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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

10

11 TARZANA PLAZA CONDOMINIUMS
ASSOCIATION, a California nonprofit
12 mutual benefit corporation,

13 Plaintiff,

14 v.

15 EUGENE SAAL, an individual; RUBICELIA
SCHULTZ, an individual; JUDY WEISS, an
16 individual; PASCAL BRENNINKMEIJER, an
individual; and DOES 1-25, inclusive,

17 Defendants.

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Case No. LC106595

**NOTICE OF *EX PARTE* APPLICATION
AND *EX PARTE* APPLICATION OF
STEPHEN J. DONELL, STATE COURT
RECEIVER, FOR ORDER
AUTHORIZING RECEIVER TO LEVY
AN EMERGENCY ASSESSMENT IN THE
AMOUNT OF \$1,313,000.00 TO PAY FOR
1) ROOF REPLACEMENT; 2) BOILER
REPLACEMENT; 3) COMMON AREA
REPAIRS/REPLACEMENTS; 4)
REPAIRS TO UNITS DAMAGED BY
WATER INTRUSION FROM COMMON
AREAS; AND 5) OUTSTANDING AND
UNPAID EXPENSES AND ANTICIPATED
EXPENSES OF TARZANA PLAZA
CONDOMINIUMS ASSOCIATION,
INCLUDING FEES AND COSTS OF
RECEIVER AND HIS COUNSEL;
MEMORANDUM OF POINTS AND
AUTHORITIES; DECLARATIONS OF
STEPHEN J. DONELL, JAMES H.
DONELL, AND TERESA M. CASTELLI
REGARDING NOTICE**

**DATE: February 19, 2019
TIME: 8:30 a.m.
DEPT: A**

The Hon. Huey P. Cotton

ERVIN COHEN & JESSUP LLP

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Complaint Filed: December 14, 2017

NOTICE OF EX PARTE APPLICATION

PLEASE TAKE NOTICE that on February 19, 2019, at 8:30 a.m., or as soon thereafter as this matter may be heard, in Department A of the above-entitled Court, located at 6230 Sylmar Avenue, Van Nuys, California 91401, Stephen J. Donell, State Court Receiver (“Receiver”), for Tarzana Plaza Condominiums Association (“Association”), will and hereby does apply *ex parte* to this Court for an order Authorizing the Receiver To Levy An Emergency Assessment In The Amount of \$1,313,000.00, to be assessed to each of the 101 individual condominium units in the amount of **\$13,000.00** per unit (the “Emergency Assessment”), to Pay for 1) Roof Replacement; 2) Boiler Replacement; 3) Common Area Repairs/Replacements; 4) Repairs to Units Damaged by Water Intrusion from Common Areas; and 5) Outstanding and Unpaid Expenses and Anticipated Expenses of the Association, Including Fees and Costs of Receiver and his Counsel. The Emergency Assessment is required to pay the following costs, some of which are estimated:

- (i) The cost of replacing the building’s roof in the estimated amount of \$444,218.00, consisting of the following costs:
 - a) Contractor’s bid for roof replacement: \$404,968.00
 - b) Plywood replacement estimated at 50 sheets: \$ 3,750.00
 - c) Facia board estimated replacement cost: \$ 2,000.00
 - d) Walk-treads estimated cost: \$ 1,500.00
 - e) Outside supervision – Van Dijk (\$750/day): \$ 30,000.00
 - f) Estimated cost of permits: \$ 2,000.00
- TOTAL: \$ 444,218.00
- (ii) Replacement of the boiler system (est.) \$ 39,338.00
- (ii) Estimated mold remediation repairs: \$ 50,000.00
- (iii) Replace carpeting in interior hallways (estimated) \$ 30,000.00
- (iv) Elevator refurbishments (est.). \$ 50,000.00

1	(v) Other estimated plumbing repairs:		\$ 75,000.00
2	(vi) LADWP unpaid invoices		\$ 26,208.15
3	(vii) Receivership Specialists per court order:		\$ 72,500.00
4	(viii) The Judge Law Firm:		\$ 6,329.40
5	(ix) Van Dijk & Associates:		\$ 1,050.00
6	(x) WFM – janitorial services:		\$ 5,312.00
7	(xi) Crystal Clean Sweeping:		\$ 400.00
8	(xii) Delta Elevator Service:		\$ 649.89
9	(xiii) Evergreen Landcare:		\$ 1,088.00
10	(xiv) United Pool & Spa:		\$ 745.00
11	(xv) Receiver fees and costs through 12/31/18:		\$ 112,111.67
12	(xvi) ECJ fees and costs through 12/31/18:		\$ 123,493.00
13	(xvii) Loewenthal fees and costs through 12/31/18:		\$ 14,288.46
14	(xviii) Strom & Assoc. fees and costs through 12/31/18:		\$ 14,528.94
15	(xix) Jalmar Properties, Inc. Maintenance & Man Fees:		\$ 8,482.04
16	(xx) KSN Electric Gates:		\$ 525.00
17	(xxi) SingerLewak, LLP – accounting fees		\$ 2,231.50
18	(xxii) Security Specialists:		\$ 1,572.10
19	(xxiii) Reserve for Legal Fees – Eandi:		\$ 59,649.60
20	(xxiv) Southern California Gas Company:		\$ 1,906.66
21	(xxv) Miscellaneous contingency reserve:		\$ 13,762.59
22	(xxvi) Provision for delinquency at 12%		<u>\$ 157,560.00</u>
23		TOTAL	\$1,313,000.00

24 **If authorized, pursuant to Article IV, Section 4.03(e) of the Association’s Bylaws, the**
 25 **Emergency Assessment would be levied in the amount of \$13,000.00 per unit, as follows:**
 26 **\$1,500.00 down payment on March 1, 2019, and \$500.00 per month for the following 23**
 27 **months. This is exclusive of and in addition to the homeowners’ monthly association fee that**
 28 **is currently being assessed.**

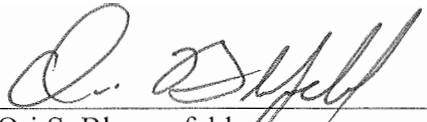
1 This Application is made pursuant to Section 5610(a) of the Davis-Stirling Act (Cal. Civ.
 2 Code § 5610(a)), Code of Civil Procedure § 128(a)(5), Paragraphs “i” and “q” of the Order
 3 Appointing Receiver and Order to Show Cause Why Receiver Should Not be Confirmed entered
 4 by this Court on May 17, 2018 (the “Appointment Order”), Article IV, section 4.03(e) of the
 5 Association’s Bylaws, and Rules 3.1200-3.1207 of the California Rules of Court, and on the
 6 grounds that: (i) the Receiver has made a substantial effort to obtain a loan for the Association
 7 which has not been successful; (ii) the Association’s revenues are insufficient to pay its operating
 8 expenses, the administrative expenses of the receivership estate, necessary repairs and
 9 maintenance costs and required capital expenditures; (iii) there are no cash reserves; and (iv) the
 10 Receiver has determined that since a loan is not available to the Association, the only other
 11 alternative to obtain funds to pay the expenses of the Association and the receivership estate is to
 12 levy and collect the proposed Emergency Assessment from the Association’s members, the
 13 persons who are benefiting most from the receivership, pursuant to Section 5610(a) of the Davis-
 14 Stirling Act.

15 This Application is further based on the following Memorandum of Points and Authorities,
 16 the attached Declarations of Stephen J. Donell, James H. Donell, Byron Z. Moldo, and Teresa M.
 17 Castelli regarding Notice, and any and all exhibits thereto, and on all other further oral and/or
 18 documentary evidence as may be presented at or before the hearing of this Application.

19 No prior *ex parte* application of the same nature or seeking the same relief as this
 20 Application has been filed by the Receiver.

21
 22 Dated: February 17, 2019

ERVIN COHEN & JESSUP LLP

23
 24 By: 
 25 Ori S. Blumenfeld
 26 Attorneys for Receiver, Stephen J. Donell
 27
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **INTRODUCTION**

3 On May 17, 2018 this Court filed an Order Appointing Receiver and Order to Show Cause
4 Why Receiver Should Not be Confirmed (the "Appointment Order"). The Appointment order
5 appointed Stephen J. Donell as the Receiver for Tarzana Plaza Condominiums Association
6 ("Association"). The Appointment Order appointed the Receiver to take possession, custody,
7 control and to manage and operate the Association, and any and all real and personal property
8 belonging to the Association, including, without limitation, the 101-unit condominium
9 development located at 18530 Hatteras Street, Tarzana, CA ("Property"). Since taking possession
10 of the Association's assets, operations, finances, books and records, the Receiver has worked
11 diligently to stabilize the Association's financial condition, revise the Covenants, Conditions &
12 Restrictions, including the Bylaws, and make repairs, maintain and improve the conditions of the
13 Association's common areas.

14 Upon his appointment the Receiver discovered that a substantial amount of unpaid
15 Association bills, including approximately \$30,000 of unpaid utility bills owed to Los Angeles
16 Department of Water and Power ("DWP"), existed. In addition, the Receiver discovered that a
17 large number of owners were delinquent and not paying their monthly association fees. The
18 Receiver also discovered that the roof and the boiler system needs to be replaced, the common
19 area carpeting is in poor condition, mold exists in the clubhouse and in other areas of the common
20 area, and repairs are required to units and other common areas as a result of water intrusion. In
21 addition, other repairs and refurbishments are necessary as a result of deferred maintenance over
22 the years. The Association is in a dire financial condition and has no reserves to pay for the
23 required capital expenditures. The Association's revenues, partly as a result of the high
24 delinquencies, are wholly insufficient to pay the Association's essential obligations, such as
25 current operating costs, past due, unpaid and current obligations of the Association, the required
26 capital improvement costs, and the past due, current and future administrative costs of the
27 receivership estate.

28 In order to obtain the necessary funds to satisfy the Association's current and future

1 obligations, multiple lenders and brokers were contacted over a period of approximately 6 months
2 in order to secure a loan for the Association. Although applications were submitted, those efforts
3 were ultimately all unsuccessful.

4 Unfortunately, the Receiver cannot do what must be done to effectively address the myriad
5 of problems confronting the Association and effectuate the intent of the Appointment Order if the
6 Association is financially unable to meet its ordinary and extraordinary expenses. If the
7 Association cannot pay its regular operating expenses and fund necessary capital expenditures in
8 addition to the administrative expenses of the receivership estate, the Receiver will have no viable
9 way to comply with the Appointment Order and properly administer the receivership estate.
10 Consequently, the Association requires an immediate influx of cash to pay the outstanding and
11 anticipated expenses of the Association, including the fees and costs of the Receiver and his legal
12 counsel.

13 Therefore, Receiver has concluded that the Association's only option to raise the cash it
14 needs to pay the outstanding and ongoing expenses, including capital expenditures and the
15 administrative costs of the receivership estate, is to levy and collect an emergency assessment
16 from the Association's members, *i.e.*, the persons benefiting most from the receivership (the
17 "Emergency Assessment").

