

THE CIRCLE OAKS HOMES ASSOCIATION

COLLECTED POLICIES MANUAL



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THE CIRCLE OAKS HOMES ASSOCIATION POLICIES

ASSESSMENT COLLECTION POLICY (Adopted 11/22/2005).

Notice to Members:

This document sets forth the Association's policy regarding the collection of assessments pursuant to the Association's Declaration of Covenants, Conditions Restrictions, its Bylaws, and California Civil Code sections §4210, §5100, §§5600-5625, §§5700-5740, §4355, §§5650-5690.

1.0 Assessments in General.

The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and California law. Regular assessments are determined at least once annually and are payable during the year in Annual installments or at such other intervals as the Board of Directors shall designate. The Association shall distribute a written notice to each member of the Association during the 60-day period immediately preceding the beginning of the Association's fiscal year.

2.0 Obligation to Pay Assessments.

A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied. Each assessment or charge is also a lien on the owner's property from and after the time the Association causes a Notice of Delinquent Assessment (Lien) to be recorded with the County Recorder's Office of the County in which the property is located.

3.0 Monetary Charge for Reimbursement to Association for Damage to Common Areas and Facilities

A monetary charge imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the member or the member's guests or tenants were responsible may become a lien against the member's separate interest enforceable by the sale of the interest, provided the authority to impose a lien is set forth in the governing documents.

4.0 Notice of Assessments.

Not less than 30 days nor more than 60 days before any increase in the regular assessment or any special assessment becomes due, the Association will give the owners notice of the assessment. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice. The Board of Directors may elect from time to time to provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the owners of the obligation to pay assessments.

5.0 Designation of Agent.

The Board of Directors may designate an agent or agents to collect assessment payments and administer this Assessment Collection Policy. Such designated agent may be an officer of the Association, manager, collection service, banking institution, law firm, attorney or other appropriate agent.

6.0 Association Cannot Voluntarily Assign or Pledge the Association's Right to Collect. An Association may not voluntarily assign or pledge the Association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association; however, the foregoing provision may not restrict the right or ability of an Association to assign any unpaid obligations of a former member to a third party for purposes of collection. Subject to the limitations of this subdivision, after the expiration of 30 days following the recording of a lien per the Covenants, Conditions and Restrictions (CC&Rs), the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee. Any sale by the trustee shall be conducted in accordance with current State law applicable to the exercise of powers of sale in mortgages and deeds of trusts. The fees of a trustee may not exceed the amounts allowed in current State law.

7.0 Due Date/ Delinquency Date of Assessments.

Unless otherwise specified by the Board or the governing documents, an assessment is due on the first of each year. An assessment, or any portion thereof, is delinquent if it has not been received as directed by the Board or its designated agent 30th days after it is due.

8.0 Late Charges and Interest on Delinquent Amounts.

Delinquent accounts become subject to the following additional charges as contained in the governing documents: costs of collection including reasonable attorney's fees; a late charge of \$10 or 10% of the delinquent assessment, whichever is greater and interest on all sums (including the delinquent assessment, collection fees and costs, and reasonable attorney's fees) at an annual interest rate not to exceed 12.00% commencing 30 days after the assessment becomes due; whether or not charged prior to collection. If it is determined the assessment was paid on time to the association the owner will not be liable to pay the charges, interest, and costs of collection.

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9.0 Collection Charges.

Any costs and fees incurred in setting up, processing and collecting delinquent amounts, including, without limitation, late charges, statement charges, monthly administrative charges, charges for preparation of delinquency notices or forward to collection charges, or request for a payment plan as well as the recordation of a lien or initiation of foreclosure proceedings, postage, copies, envelopes, labels, filing and recordation charges, delivery charges, and attorney's fees and costs, title searches, bankruptcy searches, pulling copies of grant deeds or property ownership history, address and or phone number verification searches, in addition to any other charges necessary to collect a delinquent assessment shall become an additional charge against the owner and the owner's property and shall be subject to collection action pursuant to this Policy.

