

LAKE ROYAL APARTMENTS
HANDBOOK

Revised August 2007

This booklet is furnished to acquaint you with the operation and guidelines of the Lake Royal Apartments.

Please read it carefully and if you have any questions, please contact the Manager.

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PREFACE

This Handbook sets forth guidelines for living together harmoniously. We hope all residents will refer to this Handbook to acquaint themselves with the operation of the Lake Royal Apartments (LRA). These guidelines may be added to, amended or repealed at any time by resolution of the Board of Directors of the LRA.

Proprietary Lease and Bylaws

You should have received your copy of the Proprietary Lease and Bylaws. Read them carefully and keep them with your personal belongings for safekeeping. All documents contained within this Handbook, including Appendices A, B, and C, contain the governing rules effective as of **August 2007** that are binding on all Shareholders and Residents.

Householders Insurance Coverage

The LRA Corporation and Board requires Shareholders, as a matter of policy, to have and maintain property and liability insurance with a 30 day notice of cancellation of coverage adequate to meet the contractual requirements of their proprietary lease. Shareholders shall provide evidence that will be maintained in the LRA office.

Submit your lease to your insurance broker so he/she is aware of your responsibilities and can write the proper coverage. Be sure that you have personal liability insurance coverage. Be advised that the Corporation is not liable for the injury or death of any employees who are employed by the lessee.

Definition of common Areas

All parts of the property other than your individual apartments are designated Common Areas. Balconies are designated as Restricted Common Areas. They belong to Common Areas but are set aside legally for the exclusive use of the unit to which they are attached.

House Rules and Regulations

The Rules and Regulations in Section II of this Handbook are necessary for the economical operation of the building and to preserve a high quality of living. No one is exempt from the rules. Read them carefully and comply with them. Your neighbors will appreciate your cooperation.

Preface

Maintenance Responsibility

Please refer to **Maintenance in Section III** of this Handbook which details your responsibility for maintenance and repair of the fixtures, equipment, and appliances in your apartment.

Parking Procedure

Each apartment shall be assigned one front-line parking stall. If additional parking is required, ask the Manager to put your name on the "Extra Parking Space" list. Procedure for assignment is explained under **Parking Procedure Section IV**.

Security of the Building

Security of the LRA is only as effective as the good performance and cooperation of the residents. Refer to Security Section V for the rules that have been established to secure the building.

In Case of Fire

See **Fire Safety Section VI**.

Sales and Sublease Procedures

See **Section VII and VIII** for selling and leasing.

SECTION I: BUILDING ORIENTATION

A. ASSESSMENTS

All monthly assessments are due and payable on the first day of the month. It complicates our building procedure when payments are unduly delayed. To compensate for the extra work involved a \$25.00 late payments charge will be entered against any account that has not been paid by the 15th of the month. There will be a \$5.00 charge per month for each subsequent month the late fee remains unpaid.

B. BOARD MINUTES AND MONTHLY FINANCIAL REPORTS

Copies of the minutes of the Lake Royal Board of Directors meeting and the monthly financial reports are distributed to Shareholders.

C. ELECTRICITY ASSESSMENT

Electricity used by individual units is billed monthly on statements.

D. ELEVATOR EMERGENCY TELEPHONE AND LIGHT SYSTEM.

Should a power failure occur, battery-powered lights in the ceiling of the passenger and service elevators will activate. There is also an emergency elevator intercom box below the floor button panel in the passenger elevator and below the floor button panel in the service elevator. Push the white button in the intercom box and you will be connected to the doorman's station.

E. FIREWELLS

There are two interior stairwells that are used as fire escapes. Follow the EXIT signs. The stairwell on the south side next to the "B" apartment, exits on Jackson Street through the laundry. The stairwell on the north end, next to the "E" apartment, exits to the front driveway.

F. GARBAGE CHUTE

A garbage chute is provided on each floor and is situated next to the passenger elevator. In consideration of your neighbors, please use garbage chute between the hours of 7:00 a.m. and 10:00 p.m. Please observe the following rules:

1. Whenever possible, use your garbage disposal for wet garbage.
2. All other wet kitchen garbage must be wrapped, bagged and securely tied in plastic bags. Do not use shopping bags.
3. Kitty litter and other flour-like substances must be wrapped securely in plastic bags and placed in the barrel.
4. Please place papers or magazines neatly on the floor.
5. CLEAN CANS and BOTTLES are to be placed in the barrel, NEVER DOWN THE CHUTE.
6. No boxes should be placed in the chute. Place them on the floor.

Section I: Building Orientation

7. Bulky material should be taken directly to garbage bins located on the lower garage level.

G. **HEATING SYSTEM**

The heating system operates 24 hours per day. It is controlled in each apartment by an individual thermostatic control. Heavy window drapes extending below the top of the convectors along the walls and windows will reduce the heating efficiency.

Periodically check the supply and discharge valves for water leaks. The supply valve is located in the master bedroom in units A, C, and D; the dining room in the unit B; and second bedroom/den in unit E. The discharge valve is located in the living room in the units A, B, and E. and in the kitchen in units C and D.

H. **JANITORS**

During their ON duty time, janitors are to maintain the building and ARE NOT to work for individual residents.

I. **KEYS**

Security electronic keys are issued to resident Shareholders at close of escrow, subject to executing Security Key Release form. When the resident shareholder vacates, the security key must be returned to the Manager. Duplicate keys for all locks on apartment doors must be kept with the Manager. Loss of the Security key is a serious matter.

J. **LAUNDRY ROOM**

There is a laundry room on the first floor. The entrance door is next to the front door of apartment 1B. Hours of availability are 8:30 a.m. to 10:00 p.m. daily. **Shareholders are requested to keep hallway chatter/noise to an absolute minimum so as to not disturb the residents of the first floor.**

The 'EXIT DOOR' IS FOR EMERGENCY USE ONLY – opening the door will trigger an alarm signal. All laundry is to be transported in the service elevator. In consideration of other Shareholders, no more than two washers and two driers may be used at any one time. The laundry room is for the use of the Shareholders only.

K. **STORAGE AREA LOCKER ROOM**

The storage locker room is located in the lower garage on the 19th Street side. One locker is assigned to each apartment. At no time may any space outside of the locker be used for storing individual belongings. Belongings must be confined to the assigned lockers and must not interfere with the existing lighting in the storage room. Lockers in both the Laundry Room and Storage Area are assigned by the Management. Shareholder provides his/her own locks and keys.

Section I: Building Orientation

L. **RECYCLING**

The recycling of paper, cans and bottles in the grey container will be on the same days as the garbage pickups. The staff will put the containers out prior to the normal pickup. The system of putting the recyclable materials in the garbage chute areas will remain the same with the staff picking up the appropriate material for proper distribution.

1. **Items to be recycled** are newspapers, cardboard boxes, and in a separate container the distribution of jars, cans and bottles (plastic bottles must indicate recyclable triangle on bottom of bottle).

2. **Non recyclable items** are mirrors, light bulbs, ceramics, styrofoam, plastic materials, including plastic bags, and hazardous materials.

M. **TELEVISION**

Included among the services provided by the Building is satellite TV hookup to each apartment. Under the contract that the Building has entered into with the satellite company, the company has agreed to furnish "total choice" plus HBO to all apartments for a single discount fee paid by the Building. This enables each apartment in the Building to receive programs at a significant cost savings.

Each apartment's shareholder is liable for one fifty-fifth of the monthly cost to the Building of the Total Choice/HBO by the satellite company. This charge is included in the monthly billing to Shareholders.

Shareholders are able to receive premium channels in addition to Total Choice/HBO TV service and must contact the company directly to make arrangement for premium channels hook-up. Shareholder will be billed for these additional premium channels by Direct TV. Our vendor is True Digital Satellite and can be reached at (510) 713-0569.