18 If authorized, pursuant to Article IV, Section 4.03(e) of the Association's Bylaws, the
19 Emergency Assessment would be levied in the amount of \$13,000.00 per unit, as follows:
20 \$1,500.00 down payment on March 1, 2019, and \$500.00 per month for the following 23 months.
21 This assessment is exclusive of and in addition to the monthly homeowners' association fees that
22 are currently assessed to each unit. Without the ongoing influx of cash that would be generated by
23 the proposed Emergency Assessment, the Receiver will not be able to pay the past due, current
24 and future expenses of the Association, including necessary capital expenses, as well as the
25 administrative expenses of the receivership estate. Therefore, the Receiver requests that the Court
26 enter an order authorizing him to levy the Emergency Assessment.

27

28

1 FACTS

2 The Association's Revenues Are Insufficient To Pay Both the Association's
3 Essential Obligations And The Administrative Expenses of the Receivership
4 Estate

5 As reported in the Receiver's Executive Summary for December 2018 ("Report"), as of
6 December 31, 2018 there was only \$1,980.01 in cash on hand, and \$340,984.36 in expenses that
7 were due and payable. However, as of February 4, 2019 the unpaid expenses increased to
8 \$451,601.52 as set forth in the AP Aged Trial Balance attached hereto as **Exhibit "A"**. The unpaid
9 expenses include, but are not limited to, accounting fees, management fees, utilities, elevator
10 service/repairs, plumbing repairs, janitorial, environmental services, swimming pool maintenance,
11 legal collection fees, pre-receivership court-approved fees, outside legal fees, other vendor fees
12 and the unpaid fees and costs of the Receiver and his legal counsel. In addition, the Association
13 also needs to replace the roof and the boiler; repair/remediate mold throughout the property;
14 replace and repair carpet; repair the elevator; and repair plumbing and other issues.

15 Further, the Receiver's Report indicated that, "[t]he [A]ssociation's cash situation is dire
16 and the HOA will require a cash infusion either through loan proceeds or a large special
17 assessment." *Emphasis added.*

18 In short, the Association needs an ongoing influx of cash in order to pay both its essential
19 and future obligations, including the expenses of the receivership estate.

20 Thus, in order to pay the known, unknown, and extraordinary expenses of the receivership
21 the Association requires an immediate cash influx of not less than \$1,313,000.00.

22 The Association Has No Readily Available Source Of Cash Other Than Its Members

23 As an alternative to the Special Assessment, the Receiver had identified two other possible
24 sources of cash from which the expense of the receivership potentially could be paid—*i.e.*, (i) by
25 obtaining financing from a traditional lender; or (ii) by obtaining financing from a non-traditional
26 or private lender. However, as explained below, none of these options appear viable and none has
27 materialized.

28 The following is a list of lenders that were contacted to request a loan to the Association:

1 1. On July 18, 2018, the Receiver or a member of his staff contacted Mutual Omaha
2 Bank (“Mutual”) to request a loan in the amount of \$800,000.00. After submitting a complete loan
3 application package, Mutual informed the Receiver that their underwriting requirements had
4 changed and they were no longer interested in making a loan to the Association.

5 2. On July 18, 2018, the Receiver or a member of his staff contacted Alliance
6 Association Bank/Torrey Pines Bank (“Torrey Pines”) to request a loan in the amount of
7 \$1,000,000.00. After submitting an application Torrey Pines informed the Receiver that they were
8 not interested in pursuing a loan to the Association.

9 3. On November 18, 2018, the Receiver or a member of his staff contacted Pacific
10 Enterprise Bank (“Pacific”) to request a loan in the amount of \$1,200,000.00. After submitting
11 initial documentation, Pacific asked if the loan could be secured by recording deeds of trust on the
12 individual units. Since this is not feasible, the loan could not proceed. In addition, Pacific had
13 never originated a loan to a homeowners’ association, so although they were cooperative, it
14 became apparent that there was an extremely high probability that the loan would never be
15 approved, especially in light of the time frame that the Receiver required.

16 4. On December 18, 2018, the Receiver or a member of his staff contacted First
17 Choice Bank (“First Choice”) to request a loan in the amount of \$1,200,000.00. After submitting
18 an initial loan package, First Choice responded with an initial list of terms that the Association did
19 not have the ability to comply with.

20 In addition to the above banks, some of which were referred by the brokers, the Receiver
21 worked with two loan brokers in order to secure a loan for the Association: Bill Rayman, and
22 Tony Coldesina. Those efforts were also ultimately unsuccessful.

23 5. Also, defendant Eugene Saal (“Saal”) has made representations to this Court and
24 repeatedly stated to the Receiver and the Receiver’s legal counsel that he would arrange for a loan
25 to the Association in the amount of \$1,500,000, with an initial partial funding and with certain
26 terms and conditions as yet still undetermined. Mr. Saal provided the Receiver with a term sheet
27 for the proposed loan on February 14, 2019; the Receiver has not yet had the opportunity to
28 review it.

ROOF REPLACEMENT

1
2 During June of 2018 the Receiver retained Van Dijk & Associates, Inc. (“Van Dijk”) to
3 inspect the roof, establish a set of specifications for the bidding process, and obtain bids for
4 replacement of the roof from several qualified roofing contractors. Van Dijk, based in Irvine,
5 California, has forty years of roofing and waterproofing experience, combined with knowledge of
6 the industry’s everchanging technology, to provide clients with long lasting and cost-effective
7 solutions to their roofing and waterproofing needs. Van Dijk is an independent company and does
8 not participate in any fees paid to roofers for re-roofing or roof repair work. After making a
9 thorough examination of the roof, Van Dijk distributed the Instructions to Bidders as seen in
10 **Exhibit “B”** to Stephen J. Donell’s declaration regarding the qualified roofing contractors. After
11 making his initial inspections to determine the best possible roofing solution, he determined that
12 an overlay would work best for the property. He then met with the manufacturer of the proposed
13 roofing material and they provided him with the names of 3 approved roofing contractors
14 (required in order to maintain the manufacturer’s guaranty). Ultimately, bids were received from
15 ADCO Roofing, Eberhard Roofing and Pacific Single Ply. The Bid Results were summarized in
16 the letter from Van Dijk dated December 31, 2018 and attached hereto as **Exhibit “C”**. The
17 Receiver also received the actual written bids from the contractors which, if requested by the
18 Court, will be provided. After consultation with Van Dijk, the Receiver proposes to use the lowest
19 bidder, ADCO Roofing, to perform the work.

BOILER SYSTEM REPLACEMENT

20
21 On March 30, 2018 the previous management company, J&N Realty, obtained a proposal
22 from Bateman Water heating Engineering, Inc. (“Bateman”) to replace the boiler system at a cost
23 of \$39,338.00. The Bateman proposal is attached hereto as **Exhibit “D”**. Prior to the
24 commencement of any work, the Receiver intends to obtain an updated proposal from Bateman, as
25 well as at least two (2) other bids from qualified contractors.

THIS APPLICATION SHOULD BE GRANTED

This Court Has Authority To Issue The Order Requested By The Receiver.

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27
28 Paragraph 2(n) of the Appointment Order provides: “The Receiver ... may from time to

1 time, and on due notice to all parties, make application to this court for further orders instructing
 2 the Receiver.” Further, Code of Civil Procedure § 128 provides the Court with broad powers
 3 sufficient to enter an order authorizing the Receiver to levy the Emergency Assessment, providing:
 4 “Every court shall have the power to do all of the following: (5) To control in furtherance of
 5 justice, the conduct of its ministerial officers, and of all other persons in any manner connected
 6 with a judicial proceeding before it, in every matter pertaining thereto.” Finally, as explained
 7 below, the proposed Emergency Assessment is permissible under the Davis-Stirling Act.

8 **The Emergency Assessment Is Permissible Under The Davis-Stirling Act**

9 Section 5610 of the Davis-Stirling Act allows an assessment increase without imposing
 10 any percentage limit, or requiring a vote of the shareholders, in an emergency. Cal. Civ. Code §
 11 5610. For purposes of Section 5610, an emergency includes “[a]n extraordinary expense required
 12 by an order of a court.” Id., § 5610(a). Here, the expenses of the Property and the receivership are
 13 critical to the survival of the Association and the fees and costs of the receivership are an
 14 extraordinary expense required by an order of a court—*i.e.*, the Appointment Order appointing the
 15 Receiver. Other than the Receiver and ECJ’s outstanding balances, other balances remain due and
 16 owing, including, but not limited to:

- 17 1. **January 10, 2019 invoice date - AT&T is owed \$361.53;**
- 18 2. **January 1, 2019 invoice date - Crystal Clean Sweeping Co. is owed \$400.00;**
- 19 3. **December 31, 2018 invoice date – Delta Elevator Co. is owed \$649.89;**
- 20 4. **January 22, 2019 invoice date – LADWP is owed - \$26,208.15;**
- 21 5. **October 15, 2018 invoice date – Eandi Fitzpatrick LLP is owed - \$49,649.60;**
- 22 6. **January 1, 2019 invoice date – Evergreen Landcare is owed - \$1,088.00;**
- 23 7. **January 10, 2019 invoice date – Flam’s Lock & Key, Inc. is owed - \$251.17;**
- 24 8. **February 1, 2019 invoice date – IPFS Corp. is owed - \$5,615.96;**
- 25 9. **January 10, 2019 invoice date – Isotech is owed - \$765.00;**
- 26 10. **January 5, 2019 invoice date – J&I Property Services Inc. is owed - \$\$228.75;**
- 27 11. **January 28, 2019 invoice date – Jalmar Properties, Inc. is owed - \$8,482.04;**
- 28 12. **December 26, 2018 invoice date – KSN Electric Gate Inc. is owed - \$525.00;**

- 1 13. January 24, 2019 invoice date – Kullik Gottesman LLP is owed - \$58,514.04;
- 2 14. December 31, 2018 invoice date – Lowenthal LLP is owed - \$14,288.46;
- 3 15. November 5, 2018 invoice date – Receivership Specialists is owed - \$7,500.00;
- 4 16. September 1, 2018 invoice date – Strom & Assoc. APC is owed - \$9,283.44;
- 5 17. January 22, 2019 invoice date – So. CA Gas Co. is owed - \$1,906.66;
- 6 18. December 31, 2018 invoice date – Singer/Lewak, LLP is owed - \$2,231.50;
- 7 19. February 1, 2019 invoice date – Security Specialists is owed - \$1,572.10;
- 8 20. December 31, 2018 invoice date – Judge Law Firm is owed - \$6,329.49;
- 9 21. February 1, 2019 invoice date – United Pool & Spa is owed - \$745.00;
- 10 22. January 11, 2019 invoice date – Van Dijk & Assoc. Inc. is owed - \$1,050.00;
- 11 23. January 31, 2019 invoice date – WFM Facilities Mgmt. Inc. is owed -\$5,312.00;
- 12 24. February 1, 2019 invoice date – Waste Mgmt – LA is owed - \$2,744.47; and
- 13 25. July 31, 2018 invoice date – Wolf Rifkin Shapiro is owed -\$220.00.

