



Lindsay Management Services

A Division of Corporate Management Consultants, Inc.

Altamira Management Association No. 1

May 1, 2018

Dear Members,

The Altamira One Board of Directors approved the Operating Budget and the Year 2019 Reserve Study (both of which cover our fiscal year July 1, 2018 – June 30 2019). The result of the new Operating Budget and Reserve Study is a \$9.00 increase in dues, up, to \$221 per month. The \$221 monthly dues total is split into \$153.26 that goes to Operating Budget (an increase of \$8.38) and \$67.74 that goes to Reserves (an increase of \$0.62).

The bulk of this year's dues increase is due to an increase in water use (\$100,000 up to \$125,000, or \$6.39 per month increase for each homeowner per month) and tree maintenance (\$33,025 up to \$39,900, or \$1.76 per month increase for each homeowner). Other areas with increases included the Landscape contract (\$208,344 up to \$212,508, or \$1.07 per month increase for each homeowner), and other areas with smaller increases. We were able to save \$4,217 (or \$1.08 per month decrease for each homeowner) for Postage/Printing by outsourcing most of our larger photocopy jobs and mailing packets, along with areas of smaller decreases.

The Board recognizes the need to do something about water costs. The solutions are not simple. Each water reduction option results in significant changes to our common area and front yard landscape. Suffice it to say that one person's vision of a solution to our water expenses will not be considered a viable solution by a significant number of other people. This statement is true regarding every option available that significantly reduces our current water expenses. We have an expansive natural turf landscape to irrigate and maintain. Any large scale changes to our front yard and common area landscape will require an extensive research and decision making process that will be difficult if not impossible for every single homeowner to agree on. Addressing this challenge will be a high priority for the Board and the Altamira Community during the upcoming year.

Last year's approved Reserve Study determined our end of year (June 30, 2017) percent funded to be 64.33%. This year's approved Reserve Study determined our end of year (June 30, 2018) percent funded, will be 68.03%. In the Reserve Study's 30 year cash flow and percent funded projection, our percent funded calculation will progressively increase, hitting the 100% funded mark at year 2028. This projection assumes a 2.25% increase in the annual contribution to Reserves (or \$1.53 increase per homeowner each month for next year), in order to account for inflation.

It is important that you, the homeowner, stay current on the developments that take place within your HOA. Every homeowner has the right to attend and listen to business conducted at the monthly Board of Director's meetings. The newsletter is also an import source of information. Any homeowner or resident that sees an issue needing attention, is encouraged to contact your Property Manger at Lindsay Management, Jill Schilling. She keeps the Board informed of all homeowner / resident communications so the Board may act as needed on issues that exist in the community. You are part of one community of 326 homes. It is in your best interests to come together with your fellow homeowners, and make your life here the best you can.

Mike Anderson
Altamira One HOA President



North County: (760) 436-1144 • San Diego: (800) 479-4849 • FAX (760) 436-2566
6126 Innovation Way • Carlsbad, CA 92009 • admin@lindsaymgt.com





Lindsay Management Services

A Division of Corporate Management Consultants, Inc.

ALTAMIRA MANAGEMENT ASSOCIATION #1

DATE: May 1, 2018

RE: **OPERATING BUDGET FOR FISCAL YEAR JULY 1, 2018 thru JUNE 30, 2019**

Dear Members,

In compliance with California Civil Code enclosed are the following items:

1. Approved Budget for 2018/19
2. Certificate of Liability Insurance / Renewals on July 1, 2018
3. Assessment Collection Policy
4. Internal & Alternate Dispute Resolutions (IDR & ADR)
5. Reserve Summary July 1, 2018 through June 30, 2019
6. Assessment & Reserve Funding Disclosure Summary Fiscal Year Ending June 30, 2019
7. Article 4 – Architectural & Design Control Guidelines & Architectural Request For Change Form
8. Annual Candidacy Form 2018 Election

After careful review of the Association's projected increase in operating costs and additional funding to the Reserves, the Board has determined an increase of \$9.00 per month in monthly assessments will be effective on July 1, 2018. This will bring monthly assessments to \$221.00. Assessments are due on the 1st of each month and payments post late if received after the 15th of each month, with a 10% late fee.

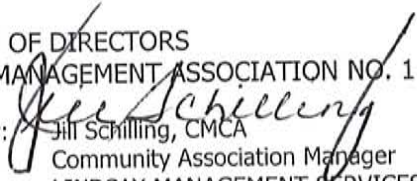
Operating Budget allocations are calculated on projected maintenance costs between July 1, 2018 - June 30, 2019. Reserve allocations to each category are calculated on the basis of total replacement cost for major components, the estimated normal useful life of each component and the probable remaining useful life.

We encourage members to attend monthly meetings for updates on Association matters that affect the overall well being of the Community. **Please make note, the Annual Meeting is scheduled for Saturday, June 30, 2018 and will be held at the North Park Clubhouse.** Notice of the Annual Meeting is forthcoming. There are two Board seats open this election. ***If you have any interest in volunteering to serve on the Board, please complete the enclosed candidacy form and return it on or before the deadline noted on the form.***

We remind all members to please put comments on Association matters in writing to the attention of the Board and submit them directly to the Community Association Manager at jill@lindsaymgt.com for Board review. Member input is valuable and member communications are included in the monthly Board packets for review and discussion on action items, as may be required. Thank you.

Sincerely,

THE BOARD OF DIRECTORS
ALTAMIRA MANAGEMENT ASSOCIATION NO. 1

Submitted By: 
Jill Schilling, CMCA
Community Association Manager
LINDSAY MANAGEMENT SERVICES

Enclosures: Annual Operating Budget Packet (Items Listed Above)
0400 BUDGET COVER 05-01-18



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ALTAMIRA MANAGEMENT ASSN # 1
APPROVED BUDGET 2018/2019
Effective July 1, 2018

