

Aegean Heights

Homeowners Association

May 28, 2021

Dear Aegean Heights Homeowners:

Your Board of Directors has undertaken a thorough review of the Association's funds, with the goal of providing for efficient operations and for funding adequate reserves to meet long-term requirements. It has been determined that the current levels will be increased to meet the inflationary costs of the operations of the HOA. Therefore, your monthly assessments will increase on July 1, 2021 as follows:

Townhomes - \$ 410.00

Patio Homes - \$ 170.17

In compliance with the California Civil Code §5550, a professional reserve analyst is hired at least every three years to review the reserve-funding program and to make recommendations for future funding.

Enclosed, please find the following items:

- Budget for the fiscal year July 1, 2020 – June 30, 2021
- Assessment and Reserve Funding Disclosure Summary – Townhomes
- Assessment and Reserve Funding Disclosure Summary – Common Area
- Reserve Study Owner's Summaries
- Certificate of Liability Insurance
- Annual Policy Statement
- Rules of Conduct & Owner Responsibility – Enforcement & Architectural Guidelines
- Resale & Fee Schedule Information
- Assessment and Foreclosure Policy
- Alternative Dispute Resolution Summary
- Internal Dispute Resolution Summary
- FHA & VA Disclosures
- Annual Request of Owner Information
- Pay Lease Information

In accordance with Civil Code 5805, the Association is insured to the level specified in the Code, and carries General Liability insurance in the amount of two million dollars. Therefore, owners are individually liable only for their proportionate share of assessments levied to pay any judgments that exceed the limits of the Association's insurance.

Meeting Minutes will be available to you thirty days following the meeting, upon receipt of a minimal copy/postage charge.

The Board of Directors does not anticipate the need to levy a special assessment to repair, replace, or restore any major component or provide adequate reserves during the next fiscal year. The Aegean Heights HOA does not have any outstanding loans and the Association has not borrowed from reserves.

Please review and become familiar with the enclosed adopted budget and policies. Please contact TSG Independent, in writing via email at general@tsgindependent.com or mail to 27129 Calle Arroyo, Suite 1802, San Juan Capistrano, CA 92675 if you have any questions or if you would like a complete copy of the Reserve Study.

Respectfully,
THE BOARD OF DIRECTORS
AEGEAN HEIGHTS HOMEOWNERS ASSOCIATION

**AEGEAN HEIGHTS HOA
TWO HUNDRED SIXTY UNITS (266)
2021/2022 ASSESSMENT BUDGET**

ACCT #	DESCRIPTION	MONTHLY	ANNUALLY	PER UNIT
INCOME				
41000	Assessments - Attached	\$61,090	\$733,078	\$410.00
	Assessments - Detached	\$19,910	\$238,920	170.17
	TOTAL INCOME:	\$81,000	\$971,998	\$580.17
EXPENSES				
UTILITIES				
61210	Electric	\$2,100	\$25,200	\$ 7.89
61410	Gas	333	4,000	1
61610	Water	6,090	73,080	23
61910	Cable	216	2,592	1
	Total Utilities	\$8,739	\$104,872	\$ 32.85
LANDSCAPE AND MAINTENANCE				
63110	Landscape Contract	\$9,956	\$119,472	\$ 37.43
63120	Landscape Replacement	417	5,000	2
63140	Irrigation Repairs	1,138	13,651	4
63190	Pest Control	550	6,600	2
63180	Tree Trimming	3,333	40,000	13
63720	Backflow Inspection	50	600	0
	Total Landscape & Maint.	\$15,444	\$185,323	\$ 58.06
POOL AND SPA MAINTENANCE				
64110	Pool Contract	\$420	\$5,040	\$ 1.58
64120	Pool Repairs	75	900	0
64130	Pool Supplies	292	3,500	1
	Total Pool & Spa Maint.	\$787	\$9,440	\$ 2.96
COMMON AREA MAINTENANCE				
66220	General Repairs	\$750	\$9,000	\$ 2.82
170	Plumbing Repairs	200	2,400	1
66280	Signage	56	675	0
66310	Janitorial Contract	670	8,040	3
66320	Janitorial Supplies	125	1,500	0
66410	Locks/Keys	42	500	0
66510	Street Sweeping	919	11,025	3
66710	Lighting Contract	89	1,071	0
66720	Lighting Supplies/Extra Labor	458	5,500	2
	Total Common Area Maint.	\$3,309	\$39,711	\$ 12.44
ADMINISTRATION				
67010	Tax/Audit Preparation	\$106	\$1,270	\$ 0.40
67020	Federal Income Tax	175	2,100	1
67030	State Income Tax	50	600	0

**AEGEAN HEIGHTS HOA
TWO HUNDRED SIXTY UNITS (266)
2021/2022 ASSESSMENT BUDGET**

ACCT #	DESCRIPTION	MONTHLY	ANNUALLY	PER UNIT
67040	Property Tax	5	60	0
67110	Insurance - Liability/Property	5,662	67,942	21
67210	Legal Expenses	833	10,000	3
67310	License/Fees/Permits	43	511	0
67510	Management Contract	4,500	54,000	17
67530	Management Extras	625	7,500	2
67540	Website	100	1,200	0
67770	Reserve Study	125	1,500	0
67800	Parking Patrol	350	4,200	1
67810	Miscellaneous	235	2,821	1
67910	Bad Debt	500	6,000	2
	Total Administration	\$13,309	\$159,704	\$ 50.03
	TOTAL OPERATING EXPENSES	\$41,588	\$499,050	156.34
	NET OPERATING EXPENSES COMMON RESERVES	\$41,588	\$499,050	156.34
	COMMON RESERVES	\$3,679	\$44,139	13.83
	TOWNHOME EXPENSES & RESERVES			
	TOWNHOME RESERVE	\$35,735	\$428,816	239.83
	TOTAL EXPENSES & RESERVES	\$81,001	\$972,005	\$ 410.00
41000	ASSESSMENTS-PATIOS HOMES	\$19,910	\$238,922	\$ 170.17
41000	ASSESSMENTS-TOWNHOMES	\$61,090	\$733,084	\$ 410.00
	PATIO HOMES	PER UNIT PER MONTH	UNITS	MONTHLY INCOME
	COMMON EXPENSES	\$ 156.34	117	\$ 18,292.25
	COMMON RESERVES	13.83	117	1,617.89
	SUBTOTAL PATIO HOMES	\$ 170.17		\$ 19,910.14
	TOWNHOMES			
	COMMON EXPENSES	\$ 156.34	149	\$ 23,295.26
	COMMON RESERVES	13.83	149	2,060.39
	TOWNHOME RESERVES	239.83	149	35,734.66
	SUBTOTAL TOWNHOMES	\$ 410.00		\$ 61,090.31
	TOTAL PATIO & TOWNHOMES			\$ 81,000.46

Aegean Heights Homeowners Association - Townhomes

Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year July 1, 2020 through June 30, 2021

- (1) The regular assessment per ownership interest is \$410.00 per Unit. *Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached summary.*
- (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:
N/A		
	Total:	

Note: If assessments vary by the size of the type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

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

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$2,224,641 based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of May 22, 2019. The projected reserve fund cash balance at the end of the current fiscal year is \$774,232 resulting in reserves being 34 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$N/A. The current deficiency in reserve funding expressed on a per unit basis is \$8,607.
- (7) 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 (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. (See recommendation below)

Year Ending	Projected Reserve Balance (a)	Estimated Amount Required in Reserves (b)	Percent Fully Funded (c)
2019-2020	721,423	1,803,962	40 %
2020-2021	1,055,799	1,974,796	53 %
2021-2022	1,349,596	2,129,081	63 %
2022-2023	1,354,417	2,003,689	68 %
2023-2024	1,538,102	2,090,398	74 %

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (a), leaving the reserve at (b) percent funding. (See approved budget below)

Year Ending	Projected Reserve Balance (a)	Percent Fully Funded (b)
2019-2020	634,881	35 %
2020-2021	918,121	46 %
2021-2022	1,186,261	56 %
2022-2023	1,185,943	59 %
2023-2024	1,391,980	67 %

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 1% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.5% per year.

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. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which may become subject in connection of this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or any third party.

Aegean Heights Homeowners Association – Common Area

Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year July 1, 2020 through June 30, 2021

- (1) The regular assessment per ownership interest is \$170.17 per unit. *Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached summary.*
- (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:
N/A		
	Total:	

Note: If assessments vary by the size of the type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

- (3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? 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:
July 2026 through June 2027	\$268 per unit per month
	Total \$855,456

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$955,052 based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of May 22, 2019. The projected reserve fund cash balance at the end of the current fiscal year is \$609,309 resulting in reserves being 63 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$N/A. The current deficiency in reserve funding expressed on a per unit basis is \$885.
- (7) 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 (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. *(See recommendation below)*

Year Ending	Projected Reserve Balance (a)	Estimated Amount Required in Reserves (b)	Percent Fully Funded (c)
2019-2020	580,460	782,984	74 %
2020-2021	699,073	873,926	80 %
2021-2022	732,747	878,368	83 %
2022-2023	752,051	871,045	86 %
2023-2024	730,695	827,129	88 %

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (a), leaving the reserve at (b) percent funding. *(See approved budget below)*

Year Ending	Projected Reserve Balance (a)	Percent Fully Funded (b)
2019-2020	479,646	61 %
2020-2021	495,786	57 %
2021-2022	425,725	48 %
2022-2023	342,089	39 %
2023-2024	220,782	27 %

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 1% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.5% per year.

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. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which may become subject in connection of this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or any third party.

Aegean Heights HOA - Townhomes
Mission Viejo, California
RDA Owner's Summary

Report Date	May 22, 2019	Parameters:	
Version	108	Inflation	2.50%
Account Number	1469	Annual Contribution Increase	2.50%
Budget Year Beginning	7/ 1/19	Investment Yield	1.00%
Ending	6/30/20	Taxes on Yield	30.00%
		Contingency	3.00%
Total Units Included	149	Reserve Fund Balance as of	
Phase Development	1 of 1	7/ 1/19:	\$404,653.00

Project Profile & Introduction

For budgeting purposes, unless otherwise indicated in this report, we have used February 1974 as the basis for aging all the original components examined in this analysis.