14 **Inclusive of the Receiver and ECJ, the total outstanding balance owed is \$451,601.62.**

15 The Association also needs to replace the roof and the boiler; repair/remediate mold
 16 throughout the Property; replace and repair/replace carpet; repair the elevator; and repair plumbing
 17 issues.

18 The Appointment Order directs the Receiver to, without limitation, take possession of and
 19 manage the Association, to protect and preserve its assets, and permits the Receiver to employ
 20 persons and companies necessary to assist in the management of the receivership estate, and to
 21 generally do all things ordinarily done by owners of similar businesses and property. The
 22 Appointment Order permits the Receiver to pay his fees from the funds of the receivership estate
 23 and to employ counsel to assist him in discharging his duties under the Appointment Order.

24 **The Emergency Assessment Is Essential, Unavoidable And Equitable**

25 For the reasons set forth above, the proposed Emergency Assessment is essential and
 26 unavoidable to relieve the Association’s cash flow shortage so that (a) the receivership can
 27 continue at least through April 30, 2019. The Receiver believes that it is appropriate, given the
 28 lack of alternative options, for the Association’s members, the ultimate beneficiaries of the

1 receivership, to each shoulder equitable shares of the outstanding and anticipated expenses of the
 2 Association and the receivership.

3 If levied, the proposed Emergency Assessment would spread its financial burden among all
 4 the Association's members consistent with the Association's Bylaws. Section 4.03(e) of the
 5 Association's Bylaws state that assessments shall be fixed and levied on its members. The
 6 respective allocations of the Emergency Assessment would be as follows: \$13,000.00 per unit, as
 7 follows: \$1,500.00 down payment on March 1, 2019, and \$500.00 per month for the following 23
 8 months. This assessment is exclusive of and in addition to the monthly homeowners' association
 9 fees currently being assessed.

10 **The Receivership Cannot Continue Unless the Association Can Pay For Its Expense**

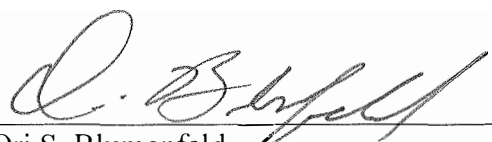
11 Unless the Receiver is authorized to levy the Emergency Assessment, the Association will
 12 not be able to pay both its essential obligations, including the necessary capital expenditures and
 13 the administrative expenses of the receivership estate, and the Receiver will be unable to properly
 14 administer the receivership estate and comply with the appointment order and the further orders of
 15 this Court.

16 **CONCLUSION**

17 For all the above reasons, the Receiver respectfully requests the Court grant this
 18 Application and enter an order authorizing the Receiver to levy the Emergency Assessment.

19
 20 Dated: February 14, 2019

ERVIN COHEN & JESSUP LLP

21
 22 By: 
 23 Ori S. Blumenfeld
 24 Attorneys for Receiver
 25 STEPHEN J. DONELL
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DECLARATION OF STEPHEN DONELL

I, Stephen J. Donell, declare as follows:

1. I am the court-appointed Receiver for plaintiff Tarzana Plaza Condominium Association (“Association”). I make this declaration in support of the foregoing Ex Parte Application for an order Authorizing the Receiver To Levy An Emergency Assessment In The Amount of \$1,313,000.00, to be assessed to each of the 101 individual condominium units in the amount of \$13,000.00 per unit (the “Emergency Assessment”), to Pay for 1) Roof Replacement; 2) Boiler Replacement; 3) Common Area Repairs/Replacements; 4) Repairs to Units Damaged by Water Intrusion from Common Areas; and 5) Outstanding and Unpaid Expenses and Anticipated Expenses of the Association, Including my and my counsel’s Fees and Costs. I have personal knowledge of the following facts and, if called upon to do so, could and would competently testify as to such facts.

2. On May 17, 2018 this Court filed an Order Appointing Receiver and Order to Show Cause Why Receiver Should Not be Confirmed (the “Appointment Order”). The Appointment order appointed me as the Receiver for the Association. The Appointment Order appointed me to take possession, custody, control and to manage and operate the Association, and any and all real and personal property belonging to the Association, including, without limitation, the 101-unit condominium development located at 18530 Hatteras Street, Tarzana, CA (“Property”). Since taking possession of the Association’s assets, operations, finances, books and records, I have worked diligently to stabilize the Association’s financial condition, revise the Covenants, Conditions & Restrictions, including the Bylaws, and make repairs, maintain and improve the conditions of the Association’s common areas.

3. Upon my appointment I discovered that a substantial amount of unpaid Association bills, including approximately \$30,000 of unpaid utility bills owed to Los Angeles Department of Water and Power (“DWP”), existed. In addition, I discovered that a large number of owners were delinquent and not paying their monthly association fees. I also discovered that the roof and the boiler system needed to be replaced, the common area carpeting was in poor condition, mold existed in the clubhouse and in other areas of the common area, and repairs were required to units

1 and other common areas as a result of water intrusion. In addition, other repairs and
 2 refurbishments were necessary as a result of deferred maintenance over the years. The
 3 Association was in a dire financial condition and had no reserves to pay for the required capital
 4 expenditures. The Association’s revenues, partly as a result of the high delinquencies, are wholly
 5 insufficient to pay the Association’s essential obligations, such as current operating costs, past
 6 due, unpaid and current obligations of the Association, the required capital improvement costs,
 7 and the past due, current and future administrative costs of the receivership estate.

8 4. Unfortunately, I cannot do what must be done to effectively address the myriad of
 9 problems confronting the Association and effectuate the intent of the Appointment Order if the
 10 Association is financially unable to meet its ordinary and extraordinary expenses. If the
 11 Association cannot pay its regular operating expenses and fund necessary capital expenditures in
 12 addition to the administrative expenses of the receivership estate, I will have no viable way to
 13 comply with the Appointment Order and properly administer the receivership estate.
 14 Consequently, the Association requires an immediate influx of cash to pay the outstanding and
 15 anticipated expenses of the Association, including me and my legal counsel’s fees and costs.

16 5. I have concluded that the Association’s only option to raise the cash it needs to pay
 17 the outstanding and ongoing expenses, including capital expenditures and the administrative costs
 18 of the receivership estate, is to levy and collect an emergency assessment from the Association’s
 19 members, i.e., the persons benefiting most from the receivership.

20 6. If authorized, pursuant to Article IV, Section 4.03(e) of the Association’s Bylaws,
 21 the Emergency Assessment would be levied in the amount of \$13,000.00 per unit, as follows:
 22 \$1,500.00 down payment on March 1, 2019, and \$500.00 per month for the following 23 months.
 23 This assessment is exclusive of and in addition to the monthly homeowners’ association fees that
 24 are currently assessed to each unit. Without the ongoing influx of cash that would be generated by
 25 the proposed Emergency Assessment, I will not be able to pay the past due, current and future
 26 expenses of the Association, including necessary capital expenses, as well as the administrative
 27 expenses of the receivership estate. Therefore, I request that the Court enter an order authorizing
 28 me to levy the Emergency Assessment.

1 7. As reported in my Executive Summary for December 2018 (“Report”), as of
 2 December 31, 2018 there was only \$1,980.01 in cash on hand, and \$340,984.36 in expenses that
 3 were due and payable. However, as of February 4, 2019 the unpaid expenses increased to
 4 \$451,601.52 as set forth in the AP Aged Trial Balance attached hereto as Exhibit “A” is a true and
 5 correct copy of that report. The unpaid expenses include, but are not limited to, accounting fees,
 6 management fees, utilities, elevator service/repairs, plumbing repairs, janitorial, environmental
 7 services, swimming pool maintenance, legal collection fees, pre-receivership court-approved fees,
 8 outside legal fees, other vendor fees and me and my legal counsel’s unpaid fees and costs. In
 9 addition, the Association also needs to replace the roof and the boiler; repair/remediate mold
 10 throughout the Property; replace and repair carpet; repair the elevator; and repair plumbing and
 11 other issues.

12 8. Further, my Report indicated that, “[t]he [A]ssociation’s **cash situation is dire** and
 13 the HOA will require a cash infusion either through loan proceeds or a large special assessment.”
 14 *Emphasis added.*

15 9. The Association needs an ongoing influx of cash in order to pay both its essential
 16 and future obligations, including the expenses of the receivership estate.

17 10. As an alternative to the Special Assessment, I identified two other possible sources
 18 of cash from which the expenses of the receivership potentially could be paid—*i.e.*, (i) by
 19 obtaining financing from a traditional lender; or (ii) by obtaining financing from a non-traditional
 20 or private lender. However, none of these options appear viable and none has materialized. James
 21 H. Donell my receivership administrator, was primarily responsible for contacting potential
 22 lenders.

23 11. Also, defendant Eugene Saal (“Saal”) has made representations to this Court and
 24 repeatedly stated to me and my legal counsel that he would arrange for a loan to the Association in
 25 the amount of \$1,500,000, with an initial partial funding and with certain terms and conditions as
 26 yet still undetermined. Mr. Saal provided me with a term sheet for the proposed loan on February
 27 14, 2019, but I have not yet had the opportunity to review it.

28 12. During June of 2018 I retained Van Dijk & Associates, Inc. (“Van Dijk”) to inspect

1 the roof, establish a set of specifications for the bidding process, and obtain bids for replacement
 2 of the roof from several qualified roofing contractors. Van Dijk, based in Irvine, California, has
 3 forty years of roofing and waterproofing experience, combined with knowledge of the industry's
 4 everchanging technology, to provide clients with long lasting and cost-effective solutions to their
 5 roofing and waterproofing needs. Van Dijk is an independent company and does not participate in
 6 any fees paid to roofers for re-roofing or roof repair work. After making a thorough examination
 7 of the roof, Van Dijk distributed the Instructions to Bidders attached hereto as Exhibit "B" is a
 8 true and correct copy of the qualified roofing contractors. After making his initial inspections to
 9 determine the best possible roofing solution, he determined that an overlay would work best for
 10 the property. He then met with the manufacturer of the proposed roofing material and they
 11 provided him with the names of 3 approved roofing contractors (required in order to maintain the
 12 manufacturer's guaranty). Ultimately, bids were received from ADCO Roofing, Eberhard
 13 Roofing and Pacific Single Ply. The Bid Results were summarized in the letter from Van Dijk
 14 dated December 31, 2018 and attached hereto as Exhibit "C" is a true and correct copy of the
 15 results. I also received the actual written bids from the contractors which, if requested by the
 16 Court, will be provided. After consultation with Van Dijk, I propose to use the lowest bidder,
 17 ADCO Roofing, to perform the work.