N. **USE OF LOBBY**

Use by Shareholders **for events** will be permitted upon application and approval by the Board on a case-by-case basis. If approved, the use is subject to the following provisions:

1. The use does not negatively impact those Shareholders who do not wish to participate; therefore noise, obstructing entry, and damage to facilities are not permitted.

2. The shareholder who organizes the lobby event agrees to indemnify the corporation and be responsible for all related costs.

3. It is clear to the other Shareholders that the corporation's granting of such use does not represent the endorsement of any political, social, or other cause related to the shareholder's event. This would apply to the roof and the front patio as well.

SECTION II: HOUSE RULES AND REGULATIONS

SHAREHOLDERS ARE RESPONSIBLE FOR THE COMPLIANCE WITH ALL OF THE RULES AND REGULATIONS AND FOR COMPLIANCE OF ANYONE EMPLOYED BY THEM.

These rules and regulations may be added to and amended or repealed at anytime by resolution of the Board of Directors of the LRA.

A. Alterations and Repairs to Apartments

1. Article Six, Section 6 of the Proprietary Lease, provides that written consent of the Board of Directors must be obtained prior to making alteration or changes to a unit. Please read carefully the bulletin entitled **"SHAREHOLDER UNIT RENOVATION/REMODEL GUIDELINES"** located at the end of this Section. It is the intent of the Board that these requirements will provide additional security against liability for any sub-standard work performed during remodeling.

2. **Installation of Hard Surface Flooring.** Installation of any hard-surface flooring (such as hard-wood, marble, tile, etc.) in individual apartments must be installed with Enkasonic insulation or a comparable product using the same method of installation that Enkasonic uses (so that the insulation seals the room) Any such installation including the sub flooring must be approved in advance by the Board and is subject to inspection. After installation use rugs or carpet and padding to eliminate noise in the higher traffic areas.

3. **Contractors' proof of Insurance.** When the Board approves of shareholder's improvements the notice **"TO ALL CONTRACTORS/ TRADESPEOPLE"**, found at the end of this Section, will accompany such letter of authorization. There are no exceptions to this requirement. Shareholder is responsible for informing his/her contractor and will be held responsible by the building for entering. All work is subject to inspection.

B. Appearance and Upkeep of Common Areas (See Preface for Definition)

1. No sign, picture, advertisement or notice shall be inscribed, printed or affixed on any part of the outside of the building or inside of the building, or the windows thereof; and no aerials of any type nor any awnings shall be placed on any part of the exterior of the building by Shareholders without the prior written consent of the Board of Directors.

2. The public entrances, public hallways, stairways and elevators shall not be obstructed nor shall they be used for any purpose other than ingress to and egress from the apartments.

Section II: House Rules and Regulations

3. No Shareholders shall permit anything to be swept or thrown (or mops, brooms, or anything else to be shaken) out of windows, balconies, doors or into the public hallways or stairways.
4. Shareholders shall not hang any clothes outside of the building or in any public entrances, hallways or stairway.
5. Toilets and other water apparatus in the building shall not be used for any purpose other than for which they are constructed. No sweepings, rubbish, rags or any other article is to be thrown into the same. Any damage resulting from misuse of any toilet or other apparatus shall be paid for by the Shareholders in whose apartment it shall have been caused.

C. **Appearance and Upkeep of Restricted Common Areas (Balconies and Terraces)**

1. Clear plexiglass or flexible clear acrylic material only is to be used on any terrace balcony. Such material must not be above the railing and can be affixed to the railing by rust-proof wire only. The material must be kept washed and clear. No individual color changes of terrace dividers and balcony surface may be made. Permission to install any wind break or pet enclosure on balcony or terrace must be approved in writing by the Board of Directors.
2. Any damage caused to the railing by reason of attachment, or any damage caused to installation by shareholder-employed window washers is the responsibility of the shareholder. In the event of the need to remove the installation for maintenance reasons, the cost to remove and replace will be charged to the shareholder. Any damage incurred to the building by excessive weight, watering and planting will be the responsibility of the shareholder.
3. The appearance appropriate to a first-class apartment building must be maintained. Nothing should be hung from balcony railings or soffits nor should balconies be used for storage.

D. **Appearance of Windows**

All window coverings, of any type, must present a neutral color to the exterior. Draperies or other window coverings should be full length and not create a strong individual outside appearance. Any exception must have prior written approval from the Board of Directors prior to installation. Request for approval should contain a material sample, with complete explanation of window treatment.

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E. Deliveries

1. The Lake Royal Corporation shall not be responsible for any property delivered to or left with any employee.
2. Vendors delivering goods shall obtain instructions from the door attendant on duty as they sign in. Service entrances and the service elevator are used unless the latter is unavailable for a prolonged period. Carts are not to be wheeled through the lobby under normal circumstances.
3. Shareholder delivering their own goods in their vehicles can be helped to move goods into a cart for Shareholders to transport to the apartment when there is more than one staff person (excluding the Manager) on duty.

F. Elevators

1. Passenger – When in uniform, doormen are authorized use of the passenger elevators. No carts are to be used in this elevator.
2. Service – To be used by all employees, doormen out of uniform, trades-people, and delivery people. Trunks, heavy baggage and objects that are not hand held shall be taken in and out of the building only through the service elevator and service entrance.
3. The use of the service elevator for delivery and/or removal of goods must be reserved in advance with the Manager and can only be used between the hours of 8:30 a.m. to 5:00 p.m., Monday through Friday.
4. At no time should the doors to the service elevator be propped open or should the service elevator be “permanently stopped” on any floor.
5. Please cooperate with the doorman’s instructions regarding the use of the elevators.
6. MOVE-IN / MOVE-OUT Requirements. A move-in or move-out requires 5 days advance notice to management in order to reserve the freight elevator. The mover MUST provide LRA with proof of workmen’s compensation and liability insurance in advance of the move. If they do not, the move will not take place. Only one (1) move-in or move-out can be scheduled on a given day, Monday through Friday only and cannot commence prior to 8:00 a.m. and must conclude by 5:00 p.m. A charge of \$250.00 per move for temporary security will be assessed and must be paid at least the day prior to the move.

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G. **Employee Gratuities**

There shall be NO gratuities/tipping to any employees except at Christmas time. Christmas gifts to management company employees are on an individual basis. Shareholders are responsible to inform their guests of the no-tipping policy.

H. **Garage**

1. Parking spaces are for motor vehicles only. No personal belongings may be stored on or behind the parking spaces.
2. Vehicles owners have a responsibility to maintain their vehicles in such a way that they do not create a hazard. Oil and water leaks are the responsibility of the owner and must be corrected.
3. Except for emergency repairs, there shall be no reconstruction or repair of vehicles in the garages or in the exterior parking lot.
4. If outside parking is unavailable during working hours, tradesmen may park in the garages on a space available basis.
5. Bucket car-washing only is permitted in the garages.

I. **Guest Occupancy**

1. Any person staying or living, for any period of time at the LRA whose name does not appear on Certificates of Shares or Application for co-resident for LRA shall be considered a "guest" for the purposes of these rules.
2. No shareholder may allow any guest to stay or live at LRA for a combined time period of more than thirty (30) days within any one calendar year unless the shareholder first obtains permission from the Board of Directors. No shareholder shall allow any guest, other than immediate family members, to remain on the LRA premises when the shareholder is not physically present at the LRA, except for temporary absences of a few hours, unless Board approval is first sought and obtained.
3. Guests visiting a resident after 11:00 p.m. must be personally signed in at Lobby Desk by said resident.
4. Guests who do not abide by rules of the building will be asked to leave.

Section II: House Rules and Regulations

J. **Off-Duty Work by Employees for Shareholders**

1. During their normal working hours, employees of the corporation perform their duties solely as directed by the Manager, or building Supervisor.
2. During their normal working hours, employees of the corporation may not undertake service for Shareholders.
3. While performing services for the LRA Shareholders outside regular working hours, no employee of the corporation may wear his or her uniform. Workmen's Compensation © coverage is not provided to employees working independently for Shareholders and Residents.

