

# MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION



*The Coachella Valley's Community  
Management Company*

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

November 22, 2021

Dear Homeowner,

As required by the Civil Code, the Board of Directors have reviewed the current year's expenses compared to income and have determined a need for an increase in the monthly assessments in order for the Association to be able to meet monthly operating expenses in 2022.

**The monthly assessment will be \$275.00 per unit, per month, effective January 1, 2022**

## **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:

~2022 Operating Budget - *Enclosed*

~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: Community Bulletin Board onsite and Email

~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*

~Charges for Documents Civil Code 4530 & 4525 - *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

November 2021

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, gates, 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.) **NICK EVANS – ASSISTANT COMMUNITY MANAGER** – Nick 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

# Montage at Mission Hills 2022 Budget

Adopted by the Board November 12, 2021

General Ledger	Description	Monthly Assmt 2022	Monthly Budget 2022	Budget 2022
<b>Income</b>				
4110	Assessment Members	\$275	\$35,200	\$422,400
4125	Collection Reimbursement		\$42	\$500
4130	Interest		\$18	\$216
4135	Assessment Violations		\$0	\$0
4140	Late Assessment		\$57	\$688
4141	Admin Fee Late Charge		\$17	\$200
4142	Bank Charges		\$0	\$0
4155	Architectural Fees		\$0	\$0
4190	Gate Clickers/Cards		\$0	\$0
4195	Misc. Income		\$0	\$0
	<b>Total Income</b>		<u>\$35,334</u>	<u>\$424,004</u>
<b>Transfers</b>				
5010	Less Reserves		(5,534)	(\$66,408)
5011	Palm Tree Plan (2018 thru 2027)		(3,178)	(\$38,136)
5015	Less Restricted Interest		(18)	(\$216)
	<b>Total Reserves</b>		<u>(8,730)</u>	<u>(\$104,760)</u>
	<b>Income after Reserves</b>		<u>\$26,604</u>	<u>\$319,244</u>
<b>Operating Expenses</b>				
<b>Utilities</b>				
5020	Electricity		\$1,331	\$15,978
5021	Mailbox Lighting Electricity		\$0	\$0
5040	Gate Telephone		\$184	\$2,204
5050	Water		\$425	\$5,103
	<b>Subtotal Utilities</b>		<u>\$1,940</u>	<u>\$23,284</u>
<b>Landscape Maintenance</b>				
5110	Landscape Contract		\$2,462	\$29,540
5120	Landscape Extras		\$306	\$3,670
5130	Sprinkler Maintenance		\$200	\$2,400
5140	Tree Trimming		\$736	\$8,830
5145	Tree Removal		\$0	\$0
5160	Seed/Scalp/Fertilizer		\$0	\$0
5170	New Plants		\$200	\$2,400
	<b>Subtotal Landscape</b>		<u>\$3,903</u>	<u>\$46,840</u>
<b>Entrance Fountains</b>				
5210	Contract Maintenance		\$210	\$2,520
5220	Equipment Repair		\$8	\$100
	<b>Subtotal Fountains</b>		<u>\$218</u>	<u>\$2,620</u>

**Hardscapes Maintenance**

5341 Grounds Misc.	\$83	\$1,000
5345 Street Sweeping	\$417	\$5,009
5350 Retention Basin Clean/R-R/G-H	\$0	\$0
5363 Holiday Décor	\$238	\$2,856
5365 Electrical/Lighting Repair/Relamping	\$802	\$9,625
5370 Pest Control	\$217	\$2,602
5380 Signs	\$0	\$0
5390 Security	\$0	\$0
5395 Gate Metal/Motor/Arm Repairs	\$174	\$2,094
5399 Gate Phone Repairs	\$25	\$300
<b>Subtotal Hardscapes</b>	<b>\$1,957</b>	<b>\$23,485</b>

**Administration Cost**

5455 Permits	\$0	\$0
5460 Licenses	\$42	\$500
5465 Reserve Study	\$0	\$0
5468 Professional Fee	\$0	\$0
5470 Audit	\$129	\$1,550
5480 Franchise Tax	\$3	\$35
5481 State Required Forms	\$117	\$1,400
5490 Internal Revenue	\$0	\$0
5505 Legal	\$417	\$5,000
5510 Assessment Collection Fee	\$42	\$500
5511 CAI Membership	\$66	\$790
5512 Bad Debts Expense	\$0	\$0
5513 Meeting & Board Expense	\$33	\$400
5515 Mission Hills Social Membership	\$13,824	\$165,888
5516 PPM Late Admin Fee	\$23	\$272
5520 Insurance	\$669	\$8,026
5530 Management Services	\$2,690	\$32,281
5531 Welcome Committee	\$75	\$900
5532 Disaster Preparedness Committee	\$17	\$200
5535 Year End Closing	\$63	\$761
5540 Printing/Postage	\$370	\$4,435
5545 Bank Charges	\$0	\$0
5550 Miscellaneous/Contingency	\$6	\$75
<b>Subtotal Administration</b>	<b>\$18,585</b>	<b>\$223,014</b>

**Total Operating Expenses****\$26,604**      **\$319,244****Net Income (Loss)****(\$0)**

## **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

[Type text]

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.

[Type text]

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)

# Assessment and Reserve Funding Disclosure Summary

## Montage at Mission Hills HOA

Report Date: 11/19/21 (final)

Fiscal Year: 1/01/22 - 12/31/22

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?  Per funding projections (30 Yr. Res Finding Plan & 30 Yr. Cash Flow Spreadsheets)  
 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: \$948,872.98 Fully Funded Reserves  
 Current Cash Reserves: \$202,871.98 as of 12/31/21

Estimated Percent Funded (%): 21.4%

Prepared by Tom Tousignant Report Date: 11/12/21 (Board approved)

(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	2022	2023	2024	2025	2026
Fully Funded Reserves:	\$926,572	\$991,119	\$1,046,285	\$1,091,778	\$1,134,857

(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	2022	2023	2024	2025	2026
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	2022	2023	2024	2025	2026
Reserve Funding Begin:	\$140,088	\$183,547	\$220,898	\$252,601	\$289,478
Contributions:	104,544	107,868	111,360	115,020	118,860
Interest:	213	2354	1750	5504	7597
Available Balance:	\$307,629	\$333,733	\$302,939	\$365,872	\$461,421
Reserve Expenditures:	84,118	143,904	57,591	30,907	38,994
Cash Balance:	\$223,511	\$189,829	\$245,348	\$334,965	\$422,428
% Funded:	21.4%	22.9%	20.2%	24.8%	31.5%

