

Palisair Home Owners Association

A NON-PROFIT CORPORATION

P.O. Box 901

Pacific Palisades, CA 90272

www.palisair.org

palisair@gmail.com

The association itself is a “Tract Committee” under the Declaration of Restrictions covering Tracts 15944, 15948 and 19890, and operates as such through its Board of directors and its Officers

November 1, 2017

RE: 2018 Annual Budget, Dues, and E-Mail Consent Form

SUMMARY: Please fill out (1) a check for \$266.00 made out to Palisair Home Owners Association for your 2018 annual assessment (dues), (2) the enclosed Consent for Delivery by Electronic Mail Transmission form, and (3) the enclosed Request for Annual Notice of Address form. Mail in the enclosed self-addressed envelope.

Dear Palisair Homeowner,

I am happy to report that our budget projection for 2018 shows that we can meet requirements without raising the annual assessment (dues) amount, which remains at \$266.00. You can see details in the “2018 PHOA Budget” document, included with this mailing. It projects a surplus of over \$5,000 for the year 2018. Actual income, expense, and surplus or deficit will depend on the number of plans submissions during the year, and whether there are any unexpected legal expenses.

This good result assumes that we collect all of the assessments that are due. Under the leadership of our new Treasurer, we are proceeding diligently to collect past due amounts from previous years. We hope that once all Members understand that assessments are, in fact, compulsory, all will pay each year (or if not then will have to pay full assessments plus penalties, interest, and collection charges later).

Reasons why our budget has stabilized include

- We were able to negotiate a five percent reduction in our insurance premium over last year;
- There was a non-recurring expense last year for the CC&R restatement project, which now is fully paid;
- In the middle of 2016, using the Operating Rules change process provided by the Davis-Stirling law, we have increased the plan fees charged to members that are improving or rebuilding their residences. Our fees now are comparable with what other associations in the area charge, and cover the expenses of the plans review process.

Some of the key items in the budget are:

- Insurance – Due to an unfortunate situation several years ago in which a Member was able to obtain an insurance settlement against us because of technical omissions by a previous Board, our insurance premium now amounts to about a third of the total annual expense – about \$90.00 per year for each Member.
- Legal Expenses – Starting in mid-2017, we have obtained the services of a General Counsel by providing an annual retainer to one of the best California law firms specializing in supporting homeowner associations. By helping us conform to all reporting and procedural requirements and changes in law, this should make us less vulnerable to attack by malicious individuals and their attorneys. The Davis-Stirling law, which governs our operation, protects both us and our Members by, among other things, providing for the recovery of opposing side legal costs in any action to enforce CC&Rs. For our part, our legal counsel helps us follow procedures and not show favoritism or act fraudulently. To find out more, check out the firm's website at www.davis-stirling.com.
- Administrator – Kim Bantle continues as our paid plans review consultant who functions as the PHOA Plans Chair and makes it possible for us to review plans in a professional way, even though we are an all-volunteer board.
- Professional Review of Plans – Architect Richard Blumenberg continues to evaluate building plans for CC&R compliance and follows these evaluations with recommendations to the Board on matters of Board discretion and final Board approval.

The annual dues of \$266.00 for our homeowners are payable January 1, 2018 and are considered late if paid more than one month following that date. Your statement and return envelope are enclosed. In accordance with California law, a late charge of ten percent is imposed for payments after February 1, 2018, and interest of twelve percent per year is imposed on amounts past due one year or more. Please refer to the "Statement of Assessment Collection Policies" section of the enclosed Annual Policy Statement, or the "PHOA Collection Policy" document on our website, www.palisair.org.

At the end of December, you will receive another mailing that will include the agenda of our Annual Meeting, the 2018 Budget vs Actuals report, and ballot information for voting on 2018 Board of Directors Officers. All this and more will be discussed at the Annual Meeting in early February 2018. You will receive a separate invitation to that meeting. We hope you will attend.

We request that you read the enclosed documents carefully. If you have any questions or concerns, do not hesitate to contact us by mail or e-mail using the contact information provided in our letterhead above.

New This Year: We are now required each year to request (1) written consent to send notices (such as our monthly notices of board meetings) by electronic mail rather than U.S. Mail and (2) confirmation of your addresses and of the status of your property. Please fill out the enclosed forms and send them with your Assessment payment in the enclosed envelope.

Warm regards,

Howard Weisberg

Howard Weisberg, PHOA President

Palisair Home Owners Association

Consent for Delivery by Electronic Mail Transmission

California law requires that the Association deliver to its members certain notices and documents (collectively, "Association Notices") from time to time.