10.0 Application of Payments.

Neither the Association nor its designated agent has any obligation to accept partial payments on an assessment account. Unless stated otherwise in writing, partial payments accepted will be applied first to the oldest assessments owed, and, only after the assessments owed are paid in full will the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest. Owners may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it. Payments may be required to be made in certified funds, e.g. cashier's check or money order.

11.0 Initial Delinquency Notice.

Once an assessment, or any portion thereof, has become delinquent, the owner may receive an initial delinquency notice stating all amounts past due and any known collection charges imposed as of the date of the notice, which may be in the form of a letter, monthly statement, past due notice, or any other form of writing or notice from the Association or its designated agent.

12.0 Notice of Intent to Record a Lien.

If an assessment account remains unpaid for 45 days after it is due, the Association or its designated agent shall, at least 30 days prior to recording a lien upon the separate interest of the owner of record, notify the owner in writing by certified mail. Prior to recording a lien for delinquent assessments, the owner has the right to request to participate in dispute resolution pursuant to the Association's "Meet and Confer" policy required in the State Civil Code.

13.0 Recording of Lien.

At the expiration of 30 days following the Notice of Intent to Record a Lien, the Association or its designated agent will without further notice to the owner, record a lien against the owner's property. The notice of delinquent assessment shall be mailed to all record owners of the owner's interest in the common interest development no later than 10 calendar days after recordation.

14.0 Other Allowed Action.

Once any such lien has been legally filed, the Board may, or cause its agent to report the lien to any of the national credit bureaus, following all federal and state law thereto pertaining.

15.0 Association Lien Subordination.

Association Lien Subordination. A lien created pursuant to "13.0 Recording of Lien"(above), shall be prior to all other liens recorded subsequent to the notice of assessment, except that the declaration may provide for the subordination thereof to any other liens and encumbrances.

16.0 Recording of Release of Lien.

A release of lien will not be recorded until the entire balance of the owner's account is paid in full. All charges incurred in recording a Release of Lien, including reasonable attorney or agent fees and costs, will be charged to the account. Within 21 days of the payment of the sums specified in the notice of delinquent assessment, the association shall record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied.

17.0 Lien Recorded In Error.

If it is determined that a lien previously recorded against a separate interest was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded, a lien release or notice of rescission and provide the owner of the separate interest with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission.

18.0 Foreclosure.

Judicial or Non Judicial foreclosure proceedings may not begin until the amount of the delinquent assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, equals or exceeds one thousand eight hundred dollars (\$1,800) or the assessments are more than 12 months delinquent. Prior to initiating a foreclosure for delinquent assessments, the association will offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the association's "Meet and Confer" policy required in the Civil Code or alternative dispute resolution with a neutral third party pursuant to the Civil Code. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

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19.0 Deed in Lieu of Foreclosure.

Nothing in this section or in the Code of Civil Procedure prohibits actions against the owner of a separate interest to recover sums for which a lien is created or prohibits an association from taking a deed in lieu of foreclosure.

20.0 Payment Plan Agreement.

An owner of a separate interest may submit a written request to meet with the Board of Directors to discuss a payment plan agreement to allow the owner to make periodic partial payments on the entire balance of the assessment account in addition to assessments that will accrue during the payment plan period. The Association has no obligation to enter into such a payment agreement. If the Association accepts an agreement with the owner it shall be reasonable, as determined by the Board in its sole discretion, and in accordance with the standards for payment plans, if any exist. The payment agreement shall be in writing and will include a provision that additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. Interest and administrative charges will accrue until the account is paid in full. The agreement will also include a provision that in the event of a default on the payment plan, the Association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. A lien will be recorded against the property to secure debt for the Association. The owner will be charged for the additional collection fees and costs to administer the payment plan. Payment plan requests outside of the Association's payment plan standards will require that the Board meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the "12.0 Notice of Intent to Record a Lien" (above), unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner/member.