# Jan 2022 Reserve Study

by Finance Committee

Adopted by the Board November 12, 2021

## 5 Year Pro Forma Budget

### Montage at Mission Hills Homeowners' Association

Report Date: 01/01/2021

Fiscal Year: 01/01/21 - 12/31/21

Account	Description	Current Budget 2022	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Annual Increase (% per Yr)
<b>Potential Income</b>								
4110	Regular Assessments	\$422,400	443,098	464,809	487,585	511,477	536,539	4.9%
4125	Collection Reimbursement	\$500	500	500	500	500	500	0%
4130	Interest Income (accumulated in Reserves)	\$216	2,354	1,750	5,504	7,597	9,313	Calc.
4136	Assessment Violations	\$0	0	0	0	0	0	Est.
4140	Late Assessments	\$688	722	758	796	836	878	5%
4141	Admin Fee L/C (new Jan 2011)	\$200	288	305	323	342	363	6%
4142	Bank Charges	\$0	0	0	0	0	0	Est.
4155	Architectural Fees	\$0	0	0	0	0	0	Est.
4190	Gate Clickers/Keys	\$0	0	0	0	0	0	Est.
4195	Misc. Income	\$0	0	0	0	0	0	Est.
<b>Total Potential Income</b>		<b>\$424,004</b>	<b>446,961</b>	<b>468,122</b>	<b>494,708</b>	<b>520,751</b>	<b>547,593</b>	<b>4.9%</b>
<b>Reserves</b>								
5010	Less Reserves	(\$66,408)	(69,732)	(73,224)	(76,884)	(80,724)	(84,360)	5.0%
5011	Palm Tree Plan (2018 thru 2027)	(\$38,136)	(38,136)	(38,136)	(38,136)	(38,136)	(38,136)	Est.
5015	Less Restricted Interest	(\$216)	(2,354)	(1,750)	(5,504)	(7,597)	(9,313)	Calc.
<b>Total Reserves</b>		<b>(\$104,760)</b>	<b>(\$110,222)</b>	<b>(\$113,110)</b>	<b>(\$120,524)</b>	<b>(\$126,457)</b>	<b>(\$131,809)</b>	<b>5.0%</b>
<b>Income after Reserves</b>		<b>\$319,244</b>	<b>\$336,740</b>	<b>\$355,012</b>	<b>\$374,184</b>	<b>\$394,295</b>	<b>\$415,784</b>	<b>4.2%</b>
<b>Operating Expenses</b>								
<b>Utilities</b>								
5020	Electricity	\$15,978	17,575	19,333	21,266	23,393	25,732	10.0%
5021	Mailbox Lighting Electricity (paid thru Acct credit)	\$0	0	0	0	0	0	0.0%
5040	Gate Telephone	\$2,204	2,314	2,430	2,552	2,680	2,814	5.0%
5050	Water	\$5,103	5,256	5,414	5,576	5,743	5,915	3.0%
<b>Subtotal Utilities</b>		<b>\$23,284</b>	<b>\$25,145</b>	<b>\$27,177</b>	<b>\$29,394</b>	<b>\$31,816</b>	<b>\$34,461</b>	<b>8.3%</b>
<b>Landscape Maintenance</b>								
5110	Landscape Contract	\$29,540	31,017	32,568	34,196	35,906	37,701	5%
5120	Landscape Extras	\$3,670	4,037	4,441	4,885	5,374	5,911	10%
5130	Sprinkler Maintenance	\$2,400	2,760	3,174	3,650	4,198	4,828	15%
5140	Tree Trimming	\$8,830	9,713	10,684	11,752	12,927	14,220	10%
5145	Tree Removal	\$0	0	0	0	0	0	Est.
5160	Seed/Scalp/Fertilize	\$0	0	0	0	0	0	2%
5170	New Plants	\$2,400	2,540	2,904	3,194	3,513	3,864	10%
<b>Subtotal Landscape</b>		<b>\$46,840</b>	<b>\$50,167</b>	<b>\$53,771</b>	<b>\$57,677</b>	<b>\$61,916</b>	<b>\$66,524</b>	<b>7.8%</b>
<b>Entrance Fountains</b>								
5210	Contract Maintenance	\$2,520	2,646	2,778	2,917	3,063	3,216	5%
5220	Equipment Repair	\$100	250	200	200	200	200	0%
<b>Subtotal Fountains</b>		<b>\$2,620</b>	<b>2,770</b>	<b>2,978</b>	<b>3,117</b>	<b>3,263</b>	<b>3,416</b>	<b>5.4%</b>
<b>Hardscapes Maintenance</b>								
5341	Grounds Misc.	\$1,000	1,100	1,210	1,331	1,464	1,610	10%
5345	Street Sweeping	\$5,009	5,259	5,522	5,798	6,088	6,392	5%
5350	Retention Basin Well Pumping	\$0	3,999	4,000	0	0	4,000	Est.
5363	Holiday Décor	\$2,856	2,913	2,971	3,030	3,091	3,153	2%
5365	Electrical/Lighting Repair/Relamping	\$9,625	10,107	10,612	11,143	11,700	12,285	5%
5370	Pest Control	\$2,602	2,654	2,707	2,761	2,816	2,872	2%
5380	Signs	\$0	200	0	0	200	0	Est.
5390	Security	\$0	0	0	0	0	0	Est.
5395	Gate Metal/Motor/Arm Repairs	\$2,094	2,198	2,308	2,423	2,544	2,671	5%
5399	Gate Phone Repairs	\$300	315	331	348	365	383	5%
<b>Subtotal Hardscapes</b>		<b>\$23,485</b>	<b>\$28,745</b>	<b>\$29,661</b>	<b>\$26,834</b>	<b>\$28,268</b>	<b>\$33,366</b>	<b>7.3%</b>
<b>Administration Cost</b>								
5455	Permits	\$0	0	0	0	0	0	0%
5460	Licenses	\$500	215	520	225	540	240	Est.
5465	Reserve Study	\$0	1,600	0	0	1,600	0	Est.

5468 Professional Fee	\$0	0	0	0	0	0	0%	
5470 Audit	\$1,550	1,600	1,600	1,650	1,650	1,700	Est.	
5480 Franchise Tax	\$35	10	35	10	35	10	Est.	
5481 State Required Forms	\$1,400	1,470	1,544	1,621	1,702	1,787	5%	
5490 Internal Revenue	\$0	0	0	0	0	0	Est.	
5505 Legal Services	\$5,000	1,000	1,000	1,000	1,000	1,000	Est.	
5510 Assessment Collection Fee	\$500	500	500	500	500	500	Est.	
5511 CAI Membership	\$790	830	872	916	962	1,010	5%	
5512 Bad Debts Expense	\$0	0	0	0	0	0	Est.	
5513 Meeting & Board Expense	\$400	500	500	500	500	500	Est.	
5515 Mission Hills Social Membership	\$165,888	174,182	182,891	192,036	201,638	211,720	5%	
5516 PPM Late Admin Fee	\$272	288	305	323	342	363	6%	
5520 Insurance	\$8,026	8,428	8,849	9,291	9,756	10,244	5%	
5530 Management Services	\$32,281	33,895	35,590	37,370	39,239	41,201	5%	
5531 Welcome Committee	\$900	945	992	1,042	1,094	1,149	5%	
5532 Emergency Preparedness Committee	\$200	210	221	232	244	256	5%	
5535 End of Year Closing	\$761	799	839	881	925	971	5%	
5540 Printing/Postage	\$4,435	4,568	4,705	4,846	4,991	5,141	3%	
5545 Bank Charges	\$0	0	0	0	0	0	0%	
5550 Miscellaneous/Contingency	\$75	77	79	81	83	85	3%	
<b>Subtotal Administration</b>	<b>\$223,014</b>	<b>\$231,117</b>	<b>\$241,042</b>	<b>\$252,524</b>	<b>\$266,801</b>	<b>\$277,877</b>	<b>4.5%</b>	
<b>Total Operating Expenses</b>	<b>\$319,244</b>	<b>\$337,944</b>	<b>\$354,629</b>	<b>\$369,546</b>	<b>\$392,066</b>	<b>\$415,644</b>	<b>5.4%</b>	
3990	<b>Net Income (Loss)</b>	<b>\$0</b>	<b>(\$1,204)</b>	<b>\$383</b>	<b>\$4,638</b>	<b>\$2,229</b>	<b>\$140</b>	
Number of Units / Members		128	128	128	128	128		
\$ Per Unit / Month		275	288	303	317	333	349	4.9%

