

2024

PISMO BEACH VILLAS ANTIGUA
HOMEOWNERS ASSOCIATION

DOCUMENT PACKET

Pismo Beach Villas Antigua Homeowners Association 2024 Annual Policy Statement

In compliance with California Civil Code §5310 the association is providing the following disclosures to the members:

Official Communications

The Board of Directors has designated their management company to receive all communication on behalf of the association. Please send all communication to the following address: Paragon Association Management Services, 1241 Johnson Ave. #327, San Luis Obispo, CA 93401

Please see the enclosed association communication policy which provides detailed instructions on how owners must send documents and other communication to the association.

Secondary Address

Pursuant to Civil Code Section 4040(b), an owner has the right to submit, in writing, a secondary address to the association's management company for the purpose of receiving (1) annual reports the Association is required to provide and for (2) mailings and notices related to assessment payments, delinquencies and foreclosures at an additional address.

General Notice Location

The Board of Directors has designated the following location for posting of a general notice to the members: Association Mailboxes.

Right to Receive General Notice by Individual Delivery

Pursuant to Civil Code 4045(b), upon receipt of written request to the association's management company, an owner may receive General Notices by Individual Delivery.

Minutes

In accordance with California Civil Code 4950 homeowners have the right to copies of the minutes of meetings of the Board of Directors excluding executive session minutes. Minutes of all Board of Directors meetings are kept on file at the office of the association's management company and will be made available within 30 days of a meeting. Minutes may be viewed or obtained during regular business hours, by giving reasonable notice, to the association's management company. The association may require reimbursement of the association's costs for making that distribution.

Assessment Collection Policy

Pursuant to Civil Code 5730, enclosed is the Assessment Delinquency Policy, which includes the Association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments and the mailing address for overnight payment of assessments.

Mailing Address for Overnight Payment:

Pismo Beach Villas Antigua Homeowners Association, Services, 1241 Johnson Ave. #327, San Luis Obispo, CA 93401

Collection Fee Disclosure

The association will charge an owner a collection fee of \$12.50 for each late statement on accounts that have an assessment balance due. The association will charge an owner a collection fee of \$50.00 for each pre-collection letter prepared and sent on delinquent accounts. These collection costs are in addition to late charges that the association assesses on delinquent accounts. These collection costs are charged to the owner's account to reimburse the association in accordance with the Association's delinquency policy and Civil Code Section 5650 (b).

Governing Document Enforcement and Fine Policy

The association's discipline policy including a schedule of penalties for violations of the governing documents is included in this packet titled Fine Policy.

Dispute Resolution Procedures

A summary of dispute resolution procedures:

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

Members are also entitled to enact the Association's "Internal Dispute Resolution Procedure." If your association has approved an Internal Dispute Resolution Procedure, it is included in this packet. If your association has not approved an Internal Dispute Resolution Procedure, the association follows the Statutory Dispute Resolution Procedure as stated in Civil Code Section 5915.

Architectural Guidelines and Procedures

The procedures for applying for additions, alterations or modifications to a lot (or unit) within the association and for reviewing and approving or disapproving such applications are set forth in the governing documents of your homeowners' association. Pursuant to Civil Code 4765 the association has adopted an Architectural Review Procedure, please refer to the enclosed copy for more information on approval of physical changes to your property.

Returned Check Policy

A fee of \$35.00 plus bank charges will be assessed against the owner for returned checks. These fees do not preclude the member from being charged an additional fee if the non-sufficient funds check causes the member to be late in the payment of his or her assessment. If assessment is not paid in full by the published due date, the member has liability for possible additional fees as specified in the Assessment Delinquency Policy of the Association.

VILLAS ANTIGUA HOMEOWNERS ASSOCIATION COMMUNICATION AND DOCUMENT DELIVERY POLICY

Unless otherwise authorized by the Board of Directors all communication and documents must be directed to the association's management company. The management company is the agent to the Board of Directors and will process and forward all communication and documents to the proper parties. Owners must deliver all documents to the following address.

Paragon Association Management Services
1241 Johnson Ave. #327
San Luis Obispo, CA 93401

Methods of delivering documents or correspondence that are authorized by the association: The following are acceptable methods for delivering documents (letters, architectural applications etc.) to the association:

- 1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the address above.
- 2) Personal delivery to the association's business address listed above during regular business hours. A written receipt will be provided upon request.

