

MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION



*The Coachella Valley's Community
Management Company*

November 15, 2019

68950 Adelina Rd.
Cathedral City, CA 92234
Phone: (760) 325-9500
Fax: (760) 325-9300

Dear Homeowner,

As required by the Civil Code, the Board of Directors have reviewed the current year's budget compared to income and have determined the need for an increase in the monthly assessments in order for the Association to be able to meet monthly operating expenses.

**The monthly assessment will increase to \$250.00 per unit, per month
starting January 1, 2020.**

ANNUAL BUDGET REPORT

Civil Code § 5300 creates minimum disclosure requirements by consolidating various disclosures under this "Annual Budget Report", which consists of the following Statements or Disclosures:

~2020 Operating Budget - *Enclosed*

~2020 Summary of Reserves - *Enclosed*

~Reserve Funding Plan - *Enclosed*

~Assessment and Reserve Funding Disclosure Summary Form - *Enclosed*

~Major Component Repair Statement

In accordance with Civil Code § 5300(b)(4) and as of the date of this letter the Board has chosen not to defer any maintenance and will undertake replacement of any major component with a remaining life of 30 years or less as scheduled.

~Anticipated Special Assessment

In accordance with Civil Code section 5300(b)(5) and as of the date of this letter the Board does not anticipate that a special assessment will be required to repair, replace or restore any major components or to provide adequate reserves.

~Reserve Funding Mechanism Statement

In accordance with Civil Code section 5300(b)(6) the Board uses regular assessments to fund reserves to repair or replace major components.

~Procedures for Calculating Reserves Statement – *(Included in Reserve Funding Disclosure Summary)*

~Outstanding Loan Statement

In accordance with Civil Code section 5300(b)(8) The Association does not have any outstanding loans.

~Insurance Summary – *Enclosed*

~Foreign Check Processing

Checks received from a foreign bank account are an added expense to process and a fee of \$25 will be charged to the owner's account when such checks are received as payment to the HOA or management.

A copy of the full reserve study is available upon request.

ANNUAL POLICY STATEMENT

In an effort to clarify requirements relating to policy disclosures, Civil Code section 5310 consolidates the various requirements. The Annual Policy Statement is a disclosure of the following:

~Association's Designated Recipient to receive official communication – *Civil Code §§ 5310(a)(1), 4035*

Board of Directors - c/o Personalized Property Management

Attn: Shelly Ruegsegger

68950 Adelina Road

Cathedral City, CA 92234

~Right of Notice to Two addresses

As provided in Civil Code §4040(b) Upon receipt of a request by a member, pursuant to §5260, identifying a secondary address for delivery of notices of the following types, the association shall deliver an additional copy of those notices to the secondary address identified in the request

~General Notice Location –*Pursuant to Civil Code §§ 5310(a)(3), 4045(a)(3):*

The location designated for posting of the General Notice is: on the community bulletin board onsite

~Right to Receive General Notice by Individual Delivery

As provided in Civil Code § 4045(b) documents designated by the Civil Code as requiring General Delivery or General Notice will be delivered using one of the methods detailed in Civil Code § 4045(a). If a member of the Association wishes to receive these general notice documents by individual delivery, they must make such a request to the Association, and the Association will comply with the request.

~Right to Receive Board Minutes

In accordance with Civil Code § 4950(b) the minutes or summary of minutes of the Board meeting, other than an executive session are available to members within 30 days of the meeting.

~Assessment Collection Policy - *Enclosed*

~Notice Assessment & Foreclosure Default Policy - *Enclosed*

~Governing Document Enforcement and Fine Policy - *Enclosed*

~Dispute Resolution Procedure Summary (IDR & ADR) - *Enclosed*

~Architectural Guidelines and Procedures – *Enclosed*

~Overnight Payment Mailing Address – *Civil Code §§ 5310(a)(11), 5655*

Personalized Property Management

68950 Adelina Road

Cathedral City, CA 92234

The Board of Directors is obligated to uphold and enforce the CC&R's which in turn requires the Board to maintain, preserve and enhance the value and lifestyle of the Association and its property for the benefit of all Owners.

PLEASE REVIEW ALL OF THE ENCLOSED DOCUMENTS CAREFULLY.

Sincerely,

MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS

Enclosures

**PERSONALIZED
PROPERTY
MANAGEMENT**



*The Coachella Valley's Community
Management Company*

68950 Adelina Rd
Cathedral City, CA 92234
(760) 325-9500 office
(760) 325-9300 fax

www.PPMinternet.com

November 2019

Dear Homeowner-

We are pleased to continue to serve the homeowners of Montage at Mission Hills Homeowners Association and your Board of Directors by providing the management services for your wonderful community. Our entire staff is dedicated to providing the attention necessary to enhance your enjoyment of the community, and to ensure that homeowner concerns are promptly addressed. Together with your Board of Directors we attempt to make your experience the best it can be!

When problems arise that may require management attention, i.e., sprinklers, lights, pools, or any other common area concerns, please contact our office as soon as possible. The telephone number is (760) 325-9500. Our regular office hours of operation are 8:00 a.m. - 4:00 p.m., Monday through Friday; we are closed from 12:00 p.m. - 1:00 p.m. for lunch. If an emergency develops after these hours, our twenty-four hour answering service will contact the appropriate service person and/or the property manager for resolution of the issue. We have structured our office to provide you prompt service as follows:

- A.) **SHELLY RUEGSEGGER** – SENIOR COMMUNITY MANAGER – Shelly is a community manager with over 30 years of experience in the community management industry. Shelly interacts with and takes direction from your Board of Directors on community matters and is the primary contact on matters concerning your Association.
- B.) **CAREN OLIVA** – ASSISTANT COMMUNITY MANAGER – Caren is Shelly's assistant and handles the day to day operations with Shelly. Her main focus is violations and architectural changes.
- C.) **MARK SEE** – MAINTENANCE SUPERVISOR- This important position/department takes homeowner requests for maintenance (i.e. landscape concerns, lighting, etc.) Each Homeowner request is logged into our database and a work order is created for future reference. Should you have a maintenance need or concern, please ask for Mark.
- D.) **FRONT DESK RECEPTION** – Our receptionist answers telephone calls, distributes gate cards, keys, etc. and assists homeowners with all in-office requests. The reception desk is handled by a variety of our administrative staff from time to time.
- E.) **ACCOUNTS PAYABLE & RECEIVABLE** – These positions are responsible for assisting in coordinating vendor payments and homeowner assessments.

In the event that you phone our office and reach the voice mail for any of the above staff members, we ask you always leave a message. That person is most likely already on the phone with another Homeowner. Each voice mail call is logged and returned in a timely manner. We have organized our office in this fashion to free-up your Manager's time to be out on property, serving the community. We are very confident that this structure will exceed your expectation. We thank you for this opportunity and look forward to a continued, positive and productive relationship with your Association.