As a member of Palisair Home Owners Association, I acknowledge that I have a right to receive Association Notices in non-electronic form (e.g. via U.S. Mail). Notwithstanding the foregoing, I desire to receive in electronic form via electronic mail ("E-mail") all Association notices capable of being sent in electronic form, in lieu of receiving the same in a non-electronic form.

By signing this consent form, I represent and understand the following:

- Some Association Notices (e.g. secret ballot) must be sent in non-electronic form. I will continue to receive the same at my U.S. mail address on record with the Association.
- Association Notices capable of being sent in electronic form will be sent to me via E-mail in a format that prevents them from being altered (e.g. pdf format).
- I have the right to update my E-mail address at any time by notifying the Association in writing.
- I have the right to revoke my consent to receiving the Association Notices in electronic form at any time by notifying the Association in writing.
- Upon receipt of such revocation, the Association will resume providing all Association Notices to me in non-electronic form.
- I have the right to obtain a paper copy of any Association Notice upon request. There shall be no charge for such paper copy except to the extent permitted by Civil Code §5200, et seq.
- For purposes of giving notice, "delivery" shall be deemed complete at the time of the transmission from the Association.

To confirm my consent to receiving all Association Notices capable of being sent in electronic form via E-mail only and to demonstrate that I can access Association notices in the electronic form that will be used by the Association to transmit such information, I must (1) sign this form and return it to the Association, providing my name, property address and authorized E-mail address, and (2) later click "reply" to the confirmation E-mail I will receive from the Association.

Name(s): _____

Property Address: _____

Email address: _____

Signature: _____

Date: _____

Palisair Home Owners Association
Request for Annual Notice of Address, Representative, and Rental Status

Civil Code, Section 4041 requires each owner of a separate interest to provide written notice to the Association of all the following information annually. Please provide the information in the form below and return the completed form to the Association within 30 days. If the requested information is not provided, the property address of the Owner's separate interest will be used for notices.

1. The address or addresses to which notices from the Association are to be delivered.

2. An alternate or secondary address to which notices from the Association are to be delivered.

3. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence from the separate interest.

4. Is the separate interest –

Owner-occupied? Rented out? Developed, but vacant? Undeveloped?

5. Member Name

6. Property Address

7. Return form to:

Palisair Home Owners Association
P.O. Box 901
Pacific Palisades, CA 90272

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2018 Palisair Home Owners Association Budget

	2018 Budget
<u>Income</u>	
Dues (140 Members x \$266.00)	37,240
Plan Fees	15,000
Total Income	\$52,240
<u>Expenses</u>	
Administrator	12,000
Hosting and Web	1,180
Insurance Premium	16,100
Mailings and Meetings	1,300
Office Supplies	200
Postage and Delivery	300
Professional Review of Plans	9,900
Legal Expenses	5,700
Property Maintenance	200
Property Taxes	15
State of California	15
Total Expenses	\$46,960
Surplus	\$5,280

**PALISAIR HOME OWNERS ASSOCIATION
2018 ANNUAL BUDGET REPORT
11/1/17**

1. PRO FORMA 2018 OPERATING BUDGET

See attached Budget. Annual Assessment (Dues) will be \$266, same as last year.

2. SUMMARY OF ASSOCIATION'S RESERVES PREPARED PURSUANT TO CIVIL CODE SECTION 5565

Reserve cash on hand: \$0 as of 11/1/17.

Reserves required: \$0 – See Item 5 below.

NOTE: A balance of \$24,533.00 remains in the Association's savings account. This balance is the same as last year at this time. A motion was adopted by the Board of Directors in the monthly meeting on October 23, 2017, that the funds in the savings account will no longer be considered to constitute the Reserve Fund. Going forward, they will be considered part of Operating Funds.

Cash deficit per owner: \$0 (0 / 140 home owners)

3. SUMMARY OF ASSOCIATION'S FUNDING PLAN ADOPTED BY THE BOARD, AS SPECIFIED IN CIVIL CODE SECTION 5550(B)(5)

Starting with the fiscal year 2018, we have determined that no Reserve Fund is needed (see Item 5 below). Therefore, there is no requirement for a funding plan.

4. THE MECHANISM(S) BY WHICH THE BOARD WILL FUND RESERVES

No Reserve Fund is required (see Item 5 below).