21.0 Validation of Debt.

Unless an owner disputes the validity of the debt, or any portion thereof, within thirty (30) days after receipt of the notice pursuant to "12.0 Notice of Intent to Record a Lien" (above), the debt will be assumed to be valid. Validation of the debt will be provided in writing, at no additional cost to the owner and will include 1) an itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any 2) the Association's name and 3) the Association's mailing address.

22.0 Disputes. Federal law states that initial dispute can be either oral or in writing. State law requires disputes to be in writing. It is therefore recommended that all disputes be put in writing to avoid misunderstanding.

23.0 Dispute Resolution Procedure, Meet And Confer or Internal Dispute Resolution

An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Association.

24.0 ADR - Alternative Dispute Resolution.

An owner has the right to request alternative dispute resolution with a neutral third party before the Association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate judicial foreclosure.

25.0 Owner has Right to Request Meeting with Board.

An owner has the right to request a meeting with the board. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice "12.0 Notice of Intent to Record a Lien"(above), unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

26.0 Owner has Right to Review Association Records.

Owner has the right to review the Association records. Owner should contact the Association's managing agent for the policies and procedures set forth to inspect the records.

27.0 Other Remedies.

The Association reserves the right to avail itself of any other remedy permitted by law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action in Small Claims or Superior Court. Such remedies may be taken in addition to, or in lieu of, any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

28.0 Address of the Association and the Board of Directors.

Owners should respond in writing or make payments to the address as directed by the designated agent. For the purpose of OVERNIGHT PAYMENTS mail to:54 Zinnia Lane, Napa, CA 94558. For the purpose of CORRESPONDENCE mail to: PO Box 4151 Napa, CA 94558. These addresses are subject to change after the distribution of this policy. Notification of a change will be in writing to the membership through normal day-to-day correspondence from the association or its managing agent. It is the owners' responsibility to note any changes for their records.

29.0 Returned Payments.

Payments returned for insufficient funds, closed account, stop payment or for any other reason will be charged back to the owners account in addition to any administrative fee, bank fee or collection fees and costs incurred to handle the returned payment. Personal checks will not be accepted if two payments are "Returned" by the bank for any reason.

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30.0 Sufficiency of Notice.

Except for notice that under California law must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the owner at the address on the membership register at the time of notice. Notice is presumed received (3) three days after notice was mailed.

31.0 Owner's Change of Address.

Owner is required to notify the Association of any change in the owner's name or mailing address. An owner may provide written notice by facsimile transmission or United States mail to the Association of a SECONDARY ADDRESS. If a secondary address is provided, the Association shall send any and all correspondence and legal notices required pursuant to the article to both the primary and secondary address.

32.0 Void Provisions.

If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

This policy is re-printed every year in the Association Annual Disclosure Statement as required by the State of California Civil Code.

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ELECTIONS POLICY

Equal Access to COHA Communications

Any candidate or member advocating a point of view will be provided access to association media, newsletters, or Internet Web sites during a campaign, for purposes that are reasonably related to that election, equal access will be provided to all candidates and members advocating a point of view, including those not endorsed by the board, for purposes that are reasonably related to the election. The association will not edit or redact any content from these communications, but may include a statement specifying that the candidate or member, and not the association, is responsible for that content. (1363.03(a)(1)).

Equal Access to Common Area Meeting space

All Candidates will be given access to the common area meeting space, if any exists, during a campaign, at no cost, to all candidates, including those who are not incumbents, and to all members advocating a point of view, including those not endorsed by the board, for purposes reasonably related to the election. (1363.03(a)(2)).

Candidate qualifications & reasonable nomination procedures

The only qualification necessary for candidates for the COHA Board of Directors is that the individual is a member in good standing of the Circle Oaks Homes Association. A nomination or election procedure will not be deemed reasonable if it disallows any member of the association from nominating himself or herself for election to the board of directors. (1303.03(a)(3)).