K. **Noise**

Shareholders shall not use or permit the use of any musical instruments, television, or sound equipment in such a manner as to cause disturbance to other Shareholders.

L. **Pets**

Small pets, up to 25 pounds, are permitted in the LRA by permission of the Board of Directors. However, in deference to those residents who do not have pets, it is required that animals be taken to and from the building on a leash and only in the service elevator. No pets should be walked through the lobby. In the judgment of the Board, should any pet create a nuisance, permission to keep the pet may be revoked. No guest pets are allowed in the building.

M. **Plants**

In the best interest of the building maintenance, no live plants may be placed in the hallways.

N. **Roof Usage**

Advance reservations for entertaining on the Roof should be made through the Manager. Preserving the cleanliness and neatness of the Roof Area is the responsibility of the user. To prevent damage to the roof surface, no sharp, shaped or spiked heels are allowed on the roof.

O. **Solicitors**

Door to door solicitors are not permitted. Please report any violations to the Manager.

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P. **Washers and Driers**

No installation of clothes washers or driers will be permitted in individual apartments.

Q. **Complaint Procedures**

1. All complaints by Shareholders regarding property maintenance and/or the conduct or activities of the employees of the Lake Royal Apartments Corporation shall be in writing, and shall be submitted to the Manager.

2. All complaints of Shareholders regarding the conduct or activities of the Manager shall be in writing and shall specify the complaint, be dated, signed by the shareholder, and be given to the Secretary of the Board of Directors for transmission to the President.

Note: At the end of this section is a copy of the “**SITUATION REPORT**” form to be used in reporting complaints and grievances under Paragraph 1 and 2. A supply of these forms may be found on the Bulletin Board by the U.S. Mail Boxes, in the laundry room or obtained from the Manager.

R. **Board Meetings**

The Board believes that as a cooperative community shareholder participation in governance is important and contributes to the richness of living at the Lake Royal. Accordingly, Shareholders are encouraged to attend Board Meetings.

In accordance with California State law, all meetings of the Board are public in their entirety, except for Executive Session, and are open to attendance by any and all Shareholders. Meetings are generally held in the lobby and are noticed in advance by posting of the agenda. All meetings have an “open forum” at which any shareholder may speak on any subject the shareholder wishes. The Board may restrict the shareholder’s speaking time and asks that the shareholder address issues which are relevant to the community. Generally the Board will not permit conversations with Shareholders during the regular meeting, but it will encourage and reasonably respond to and accept Shareholders input at all other times.

S. **Violation Procedure and Fine Policy**

When Shareholders are in violation of the governing documents of the Corporation, the following violation notification and fine policy has been adopted by the Board of Directors of the LRA.

Section II: House Rules and Regulations

A first notice of noted or reported violation is sent to the Shareholder, giving him or her a time period in which the violation must be corrected. In cases where the violation requires immediate correction, such as where a danger to person or property is presented by the violation, or where the violation is causing immediate annoyance to other residents, the Board may require immediate compliance with the Rules and other governing documents. In cases where it is unreasonable or unnecessary to expect immediate compliance, the Board may give the Shareholder up to thirty (30) days to correct the violation.

If the violation has not been corrected within the time limits given the Board will invite the Shareholder(s) in violation to a hearing.

When the Board of Directors is to meet to consider or impose discipline upon a Shareholder, the Board shall notify the Shareholder in writing, by either personal delivery or first-class mail at least ten (10) days prior to the meeting. The notification shall contain, at a minimum, the date, time and place of the meeting, the nature of the alleged violation for which a Shareholder may be disciplined, and a statement that the Shareholder has a right to attend and may address the Board at the meeting. The Board of Directors of the corporation shall meet in executive session, if requested by the Shareholder being disciplined.

If the Board imposes discipline on a Shareholder, the Board shall provide the Shareholder a written notification of the disciplinary action, by either personal delivery or first-class mail, within fifteen (15) days following the action. A disciplinary action shall not be effective against a Shareholder unless the Board fulfills the requirements of this subdivision.

The following sanctions will be considered by the Board:

1. A fine of \$100.00 per day, subject to a maximum fine of \$500.00.
2. Correction of the problem by the Board and a reimbursement assessment levied back to the Shareholder.
3. Legal action, if required, which will be charged back to the Shareholder as a reimbursement assessment.

T. Roommates

Any person staying or living for any period of time at the LRA whose name does not appear on the Certificate of Shares for the LRA and has entered into a rental or leasing arrangement with the Shareholder for the rental or lease of a portion of an apartment shall be considered a "roommate". A roommate shall not have rights as a Shareholder or other rights of ownership in Lake Royal Apartments, Inc. Rental or lease of a

Section II: House Rules and Regulations

portion of an apartment to a “roommate” shall not be considered a Sublease as defined herein.

Shareholders shall be permitted to rent or lease space in their apartments for residential use under the following conditions:

1. Shareholders shall provide the Board of Directors with the name, telephone number, and any additional contact information for all roommates.
2. Shareholders shall defend, indemnify and hold Lake Royal harmless from any and all claims, obligations, causes of action, or judgments arising from the rental relationship entered into by the Shareholder or arising from actions, conduct, or behavior of the Shareholder’s roommate.
3. Shareholders shall not enter into rental or leasing arrangements with a roommate for a term of less than twelve months.
4. Shareholders shall provide the Board of Directors with a written rental agreement between the Shareholder and the roommate. The rental agreement shall provide that the roommate is subject to the terms of the Bylaws, Proprietary Lease and the Lake Royal Apartments Handbook.
5. Shareholders shall provide the roommate with a copy of the Lake Royal Apartments Handbook.
6. Roommates shall not be considered Shareholders nor shall they have rights of ownership in the Lake Royal Corporation. Roommates have no rights of ownership and may not claim title to the apartment in which they reside.

SECTION III: MAINTENANCE

The LRA staff is employed by the Corporation and cannot assist Shareholders with maintenance (that is the shareholder's responsibility) during working hours. A shareholder may hire off-duty Lake Royal staff to assist with maintenance. In this instance, the shareholder is totally responsible for the staff person's safety and payment. Staff are not covered by Lake Royal Apartments' Workman's Compensation © when working privately for Shareholders.

Please refer to Article Six, paragraph 2, of your standard proprietary lease, a copy of which each of you have received. It provides:

"2. Lessee agrees, at his own cost and expense, to keep and maintain the interior of the demised premises in good condition and repair during the term of this lease, and without limiting the generality of the foregoing, to keep in good condition and repair and to replace, when necessary, all plumbing, heating and electrical fixtures, kitchen equipment and appliances, pipes, conduits, drains, glass, floors and floor covering located in the demised premises. Lessee further agrees to repair all concealed plumbing that may be damaged or obstructed due to the fault or negligence of Lessee, his family, guest, employees or sub-tenants. "

Any maintenance, repairs or replacements which require the assistance of outside contractors will continue to be the responsibility of the resident and not that of building management. Shareholders are free to engage the services of any contractor or workmen of their choice.

Names of outside contractors who have previously done work here will be supplied upon request. Responsibility for their employment and payment will be that of the resident and not The Lake Royal Apartments Corporation or management. The list of contractors does not imply that these are recommended.

SECTION IV: PARKING PROCEDURES

A. Parking Categories and Definitions

1. Lake Royal has 85 parking spaces divided among three categories:
 - a. Free Front Indoor Spaces. One free front indoor space is assigned to each apartment.
 - b. Indoor Rental Spaces. There are 13 corporate indoor spaces available for rent to Resident Shareholders owning two cars.
 - c. Outdoor Rental Spaces There are 14 outdoor spaces of which some are reserved for occasional daily use by guests. The remainder of the outdoor spaces are rented to Resident Shareholders (or their respective lessees) and the public. One of the daily use spaces is reserved for staff-on-duty.