5. CALCULATION OF THE AMOUNT OF RESERVES REQUIRED

The Association's CC&Rs include the following in Article VII Section 3:

The Association shall maintain an adequate reserve fund for emergency litigation, or in the event the Association constructs any improvements in the common areas, maintenance, repairs and replacement of those elements of the common area that must be replaced on a periodic basis.

To satisfy this requirement. The Association has determined in past years that a Reserve Fund of \$50,000 should be maintained to allow for unanticipated

litigation. However, this requirement conflicts with recently adopted State law and therefore is not valid. The operative language is in Civ. Code §5510(b):

The board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement, or maintenance of, or litigation involving the repair, restoration, replacement, or maintenance of, major components that the association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

The Association owns three small plots of land, one in each of the three tracts., constituting its Common Areas. There are no improvements in these three areas, and none are planned. Therefore, there are no “major components that the association is obligated to repair, restore, replace, or maintain,” and therefore there is no requirement for a Reserve Fund.

6. A STATEMENT AS TO WHETHER THE ASSOCIATION HAS ANY OUTSTANDING LOANS WITH AN ORIGINAL TERM OF MORE THAN ONE YEAR, INCLUDING THE PAYEE, INTEREST RATE, AMOUNT OUTSTANDING, ANNUAL PAYMENT, AND WHEN THE LOAN IS SCHEDULED TO BE RETIRED.

The Association does not have any outstanding loans with an original term of more than one year.

7. PHOA BOARD INSURANCE DISCLOSURE

The Association is providing you the following information concerning the Association’s insurance coverage in compliance with Section 5300(d) of the Civil Code:

a. Directors & Officers Liability Insurance

Insurance Carrier is: Lloyd's of London – period 7/31/17 to 7/31/18

\$1,000,000 maximum limit

\$15,000 each D & O claim/\$25,000 each Employment Practices Liability claim.

b. General Liability/Excess Liability Insurance

Insurance Carrier is: United States Liability Ins. - period: 6/22/17 to 6/22/18

Up to \$1,000,000 each occurrence for General Liability

Up to \$2,000,000 each occurrence for Excess Liability

This 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 or 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.

8. ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY FOR FISCAL YEAR ENDED 2017

- (1) The regular 2017 assessment per ownership interest is \$266 per 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 will be due:	Amount per ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the assessment:
None to date		
	Total:	

- (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 during the next 30 years?

Yes X No

- (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 or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:

- (5) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of the current 2015 fiscal year is \$0, based in whole or in part on the last reserve study. **The projected reserve fund cash balance at the end of the current 2016 fiscal year is \$0, resulting in reserves being 100 percent funded at this date.**
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$0, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$0 beginning 2018.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 0 percent per year.

PALISAR HOME OWNERS ASSOCIATION

ANNUAL POLICY STATEMENT

11/1/17

1. PERSON DESIGNATED TO RECEIVE OFFICIAL COMMUNICATIONS TO ASSOCIATION

The name and address of the person designated to receive official communications to the Association is:

Name: Diana Ungerleider, Secretary

P.O. Box 901

Pacific Palisades, CA 90272

palisair@gmail.com

2. NOTICE REGARDING SECONDARY ADDRESSES

Members have the right to submit to the Association a secondary address for purposes of delivering annual reports, annual policy notices and collection notices. A member's request must be in writing and delivered to the person designated by the Association to receive official communications by first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service center, or (if checked):

- (1) By email, facsimile, or other electronic means.
- (2) By personal delivery. If the association accepts a document by personal delivery it shall provide a written receipt acknowledging delivery of the document.

Upon the Association's receipt of such notice, the Association will mail any annual reports, annual policy notices and collection notices to both the member's primary and secondary addresses.

3. LOCATION FOR POSTING OF GENERAL NOTICES

The Association sends notices of meetings, and other general notices, by e-mail to those members that allow such notice and by U.S. Mail to the others. In addition, we post such notices on our website, www.palisair.org.

4. NOTICE OF MEMBER'S OPTION TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY

Pursuant to Civil Code Section 4045(b), a member has the right to request to receive general notices by individual delivery. The term “individual delivery” means delivery by one of the following methods:

- (a) 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 recipient at the address last shown on the books of the Association.
- (b) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.