Voting qualifications, proxy information, polling times

Voting Rights: (As stated in the Bylaws of COHA) Each Lot Owner whose dues are paid current shall be a Member in good standing. On each matter submitted to a vote of the Members, each Member shall be entitled to cast one vote for each Lot owned by such Member. When more than one (1) person holds an interest in a single Lot the vote for each Lot must be cast as a unanimous decision of co-owners whose votes count as one vote for the Lot. Any single vote cast by a Lot owner shall be deemed the authorized vote for that Lot. If conflicting votes are cast by multiple owners for a Lot, no vote shall be counted for that Lot, except a single vote shall be counted for purposes of a quorum. Members not in good standing shall not be entitled to vote. In the case where a vote for a Lot cannot be cast because a Member Owner is not in good standing and not allowed to vote, the Lot(s) shall be reduced from the total number of Lots needed to calculate a quorum, and will also be reduced from the total number of Lots used to calculate a majority of votes. (1303.03(a)(3)).

Polling times: Polling times and/or deadline dates and times will be provided to members as stated in the Bylaws of COHA - "NOTICE OF MEETINGS": Written notice of regular and special meetings (and/or all elections), of the Members shall be given by or at the direction of the Secretary of the Association or other persons authorized to call the meeting by personally delivering a copy of such notice at least ten (10) but not more than ninety (90) days, or by mailing a copy of such notice at least ten (10) but not more than ninety (90) days, before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the Books of the Association. (1363.03(a)(4)).

Independent third party Inspector(s) of Election

There will be one inspector of elections, an independent third party and they will be appointed by the COHA Board of Directors.(1363.03(a)(5)(A), 1363.03(c)(1)).

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Who can be an Inspector of Election

For the purposes of this section, an independent third party includes, but is not limited to, a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy, or a notary public. An independent third party may be a member of the association, but may not be a member of the board of directors or a candidate for the board of directors or related to a member of the board of directors or a candidate for the board of directors. An independent third party may not be a person who is currently employed or under contract to the association for any compensable services expressly authorized by rules of the association adopted pursuant to paragraph (5) of subdivision (a). (1363.03(c)(2)).

Duties of Inspector(s) of Election

The inspector of election shall do all of the following:

- Determine the number of memberships entitled to vote and the voting power of each, using information provided from the Association's Records which describes "members-in-good-standing" (1363.03(c)(3)(A)).
- Determine the authenticity, validity, and effect of proxies, if any. (1363.03(c)(3)(B))
- Receive ballots. (1363.03(c)(3)(C)).
- Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote. (1363.03(c)(3)(D)).
- Count and tabulate all votes. (1363.03(c)(3)(E)).
- Determine when the polls shall close. (1363.03(c)(3)(F)).
- Determine the result of the election. (1363.03(c)(3)(G)).
- Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section and all applicable rules of the association regarding the conduct of the election that are not in conflict with this section. (1363.03(c)(3)(H)).

Validity of Inspector(s) of Election

The inspector of election shall perform his or her duties impartially, in good faith, to the best of his or her ability, and as expeditiously as is practical. Any report made by the inspector of election is prima facie evidence of the facts stated in the report. (1363.03(c)(4)).

Secret Ballot

Notwithstanding any other law or provision of the governing documents, an election within COHA, regarding assessments, selection of members of the association board of directors, amendments to the governing documents, or the grant of exclusive use of common area property pursuant to Section 1363.07 shall be held by secret ballot in accordance with the procedures set forth in this section. (1363.03(b)).

Instructions on Proxy

Any instruction given in a proxy issued for an election that directs the manner in which the proxy holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder shall cast the member's vote by secret ballot. (1363.03(d)).

