14	(\$55,840)	\$659,965	-8.46%	\$9,544
2039	(\$55,840)	\$37,512	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$21,412)	\$746,336	-2.87%	\$10,237
2040	(\$21,412)	\$42,471	\$71,940	\$79.93	0.00	0.00	\$0	\$15	\$4	\$8,068	\$833,462	0.97%	\$11,005
2041	\$8,068	\$248,996	\$71,940	\$79.93	0.00	0.00	\$0	\$44	\$11	(\$168,955)	\$719,893	-23.47%	\$11,851
2042	(\$168,955)	\$197,515	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$294,530)	\$657,710	-44.78%	\$12,697
2043	(\$294,530)	\$117,049	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$339,539)	\$677,540	-50.13%	\$13,562
2044	(\$339,539)	\$173,614	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$441,313)	\$644,914	-68.43%	\$14,483
2045	(\$441,313)	\$54,787	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$424,160)	\$733,756	-57.81%	\$15,439
2046	(\$424,160)	\$6,096	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$358,316)	\$877,684	-40.83%	\$16,480
2047	(\$358,316)	\$96,183	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$382,556)	\$939,682	-40.71%	\$17,630
2048	(\$382,556)	\$94,456	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$405,075)	\$1,009,222	-40.14%	\$18,857
2049	(\$405,075)	\$120,165	\$71,940	\$79.93	0.00	0.00	\$0	\$0	\$0	(\$453,299)	\$1,059,214	-42.80%	\$20,167

Figueroa Arms

Bylaws



BYLAWS
OF
FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC.

TABLE OF CONTENTS
BYLAWS
OF
FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC.

	<u>Page</u>
ARTICLE I NAME AND PRINCIPAL OFFICE	-1-
ARTICLE II DEFINITIONS	-1-
ARTICLE III MEMBERS	-1-
3.1 Membership	-1-
3.2 Omitted	-1-
3.3 Voting Rights	-2-
3.4 Quorum	-2-
3.5 Omitted	-2-
3.6 Place of Meetings of Members	-2-
3.7 Annual Meetings of Members	-2-
3.8 Special Meetings of Members	-2-
3.9 Notice of Meetings; Record Date	-2-
3.10 Adjourned Meetings.....	-3-
3.11 Action Without Meeting	-3-
3.12 Consent of Absentees	-3-
ARTICLE IV BOARD OF DIRECTORS	-3-
4.1 Powers.....	-3-
4.2 Number and Qualifications	-5-
4.3 Election and Term of Office	-5-
4.4 Vacancies	-5-
4.5 Removal	-6-
4.6 Place of Meeting	-6-
4.7 Organization Meeting of Board	-6-
4.8 Regular Meetings of Board; Notice	-6-
4.9 Special Meetings of Board; Notice	-7-
4.10 Executive Meetings of Board; Notice.....	-7-
4.11 Waiver of Notice.....	-7-
4.12 Quorum and Adjournment	-7-
4.13 Committees	-7-
4.14 Compensation	-8-

ARTICLE V	OFFICERS.....	-8-
5.1.	Enumeration of Officers	-8-
5.2.	Election and Term of Officers	-8-
5.3	Removal and Resignation	-8-
5.4	Vacancies.....	-8-
5.5	President.....	-8-
5.6	Vice President	-9-
5.7	Secretary	-9-
5.8	Treasurer	-9-
5.9	Other Officers	-9-
ARTICLE VI	MISCELLANEOUS	-9-
6.1	Inspection of Corporate Records	-9-
6.2	Checks, Drafts, etc.	-10-
6.3	Contracts; How Executed	-10-
6.4	Inspection of Bylaws.....	-10-
6.5	Amendment.....	-10-
CERTIFICATE OF ADOPTION OF BYLAWS OF FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC., A CALIFORNIA NONPROFIT MUTUAL BENEFIT CORPORATION		-11-

**BYLAWS
OF
FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC.**

**ARTICLE I
NAME AND PRINCIPAL OFFICE**

The name of the corporation is FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC., a California nonprofit mutual benefit corporation (hereinafter referred to as the "Association"). The Association is organized under the California Nonprofit Mutual Benefit Law. The principal office for the transaction of business of the Association shall be 4125 South Figueroa Street #102, Los Angeles, California 90037.

**ARTICLE II
DEFINITIONS**

All terms as used in these Bylaws shall, unless stated otherwise, be defined as set forth in that certain Declaration of Covenants, Conditions and Restrictions for Figueroa Arms, Inc., recorded on _____, as Instrument No. _____, in the Official Records of Los Angeles County, California (hereinafter referred to as the "Declaration") and any amendments, restatements, or supplements recorded or to be recorded pursuant thereto, for the real property legally described in the Declaration.

**ARTICLE III
MEMBERS**

3.1 **Membership.** There shall be one membership for each Unit within the Association. Every person or entity who is an Owner of a Unit shall be a Member of the Association as provided in the Declaration. Membership shall be appurtenant to and may not be separated from ownership of any Unit which gives rise to such membership in the Association. Ownership of such a Unit shall be the sole qualification for membership. Transfer of a Unit shall automatically transfer membership in the Association and all rights of membership to the transferee. Membership in the Association shall automatically terminate when such Member sells or transfers his or her Unit. The provisions of these Bylaws, which are binding upon all Members, are not exclusive, and members shall also be subject to the terms and provisions of the Articles, the Declaration, and the Association Rules.

3.2 **Intentionally omitted**

3.3 Voting Rights. There shall be one vote for each membership. In the event that any Unit is owned by two or more persons or entities, the owners must elect one of their number to exercise the voting rights of that membership. Cumulative voting shall not be used.

3.4 Quorum. Except as otherwise provided in these Bylaws, the presence at any meeting in person or by proxy of Members entitled to cast at least fifty-one percent (51%) of the voting power of the Membership of the Association shall constitute a quorum for the transaction of business. Unless otherwise provided herein or by law, a majority of votes cast at a meeting at which a quorum is present shall determine the issue. The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum. The quorum at any adjourned meeting shall be thirty-five percent (35%) of the voting power of the Association.

3.5 Intentionally omitted

3.6 Place of Meeting of Members. All meetings of the Members shall be held within the Project or at a meeting place as close to the Project as possible as specified in writing by the Board. No meeting of the Members shall be held outside of Los Angeles County.

3.7 Annual Meetings of Members. The annual meeting of the Members shall be held each year during the month of April, at such time and date as shall be designated by the Board. At each annual meeting there shall be elected by ballot of the Members a Board of Directors of the Association, in accordance with the requirements of Article 4, Section 4.3 of these Bylaws. Written notice of each annual meeting shall be given to each Member entitled to vote by first-class mail, at least thirty (30) but not more ninety (90) days prior to such meeting, stating the purpose thereof as well as the place, day and hour of such meeting.

3.8 Special Meetings of Members. Special meetings of the members shall be called by the Board upon (i) the vote for such a meeting by a majority of a quorum of the Board, or (ii) receipt of a petition signed by members representing at least five percent (5%) of the total voting power of the Association. Except for special meetings called by petition of the members, notice of special meeting shall be given in the same manner as for annual meetings. The notice of any special meeting called by petition shall be given within fifteen (15) days after receipt of such petition, and the special meeting shall be held not less than thirty-five (35) days nor more than ninety (90) days after receipt such petition. No business shall be transacted at a special meeting except as stated in the notice.

3.9 Notice of Meetings; Record Date. It shall be the duty of the Secretary to send a notice of each annual or special meeting by first class-mail, at least fifteen (15) but not more than ninety forty-five (45) days prior to such meeting, stating the purpose thereof as well as the day, hour and place where it is to be held, to each Member of record. The notice of any meeting at which Directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the Members. The Board may fix, in advance, a record date or dates for the purposes of determining the members entitled to notice of and to vote

at any meeting of members. In the absence of fixing such record date, the record date for notice and voting shall be the date which the notice is mailed to all Members. The mailing of a notice, postage prepaid, in the manner provided in this Section, shall be considered notice served, forty-eight (48) hours after such notice has been deposited in a regular depository of the United States mail. At any meeting of the members, an entry in the minutes to the effect that notice has been given shall be conclusive evidence that such notice was properly given.

3.10 Adjourned Meetings. Any meeting of the members, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the Members present or represented at such meeting; provided that no meeting may be adjourned for more than forty-five (45) days. When any meeting of the members, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of adjournment, other than by announcement at the meeting at which such adjournment is taken.

3.11 Action Without Meeting. In the case of an emergency as determined by the Board, any action, which may be taken by the vote of the Members at a regular or special meeting, except for the election of Directors, may be taken without a meeting by written ballot of the Members. Ballots shall be solicited in the same manner as provided in Section 3.9 herein for the giving of notice of meetings of Members. Such ballot shall set forth the proposed action, afford an opportunity to specify a choice between approval and disapproval, and specify (a) the number of responses needed to meet the quorum requirement, (b) the percentage of approvals necessary to approve the action, and (c) the time by which ballots must be received in order to be counted. Receipt within the time period specified of a number of ballots which equals or exceeds the quorum required, and a number of approvals which equals or exceeds the number of votes which would be required for approval at a meeting, shall constitute approval by written ballot.

ARTICLE IV

BOARD OF DIRECTORS

4.1 Powers. Subject to the limitations of the Articles of Incorporation, of these Bylaws, and of the Corporations Code and Civil Code as to acts to be authorized or approved by the Members, all of the corporate powers shall be exercised by and under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors. The Board of Directors shall have all powers conferred upon the Association as set forth in the Declaration, the Articles and these Bylaws, and shall have all powers necessary for the administration of the affairs of the Association, excepting only those powers expressly reserved to the Members. Without prejudice to such general powers, the Board of Directors is hereby vested with the following powers:

- (a) To select, appoint and remove all officers, agents and employees of the Association, to prescribe such powers and duties for them as may be consistent with law, the Articles of Incorporation, the Declaration and these Bylaws.

(b) To conduct, manage and control the affairs and business of the Association, and to make and enforce such rules and regulations there for consistent with law, the Articles of Incorporation, the Declaration and these Bylaws, as the Board may deem necessary or advisable.

(c) To designate any place within the County of Los Angeles for the holding of any annual or special meeting or meetings of Members consistent with the provisions of Article III, Section 3.6 hereof.

(d) Subject to the approval of members exercising a majority of the eligible voting power of the Association, to borrow money and to incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefor, in the name of the Association, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor. The Board may not, however, sell, pledge or encumber any Association assets or property without the prior written approval of members exercising a majority of the eligible voting power. Member approval shall not be required for loans obtained to refinance existing debts as part of the conversion process or to pay for any obligations incurred in connection with the conversion process, as previously approved by the members of the cooperative corporation

(e) To fix and levy from time to time regular and special assessments upon the Members, as provided in the Declaration; to determine and fix the due date for the payment of such assessments, and the date upon which the same shall become delinquent; to suspend, at the discretion of the Board, after notice and hearing, the membership privileges and rights of any Member for any period during which the payment of any such Member's assessments remains more than ninety (90) days delinquent; provided, however, that such assessments shall be fixed and levied only to provide for the payment of costs incurred in pursuance of the purposes of the Association for the benefit and advantage of its Members. The Board of Directors is hereby authorized to incur any and all such expenditures for any of the foregoing purposes both general and specific and to provide, or cause to be provided, adequate reserves for replacements as it shall deem to be necessary or advisable in the interest of the Association or for the general benefit and welfare of its Members. Should any Member fail to pay such assessments before delinquency, the Board of Directors in its discretion is authorized to enforce the payment of such delinquent assessments as provided in the Declaration.

(f) To enforce the provisions of the Declaration, these Bylaws, the Rules and Regulations, or other policies of the Association, and to initiate and execute disciplinary proceedings against any Member, after notice and hearing, for violations of the foregoing.

(g) To suspend, after notice and hearing, the privileges and membership rights of any Member by reason of any violation by the Member or the Member's family member, tenant, guest, or invitee, of the Declaration of the adopted Rules and Regulations of the Association.

(h) To, contract for goods and services necessary to fulfill the Board's obligations under the CC&Rs. For annual services or contracts exceeding a value of \$5,000.00, a minimum of three (3) bids shall be obtained for any goods or services which the Board proposes to contract out to a third-party vendor.

4.2 Number and Qualifications. The Board of Directors shall consist of five (5) directors. The authorized number of directors may be changed by a duly adopted amendment to these Bylaws. Directors must be Members of the Association and must be at least eighteen (18) years of age. Additionally, no person may be a candidate for the Board, or once elected, continue to serve on the Board if properly removed as set forth below in Section 4.5, if the person:

- (1) Has been declared on unsound mind by a final order of a court;
- (2) Has been convicted of a felony;
- (3) As to Board members, has failed to attend three (3) consecutive regular Board meetings or four (4) regular Board meetings within any one (1) year period;
- (4) Is a party to litigation pending against the Association;
- (5) Has filed more than three (3) actions against the Association within the past ten (10) years;
- (6) Is more than ninety (90) days delinquent in the payment of Assessments;
- (7) Is related by blood, marriage, common law marriage, registered domestic partnership, or co-ownership of a Unit to a member of the Board.

4.3 Election and Term of Office. Directors shall be elected by written secret ballot at each annual meeting of Members. Cumulative voting shall not be utilized. In the event that any annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of the Members held for that purpose. In the initial election following adoption of these Bylaws, the three (3) candidates receiving highest number of votes shall be elected to a two (2) year term, and the two (2) candidates receiving the next highest number of votes shall be elected to a one (1) year term. Thereafter, the term of office for each director shall be two (2) years and elections shall be held on a staggered basis as follows: two (2) directors shall be elected in even-numbered years and three (3) directors shall be elected in odd-numbered years. Each director shall hold office until his successor had been elected or until his death, resignation, removal. The term of office of each director elected or appointed to fill a vacancy created by the resignation, death or removal of his predecessor shall be the balance of the un-served term of his predecessor. A person who has served two (2) consecutive terms on the Board shall not be eligible for re-election to the Board or appointment to fill a vacancy on the Board until one (1) year has elapsed after the end of the Board member's last term. All Board members shall be required to sign a Board member Code of Ethics upon election to the Board.

4.4 Vacancies. Any vacancy created by the removal of a director by the Members can be filled only by election of the Members by secret ballot at a duly called meeting at which a quorum is present. All other vacancies in the Board of Directors may be filled by a majority vote of the remaining directors, though less than a quorum, and each director so elected shall hold office until his successor is elected at an annual meeting of Members, or at a special meeting called for that purpose. A vacancy or vacancies shall be deemed to exist in the case of

the disqualification, death, resignation, removal, or judicial adjudication of mental incompetence of any director, or if the Members shall increase the authorized number of directors but should fail at the meeting at which such increase is authorized, or at any adjournment thereof, to elect the additional directors so provided for, or in the case the Members fail at any time to elect the full number of authorized directors. The Members may at any time elect directors to fill any vacancy not filled by the Board, and may elect the additional directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of directors. If any director tenders his resignation to the Board, the Board shall have the power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his/her term.

4.5 Removal. Any or all directors may be removed, with or without cause, by the vote of Members entitled to exercise a majority of the voting power present at a meeting of the Members at which a quorum is present. If any or all of the directors are so removed, new directors may be elected at the same meeting at which the directors are removed. In addition, the Board, by the vote of the remaining directors at a duly called Board meeting, may declare vacant the seat of any director who fails to meet the qualifications to serve as director set forth in Section 4.2 above, and thereby remove such director from the Board.

4.6 Place of Meeting; Minutes. All meetings of the Board shall be held at any place within the Project or such other place as the Board may determine; provided, however, if a larger meeting room than exists within the Project is required, the Board shall select a room as close as possible to the Project or the office of the Association's manager. The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any Board meeting, other than an executive session, shall be available to Members within thirty (30) days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any Member upon request and upon reimbursement of the Association's cost for making that distribution.

4.7 Organization Meeting of Board. Immediately following each annual meeting of Members, the Board of Directors shall hold a regular meeting for the purpose of organization and election of officers. No notice of such meeting to the Members or the newly elected directors shall be necessary in order legally to constitute such meeting. Notwithstanding the foregoing, nothing contained herein shall prevent the Board from noticing a separate regular meeting of the Board for purposes of transacting such other business as the Board deems appropriate, or from delaying the election of officers to a later duly noticed meeting of the Board.

4.8 Regular Meetings of Board; Notice. Other regular meetings of the Board of Directors may be held at such place and day and hour as may be fixed from time to time by resolution of the Board; provided, however, that Board meetings shall be held no less frequently than quarterly. Except for a meeting that will be held solely in executive session, notice of the time and place of regular meetings of the Board of Directors, along with the meeting agenda, shall be posted at a prominent place or places within Property and communicated to Board members at least four (4) days prior to the date of such meeting; provided, however, that notice of a meeting need not be given to any Board member who has waived individual notice of Board meetings, or consented to holding of any such Board meeting.

4.9 Special Meetings of Board; Notice. Special meetings of the Board of Directors, for any purpose or purposes, may be called at any time by the President or by any two (2) directors. Except for a meeting that will be held solely in executive session, notice of the time and place time of the meeting, along with the meeting agenda, shall be posted at a prominent place or places within the Property at least four (4) days prior to the date of such meeting. Notice of a special Board meeting shall be communicated to Board members at least forty-eight (48) hours prior to the scheduled time of the meeting; provided, however, that notice of the meeting need not be given to a Board member who was waived written notice of Board meetings, or consented to the holding of any such Board meeting.

4.10 Executive Session Meetings; Notice. The Board may meet in executive session to consider litigation, matters relating to the formation of contracts with third parties, Member discipline, personnel matters, or to meet with a Member upon the Member's request regarding the Member's payment of assessments. Any matter discussed in executive session shall be generally noted in the minutes of the next meeting of the Board open to all Members. Members may not attend executive session meeting of the Board except as provided above or if invited by the Board in its sole discretion. Members shall be given notice of the time and place of meetings which will be held solely in executive session by the posting of a notice and agenda at a prominent place or places within Property at least two (2) days prior to the meeting date.

4.11 Waiver of Notice. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive personal notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice to such Director. Attendance by a Director, without protest, at any meeting of the Board shall be a waiver by him of personal notice of the time and place thereof. The transactions of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if (1) a quorum is present, (2) notice to the Members of such meeting was posted as provided herein above, and (3) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to the holding such meeting, or an approval of the Minutes thereof. All such waivers, consents and approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

4.12 Quorum and Adjournment. Except as otherwise expressly provided herein, at all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of a majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. A meeting at which a quorum is present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting. The majority of directors present, whether or not a quorum is present, may adjourn any meeting to another time or place. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.13 Committees. The Board of Directors, by resolution, may from time to time designate such committees as it shall desire, and may establish the purposes and powers of each such committee created. The resolution designating and establishing the committee shall provide for the appointment of its members, as well as a chairman, shall state the purposes of the

committee, and shall provide for reports, termination, and other administrative matters as deemed appropriate by the Board. Committee members shall serve at the pleasure of the Board and may be removed by same. No committee shall be assigned, delegated, or chartered in any manner that would authorize it to take final action in the name of the Association, except for an executive committee. Committee shall not have the authority to direct contractors, agents, officers or Member of the Association, except if, and to the extent, specifically authorized by the Board in the resolution creating the committee or in writing.

4.14 Compensation. No director shall receive any compensation for any service such director may render to the Association as a director; provided, however, that a director may be reimbursed for out-of-pocket expenses incurred by such director in the performance of his duties. Nothing herein contained shall be construed to preclude any director from serving the Association as agent, counsel, consultant, or in any capacity other than as director, and receiving compensation therefor.

ARTICLE V

OFFICERS

5.1. Enumeration of Officers. The officers of the Association shall be a President, a Vice President, a Secretary, and a Treasurer, and such other officers as the Board may from time to time by resolution establish. No person shall simultaneously hold more than one (1) office.

5.2. Election and Term of Officers. The officers of the Association shall be members of the Board and shall be elected annually by the Board at the organization meeting of each new Board of Directors, and each officer shall hold his office at the pleasure of the Board of Directors, until he shall resign or be removed or otherwise disqualified to serve or his successor shall be elected and qualified to serve.

5.3 Removal and Resignation. Any officer may be removed from office at any time, with or without cause, by the vote of a majority of the Board, and his successor elected, at any regular or special meeting of the Board at which a quorum is present. Any officer may resign at any time by giving written notice to the Board of Directors or to the President or Secretary of the Association. Any such resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and unless otherwise specified in said notice, acceptance of such resignation shall not be necessary to make it effective. Any vacancy in any office may be filled by a majority vote of the Board at any meeting at which a quorum is present.

5.4 Vacancies. Any vacancy in any office may be filled by a majority vote of the Board at any meeting of the Board at which a quorum is present. The officer appointed to fill such vacancy shall serve for the remainder of the term of the officer he or she replaces.