Sincerely,

Richard Warfield

Richard Warfield
President

Personalized Property Management Company

**CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY
CIVIL CODE §4530* and § 4525***

Document Civil Code Section Included	Civil Code Section	Fee For Document	**Included	Not Available / Not Applicable/ Directly Provided by Seller & confirmed in writing
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	10.00	✓	
CC&Rs	Section 4525(a)(1)	55.00	✓	
Bylaws	Section 4525(a)(1)	30.00	✓	
Operating Rules / Architectural Guidelines	Section 4525(a)(1)	20.00	✓	
Age restrictions, if any	Section 4525(a)(2)			✓
Rental Restrictions, if any	Section 4525(a)(9)			*Reference Governing Doc's
Annual Budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	25.00	✓	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	20.00	✓	
Financial statement review	Sections 5305 and 4525 (a)(3)	15.00	✓	
Assessment enforcement policy (Collection Policy)	Sections 5310 and 4525(a)(4)	15.00	✓	
Insurance summary	Sections 5300 and 4525(a)(3)	5.00	✓	
Regular assessment	Sections 4525(a)(4)		✓	
Special assessment	Sections 4525(a)(4)			✓
Emergency assessment	Sections 4525(a)(4)			✓
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)			✓
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)			✓
Settlement notice regarding common area defects	Sections 4525a)(6), (7) and 6100			✓
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100			✓
Notice(s) of violation	Sections 5855 and 4525(a)(5)			✓
Required statement of fees (Demand)	Section 4525	130.00		
Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested.	Section 4525(a)(10)	50.00		
**Total fees for these documents (also listed in the statement provided via Condocerts)		<u>\$375.00</u>		
Demand 1 day Rush Fee		\$250		
Demand 4 day Rush Fee		\$125		

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Montage at Mission Hills 2020 Budget

Approved November 8, 2019

General Ledger	Description	Monthly Assmt 2020	Monthly Budget 2020	Budget 2020
Income				
4110	Assessment Members	\$250	\$32,000	\$384,000
4125	Collection Reimbursement		\$25	\$300
4130	Interest		\$83	\$1,000
4135	Assessment Violations		\$17	\$200
4140	Late Assessment		\$60	\$720
4141	Admin Fee Late Charge		\$12	\$144
4142	Bank Charges		\$4	\$50
4155	Architectural Fees		\$0	\$0
4190	Gate Clickers/Cards		\$0	\$0
4195	Misc. Income		\$0	\$0
	Total Income		<u>\$32,201</u>	<u>\$386,414</u>
Transfers				
5010	Less Reserves		(4,624)	(55,484)
5010a	Palm Tree Plan Surcharge (2018 thru 2027)		(3,167)	(38,004)
5015	Less Restricted Interest		(83)	(1,000)
	Total Reserves		<u>(7,874)</u>	<u>(94,488)</u>
	Income after Reserves		<u>\$24,327</u>	<u>\$291,926</u>

Operating Expenses

Utilities

5020	Electricity		\$1,096	\$13,146
5021	Mailbox Lighting Electricity		\$13	\$152
5040	Gate Telephone		\$163	\$1,954
5050	Water		\$346	\$4,152
	Subtotal Utilities		<u>\$1,617</u>	<u>\$19,404</u>

Landscape Maintenance

5110	Landscape Contract		\$1,740	\$20,880
5120	Landscape Extras		\$417	\$5,000
5130	Sprinkler Maintenance		\$333	\$4,000
5140	Tree Trimming		\$583	\$7,000
5145	Tree Removal		\$0	\$0
5160	Seed/Scalp/Fertilizer		\$3	\$35
5170	New Plants		\$208	\$2,500
	Subtotal Landscape		<u>\$3,285</u>	<u>\$39,415</u>

Entrance Fountains

5210	Contract Maintenance		\$217	\$2,600
5220	Equipment Repair		\$42	\$500
	Subtotal Fountains		<u>\$258</u>	<u>\$3,100</u>

Hardscapes Maintenance

5341 Grounds Misc.	\$83	\$1,000
5345 Street Sweeping	\$398	\$4,770
5350 Retention Basin Clean/R-R/G-H	\$0	\$0
5363 Holiday Décor	\$225	\$2,700
5365 Electrical/Lighting Repair/Relamping	\$492	\$5,903
5370 Pest Control	\$160	\$1,925
5380 Signs	\$0	\$0
5390 Security	\$71	\$850
5395 Gate Metal/Motor/Arm Repairs	\$250	\$3,000
5399 Gate Phone Repairs	\$8	\$100
Subtotal Hardscapes	<u>\$1,687</u>	<u>\$20,248</u>

Administration Cost

5455 Permits	\$0	\$0
5460 Licenses	\$35	\$424
5465 Reserve Study	\$0	\$0
5468 Professional Fee	\$0	\$0
5470 Audit	\$121	\$1,450
5480 Franchise Tax	\$5	\$60
5481 State Required Forms	\$15	\$180
5490 Internal Revenue	\$0	\$0
5505 Legal	\$208	\$2,500
5510 Assessment Collection Fee	\$25	\$300
5511 CAI Membership	\$67	\$798
5512 Bad Debts Expense	\$0	\$0
5513 Meeting & Board Expense	\$94	\$1,130
5515 Mission Hills Social Membership	\$12,800	\$153,600
5516 PPM Late Admin Fee	\$33	\$400
5520 Insurance	\$592	\$7,107
5530 Management Services	\$2,562	\$30,744
5535 Year End Closing	\$52	\$620
5540 Printing/Postage	\$240	\$2,883
5545 Bank Charges	\$4	\$50
5550 Miscellaneous/Contingency	\$626	\$7,513
Subtotal Administration	<u>\$17,480</u>	<u>\$209,759</u>

Total Operating Expenses	<u>\$24,327</u>	<u>\$291,926</u>
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Net Income (Loss)	\$0	\$0
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Assessment and Reserve Funding Disclosure Summary

Montage at Mission Hills HOA

Report Date: 11/13/19 (final)

Fiscal Year: 1/01/20 - 12/31/20

This disclosure summary is required to be completed and distributed to all members per California Civil Code 5570.

(1) The monthly regular assessment per ownership interest will be (refer to association budget). This is the total amount of assessments plus reserve funding as approved by the Board of Directors for the next fiscal year.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and or members:

Date assessment is due:	N/A
Amount of Special Assessment:	N/A
Purpose of the assessment:	N/A

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and or replacement of major components during the next 30 years?

Yes ? X Per funding projections (Exhibits E & F of Reserve Study)

No ?

Annual updates are required to reconcile your actual costs with current funding projections.

(4) If the answer to # 3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board of directors or members?

Approximate date assessment is due: N/A

Amount per month (or per year): N/A

(5) All major components are included in the reserve study and are included in its calculations .

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 (Civil Code), the amount required in the reserve fund is:

Fully Funded Reserves	\$765,907	Fully Funded Reserves
Current Cash Reserves	\$124,848	as of 10/31/19
Estimated Percent Funded (%)	16%	

Prepared by AssociationStudies.Com Report Date: 11/13/19 (final)

(7-A) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 (Civil Code), the estimated amount required in the reserve fund at the end of each of the next five budget years is:

Year:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Fully Funded Reserves:	\$839,798	\$896,199	\$964,064	\$1,023,515	\$1,057,356

(7-B) The projected reserve fund cash balance (next 5 years), taking into account only reserve assessments already approved by the Association (per approved HOA budget):

Year:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Reserve Funding:	N/A	N/A	N/A	N/A	N/A
Reserve Expenditures:	N/A	N/A	N/A	N/A	N/A
Cash Balance:	N/A	N/A	N/A	N/A	N/A
% Funded:	N/A	N/A	N/A	N/A	N/A

(7-C) If the reserve funding plan (per current Reserve Study) approved by the association is implemented, the projected reserve fund cash balance and percent funded will be:

Year:	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Reserve Funding:	\$93,480	\$99,089	\$105,035	\$111,337	\$118,017
Reserve Expenditures:	\$114,730	\$60,395	\$72,162	\$100,666	\$97,755
Cash Balance:	\$103,598	\$142,293	\$175,165	\$185,836	\$206,097
% Funded:	12%	16%	18%	18%	19%

Assessment and Reserve Funding Disclosure Summary

(8) This paragraph is added to include the requirements of Civil Code 5565, paragraph (d):

Amount required in the reserve fund is:	\$765,907	Fully Funded Reserves
Less: Accumulated cash reserves:	\$124,848	as of 10/31/19
Estimated current deficiency:	\$641,059	
Estimated current deficiency per unit:	\$5,008	
Total units (or members):	128	

Note: The financial representations set forth in this summary are based on the best estimates of the preparer as of the date of this report. The estimates in this summary are subject to change. At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was (not applicable) percent per year. The long-term inflation rate to be applied to major component repair and replacement costs was 2% per year.