B. Parking Assignments – Every apartment (shareholder) is entitled to be assigned a Front Line SINGLE space.

1. Only Resident Shareholders owning two cars may rent an indoor parking space. If space for a second card is needed and available, Shareholders must accept tandem parking for their vehicles.
2. Only two parking spaces may be assigned to any one apartment (1 free plus 1 rental space).
3. A Resident Shareholder owning a second car may arrange through private negotiations to sublet another Shareholder's free assigned space (see paragraph 6 below).
4. No rental space may be sublet except as provided for in paragraph three.
5. Shareholders may exchange free space assignments through private negotiations (see paragraph 6 below).
6. Free space sublets and exchanges between Shareholders shall be by written agreement on the form provided by the Manager for that purpose and a copy will be kept on file in the Manager's office.
7. The management reserves the right to alter parking assignments.

Section IV: Parking Procedures

C. **Rental Fees**

1. The rental rates for all parking (except free space sublet rentals) will be set by the Board of Directors.
2. Rental rates for outdoor spaces rented to the public will be higher than the rates for other rental spaces.

D. **Priorities**

1. Resident Shareholders who desire to rent parking spaces may apply in writing to the Manager for the parking category they desire. Applications will be handled in order to the date of receipt.
2. Resident Shareholders of the LRA (or their respective lessees) shall have priority to rent outdoor parking spaces.

E. **Parking Rules**

1. The staff is prohibited from parking or driving Shareholders' cars.
2. Housekeepers and nursing personnel must not drive any car within the garages unless such personnel are covered under the Shareholders current auto insurance policy and a copy of that policy or a certificate of insurance is on file in the office of the Manager.
3. Guest spaces shall not be used for full time or part-time nurses, attendants, housekeepers or cleaning personnel used by Shareholders. Guest spaces are to be used for guests only.
4. Overnight guests are encouraged to park in the garage for safety considerations. One guest parking space (no. 27) is reserved in the upper garage. Car keys are to be left with the doorman.
5. Parking of cars in the loading zone of the upper garage should be limited to a short period of time required to unload goods as the car restricts movement of other cars. After the goods are unloaded, the vehicle should be moved before transporting the goods.
6. When parking in the lobby driveway, the car must be parked close to the curb to allow another car to pass and as far forward as possible to allow others cars to pull behind under the canopy.
7. Shareholders may leave their vehicle unattended in the lobby driveway to "run upstairs for a minute." Three minutes is the time limit. The key should be left with the doorman.

Section IV: Parking Procedures

8. Management and staff will handle all parking problems according to the policy of the LRA. Shareholders have the right to appeal to the Board of Directors.
9. Anyone parking in the garage must be insured whether a shareholder, guest or employee.
10. The loading zone is used for loading and unloading only.

SECTION V: SECURITY

THE FOLLOWING RULES HAVE BEEN ESTABLISHED TO SECURE THE BUILDING. YOUR NEIGHBORS DEPEND UPON YOU AND YOUR GUESTS AND EMPLOYEES TO COMPLY WITH THEM.

1. A security electronic key will be issued to each resident on close of escrow, subject to executing "Security Key Release" form and MUST NOT be loaned or given to outsiders, housekeepers or nursing personnel.
2. At no time should residents allow strangers to enter the elevator. Do not be shy. Direct anyone you cannot identify to wait for the doorman.
3. In your absence for a period of time, no one will be admitted to your apartment without your written authority. Written instructions on mail collection, newspapers and persons authorized to enter your apartment must be given to the Manager or the Building Supervisor.
4. When outside workmen are engaged, the Manager should be notified. All tradesmen and technicians entering the building must be cleared through the office. Shareholders are responsible for the conduct of their employees and guests.
5. When entering or leaving the garages, stop and wait to make certain that no one has made entry before the electric gates have closed.
6. Individual Shareholders may not request or demand services from the doorman that will prevent his/her fulfilling a primary security responsibility to all Shareholders and the corporation.
7. All cars parked in the garages are to be securely locked.
8. In the best interest of all Shareholders the employees are instructed not to move anyone who has fallen down nor should Shareholders ask them to do so. Covering a person for comfort and calling 911 for professional aid are the appropriate procedures.
9. All non-residents entering through the front entrance OR garage MUST SIGN IN with the doorman, at all hours and in all circumstances. Non-residents include all family members, friends, visitors and trades people as well as Shareholders who lease their premises to another party.

SECTION VI: FIRE SAFETY

IN CASE OF A FIRE IN AN APARTMENT, THE FOLLOWING PROCEDURES ARE TO BE CARRIED OUT. THIS SET OF RULES HAS BEEN APPROVED BY THE FIRE PREVENTION BUREAU OF OAKLAND.

You must be certain that you know the location of the fire alarm in your hallway and how to use it.

Doors to the fire wells (stairs) at each end of the hallways must be kept closed at all times.

There shall be NO ADDITIONAL LOCKS attached to any apartment door. When locks are replaced or re-keyed, duplicate keys must be given to the Manager.

PROCEDURES

1. USE YOUR SMALL PERSONAL FIRE EXTINGUISHER IMMEDIATELY (IF ONE IS AVAILABLE IN YOUR APARTMENT). IF NONE IS AVAILABLE, OR IF THE FIRE PERSISTS, OBTAIN THE DRY CHEMICAL EXINGUISHER WHICH IS KEPT IN THE FIRE HOSE CABINET ON THE WALL IN EACH HALLWAY.
2. IF THE FIRE IS UNCONTROLLABLE, CALL THE FIRE DEPARTMENT, USING THE EMERGENCY NUMBER **444-1616 OR 911**.
3. CLOSE ALL WINDOWS IN THE APARTMENT...
VACATE YOUR APARTMENT...
LEAVE YOUR EXIT DOOR CLOSED BUT **NOT LOCKED**.
4. ACTIVATE THE FIRE ALARM IN THE HALLWAY AND KNOCK ON ALL DOORS ON YOUR FLOOR.
5. FROM ANOTHER APARTMENT, NOTIFY THE DOORMAN OF THE LOCATION OF THE FIRE.
6. PROCEED TO A SAFETY AREA:
 - a. THE BREEZEWAY AT END OF THE HALL BY THE "E" APARTMENT WITH THE DOOR CLOSED; OR
 - b. THE STAIRWAYS AT EITHER END OF THE HALL AND THEN TO THE ROOF OR TO THE STREET, WHICHEVER IS CLOSER.
7. DO NOT PANIC, WALK BRISKLY BUT DO NOT RUN.
8. DO NOT USE THE ELEVATOR – USE THE STAIRWAYS.

SECTION VII: SALES PROCEDURES

The purpose of this section is to set forth the procedures and steps involved when a shareholder wishes to sell that shareholder's share and leasehold interest or to sublease an apartment in The Lake Royal Apartments (the "Corporation).

Prospective sales must be submitted to the Board for approval. Approval shall not be unreasonably withheld, and no sale shall be disapproved on the grounds of the potential buyers' race, color, religion, sex, marital status, national origin, ancestry, age, sexual orientation or familial status.

Guidelines for Seller(s):

In the matter of sales of shares (apartments) in the LRA, the Board of Directors and the Manager of the LRA will deal solely with the Seller's Real Estate Agent. It is the Seller's Agent that communicates all information back to the Buyer's Agent or the Buyer. It is the responsibility of the Seller to assure that the Agent and Buyer are aware of these Guidelines.

The procedures are subdivided into two sections: a) Before the Sale, and b) After the Sale. Lease-Option Contracts require the same procedures as those for sales.

