

CAMMARATA MANAGEMENT, INC.

• ASSOCIATION MANAGEMENT •

July 1, 2013

To all Homeowners at:
Palos Verdes Monte Vista HOA
5658 Ravenspur Drive
Rancho Palos Verdes, CA 90275

***Re: Palos Verdes Monte Vista HOA
Approved Rules & Regulations***

Dear Homeowner,

The Board of Directors has been working hard in establishing the rules and regulations for the Palos Verdes Monte Vista Homeowners Association. The Board is confident that all homeowners will work together in making the complex a safe and comfortable place to live.

Enclosed please find the Board approved rules and regulations effective August 1, 2013 for the Palos Verdes Monte Vista Homeowners Association as required by the Civil Code 1357.130.

Please keep this copy for your records.

Sincerely,

*Palos Verdes Monte Vista HOA
Board of Directors*

Enclosure

cc: Board of Directors
CMI File

PV Monte Vista Homeowners Association

The 12 Golden Guidelines for Living at PV Monte Vista

Homeowners and tenants have a common interest in keeping PV Monte Vista attractive, safe, clean, and comfortable. We can achieve this only if everyone who lives here practices common sense, cooperates with others, is observant and takes personal initiative, when and if appropriate and safe to do so. Adopting the “three C’s,” common sense, courtesy to others and consideration for individuals and the community’s good, will help ensure that PV Monte Vista remains a good place to live for all residents.

These Guidelines support that objective. They are based on provisions in the PV Monte Vista CC&Rs, which the elected Board of Directors has the legal authority to enforce through fines and legal action, as appropriate. (See the attached fine, assessment and dispute resolution policies). Where these Guidelines are silent on a subject or ambiguous, the provisions of the CC&Rs prevail and will be applied as permitted by law. These Guidelines replace the previous version of the House Rules.

1. Common Areas The homeowner’s association spends considerable amounts of money every month to keep the building and grounds clean, attractive and in good repair. Do your part by keeping the exterior of your unit and PV Monte Vista’s common areas, including walkways, landscaped areas, elevators, garage parking spaces and trash rooms clean, neat and uncluttered. Do not leave personal items, discard trash, furniture (unless scheduled for pickup) or shopping carts anywhere in common areas or in front of the building or your unit. Pitch in by picking up and discarding the odd piece of litter in the trash chutes.

2. Trash Disposal Help keep trash chutes from jamming by depositing your wet kitchen garbage only when tied up in small plastic bags and other small, loose, dry trash that will not jam the chutes. **Do not stuff whole cardboard boxes, pizza boxes, construction debris such as wallboard and lumber pieces or any other kind of oversized items into them.** Please use the blue recycling bins in the trash rooms to recycle all your clean plastic, paper, metal and glass. Owners doing major remodeling on their units are responsible for ensuring that their contractors do not fill up the building’s trash room or the trash bins with their debris and that they dispose of it offsite instead.

3. Noise Levels Please help keep the noise down. As you know, sound carries particularly well in this building. Your neighbors can hear you and your pets even if you do not see them, especially with windows open! Radios, TVs, stereo or home theater equipment and any kind of musical instruments, may only be played inside individual units and at low volume levels. Any sustained noise level above 80 decibels is harmful and will not be tolerated.

4. Unit exterior upkeep Please help keep PV Monte Vista an attractive property by maintaining your unit’s exterior in an attractive, clean and well repaired condition. If you keep potted plants outside your unit, they must not interfere with passage along walkways. Please keep them in attractive containers, make sure that pots have saucers under them and remove wilted or unsightly plants. **Owners may not make any kind of interior or exterior architectural changes to their units, including electrical and plumbing work, or install any kind of satellite dish on the common area without prior, written approval by the Board of Directors (see respective attached forms).**

5. Pet Responsibility If you keep a pet, abide by PV Monte Vista’s pet policy (attached).

6. Swimming Pool Use If you use the swimming pool, abide by PV Monte Vista’s pool rules. (attached). Because of the high reflectance of sound in the swimming pool area, users of the pool must be especially careful to keep noise levels down. **The recreation room adjacent to the pool can be booked for parties, but you must first reserve it through Cammarata Management, 310-325-1110, using the attached Rec Room contract.**

