City Courtyards II Homeowners Association

Post Office Box 16596
San Diego, CA 92176
Phone: 619-284-3324 | Fax: 619-284-3326

January 1, 2012

Addendum to Rules and Regulations

Dear Home Owner,

Due to complaints received by the Board of Directors regarding cigarette smoke, the Board of Directors has decided to adopt a No Smoking Policy for the City Courtyards II community. There are now many common interest development communities that have adopted No Smoking policies. In fat there is a Bill AB210 that is to prohibit smoking at all multi-residential dwellings.

Therefore City Courtyards II has adopted a No Smoking Policy in all common areas. This addendum is to be integral part of the Rules and regulations dated May 2006.

The fines associated with this regulation are as follows:

1st Offense	2nd Offense	3rd Offense	Thereafter
Warning	$25.00	$50.00	$75.00

Under Procedures, paragraph D; Continued or repeated violations maybe imposed on a daily basis per violation, or until the violation is corrected.

Famosa Terrace Owners Association
Post Office Box 16596
San Diego, CA. 92176
Phone: 619-284-3324 / Fax: 619-284-3326

April 29, 2004

Addendum to Rules and Regulations

Dear Home Owner,

Due to complaints received by the Board of Directors regarding cigarette smoke, the Board of Directors has decided to adopt a No Smoking Policy for the Famosa Terrace community. There are now many common interest development communities that have adopted No Smoking policies. In fact, there is Bill AB 210 that is to prohibit smoking in all multi-residential dwellings.

Therefore, Famosa Terrace has adopted a No Smoking Policy in all common areas. This addendum is to be an integral part of the Rules and Regulations dated December 17, 2002.

The fines associated with this regulation are as follows:

1St Offense	2nd Offence	3rd Offense	Thereafter
Warning	$25.00	$50.00	$75.00

Under Procedures, paragraph D; Continued or repeated violations maybe imposed on a daily basis per violation, or until the violation is corrected.

City Courtyard II Homeowners ASSOCIATION



Guidelines Handbook

May 2006

City Courtyard II

Preface

The complex is governed by its Homeowners Association through an elected three-person Board of Directors. The Board has the duty of ensuring the welfare of City Courtyard II for the benefit of both present and future occupants, including maintaining a Reserve Fund for future physical requirements, and creating and enforcing Rules and Regulations for the benefit of the Association and its members.

Upon the purchase of your unit, you were given a complete copy of the Declaration of Rules and Regulations and the CC&R's. In addition, you received the City Courtyard II By-Laws. These documents provide you with essential guidelines for making your living experience at City Courtyard II an enjoyable one. By having a cooperative spirit in respecting the rights and privacy of your neighbors, successful condominium living can be achieved for everyone.

All homeowners, their tenants and guests share in the responsibility for maintaining the Homeowners Association Rules and Regulations. The Board of Directors reserves the right to adopt or amend the Rules and Regulations from time to time, or as needed.

Rules and Regulations: Establishment and Enforcement

1. The Board of Directors has the authority to establish uniform rules and regulations pertaining to the use of the common area and recreational facilities.
   The CC&Rs, Article V, Section 502(b): Each owner, tenant, or occupant of a condominium is obligated to comply with provisions of the CC&Rs and the rules set forth in this Manual.

A. Enforcement of the Rules and Regulations

1. The Board of Directors has the authority to enforce the Rules and Regulations of the Association. The authority includes the Board's right to assess fines, tow automobiles, sue for monetary damages or injunctive relief, suspend Association privileges, and all other remedies allowed by law.

2. These powers are not intended to be taken lightly, or administered in a frivolous manner. Penalties will be imposed only after the Board of Directors has received a written complaint.

3. Any homeowner who witnesses a violation of law or ordinance (loose dogs, noisy neighbors, unlicensed or reckless drivers, etc.) should report said violation to the proper police authority.

4. Any homeowner who witnesses an infraction of the Association rules has the right to discuss it with the violator. However, if there is any reason the homeowner would rather not confront the offender with the violation, the homeowner has the responsibility to report the violation IN WRITING to the Board of Directors in care of the management company for action. He/she must furnish the date, time of day, place, and the name(s) and address(es) of the offender(s) along with specific details of the infraction. The Board of Directors will enforce all Rules, By-Laws and Restrictions to the full extent of the law. However, violations cannot be acted upon unless they are submitted in writing.