18 13. On March 30, 2018, the previous management company, J&N Realty, obtained a
 19 proposal from Bateman Water heating Engineering, Inc. ("Bateman") to replace the boiler system
 20 at a cost of \$39,338.00. Attached hereto as Exhibit "D" is a true and correct copy of the Bateman
 21 proposal. Prior to the commencement of any work, I intend to obtain an updated proposal from
 22 Bateman, as well as at least two (2) other bids from qualified contractors.

23 14. Other than me and my legal counsel Ervin Cohen & Jessup LLP's ("ECJ")
 24 outstanding balances, other balances remain due and owing, including, but not limited to:
 25 A. January 10, 2019 invoice date - AT&T is owed \$361.53;
 26 B. January 1, 2019 invoice date - Crystal Clean Sweeping Co. is owed \$400.00;
 27 C. December 31, 2018 invoice date - Delta Elevator Co. is owed \$649.89;
 28 D. January 22, 2019 invoice date - LADWP is owed - \$26,208.15;

- 1 E. October 15, 2018 invoice date – Eandi Fitzpatrick LLP is owed - \$49,649.60;
- 2 F. January 1, 2019 invoice date – Evergreen Landcare is owed - \$1,088.00;
- 3 G. January 10, 2019 invoice date – Flam’s Lock & Key, Inc. is owed - \$251.17;
- 4 H. February 1, 2019 invoice date – IPFS Corp. is owed - \$5,615.96;
- 5 I. January 10, 2019 invoice date – Isotech is owed - \$765.00;
- 6 J. January 5, 2019 invoice date – J&I Property Services Inc. is owed - \$\$228.75;
- 7 K. January 28, 2019 invoice date – Jalmar Properties, Inc. is owed - \$8,482.04;
- 8 L. December 26, 2018 invoice date – KSN Electric Gate Inc. is owed - \$525.00;
- 9 M. January 24, 2019 invoice date – Kullik Gottesman LLP is owed - \$58,514.04;
- 10 N. December 31, 2018 invoice date – Lowenthal LLP is owed - \$14,288.46;
- 11 O. November 5, 2018 invoice date – Receivership Specialists is owed - \$7,500.00;
- 12 P. September 1, 2018 invoice date – Strom & Assoc. APC is owed - \$9,283.44;
- 13 Q. January 22, 2019 invoice date – So. CA Gas Co. is owed - \$1,906.66;
- 14 R. December 31, 2018 invoice date – Singer/Lewak, LLP is owed - \$2,231.50;
- 15 S. February 1, 2019 invoice date – Security Specialists is owed - \$1,572.10;
- 16 T. December 31, 2018 invoice date – Judge Law Firm is owed - \$6,329.49;
- 17 U. February 1, 2019 invoice date – United Pool & Spa is owed - \$745.00;
- 18 V. January 11, 2019 invoice date – Van Dijk & Assoc. Inc. is owed - \$1,050.00;
- 19 W. January 31, 2019 invoice date – WFM Facilities Mgmt. Inc. is owed -\$5,312.00;
- 20 X. February 1, 2019 invoice date – Waste Mgmt – LA is owed - \$2,744.47; and
- 21 Y. July 31, 2018 invoice date – Wolf Rifkin Shapiro is owed -\$220.00.

22 Inclusive of myself and my legal counsel ECJ, the total outstanding balance owed is \$451,601.62.

23 15. I believe that it is appropriate, given the lack of alternative options, for the
 24 Association’s members, the ultimate beneficiaries of the receivership, to each shoulder equitable
 25 shares of the outstanding and anticipated expenses of the Association and the receivership.

26 16. If levied, the proposed Emergency Assessment would spread its financial burden
 27 among all the Association’s members consistent with the Association’s Bylaws. Section 4.03(e)
 28 of the Association’s Bylaws state that assessments shall be fixed and levied on its members. The

1 respective allocations of the Emergency Assessment would be as follows: \$13,000.00 per unit, as
2 follows: \$1,500.00 down payment on March 1, 2019, and \$500.00 per month for the following 23
3 months. This assessment is exclusive of and in addition to the monthly homeowners' association
4 fees currently being assessed.

5 17. Unless I am authorized to levy the Emergency Assessment, the Association will not
6 be able to pay both its essential obligations, including the necessary capital expenditures and the
7 administrative expenses of the receivership estate, and I will be unable to properly administer the
8 receivership estate and comply with the appointment order and the further orders of this Court.

9
10 I declare under penalty of perjury under the laws of the State of California that the
11 foregoing is true and correct. Executed on February 14, 2019, in Los Angeles, California.

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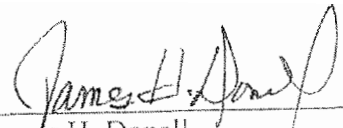
15 _____
16 Stephen J. Donell
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D. On December 18, 2018, I contacted First Choice Bank (“First Choice”) to request a loan in the amount of \$1,200,000.00. After submitting an initial loan package, First Choice responded with an initial list of terms that the Association did not have the ability to comply with.

3. In addition to the above banks, some of which were referred by the brokers, I also worked with two loan brokers in order to secure a loan for the Association: Bill Rayman, and Tony Coldesina. Those efforts were also ultimately unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on February 13, 2019, in Los Angeles, California.


James H. Donell

DECLARATION OF TERESA M. CASTELLI

I, Teresa M. Castelli, declare as follows:

1. I am an advanced certified paralegal in the law firm of Ervin Cohen & Jessup LLP, The facts stated herein are known to me from my personal knowledge and based upon the books and records regularly used and maintained in my business. If called upon to do so, I could and would competently testify as to all facts contained herein.

2. In accordance with California Rules of Court, Rule 3.1203, I notified the parties of the Receiver’s intent to present the ex parte (the “Application”) Application of Stephen J. Donell, State Court Receiver, For Order Authorizing Receiver to Levy An Emergency Assessment In The Amount Of \$1,313,000.00 To Pay For 1) Roof Replacement; 2) Boiler Replacement; 3) Common Area Repairs/Replacements; 4) Repairs To Units Damaged By Water Intrusion From Common Areas; and 5) Outstanding and Unpaid Expenses and Anticipated Expenses of Tarzana Plaza Condominiums Association, Including Fees and Costs of Receiver and His Counsel.

a. On February 15, 2018, at 7:26 a.m., I emailed counsel for defendant Rubicelia Schultz, Alan F. Broidy, special counsel Robb Strom, CC&R Counsel Robert Hillshafer, and Eugene Saal, Silvana Solari, Tony Harris, and Kandy Deprosse and informed them that the Receiver would present this Application before the Court on February 19, 2019 at 8:30 a.m. in Department A, and request an order from this Court. Attached hereto as Exhibit “E” is a true and correct copy of that email. I also telephoned Linda Cooper at 8:00 a.m. and advised her of the hearing.

b. I inquired if the parties planned to oppose the Application.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 15th day of February, 2019, at Beverly Hills, California.

Teresa M. Castelli

TERESA M. CASTELLI

EXHIBIT “B”

**SECTION 075419
MECHANICALLY - ATTACHED
THERMOPLASTIC MEMBRANE ROOFING OVER
EXISTING BUILT-UP ROOFING**

**TARZANA PLAZA CONDOMINIUM ASSOCIATION
18530 HATTERAS STREET
TARZANA, CALIFORNIA**

INSTRUCTION TO BIDDERS

PART 1 - RECEIPT OF BIDS

1.01 TIME

- A. Bids are due on or before **December 20, 2018**. Bid proposals to be submitted to the place listed below. Proposals received later than the determined time and date will not be considered.

1.02 PLACE

- A. Bids to be mailed to: Mr. Steven Donell, Receiver, Tarzana Plaza Condominium Association, 13040 Cerise Avenue, Hawthorne, CA 90250; with a copy to Nils van Dijk, Van Dijk & Associates, Inc., 28 Hammond, Suite G, Irvine, CA 92618.

PART 2 - EXAMINATION OF CONDITIONS

2.01 Filing of a bid shall be prima facie evidence that bidder has complied with the following:

- A. Carefully examined the contract documents.
- B. Attended the pre-bid conference.
- C. Investigated existing conditions and limitations.
- D. Included in proposal a sum sufficient to cover all items required by the contract documents.
- E. Is familiar with pertinent rules and regulations of government bodies having jurisdiction, state or labor and materials market, and has made allowance for all contingencies.

PART 3 - INTERPRETATIONS

- 3.01 Bidders shall promptly notify building engineer of any ambiguity, inconsistency, or error that they may discover upon examination of the bidding documents, or of the site and local conditions.
- 3.02 Any interpretation, correction, or change of the bidding documents will be made by Addendum. Interpretations, corrections, or changes of the bidding documents made in any other manner will not be binding, and bidders shall not rely upon such interpretations, corrections, and changes.
- 3.03 Neither Tarzana Plaza Condominium Association nor Van Dijk & Associates, Inc. will be responsible for an oral interpretation.

PART 4 - SUBMITTALS

- 4.01 With bid, submit in triplicate:
 - A. Name of main materials manufacturer.
 - B. List of projects similar in size and materials with references.
- 4.02 Prior to the start of the job submit to Tarzana Plaza Condominium Association:
 - A. Copy of permit, if required.
 - B. Manufacturer's Literature: Most recent copy of literature applicable to all products to be used.
 - C. Samples of materials to be used at the site.
 - D. Any material delivered to the job site prior to the contractor receiving written approval of the submitted material shall be removed from the job site prior to the start of the job.
 - E. Evidence of insurance.
- 4.03 Request for Payment: With request of payment, submit Bill of Lading of all material used for which payment is requested.
 - A. Bill of Lading shall include manufacturer, product designation, and quantity.

PART 5 - PROTECTION OF WORK AND PROPERTY

- 5.01 Provide and maintain at all times any danger signs, guards, and/or obstructions necessary to protect the public and workmen from any dangers inherent with or created by the work in progress.
- 5.02 Hold the Tarzana Plaza Condominium Association harmless from any loss arising due to injury or accident to the public or workmen, or from theft of materials stored at the job site.
- 5.03 Repair, refinish, and make good any damage to the building resulting from any decking operation. This shall include, but is not limited to, any damage to plaster, tile work, wall covering, paint, ceilings, floors, or any other finished work. Damage done to the building, equipment, or property must be repaired at the contractor's expense, holding the Tarzana Plaza Condominium Association harmless from any other claims for property damage and/or personal injury.
- 5.04 Assume full responsibility for protection and safekeeping of products stored on premises.
- 5.05 The contractor shall agree to hold the Tarzana Plaza Condominium Association harmless in any and all liability of every nature and description that may be suffered through bodily injuries, including death of any persons by reason of negligence of the contractor, agents, employees, or subcontractors.

PART 6 - CONTRACTOR'S INSURANCE

- 6.01 Contractor and each subcontractor shall maintain at its sole cost and expense, during the performance of the work under this Contract, the following insurance coverage. If contractor fails to effect and maintain insurance as provided herein, Tarzana Plaza Condominium Association may, but is not required to, obtain such insurance and charge the cost thereof to contractor. Contractor will indemnify Tarzana Plaza Condominium Association if Tarzana Plaza Condominium Association is damaged by failure of contractor to take out or maintain such insurance.
 - A. Workers Compensation Insurance:
 - 1. Workers Compensation and Employers Liability Insurance covering all liability imposed by law with respect to the employees of contractor and each subcontractor engaged in

work covered by the Contract. The scope of such coverage shall include the employees of contractor and each subcontractor as determined by the workers' compensation laws of the State of California.