Before the Sale – Responsibilities of the Seller

1. Advise the Manager in writing that you are planning to sell or sublease. If you have an agent, provide the Manager with the name and telephone of the agent so that prospects may be referred to the agent without bothering you.
2. Inform the Agent that he/she should pick up from the Manager the Real Estate Agent's/Buyer Guidelines included in Section VII of the Handbook along with the forms required.
3. Upon review of the Buyer(s)' application package, the Board of Directors will inform the Seller of their action. (Note: In most instances, the Board is able to successfully complete its due diligence of the Buyer's package without outside consultation.) In cases where the Board feels that an interpretation of the Buyer's Application and Financial Statement is needed (e.g. lawyer and/or accountant) due to the complexity of the Buyer's financial statement, the costs for that review will be incurred by the Seller. Invoices for those services will be sent to the Seller; the sale is not considered final until all such outstanding costs have been paid.
4. Advise the selling agent of the Board's decision/approval so that the transaction may be closed.

Section VII: Sales Procedures

5. **Note: The transfer tax for the City should not be paid – The Lake Royal is a “lease under 35 years.” Please advise the escrow agent or the lawyer who may be handling the transaction.**

After the Sale - Responsibilities of the Seller

1. Provide the following information in writing:
 - a) Names, present address, and telephone number(s) of new residents.
 - b) Identify the tentative seller-move out date.
 - c) Identify the tentative occupancy date. Make sure that the new residents know that they must make definite arrangements with the Manager for a specific “move in” date so that the freight elevator may be reserved.

Reminder: A move-in or move-out requires 5 days advance notice to Management in order to reserve the freight elevator. The mover **must** provide the Lake Royal with proof of Workman’s Compensation Insurance; otherwise the move cannot take place.

Only one move per day is permitted, and must take place between the hours of 8:30 a.m. to 5 p.m. Monday through Friday. Common area carpets and walls must be protected before anything is moved through the hallways.

2. There is a “move out” and a “move-in” fee of \$250 each and must be paid at least the day prior to the move.
3. The Seller must empty the lockers and remove the locks in the Laundry Room and the storage lockers in the Lower Garage.
4. Upon completion of the apartment sale, the shareholder must return to the Manager, or pay for the replacement of the following:
 - a) Security and mail box keys
 - b) Electronic garage door openers
 - c) The Lake Royal Handbook (current)

Guidelines for the Realtor/Buyer

In the matter of sales of shares (apartments) in the LRA, the Board of Directors and the Manager of the LRA will deal solely with the Seller’s Real Estate Agent. It is the Seller’s Agent that communicates all information back to the Buyer’s Agent or the Buyer.

Open Houses

1. Apartments are to be shown by sales persons by appointment only. To avoid a breach of security there shall be no Open Houses or advertising of such, except as provided in paragraph #2 below.

Section VII: Sales Procedures

2. Notwithstanding paragraph #1 above, Open Houses may be held for licensed Real Estate Agents. Signs advertising an Open House for agents may not be placed upon the premises and if placed upon the street or sidewalk, must conform to Oakland City regulations and the fire code.

Criteria

In consideration of the Seller, the Financial Criteria for the Buyer and all the documents listed below (Sections 1 and 2) need to be assembled and complete prior to submission to the Board of Directors. The Board of Directors will not accept incomplete packages.

Financial

For a sale to be approved, the potential purchaser's application must establish the following:

- a. Down Payment: The Corporation requires a 20% minimum cash down payment for any sale or loan. "Cooperative" financing can be obtained through Commercial Mortgage Corporation, San Mateo. Contact: Laurayne Gluck at 650-341-9234 or First Republic Bank, San Francisco: Contact Krista Gordon 415-296-3730.
- b. Assets: He/she must have total assets equal to the full purchase price plus \$100,000.00.
- c. The interest total of all mortgages and maintenance obligations plus any outstanding debts must be no more than 42% of the gross yearly income.

Documents Required

For the sale of apartments at The Lake Royal, the Board of Directors requires the Buyer's documents listed below in the order and quantities shown. Please note that a clear and well-organized package facilitates a quick review by the Corporation. The Board will not review until all items have been submitted together. Submit these documents in a loose leaf binder with the tabs labeled in the order listed below.

1. Application to Purchase (1 copy)
2. Current Personal Financial Statement (1 copy)
3. Current Credit Report (1 copy)
4. Federal Tax Returns for last two years (1 copy)
5. Verification of financial holdings/assets (1 copy)
 - a. In the case of real property claimed as an asset, the Buyer must submit an appraisal of no more than 6 months old, or an independent licensed realtor's comparable value statement along with the most recent mortgage statement.
6. Listing Agreement (1 copy)

Section VII: Sales Procedures

7. Purchase Contract and Receipt for Deposit (1 copy)
8. Transfer Disclosure Statement (1 copy)
9. Agency Disclosure (1 copy)
10. Seller's Supplemental Assessment Agreement, signed (2 copies)
11. Buyer's Pledge of Stock back to The Lake Royal Corporation (notarized)
12. Assignment, Acceptance, and Consent Form (two original copies are to be signed and notarized by the seller/assignor and by the purchaser/assignee)
13. Any other documents required by California law.
14. A non-refundable processing fee of \$500, payable to The Lake Royal Apartments is submitted with the application package.
15. Emergency Contact Form

Return of Documents

The Lake Royal Apartments Corporation will retain sales application and backup materials for two years after occupancy. After that, confidential financial material (i.e. tax returns, bank statements, securities statements, credit reports) that was submitted to support the application will either be returned to the shareholder or destroyed according to the Shareholders' wishes. The shareholder will acknowledge in writing which option is chosen. The sales application will be retained in a secure location.

Documents Available to Prospective Buyer

The following documents are available through the Manager for a fee of \$75:

The Lake Royal Handbook which includes:

- Rules and Regulations
- Bylaws and amendments
- Proprietary Lease

If desired, the current budget and the latest auditor's financial report are available.

Note: The transfer tax for the City should not be paid – The Lake Royal is a lease under 35 years. Please advise the escrow agent or the lawyer who may be handling the transaction.

Transfer of Stock

Prior to the issuance of a new stock certificate, the new shareholder(s) must execute one original copy of a signed and notarized Irrevocable Power of Attorney. To effect a transfer of the Proprietary Lease, two copies of an Assignment, Acceptance, and Consent Form must be signed and notarized by both the seller and buyer.

Parking

The Management reserves the right to alter parking assignments.

Guidelines for Manager/Board of Directors

1. Upon notification by the Current Shareholder of intent to sell, the Manager communicates information to the Board members.
2. The Manager provides the Seller's Real Estate Agent with the Real Estate Agent's/Buyer Guidelines included in Section VII of the Handbook along with the forms required.
3. The Manager receives the Buyer's Package from the Seller's Agent and verifies that the application is complete. If package is incomplete, it is returned to the Seller's Real Estate Agent with a written explanation of the missing items.
4. Once the package is deemed complete, the Manager or a Board member completes the Board Checklist and circulates Checklist and package to other board members.
5. The Manager verifies the \$500 non-refundable processing fee from the Buyer.
6. Board members are expected to complete their review in a timely fashion and all materials remain intact and confidential. Application packages are not to be placed in the open mail box, but delivered to each board member.
7. If application is approved, the current shareholder and her/his Real Estate Agent are notified in writing. If any board member questions the Buyer's Financial Review, then the sale is discussed in Executive Session.

Note: The Board Checklist is for Internal Use Only and is available through the Manager. The Checklist remains with the Seller's package until board members have completed their review.

VII-B: CHANGE IN DESCRIPTION OF OWNERSHIP AND REFINANCING

Change in Description of Ownership

When a change in description of ownership is made, a fee of \$150 is required.

Refinancing

When a shareholder refinances his/her loan, a charge of \$250 is required to cover costs of retrieving and amending corporation records and stock certificates and notary fees.