5. An owner is strictly liable for violations of these rules by his/her guests or tenants. When a tenant is in violation of a rule, the owner will be served the notice of complaint and have the responsibility for subsequent action as outlined hereafter as though he/she were the offender.

B. Complaints

1. If you become aware of a situation that you feel violates the Rules and Regulations as well as the CC&Rs, or of any matter that needs immediate assistance, please contact the Property Management Company or send your written concern to:

Pacific Real Estate Services, Inc.
Bruce Bennett - Manager
P.O. Box 16596
San Diego, California 92176
Phone: (619) 284-3324

Please note that anonymous complaints cannot be accepted.

2. If the management company ascertains that a violation has occurred, a written "Notice of Violation" form will be completed, one copy of which will go to the resident and one copy to the homeowner. This notice serves as an advertisement of the rules and penalties.

3. All homeowners and residents can request a meeting with the Board. A request must be given in writing 10 days prior to the next Board meeting. All those present will be given the opportunity to present evidence to the Board.

4. The Board will make the final ruling. Written notice of the final ruling will be sent to the resident.

5. At the discretion of the Board, fines for continued or repeated violations may be imposed on a daily basis per violation, or until the violation is corrected. Violations that cause or are made to cause bodily injury, death or create the possibility for the cancellation or increase of insurance will carry a fine to be imposed at the discretion of the Board, but not to exceed the maximum

amount permitted by law. In the event that there is the need for immediate clean up or restoration of any portion of a common area, including but not limited to Exclusive Use common areas, will be the sole responsibility of the owner and all costs associated with the cleanup will be the responsibility of the owner of record and assessed to the owner of record. Four (4) or more violations assessed to a single lot in any six-month period may result in an additional fine at the discretion of the board. The Association, prior to imposing any fines, must send a notice of violation.

C. Penalties

When informed by a co-resident or the property management company that an activity is in violation of a rule or regulation, the resident will be required to stop the activity. If the request is ignored, a formal written warning will be sent to the violator. Failure to respond to the written warning to stop the activity will result in additional penalties as listed. Violations of any of the CC&Rs, and or Rules and Regulations may result in a monetary penalty of up to or in excess of $75.00 for each offense.

Monetary Penalties for Violations (including parking):

First Offense	Second Offense	Third Offense	Thereafter
Warning	**At Least $25.00**	**At Least $50.00**	**At Least $75.00**

Monetary penalties imposed are due and payable with the owner's next assessment. If the monetary penalty is not paid within thirty (30) days of assessment, a lien will be filed against the owner's unit, and will accrue interest at ten percent (10%) per annum of the unpaid balance until paid in full. The owner shall be liable for all costs of collection, including those imposed by a small claims court.

Note: Assembly bill No. 55 (AB55) effective January 1, 1994 amends the California Civil Code, Section 1354 and requires arbitration or mediation of certain disputes to enforce an association's governing document(s) prior to the initiation of a civil lawsuit by an association or member of the Association.

D. Association Fees

The association fees are due monthly. Checks are to be made out to Pacific Real Estate Services c/o City Courtyard II. They are due on the first day of the month and become delinquent after the fifteenth (15th) of that month (California Civil Code 1365); and are subject to a late charge of 10% per month. Any owner whose dues have not been received by the thirtieth (30th) of the current month, will be notified, in writing, by the Management Company. If the dues continues to remain outstanding, past 60 days, the Management Company will send a second letter advising the owner that a lien will be filed against the unit unless all amounts due are paid.

Rules and Regulations

A. Vehicles and Parking Rules

1. Only current registered passenger motor vehicles, light trucks and motorcycles may be parked in the garage and common area parking spaces.

2. Owners must prevent their vehicles from dripping oil in the garage. Owners are responsible for cleaning any oil that has dripped. If the Association cleans oil that has dripped, the owner will be assessed the cleaning fee.