B. Public Liability Insurance:

1. **Bodily Injury and Property Damage.** A Comprehensive General Liability Policy providing bodily injury and property damage liability insurance with respect to work performed by contractor and each subcontractor covering liability for damages by reason of bodily injury, sickness, or disease, including death at any time resulting there-from, and by reason of injury to, loss, or destruction of property of others all arising directly or indirectly out of or in connection with the performance of the work. Such insurance shall be carried with a California admitted insurance carrier acceptable to Tarzana Plaza Condominium Association and licensed to do business in the State of California, with policy limits of not less than \$1,000,000.00 Combined Single Limits for injury to, or death of, any number of persons or for damage to property of others including explosion and collapse.

C. Homeowners Association as additional insured:

1. Contractor shall cause Tarzana Plaza Condominium Association to be named as an additional insured on the insurance policy or policies required by subparagraphs above.

D. Products and completed operations.

E. Owners and contractor's protective liability.

F. Verifications of Insurance:

1. Prior to contractor's commencement of its performance of this Contract, contractor shall deliver or cause to be delivered to Tarzana Plaza Condominium Association duly executed verifications of insurance evidencing compliance with the provisions of the subparagraphs above.

End of Section

EXHIBIT “C”



VAN DIJK & ASSOCIATES, INC.

Roofing, Waterproofing, and Building Envelope Consulting Services
28 Hammond, Suite G • Irvine, CA 92618 • 949/586-3828 • Fax: 949/586-7429
www.vdiconsulting.com

December 31, 2018

Mr. Todd Donell, Receiver
FedReceiver
13040 Cerise Avenue
Hawthorne, CA 90250

RE: Bid Results

PROJECT: Tarzana Plaza Condominium Association
18530 Hatteras Street
Tarzana, California

Dear Mr. Donell:

Van Dijk & Associates, Inc. solicited bids for the Sika Sarnafil roof system, and we received bids from ADCO Roofing, Eberhard, and Pacific Single Ply.

The following is a complete side-by-side breakdown for each contractor that supplied bids on the bid forms provided:

ADCO ROOFING

EBERHARD

PACIFIC SINGLE PLY

Base Bid: \$404,968.00

Base Bid: \$578,780.00

Base Bid: \$421,800.00

UNIT PRICING:

1. Lineal foot price for removal and installation of new plywood to replace damaged/dry-rotted plywood.

ADCO Roofing: ½" CDX or OSB \$95.00

Eberhard: \$75.00

Pacific Single Ply: \$75.00

¾" CDX \$130.00/Per 4' x 8' Sheet

2. Lineal Foot cost to remove and replace any damaged fascia boards.

ADCO Roofing: \$15.00

Eberhard: \$35.00

Pacific Single Ply: \$15.00

3. Provide unit cost to install additional 96 mil PVC protection walk treads.

ADCO Roofing: \$35.00/Lin. Ft.

Eberhard: \$28.00/Lin. Ft.

Pacific Single Ply: \$50.00/Lin. Ft.

4. Replace broken skylight domes (3 x 3 skylight).

ADCO Roofing: \$950.00/ea.

Eberhard: \$750.00/ea.

Pacific Single Ply: \$500.00/ea.

Work to be completed in 8 weeks

Work to be completed in 6 weeks

Work to be completed in 6 weeks

Bid firm for 90 days

Bid firm for 30 days

Bid firm for 30 days

Full-time Quality Assurance Inspections

Van Dijk & Associates, Inc. recommends full-time quality assurance inspection services during the re-roofing processes to verify that the work is being performed in accordance with the specifications, manufacturer's installation instructions, and industry standards.

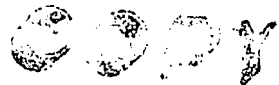
We also wish to make you aware that Van Dijk & Associates, Inc. can only document and verify the installation process while we are on site. We cannot verify the quality of any work performed without the presence of an inspector. Please let me know if you would like us to provide a proposal for the inspection services.

This concludes our bid breakdown for Tarzana Plaza Condominium Association roofing project. Please contact us with any questions regarding the information herein.

Sincerely,

Nils van Dijk

Nils van Dijk
President



**SECTION 075419
MECHANICALLY - ATTACHED
THERMOPLASTIC MEMBRANE ROOFING OVER
EXISTING BUILT-UP ROOFING**

**TARZANA PLAZA CONDOMINIUM ASSOCIATION
18530 HATTERAS STREET
TARZANA, CALIFORNIA**

BID PROPOSAL

Company Bidding: Eberhard

Responsible Person: Dave Stefko

Deliver to:
Mr. Todd Donell, Receiver
Tarzana Plaza Condominium Assoc.
13040 Cerise Avenue
Hawthorne, CA 90250

Copy to:
Mr. Nils van Dijk
Van Dijk & Associates, Inc.
28 Hammond, Suite G
Irvine, CA 92618

The undersigned, in compliance with your invitation to bid; in reference to the installation of a Silka Sarnafil roof system; having reviewed the specifications and documents relating to the project, and after examining the site of the proposed work, and being familiar with the conditions surrounding the construction of the proposed project, including availability of labor, we hereby propose to furnish all labor, materials, and supplies, as required for the work in accordance with the Contract Documents, as specified, and within the time set forth, and at the price stated below. The price shall cover all expenses incurred in performing the work required under the Contract Documents of which this proposal is a part.

Base Bid:

1. Under the heading of the base bid, the undersigned proposes to furnish all labor, materials, equipment, and assume all costs incurred to perform and complete the work as outlined in the roofing specification on all buildings for the amount of:
Five Hundred Seventy Eight Thousand Seven Hundred Eighty
Dollars (\$ 578,780.00).

Weather permitting, I/we guarantee to complete the work within 6 weeks after receipt of "Notice to Proceed", should I/We be the successful bidder.

This bid shall remain firm for 30 days after bid opening.

Unit Pricing:

Contractor shall submit a unit and/or time and materials price, including all labor and material costs, for the following items:

- I. Plywood: Provide a unit cost to remove and replace any damaged plywood.
_____ \$75.00 /Lineal Foot

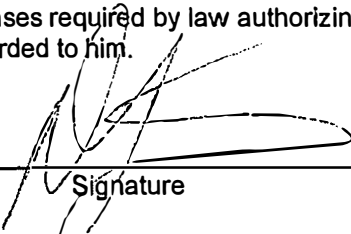
- II. Facia Boards: Provide a unit cost to remove and replace any damaged facia boards. Please note that Facia Board replacement at all Penthouse roofs is to be included in the base bid (per the specification).
_____ \$35.00 /Lineal Foot

- III. Walk Pads: Provide a unit cost to install additional 96 mil PVC protection walk tread at additional locations determined by Owner's Representative.
_____ \$28.00 /Lineal Foot

- IV. Replace broken skylight domes
_____ \$750.00 /3 x 3 skylight.

The undersigned has or will have all licenses required by law authorizing him to bid upon and perform the Contract if awarded to him.

Respectfully submitted,

Eberhard	
Contractor	Signature
Dave Stefko	Sr. Vice President
Print Name	Title
15220 Raymer Street	
Address	
Van Nuys, CA 91405	
City, State, Zip Code	
329087	
Contractor's License No.	

Statement of Bidders Qualifications

Submitted by:

Rachelle Kesten

Name of Contracting Company

Eberhard

Address, City, State, Zip : 15220 Raymer Street, Van Nuys, CA 91405

A Corporation Partnership _____ Individual _____

Years in business? 73

As a General Contractor 73 As a Subcontractor 73

If a Corporation:

Incorporation date 11/1/1976 State of Incorporation California

Name, Title, and address of all Principle Officers:

Brian Mowatt, President, CEO, CFO, COB, Asst. Corp. Secretary

Dave Stefko, Sr. Vice President, COO, Corporate Secretary

Address for Principle Officers: 15220 Raymer Street, Van Nuys, CA 91405

If a co-partnership, date of organization N/A

Name, title, and address of all partners:

N/A

Insurance Company Mark Insurance Services (Broker)

Bonding Company Fidelity & Deposit Company of Maryland

Amount of Liability Please see attached sample insurance certificate.

Auto Liability Please see attached sample insurance certificate.

Have you ever refused to sign a contract of your original bid? No

Have you ever defaulted on a contract? No If so, attach separate statement listing location, owner, and circumstances. Bidder may be required to submit financial information at owner's request.

Please include the following with this statement:

- List of references with telephone numbers.
- List of previous projects completed using similar materials.
- Copy of applicable licenses.

**SECTION 075419
MECHANICALLY - ATTACHED
THERMOPLASTIC MEMBRANE ROOFING OVER
EXISTING BUILT-UP ROOFING**

**TARZANA PLAZA CONDOMINIUM ASSOCIATION
18530 HATTERAS STREET
TARZANA, CALIFORNIA**

BID PROPOSAL

Company Bidding:

Pacific Single Ply

Responsible Person:

Al Montoya

Deliver to:

Mr. Todd Donell, Receiver
Tarzana Plaza Condominium Assoc.
13040 Cerise Avenue
Hawthorne, CA 90250

Copy to:

Mr. Nils van Dijk
Van Dijk & Associates, Inc.
28 Hammond, Suite G
Irvine, CA 92618

The undersigned, in compliance with your invitation to bid; in reference to the installation of a Sika Sarnafil roof system; having reviewed the specifications and documents relating to the project, and after examining the site of the proposed work, and being familiar with the conditions surrounding the construction of the proposed project, including availability of labor, we hereby propose to furnish all labor, materials, and supplies, as required for the work in accordance with the Contract Documents, as specified, and within the time set forth, and at the price stated below. The price shall cover all expenses incurred in performing the work required under the Contract Documents of which this proposal is a part.

Base Bid:

- I. Under the heading of the base bid, the undersigned proposes to furnish all labor, materials, equipment, and assume all costs incurred to perform and complete the work as outlined in the roofing specification on all buildings for the amount of:

Four Hundred Twenty One Thousand Eight Hundred
Dollars (\$ 421,800.00).

Weather permitting, I/we guarantee to complete the work within 6 weeks after receipt of "Notice to Proceed", should I/We be the successful bidder.

This bid shall remain firm for 30 days after bid opening.

Unit Pricing:

Contractor shall submit a unit and/or time and materials price, including all labor and material costs, for the following items:

- I. Plywood: Provide a unit cost to remove and replace any damaged plywood.

\$5.00 /Lineal Foot

- II. Facia Boards: Provide a unit cost to remove and replace any damaged facia boards. Please note that Facia Board replacement at all Penthouse roofs is to be included in the base bid (per the specification).