Methods of delivering documents or correspondence that **are not** authorized by the association: Due to the unreliable nature of e-mail, facsimile, and other electronic means of communication the association has deemed these as unacceptable forms of communication. If an owner chooses to send documents or communication in this manner the association will only accept them **upon receipt**. An acknowledgment that your document or correspondence was received will be sent to you.

Owners sending documents or other communication should never assume that they are received by the intended party. Mail can be lost or delayed etc. Owners should contact their association manager to verify that correspondence or documents have been received.

VILLAS ANTIGUA HOMEOWNERS ASSOCIATION RULES & REGULATIONS

ALL HOMEOWNERS AND RESIDENTS ARE REUQUESTED TO ABIDE BY THESE GUIDELINES AND TO REPORT ANY CONSTANT OR GROSS VIOLATIONS TO THE BOARD OF DIRECTORS.

ALL COMPLAINTS, SUGGESTIONS AND/OR RECOMMENDATIONS MUST BE IN WRITING AND SIGNED BY THE COMPLAINANT, WITH HIS/HER ADDRESS AND PHONE NUMBER. COMPLAINTS WILL BE MAILED TO THE MANAGEMENT COMPANY WHO WILL NOTIFY THE BOARD.

RULES AND REGULATIONS

1. Units are for residential use only, except for a quiet non-offensive, non-disruptive home business which meets city guidelines.
2. Illegal or offensive activities shall not be allowed within the project.
3. Parking:
 - A. No automobile, trailer, camper, mobile home, commercial vehicle, recreational vehicle, dune buggy, truck (other than standard pickup truck), inoperable automobile, boat or similar equipment shall be parked within the project other than temporarily (not to exceed 24 hours) except within a closed garage.
 - B. Automotive repairs, except for emergencies, shall not be completed outside the garage but light maintenance work is acceptable within the garage.
 - C. Washing of personal vehicles within the project is allowed, any debris resulting must be removed.
 - D. No overnight parking of vehicles in driveway.
 - E. Guest parking area is for guests only.
4. Signs: for sale or rent signs only shall be allowed within the project, after approval by the board of directors.
5. Animals: two small domestic animals shall be allowed, and such animals must not cause any odor or noise that, in the sole opinion of the board, disturbs the use and enjoyment of the units by other occupants. It is the responsibility of pet owners to clean up after pets and comply with all city pet regulations.
6. Garbage cans will be removed from view on the same day as pickup. No outside storage of wood, or other items, such as bicycles, toys, etc.
7. Satellite dishes are to be mounted within the deck area so as not to be a distraction from the street. If this will impair reception, then a special application must be approved by the

- board. No other external radio and/or TV antennas shall be allowed without consent of the board.
8. No alterations and/or improvements shall be made to the exterior of any unit, including landscape changes, without consent of the board.
 9. Proper window coverings must be installed at all times. Bed sheets, paper, soap and other unsightly coverings are not permitted. The only exception would be during cleaning or replacement of such coverings.
 10. All window coverings must be white, off-white, or ivory. Any other color must be submitted to the Board of Directors for their approval
 11. No outside laundering or drying of clothes shall be allowed within the project.
 12. Power equipment for a hobby shop or car repair shall be permitted between the hours of 9 a.m. – 9 p.m. the noise level from this activity and/or radios and parties shall not become an annoyance or interfere with the quiet enjoyment of others within the project.
 13. Common area sidewalks are limited to pedestrians, wheel-chairs, strollers, and tricycles under supervision.
 14. Skateboarding is prohibited at all time within the project.
 15. Garages should be used for parking of vehicles and doors remain closed when garage is not in use.
 16. No individual is permitted on roofs, walls or railings unless an authorized maintenance person(s).
 17. Residents shall be held responsible for the action of their children and their guests at all times.
 18. Those homeowners who choose to rent or lease their units must furnish tenants with copies of the CC&R's, bylaws and our association rules and regulations plus any rules and regulations issued by the Spyglass Ridge Villas Association. These documents must be delivered to the tenant prior to moving in.
 19. All owners must notify the Association 10 days prior to the start of any construction on a unit. Work shall only be performed inside the units between 8 am and 6 pm Monday through Friday. Demolition, construction, repairs or any other work involving noise that can be heard from another unit is prohibited outside of these work hours. Emergency repairs are excluded from these hours. The Board may schedule work on behalf of the association outside of the stated hours, if it is deemed in the best interest of the association. (Adopted 8/10/2015)

VILLAS ANTIGUA HOMEOWNERS ASSOCIATION
RULE ENFORCEMENT POLICY - HEARING PROCEDURE AND FINES

1. Remedies for Enforcement of the Governing Documents. To enforce the governing documents, the Board may impose one or more of the remedies described below as it deems appropriate to be effective. The selection of one remedy does not preclude the Association's right to pursue others.