5. NOTICE OF MEMBER'S RIGHT TO RECEIVE COPIES OF MEETING MINUTES

Please be advised that California Civil Code Section 4950(b) requires that the Association notify all members of their right to have copies of the minutes of meetings of the Association's board of directors. The minutes, minutes proposed for adoption that are marked to indicate draft status or a summary of the minutes, of any meeting of the board of directors of the Association, other than executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary of minutes for the prior 12 months can be downloaded from the Association website, Palisair.org. Minutes older than 12 months shall be distributed to any member of the Association upon request and upon reimbursement of the Association's costs for making that distribution. To obtain a copy of these minutes, proposed minutes or summary of minutes, please contact Diana Ungerleider, PHOA Secretary at palisair@gmail.com or at the postal address specified in section 1 above.

6. STATEMENT OF ASSESSMENT COLLECTION POLICIES

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

7. SUMMARY OF ASSOCIATION'S DISPUTE RESOLUTION PROCEDURES

INTERNAL DISPUTE RESOLUTION

In accordance with Civil Code Section 5900 et seq., the Association has adopted the following internal dispute resolution process to be followed by the Association and owners in connection with disputes relating to the enforcement of the Association's governing documents, the Davis-Stirling Common Interest Development Act (Civil Code Section 4000 et seq.) and Section 7110 et seq. of the Nonprofit Mutual Benefit Corporation Code (collectively, the "Disputes").

Either party to a Dispute 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) An owner 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 a member of the board to meet and confer.
- (4) The parties shall meet promptly 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) 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.
- (6) The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied: (a) The agreement is not in conflict with law or the governing documents of the common interest development or association; and (b) 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.

Please note that a member of the Association may not be charged a fee to participate in the process.

ALTERNATIVE DISPUTE RESOLUTION ("ADR")

Civil Code Section 5925 et seq. requires that the Association and owners endeavor to submit certain types of disputes to ADR prior to initiating a lawsuit. This

notice merely provides a summary of the statute. If there is a dispute which may require ADR pursuant to Civil Code Section 5925 et seq., please review all of the provisions of the statute or seek your own independent legal counsel.

Parties Bound By the Statute. The parties required to comply with the statute are the Association (through the board of directors) and any owners of record.

Disputes Subject To the Statute (Qualifying Disputes). Civil Code Section 5939 provides that the Association or owners may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to ADR. An “enforcement action” is defined as a civil action or other proceeding for any of the following purposes: (1) enforcement of the Davis-Stirling Common Interest

Development Act (Civil Code Section 4000 et seq.); (2) enforcement of the California Nonprofit Mutual Benefit Corporation law, commencing with Corporations Code Section 7110 or (3) enforcement of the Association’s governing documents. Where, however, an owner has a private dispute with another owner or a tenant, or the Board has a dispute with a third party such as a landscaper, such a dispute is not within the confines of the statute.

Disputes Specifically Excluded From The Statute. The ADR statute applies only to an enforcement action that is solely for declaratory, injunctive or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits of Small Claims Court. The following types of disputes are specifically excluded from being required to resort to ADR: (1) a Small Claims action; (2) assessment collection, except as otherwise provided by law; (3) claims by the Association for money damages in excess of the jurisdictional limits of Small Claims Court in conjunction with a claim for declaratory, injunctive or writ relief; (4) claims by an owner for money damages in excess of the jurisdictional limits of Small Claims Court in conjunction with a claim for declaratory, injunctive or writ relief; (5) actions for preliminary or temporary injunctive relief; and (6) the filing of a cross-complaint in response to a complaint already filed.

Compliance Procedures.

- A. INITIATING PARTY. The party pursuing the dispute, prior to filing any lawsuit, must serve on the other party a "Request for Resolution" including the following information and language: (1) a brief description of the dispute; (2) a request that the matter be submitted to ADR; (3) a notice that the party receiving the Request for Resolution (the "Responding Party") is required to respond thereto within 30 days of receipt or it will be deemed rejected; (4) if the party on whom the Request is served is an owner, a copy of Civil Code Section 5925 et seq.

- B. SERVICE. A Request for Resolution may be served by personal delivery, first-class mail, express mail, facsimile transmission or other means reasonably calculated to provide the Responding Party actual notice of the Request.
- C. RESPONDING PARTY'S OBLIGATION. Upon receipt of a Request for Resolution the Responding Party, whether the Association or an owner, has 30 days in which to either accept or reject the Request. In the event no such response is received, the Request is deemed "rejected."
- D. TIME FOR COMPLETION OF ADR. Where the Request is accepted, the parties must complete the ADR within 90 days of receipt of the acceptance. However, the parties can stipulate in writing to extend this period.
- E. COST OF ADR. The cost of ADR shall be borne by the parties.
- F. TOLLING OF STATUTE OF LIMITATIONS. If a Request for Resolution is served before the end of the applicable statute of limitations, the time limitation is tolled for certain periods specified in Civil Code Section 5945.
- G. CERTIFICATE. In the event that a lawsuit is eventually commenced, the party filing must file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) alternative dispute resolution has been completed in compliance with Section 5925 et seq.; (2) one of the parties to the dispute did not accept the terms offered for alternative dispute resolution; or, (3) preliminary or injunctive relief is necessary.