\$15.00 /Lineal Foot

- III. Walk Pads: Provide a unit cost to install additional 96 mil PVC protection walk tread at additional locations determined by Owner's Representative.

\$50.00 /Lineal Foot

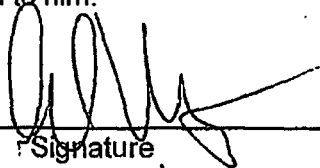
- IV. Replace broken skylight domes

\$500.00 /3 x 3 skylight.

The undersigned has or will have all licenses required by law authorizing him to bid upon and perform the Contract if awarded to him.

Respectfully submitted,

PACIFIC SINGLE PLY INC
Contractor


Signature

AL MONTOYA
Print Name

PRESIDENT
Title

P.O. BOX 217
Address

LA HABRA, CA 90633
City, State, Zip Code

777968
Contractor's License No.

Statement of Bidders Qualifications

Submitted by: AL MONTOYA

Name of Contracting Company PACIFIC SINGLE PLY INC

Address, City, State, Zip PO BOX 217 LA HABRA, CA 90633

A Corporation Partnership _____ Individual _____

Years in business? 24 YRS

As a General Contractor _____ As a Subcontractor

If a Corporation:

Incorporation date 9/3/2003 State of Incorporation CA

Name, Title, and address of all Principle Officers:
AL MONTOYA - PRESIDENT P.O. Box 217 LA HABRA, CA 90633
BERNICE MONTOYA - SECRETARY SAME

If a co-partnership, date of organization N/A

Name, title, and address of all partners: N/A

Insurance Company WILLIS TOWERS WATSON SERVICES OF CA. INC

Bonding Company SURETEC INSUR. CO.

Amount of Liability EA. OCC. 2,000,000 AGGR. 5,000,000

Auto Liability 1,000,000

Have you ever refused to sign a contract of your original bid? NO

Have you ever defaulted on a contract? NO. If so, attach separate statement listing location, owner, and circumstances. Bidder may be required to submit financial information at owner's request.

Please include the following with this statement:

- List of references with telephone numbers.
- List of previous projects completed using similar materials.
- Copy of applicable licenses.

PACIFIC SINGLE PLY ROOFING INC - REFERENCES

Trade References:

1. Sika Sarnafil
Paul Phillips
310-528-3348
2. Structural Materials
Dave Westcott
323/974-2233
3. PCH Sheet Metal
Jim McGarry
949/361-9905

General Contractors:

Waisman Construction
Guy Waisman
818-518-7735

Del Amo Construction
Jeff James
310-378-6203

ODC Engineering & Technology
Oved Dagan
818-943-7533



CITY OF LOS ANGELES
 OFFICE OF FINANCE
 P.O. BOX 53200
 LOS ANGELES CA 90053-0200

21 100-004176 0703 1

PACIFIC SINGLE PLY ROOFING INC
 DBS PACIFIC SINGLE PLY
 PO BOX 217
 LA HABRA CA 90633-0217

1707 NABAL ROAD
 LA HABRA HEIGHTS, CA 90631-8251

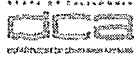
THIS CERTIFICATE MUST BE POSTED AT PLACE OF BUSINESS

CITY OF LOS ANGELES TAX REGISTRATION CERTIFICATE				
THIS CERTIFICATE IS GOOD UNTIL SUSPENDED OR CANCELLED				
BUSINESS TAX			ISSUED: 3/25/2007	
ACCOUNT NO.	FUND/CLASS.	DESCRIPTION	STARTED	STATUS
0000172911-0001-5	L188	Contractor	01/23/1995	Active

ISSUED TO

PACIFIC SINGLE PLY ROOFING INC
 DBS PACIFIC SINGLE PLY
 1707 NABAL ROAD
 LA HABRA HEIGHTS, CA 90631-8251
 POST OFFICE BOX #217
 LA HABRA, CA 90633-0217

ISSUED BY:
Christopher D. Christensen
 DIRECTOR OF FINANCE



CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE



License Number **777968**

CORP

Board Name **PACIFIC SINGLE PLY ROOFING
INC**

Contract Class **C39**

Expiration Date **05/31/2020**

www.cslb.ca.gov



**SECTION 075419
MECHANICALLY - ATTACHED
THERMOPLASTIC MEMBRANE ROOFING OVER
EXISTING BUILT-UP ROOFING**

**TARZANA PLAZA CONDOMINIUM ASSOCIATION
18530 HATTERAS STREET
TARZANA, CALIFORNIA**

BID PROPOSAL

Company Bidding: Adco Roofing and Waterproofing

Responsible Person: Andrew Triphon

Deliver to:
Mr. Todd Donell, Receiver
Tarzana Plaza Condominium Assoc.
13040 Cerise Avenue
Hawthorne, CA 90250

Copy to:
Mr. Nils van Dijk
Van Dijk & Associates, Inc.
28 Hammond, Suite G
Irvine, CA 92618

The undersigned, in compliance with your invitation to bid; in reference to the installation of a Sika Sarnafil roof system; having reviewed the specifications and documents relating to the project, and after examining the site of the proposed work, and being familiar with the conditions surrounding the construction of the proposed project, including availability of labor, we hereby propose to furnish all labor, materials, and supplies, as required for the work in accordance with the Contract Documents, as specified, and within the time set forth, and at the price stated below. The price shall cover all expenses incurred in performing the work required under the Contract Documents of which this proposal is a part.

Base Bid:

I. Under the heading of the base bid, the undersigned proposes to furnish all labor, materials, equipment, and assume all costs incurred to perform and complete the work as outlined in the roofing specification on all buildings for the amount of:

Four Hundred Four Thousand Nine Hundred Sixty Eight Dollars (\$ 404,968.00).

Weather permitting, I/we guarantee to complete the work within 8 weeks after receipt of "Notice to Proceed", should I/We be the successful bidder.

This bid shall remain firm for 90 days after bid opening.

Unit Pricing:

Contractor shall submit a unit and/or time and materials price, including all labor and material costs, for the following items:

I. Plywood: Provide a unit cost to remove and replace any damaged plywood.

1/2" CDX or OSB \$95.00 / 3/4" CDX \$130.00 /Per 4' x 8' Sheet

II. Facia Boards: Provide a unit cost to remove and replace any damaged facia boards. Please note that Facia Board replacement at all Penthouse roofs is to be included in the base bid (per the specification).

15.00 /Lineal Foot

III. Walk Pads: Provide a unit cost to install additional 96 mil PVC protection walk tread at additional locations determined by Owner's Representative.

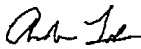
35.00 /Lineal Foot

IV. Replace broken skylight domes

950.00 /3 x 3 skylight.

The undersigned has or will have all licenses required by law authorizing him to bid upon and perform the Contract if awarded to him.

Respectfully submitted,



Adco Roofing
Contractor Signature

Andrew Triphon Vice President
Print Name Title

5743 Cahuenga Blvd.
Address

North Hollywood, CA 91601
City, State, Zip Code

560144
Contractor's License No.

Statement of Bidders Qualifications

Submitted by:

Adco Roofing and Waterproofing
Name of Contracting Company
5743 Cahuenga Blvd.
Address, City, State, Zip

A Corporation Partnership _____ Individual _____

Years in business? 31

As a General Contractor As a Subcontractor

If a Corporation:

Incorporation date 03/1987 State of Incorporation California

Name, Title, and address of all Principle Officers:

Dmitri Triphon – President 10430 Wilshire Blvd. #1206, Los Angeles, CA

Andrew Triphon – Vice President 2364 Brookshire Ln., Los Angeles, CA

If a co-partnership, date of organization _____

Name, title, and address of all partners:

Insurance Company Colony Ins. Co.

Bonding Company Philadelphia Indemnity

Amount of Liability 2 Million

Auto Liability 1 Million

Have you ever refused to sign a contract of your original bid? No

Have you ever defaulted on a contract? No. If so, attach separate statement listing location, owner, and circumstances. Bidder may be required to submit financial information at owner's request.

Please include the following with this statement:

- List of references with telephone numbers.
- List of previous projects completed using similar materials.
- Copy of applicable licenses.

EXHIBIT “D”

A.S.H.B.E.A. - G.A.E.S. - A.S.T.M.E. - C.E.T. - A.S.S.E. - I.A.P.M.O

Bateman Water Heating Engineering, Inc.

The Commercial Hot Water Equipment Specialist
"Yesterday's Quality with Today's Technology"

48 Years in Business - Established 1969

(323) 254 - 4303

License Number 650285

C4 Boiler, C10 Electrical and C36 Plumbing

Email Address: bateman1826@sbcglobal.net

1826 Colorado Boulevard - Los Angeles - California - 90041 - 1340

Design - Installation - Service - Maintenance - Sales - Consultation - Engineering

30 March 2018

Hatteras Plaza HOA
c/o Thomas II
J&N Realty, Inc.
P. O. Box 9850
Canoga Park, CA 91309

IMPORTANT SERVICE AND REPAIR CORRECTIONS REQUIRED

Updated Proposal for the Central Hot Water Equipment at

18530 HATTERAS STREET, TARZANA- LOS ANGELES CALIFORNIA 91365

▶ Please Disregard the Previous Proposal Now Void ◀

Good Day Thomas...

Based on the most recent service on the hot water equipment, our specialist David recommends the following. Please keep in mind that several of the items recommended are safeties and components that can cause hot water outage, higher operating cost or premature damage to the equipment. NOTE: The hot water equipment is not installed properly relating to the hot water storage tank. The size of this tank is too small for the heat input of the boiler. Even if the boiler is repaired it will be over worked because of rapid cycling of controls because of this small hot water tank. It would be best to replace the existing hot water equipment with properly sized equipment with a regular maintenance service for best performance.

HOT WATER BOILER REPAIRS...

1. The main circulating pump assembly for the hot water boiler is worn and is operating above the manufacturer's allowable amperage rating. This pump assembly circulates the water between the boiler and the hot water storage tank. To reduce the risk of no hot water from pump failure, this pump assembly needs to be replaced.
2. The refractory block in the combustion chamber for the hot water boiler is worn and cracked. These tiles keep the heat within the fire chamber of the boiler. Cracked pieces of fire tile can fall onto the burners causing incomplete combustion, carbon soot build-up on the heat exchanger, and overheating of the sheet metal. This can cause further damage to the boiler. The refractory block needs to be replaced.