- a. Warning letters
- b. Monetary penalties
- c. Suspension of membership privileges
- d. Alternative dispute resolution
- e. Litigation

Failure to pay fines within thirty (30) days may result in legal action to collect the fines. If the Association is forced to retain an attorney to ensure compliance, collect fines, etc., the owner may be liable for those attorney fees and all related expenses in addition to the fines.

2. Notice and Hearing Procedures. The following notice and hearing procedures will be used whenever the Board meets to consider an alleged violation which could result in disciplinary action against a Member.

a. Notice of Hearing. Notice of the hearing will be sent at least ten (10) days prior to the hearing and will be given either personally or by prepaid first-class mail to the most recent address shown in the Association's records. The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting.

b. Opportunity to Be Heard. Members have the right to send a letter or appear in person to present evidence as to why they should not be disciplined. The hearing will be held in executive session unless the member requests otherwise.

c. Notice of Decision. Within fifteen (15) days of the Board's decision, the Member will be given written notice of the decision.

d. Conflicts of Interest. If members of the Board have a conflict of interest (i.e., they filed the complaint, or the complaint was filed against them) such persons may not vote on the issue.

3. Fine Schedule. Violation of the association's governing documents may result in a warning letter, fine, suspension of privileges, and/or continuing fines as the Board may determine to be appropriate to the situation and as provided for in the fine schedule below. In addition to fines, the Board may file a lawsuit seeking judicial relief. The imposition of penalties and suspension of privileges will be subject to notice and hearing procedures.

1st violation, warning or fine of \$100

2nd violation, same offense: \$200

3rd violation, same offense: \$500

Additional violations, same offense: \$500

Continuing violations: fines up to \$500 per day may accrue until the violation is cured

Suspension of Privileges: in addition to or in lieu of fines, privileges may be suspended for up to 30 days.

The Association may pursue one or more remedies simultaneously. The selection of one remedy does not preclude the Association's right to pursue others.

VILLAS ANTIGUA HOMEOWNERS ASSOCIATION LANDSCAPE ALTERATION POLICY

All of the property outside of the individual units is part of the common area. Per the association's CC&Rs the common area is to be controlled and maintained by the association through the Board of Directors. The CC&Rs however do allow for owners to make modifications to specific areas of common area landscaping as identified below provided they receive approval from the association. Any part of the common area that is modified by an owner is still part of the common area. The Board of Directors does not have the authority to grant exclusive use of any portion of the common area to any owner. The following is the association's policy for owners who want to make modifications to the common area landscaping.

If any homeowner has a tenant occupant, it is the owner's responsibility to provide information to them regarding this policy.

LANDSCAPING GUIDELINES

Owners who plan to modify portions of the common area must obtain association approval from both Villas Antigua and Spyglass Ridge Villas prior to beginning the project. Detailed plans must be submitted to the association's business address (see submittal information below). Please allow for at least three weeks' time for the review. If the review requires professional consultation the applicant will be required to pay for the cost of this service.

Criteria for Owner's Common Area projects:

1. The stated goal at Spyglass Ridge Villas and Villas Antigua is consistency with the over-all community theme of a Mediterranean garden style.
2. All plants, shrubs, and flowers must be consistent with that theme.
3. Such planting, beautifying, and maintaining are done at owner's expense.
4. Structures are not permitted except for trellises that are not attached or close to the exterior of the buildings. These must not stand higher than the eave-line and must be the color that blends with the exterior of the building.
5. Climbing and creeping plants are not allowed—they crack paint and creep into roof tiles—unless they are trellised away from the building.
6. Plants that deer are particularly attracted to should be avoided.
7. Any proposed projects are not to interfere with the irrigation system.
8. All plants should be spaced and maintained so as to not touch the exterior building walls when growth occurs.
9. Ceramic pots or planters of any kind should not be used within the flower beds.
10. Decorative items (signs, statues, etc.) should be minimal.

PARKWAYS

Parkways are the strips of common area between the curb and sidewalk. They are not to be modified by owners.