5.5 President. The President shall be the chief executive officer of the Association and shall have, subject to the control of the Board and the provisions of the Declaration, general supervision, direction and control of the business and officers of the Association. The President shall preside at all meetings of the Members and of the Board of

Directors. The President shall be ex-officio a member of all standing committees, if any, and he shall have the general powers and duties usually vested in the office of the President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.6 Vice President. The Vice President shall act in the place and stead of the President and perform his duties in the event of the President's absence, and when so acting shall have all the powers of, and be subject to all the restrictions imposed upon, the office of President. The Vice President shall have such other powers and perform such other duties as may from time to time be prescribed by the Board of Directors or these Bylaws.

5.7 Secretary. The Secretary shall keep or caused to be kept the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association at the principal office of the Association and at such other place as the Board of Directors may order. The Secretary shall keep, or cause to be kept, at the principal office and at the office of the Association's managing agent, a membership register, showing the names of the members and their addresses, the property to which each membership shall relate. The Secretary shall give, or cause to be given, notices of meetings of the Members and of the Board of Directors required by these Bylaws or by law to be given, and shall keep the seal of the Association in safe custody. The Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

5.8 Treasurer. The Treasurer shall be the chief financial officer of the Association and shall keep and maintain, or caused to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The books of account shall, at all reasonable times, be open to inspection by any director. The Treasurer shall, or shall cause the Association's managing agent to, deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board of Directors. The Treasurer shall, or shall cause the Association's managing agent to, disburse the funds of the Association as may be ordered by the Board, and render to the President and directors, whenever they request it, an account of all such transactions and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

5.9 Other Officers. The Board may, from time to time, appoint such other officers as it deems appropriate and prescribe the duties of such other officers, including the right to act in the place and stead of any officers, other than the President, that the Board may designate.

ARTICLE VI

MISCELLANEOUS

6.1 Inspection of Corporate Records. The membership register, the books of account, including profit and loss statements, balance sheets and actual expense, the minutes of meetings of the Members and the Board (excluding any minutes of meetings which the Board is in executive session), and such other records as required by California law, shall be made

available for inspection and copying upon the written demand of any Member, or such Member's duly-appointed representative, at any reasonable time and for a purpose reasonably related to his interest as a Member, in the manner provided in the Civil Code and Corporations Code of the State of California relating thereto.

6.2 Checks, Drafts, etc. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness, issued in the name of or payable to the Association, shall be signed and endorsed by at least two (2) individuals from either the Board or the management company, and in such manner as, from time to time, shall be determined by resolution of the Board.

6.3 Contracts; How Executed. The Board of Directors, except as in these Bylaws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Association, and authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement or to pledge its credit or to render it liable for any purpose of for any amount.

6.4 Inspection of Bylaws. The Association shall keep in its principal office for the transaction of business, the original or a copy of the Bylaws as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during office hours and available by mail or email upon payment of the Association's actual copying and/or mailing costs.

6.5 Amendment. These Bylaws may be adopted, amended or repealed only by the vote or written consent of Members exercising a majority of the eligible voting power of the Association. Whenever an amendment or new Bylaw is adopted, it shall be placed in the book of Bylaws in the appropriate place. If any Bylaw is repealed, the fact of repeal, with the date of the meeting at which the repeal was enacted or written assent was filed, shall be stated in said book.

CERTIFICATE OF ADOPTION OF BYLAWS
BY MEMBERS
OF
FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC.
A California Nonprofit Mutual Benefit Corporation

IN WITNESS WHEREOF, I, the undersigned, do hereby certify that I am the duly elected, qualified and acting Secretary of FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC., a California nonprofit mutual benefit corporation and that the above and foregoing Bylaws were duly approved by members representing a majority of a quorum of members of the FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC., formerly Figueroa Arms Apartments, Inc., present at a special meeting of members held on June 15, 2015.

Dated: August 19, 2015.

FIGUEROA ARMS CONDOMINIUM
ASSOCIATION, INC., a California nonprofit
mutual benefit corporation

By: Farrah Farzaneh

Print Name: Farrah Farzaneh
Title: Secretary

Figueroa Arms

Declaration/CC&Rs



GOVERNING DOCUMENT COVER PAGE

If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, nation origin, source of income as defined in subdivision of Section 12955, or ancestry, that restrictions violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 & 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

Section 1352.5 of the Civil Code, effective January 1, 2000 requires community associations to put this cover page on the front of the Governing Documents.

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TITLE(S)

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC.

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
FIGUEROA ARMS CONDOMINIUM ASSOCIATION, INC.**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS (hereinafter "Declaration") is made on the day and year hereinafter written, by Figueroa Arms Apartments, Inc., a California nonprofit mutual benefit corporation (hereinafter "Declarant"), the owner of certain real property described herein.

RECITALS

A. The real property which is the subject of this Declaration is described as follows:

The westerly 120 feet of Lots 1 and 2, all of Lot 3, and the easterly half of Lot 4 of the Map of the Royal Tract, as filed in Book 24 of Miscellaneous Maps at Page 12, and Lot 110 plus the south half of Lot 108 of the Map of Figueroa Square, as filed in Book 6 of Tract Maps at Page 154, Los Angeles County Records, State of California (hereinafter the "Property").

B. The Property has been improved in the manner described in the Superseding Condominium Plan, recorded on October 3, 2015 with Instrument Number: 20150942450, in the office of the Los Angeles County Registrar-Recorder of Los Angeles County, California. The Property, which consists of seventy-five (75) Condominiums, was originally constructed as a cooperative apartment project, and is being converted to a condominium project as voted for by the membership of the cooperative corporation.

C. The Property was previously leased to the members of the cooperative corporation. Owners' leasehold estates will, upon recordation of the deed to each condominium unit, become the fee owned interest of each unit Owner subject to the existing Occupancy Agreement or Memorandum thereto.

D. Declarant desires that upon recordation of this Declaration of Covenants, Conditions and Restrictions, the Property shall be subject to the covenants, conditions, restrictions, rights, reservations, easements, equitable servitudes, liens, and charges contained herein.

NOW, THEREFORE, Declarant hereby declares that all of the Property is held and shall continue to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied, and improved subject to the following limitations, covenants, conditions, restrictions, reservations, rights, easements, equitable servitudes, liens, and charges set forth in this Declaration, and as may be amended from time to time, all of which are declared and agreed to be in furtherance of a general plan for the subdivision, development, improvement and sale of Condominiums in a Condominium Project (as those terms are defined in Sections 783 and 4125 of the Civil Code), and all of which are declared and established for the purpose of enhancing and protecting the value, desirability,

and attractiveness of the Property. All provisions of this Declaration of Covenants, Conditions and Restrictions shall constitute covenants running with the land and enforceable equitable servitudes upon the Property, and shall be binding on and for the benefit of all the Property and all parties having or acquiring any right, title, or interest in all or any part of the Property, including the heirs, executors, administrators, and assigns of these parties, and all subsequent owners and lessees of all or any part of the Property.

ARTICLE I DEFINITIONS

Unless the context clearly indicates otherwise, whenever used in this Declaration, the following terms shall have the have the meanings hereinafter specified.

1.1 Articles. "Articles" shall mean and refer to the Articles of Incorporation of Figueroa Arms, Inc., as the same may be amended, modified, or changed from time to time.

1.2 Assessment. "Assessment" or "Assessments" shall mean that portion of the cost of maintaining, improving, repairing, operating and managing the Property that is to be paid by each Owner as determined by the Association, and includes Regular Assessments, Special Assessments, and Reimbursement Assessments.

1.3 Association. "Association" shall mean and refer to Figueroa Arms Condominium Association, Inc., a California nonprofit mutual benefit corporation, its successors and/or assigns.

1.4 Board of Directors. "Board" or "Board of Directors" shall mean and refer to the Board of Directors of the Association, which is the elected governing body of the Association.

1.5 Bylaws. "Bylaws" shall mean the duly adopted Bylaws of the Association as the same may be amended, changed or modified from time-to-time.

1.6 Common Area. "Common Area" shall mean and refer to the entire Property excepting the Units.

1.7 Condominium. "Condominium" shall mean a condominium as defined in Sections 783 and 4125 of the Civil Code, consisting of an undivided interest in common in a portion of the Property, a separate interest in a space called a Unit, and a non-exclusive easement for access to, use and enjoyment of, and ingress and egress through the Common Area.

1.8 Condominium Plan. "Condominium Plan" shall mean the plan prepared and recorded with respect to the Property as required by Sections 4285 and 783 of the Civil Code.

1.9 Declaration. "Declaration" shall mean and refer to this Declaration of Covenants, Conditions and Restrictions for Figueroa Arms, Inc.

1.10 Eligible Holder. "Eligible Holder" shall mean any first Mortgagee who has given written notice to the Association specifying its name, address and the address of the Condominium encumbered by the Mortgage and requesting written notice of any or all of the events specified in this Declaration.

1.11 Exclusive Use Common Area. "Exclusive Use Common Area" shall mean the following portions of the Common Area set aside for exclusive use of an Owner of the Condominium to which they are attached or are assigned in the Condominium Plan: any (i) window and door screens and glass of individual Units, (ii) internal and external wiring, electrical wiring from the breaker box, and telephone connection boxes designed to serve only one Owner's Unit, (iii) sewer and drain pipes, lines, ducts and valves serving only one Owner's Unit between the points at which the pipes, lines, ducts and/ or valves enter the Owner's Unit and the points at which the pipes, lines, ducts and/ or valves join other pipes, lines, ducts and/or valves serving other Units and/or the Common Area; and (iv) other fixtures designed to serve a single Unit, whether located inside or outside the boundaries of the Unit.

1.12 Governing Documents. "Governing Documents" shall mean and refer to this Declaration, the Articles of Incorporation, Bylaws, and Association Rules and Regulations.

1.13 Improvement. "Improvement" shall mean and refer to any and all structures and appurtenances thereto of every type and kind, including but not limited to buildings, walkways, sprinkler pipes, carports, recreational facilities, roads, driveways, parking areas, fences, walls, stairs, decks, landscaping, antennas, hedges, windbreaks, railings, planted trees and shrubs, poles, signs, storage areas and heating, cooling and/or water softening fixtures and/or equipment.

1.14. Mortgage. "Mortgage" shall mean a first deed of trust encumbering a Condominium of record in the Los Angeles County Recorder's Office.

1.15 Mortgagee. "Mortgagee" shall mean a holder of or the beneficiary under, as the case may be, a Mortgage encumbering a Condominium within the Property.

1.16 Owner. "Owner" or "Member" shall mean and refer to the person, persons or entity holding fee simple interest of record to any Condominium within the Property, excluding those persons or entities having such interest merely as security for the performance of an obligation.

1.17 Property. "Property" or "Project" shall mean and refer to all of that certain real property described in paragraph "A" of the recitals hereinabove, as divided into Condominiums, including all structures and Improvements thereon, the Units, and the Common Area, which Property shall be commonly known as "Figueroa Arms".

1.18 Rules and Regulations. "Rules and Regulations" shall mean the rules and regulations adopted by the Board, by a majority vote thereof, in accordance with Civil Code Section 4340 et seq., as the same may be amended from time to time, pertaining generally to the management and operation of the Project or affairs of the Association, including, without limitation, the use of the Common Area, Exclusive Use Common Area and Units by the Owners.

1.19 Unit. "Unit" shall mean and refer to the elements of a Condominium which are not owned in common with the Owners of other Condominiums in the Project, the boundaries of which are shown and defined on the Condominium Plan. The Unit shall include both the portions of the building so described and the airspace so encompassed. In interpreting deeds and plans, the existing physical boundaries of a Unit reconstructed in substantial accordance with the original plans, shall be conclusively presumed to be its boundaries, rather than metes and bounds, or other description, expressed in the deed or plan, regardless of settling or lateral movement of buildings

and regardless of minor variance between boundaries shown on the plan or in the deed and those of a building.

ARTICLE II THE ASSOCIATION

2.1 Management of Project. The business and affairs of the Project shall be managed by the Association acting through the Board of Directors. The Board shall retain the services of a professional property manager to assist the Board. The Association is a nonprofit mutual benefit corporation formed under the Nonprofit Mutual Benefit Law of the State of California.

2.2 Membership. Ownership of a Condominium within the Project shall be the sole qualification for membership in the Association. Every person or entity who is a record title holder of a fee interest in a Condominium within the Project shall be a Member of the Association. If a given Condominium is owned by more than one (1) Owner, all such Owners shall be Members of the Association. Persons or entities who hold an interest to a Condominium merely as security for the performance of an obligation shall not be a member of the Association.

2.3. Transfer of Membership. The Association membership of each Owner shall be appurtenant to the Condominium giving rise to such membership, and shall not be assigned, transferred, pledged, conveyed or alienated in any way except upon the transfer of title to said Condominium, and then only to the transferee of title to said Condominium. Any attempt to make a prohibited transfer shall be void. Any transfer of title to a Condominium shall operate automatically to transfer the membership in the Association appurtenant thereto to the new Owner thereof.

2.4 Voting Rights. Each Member of the Association is entitled to cast one (1) vote for each Condominium in which he or she holds the interest required for membership. When more than one (1) person holds an interest in any Condominium, all such persons shall be members. The vote for such Condominium shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Condominium, and fractional votes shall not be allowed.

2.5 Duties and Powers of the Association. The Association has been organized for the purposes of managing and maintaining the Property for the benefit, maintenance and improvement of said Property and the peace, comfort, health, safety and welfare of the Owners. The Association shall have all of the powers of a nonprofit corporation organized under the Nonprofit Mutual Benefit Corporation Law of the State of California subject only to such limitations on the exercise of such powers as are set forth in the Articles, the Bylaws, and this Declaration. It shall have the power to do and perform any act that may be necessary or proper for or incidental to, the exercise of any of the express powers of the Association, including, without limitation, the powers set forth below. In addition to the powers enumerated in its Articles and Bylaws or elsewhere provided for herein, the Association shall have the following duties, rights and powers:

(a) Maintenance of Project. The Association shall have the power to acquire, improve, repair, maintain, replace, operate, care for, and hold the Common Area and all Improvements located thereon, including by not limited to, open spaces and recreation areas,

swimming pools, community buildings and parking facilities, or any other structure appropriate for the use and benefit of its member. The Association shall manage and maintain all of the Common Area within the Project, so as to keep the entire Project in an attractive condition and in a good state of repair, as more fully set forth in Section 6.1 of Article VI of this Declaration;

(b) Enforcement of Governing Documents. The Association shall have the power to enforce the provisions of the Governing Documents by appropriate means, including the commencement and maintenance of actions for damages or to restrain and enjoin any actual or threatened breach of the Governing Documents, and to carry out the obligations of the Association hereunder;

(c) Borrowing Money. The Association shall have the power to borrow money from a third party and pledge the Association's Assessment income and other assets as may be needed in connection with the discharge of the Association's duties, including but not limited to, improving, repairing, and/ or rebuilding the Common Area and facilities thereon, with the prior affirmative vote of at least fifty-one percent (51%) of the Members of the Association entitled to vote. Member approval shall not be required for loans obtained to refinance existing debts as part of the conversion process or to pay for any obligations incurred in connection with the conversion process, as previously approved by the members of the cooperative corporation.

(d) Payment of Taxes, Utilities and Expenses. The Association shall pay expenses and obligations incurred by the Association in the conduct of its business, including without limitation, all licenses, taxes, or assessments levied by any public authority and imposed upon property of the Association. In addition, the Association shall acquire and pay for out of its Assessment income, water, gas, electric, power, landscaping services, refuse collection, cable or satellite television and/or internet service and other necessary utility services for the Common Area (and to the extent not separately metered or charged to the Units). The member shall pay directly to the supplier for all other utilities, including electricity serving the individual Units.

(e) Levy of Assessments. The Association shall have the power to establish, levy and collect such regular and special Assessments as may be necessary to pay for or otherwise meet the expenses of carrying out and performing any of the within enumerated powers and duties, and Reimbursement Assessments as provided for in this Declaration, subject to the limitations set forth in Article IV hereof.

(f) Insurance. The Association shall maintain the policy or policies of insurance required by Article VII of this Declaration.

(g) Rules and Regulations. The Association shall have the power to establish and enforce uniform Rules and Regulations, not inconsistent with this Declaration, pertaining to the use of the Units, the Exclusive Use Common Area and the Common Area, and including but not limited to, rules and policies relating to noise levels, parking, pets, storage, and the number of guests, the hours of use of recreational facilities, and other matters relating to the Owners' use and enjoyment of the Project.

(h) Disciplinary Action. The Association shall have the power to take disciplinary action, after notice and hearing, including imposing fines, interest, and late charges

against an Owner, and/or temporarily suspending the voting and/or recreational rights of an Owner, in the event of said Owner's breach of any provision of the Governing Documents;

(i) Delegation of Powers. The Association may delegate its powers;

(j) Contracts. The Association may contract with independent contractors for goods and services and retain professional legal, management and/or accounting services and to employ such other agents and/or employees as it deems necessary to perform all or any part of the duties and responsibilities of the Association. Any contract entered into with a third party shall not exceed a term of one (1) year, with the exception of the following: (i) A contract with a public utility company where the rates are regulated by the Public Utilities Commission, provided that the contract term does not exceed the shortest term for which the supplier will contract at the regulated rate; (ii) Prepaid casualty and/or liability insurance policies not to exceed three (3) years' duration provided that the policy permits for short rate cancellation by the insured; and (iii) Lease agreements for laundry room fixtures and equipment of not more than five (5) years duration; (iv) Service access agreements for cable or satellite television or internet services (where members pay for such services directly and no services are bulk-billed to the Association) for a period not to exceed five (5); and (v) Agreements for the sale or lease or burglar alarm, video security equipment and fire alarm equipment, installation, and services for a term of up to five (5) years.

(k) Right of Entry. The Association shall have the right to enter into any individual Unit, at a reasonable time of day and after 48-hour prior notice to the Owner in order to protect the Common Area and the property rights of Members or to perform its obligations under this Declaration or to cure any default by an Owner to perform its obligations under this Declaration. Any damage caused by such entry shall be repaired by and at the expense of the Association. In the case of a property-threatening emergency, the right of entry shall be immediate. If any such repair or maintenance is due to the failure of an Owner to perform its obligations hereunder, the cost of such maintenance or repair shall be assessed against said Owner as a Reimbursement Assessment enforceable by a power of sale of the Unit.

(l) Suspension of Privileges. The Association shall have the power to, after notice and hearing, suspend the voting rights and membership privileges, including the right to use of any Common Area recreational facilities, of a Member for any period during which an Assessment against his or her Condominium remains unpaid and delinquent; and for a period not to exceed thirty (30) days for any single infraction of the Governing Documents of the Association.

(m) Access to Project. The Association shall have the right to reasonably restrict access to the Property through the use of locks on entry doors, or other means, in order to limit free access to the Property to residents of the Property and/or Association vendors and staff.

(n) Parking and Storage Spaces. The Association shall have the right to assign, rent, license or otherwise designate and control the use of any unassigned parking and storage spaces.

(o) Financial Matters. The Association shall prepare annual budgets, reports, balance sheets and operating statements for the Association as required under the Governing Documents or the law.

(p) Easements and Rights of Way. The Association, acting through its Board, and without a vote of the owners may grant and convey to any third party, as deemed necessary or proper by the Board, easements and licenses for nonexclusive use and rights of way in, on, over or under and Common Area and Association property conveyed or otherwise transferred to the Association or under its jurisdiction in accordance with the provisions of this Declaration.

(q) Reserve Fund. The Association shall maintain as a reserve fund a reserve account fund sufficient to pay for maintenance, repair and periodic replacement of the Common Area and Improvements that the Association is obligated hereunder to maintain, and shall exercise prudent fiscal management in maintaining the integrity of the Association's reserve fund.

2.6 Limitation of Liability.

(a) Acts or Omissions. Neither the Board of Directors (or any member thereof), any committee appointed by the Board (or any member thereof), officer, director, employee or agent of the Association, nor any manager or the manager's staff (collectively, an "Official Person") shall be liable to any person (including the Association or a person claiming in the name of the Association) for injuries or damage resulting from such Official Person's acts or omissions within what such Official Person reasonably believes to be the scope of his or her duties to the Association, except to the extent that such injuries or damage result from such Official Person's gross negligence or willful misconduct. The Association shall not be liable for injuries or damage resulting from any failure to provide any service or perform any duty, function or responsibility designated herein to be performed by the Association, except to the extent that such injuries or damage result from the gross negligence or willful misconduct of the Association.

(b) Events. Neither the Association nor any Official Person shall be liable for injury and/ or damage to persons or property in the Project caused by fire, explosion, the elements or by an Owner or any other person or resulting from electricity, water, mold, rain, dust, sand, insect or rodent infestation which may leak, flow or intrude from outside of any Unit or from any pipes, drains, conduits, appliances or equipment, or from any other source or cause, unless caused by the gross negligence or willful misconduct of the Association or any such Official Person.