3. The inlet-outlet header casting for on boiler are corroded and intermittently leaking hot water at the thermostat header wells. The header casting attaches to the boiler heat exchanger and allows water to and from the copper fin tubes. The casting also houses the thermostat header wells which sense water temperature. To avoid water damage from a major hot water leak the inlet-outlet header casting needs to be replaced.
4. The heat exchanger for the hot water boiler has debris accumulation on the external copper fin tubes. This is not allowing the burner flames to transfer heat into the water flowing through the heat exchanger efficiently. The boiler can experience damage over time if not corrected. However, the existing heat exchanger (if it has not been previously replaced) is over 18 years old and at the end of its useful life. Because of the age, it is possible that one (or more) of the copper fin tubes can leak after a tube cleaning is completed. We recommend being proactive replacing the heat exchanger now instead of cleaning and causing a leak or an emergency no hot water situation.
5. The safety flow switch for the hot water boiler is corroded and operating with weak tension. This safety senses the flow of water through the boiler heat exchanger. Its function is to open the electrical circuit to the main gas valve when there is an inadequate flow of water to absorb the combustion heat from the burners. If water flow is not properly sensed, the gas valve may not shut down. This is an unsafe condition, which can cause annealing of the heat exchangers and possible rupture due to constant flame. The safety flow switch needs to be replaced.
6. The existing hot water boiler has multiple firing stages. Each stage has its own gas valve. When there is a call for heat, the boiler will fire up the first stage. As the call for heat increases, the remaining stages will fire up in sequence to provide the required hot water. However, the second stage gas valve is slow to respond and the third stage gas valve is not operating. In order to restore full burner operation, the second and third stage gas valves need to be replaced.
7. The low water cut off for the hot water boiler is not operating. The low water cut off senses water levels in the heat exchanger. Its function is to open the circuit to the main gas valve if there is inadequate amount of water to absorb the heat of combustion from the burners. To reduce the risk of damage to the boiler heat exchanger, the low water cut off needs to be replaced.
8. The multi-stage temperature controller for the hot water boiler is out of calibration. This temperature controller is designed to activate the firing stages upon call for heat. To reduce the risk of improper operation of the hot water boiler the multi-stage temperature controller needs to be replaced.
9. The hot water boiler is experiencing rough ignition because the burner are worn and cracked. This condition can cause the burner ports to enlarge, improper flame patterns, and carbon soot build- up on heat exchanger. The worn and cracked burners have to be replaced.
10. The hot surface igniter for the hot water boiler is operating above the manufacturer's recommended ohm ratings. The igniter ignites the gas in the main burners once it has properly energized and reached an adequate temperature for combustion to occur. The hot surface igniter should be replaced.
11. The flame sensor for the hot water boiler is warped. This sensor senses the burner flames and needs to be replaced before failure occurs.
12. The combustion chamber view ports for the hot water boiler are faded and cannot be used to view the burner flames. The view ports are used for visual inspection of the burners to assure proper flame patterns. The combustion chamber view ports need to be replaced.

13. The main circulating pump assembly for the hot water boiler is operating continuously. This can cause premature wear and tear of the main circulating pump, boiler piping, and heat exchanger. We recommend installing an Economaster pump control to reduce the on time of the boiler main circulating pump. This helps cut down on the overall operating cost of the hot water equipment. The Economaster pump control should be installed.

THE FOLLOWING ARE BENEFITS PROVIDED BY THE ECONOMASTER PUMP CONTROL...

- Lowers natural gas expenses. This is because the Economaster makes the hot water equipment work less!
- Lowers electrical expenses. The Economaster shuts off the hot water equipment pumps and controls when the water reaches the desired temperature.
- Components of the hot water equipment last longer. With the hot water equipment completely shutting down, the wear and tear normally associated with a system without the Economaster is eliminated.
- The Economaster control is fully automatic. Once the thermostat on the tank calls for heat the Economaster control sends power to the pump, and normal operation of the boiler resumes.
- Reliability. The Economaster is a computer circuit board and all the components are solid-state. The manufacturer has used the Economaster control for over 11 years. All new commercial hot water equipment now comes with some type of Economaster control.

DESCRIPTION OF WORK TO BE COMPLETED...

14. The main circulating pump assembly will be replaced. We will supply and install one (1) new main circulating pump assembly using necessary ancillary material.
15. The fire tiles will be replaced. We will supply and install all new fire tiles using necessary ancillary material.
16. The inlet-outlet header casting will be replaced. We will supply and install one (1) new inlet-outlet header casting using necessary ancillary material.
17. The boiler heat exchanger if approved will be replaced. We will supply and install one (1) new copper fin tube heat exchanger (if approved) using necessary ancillary material.
18. The flow switch will be replaced. We will supply and install one (1) new safety flow switch using necessary ancillary material.
19. The second and third stage gas valves will be replaced. We will supply and install two (2) new gas valves using necessary ancillary material.
20. The low water cut off will be replaced. We will supply and install one (1) new low water cut off using necessary ancillary material.
21. The multi-stage temperature controller will be replaced. We will supply and install one (1) new multi-stage temperature controller using necessary ancillary material.
22. The burners will be replaced. We will supply and install all new burners (14 total) using necessary burner ports and ancillary material.
23. The hot surface igniter will be replaced. We will supply and install one (1) new hot surface igniter using necessary ancillary material.
24. The flame sensor will be replaced. We will supply and install one (1) new flame sensor using necessary ancillary material.

25. The combustion chamber view ports will be replaced. We will supply and install two (2) new combustion chamber view ports using necessary ancillary material.
26. The hot water equipment will be equipped with an Economaster pump control using necessary ancillary material.
27. This work will be completed in accordance to applicable codes and in a professional manner for the sum of \$9,594.00 including parts, tax, and labor. A 50 percent deposit in the amount of \$4,797.00 is required and the remaining balance is due upon completion of work. This amount is based on regular time labor hours from Monday thru Friday 09:00 am – 15:00 pm. This proposal will be void 30 days after date on page 1. If this proposal is approved and canceled prior to completion of work, there will be a 20 percent restocking fee of \$1,918.80. If your hot water equipment were on our maintenance program, you could have saved \$594.00 on the above quoted work.
28. To replace the heat exchanger at the same time (recommended), the additional cost will be \$4,042.00.

BOILER PIPE REPLACEMENT...

29. There are sections of the boiler outlet pipe that is corroded. To reduce the risk of water damage from a major hot water leak, the corroded section of the boiler outlet pipe needs to be replaced.

DESCRIPTION OF WORK TO BE COMPLETED...

30. The corroded section of the boiler outlet pipe will be replaced. We will supply and install the needed heavy duty copper "L" pipe, pipe fittings, heavy duty full port shut off valve, and ancillary material.
31. This work will be completed in accordance to applicable codes and in a professional manner for the sum of \$956.00 including parts, tax, and labor. A 50 percent deposit in the amount of \$478.00 is required and the remaining balance is due upon completion of work. This amount is based on regular time labor hours from Monday thru Friday 09:00 am – 15:00 pm. This proposal will be void 30 days after date on page 1. If this proposal is approved and canceled prior to completion of work, there will be a 20 percent restocking fee of \$191.20. If your hot water equipment were on our maintenance program, you could have saved \$99.00 on the above quoted work.

RETURN LINE UPGRADE...

32. The existing hot water return circulating loop consists of two (2) recirculating lines that tee in to a common return line at the hot water equipment. However, the two incoming lines and common return line are of the same size. This causes water flow restriction and low return water temperature. Also, units are now experiencing prolonged waits for hot water because of this. The common return circulating line needs to be replaced with a larger properly sized pipe that will handle the water flow.
33. The common return line is currently equipped with a return circulating pump assembly that is too small for this application. To increase water flow and to have proper hot water recirculation, the recirculating pump assembly needs to be removed and each return line should be equipped with its own pump assembly.

DESCRIPTION OF WORK TO BE COMPLETED...

34. The common return circulating pipe at the hot water equipment will be replaced with a larger pipe to handle the required flow rate of two hot water return circulating lines. We will supply and install all new heavy duty copper "L" pipe, pipe fittings, heavy duty full port shut off valve, commercial grade 1- inch thick R6 polyurethane closed cell hot water piping insulation, and ancillary material.

35. The two smaller return lines will be equipped with return circulating pump assemblies. We will supply and install two (2) new hot water return circulating pump assemblies using necessary ancillary material.
36. This work will be completed in accordance to applicable codes and in a professional manner for the sum of \$3,271.00 including parts, tax, and labor. A 50 percent deposit in the amount of \$1,635.50 is required and the remaining balance is due upon completion of work. This amount is based on regular time labor hours from Monday thru Friday 09:00 am – 15:00 pm. This proposal will be void 30 days after date on page 1. If this proposal is approved and canceled prior to completion of work, there will be a 20 percent restocking fee of \$654.20. If your hot water equipment were on our maintenance program, you could have saved \$221.00 on the above quoted work.

HOT WATER EQUIPMENT REPLACEMENT...

37. As previously mentioned, the existing hot water boiler and storage tank are underside for this application. Because the boiler is being overworked it is deteriorating and needs the extensive repairs mentioned above. Also, the existing hot water storage tank cannot be utilized because it does not meet the minimum storage capacity required by the manufacturer. In accordance to the manufacturer's sizing requirements (see listed unit count below), the building needs two (2) 175-gallon hot water storage tanks. In order to use the existing tank, the manufacturer recommends a larger hot water boiler which does not fit in the boiler room.
38. NOTE: If replacement of the hot water equipment is chosen, the Return Line Upgrade listed still needs to be approved and completed at the same time.
39. We have sized the hot water demand for this building using the most current industry standard guidelines based on the following information. This building consists of 59 one (1) bedroom one (1) bath units (with an average of 2 people per unit), 42 two (2) bedroom two (2) bath units (with an average of 4 people per unit), and 14 common use clothes washers. Please check the above sizing information for accuracy. If correct, we will guarantee the proper size of the new hot water heater and storage tank. By signing and approving this proposal you are verifying this unit count information above is accurate.
40. For over 45-years, we have specialized in commercial hot water equipment and related systems. Even though we have our boiler, electrical, plumbing and hazardous material removal licenses, we use them in only our specialty work. All commercial hot water equipment may look similar on the surface; but in fact, there are important differences other than the price.
41. Before our new equipment proposals are sent out, we take many items into consideration:
 - Life cycle costs
 - Reliability
 - Rebates
 - Repair and maintenance cost
 - Efficiency
 - Proper sizing
 - Redundancy
 - Repair parts availability
42. As you can see, we put your investment in new hot water equipment first – because if installed correctly and properly maintained; it may perform well for you for over 25-years.

DESCRIPTION OF WORK TO BE COMPLETED...