# Jan 2022 Reserve Study

by Finance Committee

Adopted by the Board November 12, 2021

## 30 Year Cash Flow and Percent Funded Projections

Fiscal Year (January 1 through December 31)	100% Funded	Cash Flow (Beginning Balance with Increase =)	Percent Funded	Contribution (+)	Interest (+)	Expenditure (-)
2022	\$948,872.98	\$202,871.98	21.38%	\$104,544.00	\$213.08	\$84,118.11
2023	\$978,259.35	\$223,510.95	22.85%	\$107,868.00	\$2,353.86	\$143,903.85
2024	\$940,851.88	\$189,828.96	20.18%	\$111,360.00	\$1,749.68	\$57,590.57
2025	\$989,337.14	\$245,348.07	24.80%	\$115,020.00	\$5,503.62	\$30,906.89
2026	\$1,067,002.23	\$334,964.80	31.39%	\$118,860.00	\$7,596.65	\$38,993.82
2027	\$1,125,292.50	\$422,427.63	37.54%	\$122,496.00	\$9,313.27	\$45,946.72
2028	\$1,171,379.26	\$508,290.18	43.39%	\$88,152.00	\$10,631.17	\$217,912.52
2029	\$1,244,724.23	\$389,160.83	31.26%	\$91,896.00	\$6,767.18	\$36,453.49
2030	\$1,104,395.33	\$451,370.51	40.87%	\$95,580.00	\$9,665.86	\$25,799.86
2031	\$1,169,449.65	\$530,816.52	45.39%	\$99,396.00	\$11,390.09	\$8,473.21
2032	\$1,253,291.17	\$633,129.40	50.52%	\$103,380.00	\$13,625.49	\$8,496.54
2033	\$1,338,826.33	\$741,638.35	55.39%	\$107,508.00	\$15,838.15	\$153,681.08
2034	\$1,294,525.37	\$711,303.42	54.95%	\$111,816.00	\$14,108.23	\$92,984.90
2035	\$1,307,340.66	\$744,242.75	56.93%	\$116,280.00	\$15,314.48	\$1,254.80
2036	\$1,419,622.61	\$874,582.43	61.61%	\$119,772.00	\$18,679.67	\$59,888.66
2037	\$1,435,893.80	\$953,145.44	66.38%	\$123,372.00	\$19,842.75	\$29,749.40
2038	\$1,505,909.07	\$1,066,610.79	70.83%	\$127,068.00	\$22,381.85	\$36,384.60
2039	\$1,575,327.26	\$1,179,676.04	74.88%	\$130,884.00	\$24,637.32	\$128,428.98
2040	\$1,559,120.23	\$1,206,768.38	77.40%	\$134,808.00	\$24,566.26	\$4,219.40
2041	\$1,649,669.23	\$1,361,923.24	82.56%	\$137,496.00	\$28,583.88	\$3,693.53
2042	\$1,739,617.39	\$1,524,309.59	87.62%	\$138,876.00	\$31,849.60	\$1,644,660.09
2043	\$461,234.31	\$50,375.10	10.92%	\$140,268.00	(\$8,657.91)	\$181,304.01
2044	\$397,859.97	\$681.19	0.17%	\$141,672.00	\$234.14	\$9,760.73
2045	\$483,667.49	\$132,826.60	27.46%	\$143,088.00	\$4,024.28	\$31,648.38
2046	\$553,684.40	\$248,290.49	44.84%	\$144,516.00	\$6,210.27	\$20,459.32
2047	\$662,446.45	\$378,557.44	57.15%	\$145,956.00	\$8,903.51	\$50,891.60
2048	\$722,673.50	\$482,525.35	66.77%	\$147,420.00	\$10,814.51	\$26,440.01
2049	\$803,949.77	\$614,319.85	76.41%	\$148,896.00	\$13,617.36	\$10,446.15
2050	\$892,962.95	\$766,387.07	85.83%	\$150,384.00	\$16,770.38	\$6,946.72
2051	\$1,002,097.46	\$926,594.73	92.47%	\$150,384.00	\$19,995.83	\$22,736.28
2052	\$1,058,447.11	\$1,074,238.28	101.49%	\$150,384.00	\$22,860.57	\$126,803.15
<b>30 -Year Sum (2022 - 2052)</b>				<b>\$3,869,400.00</b>	<b>\$389,385.07</b>	<b>\$3,340,977.34</b>

Jan 2022 Reserve Study																	
by Finance Committee																	
Adopted by the Board November 12, 2021	Reserves	\$48,652	\$55,492	\$63,252	\$66,408	\$69,732	\$73,224	\$76,884	\$80,724	\$84,360	\$88,152	\$91,896	\$95,580	\$99,396	\$103,380	\$107,508	\$111,816
<b>30 Year Cash Flow Update</b>																	
	Palm Tree	\$38,000	\$38,000	\$38,000	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136	\$38,136
	Forecast Interest rate =	2.00%	1.00%	1.00%	0.10%	1.00%	1.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	Reserve Contribution =	\$7,221.00	\$7,791.00	\$8,438	\$8,712	\$9,988	\$9,280	\$9,585	\$9,905	\$10,208	\$7,346	\$7,558	\$7,955	\$8,283	\$8,615	\$8,959	\$9,318
		2019 Actual	2020 Actual	2021 Forecast	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance		\$106,920.96	\$136,901.03	\$161,759.58	\$202,872	\$223,511	\$189,829	\$245,348	\$334,965	\$422,428	\$508,290	\$389,161	\$451,371	\$530,617	\$633,129	\$741,638	\$711,303
Contribution		\$86,652.00	\$93,492.00	\$101,252.00	\$104,544	\$107,868	\$111,360	\$115,020	\$118,860	\$122,495	\$88,152	\$91,896	\$95,580	\$99,396	\$103,380	\$107,508	\$111,816
Avg/Mo/Unit		\$31.67	\$36.12	\$41.18	\$43.24	\$45.40	\$47.67	\$50.05	\$52.56	\$54.92	\$57.39	\$59.83	\$62.22	\$64.71	\$67.30	\$69.99	\$72.79
Percent change		14.05%	14.06%	5.00%	5.00%	5.00%	5.00%	4.50%	4.60%	4.25%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Interest Earned		\$394.46	\$1,299.68	\$114.00	\$213	\$2,354	\$1,750	\$5,504	\$7,597	\$9,313	\$10,631	\$6,767	\$9,866	\$11,390	\$13,625	\$15,838	\$14,108
Asphalt																	
Asphalt Seal/Stripe		\$28,370.00							27,020								27,020
Asphalt Repair Allowance		\$3,654.00			4,000				4,000						4,000		4,000
Asphalt Replace																	
Concrete																	
Concrete Street Spandrels/Cross Gutters - (Picasso, Dall, Artisan E, Artisan)			\$750														
Concrete Entrance - Replace Concrete (Gerald Ford, Da Vall)				\$250.00							180,000						
Electrical/Lighting																	
Light Fixtures - New Palm Tree Lights (See Note 1 below)		\$450		\$15,874.00	3,118	1,984	1,984	1,984	1,984	850							
Battery backup (GF gate operators)			\$420.00						420						420		
Battery backup DV (GF in gate operators)																	
Electric Meter Contingency									420						420		
Mechanical																	
Gate Operators Gerald Ford Dr - Entrance		\$826.31		\$2,204.08											9,000		
Gate Operators Gerald Ford Dr - Exit				\$10,170.77													
Gate Operators Da Vall Rd - Entrance		\$1,558	\$12,216.10														
Gate Operators Da Vall Rd - Exit		\$2,387	\$10,054.48														
Gate Sensors/Loop Systems Gerald Ford		\$2,850.00						5,700							5,700		
Gate Sensors/Loop Systems Da Vall (Dec 11)										5,700							5,700
Intercom Gerald Ford Dr			\$3,347.55												4,000		
Intercom Da Vall Rd															4,000		
Water Fountains																	
Water Fountain Pumps Gerald Ford		\$480	\$485.00	\$577.00				970							970		
Water Fountain Pumps Da Vall				\$1,290.00						970							970
Water Fountain Filters Gerald Ford				\$340.00													
Water Fountain Filters Da Vall				\$315.00													1,050
Water Fountain Refurbish				\$2,470.00						10,000							1,050
Painting																	
Paint Wrought Iron Gates		\$2,150.00		\$2,150.00													
Paint Block walls		\$1,825.00				5,548	2,300			2,300				2,300			2,300
Paint entrance/corner Montage signs																	
Refurbish Mailboxes																	
Fences/Gates																	
Entrance Gates (Vehicle)		\$999.78	\$160.00														
Entrance Gates (Pedestrian)		\$476.15															
Block Wall Repairs			\$850.00	\$11,080.19				3,500						3,500			3,500
Landscape/Drainage																	
Irrigation Controller Gerald Ford		\$965															
Irrigation Controller Da Vall				\$495.00													
Palm Tree Replacement (New 2017 update)	Funded as of	\$14,200.00	\$38,880.00	\$11,580.00	59,550	20,050	20,050	20,050	20,050	10,050							
Landscape Remedial (1/2 Operating Budget)	Refer to Operating Budget																110,000
Drainage Detention Basin (new drywell)		\$7,875.00	\$2,135.00	\$625.00													
Other																	
Mailboxes			\$635.00														
Street Signs				\$832.58													
Entrance/Corner Signage																	
Contingency																	
Contingency Allowance	Refer to Operating Budget																
<b>Total:</b>		\$67,066.39	\$89,933.13	\$60,253.60	84,118	141,082	55,354	29,124	36,024	41,615	193,500	31,735	22,020	7,090	6,970	123,600	73,318
Loan to Operating Account																	
Repayment of Loan		(\$10,000.00)															
<b>Less: Expense Disbursements (with inflation rate 1.0%)</b>		\$57,066.39	\$89,933.13	\$60,253.60	84,118	\$143,904	\$57,591	\$30,907	\$38,994	\$45,947	\$217,913	\$36,453	\$25,800	\$6,473	\$8,497	\$153,681	\$92,985
Cash Flow (year end reserves)		\$136,901.03	\$136,901.03	\$202,871.98	223,511	189,829	245,348	334,965	422,428	508,290	389,161	461,371	530,617	633,129	741,638	711,303	744,243

## MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION



*The Conchella Valley's Community  
Management Company*

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

### **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)

## MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION



*The Coachella Valley's Community  
Management Company*

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

### **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)

09/28/2021

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).

<b>PRODUCER</b> Cline Agency Insurance Brokers 12400 Wilshire Blvd. Suite 200 Los Angeles CA 90025	<b>CONTACT NAME:</b> EOI Direct <b>PHONE (A/C, No, Ext):</b> (877) 456-3643 <b>E-MAIL ADDRESS:</b> help@eoidirect.com	<b>FAX (A/C, No):</b> (310) 260-2905	
	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
<b>INSURED</b> Montage at Mission Hills - Tract 29771  c/o Personalized Property Management 68950 Adeline Road Cathedral City CA 92234	<b>INSURER A:</b> Sirius America Insurance Co.		
	<b>INSURER B:</b> National Surety Corporation		
	<b>INSURER C:</b> Hanover American Insurance Co.		
	<b>INSURER D:</b> Philadelphia Indemnity Ins Co.		
	<b>INSURER E:</b> Travelers Casualty & Surety Co.		
<b>INSURER F:</b>			

**COVERAGES**

CERTIFICATE NUMBER: Cert ID 29643

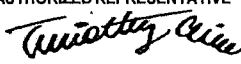
REVISION NUMBER:

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 SUBR INSD 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	09/30/2021	09/30/2022	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	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		2813260	09/30/2021	09/30/2022	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 checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$		USL00656920U123687	09/30/2021	09/30/2022	EACH OCCURRENCE	\$ 5,000,000
						AGGREGATE	\$ 5,000,000
						Excess GL DO	\$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A	WZ3A731630	09/30/2021	09/30/2022	<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		PCAC0076490319	09/30/2021	09/30/2022	Ded. \$5,000	\$ 250,000
A	Common Property		2813260	09/30/2021	09/30/2022	Ded. \$1,000	\$ 194,500

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. Wind/Hail included. Coverage is reviewed annually at the time of renewal.

**CERTIFICATE HOLDER****CANCELLATION**

<b>PROOF OF INSURANCE</b>	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	<b>AUTHORIZED REPRESENTATIVE</b> 

© 1988-2015 ACORD CORPORATION. All rights reserved.

# CERTIFICATE COVERAGES OVERFLOW

DATE (MM/DD/YYYY)  
09/28/2021

<b>PRODUCER</b> Cline Agency Insurance Brokers 12400 Wilshire Blvd. Suite 200 Los Angeles CA 90025	<b>INSURED</b> Montage at Mission Hills - Tract 29771  c/o Personalized Property Management 68950 Adeline Road Cathedral City CA 92234
<b>CONTACT NAME:</b> EOI Direct	<b>PHONE (A/C, No, Ext):</b> (877) 456-3643

**ADDITIONAL COVERAGES** CERTIFICATE NUMBER: Cert ID 29643 REVISION NUMBER:

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
E	Directors & Officers			106987143	09/30/2021	09/30/2022	Ded. \$7,500      \$ 1,000,000
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$
							\$

MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION



*The Coachella Valley's Community  
Management Company*

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

**FEDERAL HOUSING ADMINISTRATION (FHA)**

*Civil Code: 5300(b)(10)-(11)*

As of the date of this mailing the FHA status of the Association is as follows:

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

Please refer to the FHA Website for current information: <http://portal.hud.gov>

MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION



*The Coachella Valley's Community  
Management Company*

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

**DEPARTMENT OF VETERANS AFFAIRS (VA)**

*Civil Code: 5300(b)(10)-(11)*

As of the date of this mailing the VA status of the Association is as follows:

Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not a condominium project. The association of this common interest development is not certified by the federal Department of Veterans Affairs.

Please refer to the VA website for current information: <http://www.va.gov>

## MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION



*The Coachella Valley's Community  
Management Company*

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

### **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.

## MONTAGE AT MISSION HILLS HOMEOWNERS ASSOCIATION



*The Coachella Valley's Community  
Management Company*

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

### **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.





**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](http://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: [montagemhhoa@ppmineternet.com](mailto:montagemhhoa@ppmineternet.com)

## Exterior Paint Policy – Approved July 12, 2019

Montage 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 which 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:

- 1) All proposed exterior painting requires prior approval of an Architectural Variance Request (AVR) in order to document painting and allow for follow up inspection. This includes partial as well as whole house painting.
- 2) The 12 color schemes consisting of 4 - 5 colors each for exterior painting are available on the Montage website [www.MontageatMissionHills.org](http://www.MontageatMissionHills.org)
- 3) Additionally there are 5 Accent Color Options (for front door and/or shutters) available on the website.
- 4) The elimination of one color within any scheme may be proposed in the painting AVR.
- 5) The proposed color scheme may not be the same as homes next door or across the street.
- 6) An AVR proposing a non-Montage color scheme will be considered on a case by case basis. This may result in a longer than the 45 day maximum normal time frame for review.
- 7) The owner of any home painted without an approved AVR or colors that differ from the approved AVR 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 re-painting of the home at the homeowner's expense.

**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 ensure 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 preceding to 7 days following each holiday. (Added January 21, 2005)

All members 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 ensure the proper operation of the Architectural Committee please submit plans early and work with the Committee. The work of the Architectural Committee ensures 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 prohibited ~~done only~~ during the hours of 10:00 P.M. ~~a.m.~~ to 7:00 A.M. ~~to 6:00 p.m.~~ per Cathedral City Noise Ordinance. ~~Monday through Friday, except when previously approved by the Board of Directors.~~  
(Clarification September 13, 2019)

### 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 5:00 P.M. Monday thru Saturday (Clarification September 13, 2019). ~~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 not 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 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 HILLS, INC.**  
**A California Nonprofit Mutual Benefit Corporation**

**MEMBERSHIP MEETING AND VOTING RULES**  
**(Civil Code, Section 5100 *et seq.*)**

Adopted on 1.10.20

**1. Introduction**

- a. The Board of Directors ("Board") consists of five (5) Directors, who serve two-year terms. (Bylaws, Article VII, Sections 7.2 and 7.3.)
- b. The Association has one-hundred and twenty-eight (128) Lots.
- c. The Annual Meeting is held at a date, time and place to be determined by the Board of Directors and set forth in the notice of meeting sent to the Members. (Bylaws, Article V, Sections 5.1 and 5.2.)
- d. Cumulative voting is not permitted. (Bylaws, Article VII, Section 7.4.)
- e. The quorum at a Membership meeting consists of the presence in person, proxy or Secret Ballot, of twenty-five percent (25%) of the Members. (Bylaws, Article V, Section 5.5(a).)
- f. The required quorum at any adjourned Membership meeting consists of the presence in person, proxy or Secret Ballot, of ten percent (10%) of the Members. (Bylaws, Article V, Section 5.6(a).)