LANDSCAPE ALTERATION REQUEST – SUBMITTAL INFORMATION

All requests for alterations must be submitted in writing to the association's management company at the address listed below:

Villas Antigua Homeowners Association
c/o Paragon Association Management Services
1241 Johnson Ave. #327
San Luis Obispo, CA 93401

LANDSCAPE ALTERATION ENFORCEMENT POLICY

If an owner or a tenant occupant modifies the common area landscaping without prior approval, the following enforcement policy will apply:

1. The Board of Directors will determine if the alteration is acceptable. If it is acceptable the alteration will be approved, however, the Board may consider imposing a fine of \$100 for the violation.
2. If the Board of Directors determines that the alteration is not acceptable, the owner will be asked to remove the alteration and restore the area to its original condition within a reasonable timeframe. A fine of \$100 may also be considered. If the alteration is not removed by the deadline, the association will remove the alteration, restore the area to its original condition, and charge the owner for the expense.

Failure of the association to notice unauthorized modifications does not forfeit their right to enforce this policy against all owners at any time.

All modifications whether approved or not are made at the owners' risk. The association has the right to remove and alter any portion of the common area landscaping at their discretion. The association is not liable for any damage that may occur to an owner's modification.

VILLAS ANTIGUA HOMEOWNERS ASSOCIATION ARCHITECTURAL REVIEW PROCEDURE

In compliance with Civ. Code 4765 the Association has adopted the following Architectural Review Procedure. This procedure applies to all owners interested in making any change to the exterior of their unit, the common area, satellite dishes, solar panels, and any other change that the governing documents of the Association requires to be reviewed for approval. This procedure does not replace any other architectural rule or policy that is in the governing documents of the association.

1. All owners must submit their architectural applications to the Association's management company only. All applications will be date stamped by the management company on the day they are received.
2. The Association's Board of Directors shall render a decision within 45 days of the date the application was received by the management company. If the Board of Directors requires additional information, the tolling of the 45 day decision period will cease until the Board receives all the information they require to make a decision.
3. A decision on a proposed change (application) shall be made in good faith and may not be unreasonable, arbitrary, or capricious.
4. A decision on a proposed change shall be consistent with any governing provision of law, including, but not limited to, the Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code, or a building code or other applicable law governing land use or public safety.
5. A decision on a proposed change shall be in writing. If a proposed change is disapproved, the written decision shall include an explanation of why the proposed change is disapproved. The Board of Directors is not required to reconsider a decision made by the Board of Directors or a body that has the same membership as the Board of Directors, at a meeting that satisfies the requirements of Article 2 (commencing with Section 4900) of Chapter 6 of the Civil Code. Reconsideration by the board does not constitute dispute resolution within the meaning of Section 5905 of the Civil Code.
6. Some of the changes that require association approval are any change to the exterior of your unit, landscaping, use of common areas, fences, walls, and drainage. Please refer to Article III Section 12 of your CC&R's for a complete description changes requiring association approval. Contact your community association manager for assistance.

Please submit all applications for a proposed change to:

Villas Antigua Homeowners Association
c/o Paragon Association Management Services
1241 Johnson Ave. #327
San Luis Obispo, CA 93401

VILLAS ANTIGUA HOMEOWNERS ASSOCIATION

SATELLITE DISH POLICY

Owners may install a satellite dish, which has a diameter or diagonal measurement of 36 inches or less, provided they meet the following guidelines. If an owner wants to install a dish in any other location they must get the prior written approval of the Board of Directors prior to installing it.

Tenants must receive approval from the owner of their unit and meet the following guidelines prior to installing a satellite dish.

Satellite Dishes on Balconies: Any owner may install a satellite dish on their private balcony without prior approval of the Board if the following conditions are met:

- The dish, cables and other components are not attached to the building, deck or railings. Tripod mounts that do not attach to the building are acceptable.
- The dish may not extend beyond the perimeter of your balcony.
- The dish must be screened from view of neighboring homes and the street, as much as possible
- No screws, staples, nails, etc... may be used on the building. No holes may be drilled into the building or deck.
- Any cables must be concealed as best as possible. The association may require that they be painted to match the building.

Satellite Dishes on Roofs: The Board will allow owners to install satellite dishes on the flat roofs if the following conditions are met:

- Only non-penetrating roof mounts are allowed (i.e. weighted mounts).
- All cables and equipment must be installed and maintained in a professional manner and appearance.
- It is preferable that no holes be drilled into the building structure. If no other options are available than no more than one hole may be drilled into the building to allow for the cable to enter the unit. Any hole must be properly sealed.
- All cables that are installed must be run on a portion of the building that is not visible from the street or other units. If this is not possible than the cables must be installed in the least visible location from the street and other units.
- All cables must be painted to match the building.
- No workers installing the dish or cables are allowed to walk on the tile roofs. The flat roofs can be accessed on the Barcelona side of the buildings.