Consequences for Failure to Comply With the ADR Law. The failure to file the aforementioned certificate with the Court is grounds for a demurrer or motion to strike unless the Court finds that dismissal of the action for failure to comply would result in substantial prejudice to one of the parties. Additionally, in awarding attorneys' fees and costs, a court may consider whether a party's refusal to participate in ADR before commencement of the enforcement action was reasonable. As a result, it is important to seek independent counsel in the event that you, as an owner have further questions.

Failure of a member of the association to comply with the alternative dispute resolution requirements of Civil Code 5925 et seq. may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

8. SUMMARY OF REQUIREMENTS FOR ASSOCIATION APPROVAL OF A PHYSICAL CHANGE TO PROPERTY

According to the Association's governing documents, all changes to the exterior of any home/lot by an owner require the prior written approval of the Association's Board of Directors.

Owners must submit a completed Palisair Plans Application to the Board identifying the proposed change(s). A Copy of which can be found on our website, Palisair.org, The Board in its sole discretion will approve or disapprove of the owner's application, in writing as expeditiously as possible, subject to appropriate conditions required by the Board, pursuant to the Association's governing documents.

9. MAILING ADDRESS FOR OVERNIGHT PAYMENT OF ASSESSMENTS

The mailing address for overnight payment of assessments is:

PALISAIR HOME OWNERS ASSOCIATION
P.O. BOX 901
PACIFIC PALISADES, CA. 90272

10. NOTICE TO MEMBERS REGARDING ABILITY TO OPT-OUT OF HAVING NAME ON MEMBERSHIP LIST

A member may request that the Association provide him or her with a copy of the membership list, including the names, property address, and mailing address of each member. The member's request must be in writing and must set forth the purpose for which the list is requested, which purpose must be reasonably related to the requester's interests as a member of the Association. The Association will be obligated to provide the member with a copy of such membership list unless it reasonably believes that the member will use the information for another purpose.

Pursuant to Civil Code Section 5220, a member can "opt out" of having his or her name and address(es) included on a membership list which must be distributed to members upon request. If you would like to "opt out" of having your name and addresses included on a membership list which may be distributed to another member upon request, please complete the following form and return it to the Association. Please note that your "opt-out" will remain in effect until further written notice from you.

11. NOTICE TO MEMBERS REGARDING FINES

Starting in 2017 we have instituted a Fines policy. Fines can be imposed for building without Association approval, and for maintaining a tree or hedge that unreasonably blocks views.

The current schedule of fines is:

1. Property alterations and/or improvements made without PHOA approval:

\$500.00 for each separate violation.

2. Landscape or tree violations:

\$250.00 for each separate violation.

3. For violations that are not continuous:

- a. If a Member violates the same provision of the governing documents on two separate occasions within any 12-month period of time, the Member will be subject to a fine of up to \$750.00 for the second offense.
- b. If the Member violates the same provision three or more times within any 12month period of time, the member will be subject to fines for the third and subsequent violations of up to \$1,000.00 each.

4. For continuous violations:

- a. Continuous violations will be considered a violation the first day of each month from the first day of the violation until remedied in full.
- b. Continuous violations for property alterations and/or improvements made without PHOA approval are subject to a fine of up to \$500.00 per month for each month of the violation, whether consecutive or not, until the violation is remedied.
- c. Continuous violations for landscape or tree violations are subject to a fine of up to \$250.00 per month for each month of the violation, whether consecutive or not, until the violation is remedied.

For full details, see the section on “FINE POLICY” in the document “Plans-Application-Process-Rules-Fees-for-Alteration-or-Construction” under Documents and Forms on our website at www.palisair.org or in printed form upon request.

Notice to Association

To Whom It May Concern,

Please remove my name and address(es) from the membership list in accordance with Civil Code Section 5220 until further written notice from me.

Date: _____

Print Name: _____

Signature: _____

Address: _____