

VILLAGE PALOS VERDES HOMEOWNERS ASSOCIATION

REPAIR AND RESTORATION POLICIES FOR THE EXTERIOR RENOVATION PROJECT

Adopted by the Board

It is essential that all VPVHOA Members and Tenants read and understand all the following information. The Association's Board of Directors has hereby adopted this "*Repair and Restoration Policy*." This Policy is the culmination of work by the Board of Directors, Construction Manager, General Contractor and legal counsel. We are pleased with the contract and scope of work which has been negotiated for our Association. We believe that the remedial repairs and restoration will dramatically improve and enhance the value and quality of our community. The repair and construction process poses many logistical challenges which require the cooperation of all Owners and Residents.

Homeowners must understand that if your home is rented out, it is still YOUR RESPONSIBILITY to communicate this policy to your Tenants and to make sure that your Tenants and Resident/Guests comply with the terms of this Repair Policy. Failure of a Tenant to comply that causes additional costs to the HOA will be charged back to the Homeowner in the form of a lien or added assessment to the Homeowners monthly dues.

In order to minimize the inevitable disruption and complete the repairs in the least amount of time the Owners and Residents must; 1) read and comply with all posted Notices, 2) prepare their units as required, and 3) provide prompt access when requested (none of the work can be done by appointment).

Please carefully review this material since it provides crucial details of the entire scope of work. We have attempted to think through the overall reconstruction process and have obtained advice from all available resources. The HOA is issuing this *Repair and Restoration Policy* in an effort to help each Homeowner understand what will be repaired and paid for by the Association. During this project, the Association reserves the right to alter any of these policies should we find that certain changes are required to make the project function more effectively.

In keeping with the Association's responsibilities according to the CC&Rs, the Board, with this policy, clarifies how each item will be managed during the repair of the buildings. The project consists of major exterior repairs to the buildings throughout our complex and some interior repairs associated with door, window, and roof replacements. The overall project construction duration is estimated to last approximately 17 months, contingent upon any weather delays.

In general, the policy is as follows: all exterior and interior repairs will be made to each building as described in the plans and specifications prepared by CSA Architects and KCE Matrix Structural Engineers. These repairs include, but are not limited to, the removal and replacement of all sloped and flat roofing systems, new gutters and downspouts, removing siding and adding stucco to all the first floor building elevations, balcony / deck / raised patio / front entry repairs, some railing replacements, removal and replacement of the exterior siding and trim, removal and replacement of all the windows and sliding glass doors, "D" / "E" / "F" unit front door replacements, entry deck waterproofing and tile replacement, new garage doors and openers, lighting upgrades, some block wall repairs and exterior painting of the entire complex.

The comprehensive nature of the repair is reflected in our contract with Professional Services, Inc., (the Contractor), and the drawings and specifications as prepared by CSA Architects, and KCE Matrix Structural Engineers. The following specifics should cover the majority of all situations. However, because of the nature of reconstruction, and individual or unique problems which may exist at or within a unit, all Homeowners will be asked to bring to the Board's attention, **in writing**, any item(s) which they believe are not adequately addressed within this policy so that the Association's Construction Manager and Contractor may investigate. (Written concerns should be sent to the Association's property manager who will forward concerns to the Construction Managers for their review. Any item that is not resolved during this process will be referred to the Board.) All such items will be given consideration by the Board with the intent of treating every Homeowner fairly, while at the same time treating all Homeowners consistently.

General Construction Information

During the weekday work hours from 7:30 a.m. to 5:00 p.m., for the duration of the work on your building, it is imperative that you follow the signs and directions of the Contractor when leaving or returning to your residence.

The driveways and parking lot areas will, at times, be congested, and the majority of the guest parking will be occupied for construction staging. For those same weekday hours while your building is being repaired, it may, on occasion be necessary for you to park your vehicle off-site.

