

# MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION

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*Professionally managed by*



*Personalized  
Property  
Management*

68-950 Adelina Road  
Cathedral City, CA 92234  
Phone: (760) 325-9500  
Fax: (760) 325-9300

November 15, 2016

Homeowners  
Montage at Mission Hills HOA

Re: Notice of Proposed Policy Changes

Dear Members of the Association:

The Board of Directors proposes to adopt the attached updated various Board policies at their January 2017 Board meeting.

The purpose of the policies is to provide fair, nondiscriminatory procedures for enforcing the Association's governing documents.

Under Civil Code Section 4360, the Board of Directors must provide the members with 30 days' notice of proposed policy changes as defined in the statute. During that 30-day period, members may submit comments on the proposed policies to the Association. The Board of Directors will determine whether to adopt the proposed policies in an open meeting of the Board after the 30-day period expires. At or before that meeting, you will have the opportunity to present any comments for the Board's consideration.

Sincerely,

Board of Directors

By: 

Shelly Ruegsegger, CMCA

Senior Community Manager

## **Board Policy - Assessment Collection Policy and Standards for Payment Plans**

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 to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. The following are the Association's assessment collection practices and policies, and payment plan standards.

1. **Due Dates:** Regular assessments are due and payable on the first day of each month. It is the owner's responsibility to timely pay each assessment regardless of whether a statement is received. All other assessments, including special assessments, are due and payable on the date specified in the notice of assessment.
2. **Obligation to Pay:** Assessments, late charges, interest, reasonable collection costs, including management and attorneys' fees, if any, are the personal obligation of the owner of the subject property (the "Property") at the time the assessment or other sums are levied. Owners shall be responsible for all such amounts unless it is determined that all assessments were paid on time to the Association.
3. **Late Charges:** Unpaid assessments are delinquent 15 days after they are due. A late charge of \$10.00 (not more than \$10.00 or 10%) will be charged for any assessment which is not paid in full within 15 days of the due date.
4. **Interest:** Interest on the balance due will accrue at the "Prime Rate plus 2%" per annum commencing thirty (30) days after the assessment becomes due.
5. **Application of Payments:** Any payments received will be applied first to assessments owed, and, only after the assessments owed are paid in full will the payments be applied to fees and costs of collection, late charges and/or interest. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied. A late charge may accrue if payment is not sufficient to satisfy all delinquent assessments, and the current month's assessment.
6. **Delinquency Notice:** If any assessment becomes delinquent, the Association will send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address or addresses on file with the Association. The owner will be charged a fee for such delinquency notice. If the amount set forth in the delinquency notice is not received before the due date set forth therein,

the matter may be turned over to a collection agent or an attorney for further action, including legal action, or the Association may take such other collection action as it deems appropriate.

7. **Right to Submit Secondary Address:** Owners may submit a written request to the Association to use a secondary address Any such request must be mailed to the Association (at the address indicated below) in a manner that shall indicate that the Association has received it (e.g., via certified mail). CC §4040(b)) The Association will send notices to the indicated secondary address only from and after the point that the Association receives any such request. Nothing herein shall require the Association to re-send or duplicate any notice sent to the owner prior to the date that a request for a secondary address is received.
8. **Suspension of Privileges:** Without prejudice to its right to continue with and/or take other collection action, in the event an assessment is not paid within 15 days of its due date, an owner's membership rights, including, but not limited to voting rights, or fights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to Corporations Code §7341. The Association will not deny an owner or occupant physical access to his or her separate Interest by way of any such suspension of privileges.
9. **Pre-Lien Notice:** Prior to recording a lien for delinquent assessments, the Association, its collection agent or attorney will send a pre-lien letter to the record owner as required by CC §5660(a)-(f), by certified and first class mail to the owner's address of record with the Association. The owner will be charged a fee for such pre-lien letter. The Association may obtain a vesting report from a title company in connection with preparation of a pre-lien letter. If a vesting report is obtained, the owner will be charged a fee for the report.
10. **Opportunity to Meet and Confer:** An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written request to meet and confer with a designated director of the Association pursuant to the Association's Internal Dispute Resolution Policy adopted pursuant to CC§591 0.
11. **Right to Request a Payment Plan:** Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within 15 days of the postmark of the pre-lien notice, the board will meet with the owner, in executive session, within 45 days of the postmark of such request, unless there is no regularly-scheduled meeting of the board within that period of time, In which case the board may designate a committee of one or more

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directors to meet with the owner. In addition to the foregoing procedure for requesting a payment plan, an owner may negotiate a payment plan with the Association's managing agent, attorney or authorized collection agent. Any payment plan must comply with the Standards for Payment Plans set forth herein below.