(c) Association Not Responsible for Loss. Neither the Association nor any Official Person shall be responsible to any Owner, or to any Owner's family members, guests, servants, employees or invitees, for any loss or damage suffered by reason of theft or otherwise of any article, vehicle or thing which may be stored by such Owner or other person in or on any portion of the Common Area, unless caused by the gross negligence or willful misconduct of the Association or any such Official Person.

ARTICLE III RIGHTS IN THE COMMON AREAS

3.1 Percentage and Transfer of Undivided Interests in Common Area. The undivided interest in the Common Area hereby established and which shall be appurtenant to and conveyed with each respective Unit in the Project, is a one seventy fifth (1/75th) interest. The undivided interests in the Common Area established hereunder and the fee title to the respective Units

conveyed therewith shall not be separated, severed or separately conveyed, encumbered or otherwise transferred, and each such undivided interest in the Common Area shall conclusively be deemed to be conveyed, transferred or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit

3.2 Owners' Easement of Enjoyment. For the benefit of the Property, and for the benefit of all of the Owners in the Project, there shall be a non-exclusive reciprocal easements of access to, use and enjoyment of, and ingress, egress and support through all of the Common Areas of the Project. Such easements may be used by all resident Owners and the members of their families, their guests, tenants and invitees, for pedestrian walkways, vehicular access, use of recreational facilities, and such other purposes reasonably necessary to the use and enjoyment of the Units and the Common Areas in the Project. Such easements shall be appurtenant to and shall pass with the title to every Condominium Unit, subject to the powers, duties and rights of the Association as set forth above in Article II, Section 2.5 of this Declaration.

3.3 Delegation of Use. Any Owner entitled to the right and easement of use and enjoyment of the Common Area may delegate such Owner's right to use and enjoyment of the Common Area to his or her tenants, contract purchasers or subtenants who reside in such Owner's Condominium, subject to reasonable regulation by the Board. An owner who has made such a delegation of rights shall not be entitled to use or enjoyment of the Common Area for so long as such delegation remains in effect, other than such access rights which are directly related and necessary to the exercise of such Owner's rights and duties as landlord. Each Owner shall notify the Association in writing of the names of any contract purchasers or lessees of such Owner's Condominium to whom the Owner's right to use the Common Area has been delegated.

3.4 Waiver of Use. No Owner may waive or otherwise escape liability for the Assessments provided for by this Declaration or otherwise duly and properly levied by the Board in accordance with this Declaration, nor release the Condominium owned by such Owner from the liens and charges hereof, by non-use of the Common Area and the facilities thereon, or any part thereof, or by abandonment of such Owner's Condominium Unit.

3.5 Partition. The Common Area shall remain undivided and there shall be no judicial partition thereof, except as provided for in Civil Code §4610(b), or any successor statute.

3.6 Encroachments. There are hereby reserved and granted for the benefit of each Unit, as dominant tenement, over, under and across each other Unit and the Common Area, as servient tenements, and for the benefit of the Common Area, as dominant tenement, over under and across each Unit, as servient tenement, nonexclusive easements for encroachments, support, occupancy and use of such portions of the Units and/or Common Area encroached upon, used, and/or occupied by the dominant tenement as a result of any original construction design, accretion, erosion, addition, deterioration, decay, errors in original construction, movement, settlement, shifting or subsidence of any building, structure, or other Improvement or any portion thereof, or any other cause other than the willful misconduct of the Association or any Owner. In the event any portion of the Project is partially or totally destroyed, the encroachment easement shall exist for any replacement structure that is rebuilt pursuant to the original construction design. The easement for the maintenance of the encroaching Improvement shall exist for as long as the encroachment exists. If minor variances exist between physical boundaries and boundaries shown

on the Condominium Plan, it shall be conclusively presumed that the physical boundaries are the correct boundaries.

3.7 Utilities. There are reserved and granted for the benefit of each Unit, as dominant tenement, over, under, across and through the Common Area and each other Unit, as the servient tenement, and for the benefit of the Common Area, as dominant tenement, over, under and across each Unit, as servient tenement, non-exclusive easements for the maintenance, repair and replacement of utilities, which may include, but are not limited to, easements for cable or satellite television and internet, telephone lines, sanitary sewers, water, gas, air-conditioning, electrical and drainage facilities, and no owner shall damage with or interfere with the installation or maintenance of such utilities. In the event any portion of said connection, duct, valve or line is damaged by an Owner or an Owner's guest, tenants, or invitees, said Owner shall be responsible for the cost of repair, which may be enforceable as a Reimbursement Assessment. Each owner of a dominant tenement hereunder is granted an easement to the full extent necessary there for, to enter upon such portions of any servient tenement hereunder, or to have the utilities companies enter thereupon, to repair, replace and/or generally maintain said connections, ducts, valves, lines or utilities as and when the same may be necessary. Easements over, under and across the Project for the installation and maintenance of electric, telephone, internet, water, gas and sanitary sewer lines and facilities, and for drainage facilities as shown on the Condominium Plan, and as may hereafter be required or needed to service the Project, are hereby reserved by the Association, together with the right to grant and transfer such easements.

ARTICLE IV COVENANT FOR ASSESSMENTS

4.1 Creation of Lien and Personal Obligation for Assessments. Each Owner of a Condominium within the Project, by acceptance of a deed thereof, is deemed to covenant and agree to pay to the Association: Regular Assessments, Special Assessments, and Reimbursement Assessments; such assessments to be fixed, established and levied by the Board of Directors as provided in this Declaration. All such assessments, together with late fees, interest, costs and reasonable attorneys' fees for the collection thereof, shall be a charge on the land and shall be a continuing lien upon the Condominium against which each such assessment is made, the lien to be effective upon the recordation of a notice of delinquent assessment in the office of the County Recorder. Each assessment, together with late fees, interest, costs and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Condominium at the time when the assessment fell due. The personal obligation to pay assessments shall not pass to such Owner's successors in title unless expressly assumed by them. No Owner shall be exempt from liability for payment of assessments by waiver of the use or enjoyment of the Common Area or by the abandonment of the Owner's Condominium. All assessments shall be payable in the amount specified by the Board and no offset against such amount shall be permitted for any reason.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purposes of promoting the recreation, health, safety and welfare of the Members, the management, maintenance, care, preservation, protection and architectural control of the Property, enhancing the quality of life in the Property and the value of the Property, including, without limitation, the improvement and maintenance of the properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and recreational facilities, or in furtherance of any other duty, right or power of the Association.

4.3 Rate of Assessments. The Association shall levy Regular and Special Assessments in the amount which the Board deems sufficient to perform its obligations and duties under the Governing Documents and applicable law each fiscal year. The amount of any such Assessment shall not exceed the amount necessary to defray the costs for which it is levied. The total estimated common expenses of the Association for each fiscal shall be established by a duly adopted resolution of the Board of Directors. Regular and Special Assessments established by the Board shall be allocated among the Units equally based on each Unit's proportional share.

4.4 Limitation on Increases of Assessments. The Board of Directors may not impose a Regular Assessment that is more than twenty percent (20%) greater than the Regular Assessment for the Association's preceding fiscal year, or impose Special Assessments which in the aggregate exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, without the approval of Owners, constituting a majority of a "quorum". For purposes of this section, a "quorum" means fifty-one percent (51%) of the Owners in the Association. This section does not limit assessment increases necessary for emergency situations, or the imposition of Reimbursement Assessments against an individual Owner or Condominium.

4.5 Notice of Increases. The Association shall provide individual notice (as defined in Section 4040 of the Civil Code, or any successor statute) to the members of any increase in the Regular Assessments or the imposition of any Special Assessments not less than thirty (30) nor more than sixty (60) days prior to the increased Assessment becoming due.

4.6 Reimbursement Assessments. The Association may, after notice and hearing, impose a Reimbursement Assessment against an individual Owner as a means of reimbursing the Association for costs incurred by the Association in (i) bringing an Owner and/or his Unit into compliance with the provisions of the Governing Documents, or (ii) in repairing damage to Common Areas for which the Owner or the Owner's guests, tenants or invitees were responsible. Reimbursement Assessments shall be levied and collected in the same manner as other Assessments, and may become a lien against the Owner's Unit enforceable by sale of the Unit.

4.7 Due Dates. Regular Assessments shall be due and payable on the first (1st) day of each month regardless of the lack of any monthly notice thereof. Special Assessments and Reimbursement Assessments shall be due and payable on the date specified by the Board, which shall be no sooner than thirty (30) days from the date written notice thereof is given by the Board.

4.8 Delinquency. Assessments provided for in this Declaration are delinquent fifteen (15) days after they become due. If an Assessment is delinquent, the Association may recover all of the following: (i) Reasonable costs incurred in collecting the delinquent Assessment, including reasonable attorneys' fees; (ii) A late charge equal to ten percent (10%) of the delinquent Assessment, or the maximum amount allowable by law, whichever is greater; and (iii) Interest on all sums, including the delinquent Assessment, reasonable fees and costs of collection, and attorneys fee, at an annual interest rate of twelve percent (12%) commencing thirty (30) days after the Assessment becomes due.

4.9 Enforcement of Lien. The amount of any delinquent Assessment or installment thereof, together with late fees, interest, collection costs and reasonable attorneys' fees, shall be a lien on the Owner's Condominium from and after the time a notice of delinquent assessment is

recorded in the office of the County Recorder. The notice of delinquent assessment shall be signed by any officer of the Association, or by any authorized representative or agent of the Board. Any lien created pursuant to this Article may be enforced in any matter permitted by law, including sale by the court or sale by private trustee in accordance with the provisions of the Civil Code of the State of California then in effect applicable to the exercise of powers or sale in mortgages and deeds of trust. The Association, through its duly authorized agents, shall have the power to bid on the Condominium at foreclosure sale, and to acquire and hold, lease, mortgage and convey same.

4.10 Curing of Default. Upon the timely payment or other satisfaction of: (i) all delinquent Assessments specified in the notice of delinquent assessment, (ii) all other Assessments which have become due and payable with respect to the Unit against which the lien was recorded, and (iii) interest, late charges, attorneys' fees and other costs of collection which have accrued, the Association shall record an appropriate release of such lien upon payment by the defaulting Owner of a fee not to exceed the actual costs of preparing and recording such release.

4.11 Cumulative Remedies. The Assessment lien and the rights to foreclosure and sale thereunder shall be in addition to and not in substitution for all other rights and remedies which the Association may have hereunder and by law, including the commencement and maintenance of a suit against the Owner personally to recover a money judgment for unpaid assessments. Any judgment entered in such an action shall include an award of attorney's fees and court costs to the Association, in addition to the delinquent Assessments, fees, interest and collection costs.

4.12 Priority of Assessment Lien. An Assessment lien created pursuant to this Declaration shall be prior to all other liens recorded subsequent to the notice of delinquent assessment, except: (i) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (ii) the lien of any Mortgage upon the Condominium. If any Condominium subject to an Assessment lien created hereunder shall be subject to the lien of any Mortgage, the foreclosure of any Assessment lien shall not operate to affect or impair the lien of such Mortgage. The sale or transfer of any Condominium shall not affect the Assessment lien; however, the sale or the sale or transfer of any Condominium pursuant to judicial or nonjudicial foreclosure of a Mortgage shall extinguish the lien of such Assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Condominium from lien rights for any Assessments thereafter becoming due.

4.13 Taxes and Utilities. Each Owner shall pay any real and personal property taxes separately assessed against such Owner's respective Unit and all utility charges separately metered or charged against such Owner's Unit. Such payments shall be made by each such Owner in addition to, and separately from, Assessments otherwise payable by each such Owner to the Association. All such taxes, charges and assessments, and any liens arising therefrom, shall relate only to the Unit to which they pertain and not to the Project as a whole.

ARTICLE V USE RESTRICTIONS

In addition to all other covenants contained herein, the use of the Project and each Unit therein and the Common Area is subject to the following restrictions. For purposes of this Article,

except when the context otherwise requires, "Owner" shall include the family (and each member thereof), guests, tenants, licensees, servants, employees and invitees of such Owner.

5.1 Residential Use; Business Usage Prohibited. No Condominium shall be occupied and used except for residential purposes. No part of the Project or Units therein shall ever be used or caused to be used, or allowed or authorized in any way, directly or indirectly, to be used for any business, commercial, manufacturing, mercantile, storage, vending, transient, hotel or other such nonresidential purposes; provided, that the foregoing restriction shall not apply to the activities or signs of the Association in the discharge of its responsibilities under this Declaration. "Hotel or other such nonresidential purposes," as used in the immediately preceding sentence shall mean: (i) rental for any period less than three months (ii) any rental if the occupants of the Unit are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and/or bellboy service; (iii) any rental of less than the entire Unit; or (iv) any time share arrangements. The provisions of this Section shall not preclude professional and administrative occupations without external evidence thereof, so long as such occupation is conducted in conformance with all applicable governmental ordinances, is merely incidental to the principal residential use of the Unit, and does not interfere with the quiet enjoyment of the other Owners. No health care facility operating as a business or charity or family daycare center for children shall be permitted in the Project, except as specifically permitted by law or ordinance that preempts this restriction. In such an instance, the owner/operator of the healthcare or daycare facility shall comply with all local and state laws regarding the licensing and operating of the facility and, in addition, shall name the Association as an additional insured on its liability insurance policy and/or bonds.

5.2 Owner Modifications. No alteration, modification or improvement which (i) involves a structural alteration or modification to the interior of a Unit or utility installations located therein, (ii) will impair the structural integrity of a Unit, the Exclusive Use Common Area or the Common Area, (iii) modifies the Common Area or the Exclusive Use Common Area, or (iv) is visible from the Common Area, the Exclusive Use Common Area or other Units, shall be commenced or maintained by an Owner except upon the prior written consent of the Association in accordance with the provisions of Article X ("Architectural Review") of this Declaration.

5.3 Storage; Use of Common Area. There shall be no storage of any kind in or upon a Unit or the Exclusive Use Common Area, which is visible from adjoining streets, the Common Area, or other Units. No item of any kind may be stored or placed upon the Common Areas by Owners, except in those areas, if any, specifically designated for such purposes by the Board.

5.4 Pets. The following restrictions regarding the care and maintenance of pets within the Project shall be observed by each Owner:

(a) Definition; Weight and Height Limit. For purposes of this Section, "pet" means any domesticated cat or dog meeting the weight limit below, or an aquarium of reasonable size with aquatic animal or other animal as agreed to in writing in advance between an Owner and the Association. No pet may exceed twenty (20) pounds in weight.

(b) Two Pets Allowed. A total of two (2) pets are allowed per unit, provided that only one such pet may be a dog, and further provided that such pets are not kept, bred, or

maintained for any commercial purposes and are kept under control at all times. No other animals, livestock, or poultry of any kind shall be kept, bred or raised within any Unit.

(c) Additional Rules and Regulations. The Board of Directors shall have the right to establish and enforce additional Rules and Regulations imposing standards for the reasonable control and keeping of household pets in, upon and around the Project to ensure that the same do not interfere with the quiet and peaceful enjoyment of the Project by the other Owners and residents.

(d) Pets in the Common Area. Subject to the Rules and Regulations adopted by the Board, pets shall be allowed on the Common Area only when they are leashed and are otherwise under the supervision and restraint of someone capable of restraining such pet. No pet shall be left chained or otherwise tethered in front of a Unit or in the Common Area. A pet on the Common Area unaccompanied by its owner may be subject to immediate pick up by the Humane Society, or by a similar organization, without liability to the Association if the pet's owner cannot be readily ascertained and/or fails to remove said unsupervised pet from the Common Area. No containers of pet food or water may be placed in Common Areas. All pets must be taken off of the Common Area when walked and shall not be allowed to defecate or urinate on the Common Area. Owners must immediately remove all excrement and/or urine left by their pets.

(e) Responsibility for Conduct of Pets. Each person bringing or keeping a pet on the Project shall be solely responsible for the conduct of that person's pets. Each Owner shall be absolutely liable to each and all remaining Owners, their families, servants, guests, tenants and invitees for any damage to person or property caused by any pets or animals brought upon or kept upon the Project by an Owner. The Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owner for any damage or injury to persons or property caused by the pet of any other Owner or resident.

(f) Nuisance/Danger. Any pet causing or creating a nuisance, obnoxious odors or unreasonable disturbance, or exhibiting dangerous or aggressive behavior, shall be permanently removed from the Project, after notice and hearing is afforded to the Owner, upon a determination by the Board that the pet presents an nuisance or danger to other Owners and upon at least twenty (20) days' written notice from the Association after the aforesaid hearing is held.

5.5 Offensive Activity. No Owner shall permit or suffer anything to be done or kept upon or in such Owner's Unit or the Common Area which will obstruct or interfere with the rights of other Owners, nor annoy them by unreasonable noises, odor or otherwise, nor which shall in any way interfere with the quiet enjoyment by each Owner of such Owner's respective Condominium, nor shall any Owner commit or permit any nuisance, noxious or offensive activity, or any illegal act to be committed upon or in such Owner's Condominium. In addition, no Owner shall permit any thing or condition to exist in such Owner's Unit which shall induce, breed or harbor infectious diseases, rodents or noxious insects. Each Owner shall comply with all of the requirements of the local and State Board of Health and with all other governmental authorities and any and all applicable zoning laws, rules, ordinances, statutes, regulations and requirements of any governmental agency or authority with respect to the occupancy and use of such Owner's Condominium. In addition, no Owner shall permit or suffer anything to be done or kept upon or in such Owner's Unit or the Common Area which will increase the rate of insurance thereon, or

result in the cancellation of any such insurance, or cause the Project or any part thereof to be uninsurable against loss by fire or the perils of the extended coverage endorsement to the California Standard Fire Policy Form or loss on account of bodily injury or property damage. If an Owner's acts causes an increase in the Association's insurance rates, then such Owner will be liable for such increase and, after notice and a hearing is afforded to the Owner, shall be assessed the cost thereof as a Reimbursement Assessment.

5.6 Rubbish. No Owner shall sweep or throw, or permit to be swept or thrown from such Owner's Unit, any dirt or other substance onto the Common Area or another Owner's Unit. All rubbish, trash and garbage shall be properly packaged and regularly removed from the Units by the Owners thereof and placed in proper receptacles at the collection site for the refuse pick-up service arranged by the Association pursuant to this Declaration, and shall not be allowed to be stored or to accumulate in the Units or on the Common Area. Trash, garbage, and other waste shall not be kept except in sanitary containers. No toxic or hazardous materials shall be disposed of within the Project by dumping in the garbage chutes, refuse containers, down the drains or otherwise. In addition, no construction rubbish may be dumped in the Association's trash bins or garbage chutes.

5.7 Parking and Vehicle Restrictions

(a) Permitted Vehicles Only. Only Permitted Vehicles shall be parked, stored or operated within the Project. "Permitted Vehicles" shall mean appropriately licensed passenger automobiles, sports utility vehicles, motorcycles, and trucks having carrying capacity of V2 ton or less, and vans having seating capacity of eight (8) persons or less. Vehicles that are not Permitted Vehicles shall not be parked or stored in the Project. Except for commercial vehicles or construction equipment that are providing services to a Unit or the Association (but only during the period of time in which such services are being provided and subject to the Rules). Permitted Vehicles shall not include any commercial vehicle, construction equipment, trailer, camper, mobile home, recreational vehicle, truck having carrying capacity of greater than V2 ton, any van having seating capacity in excess of eight (8) persons, any inoperable vehicle, or any boat or similar recreational vehicle or equipment. Vehicles that otherwise meet the qualifications of a Permitted Vehicle but that are used both for business and personal use are not prohibited, provided that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No excessively noisy or smoky vehicles shall be operated on or within the Project.

(b) Assigned Parking. Parking is by assignment only. The Association may establish reasonable rules and procedures governing the assignment of parking spaces and may charge Owners a usage fee not in excess of the actual cost to the Association to administer and implement the assignment of parking spaces. Owners shall park their Permitted Vehicles only in their assigned parking space. In no event shall an Owner be allowed to park in another Owner's parking space without the permission of the Owner to whom such parking space is assigned.

(c) Maintenance of Parking Spaces. Each Owner shall, at all times, maintain such Owner's assigned parking space(s) in a neat and orderly condition and free of trash, debris, oil, brake fluid, power steering fluid or other fluid leaks. If an Owner fails to comply with this subsection, after being given notice to clean such parking space and after notice and a hearing is

afforded to the Owner, such Owner shall be billed by the Board for the cost of cleaning the parking space, together with any other costs and attorneys' fees as a Reimbursement Assessment. No personal property may be stored in parking spaces unless expressly permitted in the Rules and Regulations.

(d) Guest Parking. There is no guest parking within the Project. An Owner's guests may temporarily park in that Owner's assigned parking space or on the street. In no event shall an Owner's guest be allowed to park in another Owner's parking space without the permission of the Owner to whom such parking space is assigned.