Once construction begins, the Contractor will place an office trailer on site and fence in an area to be used for storage of construction materials. All Owners, Tenants and Guests are to remain off all fencing and scaffolding and should stay clear of all construction zones. It will also be the responsibility of each Owner and Tenant to keep all guests, children and pets away from and out of the active construction areas including balcony decks, patios, front entries, and interior spaces (while doors and windows are being installed). We apologize in advance for the inconveniences that will occur, but we would ask for your patience and understanding as we move through this process and the work associated with it.

During the work on the buildings, there will be some pounding on the walls that could knock something off, if hanging on the wall. Neither the Contractor, nor the Construction Managers nor the Homeowners Association will be responsible for such damage. We suggest that anything against the outside walls and/or hanging on the outside walls, especially around the window and door openings, be removed temporarily during these repairs. This is the responsibility of the Homeowner or Tenant.

Roofing

All Owners and Tenants are restricted from accessing all roof areas at any time, and no vendor will be allowed to access the roof areas without prior approval from the Board and the Contractor while construction is underway.

Plan Types "A", "B", "D", "G" & "H" Roof Replacement

Prior to the roof demolition in the above plan types (*see attached site plan to identify your plan type*), the Contractor will be attaching sheet plastic to the open beam ceilings in your unit. This is to catch any debris that may find its way through the wood ceiling during the time your roof is being replaced.

Homeowners in the above type units will need to prepare the rooms with wood ceilings by relocating the furniture to the center of the room, leaving a minimum of a 3" wide path around the perimeter of the rooms. Homeowners will receive a notice indicating when the Contractor will need to access the unit.

Homeowners will have ample notice of the dates for this work to be completed. If the Homeowner or Tenant is not available on that date, it is his or her responsibility to make arrangements so the Contractor can gain access at the appointed time. **None of this work will be done by individual appointment.**

Heating and Air Conditioning Units

The HVAC Units on the roof will be removed and reset during the re-roofing process. Prior to the reroofing, the Contractor will be testing all the roof-mounted HVAC Units and will provide each homeowner that has a roof mounted unit, with a written report describing the condition and issues, if any, associated with your HVAC Unit. This testing will require access into your unit. Once this testing is completed, the homeowner or owners representative will be asked to sign the test report. This report merely identifies the current operation condition of the HVAC unit.

An HVAC Repair/Replacement Order Form will accompany your written inspection report. If applicable, you will be given the opportunity to have the Contractor perform these repairs or replacement of the Unit during the construction repairs to your Building.

If no work or repairs are required for your HVAC Unit, the Contractor will perform only repairs required for roof replacement and will notify you when his work is completed.

If you wish to have work performed on your HVAC unit (by your own contractor), that work will have to be performed after the construction contractor (Professional Services) has completed the work on the entire Building (this is for liability reasons involving the jobsite conditions during construction). NOTE: Neither the Contractor, the Construction Manager nor the Association will guarantee that the old existing unit will function properly when reinstalled. However, the Contractor does guarantee that the unit will function to the same (or better) testing standard that was documented prior to its removal.

Homeowner Preparation for Interior Repairs

Contractor access inside of each unit will be required to complete the window, and door replacements, the garage door and opener replacements, and the HVAC performance testing, and we ask each Owner and/or Tenant for his or her complete cooperation with the Contractor in completing this work.

Homeowners will have ample notice of the dates for this work to be completed. If the Homeowner or Tenant is not available on that date, it is his or her responsibility to make arrangements so the Contractor can gain access at the appointed time. **None of this work will be done by individual appointment.**

Prior to the start of construction on a given building, each Homeowner will be given a **minimum** of thirty days (30) notice in writing. The Contractor will give more specific written notices to the Homeowners within this thirty-day period, as individual work such as windows and doors, etc., are scheduled for specific units. Drywall repairs may be required with the replacement of the windows and doors.