7. **Parking Spaces** Only park your car(s) well within the white lines marking your unit's assigned parking space(s). No garage may be used to perform major car repairs or as a washing facility. **Do not store items in your parking spaces outside of your enclosed storage bins.**

8. **Laundry rooms** Please remember that the laundry rooms have a limited number of machines and they are provided for everyone's convenience. That means you should remove your laundry from washers and dryers promptly when the cycle ends, clean out lint traps on dryers and dispose of lint and other leftover items in the trashcans provided. To avoid disturbing residents of near-by units, please abide by the posted laundry room hours, which are 8 a.m. to 11 p.m. **No laundry machines are to be in operation before or after these times.**

9. **Disputes** If you have a dispute with a neighbor not involving personal safety or imminent property damage, you should attempt to resolve it by direct discussion with the other party first. If this does not resolve the issue and it involves a violation of any of these guidelines or the CC&Rs, unit owners may file a complaint in writing with the Board on their own or a tenant's behalf. The Board will then determine an appropriate course of action.

10. **Tenant Conduct** Owners are responsible for their tenants and how their tenants conduct themselves at all times on the PV Monte Vista premises. When a unit is leased or vacated, the owner must promptly notify Cammarata Management and pay the applicable fee or risk being fined. (Use the attached Tenant Move In/Out form.) Tenants must resolve problems relating to their units, the building or other residents with the respective owner(s). The owner(s) then can take up the matter with the Board, if necessary.

11. **Security** Keep an eye out for anyone who appears to be trespassing on the grounds or anywhere in the building or garage. If anyone – non-resident or resident – is causing a disturbance or is behaving in a suspicious or threatening manner on these premises, call 911. Keep the building's front door and garage door closed when not in use for ingress or egress purposes.

12. **Contacts** If you need guidance on any topic not addressed in these guidelines or the CC&Rs or have questions, suggestions, concerns or complaints, please inform Cammarata Management first. Unit owners are also welcome to speak at any of the Board's regular meetings. The Board normally meets every month on the second Monday at 6 p.m. in the Recreation Room.

To ask **routine questions** or to report **maintenance problems** (garage door, trash chutes, elevators, electrical, common plumbing, etc.) contact Cammarata Management by phone at 310-325-1110 or via their website at www.camm-inc.com. **Call 911 for all emergencies** (fire department, sheriff, paramedics).

Attachments:

1. Pet responsibility rules
2. Swimming pool rules
3. Recreation room rental contract
4. Architectural change request
5. Architectural change indemnification
6. Architectural change approval
7. Satellite dish installation policy
8. Satellite dish indemnification
9. Notice of tenant move in/move out
10. Assessment collection policy
11. Fine enforcement procedure
12. Internal dispute resolution process
13. Secondary address letter

PV Monte Vista Homeowners Association

Pet Responsibility Rules

Unit owners or their tenants, insofar as allowed by the lease signed between them, may keep one dog or cat in the respective units they occupy. All pet owners must abide by these Rules and all leash laws and other pet ordinances of the City of Rancho Palos Verdes. These may be obtained from City Hall at (310) 377-0360.

The following particular rules apply:

1. Anytime the animal is outside the pet owner's unit, it **must be on a leash**.
2. Pets may only be walked outside and well away from PV Monte Vista premises, which for this purpose include all landscaped areas outside the main door and in front of the entire length of the building, as well as the sidewalk, grass strip and street in front of the building. **Regardless of where the dog is walked, Palos Verdes leash laws require owners to clean up after their pets.**
3. Pet owners will be held financially responsible for any damages or soiling by their pets of common areas or units other than their own.
4. If any resident informs the Board of Directors that a pet is causing a disturbance by barking, howling or creating a public nuisance of any kind, the Board will look into the complaint, warn the pet owner if warranted, impose fines if necessary or ask for the pet to be removed permanently from the premises.
5. According to law, pet owners can be held personally liable for any injuries to other persons or pets caused by their animals.