Further Guidelines for all Satellite Dishes

- Owners are responsible for any damage that their dish and cables may cause to the building or common area.
- Owners are responsible for promptly removing all equipment if they no longer receive service for their satellite dish. The building must also be restored to its original condition (seal and paint holes etc...)
- Owners are responsible for any dish and equipment that their tenant may install.
- Owners are responsible for the cost of removing and reinstalling their dish and other equipment if the association does any work on the building requiring their removal.
- The association is not liable for any damage that may occur to the dish or its corresponding equipment (install at your own risk).
- The Board of Directors is the sole authority to determine if these guidelines are met by an owner. If the Board determines that these guidelines are not met the Board has the authority to require an owner to remove/relocate a dish, cables or other equipment and restore the building to its original condition at the owners expense. If the owner does not comply with the Board's decision the association may remove any equipment, make any necessary repairs and charge the owner for the expense. This does not preclude the Board from taking other enforcement actions such as fines. The Board therefore encourages owners that have any doubts about proper compliance with this policy to contact the Board of Directors for clarification.

If you have any questions about this policy or wish to submit a request to install a dish in a different location please contact (805) 544-9093.

ELECTION AND VOTING RULES AND PROCEDURES

for Pismo Beach-Villas Antigua Homeowners Association

These rules and procedures are designed to provide for a fair and reasonable process for election of directors to the Board and other matters to be voted by members of the Association, as required by Civil Code sections 5100 through 5145. These rules are intended to comply with Civil Code sections 5100 through 5145.

1. Qualifications for the Board. The qualifications for candidates for a director for the Board of Directors include:

- A. Candidates may not be convicted felons, and
- B. Additional qualifications may be stated in the CC&Rs or Bylaws of the Association.

2. Nomination Procedures. Nominations for a director may be made by any member of the Association. A member may nominate himself or herself as a candidate for a directorship. All nominations shall be submitted, in writing, to the Board or nominating committee (appointed by the Board), if any, at least 45 days prior to the date set for the election of directors. If the number of open director positions on the Board exceed the number of candidates already nominated then nominations shall also be taken from the floor at the meeting. Nominations from the floor must be accepted in writing by the potential candidate or the potential candidate must be present at the election meeting and verbally accept the nomination. Additional nomination procedures are set forth in Article V, section 1 of the Bylaws which states:

“Nomination. Nomination for election to the Board of Directors shall [also] be made by a Nominating Committee. Notice to the members of the meeting shall include the names of all those who are nominees at the time the notice is sent. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The nominating Committee shall be appointed by the Board of Directors not less than [sixty (60)] days prior to each annual meeting of the members, to serve until the close of such annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. All candidates shall have reasonable opportunity to communicate their qualifications to members and to solicit votes.”

3. Return of Ballots. All ballots must be returned to the management company of the Association. The management company is designated as the “Ballot Collector.” Ballots shall be addressed to the Inspector(s) of Election, but mailed to the management company. The management company is designated for the initial receipts of ballots until delivery to the Inspector(s) of Election. All ballots must be returned no later than the time scheduled for the

election meeting to begin, or as otherwise set forth in section 6 below. The management company may review the returned unopened envelopes to determine which members have returned ballots. This will help identify which members still need to return ballots and whether those members should be given another ballot. The unopened ballots shall be delivered by the management company to the Inspector(s) of Election.

4. Qualifications for Voting. Only members in good standing may vote. A member's voting rights may be suspended after notice and hearing (see Civil Code section 5855 and Corporations Code section 7341). Only one ballot may be cast per condominium unit. If more than one ballot per condominium unit is cast, then all such ballots for the condominium unit shall not be counted to determine the election of any candidate but may be counted for quorum purposes.

5. Proxies. Proxies need not be distributed by the Association to the membership. All proxies for the election of any director must be presented to the Association no later than the time scheduled for the start of the election. When a dispute arises, the Inspector(s) of Election shall determine the authenticity, validity, and effect of proxies and ballots. Instructions, if any, given in a proxy issued for an election that directs the manner in which the proxy-holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy-holder to retain. The proxy-holder shall cast the member's vote by secret ballot, unless the proxy is revoked prior to receipt of the secret ballot by the Inspector(s) of Elections. Proxies will be checked in after secret ballots have been checked-in to be assured that no irrevocable ballots have been checked-in for the same member. A proxy envelope may not be used as a proxy. A proxy may not be used as a ballot.