As stated in the Bylaws of COHA: Proxies: At all meetings of Members (and/or all elections), each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease upon the conveyance by the Member of the title to his or her Lot, or upon the death or declared incapacity of such Member, if written notice of death or incapacity is received by Association prior to the count of the vote. No proxy will be valid after eleven (11) months from the date of its execution unless otherwise specifically provided in the proxy

This resolution overrides the above Bylaw in stating that: All proxies will be in writing and filed with the **inspector of elections, and NOT the Association Secretary.**

Ballots

- Ballots and two preaddressed envelopes with instructions on how to return ballots will be mailed by first-class mail or delivered by the association to every member not less than 30 days prior to the deadline for voting. In order to preserve confidentiality, a voter will not be identified by name, address, or lot, parcel, or unit number on the ballot.
- The association will use as a model those procedures used by California counties for ensuring confidentiality of voter absentee ballots, including all of the following: (1363.03(e)).
- The ballot itself is not signed by the voter, but is inserted into an envelope that is sealed. This envelope is inserted into a second envelope that is sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and lot, or parcel, or unit number that entitles him or her to vote. (1363.03(e)(1))
- The second envelope is addressed to the inspector of election, who will be tallying the votes. The envelope may be mailed or delivered by hand to a location specified by the inspector of election. The member may request a receipt for delivery. (1363.03(e)(2)).

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Votes counted at noticed meeting

Candidates and/or members may witness all votes to be counted and tabulated by the inspector or inspectors of election in public at a properly noticed open meeting of the board of directors or members. Any candidate or other member of the association may witness the counting and tabulation of the votes. No person, including any member of the association, the Board of Directors, or the association manager, will open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated. (1363.03(f)).

Election results publicized within 15 days

The results of the election will be promptly reported to the board of directors of the association and will be recorded in the minutes of the next meeting of the board of directors and will be available for review by members of the association. Within 15 days of the election, the board will publicize the results of the election in a communication directed to all members. (1363.03(g)).

Custody of sealed ballots

All sealed ballots at all times will be in the custody of the inspector or inspectors of election or at a location designated by the inspector or inspectors until after the tabulation of the vote, at which time custody will be transferred to the association. (1363.03(h)).

Ballots maintained for at least one year Confidentiality to be preserved

After tabulation, election ballots will be stored by the association in a secure place for no less than one year after the date of the election. In the event of a recount or other challenge to the election process, the association will, upon written request, make the ballots available for inspection and review by association members or their authorized representatives. Any recount will be conducted in a manner that will preserve the confidentiality of the vote. (1363.03(i)).

The time table dictated by the new election law (1363) reads:

- 90 Days Before Annual Meeting: (March)
 - Requests for self-nominated Candidates Declaration sent out.
 - Provide Candidates Forum Notice
 - 60-45 Days Before Annual Meeting: (April Board Meeting)
 - Candidates' Forum is held – Applicants address the members
 - Nominations can be accepted from the Floor
 - Candidates Statements/Bio and/or handouts
 - 45-35 Days Before Annual Meeting: (April-May)
 - Mail Notice of Annual Meeting
 - Mail Candidates Information
 - Mail Election Results (if # of candidates is equal to or less than # of open positions)
 - 35-30 Days Before Annual (April-May) (if # of nominees exceeds # of positions):
 - Mail Voting instructions
 - Mail ballot and two envelopes
 - Annual Meeting:
 - Establish a quorum
 - Count Ballots
 - Announce election results
 - 15 Days After Meeting
 - Publish Election Results
-
- Members will be invited to apply to board positions in March of the year.
 - At the April Board Meeting all applicants will speak at an all member Forum
 - Nominations from the floor will be accepted at this meeting (only).
 - The ticket will be closed at this April meeting
 - If the number of candidates, as of this date, is equal to or more than the number of openings, a full scale, all members secret ballot will be conducted, mailing materials to all members 35-30 days before the Annual Meeting (during late April or early May).
 - If the number of candidates, as of this date, is less than the number of open positions, the Board may appoint the candidates by acclamation. The Board will announce the election results 35-45 Days before the Annual Meeting (in April-May), without the expense and effort of a secret ballot process.

FENCING POLICY

The existing CC&Rs refer to the matter of fencing as follows:

Section 8.07.4 Fences and Pet Runs.