Window and Sliding Glass Door Replacement

The windows and sliding glass doors throughout the project are to be replaced with new dual glazed, low E aluminum framed windows. This replacement will include the need to access all window and sliding glass door areas from both inside and outside of the home. Current building code may require that some of the bedroom windows be enlarged for life safety reasons. In every bedroom that does not have an exterior door, the distance from the floor, to the bottom of at least one window, must be no more than 44 inches. In an emergency, this would be an aid to anyone trying to exit the bedroom through a window. When the Contractor measures your windows for replacement, you will be notified if any of your windows will need to be modified to meet this City required code. This change in existing window size will be performed as infrequently as possible. These details are currently being defined.

The Homeowner will be responsible to remove all window coverings, blinds, shutters and/or curtains, including the window or door covering hardware that is mounted inside of the window or door opening. Any of these items that are mounted on the wall outside of the framed opening will be inspected on a case-by-case basis to determine if the Owner may leave it or if it will need to be removed. The Contractor will make this determination when the window openings are being measured prior to the Contractor performing the installation work. Any window/door coverings or window hardware left by the Homeowner,

that was required to be removed, will be assumed to be discarded by the Homeowner and will not be saved by the Contractor. Homeowners may be charged to remove and discard these items so that the Contractor can make proper repairs.

Each Owner and/or Tenant will also be required to remove furniture and/or personal belongings within six feet (6') of the entry and sliding glass doors, and within three feet (3') of any window.

Plan Types "A", "B", "C", "D", & "H" Window Options

Homeowners in the above plan types (*see attached site plan to identify your plan type*) have a one time opportunity to change a select number of their fixed pane (do not open) windows to active pane (can be opened) windows. Homeowners will need to fill out an order form and pre-pay the difference in the cost of the windows. Order forms and payments received after the deadline published on the order form cannot be fulfilled.

The Contractor will send a notice to all Homeowners when their windows are scheduled to be measured and will include the Window Order Form. It is imperative that each Owner or Tenant make access into his or her unit available at that time. If the Homeowner or Tenant is not available at that time it is his or her responsibility to make arrangements with the Contractor on how they can gain access at the time appointed by the Contractor.

If any Homeowner has previously replaced any windows, these windows will be removed and discarded along with the original windows in the complex. The requirement to remove the window coverings and hardware is to provide access so that the window installation and if necessary any minor drywall repairs can be made around the windows. This drywall repair may need to be done from within the unit and the Homeowner and/or Tenant must provide a pathway to the window and at least three feet (3') around the window opening for these repairs to be made (moving washers and/or dryers that sit to the right or left of the window opening is not necessary). See Drywall Repairs (in this Policy) for a description of how the drywall will be repaired, if required.

Plan Types "D", "E", & "F" Front Entry Door Replacement

The aforementioned plan types will receive new fiberglass entry doors, door frame, sill pans, thresholds and weather-stripping. Interior drywall repairs, if necessary, will be completed as described in the Drywall Repairs section. Any alterations required to flooring materials (such as hard surface flooring, wood, tile, carpet, etc.) to make them cover any gaps at the new thresholds will become the responsibility of the Owner (however, we do not believe that this will be necessary in most cases).

Balconies, Patios, Decks & Front Entries

Immediately after construction starts on your building, scaffolding will be erected around three sides of the building. Homeowners and Tenants are cautioned to be careful when walking around the scaffolding and the exterior of the buildings.

Before the construction start date, **everything must be removed from these balconies, patios, decks and front entry areas.** Without trying to make an exhaustive list, this includes all potted plants, Bar-B-Q's, toys, chairs, tables, furniture, bird feeders, wind chimes, satellite dishes and/or private TV antennas or personal belongings of any kind either attached or unattached to the buildings. Any personal belongings left around the exterior of the buildings could become subject to damage. The Contractor, nor the Construction Manager, nor the Association will take any responsibility for any personal belongings remaining around the exterior of the buildings after the date of the notice for work to begin on that building. Any personal items like these that remain behind will be removed and disposed of during these repairs, and you will be charged for the disposal cost. Any Homeowner not cooperating will impact the construction completion schedule and add additional labor for the Contractor. This added cost will NOT be passed on to the remaining Homeowners through the Association but will instead be charged back to the offending Homeowner through an individual assessment to their monthly dues. The Association reserves the right to pass on such costs to offending Homeowners.