PV Monte Vista Homeowners Association

Swimming Pool Rules

PV Monte Vista's swimming pool and the adjacent recreation room are amenities to be enjoyed by residents and their guests. The Association has a monthly pool service that keeps the pool well-maintained and in compliance with applicable public health ordinances. If you use the pool, please remember to keep it and the surrounding area, including furniture, clean and orderly and use it safely and with due consideration for others who also want to enjoy it, people living in units surrounding the pool enclosure and in the neighboring building. The Board reserves the right to deny the use of the pool to anyone at any time and to change these rules at any time with proper notice.

The following particular rules apply:

- 1) Use of the pool is limited to residents and their guests. Guests must be accompanied by the resident while using it. **All persons using the pool do so at their own risk.**
- 2) No pool parties are allowed. The adjacent rec room is available to homeowners for parties, subject to written approval (using the attached Recreation Room Contract.) Please contact Cammarata Management at 310-325-1110 for this purpose.
- 3) Pool hours are from 9 a.m. to 9 p.m. on weekdays and weekends.
- 4) Portable audio equipment may only be used with earphones in the area around the pool.
- 5) Babies still using diapers are not allowed in the pool.
- 6) Persons under the age of 14 must be accompanied by an adult.
- 7) No running, diving or rough play in the pool area.
- 8) Do not take pets of any kind into the pool or pool enclosure.
- 9) No glass containers of any kind are allowed in the pool enclosure. Keep all foreign objects out of the pool.
- 10) Use swimming aids such as water wings and swim fins only with due regard for the comfort, safety, and enjoyment of other pool users. Inflatable rafts or large inflatable toys are not allowed.
- 11) Wear proper bathing attire at all times. Cutoffs, walking shorts or other street clothes are not allowed. Please dry off before entering common areas, including the elevators.
- 12) Keep the pool, pool enclosure and furniture clean. Return patio furniture to its proper place before leaving the pool enclosure. **Be sure to latch the pool enclosure gate securely before leaving the area.**

P.V. Monte Vista Homeowners Association

RECREATION ROOM RENTAL CONTRACT & RULES

1. ONLY RESIDENT HOMEOWNERS MAY RENT THE RECREATION ROOM.
 - i A Homeowner may rent the recreation room for a tenant with written authorization from the owner.
 - i Rent periods are for no more than a single 24 hour period.

2. HOMEOWNERS MAY MAKE ARRANGEMENTS FOR THE RECREATION ROOM WITH THE MANAGEMENT COMPANY UP TO (SIX) WEEKS IN ADVANCE.
 - i A \$100.00 security deposit will be required for each signed rental contract. This deposit in no way limits the liability of the owner for damages which occur during use.
 - i Homeowners have priority for the first 3 rentals within one calendar year on a first come first serve basis; however after the 3rd rental your reservations can be canceled if another owner reserves the room with a two week notice.

3. **ONLY** THE RECREATION ROOM IS AVAILABLE FOR EXCLUSIVE USE.
 - i Arranging for use of the recreation room does not include the outside or surrounding area or the pool.
 - i At no time are the areas other than the recreation room available for exclusive use of owners.
 - i Pool rules apply at all times. This area is for the residents; guests are allowed when accompanied by residents, and should be limited to one or two guests.
 - i No smoking or pets allowed in the recreation room.

4. POOL PARTIES ARE NOT ALLOWED AT ANY TIME.

5. RECREATION ROOM OR POOL FURNITURE SHOULD NOT BE REMOVED WITHOUT PRIOR WRITTEN APPROVAL FROM THE MANAGEMENT COMPANY.

6. THE MAXIMUM TIME PERIOD FOR ANY FUNCTION IS TWELVE (12) HOURS
 - i All recreation room functions must terminate by 11:00 p.m.
 - i Music or noise volume should be kept to a minimum.

7. BEFORE THE 24 HOUR RENTAL PERIOD IS COMPLETE, THE ROOM MUST BE CLEANED AND RESTORED TO ITS ORIGINAL CONDITION. KEY ARRANGEMENTS WILL BE MADE WITH THE MANAGEMENT COMPANY.
 - i Failure to comply with the cleaning schedule could result in forfeiture of the deposit.