3. Restoring or repairing vehicles on the property is not permitted,

4. Buses, trailers, campers, boats, watercraft, mobile homes, recreational vehicles, and the like are not permitted on the property.

5. Condo numbers #3, #4, #10 & #11 are assigned (1) garage space and (1) parking space with the purchase of their unit. All other condo's have (1) parking space assigned to them. If you have more vehicles than assigned parking spaces they must be parked on the street not in the driveways or in someone else's parking space. Parking in another unit's assigned space is not permitted unless previously arranged with that unit's owner. Tandem parking is not permitted in the spaces along side the building this would apply to condo numbers #2 and #5. Vehicles parking in violation of this rule are subject to towing at the owner's expense. (See parking diagram)

6. No inoperative or unregistered vehicles are permitted. Any vehicle must be able to fit within the parameters of the parking space and or garage.

7. Parking in the driveways are not permitted due to blocking of other assigned parking spaces and access to garages, no matter what previous arraignments have been worked out.

8. Garages are to be used for parking of your vehicle only, vehicles may be parked in the garage as long as they fit within the garage area. Garages are not to be used as a storage facility, workshop or warehouse.

9. Please park and drive your cars carefully, parking on the grass in not permitted, any damage to the building or irrigation system by your vehicles will be your responsibility to pay for damages.

10. Any violation of the parking rules can result in fines, towing, repairing of the damage or any combination thereof.

11. All parking/garage spaces are for residents only, no work trucks or work panel vans.

Vehicles and Parking Violations:

First Offense	Thereafter
Warning	Fine: $25 increases for each violation

PLEASE NOTE: Residents, park only in YOUR designated garage or parking space. Do not park in the driveway. Inform visitors and workers that they must park on the street. No boats, trucks, trailers, campers, or recreational vehicles are allowed. All spaces are designated for residents only. We receive the greatest number of complaints about inconsiderate residents and workers parking in non-designated spaces.

OWNERS OR TENANTS WITH MORE THAN TWO VEHICLES:
EXTRA VEHICLES MUST BE PARKED ON THE STREET.

NO EXCEPTIONS!

B. Pets

1. A maximum of two domesticated and ordinary household pet such as a dog, cat, bird, etc. weighing not more than 25 pounds may be kept, provided they are not kept, bred, or raised for commercial purposes and provided that they are kept under control at all times. Exotic animals, Pit Bulls and Rottweilers are not permitted. Any animals that were moved here with their owners prior to the date of the above CCR'S rules will be grand-fathered in.

2. EXCESSIVE barking or howling **will not** be permitted.

3. Dogs must be leashed at all times when in any common area. San Diego Civil Code, Section 62.614, subsection G (the leash law) applies at all times.

4. Cat litter must be disposed of carefully in plastic trash bags and placed in your trashcans. It cannot be flushed down the toilet.

5. Dog waste must be picked up and disposed of properly. Owners must prevent their pets from soiling and/or urinating on the common grass area, as well as, on plants or shrubs in the common area, and are solely responsible for any required cleanup. San Diego Municipal Code 44.0304.1 states – Pet owners must pick up waste left by their pet and disposed of properly

6. All dogs and cats must be tagged, identifying the owner's name, address and phone number.

7. No pet may be kept in the project if, in the opinion of the Board of Directors, the pet results in an unreasonable annoyance or danger to other residents.

8. Owners are responsible for any damage or injury caused by pets.

9. No structure for the housing or confinement of a pet shall be maintained so as to be visible by neighbors.

Pet Penalties

First Offense	Second Offense	Third Offense	Thereafter
Warning	**At Least $25.00**	**At Least $50.00**	**At Least $75.00**

C. Signs

1. An owner may advertise a unit for sale or lease with one (1) standard format real estate sign with a maximum face area of 14 1/2" x 9".

2. The sign is to be posted inside the window of the unit only.

3. No other sign, poster, display, or advertising device maybe displayed visibly outside a unit without prior written authorization of the Board.

4. Security system warning signs have been approved by the Board of Directors for display provided that they conform to the following restrictions:

   a. One security system warning sign or decal, not to exceed 4" x 4" square inches in size, may be affixed to each sliding glass door or entry door glass.

   b. One Security System warning Sign or decal, not to exceed 4" x 4" square inches in size, may be affixed in the corner of each window unit.