6. Voting Period. Voting shall begin at the time ballots are mailed to the owners and shall end: 1) by motion from the members to close voting period, or 2) if the balloting is by mail only, without voting of a members' meeting, then the voting ends as specified in the ballot. A members' meeting must be held in conjunction with the election of directors.

7. Cumulative Voting. Cumulative voting is allowed pursuant to Article V, section 2 of the Bylaws.

8. Appointment of Inspector of Election. Either one or three Inspector(s) of Election shall be appointed as follows:

- A. If before the meeting begins, then the Inspector(s) are appointed by the Board;
- B. If after the meeting begins, then appointment shall be by motion of the members.

If any Inspector(s) of Election fails appear at the election meeting or fails and/or declines to act as an Inspector then replacement Inspector(s) of Election may be appointed by the members or the Board, as specified in paragraph 8 A and B above.

Inspector(s) of Election shall not be candidates for the Board or related to any candidate for the Board. Inspector(s) of Election shall not be any director of the Board or related to any director of the Board. Inspector(s) of Election may be the manager or other persons currently

employed or under contract to the Association for compensable services. Inspector(s) of Elections may be outside independent third parties.

9. Duties of Inspectors of Election. The Inspector(s) of Election shall do all of the following:

- A. Determine the number of memberships entitled to vote and the voting power of each.
- B. Determine the authenticity, validity, and effect of proxies, if any.
- C. Receive ballots. The ballots shall be mailed by the owners to the Ballot Collector and delivered for receipt by the Inspector(s) of Election. The sealed ballots shall be at all times in the custody of the Inspector(s) of Election until after the tabulation of the vote, at which time custody shall be transferred to the Association.
- D. Verify the member's information and signature on the outer ballot envelope prior to election.
- E. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
- F. Count and tabulate all votes. All votes shall be counted and tabulated by the Inspector(s) of Election in public at a properly-noticed open meeting of the Board of Directors or members. Any candidate or other member of the Association may witness the counting and tabulation of the votes
- G. Determine when the polls opened or closed to determine timely receipt of ballots.
- H. Determine the result of the election.
- I. Perform any acts as may be proper to conduct the election with fairness to all members in accordance with Civil Code sections 5100 through 5145 and the Corporations Code, and all applicable rules of the Association regarding the conduct of the election that are not in conflict with Civil Code sections 5100 through 5145 or any successor statute.
- J. An Inspector of Election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. If there are three Inspectors of Election, the decision or act of a majority shall be effective in all respects as the decision or act of all. Any report made by the Inspector or Inspectors of Election is *prima facie* evidence of the facts stated in the report.
- K. Appoint or oversee additional persons, if necessary, to verify signatures and to count and tabulate votes, provided that such additional persons are independent third parties.

10. Secret Written Ballot. The election of directors shall be held by secret written ballot in accordance with the procedures set forth in these Rules. Once a secret ballot is received by an Inspector(s) of Elections, it is not revocable. Ballots shall be counted as "attendance" by a member at the meeting for quorum purposes for the matter being voted upon. Write-in candidates may be added to the ballot provided the candidate is qualified as set forth in section 3 above and the candidate has accepted the nomination or the candidate has provided the Association with a written self-nomination statement.

11. Confidentiality of Ballots. Ballots and two pre-addressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the Association to every member not less than 30 days prior to the date of the annual election. In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, or unit number on the ballot. The Association shall use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following:

- A. The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left-hand corner of the second envelope, the voter signs his or her name, prints his or her name, and prints the address of his or her condominium unit in the Association.
- B. The second envelope is addressed to the Inspector(s) of Election, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the Inspector(s) or delivered to the Inspector(s) at the meeting where the election is held. The member may request a receipt for delivery.
- C. No person, including a member of the Association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

12. Counting Ballots. All ballots must be counted and tabulated in public so that candidate or the members may, if they so choose, view, but not interfere with, the counting and tabulation. The ballots must be counted and tabulated at a noticed meeting of the Association.

13. Voting Results. The results of the election shall be promptly reported to the Board and shall be recorded in the minutes of the next meeting of the Board and shall be available for review by members of the Association. Within 15 days of the election, the Board shall publicize the results of the election in a communication directed to all members.