8. BEFORE AND AFTER INSPECTIONS MAY BE ARRANGED WITH THE MANAGEMENT COMPANY.
 - i Damage or missing furniture will be charged to the owner

9. NO BUSINESS RELATED ACTIVITIES MAY BE HELD IN THE RECREATION ROOM.

HOMEOWNER'S NAME: _____ **UNIT NUMBER:** _____

RENTAL DATE: _____

VERIFIED BY (MANAGEMENT COMPANY): _____ **DATE:** _____

I ACKNOWLEDGE HAVING READ THIS RENTAL AGREEMENT AND "THE RULES & REGULATIONS OF THE P.V. MONTE VISTA HOA". I AGREE TO BE BOUND BY BOTH ITEMS. FAILURE TO DO SO WILL RESULT IN FORFEITURE OF MY DEPOSIT.

SIGNATURE

DATE

HOME, WORK AND FAX TELEPHONE NUMBER

P.V. Monte Vista Homeowners Association
ARCHITECTURAL CHANGE REQUEST FORM

DATE: _____

APPLICANT: _____ **TELEPHONE #:** _____

PROPERTY ADDRESS: _____

NATURE OF REQUEST: _____ **AS PER ATTACHMENT**

OWNERS SIGNATURE

BOARD REVIEW:

Approved **Approved with conditions** **Disapproved**

Date: _____

Conditions/Actions to be Taken:

WORKMEN NOT TO START BEFORE 9:00AM ON WEEKDAYS & SATURDAYS;

NO WORK ON SUNDAYS

Signed for the Board of Directors

ARCHITECTURAL CHANGE

P.V. Monte Vista Homeowners Association

INDEMNIFICATION AND RELEASE OF LIABILITY

NOW, THEREFORE, in consideration of the foregoing and the conditions and covenants contained hereinafter, the parties do hereby agree as follows:

The OWNERS shall be solely responsible for the installation of _____, and shall indemnify the ASSOCIATION, the Board, the Committee, all successors, grantees and assigns from the install of said _____, and shall reimburse said person/entities for all costs and expenses incurred in connection with any legal defense incurred in connection with any claim arising out of the installation, modification, maintenance, operation and/or use of said replacement as outlined in attached document.

The OWNER shall also be responsible to insure that the installation of the _____ is uniform in appearance to the existing conditions, and that they shall indemnify the Association, the Board, the committee, all successors, grantees, and assigns from any claims against any damage. The Owner shall also release the Association, the Board, the Committee, all Successors, Grantees, and Assigns from any and all liability related to the aforementioned.

DATE: _____

OWNER'S SIGNATURE: _____

ADDRESS: _____

TELEPHONE NUMBER: _____

CAMMARATA MANAGEMENT, INC.

• ASSOCIATION MANAGEMENT •

(Date)

(Name)

5658 Ravenspur Drive # _____
Rancho Palos Verdes, CA 90275

***Re: Palos Verdes Monte Vista HOA
Architectural Change Request Approval***

Dear _____,

The Board of Directors has reviewed your request to replace the existing _____ of your unit. After careful review of your request, the Board unanimously voted to approve your request. Please have your contractor pull any necessary permits.

A copy of the approved request form is enclosed for your records. Please complete the liability release form & return to our office via, E-Mail, regular mail or fax.

As a reminder, please be advised that "**work to start no earlier than 9:00 am on weekdays and Saturday; no work on Sundays.**" The Board appreciates your patience and cooperation in this matter. Naturally, should you have any questions, please contact this office by calling the number listed below.