12. **Standards for Payment Plans:** Payment plans will be considered on a case-by-case basis. Generally, no payment plan may exceed six (6) months in duration. Fees and/or costs may be charged for the administration of any payment plan, and may vary based upon the duration of the payment plan. Any request for a payment plan which exceeds six months in duration must be accompanied by a written explanation of the reason for the request, which includes documentation of the owner's special circumstances, financial hardship, and ability to make the payments requested. If a lien has not been recorded prior to the time that any payment plan is entered into, one may be recorded during the repayment period to secure the debt while the payment plan is pending. Payment plans must provide for full payment of the delinquent amounts, in addition to the amounts which will accrue during the repayment period, including any regular and/or special assessments, and any fees and/or costs related to the administration of the payment plan and/or for the recording and/or release of any lien. Once a payment plan is entered into, additional late charges will not accrue for so long as the owner complies with the terms of the payment plan. In the event of a default in any payment agreement, the Association will resume collection efforts from the time prior to entering into the payment plan.

**12-A Partial Payments:** Owners may make partial payments without a written payment plan as described in paragraph 12 above; provided, however, that any such partial payment shall:

- a. Not stop any collection action;
- b. Not invalidate any assessment lien already filed;
- c. Not stop an already existing non-judicial foreclosure action;
- d. Not obviate the obligation to pay all collection fee and costs inclusive of late charges, interest, management fees/bookkeeping fees, title charges, lien fees and costs, trustee's fees and /or attorney's fees; and
- e. Further require (due to the additional bookkeeping and other administrative expenses incurred with a partial payment) that any Owner who submits a partial payment (without an approved payment plan as described in paragraph 12 above) will incur an administrative expense for each partial payment tendered and received by, or on behalf of the Association.

13. **Lien:** If an owner to whom a pre-lien letter is sent fails to pay the amounts demanded therein within thirty (30) days from the date such pre-lien letter is mailed, a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees may be recorded against the owner's Property. The owner will be charged a fee for such lien. No lien will be recorded unless a majority of the members of the board of directors approves the decision to record the lien at an open board meeting.
14. **Notice of Recordation of Lien:** A copy of the lien will be sent to every person whose name is shown as an owner of the Property in the Association's records, via certified mail, within ten (10) calendar days of recordation of the lien. Any lien recorded by the Association will remain as an encumbrance against the Property until the debt secured thereby is satisfied.
15. **Dispute Resolution:** Prior to initiating foreclosure of any lien, the association shall offer to the owner of the Property, and if so requested by the owner, shall participate in dispute resolution in accordance with the Association's Internal Dispute Resolution Policy or in alternative dispute resolution with a neutral third party. The decision to pursue internal dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the Association intends to pursue judicial foreclosure.
16. **Foreclosure of Lien:** The Association will not seek to foreclose any lien through judicial or non-judicial foreclosure unless and until the amount of delinquent assessments secured thereby reaches \$1,800.00, or until the assessments are at least twelve (12) months delinquent. The decision to initiate foreclosure of any lien shall be made by a majority vote of the board members, in executive session.
17. **Notice to Owner of Decision to Foreclose:** If the board of directors decides to initiate foreclosure of a lien, it shall provide notice of such decision to the owner. Such notice will be by personal service to an owner who occupies the Property or to the owner's legal representative. The board shall provide written notice to an owner of Property who does not occupy the Property by first-class mail, to the most current address shown on the books of the Association. In the absence of written notification by the owner to the Association, the address of the owner's Property shall be treated as the owner's mailing address.
18. **Release of Lien Upon Satisfaction of Debt:** Within 21 days of receipt of full payment to satisfy a lien, the Association will record a release of lien, and provide a copy thereof to the owner.

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19. **Right to Inspect Records:** Owners have the right to inspect certain Association records pursuant to Corporations Code §8333 to verify the debt.
20. **Association's Addresses:** The mailing address for overnight payment of assessments is:
  - Personalized Property Management
  - 68-950 Adelina Road
  - Cathedral City, CA 92234
21. **Association's Right to Collect by Any Lawful Means:** Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association. The Association reserves the right to change the amount of any collection fee or charge, without notice, and reserves the right to modify or amend this collection policy at any time.