ACCT #	DESCRIPTION	UNITS		326	
		17/18 ANN BUDGET	18/19 ANN BUDGET	18/19 PER MONTH	18/19 PER UNIT/MO
INCOME					
4010	Regular Dues	829,338.27	864,552.00	72,046.00	221.00
4110	Late Charge	0.00	0.00	0.00	0.00
4200	Reserve Interest	1,000.00	0.00	0.00	0.00
4400	HOA Event Donations	0.00	0.00	0.00	0.00
TOTAL INCOME		830,338.27	864,552.00	72,046.00	221.00
EXPENSE					
Operating					
5031	Pool Contract	11,880.00	12,500.00	1,041.67	3.20
5032	Pool Chemicals	12,000.00	11,500.00	958.33	2.94
5033	Pool Repairs & Parts	11,000.00	11,000.00	916.67	2.81
5040	Janitorial Contract	4,800.00	5,700.00	475.00	1.46
5049	Janitorial Supplies	750.00	750.00	62.50	0.19
5050	Pest Control Contract	6,450.00	6,450.00	537.50	1.65
5060	R & M - Common Area	15,000.00	14,000.00	1,166.67	3.58
5090	Security	10,968.00	10,200.00	850.00	2.61
5105	Electricity	16,000.00	17,500.00	1,458.33	4.47
5110	Gas	21,000.00	22,000.00	1,833.33	5.62
5120	Water	100,000.00	125,000.00	10,416.67	31.95
5150	Telephone	4,800.00	5,300.00	441.67	1.35
Total Operation		214,648.00	241,900.00	20,158.33	61.84
Landscape					
5010	Landscape Contract	208,344.00	212,508.00	17,709.00	54.32
5011	Landscape Extras	5,000.00	5,000.00	416.67	1.28
5015	Tree Maintenance	28,025.00	23,900.00	1,991.67	6.11
5016	Tree Maintenance- Unscheduled	5,000.00	16,000.00	1,333.33	4.09
5021	Irrigation System R & M	9,500.00	9,500.00	791.67	2.43
Total Landscape		255,869.00	266,908.00	22,242.33	68.23
General & Admin					
5810	Management Fee	37,402.35	38,524.00	3,210.33	9.85
5820	Audit/Tax Returns	925.00	925.00	77.08	0.24
5825	Reserve Study	600.00	1,600.00	133.33	0.41
5830	Legal	12,000.00	12,000.00	1,000.00	3.07
5837	Bad Debts	3,000.00	1,000.00	83.33	0.26
5840	Insurance	10,000.00	10,000.00	833.33	2.56
5853	Minutes / Extras	4,500.00	4,500.00	375.00	1.15
5854	Web Site Fee	2,200.00	2,200.00	183.33	0.56
5855	Postage/Printing	16,866.00	12,649.00	1,054.08	3.23
5870	Bank Charges	100.00	100.00	8.33	0.03
5880	Permits/Licenses	900.00	900.00	75.00	0.23
5884	Taxes	900.00	1,350.00	112.50	0.35
5894	Contingency Fund	7,872.88	5,000.00	416.67	1.28
Total General & Admin		97,266.23	90,748.00	7,562.33	23.20
TOTAL G & A, LDSCP & OPERATING		567,783.23	599,556.00	49,963.00	153.26
ALLOCATION TO RESERVES					
3111	Painting - 23.5 %	61,219.13	61,792.25	5,149.35	15.80
3120	Roofing - 58.3%	151,875.52	153,298.60	12,774.88	39.19
3191	Pools & Spas 4.4%	11,462.27	11,569.67	964.14	2.96
3201	Landscaping/Irrigation/Trees - 2.8%	7,294.20	7,362.55	613.55	1.88
3231	Common Area - 6.2%	16,151.42	16,302.76	1,358.56	4.17
3290	Contingency 4.8%	13,509.30	13,626.97	1,135.58	3.48
3295	Interest Allocation	1,043.20	1,043.20	86.93	0.27
TOTAL ALLOCATIONS		262,555.04	264,996.00	22,083.00	67.74
TOTAL EXPENSES		830,338.27	864,552.00	72,046.00	221.00
EXCESS INCOME/(EXPENSES)		0.00	0.00	0.00	0.00



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/14/2017

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 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 Kirk Miller Insurance Agency Inc. 7220 Trade St Ste 360 San Diego CA 92121-2324	CONTACT NAME: Kirk Miller	FAX (A/C, No):	
	PHONE (A/C, No, Ext): 858-240-2593	E-MAIL ADDRESS: info@kirkmillerinsurance.com	
INSURED ALTAMIRA MANAGEMENT ASSOCIATION #1 6126 Innovation Way Carlsbad CA 92009	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Truck Insurance Exchange		21709
	INSURER B: Farmers Insurance Exchange		21652
	INSURER C: Mid Century Insurance Company		21687
	INSURER D:		
	INSURER E:		

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 INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	GENERAL LIABILITY	X		605468922	07/01/2017	07/01/2018	EACH OCCURRENCE	\$ 2,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 75,000	
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$ 5,000	
							PERSONAL & ADV INJURY	\$ 2,000,000	
							GENERAL AGGREGATE	\$ 4,000,000	
							PRODUCTS - COMP/OP AGG	\$ 2,000,000	
								\$	
A	AUTOMOBILE LIABILITY			605468922	07/01/2017	07/01/2018	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000	
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$	
	<input type="checkbox"/> ALL OWNED AUTOS						<input type="checkbox"/> SCHEDULED AUTOS	BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS						<input checked="" type="checkbox"/> NON-OWNED AUTOS	PROPERTY DAMAGE (Per accident)	\$
								\$	
A	<input checked="" type="checkbox"/> UMBRELLA LIAB			605469060	07/01/2017	07/01/2018	EACH OCCURRENCE	\$ 3,000,000	
	<input type="checkbox"/> EXCESS LIAB						<input type="checkbox"/> CLAIMS-MADE	AGGREGATE	\$
	<input type="checkbox"/> DED						<input type="checkbox"/> RETENTION \$	\$	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			A09465039	07/01/2017	07/01/2018	WC STATUTORY LIMITS	OTHER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						<input type="checkbox"/> Y <input checked="" type="checkbox"/> N / A	E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
								E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	Directors Officers E&O			605468922	07/01/2017	07/01/2018	Deductible \$1000	\$ 2,000,000	
	Fidelity/Employee Dishonesty						Deductible \$500	\$ 1,000,000	

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

Building Coverage: \$1,093,700 Deductible: \$1,000
 Extended Replacement Cost 125%
 Building Ordinance: Covered
 No Unit Owner Coverage / Common Areas Only/ Walls Out Only
 Number of Units: 326
 Fidelity/Employee Dishonesty: Includes Management Company
 30 days cancellation notice Includes Servability of interest/Separation of Insured