SECTION VIII: SUBLEASE PROCEDURES

A. Sublease Criteria

Any sublease requires the approval of the Board of Directors. Approval will not be withheld on the grounds of the potential sub-lessee's race, color, religion, sex, marital status, national origin, ancestry, age, sexual orientation or familial status. Compliance with all other applicable requirements set forth in the Proprietary Lease, the Bylaws, and/or the Lake Royal Handbook, and the following is required for Board approval to be granted. These requirements have been considered and adapted in the context of providing for the comfortable occupancy and protection of each Shareholder. The following are minimum requirements and are provided to assist Shareholders in understanding some of the concerns which must be addressed in any sublease situation. Satisfaction of the following does not mean that approval will necessarily be given, but the following requirements must, at a minimum, be satisfied.

1. A Shareholder other than an Exempt Sublessor (as described below) seeking to sublease a unit must have owned the unit as his or her principal residence for at least two (2) years prior to commencement of the sublease. In order to provide protection to Shareholders during that two (2) year period, an "Exempt Sublessor" may nonetheless sublease (subject to other applicable requirements). An "Exempt Sublessor" is (a) a Shareholder who wishes to sublease due to temporary or permanent relocation to a medical or convalescent health facility, or (b) either the estate of a deceased Shareholder or the devisee or other successor of a deceased Shareholder, but in either case only for a period of twelve (12) months following the death of that Shareholder, or (c) a Shareholder who wishes to sublease due to temporary job relocation.

2. The term of any sublease shall be a minimum of one (1) year and a maximum of three (3) years. After three years the sublease can be extended from year to year if there is not a waiting list of Shareholders wishing to sublease.

3. No more than six (6) units shall be subleased at any given time (excluding units subleased by Exempt Sublessors). The Board shall establish an appropriate method for determining priority for the six (6) subleases, based on such factors as it deems appropriate, including, for example only, length of ownership of the Shareholders seeking to sublease, the reason for subleasing, and location of proposed sublease unit.

Section VIII: Sublease Procedures

4. No one or two-bedroom unit shall be subleased for occupancy by more than two (2) persons per bedroom and no three-bedroom unit shall be subleased for occupancy by more than five (5) persons.
5. Each sublease agreement shall specifically:
 - a. obligate the sub-tenant to comply with all obligation of the Proprietary lease, the Handbook, and the Bylaws;
 - b. provide that the Shareholder/Sublessor remains fully liable for all such obligations;
 - c. give Lessor the right to require the Shareholder/Sublessor to enforce the sublease upon any default by sub-tenant; and
 - d. give Lessor the right to enforce the sublease upon any default by sub-tenant if the Shareholder/Sublessor fails to enforce the sublease.
6. The Shareholder/Sublessor and sub-tenant shall provide the Board with the proposed sublease and all other documentation between the Shareholder/Sublessor and the sub-tenant and such financial, tenant history and other information as the Board may reasonably request.
7. The Shareholder shall specifically acknowledge that upon the commencement of the sublease, the Shareholder shall relinquish all right to enter the unit and the LRA property except as may be proper and appropriate:
 - a. in the case of emergency;
 - b. to make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, or exhibit the unit to prospective or actual purchasers, mortgagees, tenants, workmen or contractors;
 - c. when the sub-tenant has abandoned or surrendered the unit;
 - d. pursuant to court order; or
 - e. to attend annual meeting and other appropriate functions. Upon request for entry after subleasing the unit, the Shareholder shall certify to the Board, in writing that the Shareholder's entry is proper and that the Shareholder has complied with Civil Code Section 1954 pertaining to entry and notice to the sub-tenant to such entry.

Section VIII: Sublease Procedures

8. Shareholder will provide their security key(s) and garage door genie to sublessor and Shareholder is responsible for retrieving same at lease's termination.

9. No sub-tenant shall use the elevator for moving possessions into the unit without: (a) prior approval of the sublease by the Board; and (b) prior arrangement and scheduling with the Property Manager.

10. The sub-tenant or Shareholder shall post a deposit with LRA for cleaning and damage in an amount equal to 25% of the monthly rent under the sublease. Such deposit shall be refundable, less any damages caused against the LRA.

B. **Sublease Approval**

A Shareholder who is given the opportunity to sublease his or her unit shall have a period of three (3) months from notification from the Board that the Shareholder has that opportunity in which to locate a sub-tenant and to obtain approval of the sublease by the Board. If no sub-tenant is approved during such period, and if any other Shareholder is then waiting for the opportunity to sublease, such other Shareholder who then has the highest priority for the opportunity to sublease shall then be given three (3) months to locate a sub-tenant and to obtain approval of such sublease and the first Shareholder shall then be subject to such priority rules as the Board has determined for allocating the number of available sublease opportunities.

C. Sublease Termination

When a sublease terminates and/or sublessee moves out, the Shareholder shall be required to re-apply for the opportunity to sublease as provided above.

**LAKE ROYAL APARTMENTS
SHAREHOLDER/UNIT RENOVATION/REMODEL GUIDELINES**August 2007

Note: Renovations and/or remodeling approvals must be obtained from both the City of Oakland in the form of applicable permits and from the LRA Board of Directors in the form of a letter to proceed, prior to the beginning of any and all renovation/remodeling projects.

1. LRA is governed by the City of Oakland's Commercial Building Code. All construction and infrastructure work must be performed in compliance with applicable City of Oakland code requirements. A Building Permit and permits for each separate major trade (plumbing, electrical etc.) as applicable must be obtained from the City prior to beginning work. The permits must be posted during all work projects.
2. No work shall proceed until the shareholder has obtained appropriate City permits and also received written approval from LRA Board of Directors. Board approval will be based of the schedule and scope of work, as may be described in drawings, diagrams and/or other documents.
3. LRA is not responsible for obtaining permits for the shareholder nor responsible for any consequences of shareholder's failure to do so. Each Shareholder must determine whether permits are required, and inform the LRA Board regarding compliance as part of the approval package. No work may proceed until shareholder has provided copies of needed permits and insurance certificates to the Board.
4. It is the responsibility of each shareholder or contractor to schedule inspections by City inspectors. The shareholder or contractor must advise LRA management of times of various inspections so that LRA management may observe the inspection and coordinate with common area activities if needed.
5. It is each shareholder's responsibility to ensure that all permitted work is performed by an appropriately licensed contractor. Design drawings for permitted work should be prepared by an appropriately licensed and certified person, as required. Copies of contractor's license and evidence of liability insurance and workers compensation coverage are required and must be submitted to management prior commencement of any work. The shareholder and contractor must indemnify LRA against damages caused during the course of work whether by negligence; work without permits and/or related consequences of events during construction.

LAKE ROYAL APARTMENTS
SHAREHOLDER/UNIT RENOVATION/REMODEL GUIDELINES

6. According to Oakland Commercial Building Code:
 - a. Metal studs must be used for Framing of walls and ceilings. Any wood that is used must be fire treated and cannot exceed 10% of total materials used.
 - b. Recessed lights must be at least R5 rated and boxed with sheetrock or hooded with fire rated materials in order to meet electrical and fire code.
 - c. Note: Please review other code requirements to ensure full compliance.
7. Supplies and materials must to be transported via the service/freight elevator. The service elevator is accessed via the Jackson St. garage entrance. This is also the entrance that is to be used for loading and unloading of all materials and equipment. Please coordinate with the building management.
8. Work may be performed only between the hours of 8:30 am and 5 pm, and must stop promptly at 5pm. All noise-making activities must be confined to these hours. If quiet, staging/move-in may occur between 8:00 am and 8:30 am if coordinated in advance with building management.
9. Contractors must use their own tools and carts, or those designated by building management for the purpose.
10. Each shareholder/contractor shall clearly delineate the proposed scope of demolition of any existing walls, and shall review and discuss this work with the Board and Management in advance of proceeding.
11. Work generating noise (demolition, cutting, drilling, hammering, etc) which is audible outside of the unit must be pre-noticed to management and Shareholders in adjacent apartments.
12. Contractor/shareholder must submit a work schedule to building management/ and the Board in advance of beginning work and keep the schedule updated as work proceeds. Work that results in noise, odors, or creates other impact on building operation (water shut-offs, large movement of materials in freight elevator, etc) must be coordinated with building management and carried out with adequate lead time. Please advise management of major schedule changes.
13. In general, no cutting of materials, sanding, operation of noisy equipment, or work that generates dust should be performed on balconies. However, if the contractor can establish his/her ability to contain and manage the

LAKE ROYAL APARTMENTS
SHAREHOLDER/UNIT RENOVATION/REMODEL GUIDELINES

dust and noise, permission may be obtained from building management on a case-by-case basis.