(e) Condition of Vehicles; Repairs. No motor vehicle shall be constructed, reconstructed or repaired within the Project and no dilapidated, unregistered/unlicensed, or inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored on the Project; provided, however, that the provisions of this Section shall not apply to emergency vehicle repairs to the extent necessary for the movement thereof to a proper repair facility.

(f) Towing. The Board shall have the authority to tow, at the Owner's expense, any vehicle parked or stored in violation of this Section, including, without limitation, any vehicle parked in another Owner's parking space without permission, parked in a "no parking" area or blocking ingress or egress from the Project. The Board shall post such notices or signs within the Common Area as may be required by law to effectuate this towing provision.

(g) Non-Severance. All parking spaces are Common Area. No parking space may be sold, sublet or retained in ownership. No parking space will be assigned to any non-owner or any owner who does not keep primary residence at the Project. Parking assignments are not transferrable.

(h) Additional Rules. The Board shall have the authority to promulgate further reasonable Rules and Regulations of uniform application regarding parking and vehicles within the Project and assignment of parking spaces as may be deemed prudent and appropriate, including, without limitation, the right to require all residents to register their vehicles with the Association and the right to establish guest parking areas and/or temporary parking areas for loading and unloading, parking of delivery trucks, service vehicles and other vehicles being used in the furnishing of goods and services to the Association and/or to the Owners and residents of the Project, and the right to impose monetary penalties against Owners for parking violations.

5.8 Exterior Installations.

(a) General Prohibition. Except as installed at the time of construction of the project or by the Association, and except as provided below in subsections (b) and (c), no television, radio, or other signal device antenna or antennae, and no rotors, banners, buntings, poles, wires, machines, equipment, lights or similar objects or unsightly objects of any kind, shall be allowed to be installed on or through the Common Area, including the exterior surface or roof of any Condominium building within the Project, without the prior written approval of the

Association pursuant to Article X below. No Owner shall install, attach, hang or maintain or cause to be installed, attached, hung or maintained, any electrical equipment or wiring for exterior lighting, television or radio transmitting or receiving antenna, air-conditioning units or other like equipment, or wiring in, on, over, across or through any portion of the Common Area or Exclusive Use Common Area, or that protrude from any Common Area or Exclusive Use Common Area wall, floor, ceiling, window or door, except as approved by the Association in accordance with Article X below. All radio, television or other electrical equipment and/or appliances of any kind or nature or, wiring there for, installed in or used by any Owner in such Owner's Unit shall comply fully with all rules, regulations and requirements of all state and any local public authority having jurisdiction over same and such Owner shall be liable for any damage or injury caused by any such electrical equipment, or wiring installed or used in such Owner's Unit.

(b) Satellite Dishes. Owners may install a separate satellite dish or antenna in the Project, upon the prior written approval of the Association and subject to reasonable Rules and Regulations, where the antenna or dish does not exceed 36 inches in diameter or diagonal measure and is installed in a location which is not visible from any street or the Common Area.

(c) Signs. One (1) sign advertising the Unit for sale or lease of reasonable dimensions and design may be displayed in a reasonable location upon the Property, as designated by the Board, provided that all such signs must be removed within ten (10) days after their purpose is served. In addition, noncommercial signs, posters, flags or banners may be displayed on or from within any Unit, provided that same are made of paper, cardboard, cloth, plastic, or fabric and do not exceed nine (9) square feet in size for signs or posters, and fifteen (15) square feet in size for flags or banners. The display of signs which meet the above criteria may nonetheless be prohibited as necessary to protect public health or safety or to comply with local, state, or federal law. No other signs, posters or banners are permitted within the Property, except for signs displayed by the Association in the Common Area.

(d) No Hanging Laundry. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the Common Area or on any area appurtenant to a Unit which is visible to any Owner from an adjacent Unit or the Common Area.

5.9 Occupancy. No Unit may be occupied by more persons than allowed by applicable city or county ordinance or law. This Section shall not prohibit an Owner from having temporary guests occupy or visit the Unit; provided, however, no Unit shall be used on an ongoing basis as a temporary lodging for guests, clients, or customers.

5.10 Leasing of Units. The Association hereby implements a program to restrict leasing of dwelling Units to tenants. (In this Section, the terms "renting" and "leasing" shall have the same meaning and be used interchangeably). Except as otherwise provided in this Article, each Owner shall use his or her Unit as a private residence solely for the Owner and the Owner's immediate family or other individuals who reside with the Owner on a non-transient basis, and for no other purpose. The leasing or rental of Units to others as a regular practice for business, speculation, investment or other similar purposes is only permitted as provided in this Article and subject to the following restrictions. Nonpaying guests of the Owner may occupy the Owner's Unit under such conditions as may be prescribed by the Board in the Rules and Regulations. For purposes of this Section, a Unit shall be considered to be "leased" if the Unit is no longer occupied

by the Owner(s) of such Unit, whether or not the person occupying such Unit is paying rent. All other Owners who lease such Owner's Unit, however, shall be subject to the following restrictions:

(a) Prohibited Purposes. Units may be leased for residential purposes only, as such purposes are more fully describes in Section 5.1 of this Article. No Unit shall be leased or rented, or listed or advertised for lease or rental, on a transient basis or for "hotel or other nonresidential purposes", as that phrase is defined in Section 5.1 of this Article IV above.

(b) Mandatory Wait Until Eligible to Lease. Owners who purchase a Unit may not rent or lease their Unit during their initial twelve (12) month period of ownership of the Unit. Members must either reside in the Unit or keep the Unit unoccupied, but in no event may non-Members reside in the Unit during the initial twelve (12) months of ownership unless the Member is also residing in the Unit. This provision does not apply to the Association in possession of a Unit following foreclosure of its Assessment lien. Once a Member is eligible to lease his or her Unit pursuant to this Subsection, he or she may do so only if, and when, permitted as provided in Subsection (c) below.

(c) Cap on Number of Units Leased. In order to preserve and protect property values, enhance the desirability of the Project, and improve the ability of owners to obtain financing for the purchase/sale of units within the Association, the maximum number of Units which may be rented or leased at any given time shall not exceed thirty-three percent (33.33%) of the Units, which is twenty-five (25) Units (the "Leasing Ratio"). Such leasing system shall be implemented as follows:

(i) Prior Leases. Notwithstanding anything to the contrary contained herein, a Unit which is being leased, pursuant to documented Board approval, on or before the date of recordation of this Declaration (the "Prior Lease"), shall not be required to comply with this Section 5.10(c) of this Declaration until such time as the Owner of such Unit re-occupies the Unit, or such Unit is sold or otherwise transferred to a new Owner, whichever occurs first, at which time the Unit will be subject to the Leasing Ratio and the prior approval procedure set forth in this Section 5.10(c)(ii). However, any Unit which is subject to a Prior Lease shall count toward the total number of Units which are leased at any given time for purposes of establishing the rental cap. For purposes of this Subsection, a transfer to a new Owner shall be deemed to occur upon, among other things, the death of the beneficiary of an Owner which is a trust when such beneficiary occupied the Unit and/or upon the death of an occupant of a Unit owned by a trust.

(ii) Prior Approval to Lease. Except as provided in Section 5.10(c)(i) above, all Owners who desire to lease their Units shall, prior to entering into any lease, submit an application to lease to the Board, along with verification of the date the owner acquired title to the Unit and the name and contact information of the prospective tenant or the tenant's representative. The Board shall respond to any Owner's written request for approval to lease within thirty (30) days after receipt of the request.

(iii) Approval Granted. Except as provided in Subsection 5.10(a) and Subsection 5.10(b) above, if at the time an Owner submits the application to lease to the

Board, the number of Units at the Association then leased, plus the Owner's Unit, does not exceed the Leasing Ratio, the Association shall permit such Owner to lease such Owner's Unit for one (1) Rental Term (as such term is defined below) and such Unit shall be leased within the time periods specified in Subsection (v) below, and if such right is not exercised within such time period, then the right to lease shall be revoked. For purposes of this Section 5.10, the term "Rental Term" shall mean a three (3) year period beginning sixty (60) days from the date the Board gives the owner written approval to lease his or her unit, and shall include any period thereafter in which a tenant who occupied the Unit during the Rental Term continues to occupy the Unit pursuant to the same lease agreement. An Owner may have different tenants during the Rental Term, however, following the expiration of the Rental Term, a change of tenants will immediately terminate the approval and the Owner will be required to seek new approval.

(iv) Request Denied. If the number of Units at the Association then leased, plus Owner's Unit, exceeds the Leasing Ratio, the Owner shall not be allowed to lease such Owner's Unit. Instead, the Owner's name shall be placed on the leasing waiting list maintained by the Board, and the Owner shall be entitled to lease such Owner's Unit only if permitted pursuant to Section 5.10(c)(vi) below.

(v) Waiting List. The Board will notify in writing the Owner at the top of the waiting list when the number of Units at the Association then leased, plus the Owner's Unit, would not exceed the Leasing Ratio. If there are other persons on the waiting list, the Owner will then have ninety (90) days from the date of the Association's notice to lease such Owner's Unit. If the Unit is not leased within such ninety (90) day time period, the Owner's right to lease such Owner's Unit shall be revoked, and the right to lease a Unit shall be awarded to the next person on the waiting list, who will then have ninety (90) days to lease such Owner's Unit. This process of notification, revocation and re-assignment of the right to lease shall be repeated as long as there are other persons on the waiting list. An Owner may apply to the Board for one (1) thirty (30) day extension of time to lease such Owner's Unit, which the Board may grant or deny in its reasonable discretion. If there are no other persons on the waiting list, an Owner's ninety (90) day period within which to lease such Owner's Unit shall not begin until the Owner is notified in writing by the Board that another Owner desires to lease such Owner's Unit, at which time, the Owner shall have ninety (90) days to lease such Owner's Unit in accordance with this Section.

(vi) Hardship Exemption. Notwithstanding anything to the contrary contained herein, if, at any time, after the recordation of this Declaration, an Owner believes that he or she is enduring a hardship (the "Hardship") because Owner needs to lease his Unit but the number of Units at the Association then leased, plus the Owner's Unit, exceeds the Leasing Ratio, such Owner may apply to the Board for a Hardship exemption from the leasing restrictions contained in Subsection 5.10(c). If an Owner decides to apply for a Hardship exemption, the Owner must submit a request in writing to the Board requesting a Hardship exemption and setting forth the reasons why such Owner should be entitled to same. If, based on the information supplied to the Board by the

Owner, the Board finds, in its sole discretion, that a reasonable Hardship exists, the Board may grant a one-year waiver of the leasing prohibition set forth in Subsection 5.10(c).

(vii) Examples of Hardships. The types of Hardships that the Board may consider shall include hardships for a death in the family, transfers for jobs, the calling up of someone for active military duty, or one or more significant medical treatments for an Owner or an immediate family member of the Owner (such as a spouse, child or parent residing with the Owner), that requires the Owner to be away from the Owner's Unit during the medical treatment, and other comparable financial hardship. The Board, in its sole discretion, may determine if a Hardship exemption shall be granted.

(viii) Time Limit on Exemption. In the event an Owner has been granted a Hardship exemption to the Leasing Ratio, such Owner must reapply within thirty (30) days of the expiration of such Hardship exemption, if such Owner wishes to request an extension thereof. The Board, in its sole discretion, may decide if an extension for such Hardship exemption shall be granted, but in no event shall more than one (1) extension be granted to an Owner and in no event shall such extension exceed one (1) year. If no extension is granted, the Owner's tenant must vacate the Unit within thirty-five (35) days after written notice from the Board denying the extension. Upon the expiration of a Hardship exemption, or extension thereof, such Unit shall be vacated by the tenant and either transferred by the Owner, re-occupied by the Owner, or left vacant.

(d) Other Leasing Provisions. Except with regards to a Prior Lease, if an Owner is permitted to lease his or her Unit pursuant to Subsection 5.10(b) and Subsection 5.10(c), above, the following additional terms shall apply:

(i) Lease Term. The minimum permitted lease term is three (3) months.

(ii) Lease Provisions. Any agreement for the leasing of a Unit (hereinafter in this Section referred to as a "Lease") shall be in writing and shall contain at a minimum the following terms: (i) any tenant or lessee shall abide by and be subject to all Governing Documents of the Association and that failure to comply with the terms of the Governing Documents shall be a default under the Lease, (ii) there shall be no right of assignment or sublease, and (iii) lessee's acknowledgement of receipt of the Association's Governing Documents.

(iii) Notice to Association. Within fifteen (15) days of leasing the Unit or prior to the lessee occupying the Unit, whichever is sooner, an Owner shall furnish the Board with (i) a copy of such Lease, and (ii) the telephone number of the lessee and any change of address or telephone number of the Unit Owner. Such Owner shall also notify the Board in writing whenever any lease terminates and/or there is a change of occupancy.

(e) Responsibility of Actions of Lessee. The obligations of the Owner under this Declaration shall continue notwithstanding the fact that he or she may have leased his or her Unit with the approval of the Association, and the Owner shall be responsible to the Association for the conduct of his or her tenant. Any Owner who shall lease his or her Unit shall be responsible

for ensuring compliance by such Owner's lessee with the Governing Documents of the Association, and shall be absolutely liable to the Association and other Owners for the acts and/or omissions of such Owner's lessee in violation of the Governing Documents.

(f) Enforcement. If any Owner leases such Owner's Unit in violation of this Section 5.10, the Association is authorized to pursue all of its available legal rights and remedies against the Owner to enforce such violation, including, without limitation, the imposition of monetary penalties on a daily basis and/or the filing of an application for injunctive relief. All administrative and/or enforcement costs for leasing a Unit shall be borne by the Unit Owner.

5.11 Fires; Barbeques. No person shall light a fire or a charcoal or gas barbeque on any of the premises of the Project, including, but not limited to, balconies, parking lots, sidewalks, courtyards, etc.

5.12 Flammable, Corrosive or Explosive Materials. No Owner nor any member of such Owner's family, tenant, agent, employee, licensee or guests shall at any time bring into, keep, store or maintain in or on any portion of the Project any inflammable or highly corrosive or explosive solid, liquid, gas, chemical substance or other material (except for cleaning or similar materials or supplies in quantities consistent with normal household use) without in each case obtaining the prior written consent of the Board of Directors.

5.13. Water; Unreasonable Use. No Owner shall cause or permit hot and/or cold water to be left running any unreasonable or unnecessary length of time. Normal household use of water is permissible.

5.14. Access to Roofs. Access to the roof of the Condominium building shall be in accordance with the Rules and Regulations of the Association.

5.15. Move-In/Move-Out Cleaning Deposit. An Owner shall be liable to the Association for any damage caused to the Common Area by the Owner and/or the Owner's lessees moving in and out of the Project or otherwise. The Association may require Owners to provide the Association with a cleaning fee deposit prior to any move in or move out to cover the cost of repairing any damage to the Common Area.

5.16 Yard Sales. No rummage sales, garage sales, estate sales, or flea markets of any kind are permitted in a Unit or in the Common Area without the prior written approval of the Board.

5.17 Decorating Authority. Subject to the restrictions set forth in this Article V ("Use Restrictions") and Article X ("Architectural Review") below, each Owner shall have the following rights and obligations:

(a) General Provisions. Each Owner shall have the exclusive right, at such Owner's sole cost and expense, to paint, repaint, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors and doors bounding such Owner's Unit, and at such Owner's sole cost and expense, to substitute new finished interior surfaces in place of those existing on said walls, ceilings, floors, and doors.

(b) Hard Floor Covering. In connection with the replacement of carpeting with any "hard floor covering" on any floor of the dwelling portion of any Unit, the Owner shall be required to take, at such Owner's own expense, all reasonable measures to deaden, insulate and otherwise decrease the level of such noise or sounds to the minimum level reasonably possible in the foregoing areas and to ensure that such "hard floor covering" in the foregoing areas is installed in compliance with any soundproofing requirements and procedures that may be set forth in the Rules and Regulations and/or the approval issued pursuant to Article X ("Architectural Review") hereof. For purposes hereof, "hard floor covering" includes all forms of floor covering excepting padding and carpeting which provides sound-proofing characteristics equal to or greater than that provided by the padding and carpeting initially installed by the developer of the Project in connection with initial Unit sales.

(c) Window Coverings. The use and the covering of the interior surfaces of the glass doors and windows appurtenant to any Unit in the Project whether by draperies, shades, tinting or other items visible from the exterior of the Building shall be subject to the Rules and Regulations of the Association; provided, however, that the color of window coverings shall be in harmony with the exterior of the structure and no window shall be covered by paint, foil, sheets or similar items. Furthermore, no window guards or bars shall be installed on any of the windows of a Unit without prior Board approval. The Board may adopt Rules and Regulations regarding the type, color and design of window covers.

5.18 Washers and Dryers. Washers and dryers may not be installed or operated within any Unit without the prior approval of the Board. Owners shall be responsible for all damage caused by any washers or dryers in their Units and shall be obligated to comply with any Rules and Regulations adopted by the Board from time to time concerning the same.

5.19 Mechanic's Liens. Owners shall ensure that no lien is placed against any other Unit or against the Common Areas for labor or materials furnished to their Units. If a lien is placed against the Common Areas or other Owners' Units and the responsible Owner does not immediately cause the removal of the lien, the Association may, after written notice to the responsible Owner, pay the amounts necessary to have the lien removed and, after notice and hearing, levy a Reimbursement Assessment against the responsible Owner for the costs thereof.

ARTICLE VI MAINTENANCE

6.1 Maintenance Obligations of Association. The Association shall maintain, repair, replace or otherwise care for all Common Area and Improvements thereon, excluding Exclusive Use Common Area, and shall keep such Common Area in good condition and repair, provide for all necessary maintenance services, and cause all acts to be done which may be necessary or proper to assure the maintenance of such Common Area in an attractive condition and first-rate state or repair. The Association shall have the Common Area periodically inspected for wood-destroying pests and organisms and shall take appropriate corrective measures. The Association shall have the authority to require the temporary removal of occupants of a Unit as may be necessary in connection with the treatment of wood-destroying pests or organisms, pursuant to the procedures described in Civil Code Section 4785, or any successor statute, and shall further have the right to enter upon any Unit to perform Common Area maintenance as provided in Article II, Section

2.5(k) of this Declaration. The costs of any temporary relocation necessary during repairs or maintenance by the Association shall be borne by the Owner who is required to relocate. No Owner shall interfere with the Association's maintenance and repair obligations.

6.2 Maintenance Obligations of Owners. Each Owner shall maintain, repair and replace such Owner's Unit, and the fixtures located therein, in a clean, sanitary, safe and attractive condition and, except as otherwise expressly set forth herein, shall also be responsible for the maintenance or all Exclusive Use Common Area property allocated to such Owner's Unit. Except as otherwise expressly set forth herein, each Owner shall also be responsible for the maintenance, repair and replacement of any additions, alterations or Improvements made to the Unit or to the Exclusive Use Common Area allocated to the Unit. Each Owner shall regularly inspect the interior of their dwelling Unit and shall notify the Association as soon as possible if such Owner is aware that there is an infestation of insects, vermin, or wood-destroying pests or organisms inside such Owner's Unit. Each Owner shall further regularly inspect the interior of their Unit to check for water leaks or other breaches of the watertight integrity of the Improvements, and for the visual presence of mold. If any water leaks and/or mold are detected within a Unit, the Owner shall immediately notify the Association and take appropriate corrective steps to repair the leak and/or remove the mold, and shall take such other prudent steps as may be appropriate to prevent mold growth and/or eliminated any existing mold.

6.3 Interior Damage to Unit. Restoration and repair of any damage to the interior of any individual Unit, including without limitation all fixtures, cabinets and Improvements therein, together with restoration and repair, shall be the responsibility of the Owner of the Unit so damaged pursuant to Section 8.6 of Article VIII hereof.

6.4 Damage by Owner. Notwithstanding the provisions of Section 6.1 hereof, if an Owner, or Owner's guest, tenant, family member, or invitee, shall cause damage to any portions of the Project which are otherwise the obligation of the Association to maintain, or shall any portion of the Common Area be damaged by a source originating inside the Owner's Unit, or an act or omission committed inside the Owner's Unit, then the Owner shall be responsible for reimbursing the Association for all costs of repairing such damage and the Association may, after notice and hearing, levy a Reimbursement Assessment for the cost thereof. In the case of damage sustained to the Common Area as a result of the Owner's negligence or willful misconduct, the Reimbursement Assessment may also include costs and attorney's fees incurred. Each Owner shall further be liable for any loss or damage to the Unit, Improvements or personal property of another Owner caused by the acts, omissions, or willful misconduct of the Owner, or the Owner's guests, tenants, family members, or invitees.