**2. Membership Meetings, Annual Meeting, Election of Directors and Membership Votes**

- a. The Association will hold an Annual Meeting of the Membership to elect Directors and to conduct Association business that is properly brought before the Members and/or on the agenda ("Annual Meeting" or "Election").
- b. Ballots may not be denied to a member for any reason other than not being a member at the time the ballots are distributed. Ballots may not be denied to a person with a general power of attorney for a Member, and the ballot of a person with general power of attorney for a Member must be counted, if returned in a timely manner.
- c. Persons who attend a Meeting may be asked to provide photo identification or other documents to prove that they are Owners of a Lot or hold a general power of attorney for an Owner of a Lot.
- d. The following qualifications apply to nominees for the Board of Directors:

- i. A person who is not a Member at the time of their nomination is disqualified from nomination.
  - ii. If title to a Lot is held by a legal entity that is not a natural person, such as a corporation or a limited partnership, the governing authority of that legal entity may appoint a natural person to be a Member for purposes of these Rules.
  - iii. All nominees for a board seat must be current in the payment of regular and special assessments. Nominees may not be disqualified for nonpayment of fines, fines renamed as assessments, collection charges, or costs levied by a third party. Further, a nominee may not be disqualified if he or she has paid the regular or special assessment under protest; if he or she has entered into a payment plan; or if he or she has not been provided the opportunity to engage in internal dispute resolution.
  - iv. A person is disqualified from nomination if the person, if elected, would be serving on the Board at the same time as another person who holds a joint ownership interest in the same Lot, and the other person is already properly nominated for the current election or an incumbent director.
  - v. A nominee is disqualified if that person has been a member of the Association for less than one year.
  - vi. A nominee is disqualified if that person discloses, or the Association is aware or becomes aware of, a past criminal conviction that would, if the person were elected, either prevent the Association from purchasing the fidelity bond coverage required by law or terminate the Association's existing fidelity bond coverage.
- e. The Association shall provide general notice of the procedure and deadline for submitting a nomination at least thirty (30) days before the deadline for submitting a nomination.
  - f. Nominations for the office of Director may be made by a Nominating Committee consisting of a chairperson, who may be a member of the Board, and two (2) or more Members of the Association (who may also be members of the Board). The Nominating Committee shall make as many nominations for election to the Board as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. (Bylaws, Article VII, Section 7.5(a).) Nominations may also be made by the Members, as set forth in subdivision g, below.
  - g. The Association shall send out to all members a request-for-candidates form, seeking candidates for the Board, prior to the Annual Meeting date. All forms must be completed by the candidate and must be received by the Association by the deadline stated in the form in order for a candidate's name to appear on the Notice of Annual Meeting and the Ballot. If the fully completed form is not received by the Association by the deadline date, a candidate may still be

nominated by himself, herself or by someone else from the floor of the Annual Meeting, under the procedures described in these Election Rules.

- h. The candidacy form may include the opportunity for each candidate to submit a 150-word written statement reasonably related to the election, including advocating a point of view. Candidate statements received on a timely basis will be included with the Association's mailing of the notice and ballot materials. The Association will not edit or redact these statements but may include a statement specifying that the candidate is responsible for that content. (Civ. Code, § 5105(a)(1).)
- i. The Association's Secretary will review the candidate nomination forms, and if the person is not qualified to be a nominee, that person's name will not be included on the Secret Ballot that is mailed to the Membership. The Secretary may delegate this certification to management or to another Director at any time.
- j. Secret Ballots: The Association will utilize a secret ballot ("Secret Ballot" or "Ballot") process, which is required by California law, as described in Section 4, below, for the following categories of votes:
  - i. A vote of the Membership regarding assessments;
  - ii. Election or removal of Members of the Association's Board of Directors;
  - iii. Amendments to the governing documents;
  - iv. Grant of exclusive use of common area property pursuant to Civil Code Section 4600; and
  - v. Any other Membership votes which may be required or allowed by law.
- k. As set forth in Rule 2.a., above, the Association's Annual Meeting will be held at a time to be set by the Board. The Inspector(s) of Election will send out a Notice of Annual Meeting, which will advise all Members of times when registration will begin, when the Meeting will be called to order, and when the polls will open. The Notice will also state the dates and times when the Members and candidates may attend the Annual Meeting to witness the Inspector's registration, review, count and tabulation of the Ballots for the Annual Meeting.
- l. Other meetings of the Members ("Special Membership Meetings") may be noticed and held by the Association to vote on matters which are proper for Member vote. The Board may also determine not to notice or hold Membership Meetings for votes on matters, except for Membership Meetings required for the removal or election of Directors and Annual Meetings, and may conduct the vote by Secret Ballot process and have the Secret Ballots counted and tabulated at a duly noticed open Board meeting.
- m. The Directors must be elected by Secret Ballot and cannot be elected by voice vote or show of hands at the Annual or other Special Membership Meeting. At Annual

Meetings or other Special Membership Meetings where Directors will be elected, the Secret Ballot votes for Directors will be counted and tallied, and the Report of the Inspector of Election will provide the tabulated results of the vote and election.

- n. Other business at the Annual or other Special Membership Meetings, such as approval of minutes, motions to close registration, motions to cease balloting, motions to adjourn, and other parliamentary or meeting procedures required by a recognized system of parliamentary procedure may be conducted by a show of hands, voice vote or other recognized method, including a roll call vote.
- o. All Membership Meetings and votes will be conducted in accordance with the Association's Governing Documents and California Corporations and Civil Codes, as appropriate.
- p. Members will have one vote per Lot owned. When more than one person holds an ownership interest of record in any Lot, all such persons shall be Members of the Association; although in no event shall more than one vote be cast with respect to any Lot. In elections of Directors, this one vote will be multiplied by the number of Director positions up for election (e.g., if three (3) director positions are available, each Lot will receive three (3) votes to cast.)
- q. The Association will create and retain a candidate registration list and a voter list. The voter list shall include the name, voting power, and either the physical address of the Member's Lot, the parcel number, or both. The mailing address for the ballot shall be listed on the voter list, if it differs from the physical address of the Lot, or if only the parcel number is used. The Association shall permit Members to verify the accuracy of their individual information on the candidate registration list and voter list at least thirty (30) days before ballots are distributed. The Association or Member shall report any error or omissions to either list to the Inspector of Election, who shall make any correction within two (2) business days of being notified of the error or omission.

**3. Inspector(s) of Election**

- a. One (1) or three (3) independent third party Inspector(s) of election ("Inspector") will be selected and appointed by the Board of Directors at an open Board Meeting.
- b. For purposes of this Section 3, independent third parties include the following:
  - i. A volunteer poll worker working for the county registrar of voters;
  - ii. A Licensee of the California Board of Accountancy;
  - iii. A Notary Public;
  - iv. A Member of the Association who does not hold a position on the current Board of Directors, is not related to a Member of the current Board of Directors, is not a candidate for the forthcoming election, and is not

related to a candidate for the forthcoming election, for which such Member of the Association would serve as an Inspector; or