CERTIFICATE HOLDER**CANCELLATION**

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

AUTHORIZED REPRESENTATIVE

Kirk Miller

ALTAMIRA MANAGEMENT ASSOCIATION NO. 1

SUMMARY OF POLICIES AND PROCEDURES OF LIEN RIGHTS AND
OTHER LEGAL REMEDIES FOR DEFAULT IN PAYMENT OF ASSESSMENTS

1. **Regular and Special Assessments.** Regular assessments are due and payable, in advance, on the first day of each month. If imposed, special assessments shall be due and payable on the due date specified by the Board. Assessments, interest, late charges, costs and reasonable attorney's fees, if any are imposed, are the personal obligation of the person who was the owner of the subdivision interest at the time when the assessment fell due.
2. **Late Charges.** Regular and special assessments are delinquent fifteen (15) days after they become due. A late charge of ten percent (10%) or ten dollars (\$10.00), whichever is greater will be applied if payment in full is not received fifteen (15) days after the payment is due.
3. **Interest.** Interest at the annual rate of twelve percent (12%) may be charged on all sums due that are thirty (30) or more days delinquent.
4. **Additional Charges, Costs and Attorneys Fees.** Pursuant to *Civil Code Section 1366(e)(1)*, the Association is entitled to recover reasonable collection costs, including reasonable attorney's fees, incurred in connection with collection. Costs may include, but are not limited to publication, recording, posting, service and mailing.
5. **Application of Payments on Delinquent Assessments.** Payments received on delinquent assessments will be applied first to the regular or special assessments owed, and then applied to interest, late charges, collection expenses, administration fees, attorney's fees, reimbursement assessments, and any other amount due to the Association in connection with collection of delinquencies.
6. **Pay or Lien Letter.** Any Owner who is more than thirty (30) days delinquent in the payment of his or her assessments will be referred to the Association's management company or the Association's attorney for collection and will receive a pay or lien letter, via certified mail. The letter will be sent at least thirty (30) days prior to a lien being recorded against the Owner's property, and will notify the owner of record in writing of the following, pursuant to *Civil Code Section 1367.1*:
 - (a) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount;
 - (b) An itemized statement of the amounts owed, including delinquent assessments, fees and reasonable costs of collection, reasonable attorneys fees, any late charges and interest if any;
 - (c) The owners' right to inspect the Association's records to verify the debt;
 - (d) The owners' right to request a meeting with the Board, as set forth below;

(e) That the owner will not be liable for late charges, interest and costs of collection if it is determined that the assessment was paid on time to the association.

(f) The owners' right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to its meet and confer program (known as IDR-Internal/Informal Dispute Resolution) pursuant to *Civil Code Sections 1363.810, et seq.*;

(g) The owners' right to request alternative dispute resolution (ADR) with a neutral third party pursuant to *Civil Code Sections 1369.510 et. seq.* before the association may initiate foreclosure against the owner;

7. Owner's Dispute of Debt/Request For Meeting With Board Prior to Lien/Commencement of Small Claims Lawsuit. Pursuant to *Civil Code Sections 1367.1 and 1367.6*, the owner has the following rights:

(a) Meet and Confer. Prior to recording a lien, the Association shall offer and, if so requested by the owner, to participate in dispute resolution pursuant to the Association's meet and confer program (known as IDR-Internal/Informal Dispute Resolution) commencing with *Civil Code Section 1363.810*.

(b) Request to Meet With Board to Discuss Payment Plan. The Owner may submit a written request to meet with the Board to discuss a payment plan for the debt owed. The Association will provide any standards it has adopted regarding payment plans to Owners. The Board will meet with the Owner in executive session in conjunction with a regularly scheduled Board meeting, within 45 days of the postmark of the request, if such was mailed no later than 15 days after the postmark of the pay or lien letter. If there is no regularly scheduled Board meeting within that period, the Board may designate a committee of one or more members to meet with the Owner.

(c) Payment Under Protest and Commencement of Small Claims Action. In addition to pursuing dispute resolution pursuant to *Civil Code Section 1363.810*, pursuant to *Civil Code Section 1367.6*, the Owner may pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest, if any, and may thereafter commence an action in Small Claims Court provided the amount in dispute does not exceed the jurisdictional limits of that Court.

8. Lien/Notice of Delinquent Assessment. If the delinquent owner does not bring their account current within thirty (30) days of the Pay or Lien Demand Letter, and unless a dispute over such debt has been resolved or a payment plan has been entered into as set forth above, a Lien (also referred to as Notice of Delinquent Assessment) will be recorded against the owner's property upon a majority of the Board voting to record the Lien in an open meeting. The Board shall record the vote in the minutes of that meeting. The President or other person designated by the Association shall sign the lien. Such lien will set forth the amount of delinquent assessments and all other sum owed, such as late charges, costs and reasonable attorneys fees, a legal description of the property, name of the record owner, and the name and address of the trustee authorized to enforce the lien by sale. A copy of the itemized statement of charges owed by the owner shall be recorded together with the Notice of Delinquent Assessment.

A copy of such Lien will be mailed to the every person whose name is shown as an owner of the separate interest in the Association's records within 10 days of the date the Lien is recorded. Upon receipt of a written request by an owner (mailed in a manner indicating the association has received it, such as by certified mail) identifying a secondary address for purposes of collection notices, the association shall also send additional copies of any required collection notices to such secondary address. The Lien is subject to non-judicial foreclosure, and the property may ultimately be foreclosed upon and sold without court action to satisfy the debt owed. Reasonable attorney's fees and costs may be collected in connection with preparing and recording the lien.

9. **Dispute of Charges After Lien.** Prior to initiating foreclosure for delinquent assessments, the Association shall offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the Association's meet and confer program (known as IDR-Internal/Informal Dispute Resolution pursuant to *Civil Code Sections 1363.810 et. seq.*, or Alternative Dispute Resolution with a neutral third party pursuant to *Civil Code Sections 1369.510 et. seq.* The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner (binding arbitration not available if the Association pursues judicial foreclosure.)

10. **Foreclosure.** If the delinquent owner does not bring their account current after the Lien has been recorded, and after the foregoing offers of dispute resolution have been presented, a majority of the Board may vote to initiate foreclosure on the Lien in an executive session meeting of the Board. The Board may only authorize foreclosure on a Lien for those regular or special assessments which are of an amount equal to or exceeding one thousand eight hundred dollars (\$1,800) exclusive of late charges, fees, costs of collection, attorney's fees and interest, or which are more than twelve (12) months delinquent. The Board shall record the vote in the minutes of the next meeting of the Board open to all members. Confidentiality shall be maintained by identifying the property by parcel number in those minutes.