Sign Penalties:

First Offense	**Second Offense**	**Third Offense**	**Thereafter**
Warning	**At Least $25.00**	**At Least $50.00**	**At Least $75.00**

D. Architectural Maintenance/Control

1. No structure alteration (construction, addition or removal) of a condominium unit or Common Element shall be commenced or conducted except in strict accordance with the provisions of the Bylaws.

2. All changes, proposed by the unit owner, to the exterior of his/her unit, shall be submitted in writing to the Board. Requests must be submitted in writing with a description and a diagram of the proposed changes and must be signed by the unit owner. Once written approval has been received and changes have been made, the unit owner must contact the Board so that the final inspection may be made and signed off by the Board.

3. No owner or resident may make any changes outside his/her unit without the prior written approval of the Board, unless the Board fails to respond within 60 days of the written request submitted by the unit owner.

4. Electrical and telephone wiring, antennas, etc. may not protrude through the exterior walls or roof without written authorization from the Board. Satellite dishes are only allowed if the wires can not be shown on the outside of the unit or building, no drilling through the exterior wall of any unit. Exterior antennas **are not permitted**.

5. An owner may not make any improvement or repair, which impairs the structural integrity or mechanical systems, or lessens the support of a portion of the property.
6. No window air conditioner units are allowed to be installed.

7. An owner may not make any repairs or improvements to their unit, which unreasonably increases the level of noise, or sound, that can be heard outside the unit during normal use and occupancy.

8. An owner may modify a unit and its exclusive use common area to eliminate hazards or to facilitate access for disabled persons, with prior written consent of the Board of Directors, if the modifications are consistent with applicable building codes and the governing documents.

9. The architectural covenant imposes a legal requirement on the Association to approve or disapprove construction of new structures, exterior additions or approve alterations to the original design of the units, and all subsequent alterations thereto BEFORE the unit owner starts them.

10. It should be noted that approval of any project does not preclude subsequent adoption of more restrictive or more liberal standards where deemed necessary to maintain or to improve overall architecture standards and harmony. No amendment shall affect any project prior to the adoption of such amendment.

11. Any project or exterior modification, which was completed prior to the issuance of these regulations, which would normally require Board approval prior to initiation, is not to be construed as setting precedent, and will require board approval before any major repairs, changes, and/or alterations are made.

12. Before any changes or initiating any project, which might be contrary to the architectural/maintenance standards, unit owners are reminded that non-approved changes can be aesthetically offensive to their neighbors, and can also undermine the structure of the building.

13. Any project, exterior modification, or other action violation of these standards are subject to a citation by the Board and may require corrective action to bring the violation into immediate or future compliance with these standards.

Architectural Maintenance/Control Penalties

First Offense	**Second Offense**	**Third Offense**	**Thereafter**
Warning	**At Least $25.00**	**At Least $50.00**	**At Least $75.00**

E. Investor/Owner

1. The provisions of the CC&R's and the Bylaws, and failure by Lessee to comply with such terms, shall be default of any lease.

2. The Lessor must provide the lessee with a copy of the current Rules and Regulations.

3. Included in the lease should be a provision that the tenant has been given said copies, and has read and understood, and agrees to abide by these documents.

4. The owner/ investor must notify the Board of Directors, in writing, that the unit is tenant occupied, and provide the name(s), address, phone number (s) and vehicle(s) information of the occupants.

5. All leases must be in writing and may not be for any period of time less than 30 days. This means that no unit may be leased for transient or hotel purposes. Time-Sharing is not permitted.

6. The investor /owner must provide the name of any agent retained by the unit owner to manage the unit for him/her to the property management company and/or the Board of Directors. **The unit owner is responsible at all times for the enforcement of the established guidelines.**

7. Occupancy under a rental or lease agreement is limited to three (3) persons for a two (2) bedroom unit, and two (2) persons in a (1) bedroom unit.

Investor/Owner Penalties

First Offense	Second Offense	Third Offense	Thereafter
Warning	At Least $25.00	At Least $50.00	At Least $75.00

F. Common Areas

1. No exterior antennas or satellite dishes may be placed anywhere in the common areas or areas visible from the common areas.