Effective: November 8, 2007 (Civil Code reference Changes Effective January 1, 2014)

## **Board Policy - Electronic Delivery of Documents**

In compliance with current legislation the Board shall direct the distribution of all possible communication and documents to homeowners by electronic means currently available. Distribution includes notification of posting of Association information and official documents on the Montage website and delivery of Association official documents to members.

The documents shall include, but not be limited to:

- Assessment & Reserve Funding Disclosure Summary
- Pro Forma Operating Budget or Summary
- Association Collection Policy
- Notice/Assessments and Foreclosure forms
- Insurance Coverage Summary
- Board Minutes Access
- ADR Rights Summary
- IDR Rights Summary
- Architectural Changes Notice
- Secondary Address Notification Request
- Monetary Penalties Schedule
- Reserve Funding Plan Summary
- Review of Financial Statement
- Annual Update of Reserve Study

Transmission of documents and information to Montage members shall utilize distribution lists that do not display individual recipients' addresses.

Personalized Property Management (Community Manager) shall be directed to maintain records of Consent Forms and backup of records of electronic transmission and/or mailing of information and notices of posting of information on the Montage website in compliance with current laws.

Montage at Mission Hills website liaison shall be directed to send as an email attachment every file that is uploaded to the website to the Property Manager for archiving in evidence compliance with current laws and for future reference.

Approved: March 20, 2010

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## **Board Policy - E-mail Communications**

In order to dissuade improper e-mail communications with the Community Manager, between Board members and with Homeowners the Board directs the following Policy regarding email communication:

1. Prohibition of the use of offensive, confrontational, inflammatory or derogatory language.
2. Prohibition of discussions or decisions that could be viewed as a violation of the Open Meeting Act.
3. An emails shall be proof-read for grammar, spelling and content.
4. Prohibition of abbreviations that could be misunderstood.
5. Require that email messages be short, to the point and address a single subject as identified in their Subject line.
6. All emails shall be generated by or copied to the Community Manager.
7. The Community Manager shall take steps for document retention In conformance with current legal requirements.
8. The Community Manager and Individual Board members shall be prohibited from deletion of relevant messages if litigation is threatened or pending.
9. Prohibit the use of Instant Messaging types of communications by Board members and the Community Manager to convey information relating to the Montage at Mission Hills HOA business, its Homeowner members or contractors.
10. All email communications relating to Montage at Mission Hills HOA Shall include the following disclaimer:

This message, together with any attachments, is intended only for the individual or entity to which it is addressed and may contain confidential or privileged information. If you think you have received this message in error, please advise the sender and then delete this message and any attachments immediately.
11. Require training session for all Board members on e-mail etiquette.

Approved: March 20, 2010



## **Board Policy - Garage Sales**

Garage sales are allowed on a case by case basis, and require the presentation of a Cathedral City permit. Once verified, a special limited time gate code will be issued.

Each Individual homeowner will be obligated to attain a separate permit if more than one homeowner is involved in the sale.

Dated: November 8, 2012

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## **Board Policy - Inspector of Elections**

In compliance with current legislation the Board adopts the following policy regarding Election Rules:

The Board continues with its policy of recruiting members of the community to volunteer to serve as Inspector of Elections and Inspector Assistants.

Failing to successfully recruit such volunteer personnel:

The Board the authorizes the hiring of the Community Manager or CPA to serve as an Inspector of Elections, so does not violate the current State statutes.

Approved: July 8, 2010

## Board Policy - Internal Violations Procedures

1. The A&L Committee will conduct a minimum of 2 major walk-throughs per year - April (Spring) and October (Fall). All violations will be agreed upon by committee and documented.
2. The A&L Committee transmits violations, by address, to Community Manager within 3 days of walk-through (or electronically as the technology becomes available.).
3. Community Manager logs the violations and attempts to make the **first contact** with the homeowner via telephone, e-mail and/or letter to explain violation and obtain a time commitment to correct the violation.
4. The Community Manager updates the violation log with information obtained from the homeowners in the telephone call or the date the e-mail or letter was sent and transmits the updated log to the members of the board of directors as well as the A&L Committee within 2 weeks (of receipt of violations above). Also, copies of any letters sent shall be e-mailed to the Board and A&L Committee members within one day of being generated.
5. Homeowners must correct the violation within 30 days of the **first contact** or respond within a reasonable time frame for the correction. Property Manager updates log and notifies Board and A&L Committee via e-mail of homeowner's comments and scheduled completion dates.
6. A&L Committee conducts follow-up walk-throughs on the last Friday of each month.
7. Within 3 days (1 st. week of month) A&L Committee will send instructions for updating log with addresses that have corrected their violations, and those with new violations to PPM and the Board members. Any addresses on the log that are not included in these instructions will remain and automatically become 2nd notice violations.
8. Community Manager will update log, send letters for 2<sup>nd</sup> **notice** violations, and send letters, call or e-mail (as required) to new **first contact** homeowners - update log (as required) and transmit to Board and A&L Committee within 2 weeks of receiving information from the A&L Committee. Also, copies of letters should be e-mailed to Board and A&L Committee within one day of being generated.
9. The Community Manager generates **notices of hearing** to homeowner if A & L Committee monthly report does not show the violation has been corrected, after 2 notices (warnings) have been given to the violators (3rd. month on violation