For the purposes of preparing California Civil Code 5570 (Disclosure Summary):

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

Assumptions:

N/A - Not Applicable at this time

Annual updates of this study are required to reconcile your actual costs with current projections.

California Civil Code Information: www.condobook.com or www.leginfo.legislature.ca.gov

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Extract from California Civil Code section 5730 Notice Regarding Assessments and Foreclosure

NOTICE ASSESSMENTS AND FORECLOSURE

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 FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 Part 5 of Division 4 of the Civil Code. When using judicial or 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 amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or 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 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) Chapter 8 of Part 5 Division 4 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 those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 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, including 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 5660 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 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. 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 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

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 5685 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 5665 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 plan standards of the association, if they exist. (Section 5665 of the Civil Code)

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INTERNAL DISPUTE RESOLUTION PROCEDURE

The California Legislature has adopted new regulations codified in *Civil Code Sections 5900 through 5920*, which require Associations to adopt fair, reasonable and expeditious dispute resolution procedures, effective January 1, 2005. This is separate and apart from, and precedes, the formal ADR (Alternative Dispute Resolution) requirements set forth in *Civil Code Section 5925 through 5965*. The Association has adopted the following procedures as required under such law:

1. The Association or an Owner may invoke the procedures herein by submitting a request to the other to meet and confer in an effort to resolve any existing dispute. The request must be in writing.
2. An Owner may refuse a request to meet and confer made by the Association with the understanding that further enforcement action may be taken if the dispute is not resolved. The Association may not refuse a request by an Owner to meet and confer.
3. The Association's Board of Directors shall designate a Board member to meet and confer with an Owner.
4. The designated Board member and the Owner shall meet promptly at a mutually convenient time and place. The parties shall explain their positions to each other and attempt, in good faith to resolve the dispute.
5. Any resolution of the dispute agreed to by the parties shall be set forth in writing and signed by the Owner and the designated Board member on behalf of the Association.
6. An agreement reached under this procedure is binding on the Owner and the Association and is enforceable in court if both of the following conditions are met:
 - a. The agreement is not in conflict with law or the Association's governing documents.
 - b. The agreement is consistent with the authority granted by the Board of Director's to the designated Board member or is ratified by the Board.
7. Owners will not be charged a fee to participate in this process.

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ALTERNATIVE DISPUTE RESOLUTION

Beginning January 1, 1994, California law provides that when the owner of a separate interest (a Homeowner) or the common interest development (CID)/association brings an action:

- a) solely for declaratory relief or injunction relief; or
- b) either of those in conjunction with a claim for monetary damages; (Other than Association Assessments, not to exceed \$5,000) relating to the enforcement of the governing documents of the association, they shall endeavor to submit the matter to alternative dispute resolution (ADR).

What this means, in general, is that in those prescribed types of disputes, before filing a lawsuit, an attempt must be made to settle. This must be done in a semi technical manner. The method of beginning the attempt at ADR is to serve on the opposing party a Request for Resolution. With certain exceptions, the law requires a certificate be filed with any civil action, certifying compliance with the above stated requirements.

Please be advised that the statement above is intended to be only the broadest of interpretations and merely to advise that such a law exists. There are a number of other factors involved, including attorney's fees; arbitration or mediation costs; and the results of not conforming to this law (*Civil Code § 5925 through 5965*).

The California legislature has also provided that each year your Association must send out a summary of this law and that summary must specifically include the following excerpt of the law:

“Failure by any member of the association to comply with the pre-filing requirements of § 5930 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”.

As you can see, failure to comply with this law may prejudice your rights. We strongly urge each one of you to carefully read the statute and consult with an attorney prior to commencing any litigation regarding the enforcement of the governing documents.

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HOMEOWNER'S INSURANCE INFORMATION **Individual Liability Policies and Loss Assessment Coverage** **CIVIL CODE SECTION 5300(B)(9)**

It is very important that you explore your own risks with a knowledgeable insurance agent and purchase coverage to protect you from liability caused by an accident occurring in your own unit, the common area, and/or any exclusive use common area (such as patios, garages, carports), and to protect you from any liability or insurance gaps in coverage between the Association's coverage and your own. We also recommended that you inquire about Loss Assessment and Earthquake Loss Assessment Coverage. The cost of an endorsement for loss assessment is minimal and provides protection to individual unit owners from any extraordinary special assessments, such as excess liability over the Association's insurance proceeds or an extraordinary expense incurred by the Association, allocated to the owners through a special assessment (such as special assessments to pay or rebuilding costs which exceed insurance proceeds from an earthquake or fire loss)

The Association will notify you as soon as reasonably practical if any of the Association's policies are cancelled and not immediately replaced or if there is a significant change in the coverage (reduction or the deductible). If a policy is issued to replace a policy and there is no lapse in coverage, the Association will notify you in its next annual mailing to members.

The attached summary of the association's policies of insurance provides only certain information as required by *Section 5300 of the Civil Code*, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

State law requires that community associations disclose to the individual homeowners the extent of liability coverage carried by the Association.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

09/30/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Cline Agency Insurance Brokers 12400 Wilshire Blvd. Suite 200 Los Angeles CA 90025	CONTACT NAME: Jose Glez
	PHONE (A/C, No, Ext): (800) 966-9566 FAX (A/C, No): (310) 260-2905 E-MAIL ADDRESS: info@clineagency.com
INSURER(S) AFFORDING COVERAGE	
INSURER A: Sirius America Insurance Co.	NAIC #
INSURER B: National Surety Corporation	
INSURER C: Hanover American Insurance Co.	
INSURER D: Philadelphia Indemnity Ins Co.	
INSURER E: Travelers Casualty & Surety Co.	
INSURER F:	

INSURED
 Montage at Mission Hills - Tract 29771
 c/o Personalized Property Management
 68950 Adeline Road
 Cathedral City CA 92234

COVERAGES **CERTIFICATE NUMBER:** Cert ID 8976 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			2813260	09/30/2019	09/30/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ Included GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ Included \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			2813260	09/30/2019	09/30/2020	COMBINED SINGLE LIMIT (Ea accident) \$ Included BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			SUO00032415325123685	09/30/2019	09/30/2020	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 Excess GL DO \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WZ3A731630	09/30/2019	09/30/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Crime/Fidelity Bond			PCAC0076490119	09/30/2019	09/30/2020	Ded. \$5,000 \$ 250,000
A	Common Property			2813260	09/30/2019	09/30/2020	Ded. \$1,000 \$ 176,500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 128 UNITS | The property management company and its employees are Additional Insured Special Form. Replacement Cost. Walls-In Excluded; Common Areas only, no coverage for structures/units. Equipment Breakdown: Included. Ordinance or Law: Included. Separation of Insureds Included. Coverage is reviewed annually at the time of renewal.