The Homeowner is responsible for any costs and legal charges incurred as a result of non-compliance by a Homeowner or Tenant. These charges would include, but are not limited to, construction delays caused by Homeowners or Tenants, the removal/disposal of items a Homeowner or Tenant was instructed to but neglected to remove.

NOTE: All exterior areas surrounding all the buildings are considered construction zones during the time that work is underway on that building.

Plumbing

The only plumbing issues that are a part of the repair plan are the replacement of defective drain pipes located in the wall of a number of the "C" unit garages.

While re-siding the buildings, the original hose bibs will need to be removed, temporarily capped, and reset after the siding is installed.

Due to past problems associated with additional hose bibs being installed in various locations throughout the complex, all hose bibs that were not installed during original construction will be permanently eliminated. This specifically addresses additional bibs with piping running on the exterior of the building from the ground level to elevated balconies. It is the Board's judgment that the added cost to install additional bibs, along with the increased maintenance and risk to the newly established warranties cannot be justified.

Satellite and/or TV Cables

Throughout the complex there are many locations where satellite or TV cables are run on the building exteriors. These cables will need to be detached from the stucco and siding and re-routed during the re-siding of the buildings. When detaching cables from the building, the Contractor will try to leave them connected as long as possible so that service is not interrupted. You can

anticipate there will be one to two interruptions to your Time Warner or satellite dish service for up to one day each. At least fourteen (14) days before any of this work is to begin, you will receive a notice from the Contractor and/or cable supplier.

Time-Warner

The Time-Warner cable will be run inside the exterior walls wherever possible and each unit will be provided with two cable connecting points - one in the living room and one in the master bedroom, as originally provided. If a Homeowner wishes to have Time-Warner cable distributed beyond the two connecting points provided, then the Homeowner will have the opportunity, at the Homeowners' expense, to work directly with Time-Warner to add other distribution points, as long as the additional cable is installed in the walls or on the inside of the unit, and not on the exterior of the building.

Satellite Dish

Prior to the re-roofing, Homeowners with satellite dishes will be responsible for contacting their supplier to temporarily remove the dish. Once the re-roofing is completed, the Homeowner will be responsible for resetting the dish on the new roof. **The satellite dish can only be mounted on a free-standing base, and the base will have to be set on "walk pads". This process is necessary to protect our new roof warranties.** The walk pads will be available to purchase from the HOA. **In addition, the satellite dish cable may only be routed into the unit via an existing air vent. The satellite cable cannot be attached to any building exterior or roof surface. If a Homeowner or their installer violates this policy, the Homeowner will become responsible for all costs to repair the building and restore the HOA's warranties.**

Verizon Fiber Optic Service (FIOS)

During the reconstruction, the HOA has arranged for Verizon to install high speed internet and cable (fiber optic) service to each unit so Homeowners can have more service. A termination point will be selected that is consistent in every unit. If a Homeowner wants to subscribe to Verizon, they will then contact Verizon and arrange for the cable to be distributed throughout the home. However, no Verizon cable can be attached to any building exterior or roof surface.

If a Homeowner does not comply with the above parameters to the methods of installation of the Time-Warner, Verizon, or satellite dish cable systems, then the Homeowner will be liable for any costs incurred by the HOA to rectify and / or enforce compliance.

Once the renovation project is complete, the Association will update its policy of the approved mounting locations and cable routing for satellite dishes and other cable service providers.

Exterior Building Surfaces

Please note: In order to protect our warranties and our buildings, Homeowners MUST get written Board approval BEFORE attaching anything to the exterior of the buildings once our renovation is complete. Failure to obtain that approval may subject the Homeowner to fines in order to repair the damage caused and/or restore our warranties.