The Board shall also vote to approve foreclosure on a Lien which vote shall occur at least thirty (30) days prior to any public sale of the owner's separate interest property. The Board shall deliver notice of the foreclosure sale by personal service to owner-occupants or to the owner's legal representative, and by first class mail, postage pre-paid to non-occupant owners at the most current address shown on the association's books. These limits do not apply to timeshares or assessments owed by developers.

Non-judicial foreclosure will then commence by the Association's law firm, pursuant to the CC&Rs, and *Civil Code Sections 1367.1 and 2924, et seq.* as follows:

(a) **"Initiate Foreclosure"-Notice of Default and Election to Sell ("NOD").** A Notice of Default and Election to Sell (NOD) will be recorded with the County Recorder's Office which puts the property into foreclosure. The Association cannot proceed with the non-judicial foreclosure action for ninety (90) days from the date the NOD is recorded. The delinquent owner is responsible for all fees and costs incurred to initiate foreclosure in addition to the delinquent assessments, late charges and interest.

(b) **"Approve Foreclosure"- Notice of Sale (NOS).** If the delinquency is not cured within ninety (90) days of the NOD being recorded, the attorney will proceed by recording,

publishing and posting a NOS upon receipt of approval and authorization of that action by the Board pursuant to a vote. The delinquent owner is responsible for all fees and costs incurred to prepare, record, publish and post the NOS, in addition to the delinquent assessments, late charges and interest.

11. **Payments After Lien.** Once a delinquent account has been turned over to the law firm, THE ASSOCIATION WILL NOT ACCEPT ANY ASSESSMENT PAYMENTS. ANY SUCH PAYMENTS WILL BE FORWARDED TO THE LAW FIRM AND WILL BE RETURNED TO THE OWNER UNLESS THEY ARE PAYMENT IN FULL OF ALL OUTSTANDING AMOUNTS, OR ARE PAYMENTS REMITTED PURSUANT TO WRITTEN FORBEARANCE AGREEMENT.

12. **Redemption.** An owner may redeem the property foreclosed upon within ninety (90) days after the sale, by paying all charges owed.

13. **Lawsuit.** The Association may, at any time, determine to file a personal lawsuit against the delinquent Owner to recover all delinquent charges pursuant to relevant law. All costs and attorneys fee in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent owner.

14. **Release of Liens Upon Payment.** Within twenty-one (21) days of payment in full of all delinquent assessments and charges, or if it is determined that a lien previously recorded was in error, the attorney will prepare a Release of Lien which will be recorded in the County Recorder's Office, and will provide owner with a copy of such release or notice that the delinquent assessment has been satisfied.

15. **Right To Receipt.** When an owner makes a payment, the owner may request a receipt and the Association will provide same, which shall indicate the date of payment and person who received such payment.

16. **Overnight Payments.** Payments may be made by overnight mail to the following address:

If account is being handled by Association:

Altamira Management Assn. No. 1
c/o Lindsay Management Services
Attn: Accounts Receivable
6126 Innovation Way
Carlsbad, CA 92008
(760) 436-1144

If account is being handled by Attorneys office:

Law Office of Laura V. Kwiatkowski
5480 Baltimore Drive, Suite 104
La Mesa, CA 91942
Phone (619) 589-8833

ALTAMIRA MANAGEMENT ASSOCIATION NO. 1.

Summary Required by Civil Code Section 5920
- INTERNAL DISPUTE RESOLUTION -
and
Summary required by Civil Code Section 5965
- ALTERNATIVE DISPUTE RESOLUTION -

Internal Dispute Resolution

Civil Code § 5900

- (a) This article applies to a dispute between an association and a member involving their rights, duties, or liabilities under this act, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the common interest development or association.
- (b) This article supplements, and does not replace, Article 3 (commencing with Section 5925), relating to alternative dispute resolution as a prerequisite to an enforcement action.

Civil Code § 5905

- (a) An association shall provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article.
- (b) In developing a procedure pursuant to this article, an association shall make maximum, reasonable use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.
- (c) If an association does not provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article, the procedure provided in Section 5915 applies and satisfies the requirement of subdivision (a).

Civil Code § 5910 A fair, reasonable, and expeditious dispute resolution procedure shall at a Minimum satisfy all of the following requirements:

- (a) The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.
- (b) The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the association to act on a request invoking the procedure.
- (c) If the procedure is invoked by a member, the association shall participate in the procedure.
- (d) If the procedure is invoked by the association, the member may elect not to participate in the procedure. If the member participates but the dispute is resolved other than by agreement of the member, the member shall have a right of appeal to the board.
- (e) A resolution of a dispute pursuant to the procedure, which is not in conflict with the

law or the governing documents, binds the association and is judicially enforceable. An agreement reached pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the parties and is judicially enforceable.

- (f) The procedure shall provide a means by which the member and the association may explain their positions.
- (g) A member of the association shall not be charged a fee to participate in the process.

Civil Code § 5915

- (a) This section applies to an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.
- (b) Either party to a dispute within the scope of this article may invoke the following procedure:
 - (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
 - (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
 - (3) The board shall designate a director 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 to its designee or the agreement is ratified by the board.
- (d) A member may not be charged a fee to participate in the process.

Civil Code § 5920 The annual policy statement prepared pursuant to Section 5310 shall include a description of the internal dispute resolution process provided pursuant to this article.

Alternative Dispute Resolution

Civil Code § 5925 As used in this article:

- (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decisionmaking process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.
- (b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:
 - (1) Enforcement of this act.

- (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
- (3) Enforcement of the governing documents.

Civil Code § 5930

- (a) An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.
- (b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.
- (c) This section does not apply to a small claims action.
- (d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

Civil Code § 5935

- (a) Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:
 - (1) A brief description of the dispute between the parties.
 - (2) A request for alternative dispute resolution.
 - (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
 - (4) If the party on whom the request is served is the member, a copy of this article.
- (b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.
- (c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

Civil Code § 5940

- (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.
- (b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.
- (c) The costs of the alternative dispute resolution shall be borne by the parties.

Civil Code § 5945 If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

- (a) The period provided in Section 5935 for response to a Request for Resolution.
- (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

Civil Code § 5950

- (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:
 - (1) Alternative dispute resolution has been completed in compliance with this article.
 - (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.
 - (3) Preliminary or temporary injunctive relief is necessary.
- (b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

Civil Code § 5955

- (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.
- (b) The costs of the alternative dispute resolution shall be borne by the parties.