CERTIFICATE HOLDER

PROOF OF INSURANCE

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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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 amen 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. All 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 2nd **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

RULES AND REGULATIONS
FOR
MONTAGE AT MISSION HILLS

PART 1 – Getting Started

INTRODUCTION

Montage at Mission Hills, Inc. (the “Association”) was designed and developed to serve as the primary or secondary residence for its owners. The Association’s purpose is to insure that the aesthetic integrity of the original community is maintained. As in any community common rules of courtesy must be observed in order that the common good of the community is served.

The Association is not a condominium. All maintenance of individual property is the responsibility of the Owner. This includes painting, roofs and landscaping. Each Owner is also responsible for their homeowner liability, fire, earthquake, personal property and other insurance. The Association only maintains liability insurance with respect to the Common Areas.

The following is the outline of the Rules and Regulations of the Association that are intended to aid the Owners, their families and guests in determining a reasonable method of conduct. Some of these Rules and Regulations restate and expand upon the provisions of the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements of the Association (the “CC&Rs”). If there is a conflict between these Rules and Regulations and the CC&Rs, then the CC&Rs shall govern. However, Rules and Regulations that expand upon the CC&Rs shall not be considered to be a conflict.

Owners are encouraged to review the CC&Rs as well as these Rules and Regulations from time to time to avoid inadvertent violation of the rules of the Association. Capitalized terms used in these Rules and Regulations shall have the same meaning ascribed to them as in the CC&Rs.

These Rules and Regulations may be changed or adjusted, as necessary, from time to time to reflect the needs of the majority of the Owners. Written suggestions for any adjustments to the Rules and Regulations should be brought to the attention of the Association’s Property Manager or the Association’s Board of Directors.

Every Owner is expected to provide a copy of these Rules and Regulations to all authorized Occupants. It shall be the responsibility of every Owner to ensure that their authorized Occupants have read and understand these Rules and Regulations prior to occupancy of the residence and that they comply with them.

The Board of Directors of the Association is authorized to impose penalties and/or fines and to take any reasonable action required to ensure that these Rules and Regulations are properly observed.

The Board of Directors shall have the right to delegate any of its power to regulate and enforce these Rules and Regulations to a committee of the Board of Directors.

PART 2 – The Basics

I. GENERAL RULES

A. DAMAGE TO COMMON AREA

Any damage caused by an Occupant or their pets to the Common Area is the responsibility of the Owner. The Owner will pay for all costs of repairs, loss or replacement as a result of any such damage, including legal fees and expenses. The Board may specially assess an individual Lot Owner for such costs and repair of damages to the Common Area.

B. EXTERIOR APPARATUS REGULATIONS

Subject to California Civil Code Section 1376 and any applicable decision of the FCC, electrical or telephone wiring, air-conditioning units, antennae, satellite dishes (or any other electronic receiving or broadcasting device), etc., may not protrude through the exterior walls or roof or otherwise be erected on a Lot, unless authorized by the Architectural Committee. Small satellite dishes of 24” or less may be installed under FCC regulations and approval of the Architectural Committee or the Board of Directors only.

C. EXTERIOR LIGHTING

Association exterior lights operated by a photo cell, shall be left in the operating mode at all times to ensure safety and aesthetic beauty to the development.

Any changes to lighting installed by the developer shall be consistent with the look and flow of the night lightscape of the development. Exceptions may be allowed for holiday decorations during a period from 30 days proceeding to 7 days following each holiday. (Added January 21, 2005)

All member's shall maintain the lights above or beside the garage door on their homes so that they are on and functioning during hours of darkness. (Added November 8, 2007)

D. SPRINKLER OVER-SPRAY

Owners are responsible to ensure that their sprinklers do not over-spray into the streets or adjacent Lots. Additionally, Owners need to regulate their irrigation to keep run-off to a minimum.

E. NEWSPAPERS

Owners are asked to pick up their newspapers on a daily basis. If you are leaving town, please make proper arrangements so the newspapers do not accumulate.

F. EXTERIOR CLOTHESLINES

~~Exterior clotheslines may not be erected and clothes may not be dried outdoors in view of residents or guests.~~

Exterior clotheslines may be erected within the fenced back yards not visible from neighboring properties or the street. (Adopted January 14, 2016)

G. NUISANCES

Illegal, offensive, nuisance or obnoxious actions that interfere with any Occupant's quiet enjoyment, or may impair the structural integrity of any building, are not permitted on the Property. Construction work on the Property may only be done during hours determined by the Architectural Committee.

H. OWNER'S MAINTENANCE AND REPAIR OBLIGATIONS

Each Owner must maintain the Lot (including improvements) in a neat, sanitary and attractive condition, and is solely responsible for the cost of repairs and improvements.

I. QUIET ENJOYMENT

To ensure quiet enjoyment of the premises, Occupants shall not produce or permit any unreasonably loud noise, loud or unruly children, vibration, music or similar sounds that may emanate from their residence or Lot or from the Common Area. This rule is especially important after 10:00 P.M. and before ~~8:00 A.M.~~ 7:00 A.M. (Adopted March 8, 2018)

1. No occupant shall permit any activity that may interfere with the rights, comfort, safety and convenience of the other occupants.
2. The following is a partial list of activities the violation of which are considered a breach of the Association's right to quiet enjoyment.
 - a. Bicycle riding shall be permitted on paved portions of the Common Areas only.
 - b. Skateboard and bicycle ramps are prohibited.
 - c. Baseball and/or softball or any type of activity/sport that uses a ball or device capable of causing damage to automobiles, residences or the Common Areas is prohibited at any time.
 - d. Permanent or portable basketball hoops are prohibited.
 - e. Loading or unloading of vehicles for business purposes by the occupant or the occupant's employees or agents. (added January 21, 2005)

The Owner of a Lot shall be responsible for all damages of any type (including legal fees and expenses) that Occupant causes directly or indirectly by any such Occupant or their pets.

J. RESPONSIBILITY FOR GUESTS

Owners are responsible for their actions and those of their authorized Occupants and their pets while on the Property.

K. SIGNS

~~An Owner may advertise a Lot for sale with one (1) standard real estate sign of reasonable color and display qualities with a maximum face area of six square feet. One (1) small security sign is permitted on a lot within two (2) feet of the home. No other sign or advertising device may be displayed on a Lot without the prior written consent of the Board of Directors.~~

The only commercial signs allowed on a Lot are security signs and real estate signs offering a home for sale or for lease. One security sign and one real estate sign shall be permitted per Lot. Such signs shall be freestanding and not attached to the house or the garage. Security signs may be a maximum of 12" x 12" in dimension. Real estate signs may be a maximum of six (6) square feet. All security and real estate signs must be of a professional quality on weather resistant material. No 'home made' signs are allowed. Real estate signs shall be light tan in color with brown lettering. 'Sold' signs may not be displayed for more than 30 days after the sale of a Lot. (Adopted November 13, 2008)

L. WINDOW COVERS

Newspaper, paper, aluminum foil, sheets or similar unsightly materials may not be used as window coverings.

M. LEASING OF LOTS.

No Owner may lease his or her Residence for transient or hotel purposes, defined as a lease for a term less than thirty (30) days." (Adopted September 14, 2017)

II. COSTS INCURRED IN ENFORCING RULES AND REGULATIONS

If an Owner is found not to be in compliance then all costs, including, but not limited to, court costs, reasonable attorney's fees and management fees, including interest at the legal rate then specified, incurred in enforcing these Rules and Regulations and/or the CC&Rs shall be borne by such Owner. Nonpayment of these costs of enforcement may result in a special assessment being levied against the Lot of such Owner and may be collected in the manner set forth in the CC&Rs.