- v. Such other persons as may be provided by California Law.
- c. The Board will not select as an Inspector a Member of the Board of Directors, a candidate for the Board of Directors, a relative of a Member of the Board or of a candidate, or a person currently employed by or under contract to the Association for other compensable services, other than serving as Inspector.
- d. The Board may determine to pay compensation to the professional non-Member third party Inspector, if any. If the Board determines to appoint and pay a professional non-Member independent third party to be Inspector, the Board will require the following terms to be met by the independent third party Inspector:
  - i. A written contract for the Inspector to be hired as an independent contractor;
  - ii. The Inspector will maintain insurance with at least one million dollars (\$1,000,000.00) commercial general liability coverage, including completed operations coverage, and one million dollars (\$1,000,000.00) Directors & Officers/Errors & Omissions (naming the Association and its management company as additional insureds on all insurance policies);
  - iii. After tabulating the ballots, the Inspector shall maintain custody of the Association Election Materials, as defined in Rule 15.e, and store the Association Election Materials in a secure place for at least one (1) year, after which time the Association Election Materials shall be turned over to the custody of the Association and maintained as records of the Association for so long as the law requires;
  - iv. The professional non-Member independent third party Inspector shall indemnify the Association, if the professional non-Member independent third party Inspector is grossly negligent, or commits malicious and/or willful misconduct.
- e. If an Inspector is unwilling to, unable to, or does not, perform his or her duties as stated in these Rules, or becomes ineligible to be an Inspector at any time after appointment under these Rules, the Board may remove that Inspector without notice, and may appoint another Inspector in his or her place.
- f. Inspector's Duties:
  - i. Maintain voter lists and candidate registration lists;
  - ii. At least thirty (30) days before an election, deliver to Members (or cause to be delivered) ballots, voting instructions, and a copy of the Election Rules;
  - iii. Determine the number of Memberships entitled to vote and the voting power of each;

- iv. Determine the authenticity, validity, and effect of proxies, if any;
  - v. Receive Secret Ballots and proxies, if any;
  - vi. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote;
  - vii. Count and tabulate all votes;
  - viii. Determine when the polls shall close;
  - ix. Determine the results of the election or vote;
  - x. Perform any acts as may be proper to conduct the election with fairness to all Members, in accordance with California Law and these Rules;
  - xi. All duties must be performed in good faith, to the best of the Inspector's ability, as expeditiously as practical, and in a manner that protects the interests of all Members;
  - xii. Prior to the mailing of the Secret Ballots by the Association, the Inspector will determine the location where the sealed Secret Ballots will be mailed or delivered; and
  - xiii. The Inspector of Elections shall also determine where the Inspector will maintain custody of the sealed Secret Ballots, signed voter envelopes, voter list, proxies, and candidate registration list, before and after the count and tabulation of the vote by the Inspector.
- g. To satisfy the requirement of notice regarding the Election Rules, as set forth in Rule 3.f.ii, above, the Election Rules may be posted to the Association website, if any, and including the website address on the ballot together with the following phrase in at least 12-point font: "The rules governing this election may be found here:"; or the Election Rules may be sent by individual delivery under Civil Code Section 4040.
  - h. The Inspector may appoint and designate additional personnel to assist him/her/them in his/her/their duties, including registration, opening, counting and tabulating, but the Inspector will oversee and be responsible for all actions of such designees. Any additional persons appointed to assist the Inspector must meet the qualifications stated above at Rule 3.c. Only the Inspector may sign the Inspector's report of the election, but additional designees may be required to sign an oath regarding his/her/their duties.
  - i. If there are three (3) Inspectors, the decision to act or make a decision must be by a majority of the Inspectors and is effective, in all respects, as the decision of all.

- j. The report of the Inspector of the election shall be prepared for all votes, and once signed to certify the results of the vote, count or election, is prima facie evidence of the facts stated in the report.

**4. Secret Ballot Procedures**

- a. At least thirty (30) days before the ballots are distributed, the Association shall provide general notice of the date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector; the date, time and location of the meeting where the ballots will be counted; and the list of candidates that will appear on the ballot.
- b. At least thirty (30) days prior to the Annual Meeting, other Special Membership Meeting, or vote to be taken, the Inspector will deliver or cause to be delivered to the Members, by first-class mail, the Secret Ballots, along with two preaddressed envelopes ("Envelopes") and instructions on how to return the Secret Ballots. The Annual Meeting date, other Membership meeting date, or deadline date for other votes taken without a meeting will be considered the due date for completed Secret Ballots to be received by the Association. A Notice of Meeting will also be sent, which will include instructions on how to return Secret Ballots.
- c. At least thirty (30) days before any election, the Inspector will deliver or cause to be delivered Election Rules as required by Rule 3.f.ii, above.
- d. The Secret Ballot itself will not identify the voter by name, address, parcel number or Lot number.
- e. The Secret Ballot and Notice will contain the names of any candidates known to the Association at the time the Secret Ballot and Notice are mailed, along with blank lines for write-in candidates.
- f. Any write-in candidate must be nominated from the floor of the Annual Meeting or Special Membership Meeting, by himself, herself or another Member, or by written notice which is received by the Inspector prior to the close of nominations, and must be present at the Annual Meeting or Special Membership Meeting to accept the nomination, or have sent written acceptance of the nomination to the Association, which must be received by the Association at least forty-eight (48) hours prior to the call to order of the Meeting.
- g. The Secret Ballot itself is not signed by the voter but is inserted into an inner ballot envelope which is preaddressed to the Inspector (Envelope #1).
- h. The voter then seals Envelope #1 and inserts Envelope #1 into a second preaddressed outer mailing envelope (Envelope #2), which is then also sealed by the voter.
- i. In the upper left-hand corner of Envelope #2, the voter prints and signs his or her name, and prints the address of the Lot that entitles him or her to vote. A proxy holder voting on behalf of a Member at a meeting shall print the name and

address of the proxy giver in the upper left-hand corner of Envelope # 2, but shall sign the proxy holder's name on Envelope # 2.

- j. The owners of multiple properties must submit separate Secret Ballots in separate sealed Ballot Envelopes (#1 and #2) for each property owned,
- k. Envelopes #1 and #2 shall be preaddressed to the Inspector at the location selected by the Inspector.
- l. Secret Ballots may be mailed to the selected address or delivered by hand by the Member to the location selected by the Inspector.
- m. All Secret Ballots must be mailed or delivered to the Inspector, or brought to a Meeting to be voted in person at the Meeting.
- n. The Member may request a receipt for hand delivery of the sealed Envelope #2 to the location selected by the Inspector. Any Member desiring a receipt for mail delivery should send the Secret Ballot by certified mail, return receipt requested, to the location selected by the Inspector. A Member shall not receive a receipt for hand delivery of a sealed Envelope or Ballot brought to a Meeting.
- o. Only the Association's Secret Ballots and envelopes which are sent out to the Membership by the Association or are provided by the Association at the Membership meeting will be accepted by the Inspector. No copies, faxes, or emails of the Secret Ballots and envelopes will be accepted or counted by the Inspector.
- p. Members must clearly print out the correct name of the owner, the address, and sign the upper left hand corner, or may use pre-printed address stickers or labels instead of personally printing their own information on Envelope #2. However, the information must be accurate and correct per the Association's records, or it will not be valid.
- q. The Member must sign on the signature line shown on the upper left-hand corner of Envelope #2. If an outer mailing envelope is not signed by the Member, it will not be counted by the Inspector for any purpose, including quorum or as a cast vote.

5. Proxies

- a. The Association will not send out a proxy for the Annual Meeting or other Membership vote. Proxies will be accepted only if those proxies and the proxy holders are determined by the Inspector to meet all of the requirements of the Bylaws, the California Corporations Code, and the California Civil Code. Proxy holders shall not be given Secret Ballots pursuant to proxies until after the time that all proxies and Secret Ballots (except for those Secret Ballots to be distributed pursuant to proxies) have been registered, and the proxy has been upheld as valid.
- b. Proxies must be in writing and filed with the Secretary in advance of each meeting. Every proxy shall be revocable and shall automatically cease on the



expiration date specified on the proxy, or if none is specified, after completion of the meeting for which the proxy was filed.