Civil Code § 5960 In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

Civil Code § 5965

- (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

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

- (b) The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

Reserve Summary

(As required by California Civil Code Section 5565)

ALTAMIRA MANAGEMENT ASSOCIATION NO. 1

SCT Reserve Consultants, Inc. is pleased to provide this Level III Reserve Study (Financial Update Report). In order to comply with the California Civil Code, specifically the Davis-Stirling Common Interest Development Act, Section 5565, we are providing the following information to the Homeowners within ALTAMIRA MANAGEMENT ASSOCIATION NO. 1.

The following study has been prepared with several assumed factors taken into account: a 3.00% inflation rate; a 0.75% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

As of June 30, 2018, the estimated ending reserve fund balance is \$1,239,509 and the estimated current replacement cost is \$3,671,743 for the portfolio of reserve components. The projected future replacement cost of the portfolio is \$5,548,782, calculated at an annually compounded inflation rate of 3.00%. The Association's level of funding which is based upon the estimated ending reserve fund balance divided by the reserve components' fully funded amount is 68.03%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were \$1,822,101.00 in the reserve fund.

The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$1,787.09. This is calculated by subtracting the ending balance (\$1,239,509) from the 100% funded figure (\$1,822,101.00), then divided by the number of ownership interests (326). There is currently no requirement to be fully funded.

Our original analysis of the cash flow for this association indicated future inadequate funding if there were no annual increases to the Reserves. It is our understanding the Board of Directors will allocate a total of \$21,996 per month starting in 2019 (\$67.47 per unit per month for each of the 326 ownership interests) towards the reserve fund. To offset the future cash shortfall we recommend and have included an increase of 2.20% starting in 2020 for 29 years. The increase is scheduled to take effect in the year 2020. The Board of Directors may change the amount; however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

The following table represents additionally required information pursuant to the Davis-Stirling Common Interest Development Act, Section 5565.

Fiscal Year: July 1, 2018 through June 30, 2019

Category	Estimated Remaining Useful Lives	Estimated Current Replacement Cost	Fund Balance on Jun 30, 2018	Estimated Reserve Allocation	Estimated Special Assessment Allocation	Estimated Interest
Clubhouse, North	0 to 13	\$60,546	\$25,072	\$5,339.00	\$0.00	\$160.78
Clubhouse, South	0 to 23	\$40,550	\$18,428	\$3,924.27	\$0.00	\$118.17
Common Areas	0 to 34	\$90,780	\$25,280	\$5,383.43	\$0.00	\$162.12
Contingency	0 to 0	\$13,200	\$17,830	\$3,796.81	\$0.00	\$114.34
Electrical/Lights	7 to 7	\$6,000	\$2,229	\$474.59	\$0.00	\$14.29
Fence/Gates/Wall	0 to 0	\$105,739	\$91,155	\$19,411.44	\$0.00	\$584.55
Landscape & Irrigation	0 to 29	\$255,200	\$145,388	\$30,960.26	\$0.00	\$932.33
Paint	0 to 13	\$401,858	\$130,350	\$27,758.04	\$0.00	\$835.90
Pool & Spa, North Clubhouse	0 to 9	\$142,369	\$74,680	\$15,903.07	\$0.00	\$478.90
Pool & Spa, South Clubhouse	0 to 9	\$127,771	\$73,316	\$15,612.69	\$0.00	\$470.16
Roof General Repairs	0 to 7	\$35,330	\$24,696	\$5,259.07	\$0.00	\$158.37
Roof, Flat, Modified Bitumen	2 to 14	\$179,900	\$55,128	\$11,739.45	\$0.00	\$353.52
Roof, Slope, Composition	1 to 29	\$961,200	\$141,443	\$30,120.30	\$0.00	\$907.03
Roof, Slope, Tile/Underlayment	6 to 33	\$1,251,300	\$414,513	\$88,270.41	\$0.00	\$2,658.15
Totals:		\$3,671,743	\$1,239,509	\$263,953	\$0	\$7,949

The complete reserve study is available by request from the Association.



Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending June 30, 2019

(As illustrated by California Civil Code Section 5570(a))

(1) The regular assessment per ownership interest is **\$221.00** per month, of which approximately **\$67.47** is allocated to reserves per month.

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

(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: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year:	Purpose of the assessment:
<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

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

Yes X No X

Yes, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

No, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

**Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the data of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association's CC&Rs.*

(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(s) will be due:	Amount per ownership interest per month:
2.20% starting in 2020 for 29 years	(Current amount) X (the increases)

(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 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$1,827,601.55**, as of **June 30, 2019**, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** The projected reserve fund cash balance at the end of the current fiscal year is **\$1,182,509.13**, resulting in reserves being **64.70%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$328,901**. (See explanation below).

Explanation: *Cash Flow Methodology - a method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*



Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending June 30, 2019

(As illustrated by California Civil Code Section 5570(a))

(continued)

7) See below: **30-Year Reserve Funding Plan Table**...Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$(see **"100% Funded" column below**), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$(see **"Cash Flow Balance with Funding Plan" column below**), leaving the reserve at (see **"Percent Funded" column below**) percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$(see **"Cash Flow Balance with Funding Plan" column below**), leaving the reserve at (see **"Percent Funded" column below**) percent funding. Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was **0.75%** per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was **3.00%** per year.