PART 3 – Specific Information

I. ALTERATION OF RESIDENCES

No Homeowner may alter any portion of a Residence or Lot, including the installation of exterior evaporation coolers, which in any way affects the appearance of said Residence or Lot without the express written consent of the

Architectural Committee or the Board of Directors. This provision pertains to alterations performed by Owners other than the developer. If the one vehicle garage in Plan 3 or 4 is converted into a room, the driveway to the former garage shall be removed and replaced with landscaping consistent with the existing landscaping and architectural details consistent with the existing front of the house be carried across the area of the former garage door. (Added January 21, 2005)

II. ARCHITECTURAL AND LANDSCAPING CONTROL RULES

A. ARCHITECTURAL COMMITTEE APPROVAL

As provided in the CC&Rs the Association has an Architectural Committee to review plans to alter or improve existing structures or landscaping or to construct new improvements. The Architectural Committee has broad powers and authority to enforce the CC&Rs to preserve the harmony and overall aesthetic beauty of the entire community. To insure the proper operation of the Architectural Committee please submit plans early and work with the Committee. The work of the Architectural Committee insures that the high quality of the community is maintained for the benefit of all Owners.

No changes may be made without prior approval. All requests to build, construct, alter, change or redesign the existing structure or the addition of a peripheral structure shall not be permitted without the prior written approval of the Architectural Committee or the Board of Directors. See CC&Rs, Article VII.

B. ARCHITECTURAL RULES

The Architectural Committee may impose reasonable rules and regulations as a condition precedent to the construction including, but not limited to, providing the Architectural Committee with drawings, details and design drawings. The Architectural Committee may also inspect the Residence and/or Lot and require the proposed project to be completed within a set time frame. The cost of this inspection, at the discretion of the Architectural Committee, must be borne by the Owner seeking approval.

Requests for approval should be submitted to the Association's Community Manager who will forward the request to the members of the Architectural Committee or Board of Directors.

Personalized Property Management
68-950 Adelina Road
Cathedral City, CA 92234
Attention: Community Manager
Montage at Mission Hills
Telephone: (760) 325-9500
Fax: (760) 325-9300

C. NECESSITY OF BUILDING PERMITS

Nothing in this section will allow an Owner to alter or construct a structure without a building permit, if required.

D. RESPONSIBILITY FOR DAMAGES

The Owner will be responsible for all damages caused by the contractor to the Common Area in connection with the architectural/landscaping changes.

E. ENFORCEMENT

Failure to follow the provisions set forth in this section and in the rules of the Architectural Committee may result in the imposition of fines, special assessments, or legal action.

III. ASSOCIATION'S INDEPENDENT CONTRACTORS AND EMPLOYEES

A. EXCLUSIVE AUTHORITY OF THE BOARD

The Association's employees or independent contractors are agents of the Association as a whole and their direction is provided solely by the Board of Directors through the Association's Property Manager. Employees and independent contractors of the Association shall not be directed in their work by Occupants.

B. PROPERTY MANAGER'S AUTHORITY

All independent contractors of the Association are managed by the Association's Property Manager and any comments regarding their performance or demeanor should be directed in writing to the Association's Property Manager or the Board of Directors.

IV. COMMON WALLS (FENCES)

Owners with a common wall have an equal right to use the wall, with the following provisions:

1. Each Owner has exclusive right to use the interior surface of the wall facing the Residence;
2. Owners may not drive nails, screws, bolts or other objects more than half way through any common wall;
3. Owners may not interfere with the adjacent Owner's use and enjoyment of the common wall;
4. Owners may not threaten or impair the structural integrity of the common wall; and
5. If any portion of the wall (other than the interior surface of one (1) side) is damaged by any cause other than the act or negligence of either party, it must be repaired or rebuilt at the relevant owners' joint expense.

V. DELIVERIES, SERVICE/TRADES PEOPLE

A. SERVICE/TRADES PEOPLE

Service/trades people who violate these Rules and Regulations, or who are found in areas other than those authorized, may be immediately removed from the Property and barred from future access to the Property. Service/trades people are also subject to these Rules and Regulations.

B. INORDINATE NOISE

Work done by either an Occupant or service/trades people which could cause inordinate noise will be done only during the hours of 7:00 a.m. to 6:00 p.m., Monday through Friday, except when previously approved by the Board of Directors.

C. HOMEOWNER DISSEMINATION OF GATE CODES

Homeowners are encouraged to provide only the Service/Trade People gate code for access by non-homeowners. Any publication of the gate codes is prohibited. (added November 9, 2006)

VI. LANDSCAPE AND MAINTENANCE RULES

Any failure by an Owner to maintain landscaping which is the Owner's responsibility, following notice to the Owner, may be maintained by the Association at the Owner's expense. Any unauthorized landscaping is subject to removal, following notice to the Owner, and any expense incurred in removal will be charged to the responsible Owner. Maintenance crews (with the exception of Occupants) are permitted on Lots during the hours of 7:00 A.M. to 6:00 P.M. ~~Proper maintenance of lots with Bermuda front lawns shall include over seeding with winter grass.~~ (Deleted November 10, 2016)

- A. REAR LOT LANDSCAPING. The owner shall landscape the rear lot within 6 months of obtaining ownership of record or within 6 months of this amendment to VI, whichever is the later date. (Added January 21, 2005).

VII. PETS

A. GENERAL

Certain rules are necessary to ensure that pets maintained on the premises do not impose a nuisance or burden on other Occupants. Customary household pets may be kept provided they are not kept, bred or raised for commercial purposes and they are kept under reasonable control at all times.

B. LEASH REQUIREMENT

All pets must be controlled by a leash at all times when outside the Lot. Dog owners are also referred to Cathedral City ordinance 10.28.010 which provides in part that dogs may not be permitted to run at large "unless the dog is securely restrained by a substantial leash not exceeding six feet in length and is in charge and control of a person competent to keep the dog under effective control." No unattended pets shall be allowed to be tied up in the

front or rear yard or patios at any time. All damage to the Common Area caused by any animal is the responsibility of the Owner. Pets are only allowed in the Common Areas (but not on any landscaped portion of the Common Areas) and shall not be permitted to enter upon the Lot of any Owner without the prior permission of such Owner.

C. NUISANCE

If any pet creates a continual nuisance to other Occupants by barking or some other manner, the Board of Directors may permanently disallow the residence of the pet in the Property.

D. PET WASTE

Owners must prevent their pets from soiling all Lots and Common Areas. Owners are responsible for any required clean up. Dog owners are also referred to Cathedral City ordinance 10.28.025 which provides in part that no dog owner “shall knowingly fail, refuse, or neglect to clean up any feces of the dog immediately and dispose of it in a sanitary manner whenever the dog has defecated upon public or private property.”

VIII. VEHICLES AND PARKING

A. SPEED LIMIT

Speed limit within the complex is twenty-five (25) mph maximum.

B. COMMERCIAL AND RECREATIONAL VEHICLES

Buses, large trucks, trailers, campers, boats, mobile homes, recreational vehicles, inoperable vehicles, or any vehicle the Board of Directors deems a nuisance, are not permitted unless parked wholly within a garage with the doors closed. Restoring or repairing vehicles on the property is not permitted unless done completely inside the garage with the garage doors closed.

C. MOTORCYCLES

Motorcycles and like vehicles are permitted in the Common Area for ingress and egress only and are to be parked in the garage at all other times. All motorcycles and like vehicles, as well as operators, must be licensed and insured in accordance with California law and the Department of Motor Vehicle Code.