Sincerely,

*Palos Verdes Monte Vista HOA
Board of Directors*

Enclosure

cc: Board of Directors
CMI File

P.V. Monte Vista Homeowners Association

SATELLITE DISH INSTALLATION POLICY

In accordance with the newly enacted Civil Code Section 1376, the P.V. Monte Vista Homeowners Association will allow homeowners to install satellite dishes for television reception. Such installation shall be subject to the following requirements and restrictions:

- a. Individual unit satellite dishes cannot exceed 36" in diameter.
- b. Prior to the start of installation of a satellite dish, the unit owner must present to the Homeowners Association Board of Directors:
 1. A full manufacturer's description of the satellite dish, including, but not limited to, it's size and any interference it may cause to the operation of any other electronic device.
 2. Written specifications from the installer or provider of the equipment with regard to the proper and most efficient place and manner of installation.
 3. Written proof of installer's insurance and licenses (if installed by 3rd party).
- c. The purchase, installation, and maintenance of the satellite dish shall be the sole responsibility of the unit owner.
- d. The unit owner will be responsible for any and all costs resulting from, but not limited to:
 1. Repair and maintenance of the common area where a satellite dish is installed, where such installation (or removal) has caused any damage whatsoever;
 2. Removal of the satellite dish which is found to have been installed.
 3. Damage to any other unit caused directly or indirectly by the installation of a satellite dish.
- e. A unit owner agrees to remove at their expense any a satellite dish which causes damage to the building where it is installed., or is found to cause any interference with other television or radio reception, or the operation of any electronic device.
- f. All Satellite Dish shall be installed to existing vent pipes allowing 4" clearance from the roofline.
- g. Vent pipes shall be structurally sound and inspected by installer prior to installation.
- h. All Wiring should be color matched where they are attached to the building and roof.

By signature below, the unit owner agrees to provide the documentation required and accept the terms as listed herein.

Signature of Unit Owner(s) _____ Date _____

Name(s) Unit Owner(s) *(Please Print)* _____

Unit Number _____ Telephone Number *(Day Time)* _____

Installation of a satellite dish for the purpose of television reception for the above identified unit as described in the attached documents is approved by the P.V. Monte Vista Homeowners Association Board of Directors.

Signed _____ for the Board of Directors.

Date: _____

SATELLITE DISH

P.V. Monte Vista Homeowners Association

INDEMNIFICATION AND RELEASE OF LIABILITY

NOW, THEREFORE, in consideration of the foregoing and the conditions and covenants contained hereinafter, the parties do hereby agree as follows:

The OWNERS shall be solely responsible for the replacement of a satellite dish, and shall indemnify the ASSOCIATION, the Board, the Committee, all successors, grantees and assigns from the removal of said satellite dish, and shall reimburse said person/entities for all costs and expenses incurred in connection with any legal defense incurred in connection with any claim arising out of the installation, modification, maintenance, operation and/or use of said replacement as outlined in attached document.

The OWNER shall also be responsible to insure that the replacement of the satellite dish is uniform in appearance to the existing conditions, and that they shall indemnify the Association, the Board, the committee, all successors, grantees, and assigns from any claims against any damage. The Owner shall also release the Association, the Board, the Committee, all Successors, Grantees, and Assigns from any and all liability related to the aforementioned.

DATE: _____

OWNER'S SIGNATURE: _____

ADDRESS: _____

TELEPHONE NUMBER: _____

PV Monte Vista Homeowner's Association

NOTICE OF TENANT MOVE-IN/MOVE-OUT

UNIT NUMBER: _____

OWNER'S NAME _____

OWNER'S PHONE # _____

MOVE IN EFFECTIVE DATE: _____

MOVE OUT EFFECTIVE DATE: _____

TENANT INFORMATION (MOVE IN)

HEAD OF HOUSEHOLD/SIGNER ON LEASE (FULL NAME):

NUMBER OF ADULTS TO LIVE IN THE UNIT: _____

NUMBER OF CHILDREN UNDER 18 IN THE UNIT : _____

PET TYPE, IF ANY: DOG CAT OTHER DESCRIBE: _____

NUMBER OF CARS _____ MAKE(S) _____

LICENSE PLATE NUMBER(S) _____

Please note: A \$50 ADMINISTRATIVE FEE is due for every move in and move out on or before the effective date. Failure to provide this form or pay the fee is subject to a fine. Attach your check made out to PV Monte Vista H.O.A and send it to Cammarata Management, 25039 Narbonne Ave., Lomita CA 90717.