Last RDA Field Inspection: October 16, 2018

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$37,987.05
(\$254.95 per unit per month)	
Average Net Monthly Interest Contribution This Year:	275.61
Net Monthly Allocation to Reserves 7/ 1/19 to 6/30/20:	\$38,262.66
(\$256.80 per unit per month)	

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Aegean Heights HOA - Townhomes
RDA Owner's Summary

REPORT DATE: May 22, 2019
VERSION: 108
ACCOUNT NUMBER: 1469

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Roofs - Built Up, 2004	14	+5	4	143,000	112,895	0
Roofs - Built Up, 2012	20	0	13	189,761	66,416	0
Roofs - Built Up, 2013	20	0	14	382,239	114,672	0
Roofs - Chimney Caps	1	0	0	1,788	1,788	1,788
Roofs - Comp Shingle, 2024	25	0	5	277,923	222,338	0
Roofs - Comp Shingle, 2025	25	+1	6	277,923	213,787	0
Roofs - Comp Shingle, 2026	25	+2	7	277,923	205,869	0
Roofs - Comp Shingle, 2027	25	+3	8	277,923	198,516	0
Roofs - Gutters/Downspouts	1	0	0	5,129	5,129	5,129
*** CATEGORY SUMMARY:				1,833,609	1,141,410	6,917
Paint - Stucco	8	+3	3	106,400	77,382	77,382
Paint - Woodwork/Trim	4	0	3	181,440	45,360	31,272
*** CATEGORY SUMMARY:				287,840	122,742	108,653
Woodwork - Repair/Repl	4	0	3	50,000	12,500	0
*** CATEGORY SUMMARY:				50,000	12,500	0
Fencing - Wrought Iron, Gates	20	+6	7	66,305	48,454	0
Walls - Masonry, Repairs	30	0	15	46,378	22,729	0
*** CATEGORY SUMMARY:				112,683	71,183	0
Lighting - Exterior, Unfunded	30	0	0	0	0	0
*** CATEGORY SUMMARY:				0	0	0
Doors - Utility, Unfunded	22	0	0	0	0	0
*** CATEGORY SUMMARY:				0	0	0
Decks - Clean & Seal, 2022	5	0	3	6,600	2,640	2,640
Decks - Clean & Seal, 2023	5	0	4	15,600	3,120	0
Decks - Clean & Seal, 2024	5	0	5	10,500	0	0
Decks - Clean & Seal, 2025	5	+1	6	6,750	0	0
Decks - Clean & Seal, 2026	5	+2	7	7,950	0	0
Decks - Resurface, 2017	15	0	13	34,793	4,639	0
Decks - Resurface, 2018	15	0	14	75,455	5,030	0
Decks - Resurface, 2019	15	0	0	110,665	110,665	110,665
Decks - Resurface, 2020	15	0	1	66,380	61,955	61,955
Decks - Resurface, 2021	15	0	2	89,120	77,237	77,237
*** CATEGORY SUMMARY:				423,813	265,286	252,497
Termite Control - Treatment	1	0	0	24,800	24,800	24,800
*** CATEGORY SUMMARY:				24,800	24,800	24,800

Aegean Heights HOA - Townhomes
RDA Owner's Summary

DESCRIPTION	USE +/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
TOTAL ASSET SUMMARY:			2,732,745	1,637,921	392,867
CONTINGENCY @ 3.00%:				49,138	11,786
GRAND TOTAL:				1,687,059	404,653

Percent Fully Funded: 24%

Aegean Heights HOA - Townhomes
RDA Standard Projections

REPORT DATE: May 22, 2019
 VERSION: 108
 ACCOUNT NUMBER: 1469

Beginning Accumulated Reserves: \$404,653

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
9-0	2,732,745	455,845	3,307	142,382	721,423	1,803,962	40%
10-1	2,801,063	429,185	5,740	100,549	1,055,799	1,974,796	53%
11-2	2,871,090	412,901	7,850	126,954	1,349,596	2,129,081	63%
12-3	2,942,867	401,975	7,925	405,079	1,354,417	2,003,689	68%
13-4	3,016,439	384,487	9,272	210,074	1,538,102	2,090,398	74%
14-5	3,091,850	363,065	9,425	362,209	1,548,384	2,025,119	76%
15-6	3,169,146	364,550	9,524	359,087	1,563,371	1,968,649	79%
16-7	3,248,375	363,927	7,022	730,013	1,204,307	1,528,237	79%
17-8	3,329,584	358,983	6,906	385,307	1,184,889	1,449,298	82%
18-9	3,412,824	356,855	8,983	69,020	1,481,707	1,710,145	87%
19-0	3,498,144	359,191	11,181	54,041	1,798,037	2,000,766	90%
10-1	3,585,598	364,421	10,393	484,890	1,687,960	1,851,405	91%
11-2	3,675,238	374,089	12,693	51,733	2,023,009	2,163,430	94%
12-3	3,767,119	382,134	12,890	362,369	2,055,665	2,163,310	95%
13-4	3,861,297	386,766	10,589	724,800	1,728,220	1,788,760	97%
14-5	3,957,829	391,539	9,015	623,782	1,504,991	1,519,863	99%
15-6	4,056,775	400,747	10,835	145,625	1,770,949	1,757,682	101%
16-7	4,158,194	398,064	12,353	194,138	1,987,227	1,959,068	101%
17-8	4,262,149	393,986	13,236	282,792	2,111,658	2,080,952	101%
18-9	4,368,703	421,096	11,770	628,440	1,916,084	1,850,252	104%
19-0	4,477,921	421,254	14,324	69,177	2,282,485	2,213,746	103%
10-1	4,589,869	422,240	17,012	53,271	2,668,467	2,612,876	102%
11-2	4,704,615	416,104	19,612	66,223	3,037,960	3,018,311	101%
12-3	4,822,231	469,683	19,501	476,015	3,051,129	3,011,495	101%
13-4	4,942,786	482,052	22,274	99,962	3,455,492	3,412,033	101%
14-5	5,066,356	491,579	25,297	78,267	3,894,101	3,856,258	101%
15-6	5,193,015	491,352	28,503	60,271	4,353,686	4,341,628	100%
16-7	5,322,840	529,072	26,220	862,119	4,046,860	4,003,896	101%
17-8	5,455,911	523,466	29,077	145,962	4,453,440	4,425,401	101%
18-9	5,592,309	542,489	31,139	267,510	4,759,560	4,741,007	100%

NOTE: In some cases, the projected ending reserves may exceed the fully funded reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.

Aegean Heights HOA - Common Area
Mission Viejo, California
RDA Owner's Summary

Report Date	May 22, 2019	Parameters:	
Version	008	Inflation	2.50%
Account Number	1469	Annual Contribution Increase	2.50%
Budget Year Beginning	7/ 1/19	Investment Yield	1.00%
Ending	6/30/20	Taxes on Yield	30.00%
		Contingency	3.00%
Total Units Included	266	Reserve Fund Balance as of	
Phase Development	1 of 1	7/ 1/19:	\$579,170.00

Project Profile & Introduction

For budgeting purposes, unless otherwise indicated in this report, we have used February 1974 as the basis for aging all the original components examined in this analysis.

Last RDA Field Inspection: October 16, 2018

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$12,052.44
(\$45.31 per unit per month)	
Average Net Monthly Interest Contribution This Year:	291.81
Net Monthly Allocation to Reserves 7/ 1/19 to 6/30/20:	\$12,344.25
(\$46.41 per unit per month)	

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**Aegean Heights HOA - Common Area
RDA Owner's Summary**

REPORT DATE: May 22, 2019
VERSION: 008
ACCOUNT NUMBER: 1469

DESCRIPTION	USE	+/-	REM	CURRENT	FULLY FUNDED	ASSIGNED
	LIFE		LIFE	COST	RESERVES	RESERVES
Concrete - Repairs	1	0	0	10,000	10,000	10,000
Streets - Asphalt Overlay	24	+30	8	363,957	309,449	120,118
Streets - Asphalt Repairs	4	0	0	28,587	28,587	28,587
Streets - Asphalt Slurry Sealing	4	0	0	38,381	38,381	38,381
*** CATEGORY SUMMARY:				440,925	386,417	197,086
Roofs - Flat, Clubhouse	18	0	0	8,297	8,297	8,297
Roofs - Gutter/Downspout, Clubhouse	25	0	5	1,429	1,143	1,143
Roofs - Shingle, Clubhouse	25	0	5	27,016	21,613	21,613
*** CATEGORY SUMMARY:				36,742	31,053	31,053
Paint - Interior, Clubhouse	6	0	5	6,799	1,133	1,133
Paint - Stucco, Clubhouse	8	0	7	5,767	721	721
Paint - Stucco, Pool Area	8	0	0	4,361	4,361	4,361
Paint - Woodwork/Trim, Clubhouse	4	0	3	1,439	360	360
Paint - Wrought Iron	3	0	0	5,625	5,625	5,625
*** CATEGORY SUMMARY:				23,991	12,200	12,200
Woodwork - Repair/Replace, Clubhouse	4	0	3	3,946	987	987
*** CATEGORY SUMMARY:				3,946	987	987
Fencing - Chain Link, Perimeter	35	0	0	8,487	8,487	8,487
Fencing - Chain Link, Tennis	40	+14	8	20,761	17,652	17,652
Fencing - Wrought Iron, Pool Area	25	+25	4	25,071	23,042	23,042
Railing - Wrought Iron	30	+22	6	15,103	13,341	13,341
Walls - Masonry, Repairs	30	+22	6	23,729	20,960	20,960
*** CATEGORY SUMMARY:				93,152	83,481	83,481
Lighting - Clubhouse, Interior	20	+11	6	4,386	3,537	3,537
Lighting - Grounds	20	+10	4	15,000	12,960	12,960
Lighting - Pool Area, Exterior	30	+21	5	23,339	21,024	21,024
Lighting - Tennis Court	20	0	11	10,000	4,500	0
*** CATEGORY SUMMARY:				52,725	42,022	37,522
Pool - Filter	12	0	11	5,720	477	0
Pool - Heater	12	0	3	18,901	14,176	14,176
Pool - Pump/Motor System	8	0	3	5,962	3,726	3,726
Pool - Resurfacing & Tile	12	0	2	39,561	32,968	32,968
Pool - Wader, Filter	12	0	0	1,012	1,012	1,012
Pool - Wader, Pump/Motor System	8	0	4	1,399	700	700
Pool - Wader, Resurfacing & Tile	10	+2	2	5,827	4,856	4,856
Pool Area - Ceramic Tile Shower	18	0	17	2,582	143	0
Pool Area - Concrete Deck	40	+8	2	36,495	34,956	34,956