30-Year Reserve Funding Plan Table

Fiscal Year: July 01, 2018 - June 30, 2019							
Year	End of Year			Revenue			Expenditures
	100% Funded	Cash Flow (Balance with Funding Plan)	Percent Funded (EOY)	Contribution, Interest, Spec Assess	Contribution Unit/Month	Contribution % Change	Components, Taxes, Deferred Exp
2018	\$1,822,101	\$1,239,509	68.03%				
2019	\$1,827,602	\$1,182,509	64.70%	\$271,901	\$67.47		\$328,901
2020	\$1,748,391	\$1,176,238	67.28%	\$277,626	\$68.96	2.20%	\$283,897
2021	\$1,798,871	\$1,305,428	72.57%	\$284,463	\$70.47	2.20%	\$155,273
2022	\$1,910,978	\$1,504,189	78.71%	\$291,971	\$72.02	2.20%	\$93,210
2023	\$2,060,591	\$1,749,796	84.92%	\$299,969	\$73.61	2.20%	\$54,362
2024	\$1,780,909	\$1,491,815	83.77%	\$304,512	\$75.23	2.20%	\$562,493
2025	\$1,904,045	\$1,705,336	89.56%	\$312,412	\$76.88	2.20%	\$98,891
2026	\$1,940,962	\$1,814,179	93.47%	\$319,853	\$78.57	2.20%	\$211,009
2027	\$1,994,058	\$1,944,116	97.50%	\$327,556	\$80.30	2.20%	\$197,620
2028	\$2,128,074	\$2,177,297	102.31%	\$336,154	\$82.07	2.20%	\$102,973
2029	\$2,206,853	\$2,347,026	106.35%	\$344,481	\$83.88	2.20%	\$174,752
2030	\$2,287,736	\$2,511,363	109.78%	\$352,904	\$85.72	2.20%	\$188,567
2031	\$2,049,957	\$2,217,329	108.16%	\$358,203	\$87.61	2.20%	\$652,237
2032	\$2,122,868	\$2,362,216	111.27%	\$366,662	\$89.53	2.20%	\$221,775
2033	\$1,973,393	\$2,169,926	109.96%	\$373,010	\$91.50	2.20%	\$565,300
2034	\$1,558,793	\$1,639,951	105.21%	\$377,004	\$93.52	2.20%	\$906,978
2035	\$1,719,572	\$1,891,091	109.97%	\$386,657	\$95.57	2.20%	\$135,517
2036	\$1,879,059	\$2,140,924	113.94%	\$396,722	\$97.68	2.20%	\$146,889
2037	\$1,975,617	\$2,293,120	116.07%	\$406,267	\$99.83	2.20%	\$254,071
2038	\$2,202,115	\$2,653,262	120.49%	\$417,455	\$102.02	2.20%	\$57,313
2039	\$2,308,065	\$2,846,944	123.35%	\$427,705	\$104.27	2.20%	\$234,022
2040	\$2,449,936	\$3,091,439	126.18%	\$438,458	\$106.56	2.20%	\$193,964
2041	\$2,465,206	\$3,098,106	125.67%	\$447,722	\$108.90	2.20%	\$441,055
2042	\$2,671,516	\$3,438,661	128.72%	\$459,503	\$111.30	2.20%	\$118,948
2043	\$2,741,233	\$3,540,285	129.15%	\$469,883	\$113.75	2.20%	\$368,260
2044	\$2,322,141	\$3,005,624	129.43%	\$475,843	\$116.25	2.20%	\$1,010,503
2045	\$2,503,845	\$3,230,336	129.02%	\$487,256	\$118.81	2.20%	\$262,543
2046	\$2,313,737	\$2,594,172	112.12%	\$492,961	\$121.42	2.20%	\$1,129,126
2047	\$2,272,769	\$2,345,038	103.18%	\$501,393	\$124.09	2.20%	\$750,528
2048	\$2,382,313	\$2,392,544	100.43%	\$512,299	\$126.82	2.20%	\$464,793
30-Year Sum:				\$11,518,806			\$10,365,771



any other Separate Interest which sustained damage shall be responsible for performing the repair of any such damage, and may recover the cost thereof to the culpable Owner.

3.4.3 If the culpable Owner disputes or refuses to pay the repair costs incurred by the Association, the Association, after Notice and Hearing procedures as provided for the imposition of monetary fines or suspensions, may charge the cost of those repairs to such Owner as an Individual or Special Assessment, with the full authority to lien on such amount following non-payment. If the damage is such as may be covered by any insurance carried by the Association, the Board may, in its sole discretion, elect to submit the claim for the cost of repairs to its insurance carrier. Provided the submitted claim is covered by the Association's insurance, the culpable Owner shall be responsible for the cost of any deductible applicable to the covered claim. If the submitted claim is not covered by the Association's insurance, the Owner shall be responsible for the total cost of repair.

3.4.4 All repairs performed to correct any damage shall be sufficient to return the damaged property only to its condition prior to the damage, with upgrades as may be required to conform with any applicable building codes in effect at the time the damage is repaired.

3.5 **Water Intrusion Damage.** Notwithstanding any other provision in the Governing Documents, each Owner shall be solely responsible for the repair or replacement of any damage to any and all interior items of his or her Separate Interest, and the cost thereof, including, but not limited to, any personal property, decorations, interior surfaces, floor and wall coverings, appliances, fixtures or other items therein, caused by the failure of any Common Area Improvement or any other component or Improvement maintained by the Association, including water intrusion from whatever source. An Owner may obtain and maintain such insurance, at his or her sole expense, to protect against any damage or loss of property due to water intrusion, or the cost of repair or replacement of damaged items for which such Owner is responsible. The Association shall not be liable for damage to property in the Development resulting from water which may leak or flow from outside of any Separate Interest or from any part of the Building, or from any pipes, drains, conduits, appliances or equipment or from any other place or cause, unless caused by the gross negligence of the Association, its Board, Officers, agents or employees.

3.6 **Failure to Maintain.** If an Owner fails to maintain the areas described herein pursuant to the standards set by the Board, the Board may notify the Owner of the corrective janitorial, maintenance or repair work required and request that the same be done within a reasonable time from the giving of such Notice. If the Owner fails to carry out such work said time period, the Board may, after following Notice and Hearing procedures, cause such work to be done, and the cost thereof shall immediately be paid by such Owner to the Association and until paid shall bear interest at the rate of twelve percent (12%) per annum (but no greater than the maximum rate authorized by Law).

3.7 **Termite Control.** [Civil Code §1364] The responsibility for control of wood destroying pests or organisms shall be as provided in California Civil Code Section 1364. Specifically, each Owner shall be responsible for the control of wood destroying pests or organisms on his or her Separate Interest, and the Association shall be responsible for the control of wood destroying pests or organisms in the Common Area.



ARTICLE 4 - ARCHITECTURAL AND DESIGN CONTROL

4.1 **General.** Any change or improvement visible from the exterior of a Separate Interest shall be governed by this Article. Changes or Improvements to the Common Area by the Board do not need to comply with the requirements of this Article. The powers and duties set forth in this Article shall be vested

in, and exercised by, the Board. However, the Board may establish an Architectural Committee as provided herein to assist the Board in reviewing architectural submittals, and to provide recommendations to the Board with regard to approval or disapproval of any submittal. The foregoing notwithstanding, the Board shall be solely responsible for approving or rejecting any architectural submittal.