Palos Verdes Monte Vista Homeowners Association
ASSESSMENT COLLECTION POLICY

Prompt payment of Assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and Civil Code Section 1365 (e), the following are the Association's practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorney's fees, are the personal obligation of the owner of the property at the time of the assessment or other sums that are levied.
2. Regular monthly assessments are due and payable on the first day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. **However, it is the owner of the record's responsibility to pay each assessment in full each month regardless of whether a statement is received.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of the notice of the special assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorney's fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within fifteen (15) days of the stated due date are delinquent and shall be subject to a late charge of \$10.00 or 10% which ever is greater, for each delinquent assessment per unit.
5. An interest charge at the rate of 12% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges and cost of collection, which may include attorneys' fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
6. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
7. A first notice of past due assessment ("late letter") will be prepared and mailed once an assessment becomes delinquent.
8. If an assessment is not received within fifteen (15) days after the assessment becomes delinquent, the Association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the owner by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a fee for the pre-lien letter.
9. If an owner fails to pay the amounts set forth in the pre-lien letter within thirty (30) days of the date of that letter, the Association will authorize Association Lien Services to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees, against the owner's property. The owner will be charged for the fees and costs of preparing and recording the lien. Thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure.
10. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.
11. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.
12. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation and is under no obligation to grant payment plan requests.
13. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
14. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the Association.
15. All charges listed herein are subject to change upon thirty (30) days prior written notice.
16. **The mailing address for overnight payment of assessment is: Palos Verdes Monte Vista HOA c/o Cammarata Management, Inc. 25039 Narbonne Avenue, Lomita, CA 90717**

Palos Verdes Monte Vista Homeowners Association

FINE ENFORCEMENT PROCEDURE

In order for rules to be effective, they must have equitable enforcement procedures. Listed below you will find the procedures, which have been adopted by the Association.

MINOR OFFENSE: Warning letter and, if necessary, legal fees plus additional fines as determined by the Board of Directors.

MAJOR OFFENSE: Fines and legal action to be taken by the Association as deemed appropriate by the Board of Directors

COLLECTIONS: Fines and legal fees will be added to monthly Homeowners Association Assessment and are due and payable immediately. Fines and legal fees which are not paid will result in liens being filed against the property and may also result in a judicial foreclosure if the liens are not cleared.

NOTICE: It is the responsibility of each Homeowner to communicate these Rules and Regulations to all tenants and insure that they are followed. Homeowners will be fined and are subject to additional legal action if their tenants or guests violate these rules.

**IMPORTANT HOMEOWNER NOTICE SUMMARY OF INTERNAL DISPUTE RESOLUTION PROCESS AND
ALTERNATIVE DISPUTE RESOLUTION PROCEDURES**

I. ASSOCIATION'S INTERNAL DISPUTE RESOLUTION PROCESS

In accordance with Civil Code Section 1363.820 et seq., the Association has adopted the following internal dispute resolution process to be followed by the Association and owners in connection with disputes relating to the enforcement of the Association's governing documents, the Davis-Stirling Common Interest Development Act (Civil Code Section 1350 et seq.) and Section 7110 et seq. of the Nonprofit Mutual Benefit Corporation Code (collectively, the Disputes).

Either party to a Dispute may invoke the following procedure:

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) An owner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
- (3) The Association's Board of directors shall designate a member of the Board to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
- (6) The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied: (a) The agreement is not in conflict with law or the governing documents of the common interest development or Association; and (b) The agreement is either consistent with the authority granted by the Board of directors to its designee or the agreement is ratified by the Board of Directors.

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

II. ALTERNATIVE DISPUTE RESOLUTION (ADR)

Please be advised that California Civil Code Section 1369.510 et seq. requires that the Association and owners endeavor to submit certain types of disputes to ADR prior to initiating a lawsuit. This notice merely provides a summary of the statute. If there is a dispute, which may require ADR pursuant to Civil Code Section 1369.510 et seq., please review all of the provisions of the statute or seek your own independent legal counsel.