2. **All unsupervised children are the sole responsibility of their parents or guardians.** It is the responsibility of parents to see that their children do not unnecessarily disturb other residents. No skateboards, three wheelers, bicycles, skates or similar activities are allowed in the complex, personal property, including bicycles, shall be kept in individual condos and not in the common areas.

3. Patios must be kept clean and maintained in a neat appearance. Only residential patio-type furniture may be kept on the patios and balconies. No refrigerators, boxes, cans, mops, old furniture or anything else that would detract from the neat appearance can be kept on the patio or balconies.

4. Clothes and/or other articles hanging from the balconies or patio areas are not permitted. No exterior clotheslines shall be erected in the patio areas or common areas and there shall be no outside laundering or drying of clothes.

5. Potted plants must be placed in saucers adequate to contain any and all overflow from watering.

6. Excessive hosing of balconies and patios, resulting in usage of large amounts of water is prohibited.

7. Littering of lawns or commons areas, with beverage cans, bottles, cigarette butts, sawdust, paint, plaster or anything else from home projects or other debris is strictly prohibited.

8. Each owner shall be financially responsible for all damages to the common areas caused by such owner, his tenants, guests, or invitee.

9. Tampering with, changing, vandalizing or altering common area equipment is strictly prohibited.

10. Walkways and stairways must be kept clear at all times per insurance regulations and in case of an emergency.

11. There is to be no riding of bicycles or skateboards or ball throwing within the common areas.

Common Area Penalties

First Offense	**Second Offense**	**Third Offense**	**Thereafter**
Warning	**At Least $25.00**	**At Least $50.00**	**At Least $75.00**

G. Trash

1. All trash shall be deposited only in the trash receptacle provided (trash bins). Make sure once you have deposited your trash, that you re-lock the bin. We do not want non-residents using our trash recepticles.

2. All trash should be placed in sealed plastic bags, and tied, before being placed in trash bins.

3. Trash is not to be left or placed in any common area, patio's or in front of units.

4. The trash receptacle is not for disposal of hazardous wastes. Therefore, do not put any oil, paint, or gasoline into the trash receptacle. All trash must go inside the bin, do not leave any trash in the bin storage area

5. If the trash does not fit into the receptacle, you must take-it to the City landfill yourself to discard of it. Do not discard your old mattress, furniture, light fixtures, appliances, Christmas trees, carpet, etc. into or beside the receptacle or you will be charged for the removal of the discarded items. The closest landfill is located at Miramar Recycling Center between Route 52 and Convoy. Their website is: http://www.sandiego.gov/environmental-services/recycling/miramarrecycle.html

7. All cardboard boxes need to be broken down (flatten) in order to fit into the trash bin.

PLEASE NOTE: Trash is picked up twice a week, unless there is a holiday during the week. In that case, trash will be picked up on the following day.

First Offense	Second	Third Offense	Thereafter
Warning	At Least $25.00	At Least $50.00	At Least $75.00

J. Windows and Coverings

1. Each owner must maintain the interior and exterior surfaces of their windows in good, clean condition and must replace any windows only with similar glass color and quality to the window glass supplied with the unit.

2. Only standard window coverings such as drape, curtains, blinds, etc. may be used and are to be kept in good condition. Cardboard, aluminum foil, newspaper, etc. are not permitted.

Window and coverings Penalties

First Offense	Second Offense	Third Offense	Thereafter
Warning	At Least $25.00	At Least $50.00	At Least $75.00

K. General Items

1. Except in the event of an emergency to life or property, an Owner may not turn off the water or electricity affecting any Unit other than their own, without prior written approval of the Board of Directors and sufficient written notice to the occupants of the affected units.

2. Each owner is responsible for any damage to the Common Area caused by that Owner, the Owner's family or the Owner's guest(s), even if the damage is to an area otherwise maintained by the Association. All repairs to the area shall be subject to the prior written approval of the Board of Directors.