In order to preserve the natural quality and aesthetic appearance of the existing geographic areas within the Properties, no fences or pet runs shall be allowed on any Lot without permission from the Board. A fence, pet run or other enclosure must

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contribute to and be consistent with such Lot and area surrounding such Lot or the nature of the Lot such that the pet run or other enclosure does not unreasonably interfere with the view shed of other members.

In practice, the following shall apply:

(Adopted February, 2011)

1. To not allow any large enclosures which would alter the free passage of native wildlife.
2. To refuse any application to completely encircle an entire lot.
3. To allow small, enclosed pet runs - if the requestor seeks & receives the agreement of neighboring lot owners first.
4. To allow small, enclosed garden patches - if the requestor seeks & receives the agreement of neighboring lot owners first.

In cases 3 & 4, the requestor must get the support of their neighbors, and submit proof of that agreement along with a drawing of the lot showing the location and size of the requested fencing. The Board having reviewed same, would either approve the application, request additional information, or refuse the application if it otherwise violates either of items 1 or 2 above.

RECORDS DISCLOSURE POLICY

As directed by the State of California Civil Code §5200-§5240, the Association makes the following records available to members:

- Financial Statements
- Balance Sheet
- Income & Expense
- Budget
- Budget Comparisons
- General Ledger
- Executed Contracts
- Board approval of vendors
- State & Federal Income tax returns
- Reserves Accounting
- Agendas & Minutes of Meetings
- Membership Lists
- Governing Documents
- Check Registers (Invoices, receipts, cancelled checks, credit card bills, etc.)

Certain information may not be immediately available to members such as:

- Items under negotiation with private contractors
- Negotiations underway in litigation or legal matters
- Disciplinary issues between individual members and the Association
- Private correspondence with legal counsel – traditional attorney/client privilege.

The results of any of the above such activities is made available to members, once final resolution has been reached.

The Association will make records available to members during normal working hours (9:00-5:00) upon request and appointment with the Association manager. Members will be able to make copies of such records at the cost of \$.25 per page. Call the office to make an appointment. (707-253-2674 or email: theoffice@circleoaks.org).

The sections of State of California Civil Code (*The Davis/Stirling Act*), covering members' rights to access Association records are included in **See Appendix C.**

This policy is re-printed every year in the Association Annual Disclosure Statement as required by the State of California Civil Code.

DISPUTE RESOLUTION POLICY

Dispute Resolution If a dispute which is related to the enforcement of the governing documents or of a member's rights arises between a member and the Association, the parties shall endeavor, as provided by the California Civil Code, to submit their disagreement to dispute resolution. Dispute resolution may take one of two forms:

- Internal (Individual) Dispute Resolution (IDR):

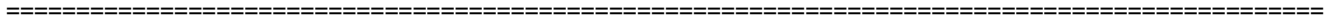
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This process is an informal meeting between the parties to “meet & confer” and understand their different perspectives on the subject. It is a confidential communication between the parties who shall expect confidentiality and privacy in the discussion, and it is not a “hearing” nor a “legal proceeding”. No one gives “testimony” nor “evidence” which can be used for any other purpose. It is only intended to explore whether or not any common ground for an agreement exists, nothing more. If there is agreement, it is documented and is legally enforceable. If the parties cannot reach an agreement, there is no illegality, nor penalty, the parties merely disagree. The Civil Code which covers Individual Dispute Resolution is Civil Code §5900 to §5920 and is included **See Appendix A.**

- OR -

- Alternative Dispute Resolution (ADR):
Is a more formal process. This form of dispute resolution includes an outside mediator or arbitrator. It may be binding or non-binding at the option of the parties. Any party to such a dispute may initiate this process by serving on the other party to the dispute, a Request for Resolution. The Request for Resolution shall include (1) a brief description of the dispute between the parties, (2) a request for alternative dispute resolution, and (3) a notice that the party receiving the Request for Resolution is required to respond thereto within 30 days of receipt or it will be deemed rejected. The Civil Code which covers Alternative Dispute Resolution is Civil Code §5925 to §5965 and is included **See Appendix B.**

This policy is re-printed every year in the Association Annual Disclosure Statement as required by the State of California Civil Code.