PARTIES BOUND BY THE STATUTE

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

DISPUTES SUBJECT TO THE STATUTE (QUALIFYING DISPUTES)

Section 1369.520 provides that the Association or owners may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to ADR. An enforcement action is defined as a civil action or other proceeding for any of the following purposes:

- (1) Enforcement of the Davis-Stirling Common Interest Development Act (Civil Code Section 1350 et seq.);
- (2) Enforcement of the California Nonprofit Mutual Benefit Corporation law, commencing with Corporations Code Section 7110.
- (3) Enforcement of the Association's governing documents.

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

DISPUTES SPECIFICALLY EXCLUDED FROM THE STATUTE

The ADR statute applies only to an enforcement action that is solely for declaratory, injunctive or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of \$5,000. The following types of disputes are specifically excluded from being required to resort to ADR:

- (1) A Small Claims action;
- (2) Assessment collection, except as provided for in Civil Code Section 1366.3;

- (3) Claims for money damages in excess of \$5,000.00 in conjunction with a claim for declaratory, injunctive or writ relief;
- (4) Actions for preliminary or temporary injunctive relief; and
- (5) The filing of a cross-complaint in response to a complaint already filed.

COMPLIANCE PROCEDURES

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

- 1) A brief description of the dispute;
- 2) A request that the matter be submitted to ADR;
- 3) A notice that the party receiving the Request for Resolution (the AResponding Party@) is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected.
- 4) If the party on whom the Request is served is an owner, a copy of Civil Code Section 1369.510 et seq.

B. **SERVICE.** A Request for Resolution may be served by personal delivery, first-class mail, express mail, facsimile transmission or other means reasonably calculated to provide the Responding Party actual notice of the Request.

C. **RESPONDING PARTY'S OBLIGATION.** Upon receipt of a Request for Resolution the Responding Party, whether the Association or an owner, has thirty (30) days in which to either accept or reject the Request. In the event no such response is received, the Request is deemed "rejected."

D. **TIME FOR COMPLETION OF ADR.** Where the Request is accepted, the parties must complete the ADR within ninety (90) days of receipt of the acceptance. However, the parties can stipulate in writing to extend this period.

E. **COST OF ADR.** The cost of ADR shall be borne by the parties.

F. **TOLLING OF STATUTE OF LIMITATIONS.** If a Request for Resolution is served before the end of the applicable statute of limitations, the time limitation is tolled for certain periods specified in Civil Code Section 1369.550.

G. **CERTIFICATE.** In the event that a lawsuit is eventually commenced, the party filing must file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with 1369.510 et seq.; (2) One of the parties to the dispute did not accept the terms offered for alternative dispute resolution; or, (3) preliminary or injunctive relief is necessary.

CONSEQUENCES FOR FAILURE TO COMPLY WITH THE ADR LAW

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

Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 1369.520 of the Civil Code may result in the loss of your right to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.

The preceding summary has been provided in accordance with Civil Code Section 1369.590.

DISCLOSURE REGARDING APPROVAL NEEDED TO MAKE PHYSICAL CHANGES TO PROPERTY

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

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

IMPORTANT HOMEOWNER NOTICE

(ADR)

Please be advised that California Civil Code Section 1354 requires Alternative Dispute Resolution (hereinafter "ADR") as opposed to litigation in certain Association and Owner disputes. This Notice merely provides a summary of the statute. If there is a dispute, which may require ADR, pursuant to the statute, please review all of the provisions of the statute or seek your own independent legal counsel.

PARTIES BOUND BY THE STATUTE

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

DISPUTES SUBJECT TO THE STATUTE (QUALIFYING DISPUTES)

Section 1354(b) provides that the Association and owners shall endeavor to submit disputes "related to the enforcement of the governing documents" to ADR. Where, however, an owner has a private dispute with another owner or a tenant, or the Board has a dispute with a third party such as a landscaper, such a dispute is not within the confines of the statute.