6.5 Failure to Maintain by Owner. If an Owner fails to maintain such Owner's Unit, Exclusive Use Common Area or any other components which are the Owner's responsibility in accordance with this Article, or fails to make repairs thereto in such manner as may be deemed necessary in the judgment of the Board to preserve and protect the attractive appearance and value of the Project, the Board shall give written notice to such Owner, stating with particularity the work of maintenance or repair which the Board finds to be required, and requesting that the same be carried out within a period of thirty (30) days from the giving of such notice, or sooner if the circumstances, require. If such Owner fails to carry out such maintenance or repair within the period specified by the notice, the Board shall have the right to enter the Unit (as provided in

Article II, Section 2.5(k)), after notice and a hearing, and cause such work to be done, and shall assess the cost thereof to the Owner as a Reimbursement Assessment. In the case of a property or human health threatening emergency, the right to enter the Unit hereunder shall be immediate.

ARTICLE VII INSURANCE

7.1 Required Insurance. The Association shall obtain and maintain the following insurance:

(a) Hazard.

(i) General Provisions. A master hazard policy insuring any Improvements within the Common Areas and/or any property to be maintained by the Association against loss or damage by fire or other risks covered by the standard "All Risk" endorsement excluding earthquake and flood but including, without limitation, loss or damage as a result of theft, vandalism or malicious mischief, and loss or damage to or as a result of boilers, pressure vessels, pressure pipes or sprinkler leakage and such other risks, perils or coverage as the Board in its discretions determines is necessary or advisable.

(ii) Policy Limits. Such hazard insurance shall have policy limits of not less than one hundred percent (100%) of the full insurable replacement cost value thereof (as determined every three (3) years by the Board in conjunction with the insurance company issuing such policy).

(iii) Additional Endorsements. The following endorsements should be included in any such master hazard policy, if commercially reasonable to obtain: (A) changes in building codes ("ordinance or law endorsement"); (B) inflation guard coverage; (C) demolition coverage; (D) "agreed-amount" endorsement (to eliminate a coinsurance problem); (E) replacement cost endorsement; (F) primary coverage endorsement; and (G) "maintenance fees receivable" endorsement to cover unpaid Assessments which are not collected by the Association as a result of a covered peril.

(b) General Liability.

(i) General Provisions. A comprehensive general liability policy insuring the Association, the Board, its employees agents, the Owners, occupants and such other persons as the Board may determine, against liability for bodily injury, death, or property damage arising from the activities of the Association and its Members or from activities of the directors and officers of the Association acting in their capacity as representatives of the Association, incident to the ownership or use of the Common Area or any other Association-owned or maintained real or personal property, and if obtainable, such policy shall be written on an occurrence basis.

(ii) Desired Inclusions. If obtainable, such insurance shall include a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured and insurance against water damage, liability for non-owned and hired automobiles, liability for property of others and any other liability or risk customarily covered with respect to projects similar in construction, location and use.

(iii) Policy Amount. The amount of general liability insurance that the Association shall carry at all times shall be not less than the minimum amounts required by Civil Code Sections 5800 and 5805, as the same may be amended from time to time.

(c) Workers' Compensation. Workers' compensation insurance to the extent required by law (or such greater amount as the Board deems necessary) and employer's liability insurance to the extent necessary to comply with applicable laws. The Association shall obtain a certificate of insurance naming it as an additional insured in regard to workers' compensation claims from any independent contractor who performs any service for the Association, if the receipt of such a certificate is practicable.

(d) Flood. Flood insurance if the Project is located in an area designated by an appropriate governmental agency as a special flood hazard area.

(e) Directors and Officers. Directors and officers liability insurance in the minimum amounts required by Civil Code Section 5800, as the same may be amended from time to time.

(f) Other Insurance. Such other insurance as the Board in its discretion considers necessary or advisable, including, without limitation, demolition insurance in adequate amounts to cover demolition in the event of destruction and the decision not to rebuild or earthquake insurance.

7.2 Amount, Term and Coverage; Review of Policies; Carriers. The amount, term and coverage of any policy required hereunder (including the type of endorsements, the amount of the deductible, the named insureds, the loss payees, standard mortgage clauses, notices of changes or cancellations, and the insurance company rating) shall satisfy the minimum requirements imposed for this type of project by the Federal National Mortgage Association ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC") or any successor to either of those entities (except for earthquake insurance, the purchase of which shall be within the discretion of the Board). If the FNMA or FHLMC requirements conflict, the more stringent requirement shall be met. If FNMA and FHLMC do not impose requirements on any policy required hereunder, the term, amount and coverage of such policy shall be no less than that which is customary for similar policies on similar projects in the area. The Association shall periodically (and not less than once every three (3) years) review all insurance policies maintained by the Association to determine the adequacy of the coverage and to adjust the policies accordingly. Such insurance as required or desired hereunder shall be obtained from reputable insurance companies qualified to do business in the State of California and holding a rating of "A" (or such other comparable rating if Best uses a different standard in rating insurance companies) or better in Best's Insurance Reports and may be obtained from one or more companies.

7.3 Payment of Deductible; Processing of Claims.

(a) Payment of Premiums/Deductible. The premiums for the insurance purchased pursuant to this Article VII shall be paid for out of the common Assessments levied and collected pursuant to this Declaration. Subject to the provisions of this Article VII, Section 7.2 above, the Board may select such deductibles, which, in its opinion, are consistent with good

practices in connection with the purchase of such insurance policies. The Board may adopt a policy regarding payment of deductibles on any insurance coverage and such policy shall be set forth in the Rules and Regulations. Unless the Board determines otherwise, the Association shall pay deductibles required under any insurance claims from Association funds, except (i) if the damage is the result of the negligence or willful misconduct of an Owner, their families, guests, tenants, servants and invitees, in which case the Owner shall be responsible to pay such deductible and the Association shall levy a Reimbursement Assessment against the Owner in such amount in accordance with Article IV of this Declaration or (ii) if insufficient funds are available to the Association from the Association's accounts or from funds borrowed by the Association in accordance with this Declaration, in which event, the Association shall levy a Special Assessment against the Owners, in accordance with Article IV of this Declaration, with respect to the amount of any such deductible which exceeds funds available to the Association from Association funds or from borrowing.

(b) Processing of Claims. The Board may adopt such policies and procedures regarding the filing and processing of claims for damage and destruction to the Common Area improvements or any other matters covered by the insurance maintained by the Association, as the Board in its discretion, shall deem advisable.

7.4 Authority of Board. Each of the Owners, and every other person named or covered as an insured in connection with any of the policies purchased by the Board, hereby irrevocably delegates to the Board any authority which such Owner may otherwise have to negotiate loss settlements with the appropriate insurance carriers. The Board shall have the sole and exclusive authority, right, and responsibility to negotiate any such loss claim form, release form and/ or settlement agreement in connection with the settlement of a loss claim, which shall be binding on all of the Owners, and upon any other person named as an insured on any such policy or policies, but only upon the execution thereof by a majority of the members of the Board. The Owners and every other person named or insured hereby appoints the Association, by and through the Board, as its attorney-in-fact for the purpose of executing any necessary claim form, release form or settlement agreements on their behalf.

7.5 Owner Insurance Recommended. The insurance maintained by the Association is a "bare walls" policy and does not cover the Units or the personal property or fixtures in the Units, and does not cover personal liability for damages or injuries occurring in the Units. Each Owner shall, at such Owner's sole cost and expense, maintain property insurance covering the Unit, personal property, furniture, furnishings, and Improvements located within the Unit. It is recommended that each Owner further maintain liability insurance against any liability resulting from any injury or damage occurring within the Unit, loss of use which protects an Owner for additional living expenses should such Owner's Unit become uninhabitable due to a covered loss, loss assessment coverage which protects against special assessments due to a loss which exceeds the Association's master policy limits, earthquake loss assessment coverage and any other policy of insurance which the Owner feels is reasonably necessary to protect his or her separate interest.

7.6 Additional Provisions Regarding Insurance Policies.

(a) Mandatory Provisions. Any insurance maintained by the Association shall contain a "waiver of subrogation" as to the Association and its officers, directors and Members,

the Owners and occupants of the Condominiums and Mortgagees. All individually owned insurance shall contain a waiver of subrogation as to the Association and its officers, directors and Members, the Owners and occupants of the Condominiums and Mortgagees, and all Members are deemed to have waived subrogation rights as to the Association and/ or other Members, whether or not their policies so provide.

(b) Optional Provisions. To the extent economically practical and available at reasonable premiums, any insurance maintained by the Association should:

(i) Cross-Liability. Contain a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured;

(ii) Decision to Repair. Provide that the insurer issuing such insurance policy agrees to abide by the decision of the Association whether or not to repair, reconstruct or restore all or any damaged or destroyed portion of the Common Area.

(iii) No Escape Clause. Contain no "escape" or "other insurance" clause that would cause such policy to become void in whole or in part or cause any proceeds payable thereunder to be reduced, setoff, apportioned, prorated or otherwise brought into contribution with or by reason of separate insurance obtained by any Owner or such Owner's Mortgagee.

(iv) Valuation of Improvements. Provide that only Improvements made or installed by the Association shall affect the valuation of the Buildings or Improvements on the Property for co-insurance purposes.

(v) Power to Adjust Losses. Provide that the Board or its authorized agent or representative shall have the exclusive authority to adjust any and all losses covered by said policy.

(vi) Vacancy. Provide that the insurance obtained pursuant to this Article shall not be prejudiced by reason of the vacancy or non-occupancy of anyone or more Units within the Project, provided that this Declaration (as the same may be amended from time to time) is in force and the Project is operating as a condominium project.

(vii) Association as Trustee. Provide that all insurance proceeds obtained pursuant to the Association's master insurance policy be payable to the Association as trustee to be held and expended as provided in this Declaration for the benefit of the Owners and their respective Mortgagees as their interests may appear.

7.7 Limitation of Liability Regarding Insurance. The Association, and its Directors and Officers, shall have no liability to any Owner or Mortgagee if, after a good faith effort, it is unable to obtain the insurance required hereunder, because the insurance is no longer available or, if available, can be obtained only at a cost that the Board in its sole discretion determines is unreasonable under the circumstances, or the Members fail to approve any Assessment increase needed to fund the insurance premiums. In such event, the Board shall immediately notify each Owner and any Mortgagee entitled to notice that the insurance will not be obtained or renewed. Furthermore, as to any insurance to be maintained and/or obtained by the Association hereunder, provided that such policies will not be voided or impaired thereby, the Owners hereby waive and

release all claims against the Association, the Board, Association employees, and other Owners with respect to any loss covered by such insurance.

ARTICLE VIII DESTRUCTION OF IMPROVEMENTS

8.1 Repair or Reconstruction without Election by Owners. In the event of a total or partial destruction of any Improvements in the Project, if the available proceeds of the insurance carried pursuant to Article VII of this Declaration are sufficient to cover not less than eighty-five percent (85%) of the cost of repair or reconstruction thereof, the same shall be promptly repaired and rebuilt unless such destruction renders the entire Project or some material portion thereof unfit for habitation and within ninety (90) days from either (i) the date of such destruction or (ii) the date of determination of the insurance proceeds available for rebuilding, whichever is greater, not less than seventy-five percent (75%) of the Members entitled to vote, in person or by proxy, at a duly constituted and called annual or special meeting of the Members at which a quorum is present, determine that such reconstruction shall not take place. The Board shall be required to cause to be executed, acknowledged and recorded a certificate declaring the intention of the Owners to rebuild or not to rebuild (a "Certificate of Intention"), such certificate to be executed by any officer of the Association duly authorized to execute the same by the Board.

8.2 Repair or Reconstruction by Consent of Owners. If the proceeds of such insurance are less than eighty-five percent (85%) of the costs of repair or reconstruction, such repair or reconstruction may nevertheless take place if fifty-one percent (51 %) of the Members entitled to vote elect to rebuild. A Certificate of Intention shall be executed, acknowledged and recorded as provided for in Article VIII, Section 8.1 above.

8.3 Assessments. In the event of a determination to rebuild pursuant to either Sections 8.1 or 8.2 of this Article, the Board, without a vote of the membership, shall have the authority to levy a Special Assessment against the Owners in an amount equal to such funds as shall be necessary to pay for the costs of rebuilding which exceed the insurance proceeds received. Such Special Assessment shall be computed by the original factor method as set forth in Exhibit "A" hereto, and shall be due and payable in full within thirty (30) days after written notice thereof unless otherwise determined by the Board.

8.4 Obligation of Board When Rebuilding.

(a) Obtaining Bids. The Board shall obtain bids from at least five (5) reputable contractors, and if a determination to rebuild is made in accordance with either Sections 8.1 or 8.2 of this Article, the Board shall award reconstruction work to the bidder the Board believes is best qualified to perform the work at a reasonable price; provided, however, that the Board shall not be required or authorized to award such contract until it has sufficient monies, whether from insurance or the collection of Special Assessments levied in accordance with this Article with which to pay the cost of reconstruction as reflected by the bid to be accepted by the Board. The Board, upon awarding said contract shall thereafter be authorized to disburse monies to the contractor in accordance with said contract out of the insurance proceeds held by the Board and the Special Assessments levied and collected by the Board in accordance with this Article. First Mortgagees,

if any, shall disburse insurance proceeds held by them in accordance with their respective standard practices for repair and reconstruction.

(b) Time Period for Reconstruction. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such reconstruction at the earliest possible date.

(c) Manner of Reconstruction; Assessment of Damage. All reconstruction shall be in accordance with the Condominium Plan and the original plans of construction of the Project (if available) subject to any increased building standards then in effect, unless an alternative plan is approved by a majority of Members entitled to vote. In addition, in determining whether the plans for a reconstructed Building are in substantial compliance with the Condominium Plan, the Board may take into consideration the availability and expense of labor and materials in the original construction of the Building. If such labor or materials are not available or is prohibitively expensive at the time of reconstruction, the Board may permit the substitution of other labor and materials as it reasonably deems proper. Furthermore, the Association may enter into any Unit to make repairs and/or to assess damage pursuant to Article II, Section 2.5(k) above.

8.5 Determination Not to Rebuild. If a Certificate of Intention to rebuild has not been executed, acknowledged and recorded in accordance with either Section 8.1 or Section 8.2 of this Article within ninety (90) days from either (i) the date of such destruction or (ii) the date of determination of the insurance proceeds available for rebuilding, whichever is greater, or if reconstruction and rebuilding has not actually commenced within nine (9) months thereafter, the following provisions shall apply:

(a) Distribution of Proceeds. Any insurance proceeds available for such rebuilding shall be divided proportionately among Owners, such proportions to be determined in accordance with the respective appraised fair market value of the Condominiums as of the date of destruction, expressed as percentages, and computed by dividing such appraised fair market value of each Condominium by the total of such appraised fair market values of all Condominiums in the Project, subject to (i) the rights of Mortgagees holding Mortgages covering each such Owner's Condominium and (ii) all unpaid Assessments of such Owner together with any interest charges attributable thereto. The Board is hereby authorized to hire one (1) or more appraisers for such purpose and the cost of such appraisals shall be an expense of the Association. Notwithstanding the foregoing, the balance then due on any valid encumbrance of record shall be first paid in order of priority, and thereafter any unpaid Assessments of an Owner together with interest charges attributable thereto shall be paid to the Association, before the distribution of any proceeds to an Owner whose Condominium is so encumbered.

(b) Partition. The conditions for partition as set forth in Section 4610 of the Civil Code shall be deemed to have been satisfied and the right of any Owner to partition such Owner's Condominium through legal action shall forthwith revive.

(c) Preparation of Documents. The Board shall, as soon as practicable, cause to be prepared, filed and/or recorded any revised subdivision map, Condominium Plan or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the

Project, including without limitation, the elimination of all or part of one (1) or more Units as a result of such damage.

8.6 Interior Damage.

(a) General Provisions. Restoration and repair of any damage occurring under the conditions addressed in this Article VIII to the betterments and Improvements of any individual Unit shall be made by and at the individual expense of the Owner of that Unit (unless there is insurance to cover such item pursuant to Article VII above) and, in the event of a determination to rebuild after partial or total destruction, shall be completed as promptly as practical and in a lawful and workmanlike manner, and in accordance with an application approved by the Board to the extent such approval is required under Article X below.

(b) Specific Provisions - Earthquake Damage to Drywall. In the event of earthquake damage to the plaster and drywall in a Unit the following provisions shall apply:

(i) Replacement. The Association shall only be liable for the replacement of the drywall on load bearing walls of the Unit which, in the estimation of the Board, suffered sufficient damage to require replacement. The Association shall not be liable for repainting the walls or replacing wall coverings of any kind. The restoration and repair of all other interior walls shall be at the sole expense of the Owner.

(ii) Re-Taping. Damage to load bearing walls which does not require replacement of the drywall (i.e., bucked joint tape, hairline fractures of the drywall, etc.) shall be the responsibility of the individual Owner. The Owner shall be responsible for the restoration and repair of all finished surfaces which includes, but is not limited to, re-taping, painting, plastering, wallpapering, etc.

8.7 Negotiations with Insurer. The Board shall have full authority to negotiate in good faith with representatives of the insurer of the Condominium buildings or any other portion of the Common Area, and to make a settlement with the insurer for less than full insurance coverage on the damage to the Condominium buildings or any other portion of the Common Area. Any settlement made by the Board in good faith shall be binding upon all Owners.

8.8 Elimination of Units. In the event of the elimination of all of a Unit, the Condominium containing that Unit shall cease to be a part of the Project, the Owner of the Unit shall cease to be a Member of the Association and such Owner shall not be liable for any Assessments under this Declaration which accrue thereafter, and the undivided interest in the Common Area appurtenant to that Unit shall automatically become vested in the Owners of the remaining Condominiums in proportion to their respective undivided interests in the Common Area.

8.9 Notice to Owners. The Board immediately upon having knowledge of any damage or destruction affecting the Project, or any portion thereof, or any threat thereof, shall promptly give written notice to all Owners.

ARTICLE IX
EMINENT DOMAIN

9.1 Definition. The term "taking" as used in this Article shall mean condemnation by exercise of power of eminent domain or by sale under threat of the exercise of the power of eminent domain.

9.2 Common Area Award. In the event of a taking of all or any portion of the Common Area within the Project, the Association shall represent the Owners in any proceedings, negotiations or settlements and the award made for such taking shall be payable as follows:

(a) Entire Common Area. If the award is for the acquisition of the entire Common Area, the amount payable shall be paid to the Board, as trustee, for distribution to the Owners, to each Owner in proportion to the fair market value of such Owner's Unit as set forth in Article VIII, Section 8.5(a) of this Declaration, subject to (i) the rights of Mortgagees holding Mortgages covering each such Owner's Condominium and (ii) all unpaid Assessments of such Owner together with any interest charges attributable thereto.

(b) Part of Common Area; Award is Less than \$50,000. If the award is for the acquisition of only part of the Common Area and is less than Fifty Thousand Dollars (\$50,000.00) or is otherwise less than the cost to obtain an appraisal required by Article VIII, Section 8.5(a) above, the entire amount thereof shall be payable to the Board, as trustee, (subject to the rights of Mortgagees holding Mortgages on Condominiums within the Project) and such an amount, together with any interest earned thereon, shall be held by the Board to reduce the common expenses for the next succeeding fiscal year or to fund the Association's reserves, as the Board shall determine.

(c) Part of Common Area; Award is More than \$50,000. If the award is for the acquisition of only part of the Common Area and is in excess of Fifty Thousand Dollars (\$50,000.00) and is in excess of the cost to obtain an appraisal required by Article VIII, Section 8.5(a) above, it shall be distributed to the Owners, each in proportion to the fair market value of the Owner's Unit as set forth in Article VIII, Section 8.5(a) of this Declaration, subject to (i) the rights of Mortgagees holding Mortgages covering such Owner's Condominium and (ii) all unpaid Assessments of such Owner together with any interest charges attributable thereto.

9.3 Unit Awards. In the event of a taking of all or any portion of one (1) or more Units within the Project, the award made for such taking shall be payable to the respective Owners of the Units so taken each in the proportion as set forth in Article VIII, Section 8.5(a) of this Declaration, where Condominiums are not valued separately by the condemning authority or by the court, subject to (i) the rights of Mortgagees holding Mortgages covering such Units and (ii) all unpaid Assessments of each Owner taken together with interest charges attributable thereto.

9.4 Partition. If there is a substantial taking of the Project (more than fifty percent (50%)), the Owners may terminate the legal status of the Project and, if necessary, bring a partition action under Civil Code Section 4610 or any successor statute, on the election to terminate by fifty-one percent (51 %) of the total Members of the Association and the approval of at least fifty one percent (51 %) of the Eligible Holders. The proceeds from the partition sale shall be distributed to the Owners and their respective Mortgagees in proportion to the fair market values of their Condominiums as determined under the method described in Article VIII, Section 8.5(a) above,

subject to (i) the rights of Mortgagees holding Mortgages covering such Units and (ii) all unpaid Assessments of each Owner taken together with interest charges attributable thereto.

9.5 Revision of Governing Documents; Reorganization. In the event of any condemnation of a part of the Project, the Board shall, as soon as practicable, cause to be prepared, filed and/ or recorded any revised subdivision map, condominium plan or other documents, reports, schedules or exhibits necessary to show the changed or altered status of the Project, including, without limitation, the elimination of all or part of one (1) or more of the Units as a result of such condemnation.