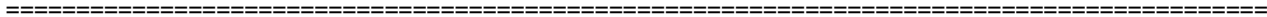


CONSENT TO ACTION POLICY

When a decision needs to be made under emergency conditions, which can not reasonably wait until the next regularly scheduled meeting of the Board of the Association; and which decision or action is beyond the normal scope or authority of the COHA Manager, the Manager may send a “Consent to Action” e-mail to all Directors indicating the action that the Manager recommends taking, and allowing all Directors (3) three business days to respond yea or nay.

If any one of the Board Members objects to the proposed action, the Manager may not implement the action until further discussion by the Board. If all positive responses or no negative responses is received by the end of the 3rd business day, the manager shall proceed to execute the recommended action.

The decision of the Board to proceed on the action shall be read into the next open meeting, the Consent to Action by the Board shall be converted to the form of a Resolution which will be signed by the consenting Directors and the action so taken, must be minuted as a part of that Board Meeting.



BULLETIN BOARD POLICY

The Bulletin Boards in Circle Oaks are an official communication vehicle for the Circle Oaks Homes Association. As such, COHA notices are the top priority use.

As a service to members, when there is space available, members are invited to use the Bulletin Boards subject to the following conditions:

1. Limit the size of your notice to 6" X 9".
2. Please date all notices with the date of posting. Notices over (30) days old or in poor state of repair will be removed.
3. If a Bulletin Board is congested and a COHA notice requires space, the oldest dated member notice will be removed. Member notices which are not dated will be removed.
4. Please be considerate and do not remove postings by other members.
5. Please do not remove a COHA notice under any circumstance.
6. The Bulletin Boards may be used by COHA Members for posting:
 - a. Offers of personal services – by COHA Members
 - b. Offers of commercial services within Circle Oaks – by COHA Members
 - c. Offers of Member’s goods – the old TV, refrigerator, etc.
 - d. Help wanted by Members – lost cat, need a plumber, etc.
 - e. Community interest – tag sale, unofficial community meetings, community information, schools and COCWD information, etc.
7. Do not post anything anywhere other than on the Bulletin Boards.

Items posted which do not comply with these simple rules, will be removed.



THE CIRCLE OAKS HOMES ASSOCIATION POLICIES

TREE REMOVAL POLICY
(Amended 12/2004)

If you have an EMERGENCY – Call our vendor: Davey Tree 707-974-2101

Otherwise:

Location of the Tree:

The member makes the first determination of whether the tree is on green belt or on their lot. This is done by establishing your center stake and measuring out from there. Your plot map is the first authority. If you don't have a plot map or can't locate your center stake, check with the COHA office as there may be a plot map on file there. If there is no plot map available, you can check with the County Building Department for a copy of your plan or you can have your lot surveyed to locate your center stake and boundary lines. If none of these approaches resolves the property lines, the Napa County GIS system will be used.

Tree Removal Request Form:

Once it is determined where the tree lies, please submit a request (Form below).

The Inspection/Approval Process: Once your request is received, it will be handled as follows:

- The Homes Association Manager will make an appointment and come to your lot and inspect the tree to verify its location and condition.
- If the problem is overly complex, the manager will arrange for an inspection by a certified arborist.
- Once the inspection has been completed, the findings & recommendation will be given to Board of Directors for action.
- If the Board of Directors finds that the tree is a fire or safety hazard, permission will be given to have the tree removed:
 - At the expense of the member, if the tree is located on the member's property.
 - At the expense of Circle Oaks Homes Association if the tree is on the greenbelt;

If it is found that the tree is located on the green belt and is healthy, but may pose a fire or safety hazard to the the member, the Board of Directors, may on a case by case basis, agree that the tree may be removed. In such cases, the Board of Directors will negotiate a cost splitting arrangement with the member.