Aegean Heights HOA - Common Area
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Pool Area - Deck Caulking	4	0	0	2,073	2,073	2,073
Pool Area - Furniture	7	0	5	19,295	5,513	5,513
Pool Area - Picnic Tables, 2018	20	0	19	14,539	727	0
Pool Area - Picnic Tables, Orig	20	+10	3	5,245	4,721	4,721
Pool Area - Trash Receptacles	20	0	6	2,424	1,697	1,697
*** CATEGORY SUMMARY:				161,035	107,743	106,396
Clubhouse - Appliances	10	0	9	2,715	272	0
Clubhouse - Bridge	40	+10	4	13,154	12,089	12,089
Clubhouse - Cabinets/Counter	20	0	9	5,124	2,818	0
Clubhouse - Ceramic Tile, Restroom	25	+3	3	807	720	720
Clubhouse - Counter Tops, Restroom	12	+1	3	1,512	1,163	1,163
Clubhouse - Doors	35	+14	3	8,620	8,086	8,086
Clubhouse - Extinguisher Cabinets	20	+12	3	842	763	763
Clubhouse - Floor Cover, Carpet	10	0	9	4,694	469	0
Clubhouse - Floor Cover, Vinyl	20	0	10	8,120	4,060	0
Clubhouse - Furniture	10	0	9	5,000	500	0
Clubhouse - Handrail (Stairs)	20	+16	10	420	303	0
Clubhouse - HVAC	20	0	0	11,074	11,074	11,074
Clubhouse - Plumbing Fixtures	25	+3	3	6,208	5,543	5,543
Clubhouse - Restroom Partitions	15	+11	3	2,739	2,423	2,423
Clubhouse - Water Heater	12	0	3	802	602	602
Clubhouse - Window Blinds	10	0	3	560	392	392
*** CATEGORY SUMMARY:				72,391	51,277	42,855
Tennis Courts - Benches	16	0	15	4,824	302	0
Tennis Courts - Resurfacing	8	0	0	7,344	7,344	7,344
Tennis Courts - Windscreen	8	0	3	3,013	1,883	1,883
*** CATEGORY SUMMARY:				15,181	9,529	9,227
Access - FOB System, Readers	12	0	9	26,960	6,599	0
Access - Surveillance System	10	0	10	8,000	0	0
*** CATEGORY SUMMARY:				34,960	6,599	0
Mailboxes - Individual, 2016	15	0	12	22,743	4,549	0
Mailboxes - Individual, 2018	15	0	14	22,743	1,516	0
Mailboxes - Posts	30	0	29	55,020	1,834	0
Signs - Monument	25	0	10	3,300	1,948	0
*** CATEGORY SUMMARY:				103,806	9,847	0
Plumbing Repairs - Common Area	5	0	5	10,000	0	0
*** CATEGORY SUMMARY:				10,000	0	0
Irrigation - Backflow Devices, New	24	0	14	1,683	680	0
Irrigation - Backflow Devices, Orig	24	+10	3	1,683	1,535	1,535
Irrigation - Controllers, 2010	12	0	3	22,574	16,930	16,930
Irrigation - Controllers, 2017	12	0	10	22,574	3,762	0

Aegean Heights HOA - Common Area
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Irrigation - Enclosures	24	0	15	10,230	3,836	0
*** CATEGORY SUMMARY:				58,743	26,743	18,465
Landscape - Tree Trimming, Unfunded	1	0	0	0	0	0
*** CATEGORY SUMMARY:				0	0	0
Slopes - Refurbishment	1	0	0	21,600	21,600	21,600
Termites - Clubhouse	16	0	3	1,775	1,430	1,430
*** CATEGORY SUMMARY:				23,375	23,030	23,030
TOTAL ASSET SUMMARY:				1,130,972	790,927	562,301
CONTINGENCY @ 3.00%:					23,728	16,869
GRAND TOTAL:					814,655	579,170

Percent Fully Funded: 71%

Aegean Heights HOA - Common Area
RDA Standard Projections

REPORT DATE: May 22, 2019
VERSION: 008
ACCOUNT NUMBER: 1469

Beginning Accumulated Reserves: \$579,170

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
19-0	1,130,972	144,629	3,502	146,841	580,460	782,984	74%
20-1	1,159,247	146,683	4,320	32,390	699,073	873,926	80%
21-2	1,188,228	148,354	4,548	119,228	732,747	878,368	83%
22-3	1,217,933	147,994	4,685	133,375	752,051	871,045	86%
23-4	1,248,382	145,481	4,546	171,383	730,695	827,129	88%
24-5	1,279,591	141,331	4,636	135,179	741,484	821,207	90%
25-6	1,299,984	142,699	4,991	96,101	793,072	860,051	92%
26-7	1,332,484	144,526	5,677	50,819	892,457	950,667	94%
27-8	1,365,796	153,358	2,507	605,624	442,698	471,793	94%
28-9	1,399,941	156,003	2,893	102,055	499,539	515,988	97%
29-0	1,434,939	159,826	3,357	94,744	567,977	572,518	99%
30-1	1,470,813	163,938	3,885	89,851	645,949	639,219	101%
31-2	1,507,583	163,908	3,584	210,531	602,910	583,860	103%
32-3	1,545,272	159,377	4,435	44,332	722,389	706,355	102%
33-4	1,583,904	162,686	4,647	135,062	754,660	739,990	102%
34-5	1,623,502	166,458	4,745	155,286	770,577	757,078	102%
35-6	1,664,089	178,539	4,814	166,778	787,152	766,524	103%
36-7	1,705,692	178,838	5,665	62,357	909,298	890,614	102%
37-8	1,748,334	181,434	6,440	75,271	1,021,901	1,008,441	101%
38-9	1,792,042	188,238	6,727	150,239	1,066,628	1,054,443	101%
39-0	1,836,843	196,964	6,729	198,459	1,071,862	1,055,170	102%
40-1	1,882,764	201,868	7,420	107,804	1,173,345	1,156,222	101%
41-2	1,929,833	206,198	8,178	103,295	1,284,426	1,269,273	101%
42-3	1,978,079	209,282	8,925	109,261	1,393,373	1,383,682	101%
43-4	2,027,531	224,816	8,806	242,338	1,384,656	1,365,406	101%
44-5	2,078,220	220,853	10,022	58,585	1,556,947	1,545,745	101%
45-6	2,130,175	231,440	10,379	184,834	1,613,932	1,602,506	101%
46-7	2,183,430	237,055	10,457	233,346	1,628,099	1,614,801	101%
47-8	2,238,015	241,323	10,680	217,727	1,662,375	1,649,357	101%
48-9	2,293,966	249,166	10,193	324,901	1,596,834	1,577,231	101%

NOTE: In some cases, the projected ending reserves may exceed the fully funded reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.



AEGEA-1

OP ID: JR

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

08/25/2020

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

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

PRODUCER LaBarre/Oksnee Insurance License # 0C84283 30 Enterprise #180 Aliso Viejo, CA 92656 Brian Linehan		CONTACT NAME: LaBarre/Oksnee Insurance PHONE (A/C, No, Ext): 800-698-0711 FAX (A/C, No): 949-588-1275 E-MAIL ADDRESS:	
INSURED Aegean Heights HOA c/o TSG Property Mgmt. 27129 Calle Arroyo, Suite 1802 San Juan Capistrano, CA 92675		INSURER(S) AFFORDING COVERAGE	
		INSURER A: Harco National Ins Co	NAIC # 26433
		INSURER B: Philadelphia Indemnity Ins. Co	18058
		INSURER C: Firemans Fund Insurance Co.	21873
		INSURER D: PMA Insurance Group	12262
		INSURER E:	
		INSURER F:	

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR	X		RDN0005287-01	08/28/2020	08/28/2021	EACH OCCURRENCE \$ 1,000,000
B	<input checked="" type="checkbox"/> D&O Liability \$10,000 ded.			PCAP011180-0218	08/28/2020	08/28/2021	DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 D&O Liab \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY			RDN0005287-0	08/28/2020	08/28/2021	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY						
C	<input checked="" type="checkbox"/> UMBRELLA LIAB EXCESS LIAB			SUO00032415325-1150-9	08/28/2020	08/28/2021	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$
	DED <input checked="" type="checkbox"/> RETENTION \$ 0						
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N		N/A	2020010609693Y	08/28/2020	08/28/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						
A	Property			RDN0005287-01	08/28/2020	08/28/2021	10000 ded 71,826,969*
D	Fidelity Bond	X		TBA	08/28/2020	08/28/2021	10000 ded 1,500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Association has 266 units. Property policy is Single Entity (walls-in excluding improvements) with *Guaranteed Replacement Cost, Special Form coverage. Includes Building Ordinance or Law Coverage, and Severability of Interest. Mgmt Co is Additional Insured on GL, D&O, & Bond. Common areas & common elements included. Computer/Fund Transfer Fraud included in Crime.

CERTIFICATE HOLDER

CANCELLATION

TSGINDM

TSG Independent Property Management, Inc.
27129 Calle Arroyo, Ste. 1802
San Juan Capistrano, CA 92675

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

AUTHORIZED REPRESENTATIVE



Aegean Heights Homeowners Association ANNUAL POLICY STATEMENT

This annual policy statement is provided to you in accordance with the requirements of California Civil Code Section §5310.

1. The name and address of the persons designated to receive official communications to the Association is TSG Independent Property Management, Inc. Your manager is George Gustave. The Association's mailing address for overnight payment of assessment is 27129 Calle Arroyo, Suite 1802, San Juan Capistrano, CA 92675.
2. Association members may submit a request to the Association to have the Association's annual budget report, review of the Association's financial statement, the Association's financial statement, the Association's annual policy statement, requests for assessment payments made by the member, pre-lien notices (as described in Civil Code §5660), copy of a recorded notice of delinquent assessment, and notice of default, sent to up to two (2) different addresses. Such request must be delivered to the Association by email at general@tsgindependent.com or fax at (949) 481-0556.
3. General notices from the Association to the members will be available at the following location in the community: Clubhouse window and/or on your monthly billing statements.
4. Association members can arrange to have all general notice items provided to them by individual delivery by submitting a written request to the Association by email to general@tsgindependent.com.
5. Association members may receive copies of minutes, proposed minutes, or summary minutes of general session meetings of the Association's board of directors by submitting a written request to the person identified in Item 1 above at the address specified in Item 1 or by email at general@tsgindependent.com or fax at (949) 481-0556. Such minutes, proposed minutes, or summary minutes will be available no later than thirty (30) days after the meeting.
6. The Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of assessments are attached.
7. A summary of dispute resolution procedures is attached.
8. A summary of the Association's requirements for approval of physical changes to property is attached.

TSG Independent Property Management, Inc.

27129 Calle Arroyo, Suite 1802

San Juan Capistrano, CA 92675

Phone 949.481.0555 Fax 949.481.0556 general@tsgindependent.com www.tsgindependent.com

RULES ENFORCEMENT POLICY

The Association may impose monetary penalties, suspend privileges and/or take legal action for violation of the Association's governing documents. *Please read the CC&R's or Rules & Regulations of your Association for more specific information.*

- Enforcement and Fine Policy in this packet
- Architectural Review Procedures in this packet

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the Association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The Association must inform owners of a mailing address for overnight payments. (Section §5655 of the Civil Code)

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

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

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section §5685 of the Civil Code)

PAYMENT PLANS

An owner may request the Association to consider a payment plan to satisfy a delinquent assessment. The Association must inform the owners of the standards for payment plans, if they exist. (Section § 5665 of the Civil Code).

The Board of Directors must meet with an owner who makes a proper, written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment.

- Please read the Assessment and Foreclosure Policy in the Budget Packet.

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Aegean Heights Homeowners Association

Rules of Conduct & Responsibility Members, Residents & Guests

Originally approved and adopted at an Executive meeting of the
Aegean Heights Homeowners Association Board of Directors
on February 1, 1988.

Revised May 1995
Revised August 1996
Revised November 2010

Purpose:

Rules, as published herein, are intended to govern personal conduct and the use of common area facilities of the Association in such a manner as to promote harmonious community spirit and enjoyment of amenities of the Association.

Aegean Heights Homeowners Association Rules of Conduct & Owner Responsibility

Applicability:

These rules are applicable to all property owners, their families, lessees, resident contract purchasers or guests of any aforementioned persons.

Authority:

The authority for publication of the Rules is contained in Article VIII, Section 1 (a) of the Association Bylaws. Authority for providing penalties for infractions of such Rules is granted in Article VIII, Section 1 (a) and (b) of the By Laws.