Exterior Painting

At the point in which all the siding and trim replacement is complete, the exterior walls will be prepped and painted. Therefore, please do not put your personal belongings back on or around the exterior of the building until you receive the “all clear” notice from the contractor. **Personal items cannot be reattached to the buildings’ new exterior without potential risk to our siding warranty. A Policy will be forthcoming to describe the allowable process for this.**

Drywall Repairs & Interior Finishes

If any drywall is opened or removed by the Contractor during the course of construction, it will be repaired. All walls repaired will be textured to match existing texture as closely as practical and primed, ready to paint. **Painting, re-wallpapering, paneling, tile, granite or any other special wall treatment or window sill treatment will be the responsibility of the Homeowner.** Existing cosmetic cracks in the drywall immediately over or off the corners of the doors and windows will **NOT** be taken care of as part of these door and window repairs. Because of the type of windows being installed, we are not planning to make any unnecessary alterations to any drywall areas, unless required. Other earthquake cracks in the drywall, and/or other damaged drywall will **NOT** be repaired as part of this work. Should drywall repairs be necessary because of a specific door or window installation, the drywall repairs would consist of patching the damaged drywall, retexturing and priming the wall. Restoring any other wall finish will be the responsibility of the individual Homeowner.

Many of the original bathrooms were tiled directly to “green board” (Drywall for a wet location). Many of these original installations now have tile that is already falling off or is loose. Where these conditions occur on an outside wall, the removal of the existing siding and the addition of new exterior materials could likely cause additional tiles to become dislodged. If any bathroom wall tile, or shower-surround tile, is dislodged in the process of re-siding or repairing an exterior wall or replacing a window, its repair will remain the responsibility of the Homeowner.

Another area of specific concern is at kitchen window sills. If a Homeowner has had tile or granite work done that encroaches into the window sill, depending on how that work was completed, there could be some damage to the tile or granite when the old windows are removed. The Contractor will use extreme caution and diligence as they remove such a window. However, neither the Contractor nor the Construction Manager nor the Association will be responsible to restore any interior finish as a result of this work.

Microbial Infestation

In the normal course of these repairs, we expect to find some microbial infestation (mold) in the some wall cavities. If mold or fungus is found during the exterior repair that cannot be removed from the outside of the units, interior remediation of those areas may become necessary.

Although we expect any microbial infestation to be limited, if mold conditions are found, an industrial hygienist will be consulted and the Association will remedy the condition as recommended by the Hygienist.

Prior to the start of any interior remediation, the air in the unit will be tested by a Hygienist to verify the quality of the air. Also, the Hygienist and our construction consultants will endeavor to determine the source of the water intrusion responsible for the infestation. If it is determined that the source of the infestation, according to the CC&R's, is from a fixture or condition in which the Homeowner is responsible to maintain, or lack of maintenance at the wall and tub or shower locations which then allows water into the wall cavity, all cost of the mold remediation, testing, and repairs will be assessed to the Homeowner. If however, the source is a water line inside the wall cavity and/or water intrusion from the outside, the Association will be responsible for all of the remediation costs.

Depending on the severity and location of any interior mold found, the Hygienist could recommend that the Homeowner or Tenant move out during the remediation process. If this happens, and the owner/tenant decides to stay in the unit during remediation, the Resident will be required to sign a release of liability. No construction or remediation can begin until this release is signed.

Resident must understand that there will be inconveniences and interruptions to their lives during this time of remediation and reconstruction. The Contractor must be granted daily access between the hours of 7:30 AM to 5:00 PM, Monday through Friday, and if necessary, Saturday. The Contractor will not work by appointment. Therefore, the Resident and the Contractor must reach an agreement as to how the Contractor will be given this daily access.

During the remediation work, the area undergoing remediation will be sealed off from the rest of the home and no access can be made to this area by the Resident until the Hygienist has provided clearance by additional air testing to this area.

During the remediation, there will be air scrubbers (metal box-shaped fans with filters) cleaning the air. These air scrubbers will run continuously during the day and night, or as the Hygienist's protocol has directed. These fans will run until the hygienist has provided clearance by additional air testing to this area. There could also be health hazards associated with entering areas that are not yet cleared for occupancy. Residents who violate this policy could cause delays in the project and, therefore, there will be added costs that they in turn may be held responsible for.