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log). A minimum of 10 days notice is required. The hearings are held on the 2nd Thursday of the month. Time and date of hearings should be included on each notification. Updated log to be transmitted to Board and A&L Committee. Copies of all letters to be sent to Board and A&L Committee within one day of being generated.

10. The Board Violation Hearing Subcommittee holds hearing for notified homeowners on the 2nd Thursday of the month (as necessary). Community Manager will provide copies of the violation log to the Board unless a subcommittee has been duly appointed.
11. Community Manager distributes minutes of hearing executive session by Monday following the meeting for review and approval by the Board.
12. Following approval received from the majority of the Board members present at the violation hearing, the Community Manager drafts and sends notices (within 10- 15 days) of the hearing results, to the homeowners in violation. The notice shall contain the following language: "If the violation(s) are not corrected another hearing will be held at 2:30 PM on MM DO at the offices of Personalized Property Management to consider the assessment for an additional fine of \$xxx". Again, copies are emailed to all Board members. The A&L committee will be notified at the discretion of the Board as situations warrant.
13. The Community Manager notifies PPM Accounting to assess fine approved by the Board.
14. PPM Accounting debits homeowners account with the fines and generates account statements to notify homeowner of the assessment of the fine to their account.
15. The Treasurer verifies the assessment of fines to the homeowner's account from the monthly financial reports and sends a notice to the Board and possible the A&L Committee that fines have been assessed.
16. The fine assessed by the Board Violation Hearing Subcommittee for the first violation is \$100.
17. If the violation is not corrected by the homeowner by the scheduled date for the next hearing, the Board of directors in Executive Session may vote to assess an additional \$250 fine and then noted in actions of a regular meeting.
18. If the violation is not corrected by the homeowner by the scheduled date for the

next hearing, the Board of Directors may vote to assess an additional \$500 fine.

19. If the violation is not corrected by the homeowner by the next hearing, the Board of Directors may vote to assess an additional \$500 fine monthly until the violation is corrected.
20. If the violation is not corrected by the homeowner after the first \$500 fine is assessed, the Community Manager upon Board approval shall also direct our attorney to send a letter to the homeowner stating that if the violation is not corrected, the Association will go to court to seek injunctive relief and all attorney and court costs will also be assessed to the homeowner in addition to continuing monthly fines.

Approved: June 23, 2009

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## Board Policy – HOA Expenditures

1. All expenditures of HOA funds shall be approved by the Board of Directors.
  - A. The Community Manager is authorized to spend up to \$1,500 to address emergencies within the community.
  - B. The A & L Committee Chairman is authorized to spend up to \$600 to address landscape issues.
  - C. The IT Committee Chairman is authorized to spend up to \$150 to address software licenses necessary for maintaining the HOA website.
  - D. Each Board member is authorized to spend up to \$300 to address items considered urgent.
  - E. Each of the above authorized expenditures shall be included on the agenda and retroactively approved by the Board of Director at their next regular Board meeting.
  - F. Should the Board of Directors not approve the retroactive expenditures, the person making the unauthorized expenditure shall reimburse the HOA for any funds expended or become responsible for charges due.
  
2. Every expenditure shall be approved by the Board of Directors at a regular Board meeting. The minutes of the meeting to reflect the approval of each expenditure shall contain the following elements highlighted in italics:
  - A. A statement of the purpose of the expenditure
  - B. The amount of the expenditure
  - C. The payee of the expenditure
  - D. Period of performance (if appropriate)
  - E. The Board member making the motion
  - F. The Board member seconding the motion
  - G. The vote of the Board members.

## **Board Policy - RV Parking**

The CC&R's prohibit any RV's, trucks etc. on our streets. The Board has adopted the policy that will allow a homeowner to park their personal RV for one 48 hour period, once a month. The homeowners association does allow any RV parking beyond that once. Homeowners' guests may not park their RVs in Montage at any time.

Approved: January 11, 2007