Enforcement:

Provision for enforcement is delineated in Article XV, Section 1 of the Declaration of Restrictions (CC&R's) and Article VIII, Section 1 (c) and Article IX, Section 3 (a) of the By Laws.

Due Process:

Protection of the rights of individuals is assured in the enforcement and imposition of penalties through the requirement of Article VIII, Section 1 (b) for notice and hearing afforded offenders of the Rules.

Responsibility:

By the very nature and purpose of a community association, it is the responsibility of each and every member to not only abide by and support the Rules of the Association, but to insure that by their own personal example and the manner in which their families and guests behave that the mutual interests and standards of the community itself are preserved. It is hoped that through knowledge and familiarity with the Rules, enforcement and penalty assessment will be unnecessary. No threat of any such action is intended herein; rather as mature adults with a common interest in our mutual well being, and interest in the protection of our health, safety and welfare, as well as our properties, we will strive to go beyond minimum standards of these Rules in our common interests. In our democratic community, we accept that in some cases Rules are designed for the majority, thus a degree of discrimination may be necessary in isolated situations. In any case where a Rule is felt to be unreasonable, unfair or discriminatory to the detriment of the entire Association, any person to whom the Rules apply is urged to appeal such a Rule to the Board of Directors with the assurance that such an appeal will be promptly studied and acted upon.

The rules published herein are for the most part simplified statements derived from the Declaration of Restrictions and the By Laws, and where conflict occurs, the Declarations of Restriction, By Laws and these Rules take precedence in that order. The publication of the Rules is not intended to distract from your responsibility to be thoroughly familiar with the By Laws and Declarations of Restrictions, but to stimulate your interest to exercise that responsibility.

Priority of Use of Common Facilities:

The common facilities of Aegean Heights are intended for the use of property owner, their lessees or contract residents. Bonafide guests of any of these persons are normally welcome to use the common facilities in the company of their hosts. However, when the number of guests present at any facility interferes with the right of enjoyment to that facility by residents and their families, hosts are expected to take the initiative in tactfully vacating their guests. If necessary, any Director or other authority delegated by the Board of Directors may take appropriate action to limit or exclude guests from a facility in keeping with the stated intent of this priority of use stipulation.

Aegean Heights Homeowners Association Rules of Conduct & Owner Responsibility

Association Rules:

Following are the Association Rules. These Rules may be revised from time to time, or amended by resolution of the Board of Directors. When such an amendment or revision is made, revised or additional pages will be distributed to all property owners.

I. Association Membership and Payment of Assessments

- 1) Ownership of property is the only qualification for membership.
- 2) Membership is not transferable except upon sale of property.
- 3) One vote is allowed for each lot owned.
- 4) Owner of each lot is responsible for payment of regular monthly assessment (hereinafter referred to as dues) and for special assessments as levied by the Association, and for interest, attorney's fees and other cost necessitated in collection delinquent dues.
- 5) Voting rights, as well as the right to use the recreational facilities may be suspended if an assessment is 30 days delinquent.
- 6) Regular monthly assessments are due the first of the month and are delinquent if not received by the Association on or before the 15th of the month. A late fee of \$10.00 or 10% of the assessment will be charged on all delinquent accounts. This late fee will be reflected on the owner's next monthly statement.

** A first notice of past due assessment will be prepared and mailed on assessments thirty (30) days past due. A charge for the assessment letter processing will be made against the delinquent member's account at that time. An interest charge at an annual rate of 12% 10% will be assessed against all outstanding delinquent accounts thirty (30) days or more past due including delinquent assessment amounts, late charges and collection costs. Such interest charges shall continue to be assessed each month until the account is brought current. At sixty (60) days past due a notice of intent to lien letter shall be sent to the delinquent member with continued administrative charges and interest levied.

At seventy (70) days past due a lien package shall be prepared and send to the Association's designated attorney or collection service. An administrative fee for such preparation shall be charged. Additionally, attorney fees, lien filing fees and such related expenses shall be charged to the delinquent member's account. Interest charges shall continue as noted.

- 7) Owners whose dues are delinquent, or their tenants, may be denied the privileges of use of Association Recreation Facilities and lose voting rights until dues are current.
- 8) Owners whose dues are delinquent will be assessed a \$10.00 or 10% late charge as per Sec. 6.
- 9) Property of members who are delinquent may be liened.
- 10) When property is liened, additional collection costs incurred in process are added to and become part of the total delinquency. The lien will not be released until all of these charges are paid in full.

Aegean Heights Homeowners Association
Rules of Conduct & Owner Responsibility

- 11) Failure to cure a prolonged delinquency will result in foreclosure sale of the property.

II. Tenants and Guests

- 1) The owner is accountable for the conduct of his family, tenants, and guests. The cost of any damage caused by tenants, guests, or family members will be assessed to the owner.
- 2) A copy of the Rules should be provided by the owner of the property to their renters. If not provided by the owner, the Association can provide the Rules to the renter at a cost to the owner.

III. Vehicle Parking Restrictions

- 1) Townhouses – Families with one or two vehicles shall keep their vehicles parked within the garage at all times when not in use. If there are more than two vehicles in the family, residents may park in the marked parking spaces for up to 72 hours, so long as there are two vehicles parked in the resident's garage when using such parking spaces.
- 2) Private Streets- There is no parking on the private streets in the subdivision except in designated marked parking areas. As provided in the California Vehicle Code, vehicles may never be parked in or protruding into a fire lane. A vehicle may not be parked so that it blocks, obstructs, or hinders pedestrian use of any sidewalk.
- 3) Guest Parking – Posted "Guest" parking spaces are reserved for legitimate guests' vehicles only and parking in these spaces is limited to 6 hours in any 24-hour period. Residents may not ever park in "Guest" parking spaces.
- 4) Patio Homes – Garages must be kept clear so as to enable at least one Qualified Motor Vehicle to park in the garage with the garage door closed. A "Qualified Motor Vehicle" is a standard automobile, motorcycle, van, pick-up or SUV). Residents must park at least one Qualified Motor Vehicle in the garage before parking any Qualified Motor Vehicle outside, either in the driveway or on the streets. If a residence has more than two Qualified Motor Vehicles, the excess Qualified Motor Vehicles may be parked in designated, marked parking spaces for up to 72 consecutive hours, but only after at least one Qualified Motor Vehicle is parked inside the garage. Note that the vehicles listed in Rule 8 below do not qualify as Qualified Motor Vehicles.
- 5) Garage Doors – Garage doors are to be kept closed except for ingress and egress from the garage.
- 6) Driveways
 - a. Townhouse Homes – No parking is permitted on any common or shared driveway or driveway apron at any time. Vehicles may be parked on driveway aprons, provided that no part of the vehicle protrudes into the street, blocks any other resident's ingress or egress to their garage, or blocks any sidewalk.
 - b. Patio Homes – Parking is permitted on individual driveways only when the parked Qualified Motor Vehicle does not extend over a common or shared driveway or over a street or sidewalk and only after at least one Qualified Motor Vehicle has been parked in the garage.
- 7) Inoperable unused (stored) and unregistered vehicles must be kept in garage at all times.

Aegean Heights Homeowners Association Rules of Conduct & Owner Responsibility

- 8) Boats, campers, trailers and trailer vehicles, motor homes, commercial vehicles, RVs, and similar types of vehicles (referred to as "Prohibited Vehicles") cannot be parked in the streets, common parking areas, or driveways. All such Prohibited Vehicles must be in the garage with the garage door closed or must be parked off-site. If one or more of these types of Prohibited Vehicles is parked in the garage, it may require the resident to park one or more of his or her Qualified Motor Vehicles out of the subdivision before parking in a designated common area parking space, as the requirement for at least one Qualified Motor Vehicle to be parked in the garage must still be met before parking any Qualified Motor Vehicle in the common area designated parking areas.
- 9) No commercial vehicles may be kept in the subdivision except for the temporary parking of legitimate service vehicles providing services to the resident. No such vehicles shall be parked within the project after 6:00 p.m. except for emergencies
- 10) Except as required by the California Vehicle Code, all vehicles, except emergency vehicles, must yield the right of way to exiting from driveways and/or garages.
- 11) Non-commercial vans and pick-ups with camper shells, no more than 12" higher than the cab, are deemed to be Qualified Motor Vehicles for purposes of these Rules.

IV. Operation and Repairs of Vehicles

- 1) Riding motorbikes or motorcycles other than on surfaced roads is prohibited.
- 2) General maintenance of vehicles may only be performed on the confines of the garage.
- 3) Vehicle annoyance is prohibited. This includes speeding, excessive engine noise, squealing of tires, music from car stereos and noise from automotive repairs.
- 4) All vehicle traffic is governed by State Law on public streets, the speed limit on all private streets is 15 MPH.

V. Enforcement

- 1) Removal of Vehicles – All vehicles or other equipment parked or stored in violation of these Rules will be subject to citation, tow or such other action by the Board as it may deem necessary. All costs incurred in the removal of such vehicles and equipment, including but not limited to, towing and storage expenses and attorney's fees, if applicable, will be charged to the owner of the unauthorized vehicle involved.
- 2) The association, acting through the Board, reserves the right to issue citations or other warnings when appropriate, but the issuance or failure of issuance of such warnings shall not affect the validity of these Association Rules and shall not constitute a condition precedent to the removal of any vehicle parked, stored, or maintained in violation hereof.

VI. Common Area Landscaping

- 1) Residents and their guests and invitees are not permitted to dispose of trash, grass clippings, or other forms of debris on the common area.
- 2) Residents and their guests and invitees shall not destroy ground cover by making paths. This applies particularly to planted areas.

Aegean Heights Homeowners Association Rules of Conduct & Owner Responsibility

- 3) Residents and their guests and invitees, are strictly prohibited from climbing up, sliding down, or riding down any planted slope in Aegean Heights.
- 4) The responsible owner or owners shall be required to pay to repair or restore landscaping of affected areas if damage is caused by the owner or the owner's family members, guests, tenants or invitees. This determination can be made even if other persons, known or unknown, may have contributed to the damage.

VII. Maintenance of Private Areas

- 1) All landscaping, including shrubs, trees, grass and other plantings shall be maintained in a neat and orderly condition.
- 2) Each owner is responsible to maintain, repair and keep his/her property in good condition. Front areas must be landscape; 60 days is allowed from date of violation notice, or recording of deed. The Association has the right to hire it done and to bill you for material and services.
- 3) Non-commercial signs smaller than 9 square feet and flags and banners smaller than 15 square feet may be displayed within a resident's separate interest. No signs, flags or banner may be displayed in the common areas without the advance written consent of the Board of Directors. A maximum of two "For Sale" or "For Rent" signs may be displayed in a resident's separate interest provided they are no larger than 18" x 24". None of these signs may be attached to the buildings, fences or walls.
- 4) All rubbish, trash and waste must be in covered sanitary containers that are screen and concealed from view.
- 5) Trash containers set out on the street or sidewalk for pick up may not be left thereon for more than 24 hours, either full or empty, and in any event must be removed by midnight of the day of the pick up.
- 6) Residents who have received three or more letters in violation of trash can rules in a moving 12 month period will be fined \$50 for the fourth and subsequent violations.
- 7) With prior notification, property owners must allow maintenance workers to enter or cross their property in order to maintain common areas or zero lot line walls.
- 8) While view protection is not a right, owners can increase the value of their property, as well as the values of all other homes in the community, by considering views and view blockage when designing or maintaining landscaping and/or architectural additions.