D. PARKING

No parking is permitted in safety zones, by fire hydrants, in front of mailboxes or in any manner that impedes mail delivery.

1. Occupants’ automobiles shall be parked in garages or driveways only. Garage doors may not be left open except as temporarily necessary or while used for entering or exiting.

2. On-street parking is limited to guest vehicles not to exceed 72 hours in one seven (7) day period. Exceptions to this rule require prior approval by the Board of Directors. Vehicles of an employee or agent of an occupant are not considered guest vehicles and shall be parked in garages or driveways of the occupant only, except temporary parking by house cleaners, gardeners, pool service, and other service persons serving the occupant lot. (added January 21, 2005)
3. Temporary overnight parking of commercial vehicles is prohibited without prior permission of the Association's property management.
4. All vehicles or other items parked or stored in violation of the rules will be subject to immediate tow away or such other action deemed necessary by the Board of Directors or the Property Manager. All costs incurred, including attorneys' fees, will be charged to the owner of the unauthorized vehicle and/or the Owner of the applicable Lot.
5. The Association, acting through the Board of Directors, reserves the right to issue warnings, which may be written or verbal, and fines when appropriate, but the issuance of such warnings shall not constitute a condition prior to the removal of any vehicle, parked or stored or in violation. Fines may be issued, when appropriate without prior notice or warning.
6. No vehicle may be double-parked. Any unattended vehicle which is double-parked may be towed without notice.

E. NOISE

No blowing of horns, racing of engines, loud vehicle mufflers, loud car or golf cart radios or similar noise is allowed.

F. ENFORCEMENT/WARNING

The Association has the right to fine, specially assess for costs incurred in compelling compliance of these Rules and Regulations, take legal action and tow vehicles of those who violate the provision of this section.

IX. TRASH AND REFUSE

A. GENERAL

Weeds, rubbish, debris, objects or materials that are unsanitary, unsightly or offensive are not permitted on the property. Driveways must be kept clean and free of oil and rust stains.

B. RUBBISH CONTAINERS

Rubbish or storage containers, woodpiles, machinery, equipment and other unsightly objects are prohibited to be visible from the other Lots or the Common Areas.

C. COLLECTION

Rubbish containers may be placed temporarily for pick up not to exceed 24 hours before and after scheduled trash collection hours, except with Board approval.

PART 4 – Procedures

ENFORCEMENT OF RULES

~~Once an Owner gives the Board of Directors a written complaint that a rule has been violated, the Board will investigate the allegation and may take action against the offending Owner or Occupant. This includes, but not limited to, fining, specially assessing, when appropriate, or instituting legal action. However, nothing in this section obligates or requires the Board of Directors or authorized committee to take any action against an individual Owner or Occupant. The Board of Directors, in making this decision, will determine the costs and benefits of taking such action.~~

A. DUE PROCESS

~~Prior to the imposition of any fine or suspension of rights, the violator shall be given written notice with opportunity to appeal to the Board of Directors.~~

B. ENFORCEMENT GUIDELINES

~~Generally, though no necessarily, the Association will adhere to the following schedule:~~

- ~~1. First Offense: Warning notice of violation and request to correct. Notice may be delivered by letter, phone call or email.~~
- ~~2. Second Offense: Notice delivered by letter or hearing with representatives of the Board of Directors and possible \$100.00 fine. Suspension of voting privileges.~~
- ~~3. Third Offense: Possible \$250.00 fine.~~
- ~~4. Fourth and continual Offense: Notice of \$500.00 fine and will continue every 30 days or until violation ceases.~~

Enforcement Procedures/Fine Schedule

- A. In the event of an alleged violation of the Association's CC&Rs, Bylaws or Rules and Regulations ("Governing Documents") by an owner or an owner's family member, guest, invitee, agent, or tenant, the Board of Directors will generally follow the enforcement procedures outlined below. However, when the circumstances warrant, the Board may take more immediate action, such as noticing a hearing without first sending a violation letter, or initiating an action in the Superior Court, to secure an owner's compliance with the Governing Documents.
- B. Violation Letters. The Association may first send a violation letter to the owner. This letter shall advise the owner of the nature of the violation and the specific section(s) of the Governing Documents violated. The letter shall provide a deadline (typically 15 to

30 days, depending on the nature of the violation) by which the owner must cure the alleged violation, and shall inform such owner that a failure to comply by the deadline may result in fines, other penalties, or other legal action as necessitated by the circumstances and nature of the violation. The Association may send a second, or third violation letter to the owner, before proceeding with a Notice of Hearing.

- C. Notice of Hearing. If the Violation Letter does not result in compliance by the stated deadline, a Notice of Hearing may be sent to the owner advising the owner that a hearing before the Board of Directors will be held in connection with the violation. In its discretion, the Board may immediately send the Notice of Hearing to an owner, without first sending an initial violation letter. The Notice of Hearing shall be mailed at least fifteen (15) days before the hearing and will advise the owner of:
1. The date, time and place of the hearing;
 2. The nature of the dispute/violation, with references to provisions of the Governing Documents that have been violated;
 3. The necessary corrective action;
 4. The disciplinary measure or measures that may be imposed, including, without limitation, the potential for the imposition of a fine on a continuing daily, weekly or monthly basis;
 5. The owner's right to attend the hearing and address the Board.
- D. Hearings. Hearings will be conducted in executive, or closed, session. The owner shall have an opportunity to present his or her case for a maximum of 15 minutes. The Board shall then take the matter under submission and notify the owner in writing of the Board's determination, and the reasons for any disciplinary measures imposed, within fifteen (15) days. Any disciplinary action may take effect no sooner than five (5) days after the hearing.
- E. Disciplinary Actions. The Board may take one or more of the following actions, in addition to any others provided for by the Governing Documents, California law and/or as necessitated by the facts and circumstances of the particular matter:
1. Levy a fine or fines, in accordance with the Fine Schedule. Continuing violations, such as, without limitation, an ongoing noise violation, may result in consecutive daily, weekly or monthly fines for as long as the violation continues.
 2. Suspend the owner's voting rights. Any suspension of an owner's rights as a member shall be for the period during which any Assessment owed by the owner remains unpaid and delinquent, or for so long as any other type of violation continues.
 3. Levy of a Compliance Assessment. Levy a Compliance Assessment to reimburse the Association for expenses incurred if maintenance, repair or replacement of any Common Area is necessitated by the willful or negligent act of an owner or an owner's guest, family member, tenant or invitee, or to reimburse the Association for costs incurred in bringing an Owner in to compliance with Governing Documents.

4. Removal of Vehicles. The Association may cause the removal of any vehicle that is parked or maintained in the community in violation of the Governing Documents.

FINE SCHEDULE

Reasonable fines for first-time violations shall be levied in accordance with the following schedule:

Hazardous Activities in Violation of any Governing Documents (Risk or Harm to Person or Property)	\$250.00
Maintenance of any prohibited vehicle as set out in Section 3.15(g) of the CC&Rs	\$500.00
Unauthorized Improvements to Property	250.00
Construction that does not conform to plans submitted to and approved by the Architectural Committee	\$500.00
Failure to Maintain Landscaping	\$250.00
Failure to Maintain Residence in Good Condition and Repair	\$500.00
Use of Lot or Residence for Commercial Purposes in violation of Section 3.02 of the CC&Rs	\$500.00
Allowing a dog off leash	\$100.00
Failure to pick up after pet	\$100.00
Violation of Rule Prohibiting Leases for Fewer Than 30 Days	Up to \$5,000.00
Any Violation Not Specifically Mentioned	Up to \$500.00

Continuing Fines for Continuing Violations: The Association's notice of hearing may provide that the Board will consider imposition of the fine on a continuing daily, weekly or monthly basis. If such a continuing fine is imposed after notice and hearing, the responsible owner will be liable for the amount of the fine imposed for each day, week or month, as appropriate, that the violation continues unabated. Owners subject to a continuing fine are responsible for notifying the Association promptly upon bringing their property into compliance so that the Association can confirm that the owner has cured the violation and otherwise come into compliance and halt future recurring fines.