14. Each contractor/shareholder is responsible for protecting all common areas from damage and dirt --- including along the path of travel to the apartment being remodeled. Carpets and walls in hallways must be protected with durable coverings (Masonite, strong corrugated cardboard, etc). Hallway carpeting must be covered with non-slip, self-adhering plastic during all work projects. Paper should be added as necessary to protect the area.
15. All common areas and any path of travel (including the service/freight elevator) shall be cleaned by the contractor at least once a day and as otherwise needed to contain dust and debris, and prevent its tracking into other parts of the building.
16. Each contractor/shareholder shall be responsible for the repair of any and all damage to the building, common areas and/or other apartments including that due to failure to control dirt and to protect the building.
17. Waste must be taken off-site for disposal. LRA is in no way responsible for disposal of construction debris. The building's trash containers are for residential waste only, not construction waste. The building trash chute may never be used for any type of construction related waste.
18. Each contractor or a designated site supervisor must be on-site and available at all times during work projects for immediate resolution of situations that may arise. This person must have adequate facility in the English language to enable communication between building management and contractor's employees. Each shareholder will be held accountable for damage, repairs or clean up caused by contractor's failure to properly manage and control her/his workers.
19. The guest parking lot can be used for one construction related vehicle per day as approved by building management. Others trucks and cars should be parked on the street or in the parking lot behind the Scottish Rite Building on Madison for a \$6.00 per day fee.
20. Lake Royal Management or a designated "inspector" may perform periodic observation checks of progress of work to assure compliance with these guidelines. In certain cases, LRA management may recommend hiring an individual to perform inspection duties. In such cases the all related costs will be the responsibility of the shareholder.

Thank you,

LAKE ROYAL APARTMENTS
SHAREHOLDER/UNIT RENOVATION/REMODEL GUIDELINES

The Board of Directors
Lake Royal Apartments

The Lake Royal Apartments

177 NINETEENTH STREET
OAKLAND, CALIFORNIA 94612

APPLICATION TO SUB-LEASE

Shareholder's Name(s): _____ Unit No.: _____ Shares: _____

PROPOSED SUB-LEASE:

Name of Agent: _____ Company: _____

Term of Lease: (Minimum of twelve months)
From: _____ to _____

Monthly amount of rent: \$ _____

A refundable security deposit, for 25% of one month's rent, made payable to the Lake Royal Apartments, accompanies this application. The security deposit is: \$ _____.

APPLICANT INFORMATION:

Full name of applicant: _____ Date of birth: _____

Present address: _____ Phone: _____

City/State/Zip: _____

Do you own your own home? _____ How long at this address? _____

If this is not your home and you rent, please complete:

Name of landlord/manager : _____ Landlord/manager's phone: _____

How long at present address: _____ Reason for leaving: _____

If present address is less than one year, list prior address and indicate landlord/manager's name and phone number: _____

Soc. Sec. No. _____ Driver's License No. _____ State _____ Expires _____

Present Employer: _____ How long with this employer? _____

Employer's Address: _____ City: _____ State _____ Zip _____ Phone _____

Position or Title: _____ Gross Income \$ _____ per year

Auto Make _____ Year _____ License No. _____ State _____

If present employment is less than one year, list immediate prior employment information: _____

Applicant's Personal References: (Give name, address and telephone)

1) _____

2) _____

3) _____

LAKE ROYAL APARTMENTS
SHAREHOLDER/UNIT RENOVATION/REMODEL GUIDELINES

CO-APPLICANT/SPOUSE INFORMATION:

Full name of applicant: _____ Date of birth: _____

Present address: _____ Phone: _____

City/State/Zip: _____

Do you own your own home? _____ How long at this address? _____

If this is not your home and you rent, please complete:

Name of Landlord/manager : _____ Landlord/manager's phone: _____

How long at present address: _____ Reason for leaving: _____

If present address is less than one year, list prior address and indicate landlord/manager's name and phone number: _____

Soc. Sec. No. _____ Driver's License No. _____ State _____ Expires _____

Present Employer: _____ How long with this employer? _____

Employer's Address: _____ City: _____ State _____ Zip _____ Phone _____

Position or Title: _____ Gross Income \$ _____ per year

Auto Make _____ Year _____ License No. _____ State _____

If present employment is less than one year, list immediate prior employment information: _____

Applicant's Personal References: (Give name, address and telephone)

1) _____

2) _____

3) _____

List all pets: _____

Has applicant or co-applicant ever been arrested or convicted of a felony? _____
If yes, describe on separate attachment)

Has applicant or co-applicant ever broken a lease or been evicted from any type of housing? _____
If yes, describe on separate attachment)

The undersigned and each of them if more than one, certifies that the foregoing, to the extent that he and/or she is concerned and has knowledge, is a true and accurate statement of facts and that any misrepresentation is grounds for cancellation of any approval which might have been given by the Lake Royal Apartments Board of Directors.

Initial(s): _____

Furthermore, the Applicant(s) certifies that he and/or she has received a copy of the current Lake Royal Apartments' financial statement and has read the Bylaws, Proprietary Lease and Rules and Regulations and agrees to be governed by and will abide by them.

Initial(s): _____

**THE LAKE ROYAL APARTMENTS
EMERGENCY CONTACT FORM**

The following information is retained by the Corporation in cases of an emergency. This information will not be distributed or used for any other purposes.

Name: _____ Apartment # _____

Home #: _____ Cell Phone # _____

In case of an emergency, please provide management with the contact information for two individuals.

Contact One:

Name: _____ Telephone #: _____

Contact Two:

Name: _____ Telephone #: _____

For Medical Emergency: Doctor's Contact Information

Doctor's Name: _____ Telephone #: _____

Any Other Information:

Signed: _____ Date: _____

Lake Royal Apartments
 177 Nineteenth St.
 Oakland, California 94612

FORM #LAR-6
 Purchase Application _____
 Sub-Lease Application _____

CURRENT PERSONAL FINANCIAL STATEMENT

Applicant Name _____

Co-Applicant/Spouse _____

- Married
- Unmarried
- Separated

- Married
- Unmarried
- Separated

If married, you may apply for separate approval. If you are married, complete all information for yourself and your spouse. You do not have to list spouse's separate property unless this is an application for joint approval. Alimony, child support or separate maintenance income need not be revealed if you do not wish to have it considered in support of this application.