VIII. Property Usage

- 1) Residences may be used only as single family dwellings and only for residential purposes
- 2) No business or commercial usage can be conducted on the property.

Aegean Heights Homeowners Association
Rules of Conduct & Owner Responsibility

- 3) No residents, or their guests or children, shall play on the private streets in such a manner and to the extent that they obstruct traffic or create a danger to themselves or others or make excessive noise or create a nuisance.
- 4) No skateboard ramps are permitted on private streets because of insurance liability.
- 5) No activity that is offensive or annoying or a nuisance to any other resident is permitted on common areas or on any lot.
- 6) No radio stations may operate from any lot or residence.
- 7) No skateboarding and/or disturbing noises after 9:00pm.

IX. Architectural Control

**** Review Article VIII of your CC&R's for Architectural Control. In addition the Architectural Committee has set out additional information for your benefit. All architectural decisions must be presented to the Board with suggestions from the committee, but final approval or disapproval must come from the Board.**

- 1) The committee will consider only written requests, in triplicate.
- 2) If a proposal is rejected, the applicant is free to request that the committee reconsider its position and is encouraged to present new or additional information, which might clarify the request or demonstrate its acceptability. Final appeal may be made to the Board of Directors.
- 3) All written requests should include all information necessary for the committee to take action. Necessary data would include height, width, length, size, shape, color and location of the proposed improvement. Photographs or sketches of similar completed projects would aid the committee's consideration.
- 4) Exterior lighting shall not be directed in such a manner as to create annoyance to the neighbors.
- 5) Satellite dishes and antennas allowed under the Federal Telecommunications Act of 1996 may be installed only within a resident's separate interest. This means that all satellite dishes must be pole mounted. Advance consent is not needed when residents comply with this regulation. Satellite dishes may not be installed in or on any common area nor can holes be drilled into any common area without the express written consent of the Board of Directors.
- 6) Approval of any project by the committee does not waive the necessity of obtaining the required County permits.
- 7) Obtaining a County permit does not waive the need for committee approval.
- 8) All exterior additions, changes, property dividers, light fixtures, air conditioning units and underground sprinklers systems must be approved by the Architectural Control Committee.

Aegean Heights Homeowners Association Rules of Conduct & Owner Responsibility

- 9) Drainage is a major problem. Therefore any landscaping, cement work, masonry work or anything that might disturb the existing drainage of slopes or lot grading requires the prior approval of the committee.
- 10) Paint – all colors must blend in with the existing exterior colors and must have prior approval. The areas in question: exterior walls, trim, door, fences, patio covers, garage doors and rain gutters. Anyone who does not abide by the decision of the Board will have the choice of rectifying or paying for the painting to be redone including labor and the cost of paint.
- 11) Fences - height, location, material, and paint must have prior approval of the board. The fence material must blend in with the existing exterior. The fencing material must be of wood, black wrought iron or brick that blends into the exterior or brick that has been covered with stucco to blend with the existing walls. All wooden fences may be stained or left in their natural state on the inside of the lot. Those not adhering to the rules may be fined, pay for labor to rectify or the Association may provide labor and material and charge the offender, if the fence is changed it is then the sole responsibility of the homeowner to maintain the new fence.
- 12) Patio Covers – no plastic or metal may be used to make a patio cover. Rough redwood or natural wood may be used. It may be stained to match the trim or stucco.
- 13) Enclosure of the walkway in the “D” plan must have prior Architectural approval.
- 14) Gates – Gates must blend into the existing exterior walls. They may be made of redwood, natural wood or black wrought iron. Wood may be painted the color of the house, stained or left natural.
- 15) Planters – All planters must have prior approval and be of a design and material that would blend into the architectural theme. The height of exterior planters should not exceed 8 inches in height.
- 16) Town homes only – Garage door and doors – The maintenance of the doors is the responsibility of the homeowner.

X. Use of Tennis Courts

- 1) Tennis etiquette is to be observed at all times
- 2) Rubber soled shoes, such as tennis shoes or deck shoes that will not mark or damage the court surface, must be worn at all times.
- 3) Skateboards and other wheeled devices are not permitted inside the tennis court enclosure
- 4) No food or glass of any kind is allowed in the tennis courts.
- 5) Children under 6 years of age are not allowed on the courts unless accompanied by a responsible adult 18 years of age or older.
- 6) Courts are to be used for tennis only.
- 7) Players are encouraged to play doubles, when possible, during prime times.

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- 8) Members, residents or guests must observe posted court rules.
- 9) Association planned tennis tournaments must be scheduled 2 weeks in advance and have preference over open play.
- 10) Care shall be taken not to damage the facility, particularly the court surface and nets.
- 11) The last person leaving the court shall make sure all gates are locked and, at night, that all lights are turned off.
- 12) No person may be involved in consecutive play unless a court is open.
- 13) Tennis hours are restricted to the period between sunrise and 10:00pm.

XI. Use of Swimming Pool and Related Facilities

- 1) Pool hours are restricted to the period from 8:00am to 10:00pm from April 1st through September 30th and 8:00am to 8:00 pm from October 1st through March 31st.
- 2) No member, resident, or guest is permitted in the pool area other than during regular pool hours. Member violators may be subject to suspension of use privileges. Non-member violators may be subject to arrest as trespassers.
- 3) Children under fourteen (14) years of age entering the pool area must be accompanied by a responsible adult. There shall be one such adult for each three persons under 14, or parent with immediate family. Such adult or parent shall remain at the pool area until all persons under 14 years of age, entering in their company, have left the pool enclosure. Member violators may be subject to suspension of use privileges. Non-member violators may be subject to arrest as trespassers.
- 4) Glass of any kind shall not be permitted in the pool area or on the deck surrounding the pool.
- 5) No one shall enter the pool area except through the gates by use of a key. The gate will be re-locked upon entering or leaving the pool area.
- 6) No object made of metal or plastic may be worn in the hair, unless covered by a bathing cap.
- 7) No items of any kind, except life saving devices, are allowed in the pool at any time.
- 8) Playing ball or throwing Frisbees on the pool deck is prohibited.
- 9) Swim apparel must be worn by people using the pool. Street clothing, T-shirts and "cut-offs" are prohibited.
- 10) Unsanitary practices, such as blowing nose, spitting or urinating in the pool are not allowed.
- 11) No guests are allowed unless a member or delegate (i.e. family members, tenants or resident contract purchasers) is present.

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- 12) Dangerous practices prohibited: pool users may not run on the deck, climb on, sit on, or jump from fences or other structures, dive, horseplay or wrestle on decks, ladders or in the pool or in dressing rooms. Skateboards or any wheeled vehicles are prohibited within the pool enclosure at all times.
- 13) All members will be responsible for the actions of their children or guests. Member violators may be subject to suspension of use privileges. Non-member violators may be subject to arrest at trespassers.
- 14) The Association reserves the right to expel from the pool and pool area persons under the influence of alcohol, narcotics or for non-observation of pool rules.
- 15) No animal (pets) are allowed within the pool enclosure at any time.
- 16) Parents must accompany all children in the wading pool area.
- 17) Only pre-school children are allowed in the wading pool
- 18) All incontinent persons using either pool must wear diapers and plastic pants or other protective clothing that will prevent water contamination.
- 19) No loud music is allowed in the pool area.
- 20) No profanity is allowed in the pool area.
- 21) Pool parties exceeding ten people in attendance requires prior board approval.

XII. Use of Recreation Building (Clubhouse)

- 1) No animals (pets) are allowed in the Recreation Building.
- 2) No glass containers are to be taken into the pool area in conjunction with authorized activities in the Recreation Building.
- 3) Rough or boisterous conduct, profanity, gambling or immoderate use of alcohol, such as may be offensive to others present, may be grounds for expulsion and suspension of privileges.
- 4) Any Association Director or appointed representative so authorized by the Board of Directors has the authority to enforce prescribed rules. IT IS THE RESPONSIBILITY OF EACH MEMBER TO REPORT INFRACTIONS OF THE RULES TO A BOARD MEMBER OR OTHER AUTHORIZED PERSON.
- 5) Private parties require a \$200.00 cleaning deposit and any damages will be assessed to the homeowner(s). The deposit will be refunded upon satisfactory inspection following use.
- 6) For regularly scheduled unofficial activities, the \$200.00 will be a one-time deposit.
- 7) All meetings and activities in the Recreation Building must be with the Recreation Center Coordinator, whose phone number shall be conspicuously posted on the entry doors to the building.

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- 8) Anyone vandalizing the Recreation Building will be referred to the appropriate law enforcement agency for prosecution and may be subject to suspension of privileges. Should there be damage or extraordinary maintenance resulting from a scheduled use of the facility, the member responsible for the activity is responsible for costs incurred.
- 9) Under no circumstances will alcoholic beverages be sold in conjunction with any authorized activity at the Recreation Building.
- 10) Loitering on or about the Recreation Building and the general recreation area, including the parking area, is prohibited.
- 11) Special arrangements for large group use of the Recreation Building shall be completed at least two weeks before the date of use.
- 12) Notice of any group use will be posted in the Recreation Building at least two weeks before the date of such use.
- 13) Hours for parties will be from 8:00am until 10:00pm, Sunday through Thursday and 8:00am-Midnight on Friday and Saturday.
- 14) Use of the clubhouse has a \$100 usage fee and a \$500 damage deposit.

XIII. Pet Rules

- 1) All dogs are to be leashed at all times while outside on the common areas of the Association. Unleashed animals outside are subject to being turned over to the county pound.
- 2) Any pets creating a nuisance for residents are subject to action by the Board of Directors, which may include, but is not limited to fines.
- 3) Pet waste on private and common area is a nuisance and a health problem and will not be tolerated; the Board of Directors will take action against violators.

XIV. Enforcement

Enforcement of these Rules and Regulations will be done in accordance with the Association's Enforcement Policy and Fine Schedule, attached to these Rules as Exhibit "A".

Disclaimer:

Failure of the Association to enforce any of its Rules, Bylaws or Declaration of Restrictions shall no constitute a waiver of the right to enforce the same thereafter.

No intent is contained in any published regulatory documents of the Association to imply that those regulations are exclusive in the Rules that apply to its members. No set of Rules can encompass every conceivable situation or occurrence. Laws of constitutional governments, law of precedent and the unwritten laws of exception responsible behavior are fully applicable to each member of the Association. Recommendations for further amplification of necessary Rules to promote the health, safety, and welfare and to protect the life and property of members of the Association will be welcomed and given full consideration for incorporation herein.