3. Laundry Rooms:

It is the responsibility of each person using the washing machines and dryers to do so in a responsible manner. Do not OVERLOAD the machines, do not put anything in the machines other than approved detergents or liquids, no gasoline, paint thinner, paint or dyes this will cause the machines to be damaged, any cost to the H.O.A. with repairing of the machines will be passed on to the individual responsible for the damage. At no time should children be playing inside the laundry rooms or the machines, parents you WILL be held responsible for your children and guests.

It is also the responsibility of each resident to maintain the laundry rooms as clean as possible. Do not leave trash or lint inside the laundry rooms. In another words pickup after yourself.

Any clothing items left in the laundry room or machines will be bagged and held for a period of (5) five days, after (5) five days the clothing items will be thrown away.

Problems with machines or refunds should be directed to WASHTEK at 1-800-430-9274. When calling the vendor you will need the machine ID # which can be found on the blue label on the front of the machine.

Residents please remove your clothing items from the machines in a timely matter when they are done so others may use the machines, do not leave clothing items in the machines overnight.

Currently there are no set hours of operation for the laundry rooms, however if a problem starts with noise or damage the board can and will change this rule to assign laundry room hours.

Laundry Room Penalties

First Offense	Second Offense	Third Offense	Thereafter
Warning	At Least $25.00	At Least $50.00	At Least $75.00

Trash Penalties

First Offense	Second Offense	Third Offense	Thereafter
Warning	At Least $25.00	At Least $50.00	At Least $75.00

H. Barbecues

1. Charcoal barbecues are not permitted due to the smoke/soot buildup on overhanging balconies.

2. Barbecue chefs are to be aware of their smoke and to be considerate of their neighbors. Also, protect their patio's from grease produced by the barbecue. Dispose of barbecue debris in a proper and responsible manner.

3. Small hibachis can get very hot on the bottom and damage whatever they are placed upon, so please protect against this happening.

4. Barbecues are not permitted in the common area.

Barbecue Penalties

First Offense	Second Offense	Third Offense	Thereafter
Warning	At Least $25.00	At Least $50.00	At Least $75.00

I. Conduct and Noise

1. Common courtesy demands thoughtfulness of others. Noise levels need to be kept to a minimum, especially between the hours of 10 P.M. and 8 A.M. During those hours, operating vacuum cleaners, exercise equipment, loud stereos and television, or any other type of equipment that readily transmits noise to adjacent units, and is disturbing to others, is not permitted and will be subject to a fine. In addition, late night parties etc. where there is excessive noise from owners, tenants and/or their guests, car horns and extended warming-up of car engines, **will not be tolerated**.

2. No resident may do anything which constitutes an annoyance or nuisance or otherwise interferes with the quiet enjoyment of any resident, or which would increase the rate of the Association's insurance policy or cause the policy to be cancelled.

3. All City and County ordinances on noise are a part of the Rule and Regulations as if they were reprinted in full here.

Conduct and Noise Penalties

L. Maintenance of Common Areas and Units

Many people are under the misconception that when they buy a condominium, it is similar to an apartment, in that, the Homeowner's Association performs all of the maintenance for them. ***This misconception*** *frequently causes feeling of frustration when the Board or the Management Company tells the owner that a particular maintenance problem is the responsibility of the owner. The CC&R's is the document that controls who is responsible for a particular repair. In order to assist the residents with an understanding of the association's maintenance responsibilities, some of the more common repairs are listed below.*

The Association is generally responsible for the maintenance of the following:

1. The exterior surface of all of the buildings.
2. Gates and fences.
3. Landscaping, except exclusive use patio areas.
4. Mailboxes, except individual locks.
5. Plumbing and electrical systems (except plumbing/electrical systems inside each individual unit).
6. Lighting on the outside of building , this includes lamp posts, hallway lights, laundry room lights, walkway lights, sign lighting, and front porch lighting, it does NOT include lighting in exclusive use patio areas.

Reporting repairs of burned out lights or any of the above can be directed to Pacific Real Estate Services at 619-284-3324.

****IMPORTANT NOTE:**

Property gates are not to be unattended. This rule is for the SAFETY of all who live in the complex. Please make sure the property gates close securely behind you when your enter or exit the property.

Please let your visitors or workers know.