14. Storage of Ballots. After tabulation, election ballots shall be stored by the Association in a secure place for no less than one year after the date of the election. In the event of a recount or other challenge to the election process, the Association shall, upon written request, make the ballots available for inspection and review by Association members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

15. Campaign Funds. Association funds shall not be used for campaign purposes in connection with any Association Board election. Funds of the Association shall not be used for campaign purposes in connection with any other Association election, except to the extent necessary to comply with duties of the Association imposed by these Election Rules and Procedures and by law.

"Campaign purposes" include, but are not limited to, the following:

- (1) Expressly advocating the election or defeat of any candidate that is on the Association election ballot.
- (2) Including the photograph or prominently featuring the name of any candidate on a communication from the Association or its board, excepting the

ballot and ballot materials, within 30 days of an election, provided that this is not a campaign purpose if the communication is one for which Civil Code section 5105 (a)(1) requires that equal access be provided to another candidate or advocate.

16. Access to Media. No candidate or member shall be provided access to the Association's media, newsletters, or internet web sites for advocating for any candidate or for advocating a point of view related to an election of the Association.

17. Access to Meeting Space. The Association shall allow access to the common area meeting space, if any exists, during a campaign, at no cost, to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those not endorsed by the Board, for purposes reasonably related to the election.

18. Other Ballots. The provisions of these rules regarding secret ballots also apply to amendments to the governing documents, election to or recall from the Board, the grant of exclusive use common area (pursuant to Civil Code section 4600), or assessments, provided the vote of the membership is so required.

Adopted by the Board of Directors on October 28, 2006.

PISMO BEACH VILLAS ANTIGUA HOMEOWNERS ASSOCIATION INTERNAL DISPUTE RESOLUTION PROCEDURE

In compliance with California Civil Code 5905 the Board of Directors has adopted the Internal Dispute Resolution Procedure (IDR) below. This procedure is intended to help resolve disputes between homeowners and the association in a fair, reasonable, expeditious and cordial manner.

Please keep in mind that this procedure *does not* replace the Alternative Dispute Resolution per Civil Code 5925. This law requires associations and owners to use mediation or arbitration under most circumstances before they are allowed to file a lawsuit. This IDR-procedure does not replace or negate the Board's right to impose fines or take any other disciplinary action provided for them in the association's governing documents.

The Board of Directors views the Internal Dispute Resolution Procedure as an initial step in resolving disputes between the association and an owner. While owners have a right to bring their legal counsel to an IDR meeting the Board prefers that attorneys not be involved at this stage of the process. The Board believes this will help maintain a cordial and non-threatening atmosphere and prevent unnecessary costs. If the IDR fails the association or owner may move on to the next step in the dispute resolution process, Alternative Dispute Resolution. Owners and the association may bring their attorneys to the mediation or arbitration.

Pismo Beach Villas Antigua Homeowners Association - Internal Dispute Resolution Procedure

This procedure applies to a dispute between the association and a member involving their rights, duties, or liabilities under the Davis Stirling Act, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the association.

- A. Either party to a dispute, within the scope of the section listed above, may invoke the following procedure:
- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
 - (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
 - (3) The association's board of directors shall designate one or more members of the board to meet and confer.
 - (4) The parties shall meet within 45 days of receipt of the written request at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
 - (5) The member and association may be assisted by an attorney or another person in explaining their positions at their own cost.
 - (6) If either party chooses to be assisted by an attorney or another person they shall give the other party at least 10 days written notice prior to the date of the meeting (meet and confer). The notice shall contain the name(s) of the person(s) attending and whether they are licensed attorneys and/or acting as legal counsel. Failure to

properly notify the other party will result in the meeting (meet and confer) being postponed until a later date.

- (6) The Association may involve a neutral third party of their choosing to mediate the meeting.
 - (7) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.
 - (8) Recording of the meeting (meet and confer) by any electronic means is prohibited unless consented to by both the association and member.
- B. An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
 - (2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.
- C. A member of the association may not be charged a fee to participate in the process.
- D. The association or member may not bring the same dispute against the other party, for IDR, more than once in any 12-month period.