- c. Any instruction given in a proxy that directs the manner in which the proxy holder is to cast the vote must be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain.
- d. The proxy holder must be a Member of the Association as required by California Law, and must be present in person at the Membership meeting and shall cast the proxy giver's/Member's vote by Secret Ballot at the meeting, unless the proxy is revoked by the proxy giver prior to the Inspector's receipt of the proxy giver's Secret Ballot at the meeting. If the proxy holder is not present at the meeting, the proxy shall not be valid for any purpose.
- e. Any Member who gives another Member his or her proxy does so with the full understanding that the Association and Inspector will not be responsible for ensuring that any proxy holder votes the proxy in accordance with the proxy giver's direction. The Inspector cannot verify or observe how the proxy holder marks the proxy giver's/Member's Secret Ballot.
- f. Any proxies previously distributed by the Association for quorum purposes only, including general proxies, will be valid and accepted by the Association until their expiration.

**6. Effect of Submitting Secret Ballot**

- a. **ONCE A SECRET BALLOT IS RECEIVED BY THE INSPECTOR, THAT SECRET BALLOT CANNOT BE CHANGED, RETRIEVED, OR REVOKED.**
- b. Only one Secret Ballot may be submitted for each Lot. Once a Member submits a Secret Ballot with regard to a particular Lot, no other Secret Ballot or proxy may be submitted for that Lot. Should more than one Secret Ballot be submitted with regard to a particular Lot, the Secret Ballot which was earliest received may be counted for that property, or the Inspector may determine not to count either Secret Ballot, at the discretion of the Inspector. If it cannot be determined which Secret Ballot was earliest received, no Secret Ballot will be counted for that Lot.

**7. Registration of Secret Ballots at the Meeting**

- a. The Association will have the Membership registration list at the Membership meeting.
- b. Verification of information on the outside of Envelope #2 and registration of envelopes received may be performed by the Inspector or his/her designees prior to the meeting or deadline for voting.
- c. Registration will be conducted by the Inspector of Election or his/her/their designees and votes counted and tabulated by the Inspector at a duly noticed Membership or Board meeting in front of any Members or candidates who may wish to witness the registration and opening and counting of the Secret Ballots or Proxies.

- d. All Secret Ballots must be sealed in the two sealed Envelopes and contain all required information on the upper left-hand corner of Envelope #2.
- e. The Inspector will review the information provided on the upper left-hand corner of Envelope #2. The Inspector will require, at a minimum, the following:
  - i. The Member must print his or her name or place a label on Envelope #2, it must be legible and must match the name of at least one (1) of the record owners of the Lot as shown on the Association's Membership list;
  - ii. The Member's (or, in the case of a Secret Ballot cast pursuant to proxy, the proxy holder's) signature must be on Envelope #2;
  - iii. The address shown on Envelope #2 must correspond to the Member's Lot on the Association's records. The Inspector will determine whether the failure to include information on Envelope #2 should result in the Secret Ballot being counted for quorum purposes only, or not counted for any purpose;
  - iv. If any Member fails to put a Secret Ballot into both of the sealed envelopes, and/or sends/delivers empty Envelopes, the Envelopes will not count for any purpose, including quorum.

**8. Registration of Members in Person**

- a. A Member wishing to vote in person at the Membership meeting must present himself or herself at the registration table with identification to show that he or she is the record Owner of the Lot. The holder of a general power of attorney for a Member must present himself or herself at the registration table with an original, signed, notarized power of attorney and identification to show that he or she is the attorney-in-fact.
- b. A Member may not revoke or change any previously received Secret Ballot. A Member may attend the meeting, but will not be given a new Secret Ballot to vote at the meeting, if the Association has received a Secret Ballot for that Lot.
- c. If a Secret Ballot has not been previously received by the Inspector for a particular Lot, a Member in attendance at the meeting from that Lot will be given a Secret Ballot along with two envelopes to mark and cast in secret at the Membership or board meeting. The Inspector will mark the registration list to memorialize that the Member received a Secret Ballot at the Membership or board meeting. Such Secret Ballots may, at the discretion of the Inspector, be on paper of a color different than the color used for Secret Ballots cast by mail. Such Secret Ballots will only be counted at any Membership meeting or adjourned meeting if properly placed into both Envelopes #1 and #2, and if they are otherwise valid pursuant to these Election Rules.
- d. Members voting in person at the Membership or board meeting must still use Envelopes #1 and #2, and Envelope #2 must be filled out, sealed and signed. Failure to use the two envelope system at the Membership or board meeting may

lead to invalidation of the Secret Ballot cast at the Membership or board meeting and may prevent the Secret Ballot from being counted at any adjourned date if the Membership meeting is adjourned for lack of a quorum.

- e. If, in the sole discretion of the Inspector, the requirements above are not met, the envelope/Secret Ballot may not be registered and will not be valid for any purpose, including establishing a Quorum.

**9. Registration of Proxies/Determination of Quorum**

- a. If a Member brings valid proxies to the Membership meeting, the Inspector will review and make all necessary determinations regarding those proxies, including the validity of those proxies. Subject to this verification, the Inspector of Election shall register each Proxy received by placing a "P" on the membership roster alongside the proxy-giving Member's name. The Inspector is not required to observe and verify that Secret Ballots are marked by the proxy holder in the manner instructed by the proxy giver.
- b. The Inspector will determine, if possible, whether quorum has been obtained, based upon the count of the number of Members voting by proxy, or by a mailed or delivered Secret Ballot as shown on the registration list.
- c. The quorum at a Membership meeting consists of the presence in person, by proxy, or by Secret Ballot, of twenty-five percent (25%) of the voting power of the Members. (Bylaws, Article V, Section 5.5(a).)
- d. If a Member has cast a Secret Ballot by mail or delivery, which is received by the Inspector prior to the Inspector's receipt of a Secret Ballot cast by the Member's proxy holder, the Member's Secret Ballot will supersede and control over any proxy submitted or any Secret Ballot later cast by the Member's proxy holder.
- e. A Member may revoke his or her proxy by casting a Secret Ballot by mail or delivery to the Inspector or as otherwise provided in Corporations Code Section 7613, provided such revocation is completed prior to the Inspector's receipt of a Secret Ballot from the Member's proxy holder and in advance of any vote or Membership Meeting.
- f. After the time specified in the notice to the Members relating to the closing of the polls has passed, and upon determination that a quorum has been obtained, the Inspector may close registration and close the polls.

**10. Adjourned for Lack of Quorum**

- a. Any Membership meeting, Annual or Special, may be adjourned or adjourned to another place and/or time by the vote of the majority of Members present at the Meeting, either in person or by valid discretionary proxy. The Members at any reconvened Meeting may take any action that might have been transacted at the original Meeting. The required quorum at any adjourned Membership meeting

consists of the presence in person, proxy or Secret Ballot, of ten percent (10%) of the voting power of the Members. An Adjourned Membership Meeting must be held not more than forty-five (45) days from the date the original meeting was called. (Bylaws, Article V, Section 5.6(b).)

- b. Secret Ballots that are received by the Inspector, in properly completed and sealed Envelopes #1 and #2, will be valid for adjourned Membership meetings.
- c. No ballots may be counted at Membership meetings unless a quorum is present.
- d. The Secret Ballots will be counted during duly noticed Board or Membership meetings. The Inspector may request that any Meeting be recessed to allow the Inspector to complete the counting and tabulation of the Secret Ballots at another time. Notice of the recessed Meeting will be given to all Members and candidates of the location, dates and times when the counting and tabulation will be performed. The Inspector will continue to maintain custody of all Secret Ballots until the counting and tabulation is complete or may delegate custody to the Association's legal counsel or management.

**11. Observation/Custody of Ballots, Etc.**

- a. Any candidate or other Member of the Association may witness the opening of sealed Secret Ballots, proxies (if any), and the counting and the tabulation of the votes.
- b. No person, including any Member of the Association, may open any envelopes or otherwise review any Secret Ballot prior to the time and place at which the envelopes are opened and the Secret Ballots are counted and tabulated by the Inspector.
- c. The Secret Ballots and other election materials at all times will be in the custody of the Inspector, or at a location designated by the Inspector, for one (1) year after the tabulation of the votes.