An owner or resident is responsible for maintenance of the following:

1. Interior of the unit including walls, doors and locks.
2. Stopped-up drains, plumbing and electrical systems including outlets and fixtures, which penetrate the wall on the inside of the unit.
3. Weather stripping, heaters, air-conditioning units, telephone wiring, and garage door operating remote controller unit.
4. Any doorknob, lock and mailbox lock serving your unit.
5 Interior pest control.
6. Cleanliness of exclusive use area (patios and balconies).

Tenants renting from an individual owner may occupy some units at City Courtyard II. If a tenant experiences maintenance problems, that would be the homeowner's responsibility, the tenant should refer to his/her lease to determine whether the tenant or owner is the responsible party. If a tenant is in doubt as to whom is responsible for a particular maintenance problem, he or she should contact the landlord who will resolve the question with the Homeowner's Association.

M. Payment of Insurance Policy Deductibles

The Association has purchased insurance on the buildings and the common elements of the property. The insurance policy carries a $5,000.00 deductible. The Board of Directors regarding the liability for payment of the insurance deductible, establishes the following policy:

1. In the event of a unit owner or resident being insured for any loss to the unit or to the property, the Association shall be entitled to require the unit owner and/or resident to claim any loss under such unit owner's policy of insurance.

2. In the event that the loss cannot be recovered from the owner's/ resident's insurance, such owner will be liable for the full amount of any deductible on the association's policy if any one of the following conditions apply:

    a. The loss or damage is caused by the negligence of an owner, his/her tenants, invitee, or guests.

    b. The loss originates or is caused by the homeowner, his/her tenants, invitee or guests or from within or due to his/her unit without any negligence being attributable.

    c. The loss originates from within the unit or from any fixture, pipe, system, or other elements within the care, custody, or control of the unit, his/her tenants, invitee, or guests.

    d. The cause of the loss cannot be determined and is only related to his/her unit or the limited common elements assigned to his her unit.

3. In all other situations, the association shall pay the deductible, which shall be regarded as a common expense.

NOTICE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

Assessments and Non-judicial Foreclosure

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as non-judicial foreclosure. When using non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (Sections 1366 and 1367.1 of the Civil Code)

In a non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1-367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied these requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

State and federal laws regarding fair debt collection may govern the collection practices of the association. Penalties can be imposed for debt collection practices that violate these laws.

Payments

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may dispute an assessment debt by giving the board of the association a written explanation and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 1366.3 and 1367.1 of the Civil Code)

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

Meetings and Payment Plans

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The Board of Directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plans of the association, if they exist, (Section 1367.1 of the Civil Code)

Assessment and Foreclosure Notice per: Civ.C.sec. 1365.1 (rev. 01-04)

Alternative Dispute Resolution

California Civil Code §1354 governs *Alternative Dispute Resolution* in the context of Condominium Associations. In summary, this law requires both Associations and its members to offer some form of alternative dispute resolution (ADR), such as mediation or arbitration, to the opposing party before the association files suit against a member, or one of its members files a suit against either the association or another member or both. The law does not specify what form the ADR must take or who must conduct the ADR. Any party may begin the ADR process by sending a Request for Resolution (RFR). The RFR must contain (1) a brief description of the dispute, (2) a request for ADR, (3) a notice that the recipient must accept or reject the RFR within 30 days or the offer will be deemed rejected, and (4) a copy of Civil Code § 1354. If the RFR is accepted, the ADR must be completed within 90 days following service of the RFR, unless the parties sign a stipulation extending the time limit. The parties are required to bear any costs incurred in the ADR process.

The RFR must be served in the manner established for service of process in a small claims case. This involves either (1) personal service on the other party or parties, (2) substituted service, or (3) using a form of mailing providing for a return receipt, e.g. , certified or registered mail.

The offer of alternative dispute resolution does not apply (1) to assessment collection claims, (2) to actions seeking only monetary damages, (3) to suits seeking non-monetary damage (such as injunctions and declaratory relief) when combined with a monetary damage claim exceeding $5,000, or (4) to cross-complaints filed in an action already pending.

"Failure by any member of the association to comply with the prefiling 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."

Dispute Resolution Notice (rev 04) per:Civ.C. sec, 1354(i)