43. The existing hot water boiler will be removed and properly recycled. We will supply and install one (1) new WH9-1262C Low NOx hot water boiler equipped with a cupro nickel heat exchanger, low lead main circulating pump assembly, temperature controller, and necessary ancillary material.
44. The existing hot water storage tank will be drained, disconnected, and properly recycled. We will supply and install two (2) new 175-gallon fully factory insulated ASME commercial grade hot water storage tanks using code required safety temperature and pressure relief valves, relief valve drain lines, and ancillary material.
45. The water connections at the hot water equipment will be properly re-piped as needed to complete the installation of the new hot water equipment using heavy duty copper "L" pipe, pipe fittings, heavy duty full port shut off valves, check valve, commercial grade 1-inch thick R6 polyurethane closed cell hot water piping insulation, and ancillary material.
46. The new hot water storage tanks will be earthquake restrained as required by code. We will supply and install the required earthquake restraints using necessary ancillary material.
47. The new hot water equipment will be installed with a correctly sized and code required thermal expansion tank. We will supply and install one (1) new thermal expansion tank using necessary heavy duty copper "L" pipe, pipe fittings, heavy duty full port shut off valve, earthquake restraining bracket, and ancillary material.
48. The gas connection at the hot water boiler will be properly re-piped as needed to complete the installation of the hot water heater using necessary black iron pipe, pipe fittings, code required sediment trap, and ancillary material.
49. The electrical connections at the hot water equipment will be properly re-worked as needed to accommodate the installation of the hot water equipment using necessary surge protection and ancillary material.
50. The vent connection at the hot water equipment will be replaced as needed to accommodate the installation of the new heater using necessary type "B" double wall vent connector, barometric draft diverter, and ancillary material.
51. Once the new hot water equipment is installed, we will complete the initial startup and thorough inspection to confirm proper operation and peak performance.
52. This work will be completed in accordance to applicable codes and in a professional manner for the sum of \$38,688.00 including parts, tax, and labor. A 50 percent deposit in the amount of \$19,344.00 is required and the remaining balance is due upon completion of work. This amount is based on regular time labor hours from Monday thru Friday 09:00 am – 15:00 pm. This proposal will be void 30 days after date on page 1. If this proposal is approved and canceled prior to completion of work, there will be a 20 percent restocking fee of \$7,737.60. If your hot water equipment were on our maintenance program, you could have saved \$892.00 on the above quoted work.

THE FOLLOWING SPECIFICATIONS AND WARRANTIES WILL BE INCLUDED...

53. The piping to be installed will be "L" type heavy duty hard copper pipe and quality fittings.
54. The shut off valves will be of heavy duty 2-piece full port ball type with triple sealing stem with 2 Viton® O-rings and Teflon® seal, Blow-out proof 100% leak tested stem with Lifetime Warranty, and they will be of lead-free (AB 1953 Certified) construction as required by the California Health and Safety Code AB 1953 (section 116875) and section 94.604.10 of the 2008 LAPC.

55. The shut off valves are also UL Listed and have the following approvals; VQGU - Trim & drain, NSF 372, NSF 61-8, NSF 61 - Annex G, FM MSS SP-110.
56. The shut off valves will have a Valve Seat Rating of: 1/4" - 3/4" 600 WOG, 1 - 2" 500 WOG - 150 WSP.
57. The check valve will be of swing type check with brass body, internal brass swing, and it will be of low lead (AB 1953 Certified) construction as required by the California Health and Safety Code AB 1953 (section 116875) and section 94.604.10 of the 2008 LAPC.
58. The hot water piping insulation to be installed by Bateman Water Heating only will be of commercial grade 1- inch thick R6 polyurethane closed cell hot water piping insulation.
59. The new thermal expansion tank will be of high grade carbon steel double rolled seal construction with an epoxy coating and a 304 Stain Steel system connection.
60. The expansion tank will be constructed for 150-P.S.I working pressure and is suitable for water temperatures of up to 200 degrees Fahrenheit.
61. The expansion tank has an FDA approved butyl rubber diaphragm, and is IAPMO listed, NSF listed, U.P.C. – NSF-61 Approved, and meets ANSI B1.20.1 standards now in effect.
62. The return circulating pump assemblies will be of stainless steel and lead-free construction as required by the California Health and Safety Code AB 1953 (section 116875) and section 94.604.10 of the 2008 LAPC.
63. The hot water storage tanks will have a capacity of 175-gallons and will have a coating of glass lining and they will be built to ASME code.
64. The new hot water storage tanks will have two (2) removable sacrificial magnesium anode rods.
65. The temperature and pressure relief valves will have a temperature rating of 210 degrees Fahrenheit and a resistance of 150-P.S.I.
66. The hot water storage tanks will be constructed for 160-P.S.I working pressure.
67. The tanks will be jacketed and insulated to meet the energy efficiency standards of ANSI Z21.10.3-2015 and CSA 4.3-2015.
68. The jacket shall be 16-gauge heavy steel, galvanized inside and out, and protected by three coats of acrylic finish.
69. The Raypak hot water boiler will have a ten (10) year limited manufacturer's warranty on the cupro nickel heat exchanger and a one (1) year limited manufacturer's warranty on controls.
70. The new hot water storage tanks will have a five (5) year limited manufacturer's warranty on the tank body from corrosion leaks.
71. The thermal expansion tank will have a six (6) year manufacturer's limited warranty on manufactures workmanship and material defects only.
72. The hot water return circulating pump assemblies will have a two (2) year limited warranty on manufactures workmanship and material defects.
73. The low water cut offs, gas valves, inlet-outlet header casting, burners, safety flow switch, fire tiles, copper fin tube heat exchanger (if replaced), main circulating pump assembly, hot surface igniter, flame sensor, combustion chamber view ports, Economaster pump control, multi-stage temperature controller, check valves, hot water piping insulation, vent connector, and barometric draft diverter will have a one (1) year limited warranty on manufactures workmanship and material defects.

CONDITIONS OF PROPOSAL AND AGREEMENT

74. Material: Unless otherwise specified in the plans and specifications, contractor shall have the right to select all material. When specified material is unavailable, contractor shall have the right to substitute for such specified material of equal or better quality. All preexisting materials, parts, pipe, pipe fittings, valves and other components removed and not reused will become the possession of Bateman Water Heating Engineering, Inc. and will be removed from the site.
75. Contract payment: The contractor shall not be required to proceed with the installation of the work if the payments applying on it have not been made as specified in the contract.
76. Unavoidable interruptions: It is hereby mutually agreed that the contractor shall not be held responsible or liable for any loss, damage or delay caused by fire, strikes, civil or military authority, or by any other cause beyond its control.
77. In the event any process of law is restored to by the contractor to collect any moneys due hereunder, the buyer agrees to pay all costs, interest, and attorney fees incurred.
78. Unless otherwise stated, this proposal does not include the cost of permits, plan drawings, engineering and other related permit costs.
79. The SCAQMD rule 1146.2 requires hot water equipment to meet clean air standards. This type of equipment may operate a fan blower for proper combustion that will cause sounds louder than an atmospheric burner.
80. Title to any of the material sold or installed hereunder by the contractor shall remain with the contractor until all the terms hereof have been complied with, and in the event such material are affixed to realty it is expressly understood and agreed that they shall remain personally subject to removal as hereunder provided, and further that the owner and/or buyer/or customer hereby waives any and all claims for damage to said realty or building caused by the removal of said material or any part hereof.
81. The undersigned gives Bateman Water Heating Engineering, Inc. permission to add up to \$200.00 dollars for unanticipated work if required to establish production of hot water.
82. It is further understood and agreed that this proposal and contract does not include any labor, material, warranties, plan checks, engineering drawings or permits not specifically mentioned here or liability because of failure of existing degraded plumbing components or improperly installed plumbing components by others, excessive hot water use, excessive water velocity, hot water leaks, sediment blockage at fixtures and/or hot water problems at individual unit fixtures that are unknown, unforeseen or not disclosed by the property owner or agent in writing before the approval of this work.
83. The undersigned gives Bateman Water Heating Engineering, Inc. permission to use documentation, photographs, digital media, inspections of equipment and written statements for promotional purposes.

Please indicate work approved by checking off boxes below and faxing to (323) 254-9393 or e-mail back to bateman1826@sbcglobal.net...

84. <input type="checkbox"/>	Hot Water Boiler Repairs_____	\$9,594.00
85. <input type="checkbox"/>	Heat Exchanger Replacement at Same time Add_____	\$4,042.00
86. <input type="checkbox"/>	Boiler Pipe Replacement_____	\$956.00
87. <input type="checkbox"/>	Return Line Upgrade_____	\$3,271.00
	TOTAL COST OF REPAIRS _____	\$17,863.00

88. Hot Water Equipment Replacement_____ \$38,688.00

89. The hot water equipment replacement listed above will be completed to code requirements. However, if you would like to have Bateman Water Heating obtain the needed permits for this work, there will be an additional charge of **\$650.00**. **Please Note:** Once an inspector is at the property, they may do further inspections of the building that may require additional corrections and cost that are not a part of this work. **Bateman Water Heating is not responsible for any addition permits required for plumbing or electrical installed by others!**

90. Permit and Processing Fees_____ \$650.00

We recommend placing your hot water equipment on our maintenance program. In doing so, you will reduce costly repairs, increase reliability, and reduce natural gas costs related to the hot water equipment. Having the hot water equipment on our maintenance program will save you between 10% - 20% on most parts and receive a reduced labor rate on service calls. There is no up-front cost or payment for the preventive maintenance; we only bill you when we perform the service 3-times a year!

WORK APPROVED BY

TITLE

PLEASE PRINT NAME

_____/_____/_____
DATE WORK APPROVED

P. O. NUMBER

E-MAIL ADDRESS (Accounts Payable)

By signing this agreement you are also authorizing us to perform our maintenance service as outlined in our maintenance agreement (copy included). Please fill out page 3 of 3 of our Preventive Maintenance Agreement and fax back to with this page to (323) 254 – 9393 or e-mail back to bateman1826@sbcglobal.net...

Only check this box if you choose to decline our maintenance service.

Thank you for giving us the opportunity to serve you. We appreciate your business and the confidence you have placed in us!

Sincerely,

Rick Gutiérrez

Rick Gutiérrez – Proposal Writer

Bateman Water Heating Engineering, Inc.

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"Any fool can know. The point is to understand." – Albert Einstein

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EXHIBIT “E”

Teresa Castelli

From: Teresa Castelli
Sent: Friday, February 15, 2019 7:26 AM
To: 'erobertsaal@yahoo.com'; 'alan@broidylaw.com'; 'condolawyr@aol.com';
'rdhillshafer@lhclawyers.net'; 'dbkldy@aol.com'; 'tascah@sbcglobal.net'; 'nikita4kj@yahoo.com'
Cc: Ori Blumenfeld; Byron Moldo
Subject: Tarzana Plana Condominiums - Case No. LC 106595 [IWOV-IMANAGE.FID936920]

EX PARTE NOTICE

The Receiver will file an Ex Parte Application For Order Authorizing Receiver To Levy An Emergency Assessment In The Amount Of \$1,313,000.00 To Pay For 1) Roof Replacement; 2) Boiler Replacement; 3) Common Area Repairs/Replacements; 4) Repairs To Units Damaged By Water Intrusion From Common Areas; And 5) Outstanding And Unpaid Expenses And Anticipated Expenses Of Tarzana Plaza Condominiums Association, Including Fees And Costs Of Receiver And His Counsel. The hearing will take place on February 19, 2019 at 8:30 a.m. in Department A of the Los Angeles County Superior Court – Van Nuys Division, 6230 Sylmar Avenue, Van Nuys, California. Please let us know if you intend to oppose the Application.

Teresa M. Castelli, ACP

Paralegal

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