VILLAS ANTIGUA HOMEOWNERS ASSOCIATION ASSESSMENT DELINQUENCY POLICY

Prompt payment of assessments by all owners is critical to the financial health of the Association, to the enhancement of the property values of our homes and for the health, safety and welfare of the owners and tenants. Assessments are the lifeblood of the Association. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (the "CC&Rs") and the California Civil Code to enforce the owner's obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly-adopted resolution of the Board of Directors. Therefore, pursuant to Article 2 and 3 of Chapter 8 of the Civil Code, the following are the Association's assessment practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (Civil Code Section 5650(a))
2. Regular monthly assessments are due and payable on the first day of each month. All other assessments, including special assessments, are due and payable on the date specified by the Board in the Notice of Assessment, which date will not be less than 30 days after the date of notice of the special assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner indicates the payment is to be applied in a different manner, or the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within 15 days of the stated due date are delinquent and shall be subject to a late charge of 10% of the delinquent assessment.
5. An interest charge at the rate of 12% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges and costs of collection, which may include attorneys' fees. Such interest charges shall accrue 30 days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
6. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than 30 days, at the option of the Association, all installments may be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge, interest, and other charges as provided herein.
7. A first notice of past due assessments (an account statement or late letter) will be prepared and mailed after an assessment becomes delinquent.

8. If an assessment is not received within 30 days after the assessment becomes delinquent, the Association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the owner as required by Civil Code Section 5740(b) (for liens that may record before January 1, 2003) or 5660 (for liens that may record on or after January 1, 2003), by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a fee for the pre-lien letter.
9. Prior to the recording of a lien, homeowners that are delinquent will be sent a "pre-lien" letter that will include an offer by the association to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the pre-lien letter, pursuant to the association's meet and confer program required by Article 2 (commencing with Section 5900) of Chapter 10 of the Civil Code.
10. If an owner fails to pay the amounts set forth in the pre-lien letter within 30 days of the date of that letter, the Association or its designee will record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees, against the owner's property. Prior to recording of a lien, the Board of Directors will approve the recording of the lien in open session at a regular or special board meeting. The owner will be charged for the fees and costs of preparing and recording the lien. Thirty days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure. (Civil Code Sections 5673, 5675, 5700, 5705, 5710, 5715 and 5720).
11. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.
12. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interest, and costs of collection associated with collection of those assessments.
13. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Generally, the Board will accept a payment plan when a lien is already in place or when the owner agrees to allow a lien to be recorded against the owner's property and the payment plan requires payment in full (including all assessments, interest, late charges, costs of collection and attorneys' fees) within 90 days. The payment plan should be in writing and signed by the owner. The Association or its collection agent may charge a fee for the monitoring of an approved payment plan.
14. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.

15. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the Association.

16. All charges listed herein are subject to change upon thirty 30 days' prior written notice.

17. The mailing address for overnight payment of assessments is:

**Villas Antigua Homeowners Association
c/o Paragon Association Management Services
1241 Johnson Ave. #327
San Luis Obispo, CA 93401**

18. The association may not foreclose unless delinquent assessments are greater than \$1,800 or greater than one year in arrears.

19. Prior to commencing foreclosure, the association will offer to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such informal dispute resolution, pursuant to the association's meet and confer program required by Article 2 (commencing with Section 5900) of Chapter 10 of the Civil Code and will also offer to engage in formal alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5925-5965.

20. Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in executive session and note the approval in the regular minutes of the association without identification of the name of the individual.

21. All foreclosures shall be subject to a ninety (90) day right of redemption.

22. Owners are entitled to give the association a secondary address for both fiscal matters and collection matters. Fiscal second address notices may be served on the association by facsimile or first class mail. Collection second address notices must be served on the association in a way that shows that the association received it. (i.e., Fed Ex, certified, or registered mail.) The owner must state, in writing, what the second address is to be used for, i.e., fiscal or collection second address.

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 of 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 area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of 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, the owner 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 interest 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 exists. (Section 5665 of the Civil Code)

The board 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 with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

COLLECTION FEE DISCLOSURE

The association will charge an owner a collection fee of \$12.50 for each late statement on accounts that have an assessment balance due. The association will charge an owner a collection fee of \$50.00 for each pre-collection letter prepared and sent on delinquent accounts. These collection costs are in addition to late charges that the association assesses on delinquent accounts. These collection costs are charged to the owner's account to reimburse the association in accordance with the Association's delinquency policy and Civil Code Section 5650.

NON-SUFFICIENT FUNDS (BAD CHECK) POLICY

A fee of \$35.00 will be assessed against the owner for returned checks. These fees do not preclude the member from being charged an additional fee if the non-sufficient fund check causes the member to be late in the payment of his or her dues assessment. If assessment dues are not paid in full by the published due date, the member has liability for possible additional fees as specified in the Standard Dues Collection Procedure Resolution for the Association.

NOTICE OF RIGHT TO RECEIVE ANNUAL REPORT

You have the right to receive an annual report within 120 days after the end of the association's fiscal year upon written request.