FINANCIAL INFORMATION AS OF _____ (DATE)

ASSETS	AMOUNT	LIABILITIES	AMOUNT	MONTHLY PAYMENT
Cash in Bank accounts (Schedule 1)		Revolving Credit (Schedule 5)		
Cash in other institutions (list)		Installment contracts and notes payable to banks and others (Schedule 6)		
		Loans on Life Insurance		
		Mortgages or Liens on Real Estate (Schedule 4)		
Securities Owned (Schedule 2)		Other Liabilities (Detail)		
IRA/Keogh/Pension				
Notes Receivable including mortgages & Deeds of Trust Owned (Schedule 3)				
Cash Surrender Value of Life Insurance				
Real Estate Market Value (Schedule 4)				
Other Investments (Partnerships, etc.)				
		Total Liabilities		
		Total Monthly Payments		
		Assets Minus Liabilities = Net Worth		

ANNUAL INCOME	AMOUNT	ANNUAL EXPENDITURES	AMOUNT	CONTINGENT LIABILITIES	AMOUNT
Applicant Salary		Interest		As Endorser	
Co-Applicant/Spousal Salary		Property Tax/Assessments		As Guarantor	
Dividends/Bonds		Income and other taxes		On Damage Claims	
Interest		Mortgage Payments – Lake Royal		Letters of Credit	
		Mortgage Payments – Other		Other (Detail)	
Rentals		Other Contract Payments			
Social Security		Lake Royal Monthly Fees			
Pensions		Insurance			

LAKE ROYAL APARTMENTS
CURRENT PERSONAL FINANCIAL STATEMENT

Continued on Page 2

LAKE ROYAL APARTMENTS
CURRENT PERSONAL FINANCIAL STATEMENT

ANNUAL INCOME	AMOUNT	ANNUAL EXPENDITURES	AMOUNT	CONTINGENT LIABILITIES	AMOUNT
Other (Detail)		Alimony, Child Support/Maintenance			
If you are married and live in a community property		Personal Expenses			
State such as California, your earnings, you spouse		Other (Detail)			
Earnings and all "other income" are presumed to be					
Community property unless you indicate otherwise				<input type="checkbox"/> Check here if "none"	
Total		Total		Total	

General Information

- | | | | |
|--|------------------------------|---|------------------------------|
| Are any assets held in trust? | <input type="checkbox"/> Yes | Have you ever been a principal or guarantor of a firm that declared bankruptcy? | <input type="checkbox"/> Yes |
| | <input type="checkbox"/> No | | <input type="checkbox"/> No |
| Are any assets pledged or debts secured except as shown? | <input type="checkbox"/> Yes | Are you a party to any claim or suits? | <input type="checkbox"/> Yes |
| | <input type="checkbox"/> No | | <input type="checkbox"/> No |
| Have you ever had a repossession? | <input type="checkbox"/> Yes | Has there been an IRS audit in the past 3 years? | <input type="checkbox"/> Yes |
| | <input type="checkbox"/> No | | <input type="checkbox"/> No |
| Have you declared bankruptcy within the last 10 years? | <input type="checkbox"/> Yes | If yes, has the audit been settled? | <input type="checkbox"/> Yes |
| | <input type="checkbox"/> No | | <input type="checkbox"/> No |
| Are there any outstanding judgments against you? | <input type="checkbox"/> Yes | | |
| | <input type="checkbox"/> No | | |

If yes to any of the above, please explain on a separate sheet.

Schedule 1: Cash in Bank accounts:

Appl./Co-Appl.	Name of Bank	Address/Branch	Account Number	Type of Account

Schedule 2: Marketable Securities:

Are any of your securities restricted? Yes No

Do you own 10% or more of the outstanding shares of any publicly traded company? Yes No

How Held?	No. Shares or Bond Amount	Description	Title in Name of	Pledged (Yes or No)	Where Traded	Present Market Value
↑ Indicate:						Total

LAKE ROYAL APARTMENTS
 CURRENT PERSONAL FINANCIAL STATEMENT

J – Jointly with Spouse	O – Jointly with other than spouse	T – In Trust	\$
A – Applicant's separate property	S – Spouse's separate property		

LAKE ROYAL APARTMENTS
CURRENT PERSONAL FINANCIAL STATEMENT

Schedule 3: Note Receivable – Mortgage & Deed of Trust Owned:							
How Held?	Name of Debtor	Collateral/Type of Property	Date of Note	Annual P&I Payment	Due Date	1 st or 2 nd Lien	Unpaid Balance
				\$			\$
				\$			\$
				\$			\$
				\$			\$
				\$			\$
				\$			\$
↑ Indicate: J – Jointly with Spouse O – Jointly with other than spouse T – In Trust A – Applicant's separate property S – Spouse's separate property							Total \$

Schedule 4: Real Estate Holdings – Mortgages or Liens:							
How Held?	Type Dwelling	Property Address	a. Mrkt. Value b. Cost	Date Purchased % Owned	Name of Lenders	1 st T.D Bal. 2 nd T.D. Bal	Mo. Payment Mo. Payment
				\$			\$
				\$			\$
				\$			\$
				\$			\$
				\$			\$
				\$			\$
↑ Indicate: J – Jointly with Spouse O – Jointly with other than spouse T – In Trust A – Applicant's separate property S – Spouse's separate property							Total \$

CONTRACTORS INFORMATION FORM

The Lake Royal APARTMENTS

TO ALL CONTRACTORS/TRADESPEOPLE:**BEFORE BEGINNING WORK ---- Provide to Building Manager:**

1. Proof of Workman's Compensation and liability insurance.
2. Notification, at least 48 hours in advance, of equipment use that may be disruptive and noisy (such as saws and other power tools as well as hammering or pounding) so that Shareholders can be informed.
3. Notification, at least 48 hours in advance, of any chemical or paint to be used that may carry a noxious odor.

PERMITS:

1. All construction and infrastructure work must be performed to meet relevant City of Oakland Commercial Building Code requirements.
2. A Building Permit and permits for each separate major trade (plumbing, electrical etc.) must be obtained from the City prior to beginning work. The permits must be posted during all work projects.
3. Oakland Commercial Building Code related to framing of walls and ceilings calls for metal studs. Any wood that is use must be fire treated and cannot exceed more than 10% of total materials used.
4. Recessed lights must be at least R5 rated and boxed with sheetrock or hooded in order to meet electrical and fire codes
5. Please review other code requirements to ensure full compliance

WORK DAYS AND HOURS:

1. Monday through Friday from 8:30 a.m. to 5:00 p.m.

**No work is to begin before 8:30 a.m.,
nor continue after 5 p.m.!!!!!!**

CONTRACTORS INFORMATION FORM

(Note: Quiet staging to work may begin at 8:00 a.m. with permission from building management)

2. No work is permitted in the Lake Royal Apts. on the following Holidays:

New Years Day	Labor Day
Martin Luther King Day	Columbus Day
President's Day	Veterans Day
Memorial Day	Thanksgiving and the Friday after Thanksgiving
July 4 th	Christmas Day

WORK GUIDELINES:

2. Please sign in and out at the front desk each day.
3. The guest parking lot can be used for one vehicle, others trucks and cars should park on the street or in the parking lot behind the Scottish Rite Building on Madison for a \$6.00 per day fee.
4. Supplies and materials are to be transported via the service elevator. The elevator is accessed through the Jackson St. garage entrance. This is also the entrance that is to be used for loading and unloading. Please coordinate with the building management.
5. For transporting bulky items please coordinate with building management. Please do not use the "grocery" type carts found in each garage for transport unless permitted by building management.
6. Hallway carpeting must be covered with non-slip, self-adhering plastic during all work projects. Paper should be added as necessary to protect the area.
7. Each contractor or a designated site supervisor must be on-site and available at all times during work projects for immediate resolution of situations that may arise. This person must have adequate facility in the English language to enable communication between building management and contractor's employees.
8. Each contractor shall be responsible for the repair of any and all damage to the building, common areas and/or other apartments including that due to failure to control dirt and to protect the building.

CONTRACTORS INFORMATION FORM

CLEAN UP:

1. All common areas and any path of travel (including the service/freight elevator) shall be cleaned by the contractor at least once a day and as otherwise needed to contain dust and debris, and prevent its tracking into other parts of the building.
2. Waste must be taken off-site for disposal. LRA is in no way responsible for disposal of construction debris. The building's trash containers are for residential waste only, not construction waste. The building trash chute may never be used for any type of construction related waste.