Increased Fines for Repeated or Continuing Violations: Fines for continuing or repeated violations may be increased at the discretion of the Board, following notice and a hearing, up to \$1,000.00 each. Four or more related or unrelated violations assessed to a single Lot in any 12-month period may result in an additional fine of up to \$500.00 at the discretion of the Board of Directors, following notice and a hearing. (Adopted September 14, 2017)

Violation of Leasing Restrictions/Rentals Less Than 30 Days

Violations of the rule prohibiting rentals for periods of under than 30 days result in noise and traffic and other such disruptions, and substantially interfere with the other owners' right to the use and

enjoyment of their property. Accordingly, the Board may levy a fine in the amount of up to \$5,000.00 for each violation of the leasing rule. Fines shall be in addition to any Compliance Assessment that may be levied to reimburse the Association for its expenses and costs.

Collection of Fines: The Board may collect unpaid fines through Small Claims Court actions or other available means. (Adopted September 14, 2017)

Effective
November 13, 2008
Montage at Mission Hills HOA

MONTAGE AT MISSION HILL, INC.

Enforcement Procedures/Fine Schedule

A. In the event of an alleged violation of the Association's CC&Rs, Bylaws or Rules and Regulations ("Governing Documents") by an owner or an owner's family member, guest, invitee, agent, or tenant, the Board of Directors will generally follow the enforcement procedures outlined below. However, when the circumstances warrant, the Board may take more immediate action, such as noticing a hearing without first sending a violation letter, or initiating an action in the Superior Court, to secure an owner's compliance with the Governing Documents.

B. Violation Letters. The Association may first send a violation letter to the owner. This letter shall advise the owner of the nature of the violation and the specific section(s) of the Governing Documents violated. The letter shall provide a deadline (typically 15 to 30 days, depending on the nature of the violation) by which the owner must cure the alleged violation, and shall inform such owner that a failure to comply by the deadline may result in fines, other penalties, or other legal action as necessitated by the circumstances and nature of the violation. The Association may send a second, or third violation letter to the owner, before proceeding with a Notice of Hearing.

C. Notice of Hearing. If the Violation Letter does not result in compliance by the stated deadline, a Notice of Hearing may be sent to the owner advising the owner that a hearing before the Board of Directors will be held in connection with the violation. In its discretion, the Board may immediately send the Notice of Hearing to an owner, without first sending an initial violation letter. The Notice of Hearing shall be mailed at least fifteen (15) days before the hearing and will advise the owner of:

1. The date, time and place of the hearing;
2. The nature of the dispute/violation, with references to provisions of the Governing Documents that have been violated;
3. The necessary corrective action;
4. The disciplinary measure or measures that may be imposed, including, without limitation, the potential for the imposition of a fine on a continuing daily, weekly or monthly basis;
5. The owner's right to attend the hearing and address the Board.

D. Hearings. Hearings will be conducted in executive, or closed, session. The owner shall have an opportunity to present his or her case for a maximum of 15 minutes. The Board shall then take the matter under submission and notify the owner in writing of the Board's determination, and the reasons for any disciplinary measures imposed, within fifteen (15) days. Any disciplinary action may take effect no sooner than five (5) days after the hearing.

E. Disciplinary Actions. The Board may take one or more of the following actions, in addition to any others provided for by the Governing Documents, California law and/or as necessitated by the facts and circumstances of the particular matter:

1. Levy a fine or fines, in accordance with the Fine Schedule. Continuing violations, such as, without limitation, an ongoing noise violation, may result in consecutive daily, weekly or monthly fines for as long as the violation continues.

2. Suspend the owner’s voting rights. Any suspension of an owner’s rights as a member shall be for the period during which any Assessment owed by the owner remains unpaid and delinquent, or for so long as any other type of violation continues.

3. Levy of a Compliance Assessment. Levy a Compliance Assessment to reimburse the Association for expenses incurred if maintenance, repair or replacement of any Common Area is necessitated by the willful or negligent act of an owner or an owner's guest, family member, tenant or invitee, or to reimburse the Association for costs incurred in bringing an Owner in to compliance with Governing Documents.

4. Removal of Vehicles. The Association may cause the removal of any vehicle that is parked or maintained in the community in violation of the Governing Documents.

FINE SCHEDULE

Reasonable fines for first-time violations shall be levied in accordance with the following schedule:

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Failure to Maintain Landscaping	\$250.00
Failure to Maintain Residence in Good Condition and Repair	\$500.00
Use of Lot or Residence for Commercial Purposes in violation of Section 3.02 of the CC&Rs	\$500.00
Allowing a dog off leash	\$100.00
Failure to pick up after pet	\$100.00
Violation of Rule Prohibiting Leases for Fewer Than 30 Days	Up to \$5,000.00
Any Violation Not Specifically Mentioned	Up to \$500.00

Continuing Fines for Continuing Violations: The Association's notice of hearing may provide that the Board will consider imposition of the fine on a continuing daily, weekly or monthly basis. If such a continuing fine is imposed after notice and hearing, the responsible owner will be liable for the amount of the fine imposed for each day, week or month, as appropriate, that the violation continues unabated. Owners subject to a continuing fine are responsible for notifying the Association promptly upon bringing their property into compliance so that the Association can confirm that the owner has cured the violation and otherwise come into compliance and halt future recurring fines.

Increased Fines for Repeated or Continuing Violations: Fines for continuing or repeated violations may be increased at the discretion of the Board, following notice and a hearing, up to \$1,000.00 each. Four or more related or unrelated violations assessed to a single Lot in any 12-month period may result in an additional fine of up to \$500.00 at the discretion of the Board of Directors, following notice and a hearing.

Violation of Leasing Restrictions/Rentals Less Than 30 Days

Violations of the rule prohibiting rentals for periods of under than 30 days result in noise and traffic and other such disruptions, and substantially interfere with the other owners' right to the use and enjoyment of their property. Accordingly, the Board may levy a fine in the amount of up to \$5,000.00 for each violation of the leasing rule. Fines shall be in addition to any Compliance Assessment that may be levied to reimburse the Association for its expenses and costs.

Collection of Fines: The Board may collect unpaid fines through Small Claims Court actions or other available means.



HOMEOWNERS ASSOCIATION

ARCHITECTURAL IMPROVEMENT REQUEST

PROPERTY ADDRESS _____

DATE _____

HOMEOWNER (Print Name—all Homeowners must submit request) _____

EMAIL ADDRESS _____

PHONE _____

HOMEOWNER (Print Name—all Homeowners must submit request) _____

EMAIL ADDRESS _____

PHONE _____

MAILING ADDRESS (if different than property address) _____

REQUESTED IMPROVEMENT(S) _____

You are hereby advised that the work described above is proposed for the indicated property address and approval thereof is requested.

Attached are _____ set(s) of drawings of the work to be done and a complete description of all materials to be used.