9.6 Elimination of Units. In the event all of a Unit is taken in condemnation, the Condominium containing that Unit shall cease to be part of the Project, the Owner thereof shall cease to be a Member of the Association, and the undivided interest in Common Area appurtenant to that Unit shall automatically become vested in the Owners of the remaining Condominiums in proportion to their respective undivided interests in the Common Area.

9.7 Notice to Owners. The Board immediately upon having knowledge of any taking by eminent domain of the Project, or any portion thereof, or any threat thereof, shall promptly give written notice to all Owners.

ARTICLE X ARCHITECTURAL REVIEW

10.1 Architectural Committee. The Board shall appoint an Architectural Committee to conduct all architectural reviews required or authorized by this Declaration. The Architectural Committee shall be made up of three (3) Members, only two (2) of whom shall be Directors. The Board may designate and appoint a representative who is a licensed architect to assist the Architectural Committee in its evaluation of an Owner's application; however, the final decision with respect to the approval or disapproval thereof shall be made by the Architectural Committee, subject to the procedure for reconsideration by the Board if the proposed change is disapproved.

10.2 Alterations Requiring Approval.

(a) General Provisions. None of the following additions, alterations, or modifications (collectively, "Alterations") shall be commenced, made, or maintained by an Owner without the prior written approval of the Architectural t following the procedures set forth below in this Article X, Section 10.3: (i) structural additions, alterations or modifications to the interior of a Unit or installations located therein, including, but not limited to, interior non-load bearing walls; (ii) additions, alterations or modifications in any Unit, Exclusive Use Common Area or in, on or to the Common Area which will impair the structural integrity of any Unit, Exclusive Use Common Area, Common Area or Condominium building, or which would structurally change any Condominium building. Without limiting the generality of the foregoing, any modification which affects the floor plan of any Unit, including the creation or removal of windows, doorways or portals or the combination of Units (whether the Units are next door to each other or one Unit is located on the floor above another Unit) shall be deemed to be a structural modification for the purposes of this subsection; (iii) other additions, alterations or modifications in or to the Common Area or the Exclusive Use Common Area; (iv) electrical, HVAC, and plumbing work to the interior of a Unit; (v) any addition, alteration or modification which may affect the Condominium

building's resistance to water intrusion or noise or which may affect the right to privacy and quiet enjoyment of any other Owner, or (vi) any construction, alteration, removal, relocation, demolition, addition, modification, or reconstruction of any Improvement visible from the Common Area, Exclusive Use Common Area or another Unit.

(b) Exclusions. Notwithstanding the foregoing, without the prior written consent of the Board, an Owner may make an Alteration within the interior boundaries of the Unit, provided the such Alteration does not impair the structural or acoustical integrity of the Common Area, utilities, or other systems servicing the Common Area or other Units, and does not involve altering any Common Area (including bearing walls, electrical wiring and plumbing lines) or Exclusive Use Common Area.

10.3 Approval Process.

(a) Procedures for Obtaining Approval. Prior to making an Alteration, an Owner must submit to the Association for the Architectural Committee's review and written approval or disapproval, (i) detailed plans (including a plot plan if applicable) and specifications (collectively, the "Application") for the Alteration in conformance with the Rules and Regulations of the Association including, but not limited to, the architectural standards set forth therein. The Rules may require, among other things, that an Owner provide a construction deposit (a "Construction Deposit"), in an amount to be set by the Board to be held by the Association until the work related to the Alteration is completed and inspected by the Board, that an Application shall be prepared by an architect, engineer or construction professional at the Applicant's sole expense, and/or a certificate executed by a structural engineer duly licensed in the State of California stating that any portion of the Common Area and/or the Exclusive Use Common Area to be affected by the Alteration is not required for the structural support of the Unit, any other Unit or any other part of the Project.

(b) Review Period. Applications and resubmittals thereof, shall be approved or disapproved by the Architectural Committee in writing within sixty (60) days after the date of submission of the Application (the "Review Period"). No member of the Board or Architectural Committee may vote on an Application that pertains to his or her own Unit. If the Application or resubmittals are disapproved, the reasons therefor shall be indicated in such written disapproval along with a description of the procedure for reconsideration of the decision by the Board. The Board shall respond any request for reconsideration within the Review Period specified above.

(c) Conditions for Approval. The Architectural Committee may condition its written approval of the Application for an Alteration (i) upon the Applicant's furnishing the Association with security acceptable to the Association against a mechanic's lien or other encumbrance which may be recorded against the Property as a result of work related to the Alteration, (ii) on such changes to the Alteration as it deems necessary, (iii) upon the Applicant's agreement to complete the proposed work related to the Alteration within a stated period of time, (iv) upon the Applicant's agreement to install (at the Applicant's sole expense) water, gas, electrical or other utility meters to measure increased consumption, (v) submission of a Construction Deposit to be held by the Association until the work related to the Alteration is completed and inspected by the Board, (vi) execution of a construction agreement, in such form as provided by the Association for this purpose, (vii) upon the submission of additional professionally prepared

Applications addressing any areas of concern to the Board or such other information needed by the Board to make an informed decision, or (viii) upon proof of the issuance of any City permits required for the Alteration.

(d) Standards and Review Fees; Construction Deposit. The Board may from time to time adopt, promulgate, and amend rules and guidelines (to be incorporated into the Rules and Regulations) which, among other matters, may set forth design and architectural standards, procedures for the submission of Applications for approval, requirements for a fee (a "Review Fee") to accompany each Application for approval or for a Construction Deposit and the amount of the Review Fee and/or Construction Deposit, and/or additional factors which it will take into consideration in reviewing Applications. The Board may provide that the amount of the Review Fee and/or the Construction Deposit shall be uniform, or that it be determined in any other reasonable manner, such as by the reasonable cost of the Alteration contemplated. The restrictions set forth in this Article X, are not intended to empower the Architectural Committee to act arbitrarily, capriciously, or whimsically in the process of reviewing Applications. Standards should be established which are both reasonable and objective, and which are reasonably ascertainable, and are uniformly and fairly applied to all, and in all cases. The Architectural Committee shall base their decisions on what is in the best interests of the Project as a whole, and not upon what will appease a particular Member or group of Members.

(e) Record Keeping. The Architectural Committee shall prepare and retain a written record of all Applications made for its approval together with all actions of the Architectural Committee taken with respect thereto.

10.4 Inspection; Compliance.

(a) Inspections. Any member or agent of the Board or Architectural Committee may from time to time, at any reasonable hour or hours and upon reasonable notice, enter and inspect any property subject to the jurisdiction of the Association as to its improvement or maintenance in compliance with the provisions of this Article.

(b) Failure to Comply. If, after an Application has been approved, (i) the Alteration is altered, erected, or maintained otherwise than as approved by the Architectural Committee, or (ii) if such Alteration is constructed without obtaining approval at all, or (iii) such Alteration is constructed with defects which are observed by the Board or Architectural Committee during an inspection, such Alteration shall be deemed to have been undertaken without the approval of the Association having been obtained as required by this Declaration. Upon notice of any non-compliance the Board shall take such actions as it deems necessary in accordance with the provisions of this Declaration, including, without limitation, and in its sole discretion, any or all of the following: (A) require that the Owner remove and/or remedy the noncomplying or defective Alteration, (B) remove and/or remedy the noncompliance itself, after notice and hearing, (C) impose monetary penalties against the Owner, after notice and hearing, until such non-compliance is corrected, and/or (D) institute legal proceedings to enforce compliance or completion.

(c) Deemed Compliance. After the expiration of one (1) year from the date of completion of any Alteration, said Alteration shall, in favor of purchasers and encumbrancers, in

good faith and for value, be deemed to comply with all of the provisions hereof unless (i) to the extent permitted by law, a notice of such non-compliance or non-completion, executed by one (1) member of the Board shall appear of record in the Office of the County Recorder of Los Angeles County, California, and/or (ii) enforcement proceedings shall have been instituted to enforce compliance with these provisions.

10.5 Waiver. The approval of the Architectural Committee of any Application submitted for approval as herein specified shall not be deemed to be a waiver by the Architectural Committee of its right to object to any of the same features or elements embodied in subsequent Applications submitted for approval as herein provided for use on the same or other Alterations.

10.6 No Liability. Applications are not approved for engineering design or for compliance with governmental code specifications and neither the Association, the Board, nor the Architectural Committee shall have liability therefor; each Owner submitting an Application shall obtain all applicable building and city permits and be responsible for ensuring compliance with engineering design and building code specifications. Neither the Association, the Architectural Committee, the Board, nor the members or designated representatives thereof shall be liable in damages to anyone submitting an Application to them for approval, or to any Owner by reason of mistake in judgment, negligence or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such Application or for any defect in any structure constructed from such Application. Every Owner and other person or entity who submits an Application to the Architectural Committee for approval agrees that such person or entity will not bring any action or suit against the Association, the Board, the Architectural Committee or the members or designated representatives thereof to recover any such damages.

10.7 Diligent Prosecution of Work. The approval of any Alteration shall be deemed conditional upon the commencement of said work within ninety (90) days after the approval of the Architectural Committee for the same shall have been obtained, or within such other period as shall have been specified by the Board at the time of its approval. If the work is not commenced within ninety (90) days after the approval date, or such later time as the Board has granted, then the approval shall be deemed canceled, and the Owner must reapply to the Architectural Committee before undertaking any such work. All work must be prosecuted diligently to completion within a reasonable time and in any event before the expiration of such period as may be specified by the Board or Architectural Committee. Each Owner shall, upon completion of an approved Alteration, promptly notify the Architectural Committee that such Alteration has been completed.

ARTICLE XI ENFORCEMENT

11.1 Enforcement of Governing Documents. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration, the Articles, the Bylaws and/or the Rules and Regulations and shall be entitled to recover from any Owner against whom such restrictions, conditions, covenants, rules, reservations, liens and charges are enforced, all costs and reasonable attorneys' fees incurred thereby. Notwithstanding anything to the contrary, the Board, in the exercise of its business judgment, may elect not to enforce the Association's governing documents in situations where the alleged violation(s) arise out of a

dispute between neighbors, and, based on the facts surrounding such dispute the Board determines: (1) the alleged violation cannot be objectively verified, or is de minimis; (2) the alleged violation does not affect more than a single Owner; and (3) it is economically imprudent for the Association to pursue the enforcement of the alleged violation(s) in such instance. In no event shall the Board's decision not to become involved in a particular dispute between two neighbors constitute a waiver of the right to enforce thereafter any or all the provisions of the Association's governing documents.

11.2 Notice of Violation. Unless prohibited by law, in the event of a violation of the Association's governing documents, the Association may, if permitted by applicable law, record a Notice of Violation against the Condominium of the non-complying Owner and/or the noncomplying lessees, other residents of a Unit, or guests of the occupant of a Unit, etc. Upon recording a Notice of Violation, the Association shall have complete discretion in deciding whether, when and how to proceed with enforcement, and any delay after recording a Notice of Violation shall not give rise to a defense of waiver or estoppel in favor of a non-complying Owner. The Association may take action to enforce compliance against a subsequent Owner who acquires a Condominium with a recorded Notice of Violation. The right of the Association to record a Notice of Violation shall be in addition to all other rights and remedies the Association may have at law or under the Association's governing documents.

11.3 Failure Not a Waiver. The failure of any Owner, the Board, the Association or its officers or agents to enforce any of the Association's governing documents shall not constitute a waiver of the right to enforce the same thereafter; no such failure shall result in or impose any liability upon the Board, or any of its officers or agents. Waiver or attempted waiver of any provision of this Declaration or the Association's other governing documents with respect to any Unit shall not be deemed a waiver thereof as to any other Unit, nor shall the violation of any provision hereof or thereof in respect to any Unit or Units affect the applicability or enforceability of any provision of this Declaration in respect of any other Unit. A waiver of any enforcement right shall be only pursuant to an instrument in writing signed by the party to be charged with such waiver and shall be limited to the particular covenant, condition or restriction contained herein which is expressly set forth as being waived in such writing.

11.4 Nuisance. Without limiting the generality of this Section, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be a nuisance, and every remedy against nuisance, either public or private, shall be applicable against such act or omission.

11.5 Discipline for Breach. After notice and a hearing as provided in Section 11.6 below, the Board may do the following:

(a) Monetary Penalties. Impose a monetary penalty on any Owner in such amounts as determined by the Board and as more fully described in a schedule of monetary penalties set forth in the Rules and Regulations adopted and amended by the Board from time to time, for the failure to comply with and/or for any violation of the Association's Governing Documents committed by such Owner, or such Owner's guests, servants, family members, tenants or invitees. The Board shall annually distribute to the Members, by personal delivery or first class mail, a copy of the schedule of monetary penalties adopted by the Board, and any amendments thereto. Subject to the provisions of Article IV hereof, the Association shall have the same rights

and remedies, including the right to recover late charges, interest, and collection costs, or to seek judicial enforcement for and collection of monetary penalties as they have for the enforcement and collection of Assessments, except that a monetary penalty imposed by the Association as a disciplinary measure may not become a lien on the Owner's Condominium enforceable by sale. Any infraction or violation of an ongoing nature shall subject the violating Owner to a continuing monetary penalty which may be assessed, after notice and hearing, on a monthly basis, until the infraction or violation in question has been remedied.

(b) Judicial Relief. Seek judicial relief for the failure to comply with and/or for any violation of the Association's governing documents committed by such Owner, or such Owner's guests, servants, family members, tenants or invitees, provided, however, that in a situation where injury to persons or property is immediately threatened, the Board may seek judicial relief without first complying with the notice and hearing provisions of Section 11.6 below.

11.6 Notice and Hearing. The Board shall have the right to establish and from time to time to modify the Rules and Regulations for allowing an Owner a hearing for an alleged violation of this Declaration, the Bylaws or the Association's Rules and Regulations where such Owner may have a monetary penalty imposed. Such Rules and Regulations established and maintained by the Board shall be fair and reasonable, as required pursuant to California Corporations Code Section 7341 or any successor statute thereto, and shall comply with Civil Code Section 5855 or any successor statute thereto. When the Board is to meet to consider or impose discipline upon a Member, or to levy a Reimbursement Assessment against a Member, the Board shall notify the Member in writing, by personal delivery or first class mail, at least ten (10) days prior to the meeting. The notice shall contain, at a minimum, the date, time and place of the hearing, the nature of the alleged violation or basis for Reimbursement Assessment, the proposed monetary penalty or assessment, and a statement that the Owner has the right to attend the hearing and to address the Board at the hearing. The Board shall conduct the hearing in executive session unless requested otherwise by the Member. Within fifteen (15) days of the hearing, the Board shall notify the Owner of its decision in the same manner as set forth above.

11.7 Remedies Cumulative. Each remedy provided for by this Declaration for breach of any of the covenants, conditions, restrictions, reservations, liens or charges contained herein shall be in addition to any other available remedy, whether provided for by law or in equity, and all of such remedies whether provided for by this Declaration or otherwise shall be cumulative and not exclusive. In addition, except for the nonpayment of any Assessments provided for herein, it is hereby expressly stipulated that the remedy at law to recover damages for the breach or violation of this Declaration and/or the Association's other governing documents is inadequate and that appropriate relief shall be awarded to enjoin any such breach or violation.

11.8 Joint and Several Liability. In the case of joint ownership of a Unit, the liability of each of the Owners thereof in connection with the liabilities and obligations of Owners set forth in or imposed by this Declaration shall be joint and several.

11.9 Attorneys' Fees. In the event that the Association takes action to enforce or interpret the Association's governing documents, to restrain violations or to determine the rights and duties of any person under this Declaration, whether or not such action is in the form of a

formal court proceeding, arbitration, or by involvement of the Association's legal counsel, the prevailing party in said action shall be entitled to recover its reasonable attorney's fees and costs.

11.10 Alternative Dispute Resolution. The Board is authorized to resolve any civil claim or action through alternative dispute resolution proceedings such as mediation, binding arbitration, or non-binding arbitration proceedings in accordance with Civil Code Section 5925, as the same may be amended from time to time.

ARTICLE XII RIGHTS OF MORTGAGEES

12.1 Conflict. Notwithstanding any contrary provisions contained elsewhere in the Governing Documents, the provisions of this Article shall control with respect to the rights and obligations of Mortgagees as specified herein.

12.2 Liability for Unpaid Assessments. Any institutional Mortgagee who obtains title to a Condominium pursuant to the remedies provided in the First Mortgage (except upon voluntary conveyance to the institutional Mortgagee) or by foreclosure of the First Mortgage shall take the property free of any unpaid assessments or charges against the Condominium which accrue prior to the acquisition of the title to the Condominium by the institutional Mortgagee.

12.3 Notice to Mortgagees. An Eligible Holder is entitled to timely notice of the following events:

(a) Any condemnation loss or casualty that affects either a material portion of the Project or the Unit on which the Eligible Holder's holds a Mortgage.

(b) Any delinquency in the payment of Assessments or charges owed by the Owner of any Unit on which the Eligible Holder holds a Mortgage.

(c) Any lapse, cancellation or material modification of any insurance policy maintained by the Association.

(d) Any proposal to take any action that requires to consent of a specified percentage of the Eligible Holders as specified in this Article.

12.4 Actions Requiring Mortgagee Approval. Unless at least fifty-one percent (51%) of the Eligible Holders (based upon one (1) vote for each first Mortgage owned) have given their prior written approval, the Association shall not be entitled to:

(a) By act or omission, seek to abandon or terminate the legal status of the Project after substantial destruction or condemnation has occurred, or for any other reason.

(b) By act or omission abandon, partition, subdivide, encumber, sell or transfer any property or Improvement owned, directly or indirectly, by the Association for the benefit or the Condominiums. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Project by the Association and the Owners shall not be deemed a transfer within the meaning of this Section.

(c) By act or omission change, waive or abandon any scheme of regulation, or enforcement thereof, pertaining to architectural design or exterior appearance of Units, the exterior maintenance of Units, or the upkeep of the Common Area and Improvements thereon.

(d) Make any amendment to this Declaration of a materially adverse nature to Mortgagees. For purposes of this Section, a materially adverse amendment shall mean any amendment to provisions of this Declaration governing any of the following subject matters:

(i) Assessments, collection of assessments, assessment liens and subordination thereof;

(ii) The reserve for the repairs and replacement of the Common Area and Improvements thereon;

(iii) Property maintenance obligations;

(iv) Casualty and liability insurance requirements;

(v) Reconstruction in the event of damage or destruction;

(vi) Right to use the Common Area;

(vii) Reallocation of any interests in the Common Area;

(viii) Voting;

(ix) Imposition of any restriction on any Owner's right to lease, sell or transfer his or her Unit; and

(x) Any provision that, by its terms, is specifically for the benefit of Eligible Holders, or specifically confers rights on Eligible Holders.

Any Eligible Holder who received written request to consent to amendments requiring consent under this provision who does not deliver to the requesting party a negative response within sixty (60) days after receipt of a notice delivered by certified or registered mail, return receipt requested, shall be deemed to have consented to such request.

12.5 Mortgage Protection. Any Owner may encumber such Owner's Condominium by a Mortgage. A breach of any of the conditions contained in this Declaration shall not defeat or render invalid the lien of any Mortgagee made in good faith and for value as to any Condominium in the Project; provided, however, that the conditions contained in this Declaration shall be binding upon and effective against any Owner of a Condominium if the Condominium is acquired by foreclosure, trustee's sale or otherwise.

12.6 Loan to Facilitate. It is intended that any loan to facilitate the resale of any Condominium after foreclosure or deed in lieu of foreclosure is a loan made in good faith and for value and entitled to all of the rights and protections afforded to Mortgagees hereunder.

12.7 Appearance at Meetings. Because of its financial interest in a Condominium within the Project, any Mortgagee may appear (but may not vote except as may be provided herein) at

meetings of the Owners and the Board to draw attention to violations of this Declaration which have not been corrected or made the subject of remedial proceedings or Assessments.

12.8 Right to Furnish Information. A Mortgagee is authorized to furnish information to the Board concerning the status of any loan encumbering a Condominium.

12.9 Inapplicability of Right of First Refusal. No right of first refusal or similar restriction on the right of an Owner to sell, transfer or otherwise convey the Owner's Condominium shall be granted to the Association without the written consent of any Mortgagee of the Condominium. Any right of first refusal or option to purchase a Condominium that may be granted to the Association (or other person, firm or entity) shall not apply to any conveyance or transfer of title to such Condominium, whether voluntary or involuntary, to a Mortgagee that acquires title to or Ownership of the Condominium pursuant to the remedies provided in its Mortgage or by reason of foreclosure of the Mortgage or deed or assignment in lieu of foreclosure.

ARTICLE XIII GENERAL PROVISIONS

13.1 Term. Declaration shall run with and bind the Association and the Project, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to the Declaration, his or her respective legal representatives, heirs, successors and assigns, in perpetuity.