**Aegean Heights Homeowners Association
Rules of Conduct & Owner Responsibility**

EXHIBIT "A"
ENFORCEMENT POLICY AND FINE SCHEDULE
FOR VIOLATIONS OF THE ASSOCIATION'S GOVERNING DOCUMENTS
OF
AEGEAN HEIGHTS HOMEOWNERS ASSOCIATION

1. **Applicable Documents.** The policies stated below apply to violations of any of the Governing Documents of Aegean Heights Homeowners Association ("Association"), including the Articles of Incorporation; Bylaws; Covenants, Conditions, and Restrictions ("CC&R's"), or Rules and Regulations ("Rules").
2. **Actions Prior to Initiation of Formal Disciplinary Process.** The Board of Directors ("the Board"), an Owner of a separate interest ("Member"), or any resident of the Association has the authority to request in any reasonable manner that a Member, resident, tenant, or invitee thereof cease or correct any act or omission which appears to be in violation of the Governing Documents of the Association. Complainants are encouraged to attempt such informal resolution before the formal process is initiated. However, if a Member or resident cannot or will not initiate informal resolution, or if the informal resolution is not successful, the following procedure will apply.
3. **Written Complaint.** Disciplinary proceedings will be initiated upon the receipt of a written complaint ("Complaint") from any Member or resident to the Board or its designated agent on an Association complaint form or by letter, setting forth, in ordinary and concise language, the acts or omissions with which the alleged offender ("Respondent") is charged. Complaints may also be initiated directly by any member of the Board of Directors or by the management agent. Although it will not invalidate the Complaint if the following are missing, the Complaint should include the specific provisions of the CC&R's or Rules which the Respondent is alleged to have violated, and should consist of more than charges phrased in the general language of such provisions. The Complaint should contain as many specific and supporting facts as are available, such as time, date, location, person(s) involved, and other relevant details so that the Complaint may be evaluated and investigated by the Board. Complaints initiated by a member of the Board of Directors or management agent may be in any form which provides a record of the Complaint. A copy of the Complaint will not be provided to the Respondent except as required by law.
4. **First Notice.** Upon the filing of the Complaint, to the extent the Board deems appropriate, the Board shall reasonably investigate the Complaint to verify that, if true, the allegations constitute violation(s) of the Governing Documents. If so (and if the Board, in its sole discretion, determines that enforcement is appropriate in the case in question), the Board shall send a written First Notice (warning letter) to the Respondent, summarizing the Complaint and requesting compliance with the Governing Documents. Such First Notice shall be served by certified mail, return receipt requested; by first-class mail; or by personal delivery to the owner of record and, if appropriate, to the resident tenant. No penalty shall be assessed to the owner in this First Notice. If compliance occurs as a result of sending this First Notice, the Board need take no further action on the Complaint. In situations where the Board of Directors, in its sole discretion, determines that the alleged offense is sufficiently serious including, but not limited to, threats against persons or property, dog bites, in-progress architectural modifications, and outrageous conduct, the Board can authorize the omission of the First Notice and proceed directly to the actions described in Paragraph 5, hereof, or other enforcement actions authorized by the Governing Documents.
5. **Second Notice.** If the violation described in the First Notice is not corrected within fifteen (15) days, or if the violation is repeated, a second notification letter will be sent to the offender ("Second

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Notice"). The Second Notice will advise the offender that a hearing before the Board of Directors will be held. The Second Notice will provide a general summary of the allegations in the Complaint; the date, time, and location of the hearing; a statement that the Respondent may attend the hearing and address the Board; and may also contain the penalties that may be assessed at the hearing. The Board shall fix a hearing date and mail or serve the Second Notice on the Owner of the separate interest at least ten (10) days, but not more than forty-five (45) days, prior to the date of the hearing. The Second Notice shall be served by certified mail, return receipt requested; by first-class mail; by personal delivery; by electronic mail; by facsimile transmission; or by any combination thereof. The Respondent shall have the right to attend the hearing with any material witnesses, and may offer evidence and/or make representations to the Board subject to the provisions of Section 6 below. If the Respondent wishes to attend the hearing but cannot conveniently attend on the date scheduled or wishes a postponement for any other cause, the Respondent may request a continuance of the hearing. Any such request must include the reasons therefore. The decision of whether to grant the continuance shall be made by the Board, and its decision shall be final. If a continuance is granted, the Respondent will be given notice of the new hearing date. If a continuance is not granted, the hearing shall proceed in accordance with Section 6 below. Whether or not the Respondent wishes to attend the hearing, he or she may deliver to the Board a written statement, setting forth the Respondent's answer to the allegations in the Complaint. If the Respondent submits a written response, it must be delivered to the Board of Directors, or the Board's authorized representative, at least seventy-two (72) hours prior to the hearing. This will ensure that the Board has the opportunity to consider the response prior to any decision on the Complaint being made.

6. Hearing.

- a. Neither the Complainant nor the Respondent is obliged to be in attendance at the hearing, although such attendance is encouraged. All hearings will generally be held in executive session, although the Board reserves the right to schedule the hearing in open session. If requested by the Respondent, the hearing will be conducted in executive session. The executive session will normally be held on the same day as a regular open meeting of the Board or may be postponed to such date and time as the Board shall determine. Any request for the hearing to be held in executive session must be submitted to the Board in writing at least four (4) days in advance of the hearing to allow the executive session to be properly noticed and scheduled. If the notice required by this paragraph is not given, the hearing will be held as determined by the Board.
- b. At the beginning of the hearing, or at any appropriate time during the hearing, the Board will explain the rules and procedures by which the hearing is to be conducted. The Board is entitled to exercise its discretion as to the specific manner in which the hearing will be conducted. Technical and specific rules of evidence or procedure will not generally be applicable to the hearing except that the Board shall have full discretion to impose specific rules where it considers such rules to be appropriate and to refuse to admit evidence not reasonably relevant to the issues. Formal questioning of witnesses by the Respondent will generally not be permitted.
- c. The Board will consider any written or oral statements of the parties and witnesses together with such other information and/or evidence then before it which the Board reasonably determines to be material and relevant.
- d. Should the Respondent and/or Owner of the separate interest fail to appear at the hearing and fail to submit a written statement in defense of the allegations, the Board may consider such failures to be an admission of the allegations.
- e. The Respondent, Respondent's counsel and any relevant witnesses will be entitled to attend the hearing, but when the hearing is held in executive session, may be excused after presentation of the evidence. The Board reserves the right to deliberate the issue and reach its decision out of the presence of the Complainant or the Respondent or any representatives or witnesses.

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7. **Decision.** After all evidence and/or representations have been presented to the Board, the Board shall vote upon the matter. The decision may be made at the conclusion of the hearing, or may be postponed to no later than fifteen (15) days thereafter. A written decision will be mailed to the Respondent as soon as practicable thereafter, but in no event more than fifteen (15) days after the hearing. Disciplinary action, if any is imposed, and unless otherwise ordered by the Board, shall become effective no fewer than five (5) days after the Board's decision is mailed to the Respondent. All decisions of the Board shall be final unless the Board, in its sole discretion, agrees to rehear the matter due to the availability of new evidence or information of an overriding nature.
8. **Appeal.** All requests for rehearing or appeal must be made by the Respondent in writing and must be received by the Board within sixty (60) days of the date of the notice of the Board's decision. The request for an appeal hearing must include a summary of the new evidence to be presented or the reasons why the Board's previous decision should be overturned. Upon receipt of a request for an appeal, the Board will suspend all fines or other imposed penalties until the appeal is heard by the Board.
9. **Fine Schedule.** The following fine schedule shall apply where the Board finds a violation has occurred and, in its sole discretion, determines to assess a fine.

1st Offense (except those below)	\$50.00 maximum fine
Hazardous/Dangerous Activities	\$250.00 maximum fine
Unauth. Architectural Mod.	\$500.00 maximum fine, plus daily fine plus removal
2nd Offense	\$100.00 maximum fine
Hazardous/Dangerous Activities	\$400.00 maximum fine
Unauth. Architectural Mod.	\$1,000.00 maximum fine, plus daily fine plus removal
3rd & Subsequent Offenses	\$200.00
Hazardous/Dangerous Activities	\$500.00 maximum fine
Unauth. Architectural Mod.	\$2,000.00 maximum fine, plus daily fine plus removal
Continuing Offenses	\$20.00 per day maximum for each day the violation exists
Parking Offenses	The fine schedule listed above, plus the vehicle is subject to immediate tow

The fines listed above are maximum amounts per violation, and are in addition to any actual costs, damages, or expenses, including attorney fees, incurred by the Association in obtaining compliance with the Governing Documents. If circumstances warrant, the Board may impose lesser amounts, and may suspend imposition of all or any portion of a fine for up to one year from the date of the hearing. Offenses for separate rules will each start at the first offense stage and progress to higher levels as appropriate.

In addition to assessment of a fine, the Board may suspend the Respondent's voting rights and Association privileges as outlined in the CC&R's, Bylaws, and Rules for up to thirty (30) days per

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violation. In the case of delinquent assessments, the Board will not assess additional fines but may suspend voting rights and other Association privileges.

10. **Rules Committee.** Any of the rights, duties, and actions outlined in this policy permitted or required to be performed by the Board may, at the discretion of the Board, be delegated to a Rules Committee composed of fewer than all of the directors, the management agent, or other authorized agent.

11. **Legal Action.** In appropriate circumstances, such as in the need for immediate action against an owner or resident in violation of the Governing Documents or in dangerous, hazardous or threatening situations, the Board of Directors, in its sole discretion, may bypass the above enforcement policy and refer the matter directly to legal counsel for such legal actions for injunctive or declaratory relief or monetary damages as may be necessary and lawful under the Governing Documents and California law.

This Rules Enforcement and Fine Schedule was adopted by the Board of Directors at its meeting held on the ____ day of _____, 2010.

Secretary

ARCHITECTURAL IMPROVEMENT PROCEDURES NOTICE

The purpose of compliance with the Architectural Improvement Procedures is to ensure the property values of the community as well as the rights of the surrounding neighbors who may be affected by the improvement.

Any improvement or addition including but not limited to, painting, fence Installation, landscaping, patio covers, pool/spa, screen doors, awnings, etc must first be approved by the Architectural Committee and/or Board of Directors. Provisions regarding the Committee can be found in the Association's CC&R's. The Committee is responsible for reviewing proposed plans, as well as any county requirements, to minimize complications. The Association requires written approval on file.

The "Architectural Approval Procedure" and "Request For Architectural Approval" forms are enclosed with this notice and are to be submitted with the actual set of plans that will be used. If prior approval is not obtained, the owner may be asked to remove the improvement at owner's expense and may be subject to fine.

If the Committee does not approve the submitted plans, the Committee will notify the owner of the denial in writing, in accordance with the time limit provided for in the CC&R's. The owner may request a hearing with the Board of Directors if the owner wishes to arbitrate the denial.

The important issue of a planned community is to maintain the overall appearance of the community. The Board of Directors urges every homeowner to abide by the CC&R's and architectural improvement procedures to achieve this goal.