A security deposit of \$1,000 is required on all swimming pool installations. Artificial turf installation requests require the Homeowner to fill out the *Artificial Turf Requirements* form that can be downloaded at www.montageatmissionhills.org. Please complete and attach it to this request.

I/We understand that building permits for home improvements may be required by the city of Cathedral City, and the cost of the permits, the responsibility for obtaining the permits, and subsequent inspections will be borne by the applicant.

I/We acknowledge that all approved changes in the original design will be at our expense and that any damage to or relocation of existing sprinkler systems, underground utilities, building structures, exterior landscaping, or any other damage resulting from implementation of these permitted improvements will be at the applicant's expense.

The proposed work will require _____ days from start to completion.

I/We understand and agree that it is the applicant's responsibility to advise any subsequent owner of the modifications and any maintenance responsibility.

HOMEOWNER SIGNATURE (all Homeowners must sign)

DATE

HOMEOWNER SIGNATURE (all Homeowners must sign)

DATE

The above request has been reviewed by the *Architectural Review Committee (ARC)* and has been:

APPROVED

DENIED

DENIED (PENDING FURTHER INFORMATION)

REASON FOR DENIAL _____

Chair, ARC

DATE

Completed work inspected by Chair, ARC

DATE

Please mail completed and signed *Architectural Improvement Request* to
Personalized Property Management, 68950 Adelina Road, Cathedral City, CA 92234;
or Fax to: 760.325.9300; or Email to: www.PPMinternet.com



HOMEOWNERS ASSOCIATION

MONTAGE ARTIFICIAL TURF REQUIREMENTS

All installations must be approved by the *Architectural Review Committee (ARC)* and submissions must include the following materials and information:

A completed *Architectural Improvement Request (AIR)* including plot plan and a description of the artificial turf system that will be used, including specific information on:

- Artificial grass surface materials
- Definition of type and depth of aggregate base materials and site construction plan
- Definition of soil-stabilizing fabric, including permeability spec sheet (MSDS)
- Definition of infill materials including spec sheet (MSDS)
- Definition of seaming materials and adhesives including spec sheet (MSDS)
- A 12" x 12" sample of the exact artificial turf surface material to be used (Nylon is NOT acceptable)

Substitutions prior to construction will NOT be allowed without prior approval.

Minimum requirements for Artificial Turf Systems are as follows:

- Primary layer on native soil—non-woven, highly permeable soil-stabilizing fabric for the soil type and conditions of the installation. Fabrics must be porous and not impede infiltration of normal watershed to appropriate drainage solutions required by any other related CC&Rs of *Montage at Mission Hills*.
- The synthetic turf product must be 100% Made in the USA to ensure quality.
- Pile height should be from 1-1/2" to 2-1/4" and MUST be UV stabilized.
- Minimum 3" to 5" of appropriate compactable aggregate base with subsequent or additional imported base materials and fabric layers, as required. Decomposed granite is NOT allowed. Road base, which is 3/4" crushed granite or ground-up concrete is best, i.e. a Class 2 road base.
- Infill materials, type and amount per square foot, installed, as suggested by the turf manufacturer or based upon standard industry guidelines.

- Acceptable turf surface fibers are Polyethylene (PE) and Polypropylene (PP). A minimum 8-year manufacturer warranty against UV degradation (fading and discoloration) is required. The style and color selection must complement adjacent natural lawns and landscape grass within the community. It must also meet or exceed ASTM standards. (It is recommended that you purchase a product that has a 15-year warranty, not the minimum 8-year warranty.) Turf must also be compatible with adjacent or nearby artificial turf. (It must be installed in the same direction as neighboring turf.)
- Acceptable backing materials include perforated, vertically draining, polyurethane-coated materials that provide optimum turf bind and maximum permeability.
- Acceptable infill materials include: acrylic-coated silica (quartz granules), thermoplastic elastic-coated silica sand, ZeoFill (zeolite) pet infill, or semi-round silica sand. Silica sand infill requires 3 to 5 lbs. per sq. ft. and should be brushed in.
- Sub-angular silica sand (playground or paver sand) may NOT be used as infill.
- Color should be field/spring green with olive/brown thatch and have the appearance of over-seeded Bermuda grass.
- Turf blades should have a shape in order to stand up and not a plain, flat blade that will lie down.
- Lawns that merge together should have a 24"–36" setback to avoid real grass.
- A professional contractor must perform the installation. A D-12 Synthetic Products Contractor license, or a C-27 Landscaping Contractor license is required. A reputable company should have installers with these licenses. (A one-year warranty on installation is the standard.) Proper installation is a major component of a satisfactory end result.
- Yearly maintenance requires a power broom brush-up of the artificial turf and perhaps some replacement of silica sand.
- Surfaces must appear seamless and edges must appear natural and well groomed at all times. Any deviation from a natural look due to improper installation or lack of maintenance will be a violation of these requirements.

I/We have read and agree to comply with the *Artificial Turf Requirements* and installation and maintenance specifications.

 HOMEOWNER (Signature—all Homeowners must sign)

 DATE

 HOMEOWNER (Signature—all Homeowners must sign)

 DATE

This form must be submitted in conjunction with the completed and signed *Montage at Mission Hills Architectural Improvement Request (AIR)*.



HOMEOWNERS ASSOCIATION

EXTERIOR PAINT POLICY

Montage at Mission Hills homes were originally painted in one of nine paint schemes prepared by a professional colorist. Several homes were painted custom colors during the development's construction.

In consultation with Dunn-Edwards and Vista Paint the new paint color schemes provide expanded and updated color options that are designed to retain the character of our Community. Six of the original color schemes are included. The new color schemes are to be applied to the painting of all homes in the future.

The Exterior Paint Policy is as follows:

- All proposed exterior painting requires prior approval of an Architectural Improvement Request (AIR) in order to document painting and allow for follow-up inspection. (This includes partial as well as whole house painting.)
- The 12 color schemes consisting of 4–5 colors each for exterior painting are available on the Montage website www.montageatmissionhills.org
- Additionally there are 5 Accent Color Options (for front door and/or shutters) available on the website.
- Definition of infill materials including spec sheet (MSDS)
- Definition of seaming materials and adhesives including spec sheet (MSDS)
- The elimination of one color within any scheme may be proposed in the painting AIR.
- The proposed color scheme may not be the same as homes next door or across the street.
- An AIR proposing an unapproved color scheme will be considered on a case-by-case basis. (This may result in longer than the 45-day maximum normal time frame for review.)
- The owner of any home painted without an approved AIR, or with colors that differ from the approved AIR may be called to a hearing before the Board to justify their actions. "The painter obtained the wrong color(s)" is not a viable justification. Following the hearing the Board may require the repainting of the home at the homeowner's expense.



HOMEOWNERS ASSOCIATION

SOLAR INSTALLATION GUIDELINES

Montage at Mission Hills Homeowner:

Architectural approval of solar installations may not be withheld, however, the following conditions of approval must be observed:

Approval is based on the solar panel placement design, which must be submitted with the Architectural Improvement Request (AIR) application. If, during field installation, it becomes necessary to materially vary from the approved placement, the revision must be resubmitted to the Architectural Review Committee (ARC) for approval.

All auxiliary electrical equipment such as inverters, batteries, etc. must be installed inside the resident's garage, as much as possible.

No electrical conduit or wiring is to be installed so as to be visible on the exterior of the residence, unless approved by the Architectural Review Committee (ARC). All visible exterior equipment must be painted to match the house stucco or hidden from view with landscaping.

The Montage at Mission Hills homeowner assumes total responsibility for any long-term maintenance required to assure the continued acceptable appearance of the solar installation.