13.2 Amendment. Each and all of the provisions hereof may be modified, amended, added to or deleted only by the affirmative vote of at least fifty-one percent (51%) of the Members of the Association eligible to vote, and if required by this Declaration by the appropriate percentage of Mortgagees as required hereby, and by such other approvals, if any, as may be required by law or any prior agreements of record. Said amendments shall be effective upon recordation in the Office of the Recorder of Los Angeles County.

13.3 Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of a Condominium Project, and this Declaration shall be construed and governed in accordance with California law.

13.4 Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any of the provisions hereof shall not affect the validity of the remaining provisions.

13.5 Successors and Assigns. This Declaration shall inure to the benefit of and be binding upon the heirs, personal representatives, grantees, lessees, successors and assigns of the Owners.

13.6 Delivery of Notices and Documents. Any written notice or other documents relating to or required by this Declaration may be delivered personally or by mail. If by mail, such notice, unless expressly provided herein, or in the Bylaws to the contrary with regard to the type of notice

being given, shall be deemed to have been delivered and received forty-eight (48) hours after a copy thereof is deposited in the United States mail, postage prepaid, and fees prepaid, addressed to each Owner at the address of any Unit in the Project owned by such Owner, in whole or in part, or to the address last furnished by such Owner for the purpose of receiving notices from the Association. Each Owner shall file in writing with the Board promptly upon becoming an Owner such person's address for the purpose of receiving notices, and shall promptly notify the Board in writing of any subsequent change of address.

13.7 Conflicting Provisions. In the case of any conflict between this Declaration and the Articles, the Articles shall control. In the case of any conflict between this Declaration and the Bylaws and/or the Rules and Regulations, this Declaration shall control.

IN WITNESS WHEREOF, the undersigned officers and directors of Figueroa Arms Apartments, Inc. declare under penalty of perjury and the laws of the State of California, that this Declaration has been approved by the requisite percentage of Members of Figueroa Arms Apartments, Inc., and that they have executed this Declaration on behalf of Figueroa Arms Apartments, Inc., a California nonprofit mutual benefit Corporation, in Long Beach, California on the date(s) set forth below.

FIGUEROA ARMS APARTMENTS, INC., a
California nonprofit mutual benefit corporation

Date: July 8, 2015

By: [Signature]
Its: President

Date: July 8th, 2015

By: [Signature]
Its: Secretary

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

SEE NOTARY ATTACHED *LB*

State of California
County of San Bernardino

On July 8 2015 before me, Lori Bryant, Notary Public
(insert name and title of the officer)

personally appeared Jeff Bowling and F. Farzaneh
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Lori Bryant* (Seal)



Figueroa Arms

Current Unaudited Financial Documents



Figueroa Arms Condominium Association, Inc.

BALANCE SHEET

As Of: 08/01/2020

Year End: December

ASSETS		
CURRENT OPERATING ASSETS		
10100	Checking - Union xxxxxx6633	\$115,710.67
10101	Less checks not released	\$(15,366.00)
12000	Petty cash prior	\$500.00
	Total CURRENT OPERATING ASSETS	\$100,844.67
CURRENT RESERVE ASSETS		
10300	Savings - Union xxxxxx9426	\$66,631.89
11700	Savings Popular Community 8993	\$9,365.42
11800	Savings Popular Community 8985	\$91,399.20
	Total CURRENT RESERVE ASSETS	\$167,396.51
FIXED ASSETS		
25000	Land	\$523,407.00
25100	Building	\$228,795.00
25200	Building Improvements	\$1,723,637.00
25300	Parking Improvements	\$44,757.00
25400	Furniture and equipment	\$18,127.00
25500	Less: Accumulated depreciation	\$(1,592,896.00)
	Total FIXED ASSETS	\$945,827.00
	Total ASSETS	<u>\$1,214,068.18</u>

Figueroa Arms Condominium Association, Inc.

BALANCE SHEET

As Of: 08/01/2020

Year End: December

LIABILITIES		
CURRENT LIABILITIES		
30200	Loan proceeds partial	\$200,764.62
30216	Loan fees	\$(28,630.00)
32000	Current portion - Long-term debt	\$67,512.00
32600	Notes payable - long term	\$1,187,016.00
37000	Prepaid assessments	\$31,886.25
	Total CURRENT LIABILITIES	\$1,458,548.87
RESERVES		
	See Status of Reserves	\$52,700.39
	Total LIABILITIES	\$1,511,249.26
EQUITY		
RETAINED SURPLUS/(DEFICIT)		
45100	Retained funds	\$(334,246.33)
	Current Year Surplus (Deficit)	\$37,065.25
	Total RETAINED SURPLUS/(DEFICIT)	\$(297,181.08)
	Total EQUITY	\$(297,181.08)
	Total Liabilities and Equity	\$1,214,068.18

Figueroa Arms Condominium Association, Inc.

STATUS OF RESERVES

01/01/2020 Through 08/01/2020

Year End: December

GL No	GL Description	Monthly Budget	Beginning Balance	----- Activity -----		---- Adjustments ----		Ending Balance
				Deposits	Expenses	Additions	Deductions	
40110	Concrete repairs	50.00	2,400.00	250.00	0.00	0.00	0.00	2,650.00
40301	Block wall	15.00	380.00	75.00	1,985.00	0.00	0.00	(1,530.00)
40312	Chain link fence	25.00	(1,150.00)	125.00	0.00	0.00	0.00	(1,025.00)
40323	Railing Paint fire escape	300.00	4,800.00	1,500.00	0.00	0.00	0.00	6,300.00
40424	Asphalt Sealcoat & Striping	60.00	2,236.00	300.00	0.00	0.00	0.00	2,536.00
40425	Asphalt major Rehab	100.00	3,600.00	500.00	0.00	0.00	0.00	4,100.00
40528	Flat roof	800.00	(7,137.00)	4,000.00	9,598.00	0.00	0.00	(12,735.00)
40702	Interior Paint	200.00	4,000.00	1,000.00	0.00	0.00	0.00	5,000.00
40708	Paint repair wrought iron	400.00	5,200.00	2,000.00	0.00	0.00	0.00	7,200.00
40800	General operating	0.00	(12,724.78)	0.00	3,769.00	0.00	0.00	(16,493.78)
40901	Recreation & Laundry Area	1.00	0.00	5.00	0.00	0.00	0.00	5.00
40903	Lobby Furniture	1.00	200.00	5.00	0.00	0.00	0.00	205.00
40904	Office Furniture/equipment	1.00	0.00	5.00	0.00	0.00	0.00	5.00
40906	Restroom Rehab	1.00	200.00	5.00	0.00	0.00	0.00	205.00
40909	Gym Equipment	25.00	(118.97)	125.00	0.00	0.00	0.00	6.03
40922	Gym Flooring	10.00	200.00	50.00	0.00	0.00	0.00	250.00
41100	Landscaping & trees	50.00	0.00	250.00	0.00	0.00	0.00	250.00
41104	Irrigation equipment	25.00	300.00	125.00	0.00	0.00	0.00	425.00
41303	Exterior paint	200.00	4,800.00	1,000.00	0.00	0.00	0.00	5,800.00
41500	Carpet Flooring	125.00	2,300.00	625.00	0.00	0.00	0.00	2,925.00
41502	Tile flooring	25.00	700.00	125.00	0.00	0.00	0.00	825.00
41600	Elevators Controller/Selector	0.00	(863.41)	0.00	0.00	0.00	0.00	(863.41)
41601	Elevator	939.00	14,728.52	4,695.00	3,722.32	0.00	0.00	15,701.20
41701	Booster Pump	20.00	400.00	100.00	0.00	0.00	0.00	500.00
41804	Entry Awning Repairs	25.00	700.00	125.00	0.00	0.00	0.00	825.00
41806	Gate operator	25.00	300.00	125.00	0.00	0.00	0.00	425.00
41809	Security system	50.00	853.21	250.00	1,786.86	0.00	0.00	(683.65)
41811	Intercom System	0.00	200.00	0.00	0.00	0.00	0.00	200.00
41814	Vehicle - Entry gates	35.00	420.00	175.00	0.00	0.00	0.00	595.00
41815	Pedestrian gates	40.00	480.00	200.00	0.00	0.00	0.00	680.00

Figueroa Arms Condominium Association, Inc.

STATUS OF RESERVES

01/01/2020 Through 08/01/2020

Year End: December

GL No	GL Description	Monthly Budget	Beginning Balance	----- Activity -----		---- Adjustments ----		Ending Balance
				Deposits	Expenses	Additions	Deductions	
41902	Metal fence & rails	50.00	600.00	250.00	0.00	0.00	0.00	850.00
42005	Courtyard Rehab	20.00	1,256.00	100.00	0.00	0.00	0.00	1,356.00
42007	Stairway	0.00	1,381.00	0.00	0.00	0.00	0.00	1,381.00
42201	Corridors/walkways	350.00	7,000.00	1,750.00	0.00	0.00	0.00	8,750.00
42507	Fire escape	90.00	2,280.00	450.00	0.00	0.00	0.00	2,730.00
42508	Fire prevention	80.00	510.00	400.00	0.00	0.00	0.00	910.00
42600	Gutters & Downspouts	80.00	1,072.00	400.00	0.00	0.00	0.00	1,472.00
43001	Mailboxes	40.00	800.00	200.00	0.00	0.00	0.00	1,000.00
43008	Exterior doors	50.00	1,000.00	250.00	0.00	0.00	0.00	1,250.00
43400	Plumbing	200.00	(16,160.00)	1,000.00	0.00	0.00	0.00	(15,160.00)
43403	Boilers	95.00	6,105.00	475.00	0.00	0.00	0.00	6,580.00
43405	Water Storage Tank	69.00	1,300.00	345.00	0.00	0.00	0.00	1,645.00
43801	Entry Awning Paint	30.00	600.00	150.00	0.00	0.00	0.00	750.00
43831	Skylights	120.00	1,840.00	600.00	0.00	0.00	0.00	2,440.00
43832	Brick Facade	200.00	4,800.00	1,000.00	0.00	0.00	0.00	5,800.00
43844	Unplanned project fund	0.00	3,764.00	0.00	0.00	0.00	0.00	3,764.00
43900	Bulkhead paint	100.00	2,400.00	500.00	0.00	0.00	0.00	2,900.00
	Total Reserves:	5,122.00	47,951.57	25,610.00	20,861.18	0.00	0.00	52,700.39

OPERATING STATEMENT SUMMARY

Figueroa Arns Condominium Association, Inc.

01/01/2020 Through 08/01/2020

Year End: December

 Current Month Year To Date		Variance	Percent of Budget
	Actual	Budget	Actual	Budget		
INCOME						
ASSESSMENT INCOME	\$22,895.79	\$31,125.00	\$232,803.00	\$249,000.00	(\$16,197.00)	93
OTHER MEMBER INCOME	\$1,534.51	\$3,100.00	\$27,058.42	\$24,800.00	\$2,258.42	109
OTHER INCOME	\$0.00	\$12,000.00	\$79,152.25	\$96,000.00	(\$16,847.75)	82
Total INCOME	\$24,430.30	\$46,225.00	\$339,013.67	\$369,800.00	(\$30,786.33)	92
EXPENSES						
ADMINISTRATIVE	\$1,884.27	\$18,890.00	\$118,863.96	\$151,120.00	(\$32,256.04)	79
UTILITIES	\$844.84	\$6,805.00	\$48,650.78	\$54,440.00	(\$5,789.22)	89
INSURANCE	\$0.00	\$2,108.00	\$11,226.57	\$16,864.00	(\$5,637.43)	67
TAXES	\$0.00	\$3,000.00	\$15,777.00	\$24,000.00	(\$8,223.00)	66
CONTRACTED SERVICES	\$2,000.00	\$9,400.00	\$62,004.42	\$75,200.00	(\$13,195.58)	82
MAINTENANCE	\$0.00	\$900.00	\$4,449.69	\$7,200.00	(\$2,750.31)	62
PROVISION FOR RESERVES	\$5,122.00	\$5,122.00	\$40,976.00	\$40,976.00	\$0.00	100
Total EXPENSES	\$9,851.11	\$46,225.00	\$301,948.42	\$369,800.00	(\$67,851.58)	82
Net Surplus or (Deficit)	\$14,579.19	\$0.00	\$37,065.25	\$0.00	\$37,065.25	

Figueroa Arms

Insurance Declaration Pages



AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

AGENCY Ric Castile		NAMED INSURED Figueroa Arms Condominium Association Inc	
POLICY NUMBER 92-CX-K396-8			
CARRIER State Farm General Insurance Company	NAIC CODE 25151	EFFECTIVE DATE: 10/01/2020	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 24 **FORM TITLE:** Certificate of Property Insurance

Unit Owner:

. . . , - CA - 90037 - Unit Loan Number: . - Number Of Units: 0075

Association Type: Residential Community Association Policy

Forms, Options and Endorsements:

CMP-4101 Businessowners Coverage Form
 FE-6999.2 Terrorism Insurance Cov Notice
 CMP-4508 Money and Securities
 CMP-4710 Emp Dishonesty \$100,000
 FE-1313 Form 438bfu Ns Lndr Loss Pay
 CMP-4260.1 Amendatory Endorsement-Ca

Forms, Options and Endorsements:

CMP-4696 Residential Community Assoc
 CMP-4705.2 Loss of Income & Extra Expense
 CMP-4814 Dir & Officers \$2,000,000
 CMP-4828 Extra Replacement Cost
 CMP-4864 Building Ordinance Or Law Cov
 CMP-4261 Amendatory Endorsement

Coverages:

Business Liability \$2,000,000
 Medical Payments \$5,000
 Products-Completed Operations \$4,000,000
 General Aggregate \$4,000,000

Companion Policies:

92EWK4236 Workers Compensation

Coverage

Unless otherwise endorsed, this policy provides replacement cost coverage on described property and common areas detailed within the Association bylaws including the following types of property within a unit, regardless of ownership:

1. Fixtures, improvements and alterations that are a part of the building or structure; and
2. Appliances such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

Replacement cost coverage is subject to the terms and conditions of the policy and any endorsements.

Coverage under this policy may have been modified to provide actual cash value coverage rather than replacement cost coverage, or to remove specified property from coverage, if any endorsement containing in its title "ACV" or "Actual Cash Value," or "Additional Property Not Covered" is identified on this Certificate of Insurance.

Endorsements: FE-3650, FE-3653, FE-3658, and FE-3659 (Actual Cash Value) - These endorsements describe what the term "actual cash value" means where used in the policy. **However, these endorsements do not change any replacement cost coverage provided by the policy.**

This policy provides coverage on a standalone/individual condominium association.

Commercial General Liability

State Farm refers to this coverage as Business Liability Coverage. Coverage amount shown is Per Occurrence.

Loss of Rents, Loss of Income and Extra Expense

If this coverage is shown, limits are "Actual Loss Sustained". Contact the agent to confirm the number of day's coverage.

Figueroa Arms

Litigation



LAW OFFICES OF

Pamela Abbott Moore

PAMELA ABBOTT MOORE
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FACSIMILE
(714) 288-0998

August 21, 2017

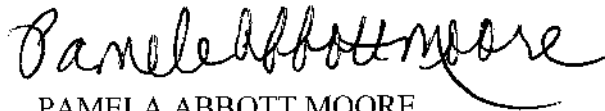
**Re: Figueroa Arms Apartments, Inc. and Figueroa Arms Condominium
Association, Inc.
Pending Litigation**

To Whom It May Concern:

The Figueroa Arms Apartments, Inc and Figueroa Arms Condominium Association, Inc. are parties to a lawsuit filed by Margaret Jewett vs Figueroa Arms Apartments, Inc. and Figueroa Arms Condominium Association, Los Angeles County Superior Court Case No. SC 626801, filed July 13, 2016. It alleges various causes of action against the Association.

This matter is being handled by the Association's insurance company that is defending the action and indemnifying the Association. Please feel free to contact this office should you have any further questions or concerns.

Very truly yours,



PAMELA ABBOTT MOORE

PAM:njw

Figueroa Arms

Board Meeting Minutes



Figueroa Arms Homeowners Association
Board of Directors Meeting – May 21, 20
Regular Session Meeting

BOARD MEMBERS PRESENT:

Jeremy Tijerina
Veronica Mesias
Freddie Valdes
Catherine White
Jan Ford

LORDON REPRESENTATIVE:

Debra Guzman – Management Consultant

BOARD MEMBERS ABSENT: None

GUESTS: None

CALLED TO ORDER:

The Regular Session Board of Directors meeting was held on May 21, 20 via teleconference and called to order at 6:25 p.m.

EXECUTIVE SESSION DISCLOSURE:

Executive Session was held prior to the Regular Session meeting to consider confidential subjects such as litigation, matters relating to formation of contracts with third parties, member discipline, personal matters, or to meet with a member upon a members request regarding the members payment of assessments as specified in Section 1367 or 137.1 of the California Civil Code.

HOMEOWNERS FORUM:

- o None-Waived per 120 day resolution.

SECRETARY'S REPORT:

The minutes from the last Regular Session meeting held on April 16, 20 were presented. A motion to approve with corrections to Jeremy being present was made by Freddie Valdes and seconded by Jan Ford. Motion carried with 4 in favor and Veronica absent from vote.

TREASURER'S REPORT: As of 4/30/20

<i>Total Reserve/Operating Assets:</i>	\$ 241,655.96
<i>Total Reserves</i>	\$ 176,978.96
<i>Checking Account Balance:</i>	\$ 64,677.00

Current Monthly Surplus (deficit) \$ (4,878.46)

Current Yearly Surplus (deficit) \$ 12,377.38

A motion was made by Jeremy Tijerina to receive and file the financials subject to audit. Jan Ford seconded. Motion carried with all present in favor.

BIDS:

- Lighting Issue-MCC Construction supplied a bid for replacement of 4 lights with LED fixtures, but there is a 5th light that is out and will need to be included on a revised bid. Request this for review. Board authorizes MCC Construction to complete this with motion made by Freddie Valdes and Cathy White seconding the motion. With all in favor motion carries.
- Approval ratified for water testing to be completed by Antis Roofing at unit #403. It was noted on bid that this would be scheduled when stay at home orders are lifted.

ARCHITECTURAL REQUESTS:

- #404 plans for remodeling was reviewed. No application has been submitted as owner is in the preliminary stages of the planning. Plans for relocating rooms should be signed off by owners at #304 before submission. No decisions made at this time.

GENERAL DISCUSSION:

- Leak in basement from 112/114 discussed.
- Discussion on units with multiple dogs, tabled.

LIENS:

No liens authorized at this time. BOD to authorize as needed.
(2) Demands authorized.

ADJOURNMENT:

There being no further business to discuss the meeting was adjourned at 7:14 p.m.

Respectfully Submitted,

Debra Guzman
Recording Secretary

Board of Directors for
Figueroa Arms

NO MINUTES AVAILABLE

ASSOCIATION NAME: Figueroa Arms

ASSOC. NO: 368

SCHEDULED MEETING DATE: March 2020

REGULAR X

EXECUTIVE _____

- _____ NO MEETING HELD PER CONTRACT
- X MEETING CANCELED PER BOARD
- _____ NO QUORUM
- _____ ANNUAL ELECTION (**DRAFT FORM ONLY** / TO BE APPROVED NEXT YEAR)
- _____ NO MINUTES TAKEN
- _____ MINUTES NOT PROVIDED BY BOARD
- _____ MINUTES NOT PROVIDED BY PRIOR MANAGEMENT COMPANY
- _____ OPEN DISCUSSION HELD / NOTES TAKEN

5/1/20
DATE FILED

Debra Guzman
SIGNATURE OF REPRESENTATIVE/MINUTE TAKER

DATE APPROVED

APPROVED BY JENNIFER SCHWARTZ

Figueroa Arms Homeowners Association
Board of Directors Meeting – January 16, 2020
Regular Session Meeting

BOARD MEMBERS PRESENT:

Freddie Valdes
Ycronica Mesias
Catherine White
Jan Ford

LORDON REPRESENTATIVE:

Debra Guzman – Management Consultant

BOARD MEMBERS ABSENT:

Jeremy Tijerina

CALLED TO ORDER:

The Regular Session Board of Directors meeting was held on January 16, 2020 at the community basement and called to order at 7:05 p.m.

EXECUTIVE SESSION DISCLOSURE:

Executive Session was held prior to the Regular Session meeting to consider confidential subjects such as litigation, matters relating to formation of contracts with third parties, member discipline, personal matters, or to meet with a member upon a members request regarding the members payment of assessments as specified in Section 1367 or 137.1 of the California Civil Code.

HOMEOWNERS FORUM:

- o Fred Valdes #312-Janitorial cleaning, laundry machines discussed
- o Yaneth #201-Observing
- o Amir #314-Observing

SECRETARY'S REPORT:

The minutes from the last Regular Session meeting held on November 21, 2019 were presented. A motion to approve was made by Freddie Valdes and seconded by Jan Ford. Motion carried with all present in favor.