ARCHITECTURAL APPROVAL PROCEDURES

PRIOR TO BEGINNING ANY EXTERIOR IMPROVEMENTS, THESE PROCEDURES WILL BE FOLLOWED:

1. Obtain and complete an approval form from TSG Ind. Property Management, Inc.
2. Neighboring homes (both sides, behind, opposite) subject to affect by improvements must be advised of the proposed work. Prior to plan submittal, the "Neighbor Awareness Form" must be executed. Concerns of neighboring homeowners will be a factor the Architectural Committee will consider however, a neighbor does not have the authority to veto power over the proposed project. (Note: Your CC&R's do restrict view obstructions.)
3. Submit three (3) sets of plans, including grading, lot line plans, specifications, material types, plant types and color samples, to TSG Ind. Property Management, Inc. The plot plan must show specifically what exists and the proposed change(s). (Note: There is NO ENCROACHMENT of common area permitted.)
4. The Board of Directors or Architectural Committee will review the proposed plans and generally, you will receive written response within thirty (30) days of receipt of the plans by the Board(s). If the plans are denied, a reason for denial and/or request for alteration will be issued.
5. AFTER the Committee has approved your plans, you may proceed with the improvement. At that time, the written approval may be taken to the local government entities to obtain necessary permits. One set of plans will be returned to you for your records, a set of plans will be issued to the Architectural Committee and a set of plans will be retained by the management company.

APPROVAL OF PROPOSED PLANS DOES NOT WAIVE THE NECESSITY OF OBTAINING ANY REQUIRED CITY PERMITS. OBTAINING A CITY PERMIT DOES NOT WAIVE THE NEED FOR ASSOCIATION ARCHITECTURAL CONTROL APPROVAL.

REQUEST FOR ARCHITECTURAL APPROVAL

DATE: _____

HOMEOWNER: _____ PHONE: _____

ADDRESS: _____ LOT: _____

DESCRIPTION OF IMPROVEMENT: _____

ATTACHMENTS: PLOT PLAN _____ RENDERING _____ CROSS SECTION _____ PERMITS _____

PROCESSING FEES _____

OTHER _____

ARCHITECTURAL CONTROL COMMITTEE

APPROVED _____ DENIED _____

CONDITIONS OF APPROVAL - REASON FOR DENIAL: _____

Date: _____

Signature-Architectural Control Committee

BOARD OF DIRECTORS APPEAL

Request the Architectural Committee to place your appeal on the agenda of an upcoming Board of Directors meeting.

Date submitted to the Board: _____ Approved _____ Denied _____

Reason for Approval/Disapproval _____

Date: _____

Signature - Board of Director

THIS APPROVAL DOES NOT RELIEVE APPLICANT FROM OBTAINING THE NECESSARY BUILDING PERMITS FROM THE GOVERNMENTAL AGENCIES INVOLVED. THIS REQUEST MUST BE SUBMITTED IN TRIPLICATE. ONE COPY EACH TO: ARCHITECTURAL COMMITTEE, BOARD OF DIRECTORS, APPLICANT.

**NEIGHBOR AWARENESS FORM
FACING ADJACENT AND IMPACTED NEIGHBOR STATEMENT**

Consents obtained without objections; except as noted.

FACING NEIGHBOR

Name: _____
(signature) (print)

Address: _____ Phone: _____

Objection: YES _____ NO _____ Notes: _____

ADJACENT NEIGHBOR 1

Name: _____
(signature) (print)

Address: _____ Phone: _____

Objection: YES _____ NO _____ Notes: _____

ADJACENT NEIGHBOR 2

Name: _____
(signature) (print)

Address: _____ Phone: _____

Objection: YES _____ NO _____ Notes: _____

IMPACTED NEIGHBOR

Name: _____
(signature) (print)

Address: _____ Phone: _____

Objection: YES _____ NO _____ Notes: _____

The neighbors have reviewed the plans I am submitting for Architectural Approval. I understand neighbor objections do not, in themselves, cause denial. However, the Architectural Committee will contact the neighbors to determine if their objections are applicable, if necessary.

Submitted By:

Name: _____
(signature) (print)

Address: _____ Phone: _____

Date: _____

NOTICE OF COMPLETION

Notice is hereby given that:

The undersigned is the Owner of the Residence located at

Street Number : _____

City: _____ Zip Code: _____

The work of Improvement on the above described Residence was COMPLETED on _____ day of _____, 200_ in accordance with the Architectural Committee's written approval through the above Owner's plans and submittal package.

Name of Owner: _____

Signature of Owner: _____

Date: _____

TRID Loan Estimate Fee Schedule

for
AEGEAN HEIGHTS

The following information is provided by TSG Independent Property Management, Inc. to assist you in completing the Loan Estimate. This form lists all available products for the Association and should not be considered a recommendation of what to obtain for your real estate/financing transaction. Identify the items you will order and enter the corresponding fees on the Loan Estimate.

Regular Assessment Amount	\$334.40 - \$151.50	Monthly
Transfer Fee	\$240.00	At Close
Bank Owned Property Package (For Foreclosed Properties) This package is required for properties that have been recently foreclosed upon or have a deed taken in lieu of foreclosure. Included is a statement of all fees owed by the bank and disclosure information for maintaining and marketing the property. Products included, if they pertain to the Association: Annual Board Meeting Minutes (Non Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525) Articles of Incorporation (Required Civil Code Sec. 4525) CCRs (Required Civil Code Sec. 4525) Current Unaudited Financial Documents (Non Required Civil Code Sec. 4525) Design Document (Non Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) Insurance Dec Page (Non Required Civil Code Sec. 4525) Litigation (Non Required Civil Code Sec. 4525) Minutes of Regular Board Meetings (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) California 4528 Form W-9 (Non Required Civil Code Sec. 4525) Unit Ledger (Non Required Civil Code Sec. 4525) Special Assessment (Required Civil Code Sec. 4525) Reserve Report (Non Required Civil Code Sec. 4525) Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Welcome Package (Non Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$460.00	Up Front

Closing Statement of Fees and Association Documents (Required Civil Code Sec. 4525) All of the most current REQUIRED documents specified by CA Civil Code Section 4525 Documents BUT does NOT include regular Board Meeting Minutes. Products included, if they pertain to the Association: Annual Budget Report (Required Civil Code Sec. 4525) Articles of Incorporation (Required Civil Code Sec. 4525) CCRs (Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) California 4528 Form Special Assessment (Required Civil Code Sec. 4525) Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$400.00	Up Front
Closing Statement of Fees, Association Documents and Minutes (Required Civil Code Sec. 4525) All of the most current REQUIRED forms and documents REQUIRED by CA Civil Code Section 4525 PLUS Regular Board Meeting Minutes from the previous 12 months. Products included, if they pertain to the Association: Annual Budget Report (Required Civil Code Sec. 4525) Articles of Incorporation (Required Civil Code Sec. 4525) CCRs (Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) Minutes of Regular Board Meetings (Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) California 4528 Form Special Assessment (Required Civil Code Sec. 4525) Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$460.00	Up Front

1. Premium Lender Questionnaire Bundle (Best Value!) EVERYTHING your underwriter needs to quickly underwrite the subject property. Products included, if they pertain to the Association: Annual Budget Report (Required Civil Code Sec. 4525) Articles of Incorporation (Required Civil Code Sec. 4525) CCRs (Required Civil Code Sec. 4525) Current Unaudited Financial Documents (Non Required Civil Code Sec. 4525) Design Document (Non Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) Insurance Dec Page (Non Required Civil Code Sec. 4525) Litigation (Non Required Civil Code Sec. 4525) Operating Rules (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) Lender Questionnaire Special Assessment (Required Civil Code Sec. 4525) Reserve Report (Non Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$225.00	Up Front
2. Standard Lender Questionnaire Bundle Minimum documentation for underwriting the subject property. For most comprehensive package, please see Premier Lender Bundle above. Products included, if they pertain to the Association: Annual Budget Report (Required Civil Code Sec. 4525) Insurance Dec Page (Non Required Civil Code Sec. 4525) Lender Questionnaire	\$195.00	Up Front
Association Documents (Required Civil Code Sec. 4525) All of the most current REQUIRED documents specified by California Civil Code Section 4525. NOTE: Escrow must order a Closing Statement of Fees - Demand) to ensure accurate closing. Products included, if they pertain to the Association: Operating Rules (Required Civil Code Sec. 4525) Financial Statement Review (Required Civil Code Sec. 4525) CCRs (Required Civil Code Sec. 4525) Annual Budget Report (Required Civil Code Sec. 4525) Rental Restrictions (Required Civil Code Sec. 4525) Articles of Incorporation (Required Civil Code Sec. 4525) Special Assessment (Required Civil Code Sec. 4525) Bylaws (Required Civil Code Sec. 4525)	\$150.00	Up Front

Association Documents plus Minutes (Required Civil Code Sec. 4525)	\$225.00	Up Front
All of the most current REQUIRED documents specified by California Civil Code Section 4525 PLUS Regular Board Meeting Minutes from the previous 12 months. NOTE: Escrow must order a Closing Statement of Fees - Demand) to ensure accurate closing.		
Products included, if they pertain to the Association:		
Operating Rules (Required Civil Code Sec. 4525)		
Minutes of Regular Board Meetings (Required Civil Code Sec. 4525)		
Financial Statement Review (Required Civil Code Sec. 4525)		
CCRs (Required Civil Code Sec. 4525)		
Annual Budget Report (Required Civil Code Sec. 4525)		
Rental Restrictions (Required Civil Code Sec. 4525)		
Articles of Incorporation (Required Civil Code Sec. 4525)		
Special Assessment (Required Civil Code Sec. 4525)		
Bylaws (Required Civil Code Sec. 4525)		

Annual Budget Report (Required Civil Code Sec. 4525)	\$60.00	Up Front
Articles of Incorporation (Required Civil Code Sec. 4525)	\$25.00	Up Front
Bylaws (Required Civil Code Sec. 4525)	\$30.00	Up Front
CC&Rs (Required Civil Code Sec. 4525)	\$60.00	Up Front
California 4528 Form	No Cost	No Cost
Design Document (Non Required Civil Code Sec. 4525)	No Cost	No Cost
Financial Statement Review (Required Civil Code Sec. 4525)	\$25.00	Up Front
Insurance Dec Page (Non Required Civil Code Sec. 4525)	\$25.00	Up Front
Lender Questionnaire	\$165.00	Up Front
Minutes of Regular Board Meetings (Required Civil Code Sec. 4525)	\$60.00	Up Front
Operating Rules (Required Civil Code Sec. 4525)	\$25.00	Up Front
Refinance Demand	\$125.00	Up Front
Required Statement of Fees - Demand (Required Civil Code Sec. 4525)	\$175.00	Up Front
Reserve Report (Non Required Civil Code Sec. 4525)	\$40.00	Up Front
Welcome Package (Non Required Civil Code Sec. 4525)	No Cost	No Cost

CD Delivery Fee	\$30.00	Up Front
Credit Card Convenience Fee (for credit card payments only)	\$6.00	Up Front
Custom Questionnaire Fee (*Add this fee to Questionnaire Fee)	\$60.00	Up Front
Custom Questionnaire Rush Fee (*Add this fee to Questionnaire Rush Fees)	\$35.00	Up Front
Lender Questionnaire 2 business days Rush Fee	\$90.00	Up Front
Lender Questionnaire Update from 1 to 30 days	\$35.00	Up Front

Multi-Product Order 3 business days Rush Fee	\$110.00	Up Front
Multi-Product Order 5 business days Rush Fee	\$90.00	Up Front
Refinance Demand Update from 1 to 14 days	No Cost	No Cost
Refinance Demand Update from 15 to 45 days	\$35.00	At Close
Refinance Demand Update from 46 to 90 days	\$60.00	At Close
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) 3 business days Rush Fee	\$110.00	Up Front
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) 5 business days Rush Fee	\$90.00	Up Front
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Update from 1 to 14 days	No Cost	No Cost
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Update from 15 to 45 days	\$35.00	At Close
Required Statement of Fees - Demand (Required Civil Code Sec. 4525) Update from 46 to 90 days	\$60.00	At Close
Rush Existing Order (*Add this fee to Rush Fees)	\$35.00	
Three Day Shipping Fee	\$45.00	Up Front
TRID-List of Fees and Charges (NOT TO BE USED FOR CLOSING)	No Cost	No Cost

Loan Estimate Disclaimer: Fees vary by association and individual units and cannot be finalized until the closing of a transaction. Fees including, but not limited to, Regular Assessment Amount, Special Assessments, Transfer Fees, Capital Contributions, Move In Fees, Collection Fees, etc. may be assessed to each property and will be finalized on the Closing Disclosure. Please work with the Closing Agent to obtain these exact fee amounts.