**12. Consultation With Association Counsel**

The Inspector will have the authority to confer with Association legal counsel in advance of or at the meeting. Legal counsel represents the Association and does not represent the Members, candidates, Inspector, Board Members, management or any other individual. By the adoption of these Election Rules, Association legal counsel has been authorized by the Board of Directors to provide advice to and to waive the attorney-client confidential communication privilege as determined necessary or prudent by the attorney to inform and advise the Inspector regarding issues or matters related to the Inspector's performance of his/her/their duties for the Association. The Inspector may confer with Association legal counsel outside the presence of the Members.

**13. Nominating/Balloting**

Once registration for the polls has been closed, if a quorum is present, the membership meeting may proceed with nominations from the floor (if applicable), followed by balloting, etc.

**14. Tabulation, Counting, Inspector's Conduct, Etc.**

- a. Once the balloting has been closed by the Inspector, the Inspector may then open the sealed envelopes and begin the count and tabulation of the ballots. All (sealed) inner (#1) envelopes will be set aside upon opening the duly registered Envelopes #2; Envelopes #1 will then be opened and the ballots tabulated.
- b. All votes shall be counted and tabulated by the Inspector in public, at a properly noticed open Meeting of the Board or of the Members, after verification of a quorum of the membership.
- c. If the Inspector opens the envelopes and determines that there is no Secret Ballot in an envelope, the empty Envelope will not be counted towards a quorum or for any other purpose.
- d. Members and candidates may witness the counting and tabulation from a distance of at least six (6) feet from any Inspector.
- e. The Inspector will not provide Members or candidates with information, will not answer questions, or engage in discussion, and will not provide any interim counts or tabulations. Inspectors will only provide the Members or candidates with a final count and tabulation.
- f. Members and candidates may not communicate with the Inspector during the inspection, opening, counting or tabulation process.
- g. Any witness or observer may be ejected or removed by the Inspector for any disruptive, noisy, or rude behavior.
- h. Any Secret Ballot must be legible and clearly marked. If the Secret Ballot is marked to cast more votes than the maximum number of votes permitted, no votes will be counted, and the Secret Ballot will be used for quorum purposes only. A Member does not have to use all of his or her votes, and may cast fewer votes than the maximum number of votes.
- i. If a Secret Ballot is signed or other identification is written on the Secret Ballot by the owner, the Inspector may determine to count the Secret Ballot. However, the Association will not protect the Owner's privacy and will not be responsible for redacting that information in the event a recount or review of the Secret Ballots is requested.
- j. The Inspector will certify the results of the election by completing a written report.

**15. After Tabulation**

- a. Results of the election or vote shall be announced and be promptly reported to the Board of Directors and the tabulation recorded in the minutes of the next Meeting of the Board. The Inspector may also determine whether the tabulated results will be announced at the Meeting.

- b. The tabulated results shall be available for review by all Members after the certification of the Membership meeting by the Inspector.
- c. Tie Votes: In the event of a tie vote among any number of the candidates, unless those candidates are present and agree to break the tie by coin toss, lot, or any other method of determining the results by chance, the Association will notice a special membership meeting and send out ballots to all members for a vote to break the tie. Said vote shall be conducted in accordance with the procedures herein, to the extent they are applicable to a run-off vote. No previously cast ballots or proxies will be used at the meeting to break the tie.
- d. Within fifteen (15) days of the election/vote, the Board shall publicize the tabulated results of the election/vote in a communication directed to all the Members by General Delivery.
- e. The Secret Ballots, the outer mailing Envelopes (#2), voter list, proxies, candidate registration list, and the meeting registration list ("Association Election Materials"), will be stored in a secure place in the custody of the Inspector, or in a location designated by the Inspector, for one (1) year after the date of the election/vote, at which time custody shall be transferred to the Association.
- f. In the event of an election challenge and upon receipt of a written request from a Member for review or recount, the Association will make the Association Election Materials available for inspection and review by Members or their authorized representatives. In order to protect the security of the Association Election Materials, one or more Association representatives must be present during such inspection and review.
- g. Upon the written request of a Member, in compliance with the requirements of Civil Code Section 5200, *et seq.*, the Association shall provide a copy of the Association Election Materials to the requesting Member, with the exception of the outer mailing Envelopes (#2), which may only be inspected and not copied.
- h. Any recount shall be conducted in a manner that shall endeavor to preserve the confidentiality of the vote. However, the Association will not be responsible for redacting or otherwise protecting any identifying/other information that is written on a Secret Ballot, or other categories of Association Election Materials, by a Member.
- i. Only one person at a time may review, inspect, or recount the original Association Election Materials. No copies may be made of the outer mailing Envelopes (#2). Cellphones and cameras are not permitted in the room at the time of the inspection, review, or recount. Only the paper and markers provided by the Association may be used to take any notes.
- j. The Association or the professional Inspector may establish any additional rules and procedures for the review and recount by Members, and a charge or cost may be imposed to be payable by the Members in advance for the time of persons to observe and monitor the review or recount.

16. Access to Association Facilities and Communications/Use of Association Funds

- a. If any candidate or Member advocating a point of view is provided access to any Association media, including newsletters, Internet web sites, or other Association publications during any campaign, for purposes that are reasonably related to that election, then all candidates and Members advocating a point of view shall be provided with equal access for purposes reasonably related to that election.
- b. The Association shall not edit or redact the content from the communications of candidates and Members advocating a point of view, but may provide a statement specifying that the candidate or Member, not the Association, is responsible for that content.
- c. Access to common area meeting spaces, to the extent such exist, will be made available to all candidates and Members advocating a point of view, for purposes reasonably related to the election or vote, at no charge. The Association may set forth the specific dates and times at which such access will occur in the Notice of the Membership meeting.

THE FOREGOING ASSOCIATION MEMBERSHIP MEETING AND VOTING RULES WERE ADOPTED on 1.10.20, by the Board of Directors in a duly noticed open Board meeting following the Board's compliance with Civil Code Section 4360.

ATTESTED TO:

By: TONY MICHAELIS  
Secretary: Tony Michaelis

Notice of Association Rules adoption was mailed to the Membership within fifteen (15) days of the adoption date.

ATTESTED TO:

By: Thomas L. Tosi  
Title/Name: President, Thomas L. Tosi

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

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

The documents shall include, but not be limited to:

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

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

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

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

Approved: March 20, 2010

[Type text]



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

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

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

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

Approved: March 20, 2010

## **Board Policy - Garage Sales**

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

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

Dated: November 8, 2012

[Type text]

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

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

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

Failing to successfully recruit such volunteer personnel:

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

Approved: July 8, 2010

## Board Policy - Internal Violations Procedures

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

[Type text]

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

[Type text]

## 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



**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 / <u>Not Applicable</u> / Directly Provided by Seller & confirmed in writing
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	25.00	✓	
CC&Rs	Section 4525(a)(1)	60.00	✓	
Bylaws	Section 4525(a)(1)	30.00	✓	
Operating Rules / Architectural Guidelines	Section 4525(a)(1)	30.00	✓	
Age restrictions, if any	Section 4525(a)(2)			✓
Rental Restrictions, if any	Section 4525(a)(9)			<b>*Reference Governing Doc's</b>
Annual Budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	45.00	✓	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	20.00 Included with Budget	✓	
Financial statement review	Sections 5305 and 4525 (a)(3)	35.00	✓	
Assessment enforcement policy (Collection Policy)	Sections 5310 and 4525(a)(4)	15.00 included with Budget	✓	
Insurance summary	Sections 5300 and 4525(a)(3)	0	✓	
<b>Regular assessment</b>	<b>Sections 4525(a)(4)</b>		✓	
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	180.00		
Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested.	Section 4525(a)(10)	75.00		
<b>**Total fees for these documents</b> (also listed in the statement provided via Homewise)		<b><u>\$515.00</u></b>		
Demand 1 day Rush Fee		\$240		
Demand 3 day Rush Fee		\$165		
Demand 4 day Rush Fee		\$125		
Demand 5 day Rush Fee		\$115		

\* 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.