TREASURER'S REPORT: As of 11/30/2019 and 12/31/19

<i>Total Reserve/Operating Assets:</i>	\$ 211,542.81
<i>Total Reserves</i>	\$ 163,924.19
<i>Checking Account Balance:</i>	\$ 61,643.84
<i>Current Monthly Surplus (deficit)</i>	\$ (9,010.20)
<i>Current Yearly Surplus (deficit)</i>	\$ (4,641)

A motion was made by Freddie Valdes to receive and file the financials subject to audit. Cathy White seconded. Motion carried with all present in favor.

BIDS:

- o Antis Roofing-Roof repairs at #406, \$2340.00. Motion made by Freddie Valdes to approve the bid contingent on receiving bid for #405 to confirm area is not duplicated. Motion seconded by Cathy White. With all present in favor, motion carries. Management to wait for bid from Antis for unit #405 before issuing work order.

GENERAL DISCUSSION:

- o Contact engineer regarding recommendations on 4th floor walkway.
- o Add Electric Vehicle charging to next month's agenda.
- o Bids for attorney drafted election rules to be emailed to BOD for approval prior to next meeting.
- o Review FHA requirements for rental ratio.
- o Janitorial contract to be discussed at next meeting.

LIENS:


(1) Lien account discussed for \$3,802.45. Freddie Valdes motions to approve the lien processing. Jan Ford seconds the motion With all present in favor, motion carries.

ADJOURNMENT:

There being no further business to discuss the meeting was adjourned at 7:51 p.m.

Respectfully Submitted,

Debra Guzman
Recording Secretary


Board of Directors for
Figueroa Arms

NO MINUTES AVAILABLE

ASSOCIATION NAME: Figueroa Arms

ASSOC. NO: 368

SCHEDULED MEETING DATE: 12/19/19

REGULAR X

EXECUTIVE _____

- NO MEETING HELD PER CONTRACT
- MEETING CANCELED PER BOARD
- NO QUORUM
- ANNUAL ELECTION (**DRAFT FORM ONLY** / TO BE APPROVED NEXT YEAR)
- NO MINUTES TAKEN
- MINUTES NOT PROVIDED BY BOARD
- MINUTES NOT PROVIDED BY PRIOR MANAGEMENT COMPANY
- OPEN DISCUSSION HELD / NOTES TAKEN

12/24/2019
DATE FILED

Debra Guzman
SIGNATURE OF REPRESENTATIVE/MINUTE TAKER

DATE APPROVED

APPROVED BY JENNIFER SCHWARTZ

Figueroa Arms Homeowners Association
Board of Directors Meeting – November 21, 2019
Regular Session Meeting

BOARD MEMBERS PRESENT:

Jeremy Tijerina
Freddie Valdes
Catherine White
Jan Ford

LORDON REPRESENTATIVE:

Debra Guzman – Management Consultant

BOARD MEMBERS ABSENT:

Veronica Mesias

CALLED TO ORDER:

The Regular Session Board of Directors meeting was held on November 21, 2019 at the community basement and called to order at 6:54 p.m.

EXECUTIVE SESSION DISCLOSURE:

Executive Session was held prior to the Regular Session meeting to consider confidential subjects such as litigation, matters relating to formation of contracts with third parties, member discipline, personal matters, or to meet with a member upon a members request regarding the members payment of assessments as specified in Section 1367 or 137.1 of the California Civil Code.

HOMEOWNERS FORUM:

- Max & Mike #114-Discussion about dog area smell.
- Brittany #405-Observing
- Yaneth #201-Following up on communication plans.
- Ning #319-Observing. Cleaning products odor is too strong.
- Donna #119-Observing
- Amir #314-Observing

SECRETARY'S REPORT:

The minutes from the last Regular Session meeting held on October 17, 2019 were presented. A motion to approve was made by Jan Ford and seconded by Cathy White. Motion carried with Freddie abstaining due to absence.

TREASURER'S REPORT: As of 10/31/19

<i>Total Reserve/Operating Assets:</i>	\$ 218,873.80
<i>Total Reserves</i>	\$ 157,439.99
<i>Checking Account Balance</i>	\$ 61,433.81
<i>Current Monthly Surplus (deficit)</i>	\$ (12,052.39)
<i>Current Yearly Surplus (deficit)</i>	\$ 5,504.80

A motion was made by Freddie Valdes to receive and file the financials subject to audit. Cathy White seconded. Motion carried.

BIDS:

- MCC Construction-LED Lights (4) \$1895.00. Tabled
- Gordon Termite Report #410-Verify if findings on report are interior or exterior. Tabled

GENERAL DISCUSSION:

- Holiday party plans discussed
- Gym equipment repairs discussed
- At&t phone plan changes discussed.

LIENS:

(1) lien account discussed for \$1132.78. Tabled for further review.

ADJOURNMENT:

There being no further business to discuss the meeting was adjourned at 7:55 p.m.

Respectfully Submitted,

Victoria Bullock
Recording Secretary

Board of Directors for
Figueroa Arms

Figueroa Arms

Rules and Regulations





FIGUEROA ARMS
CONDOMINIUM ASSOCIATION

House Rules & Regulations

Revised August 2017



Residents / Guests

1. Units shall not be occupied by more than 3 persons.
2. All residents (owners, tenants and/or roommates) are required come before the Board when moving into the Community and sign agreements to abide by all Association's rules and regulations.
3. Residents must be present when guests are visiting. Unauthorized occupants and/or usage of units for short term rentals is prohibited.
4. Guests may stay with residents for a period not to exceed 30 days in one year. If you wish a guest stay for a period exceeding 30 days, you must request permission from the Board via Lordon Management in writing and follow procedures to become a resident.

Moving In & Out

5. All residents must notify Lordon Management in advance of the dates of any moving in/moving out activities.
6. Moving must be scheduled/performed between the hours of 9 a.m. and 9 p.m. Please be considerate of your neighbors and avoid making excessive noise when you move.
7. Proper padding and or protective devices must be used to protect the common areas and property (including floors, walls, steps, carpeting, elevators, etc.) when moving/transporting furniture, appliances or other belongings.
8. The main lobby is not to be utilized for moving in/out. No large items, materials or handcarts may be brought through the lobby. Side entrances must be utilized for these activities.
9. Owners are responsible for payment of all costs incurred for repair of damage done to the Association common property during any moving in/moving out activities by their occupants.
10. Each owner will be provided a maximum of two building keys. Replacement keys must be requested from Lordon Management at owner's expense.

Construction / Repairs / Renovations

In general, owners are encouraged to make improvements in their units; however, we also need to ensure renovations are not unduly disruptive to other residents or damaging to the structural integrity of the building.

11. If you make any alterations to your unit involving shared infrastructure (water or gas pipers, plumbing fixtures, rewiring or electrical work, etc.), or exterior alterations visible from the common areas, you must contact Lordon Management and obtain Board approval before beginning work.



12. If work includes turning off or interrupting usage of any utilities, or loud work being done, posting of notice to affected residents must be made with at least 48 hours notice (emergency repairs excluded); Lordon Management can assist owners with this.
13. All contractors must be licensed and insured and work can only take place between the hours of 9am and 9pm.
14. Owners are responsible for ensuring all materials are disposed of properly, no damage to common areas occur, and that all common areas are clear/clean after work each day.
15. Construction materials/debris must be hauled off-site and properly disposed of; the community dumpster is not to be used for disposal of your construction materials, furniture, appliances or any other large items. (Note – large items can be arranged to be picked up by the City on 41st Drive by calling #311 or online at www.lacitysan.org)
16. Owners/tenants do not need approval to paint the interior of their units, but all other guidelines for renovations must be followed.

Lobby Rules

17. Do not open doors for anyone you do not recognize.
18. Do not prop open lobby door and please make sure lobby door closes behind you.
19. No large items, materials or handcarts may be brought through the lobby, use side entrances only.

Safety/Security

20. All outside doors must be kept closed and locked at all times. Always make sure doors/gates close behind you when you enter/exit the building.
21. Never open doors/gates for anyone that you are not sure lives in the building.
22. It is the right and duty of each resident to question the presence of any person who appears to be trespassing and/or advise Lordon Management or Security personnel regarding the situation.
23. Report any vandalizing or damage to the building, property or common areas to Lordon Management.

In the event of an emergency, always call 911. If you observe any criminal activity, please call the police first, then report it to Lordon Management or Security personnel.

Noise and Other Disturbances

All residents of our Community have the right to the "quiet enjoyment" of their apartments. This means that we should all take care not to make excessive noises or create disturbances that interfere with the comfort and convenience of other residents.



24. No occupant shall make or permit any disturbing noises in the building, or do/permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other occupants.
25. No one is allowed to play musical instruments, stereos, television sets, or other sources of amplified sound in a loud manner, if it annoys or disturbs other residents, between the hours of 9pm and 9am. At all other times, please be reasonable in the level of noise you produce.
26. Similarly, construction or repair work and other noisy activities (such as hammering, moving furniture, etc.) should be done only between the hours of 9am and 9pm.
27. The floors of each apartment above the first floor must be covered with rugs, carpeting or equally effective noise-reducing material in order to minimize noise transmission to the unit below. At least eighty percent (80%) of the floor area of each room must be covered (except kitchens, bathrooms and closets).

If you have a complaint about ongoing noise from a neighbor, please contact Lordon Management. They will try to resolve the problem through negotiation with the offender. If you have a complaint about a disturbance or noise that is likely to be short-lived — such as a noisy party, a fight in the hallway, or a disturbance in the street — call the Los Angeles Police Department.

Common Areas

28. Smoking is prohibited by law in the common areas inside our buildings. These areas include lobbies, elevators, hallways, stairways, laundry rooms, and basements. Please be considerate of your neighbors — don't smoke in public areas or leave any cigarette butts behind.
29. Littering any of our common areas is prohibited; this includes all walkways, courtyards, and parking lots.
30. The hallways, stairways and elevators are intended for access and must be kept clear for that purpose. Recreational activities cannot be conducted nor can residents store items in these areas for safety reasons and to prevent damage.
31. The common areas of the residential building (including the hallways, stairwells, basement, elevators, fire escapes, balconies, lobby, etc.) may not be used for sleeping purposes by anyone, at any time.
32. Complaints and problems regarding maintenance and/or service of the residential building, the parking lot or the dwelling units shall be made in writing to the Lordon Management. Under no circumstance is anyone (owner or tenant) allowed to direct, instruct or demand any employee/vendor of the Association.
33. No public halls or common areas of the building shall be decorated or furnished by any party in any manner without the prior consent of management.



34. No shades, awnings, window guards or ventilators shall be placed or used, in or about the building. Air conditioners can be used in external facing windows only, not facing main courtyard.
35. No sign, signal, advertisement, decoration, illumination, or projection can be placed or used in or about the building, without written approval by Management.
36. No radio, cable or television aerial shall be attached to or hung from the exterior of the building. For info on satellite dish installation, contact Lordon Management.
37. The building hoses or hose bibs may not be used to wash a vehicle.
38. Use of charcoal or gas grills is prohibited on any part of the premises; this includes the balconies, aisles, sidewalks, courtyard, fire escapes, parking lots, etc.

Passageways/Exits

39. No person shall obstruct or impede any exits, access ways to building structure or common areas.
40. Side exits on south side of building (facing 41st Drive) are for Emergency Use Only and are to be kept closed and not used otherwise.
41. Obstructing fire escapes is against the law; they must be kept absolutely clear at all times. No radio, wires, cables, antennas, plants, storage containers, or anything else may be kept on, attached to, or obstruct fire escapes. No one is allowed to sit or stand on the fire escapes. They are to be used in emergency situations only.
42. No one is permitted on the roof, except in the case of fire. However, even in a fire emergency, you should try to go down below the fire, not up to the roof.
43. No items shall be placed in the common areas (hallways, stairways, walkways, etc.), nor shall anything be hung or shaken from doors, windows, balconies or placed upon the window sills of the building without prior approval of the Board.
44. No one shall sweep, throw or permit to be swept/thrown from the doors, windows or balconies thereof, any dirt or other substance. Hosing of balconies is not permitted.

Garden/Courtyard

The courtyard area is for the relaxation of our residents and guests. Due to the proximity of the courtyard to the units, we ask that everyone to keep their voices down when using this area. This will be strictly enforced after hours (9pm to 9am).

45. No shrubs, flowers or trees may be shaped, pruned, added or removed from our Common Areas without the approval of the Board.
46. Heating units, time clocks, lighting and irrigation systems are to be adjusted and/or set by management or authorized personnel only.



Laundry Facilities / Washing Machines & Dryers

47. Do not overload machines.
48. Use only liquid detergents in laundry machines (per the vendor, powder detergents cause clogs in these types of machines).
49. Please remove your clothes from machines in a timely fashion so others may use it; clothes left in machines may be removed so that the next user can utilize the machine.
50. Please clean up after yourself (detergent spills, dryer sheets, etc.).
51. Items left in Laundry Room longer than 48 hours will be discarded.
52. Washing machines and dryers are not permitted in individual units, so as not to overburden the building plumbing and prevent damage to our building and other units.

If you encounter a problem in the laundry room, or a machine breaks down, please contact Lordon Management with the Machine ID#.

Fitness Center/Gym

The Fitness Center is located in the basement of FACA and is used at your own risk. The following rules are put in place to protect you, the equipment, and those that use the gym after you. Failure to follow all Gym Rules will result in fines and possible revoking of privileges.

53. Gym amenities are for FACA Homeowners and Renters only (ages 16 and over).
54. No food, drink, glass, pets or smoking allowed (water bottles OK).
55. Appropriate athletic clothing required.
56. Do not drop or slam the weights/stack down.
57. Place all weights back on rack and bars back on stations when finished.
58. Please wipe your sweat off equipment when finished.
59. Turn off lights when you leave the gym.

Bicycle Storage

Bicycle racks have been installed toward the back of the building near the parking lot. Storage spaces on these racks are available on a first-come, first-served basis for both renters and owners.

60. Do not park, mount or lock bicycles anywhere other than the approved bicycle rack area.
61. No bicycles, scooters or similar vehicles shall be allowed in the passenger elevators.
62. Broken, abandoned or unsightly bicycles will be removed.



Parking

FACA residents have access to two parking structures. One located immediately next to the building (Lot #1) and one immediately across the street on Figueroa (Lot #2).

63. All parking spaces are by assignment only; no unauthorized parking is allowed. In order to receive an assigned space, residents must register their vehicles with Lordon Management and complete a Parking Agreement form.
64. Parking spaces will be limited to 2 per unit, subject to availability. Only one vehicle allowed per space. Owner occupied units have priority for spaces in Parking Lot #1.
65. Parking is solely for the use of residents. There is no guest parking available on the property and spaces should not be made available to 3rd parties for extended usage.
66. Residents are responsible for keeping their spaces neat and orderly (free of trash, debris, fluid leaks, etc.), and at no time may the parking space be used for storage of personal property.
67. The Loading Zone at the rear of Parking Lot #1 is to be used for Loading/Unloading vehicles only. Once you finish Loading/Unloading, you must remove your vehicle. In some cases, this space may be temporarily used by maintenance and/or vendor crews of the Association. At no time is this space to be used for personal or guest parking.
68. Any violation of the parking rules set forth may result in fines or vehicles being towed at expense of the owner of the vehicle.

Pets

Pets (as stipulated below) are allowed in our community, under the following guidelines:

69. Residents must ensure their pet does not interfere with the right of other residents to the "quiet enjoyment" of our community.
70. Cats, dogs, and fish are permitted to be kept as household pets in the Community, only if the pets do not create a nuisance. No other animals (including but not limited to birds, livestock, or reptiles) may be brought or kept within the premises of the building.
71. Only two of the permissible animals may be kept (such as one dog and one aquarium, two cats, etc.). Per CC&R 5.4(b), only one dog is allowed per unit.
72. Pets should always be carried or on a leash in the public areas of the Community.
73. Pets may not pose a threat to the safety of any person. As a matter of courtesy, pet owners should inquire before entering an elevator with a pet whether other passengers object to riding with the pet.
74. Residents must immediately remove all excrement/urine left by their pets in any common area, or eliminate any odor or other byproducts of their pets in common areas.
75. Pets are prohibited from using the garden/courtyard area in the center of the building, as well as the basement facilities.
76. No feeding of stray animals is allowed anywhere on the property.
77. All pets and owners must comply with local ordinances (leash law, immunizations, etc.)



For any violation of these pet restrictions, the unit owner shall be fined in accordance with the governing documents. If there are complaints about a pet that is said to be interfering with other residents, the burden of proof will always be on the pet owner, and the decision of the Board regarding resolution of any such disputes is final.

The Board shall have the right to prohibit maintenance/keeping of any pet, which constitutes in the opinion of the Board, a nuisance to any other owner or tenant.

Trash & Recycling

78. At no time may trash bags may be left in hallways, outside individual units, or in any other common area.
79. All trash must be placed in plastic trash bags and securely tied or sealed and taken to the dumpster located in Parking Lot #1. No loose trash must be thrown into the bin.
80. All trash must be placed inside the dumpster and must fit with lid closed. Trash or other debris should not be left around or outside the dumpster for any reason.
81. No furniture, appliances, carpet, construction materials/debris or any other large items outside of normal trash disposal should be placed in our community dumpster.
82. Recycling bins are available in the rear courtyard, facing 41st Drive. Only recyclable materials are to be placed in the bins. Placing trash or dumping other belongings in this area is strictly prohibited.

HOMEOWNER SPECIFIC POLICIES

83. Owners are ultimately responsible for the actions and behavior of their tenants, family, guests and pets while on the property. It is the owner's responsibility to ensure that any occupants of their unit, or guests in our community, know and follow our Association's House Rules & Regulations, as well as keep their tenants informed of upcoming projects or changes in the community.
84. Owners will be responsible for payment of all costs of repairs for any damage to Association property caused by themselves, tenants, members of their families, their guests or their pets.
85. Any fees, penalties or charges for extra services from the Association's vendors, stemming from the actions of any residents, may be passed on to the owner whose unit was responsible for incurring such charges. Fines from the Association may also be applied in addition to these fees.



ENFORCEMENT PROCEDURES

The House Rules & Regulations are mostly common sense and revolve around safety, security, preserving property values and being a good neighbor. Most of you will never run afoul as you practice these rules naturally. However, these rules are needed in order to protect the rights and well-being of our residents, as well as protect the interests and investment of the Association.

All homeowners are ultimately responsible for the behavior of their tenants, relatives, guests, pets, housekeepers, and contractors. Any violation of our governing documents (FACA Bylaws, CC&R's and House Rules & Regulations) committed by anyone attached your unit may result in fines being levied against your unit.

VIOLATIONS AND FINE POLICY

- Any violation may result in a fine of \$50
- Repeat offenses will result in increased fines of \$100 and \$200 per offense and possible hearing before the Board of Directors
- Repeated violations may also result in the revoking of privileges as stated in CC&R's Section 2.5(h) and Section 11

Homeowners have the right to appeal or contest violations and may request a hearing before the Board of Directors. If the Association is forced to employ an attorney to ensure compliance, collect fines, lien property, etc., the resident/homeowner may be liable for the attorney fees and related expenses in addition to the fines and/or costs of repairs.

Any consent or approval given under these House Rules by the management shall be revocable at any time. These House Rules may be added to, amended or repealed at any time by resolution of the Board of Directors of the Association.



Management Company

Lordon Management is the managing agent for FACA. Any non-emergency requests, complaints, reports and other issues you may have relating to the management of the Community or relations with your neighbors should be addressed to:

Lordon Management

FACA Representative: Debra Guzman
1275 Center Court Drive
Covina, CA 91724
Tel: 626-967-7921, ext. 3354
E-mail: debra@lordonmanagement.com

Below is a list of possible reasons you may want to contact Lordon Management:

- Alterations and renovations: apartment remodeling or construction
- Building emergencies: floods, gas odors, elevator breakdown with passenger inside
- Complaints or Reporting Violations: regarding residents or employees of the Community
- Elevator problems
- HOA payments: difficulties paying on time, payment arrangements
- Installing major appliances: any appliance that involve gas pipes, plumbing fixtures, or electrical rewiring
- Keys: extra or replacement keys
- Laundry facilities: malfunctioning or broken machines, refunds
- Maintenance of common areas: dirty hallways, burned lights, etc.
- Moving in or out
- Noise and other nuisances
- Plumbing issues: leaks, clogged drains
- Renting or selling your condo
- Repairs and maintenance: building systems, plumbing, no hot water, etc.

Comments/Suggestions

We know that our community holds a lot of expertise, experience and great ideas – and we want to tap into that. If you have any comments, suggested changes or improvements for management of the Community, please submit them via the Suggestion Box located in the Lobby or via email to: FigueroaArmsLA@gmail.com

Please remember that all repair requests, common area problems, rules violations, billing issues, etc., should be sent directly to Lordon Management and not via the Suggestion Box.