4.2 *Architectural Committee.* The Board may appoint an Architectural Committee consisting of three (3) persons to be appointed by, directly responsible to, and under the control and supervision of the Board. Each of said persons so appointed shall be subject to removal at the direction of said Board at any time and from time to time, and all vacancies on said Committee shall be filled by appointment of said Board.

4.2.1 The Board shall have the right to appoint all of the members of the Architectural Committee, at least two (2) of whom may, at the discretion of the Board, be members of the Board. In the absence of any such appointments, the Board shall serve as the Architectural Committee.

4.2.2 Members appointed to the Architectural Committee by the Board shall be Members of the Association, except the Board may choose to hire architects, or engineers, or other professional consultants to advise the Board or Architectural Committee.

4.2.3 All members of the Architectural Committee shall serve at the will of the Board and may be removed by the Board at any time with or without cause.

4.2.4 The Board or Architectural Committee shall meet from time to time, as necessary to properly perform its duties hereunder. The vote or written consent of the majority of the Board or the Architectural Committee shall constitute an act by such body unless the unanimous decision of its members is otherwise required by the Governing Documents.

4.2.5 The members of the Board or Architectural Committee shall receive no compensation for services rendered, other than reimbursement by the Association for expenses incurred by them in the performance of their duties hereunder.

4.3 *Restricted Activity.* No alteration shall be made in the exterior design or color of any structure or in the grade level or drainage characteristics of any Lot, and no building, fence, wall, pool, spa, obstruction, outside or exterior wiring, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, trellis, landscaping, improvement or structure of any kind, or exterior alteration, or any interior alteration which would affect any portion of the Development maintained by the Association shall be commenced, erected, placed, painted or maintained within the Development, nor shall any alteration or improvement of any kind be made thereto, until the same has been approved in writing by the Board, or by the Architectural Committee. Materials to be used must harmonize, complement and be of similar materials used in the construction of existing dwellings in the Development. Where fences or hedges are allowed, review by the Architectural Committee, in relation to normal enjoyment of view by other Lot owners shall be required.

4.4 *Plan Submission and Review.* Complete plans and specifications showing the nature, kind, shape, color, size, height, materials to be used and location of any proposed Improvements, alterations or landscaping shall be submitted to the Board or to the Architectural Committee for approval as to quality of workmanship, design and harmony of external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. Such plans and specifications shall specifically designate, either by listing, highlighting, or other means, all proposed architectural changes in a manner so as to be apparent upon review of the submittal. Architectural changes not so designated shall not be deemed approved even if the submittal is approved.

4.5 **Plan Approval.** If the Board or Architectural Committee fails to approve or disapprove any such plans and specifications within sixty (60) days after all necessary documents have been received by it, the Owner requesting said approval shall submit a written notice via certified mail, return receipt requested, to the Board advising the same of its failure to act. If the Board fails to approve or disapprove such plans and specifications within thirty (30) days after the receipt of said notice from the Owner, said plans and specifications shall be deemed approved and the related covenants shall be deemed to have been fully complied with; provided however, that in no event may any Improvement be installed in or modify the Common Area, without written approval from the Board; nor may any Improvement be installed that violates any provision of the Governing Documents or that violates any Law.

4.6 **Architectural Rules.** The Board or Architectural Committee may, from time to time and in its sole discretion, adopt, amend and repeal, Rules and Regulations to be known as "Architectural Rules." However, the Board shall have the ultimate authority to adopt, amend and repeal such Architectural Rules. Said Architectural Rules shall interpret and implement the provisions of this Article by setting forth the standards and procedures for review by the Board or Architectural Committee and guidelines for architectural design, placement of Buildings, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in the Development; provided, however, that said Architectural Rules shall not violate the standards required by this Declaration.

4.7 **Interpretation of Restrictions.** All questions of interpretation or construction of any of the terms or conditions herein shall be resolved by the Architectural Committee, and its decision, when approved by the Board of Directors shall be final, binding and conclusive on all of the parties affected.

4.8 **Exempted from Review.** No permission or approval shall be required to repaint in accordance with the original color scheme or as previously approved by the Architectural Committee or the Board, or to rebuild in accordance with plans and specifications previously approved by the Board or its Architectural Committee. Nothing contained herein shall be construed to limit the right of an Owner to paint the interior of his or her Dwelling any color desired, or to improve or alter any Improvements within the interior of the Owner's Dwelling, provided such Improvement or alteration does not impair the Common Area, or any utilities, or other systems servicing the Common Area or other Separate Interests, and does not involve altering any Common Area.

4.9 **Governmental Approvals.** Prior to commencing any alteration or Improvements approved by the Board or Architectural Committee, the Owner shall comply with all appropriate governmental Laws and regulations, including obtaining a building permit where required by Law. Approval by the Board or Architectural Committee shall not be considered to satisfy the appropriate approvals that may be required by any governmental entity with appropriate jurisdiction. The Association's review is limited to aesthetic considerations and to insuring compliance with the Governing Documents. The Association shall not be obligated to enforce the provisions of this Section. An Owner's failure to obtain such governmental approval may subject such Owner to certain penalties imposed by the governmental entity, notwithstanding the approval of the Board or Architectural Committee, which penalties shall be the responsibility of such Owner. Each Owner, by accepting a deed to his or her Separate Interest, agrees to reimburse the Association for any loss resulting from the violation of any applicable governmental Laws and regulations.

4.10 **Liability.** Neither the Board, the Architectural Committee nor any member or designated representative thereof shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) the development of any property within the neighborhood; or (d) the execution and filing of an estoppel certificate whether or not the facts therein are correct; provided,

however, that such member has acted in good faith on the basis of such information as may be possessed by him or her.

4.11 *Non-Compliance with Laws.* All plans and specifications submitted by the Owners pursuant to this Article are not approved for engineering design or compliance with building codes. Neither the Association, the Board nor the Architectural Committee shall be responsible for any non-compliance with any Law by any Building or other structure erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications approved by the Board or Architectural Committee or any defect in any conditions or requirements they may have imposed with respect thereto.

4.12 *Enforcement.* If there is a violation of any of the provisions of this Article by any Owner including, without limitation, failure of any Owner to comply with the written directive or order from the Board or Architectural Committee, the Board or Architectural Committee shall have the right and authority, after Notice and Hearing procedures, and in addition to any other remedies provided by Law, to perform the subject matter of such directive including, if necessary, the right to enter the Separate Interest where a violation of these restrictions exists, and the cost of such performance shall be charged to the Owner of the Separate Interest in question. Such costs shall be due within five (5) days after receipt of written demand therefore, and shall bear interest at the maximum rate allowed by Law. Said costs may be recovered by the Board or Architectural Committee together with such interest and actual attorney's fees and costs in an action at law against such Owner.