DISPUTES SPECIFICALLY EXCLUDED FROM THE STATUTE

Section 1354 specifically excludes the following types of disputes from being required to resort to ADR:

- 1) Assessment collection, except as provided for in Civil Code Section 1366.3;
- 2) Claims for money damages in excess of Five Thousand Dollars (\$5,000.00) in conjunction with a claim for declaratory or injunctive relief;
- 3) Actions where the applicable Statute of Limitations would expire within 120 days;
- 4) Actions for preliminary or temporary injunctive relief; and
- 5) The filing of a Cross-Complaint in response to a Complaint already filed.

COMPLIANCE PROCEDURES

- A. INITIATING PARTY. The party pursuing the dispute, prior to filing any lawsuit, must serve on the other party a "Request for Resolution" including the following information and language:
- 1) A brief description of the dispute;
 - 2) A request that the matter be submitted to ADR;
 - 3) A statement that the party receiving the Request for Resolution (Responding Party) is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected.
 - 4) A copy of Section 1354 of the Civil Code.

With respect to the method of service, the statute provides that the "Request for Resolution" may be served (by a non-interested party) either by personal delivery or by leaving a copy of the request at the responding party's home or business and thereafter mailing a copy of the request through first class postage pre-paid mail.

B. RESPONDING PARTY. Upon receipt of a "Request for Resolution" the responding party, whether the Association or Owner, has thirty (30) days in which to either accept or reject the request. In the event no such response is received, the request is deemed "rejected."

C. GENERAL PROCEDURAL. Where the request is accepted, the parties must complete the ADR within ninety (90) days of receipt of the acceptance. However, the parties can stipulate in writing to extend this period.

In the event that a lawsuit is eventually commenced, the party filing must also file a certificate concerning the completion of the ADR. Where a lawsuit is commenced and ADR has not occurred, the filing party should file a certificate as to why ADR did not take place.

CONSEQUENCES FOR FAILURE TO COMPLY WITH THE NEW LAW

In the event the "initiating" party proceeds to Court without complying with the provisions of this Section, the responding party can move the Court for an order of dismissal. As a result, it is important to seek independent counsel in the event that you, as an owner have further questions.

Where a trial does go forward by virtue of the responding party's refusal to participate in dispute resolution, the Court may take such failure into consideration when ruling on payment of attorney's fees and costs.

Failure by any member of the Association to comply with the pre-filing requirements of Section 1354 of the Civil Code may result in the loss of your rights to sue the Association or another member of the Association regarding enforcement of the governing documents.

The preceding summary has been provided in accordance with Civil Code Section 1354(i).

CAMMARATA MANAGEMENT, INC.

• ASSOCIATION MANAGEMENT •

November 22, 2005

To: All Homeowners

***Re: Secondary Address Requirement Letter
California Civil Code 1365.1 & 1367.1(k)***

Dear Homeowner,

This letter is to inform you that the California Legislature has passed a new law that takes effect January 1, 2006 for procedures related to assessment collections. A summary of the new code section is stated below.

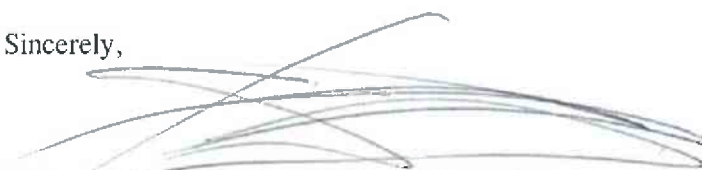
Secondary Address Requirement

In accordance with California Civil Code § 1365.1, a member of an association may provide an association with a secondary address. This may be done by facsimile transmission or U.S. mail. If a secondary address is provided, the association shall send any and all correspondence and legal notices required pursuant to CA Civil Code § 1365.1 to both the primary and secondary address.

In accordance with California Civil Code § 1367.1 (k), the association is hereby notifying owners of their right to submit secondary addresses to the association. The owner's request shall be in writing and shall be mailed to the association in a manner that shall indicate that the association has received it. Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the association shall send additional copies of any notices required by this section to the secondary addresses provided. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or change during the collection process, the association shall only be required to send notices to the indicated secondary address from the point the association receives the request.

Should you have any questions, please feel free to call us at the number below.

Sincerely,



Steven M. Cammarata, AMS, CCAM, CMCA
President
Cammarata Management, Inc.