All fees are subject to change without notice and can only be finalized at the time a transaction is prepared to close and the Closing Disclosure is completed.

Comments:

ASSESSMENT AND FORECLOSURE POLICY

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) and the California Civil Code to enforce members' 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 the CC&Rs and Civil Code §5730, the following are the Association's assessment practices and policies:

1. Regular monthly assessments are due and payable on the first day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. However, it is the owner of record's responsibility to pay each assessment in full each month regardless of receipt of a statement. All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.
2. Assessments, late charges, interest, and collection costs, including attorneys' fees are the personal obligation of the owner of the property at the time the assessment or other sums are levied (CC §5740).
3. Assessments not received within thirty (15) days of the stated due date are delinquent and shall be subject to a late charge of ten dollars (\$10.00) OR 10% of the monthly dues for each delinquent assessment per unit.
4. 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 and the Association enter an agreement providing for payments to be applied in a different manner.
5. A first notice of past due assessment will be prepared and mailed on assessments not received within sixty (60) days of the stated due date. Subject to the provisions of the governing documents, an interest charge at the rate of 12% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges, and cost of collection, which may include attorneys' fees. Such interest charges 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 thirty (30) days, all installments will 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 and interest as provided above.
7. If an assessment is not received within seventy five (75) days of the stated due date, 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 § 5650(a) and 5660 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 One Hundred Sixty Dollar (\$160.00) fee for the pre-lien letter.
8. If an owner fails to pay the amounts set forth in the pre-lien letter within forty-five (45) days of the date of that letter, the Association will authorize their collection attorney to record a lien for the amount of any delinquent assessments, late charges, interest, and/or costs of preparing and recording the lien. Thirty (30) 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 (CC § 5740; CC § 5700[a]), subject to the limitations set forth below under "Additional Provisions to Conform to Law" and as otherwise provided by law.

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.

9. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code § 8333.
10. 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, interests, and costs of collection associated with collection of those assessments.
11. Any owner who is unable to pay assessments will be entitled to make a written request for 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.
12. 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.
13. 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.
14. All charges listed herein are subject to change upon thirty (30) days prior written notice.
15. An owner is entitled to submit secondary addresses to the Association for the purposes of collection notices. Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the Association will send additional copies of any notices required by Civil Code §5650-5690 to the secondary address provided.

Additional Provisions to Conform to Law

Prior to the recording of a lien, homeowners that are delinquent will be sent a pre-lien letter. The pre-lien letter will include an offer by the Association to engage in Internal Dispute Resolution upon receipt of a written request within forty-five (45) days of the pre-lien letter, pursuant to the Association's meet and confer program required by Civil Code § 5925-5965, et seq. and will also offer to engage in formal Alternative Dispute Resolution with a neutral third party pursuant to Civil Code § 5925, et seq. Prior to recording of a lien, the Board of Directors will approve the recording of the lien in open session at a meeting of the Board without identification of the name of the individual. The Association may not foreclose unless delinquent assessments are greater than \$1,800.00 or greater than one year in arrears.

Prior to commencing foreclosure, the Association will offer to engage in Internal Dispute Resolution upon receipt of a written request within thirty (30) days of the offer of such Internal Dispute Resolution, pursuant to the Association's meet and confer program required by Civil Code §5900, et seq. and will also offer to engage in formal Alternative Dispute Resolution with a neutral third party pursuant to Civil Code §5925, et seq. Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in open session at a meeting of the board without identification of the name of the individual. All foreclosures shall be subject to a ninety (90) day right of redemption.

In addition to the above, if a matter is sent to counsel for legal action, or to a collection service for foreclosure or other action, the owner will be responsible for any attorneys' fees and costs incurred by such action.

The mailing address for overnight payment of assessments is:

AEGEAN HEIGHTS HOMEOWNERS ASSOCIATION
c/o: TSG Independent Property Management, Inc.
27129 Calle Arroyo, Suite 1802
San Juan Capistrano, CA 92675

ALTERNATIVE DISPUTE RESOLUTION

Summary of Civil Code 5925 to 5965

Sections 5925 to 5965 of the Civil Code require that before owners and associations file lawsuits against each other for declaratory relief or injunctive relief in connection with a claim for money damages under \$5,000 or for enforcing the associations governing documents, the filing party shall endeavor to submit the dispute to alternative dispute resolution (ADR). Forms of ADR include mediation, negotiation, and binding or non-binding arbitration. This provision does not apply to the filing of cross-complaints.

The ADR process is initiated by one party serving a Request for Resolution upon the other parties to the dispute. The request must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within thirty (30) days or it will be deemed rejected, and (iv) a copy of Civil Code Sections 5925 to 5965.

If the individual receiving the request agrees to ADR, the process must be completed within ninety- (90) days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a Certificate of Compliance indicating the party has complied with the requirements of Sections 5925 to 5965. Failing to do so would be grounds for challenging the lawsuit.

Although the prevailing party is entitled to reasonable attorney's fees and costs, the court may consider a party's refusal to participate in ADR when making the award.

A description of the Associations internal dispute resolution process, as required by Civil Code Section 5920, is attached.

NOTE: Failure of any member of the association to comply with the alternative dispute resolution requirements of Civil Code 5930 may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

INTERNAL DISPUTE RESOLUTION

Summary of Civil Code 5900 to 5915

Sections 5900 to 5915 of the Civil Code require that before owners and associations file lawsuits against each other for declaratory relief or injunctive relief in connection with a claim for money damages under \$5,000 or for enforcing the associations governing documents, either party to a dispute may invoke the following Internal Dispute Resolution (IDR) subject to the following procedures:

- 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 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.

(c) 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.

(d) A member of the association may not be charged a fee to participate in the process.

FHA CERTIFICATION DISCLOSURE

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

This common interest development is a condominium project. The association of this common interest development **IS NOT CURRENTLY CERTIFIED** by the Federal Housing Department. *This information is current as of October 2020.*

Per Civil Code §5320(b), *"if a member has requested to receive all reports in full, the association shall deliver the full report to that member, rather than a summary of the report."*

FHA Status can be checked online at U.S. Department of Housing and Urban Development website at <https://entp.hud.gov/idapp/html/condlook.cfm>.

VA CERTIFICATION DISCLOSURE

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

This common interest development is a condominium project. The association of this common interest development **IS NOT CURRENTLY CERTIFIED** by the United States Department of Veterans Affairs. *This information is current as of October 2020.*

Per Civil Code §5320(b), *"if a member has requested to receive all reports in full, the association shall deliver the full report to that member, rather than a summary of the report."*

VA Status can be checked at the Department of Veterans Affairs website at <http://www.index.va.gov/search/va/index.jsp>.



**2021 FISCAL YEAR
AEGEAN HEIGHTS HOMEOWNER ASSOCIATION**

ANNUAL REQUEST OF ADDRESS, REPRESENTATIVE AND RENTAL STATUS

Civil Code, Section 4041 requires each homeowner to provide the Association with the following information on an annual basis. Please complete this form in full and return it to the address below or via email to general@tsgindependent.com or use the return envelope with your monthly dues, within thirty (30) days:

1. Name of Homeowner(s):

2. Property Address within the Association:

3. The address to which notices from the Association are to be delivered:

4. 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:

5. Is the separate interest that you own **(check one)**:

☐ Owner Occupied ☐ Rented ☐ Vacant ☐ Undeveloped Land

Additional Contact Information to be used should an issue arise within the Association (Optional):

Homeowner Phone Number: _____

Cell Phone: _____

Email Address: _____

Note: If an Owner fails to provide the information above, the property address will be deemed the address to which notices are to be delivered.

TSG Independent Property Management, Inc.

27129 Calle Arroyo, Suite 1802

San Juan Capistrano, CA 92675

Phone 949.481.0555 Fax 949.481.0556 general@tsgindependent.com www.tsgindependent.com

Quickly pay your HOA from anywhere.



TSG Independent Property Management Accepts Online Payments!

Enjoy the following benefits:

- Online payments via eCheck
- Credit Card payments accepted
- Automatic payments to pay dues and eliminate late fees
- Secure and easy-to-use payment system
- Call center for support 24/7 and phone payments: 866-729-5327

Get Started Today

1. Please visit : www.TSGindependent.com (You will need your account number)
2. Under 'Quick Links' on the front page click on "Online Payments".
3. Once on PayLease, make sure to click "Homeowner", not "Billing".

Want to set up automatic payments through MPS Financial?

1. Please complete the form on the reverse page and send directly to MPS Financial.

INFORMATION AND APPLICATION FOR AUTO DRAFT OF MONTHLY HOMEOWNERS ASSOCIATION DUES

Automatic drafting from your bank account, for fixed monthly association dues, is available for your convenience. Non-recurring amounts such as late charges, fines or special assessments can be drafted upon request. The draft amount may increase/decrease as association dues increase/decrease. In order to begin using auto draft to pay your assessments your account must be current (owing only the current month's assessment).

A draft will be produced on the tenth (10th) of each month and will show on the following month's statement. You will continue to receive a monthly statement in order to keep you up to date on your account status.

Requests for modifications or cancellations must be received by the last day of the month in order to take effect the following month. Escrow closings will automatically cancel drafting.

The majority of banks honor our draft requests however we recommend that in addition to completing this form that you send your bank a letter of authorization for this draft. A draft dishonored by your bank will result in your auto-draft being cancelled.

A \$5.00 set up fee must be included with your application. Please make the check (do not send cash) payable to Management Processing Solutions. Requests not accompanied by the \$5.00 set up fee will be returned to you.

Please enclose the following items:

- \$5.00 set up fee payable to M.P.S.
- Check for your current months association assessment (your draft will begin next month)
- Voided check (needed for checking account and routing numbers to initiate the draft)

Also, please provide us with the following information:

Association Account Number: _____

Association Name: _____

Property Address: _____

Homeowner Name: _____

Phone Number: _____

Management Company: TSG Independent Property Management, Inc.

<p>Please return all items listed above, along with the information requested with your next month's dues to M.P.S., PO Box 57063, Irvine, CA 92619-7063.</p>
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*MONTH TO BEGIN AUTO-DRAFT _____

***THIS FORM MUST BE SIGNED BY YOU, THE HOMEOWNER, TO BE VALID.**

Signature

Date