ARTICLE 5 - ASSOCIATION

5.1 *Organization of the Association.* The Association is incorporated as a non-profit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The Association is created for the purpose of managing the Development and is charged with the duties and granted the powers prescribed by Law and as set forth in the Governing Documents.

5.2 *Board of Directors.* The affairs of the Association shall be managed and its duties and obligations performed by an elected Board of Directors, as more fully provided in the Bylaws.

5.3 *Membership.* Every Owner, upon becoming an Owner, shall automatically become a Member of the Association. Ownership of a Separate Interest is the sole qualification for Membership. Each Member shall have the rights, duties, privileges, and obligations as set forth in the Governing Documents. Membership shall automatically cease when the Owner no longer holds an ownership interest in a Separate Interest. All Memberships shall be appurtenant to the Separate Interest conveyed, and cannot be transferred, assigned, conveyed, hypothecated, pledged, or alienated except as part of a transfer of the Owner's entire ownership interest, and then only to the transferee. Any transfer of the Owner's title to his or her Separate Interest shall automatically transfer the appurtenant Membership to the transferee.

5.4 *Membership Class; Voting Rights.* The Association shall have one class of Membership, and the rights, duties, obligations and privileges of the Members shall be as set forth in the Governing Documents. Each Member shall be entitled to cast one (1) vote for each Separate Interest owned, subject to the provisions set forth in the Bylaws and in the Corporations Code.

5.5 *Membership Meetings.* Meetings of Members shall be held in accordance with the Bylaws.

5.6 *Rules and Regulations.* The Board shall have the power to adopt reasonable Rules and Regulations governing the use of the Separates Interests, the Common Area, and any common facilities and

**ALTAMIRA #1 MANAGEMENT ASSOCIATION
ARCHITECTURAL REVIEW COMMITTEE (ARC) – REQUEST FOR CHANGE FORM**

ALTAMIRA #1 - ARCHITECTURAL REVIEW COMMITTEE
c/o Jill @ Lindsay Management Services
6126 Innovation Way, Carlsbad, CA 92009

PH: (760) 436-1144
FX: (760) 436-2566

Please review the CC&R's, HOA Rules & Regulations, and Architectural Review Committee rules, posted on the website, (www.ALTAMIRAONEHOA.COM) before you begin the application.

DO NOT BEGIN any work until you have received approval in writing from the Board of Directors.

Please print:

Owner Name: _____

Property Address: _____

Mailing Address: _____

Phone: _____ Fax: _____ E-mail: _____

Steps to follow: To avoid delay, please be thorough. Too little or incomplete information will delay the process.

1. Describe clearly any/all additions, alterations, or any other changes in the space below. Include dimensions, materials to be used, intended color(s), include elevations and location in relation to existing home and neighbors.
2. Must include an accurate drawing, with scale used or exact measurements. Blue prints are required on all requests to home additions or for major architectural change/improvements.
3. Include all landscaping additions and changes. Provide details regarding trees, lawn, plants, sprinklers, etc.
4. Front yard conversion to artificial turf or xeriscape must be accompanied by a check for \$100.00, made out to Altamira Management Association #1, a fee for the Board's required Landscape Architect review prior to any action.
5. The owner is responsible to comply with governmental laws and regulations, including City required building permits. Include permits with this request. Board approval does not imply the City of Carlsbad will approve your plans.
6. Obtain neighbor Owner's signatures for all projects. Tenants may not sign on behalf of the Owner.
7. Failure to obtain written approval from the Board may result in fines and/or penalties.

Please submit two (2) copies of proposed plans or changes, including supporting documentation, to above address, OR email to jill@lindsaymgt.com.

By my signature below, I acknowledge and do assume the responsibility for any/all work done under the proposed improvement that I or my contractor accomplishes, which may in the future adversely affect the Common Area, the roof or paint surfaces of my unit, for which the Altamira Management Association #1 (HOA) has jurisdiction. I will also assume responsibility for all future repairs and maintenance of same.

I further acknowledge that if during my proposed improvement, any necessary alteration, change, or repair to the HOA irrigation system is needed, the work will be performed by the HOA landscape and irrigation contractor and I assume full financial responsibility for all work performed.

Please note: Additions are the owner's responsibility and any damage to the building, as a result of any/all installation, is the owner's responsibility to repair, and not the responsibility of the Altamira Management Association #1. (If additional pages are needed please attach and provide two copies of all pages.)

Owner Signature: _____ **Date:** _____

DETAILED DESCRIPTION OF PROPOSED CHANGES (Use addition pages if needed). **MUST ATTACH** a detailed to scale drawing and specific product information. **Please print -**

Planned start date: _____ Anticipated completion date _____

ACKNOWLEDGEMENT of APPROVAL by NEIGHBORS who have SEEN YOUR COMPLETED APPLICATION AND PLANS

IMMEDIATE NEIGHBOR-OWNER (Both sides of your property)

Please print -

#1 NAME: _____
ADDRESS: _____ PHONE: _____
OWNER SIGNATURE: _____ DATE: _____

#2 NAME: _____
ADDRESS: _____ PHONE: _____
OWNER SIGNATURE: _____ DATE: _____

OTHER NEIGHBORS-OWNERS (Those nearby who will be able to see or be impacted by the improvements)

NAME: _____
ADDRESS: _____ PHONE: _____
OWNER SIGNATURE: _____ DATE: _____

ARCHITECTURAL COMMITTEE REVIEW USE ONLY

APPROVED as Submitted APPROVED with CONDITIONS: DENIED for REASONS:
CONDITIONS/REASONS:

Approval is valid for one year from date of the approval letter. After one year a new request is required to be submitted. TO REQUEST RECONSIDERATION YOU MUST RE-SUBMIT YOUR ORIGINAL PLAN WITH YOUR REQUESTED REVISIONS MADE TO IT.

By: _____ Date: _____
ARC Committee Signature

By: _____ Date: _____
ARC Committee Signature

By: _____ Date: _____
ARC Committee Signature

By: _____ Date: _____
Board Member Signature

By: _____ Date: _____
Board Member Signature