If the Homeowners decide to relocate during the remediation, any and all moving and living expenses are the individual homeowners' and/or tenants responsibility. The Association cannot and does not accept any cost or liabilities relating to this requirement.

If the Homeowner or Tenant vacates the unit, they must provide a key at the construction trailer office, or make other arrangements for the remediation team to have unrestricted access to the unit. It is the Homeowner or Tenant's responsibility to remove or secure any and all valuables or breakable items before vacating the unit. Neither the Association, nor the Construction Consultants, nor the Contractor will assume responsibility for loss or damage of any personal items left in the repair area.

Please do not turn off the utilities. Electrical power will be required to run the air scrubbers.

Each Homeowner and Tenant will also be required to remove furniture and/or personal belongings from within six (6) feet of the areas to be remediated. Interior drywall repairs, if necessary, will be completed as described in the Drywall Repairs section above.

Structural Repairs

No structural repairs are contemplated that will affect drywall areas. However, if a situation arises where a structural repair is needed, and the Homeowner has wallpapered, paneled, mirrored, special painted walls or any other special interior finish, they will be left as is unless we need to make structural repairs to those walls. If structural repairs are necessary to these walls, the wall treatment would be removed, repairs made, and the wall will be re-textured, primed, and left for the Homeowner to finish. Homeowners should be aware that while this work is going on, there will be some banging on the exterior walls, and, on occasion, this type of work will cause what we commonly refer to as a "nail pop" on the interior drywall surface. This is where the drywall mud which covers a nail head, pops off and leaves a small divot in the drywall surface. Although we do not expect a lot of this type of damage from the construction it can happen, and these minor drywall repairs will NOT be the Contractor's nor Construction Consultant's nor Association's responsibility to repair.

Security Bars at the Windows

A few of the units within the complex have security bars over their subterranean windows. These security bars were left over from the original sales model units and will be removed when the windows are replaced and not be reinstalled.

Screen Doors

Some Homeowners have chosen to install a regular or roll-up screen door, and, in a few instances, a security screen door. **If you currently have a hinged or roll-up screen door and you want to keep it, you must remove it prior to the construction start date on your building.** Any screen door left behind will be assumed discarded by the Homeowner and will be removed and discarded by

the Contractor. Once construction begins, the HOA will select an acceptable screen door or doors, from which the Homeowners will be given an opportunity to purchase. If you have a roll-up screen door, you may reinstall it after your building has been designated complete by Professional Services.

Smoke Detectors

Before the City will sign off on the final permit, it will be necessary for the Inspector to verify that there are working smoke detectors in the upstairs hallway and each bedroom. It is the Homeowners' responsibility to have functioning smoke detectors prior to final inspection. It is suggested that Homeowners have battery operated smoke detectors installed in these areas in advance of construction, if not already operational. If the Association's Contractor must add or replace smoke detector(s) in order to obtain this final building inspection, the Association will be charged by the Contractor to install these detectors, and in turn, the Homeowner will be assessed all costs associated with this work.

Miscellaneous Items

Please do not forget to remove all personal items from exterior and interior areas as indicated above. Anything left will be in the way of the Contractor and could easily be damaged. If personal items left in the construction area become damaged, neither the Contractor, nor the Construction Manager nor the Homeowners Association will be responsible for that damage. The Association will be charged by the Contractor to remove these items if they are in the way. Items left by the Homeowner will be assumed discarded. If the Contractor has had to work around or dispose of these items the Homeowner will be assessed all costs.

Although the Contractor will have a temporary job-site office trailer, Homeowners and Residents are encouraged to call the main construction office with any questions regarding procedures, scheduling, etc. The main construction office phone number is listed on every Contractor notice and will be displayed on the job-site trailer prior to the commencement of repairs.

Although there are going to be inconveniences during these repairs, we will work hard to reduce them. Community cooperation and involvement is critical to the success of this renovation, and we sincerely thank you in advance for your community consideration and support.