Once permission has been given to remove a tree in the greenbelt, the Circle Oaks Homes Association will take the necessary steps to have the work contracted. The members are not authorized to contract with any tree service for removal of trees on the green belt. The members may make their own contractual and financial arrangements for removal of trees from their own lots, after approval is given.

If COHA pays for the tree removal, the potential fire wood is the property of the Association, and will be made available to its members. If the member pays for the tree removal, the potential fire wood belongs to the member.

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NUISANCE PET POLICY

Policy Adopted: 10/08/2009, modified 3/1/2016.

Nuisance or threatening Pets - For these purposes, no animal shall be allowed to:

- Annoy residents unreasonably
- Endanger the life or health of other animals or persons
- Substantially interfere with the quiet enjoyment of others.

Pet owners shall be deemed in violation if their pets:

- Run free, off leash, on other than the owner's property.
- Chase, run after, or jump at vehicles moving on the streets or driveways.
- Attack, bite or injure a person, or snap, growl, snarl, jump upon or otherwise threatens persons without provocation.
- Any animal that howls, yelps, whines, or barks in such a manner as to unreasonably disturb other persons.
- Any animal that feeds from, turns over, or otherwise disturbs garbage containers.
- Any animal that scratches or digs or otherwise damages the property of another owner.
- Any pet that goes onto the property of another or onto common areas and attacks another animal, fowl, or deer.

Remedies Process:

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PLEASE NOTE: The responsibility for roaming and/or dangerous dogs is now the responsibility of **the County Sheriff.** "Animal Control" was understaffed and ineffective

1. The offended member should contact the pet owner (if known) and attempt to remedy the situation.
2. If you have the facility such as a cell phone or other camera, attempt to get a photo of the animal. If there are repeated incidents between you and/or other members, photos will help identify the animal. Photos will be given to Napa County Sheriff and be posted on COHA Bulletin Boards in order to identify the pet owner.
3. If the pet owner is not known, or discussion with them is not fruitful then:
4. The offended member should contact Napa County Sheriff 707-253-0911.
5. **CALL THE COUNTY SHERIFF ON EVERY OCCURRENCE.!**
6. The member should keep a log of problems with dates and actions taken with the owner. It is Napa County Sheriff's responsibility to enforce County law on these matters. The Sheriff may seize the animal and/or fine the owner.
7. The Circle Oaks Homes Association may take additional action once a member has initiated action with the County. The offended member should make the problem known to the Board via email, letter, conversation with a Board member, or by attending a regularly scheduled Board meeting. The problem should be submitted in writing.
8. The Board will send a warning letter to the pet's owner. Since this is only a warning, the complainant need not be identified.
9. If the problem continues, and the Board is alerted to same, the pet's owner will be asked to attend a hearing at the next Board meeting to discuss the problem and seek a resolution.
10. If the member refuses to attend the hearing or fails to implement the resolution discussed with the Board, the Board may levy a fine against the property owner, provided such fine shall not exceed Five Hundred Dollars (\$500) for such infraction.

Property owners who rent their homes are required to inform their tenants of all Circle Oaks CC&Rs and other regulations. The **Owner** is responsible for their tenant's observation of all such COHA rules & regulations, including the above pertaining to pets.

POLICY ON SOLAR POWER SYSTEMS

1. In concert with the State of California, COHA endorses the use of Solar Power systems.
2. In Circle Oaks due to lot size and space limitations, all such systems should be roof mounted, COHA will not allow ground-level systems.
3. Owners must apply for and comply with the necessary Napa County building department's permitting process and regulations for these systems. Owners should only install 100% low reflectivity panels to reduce glare.
4. COHA is not required to remove or modify vegetation in the greenbelt to allow for, or to potentially improve system efficiency. Board may choose to allow after written application & inspection.
5. Owners may remove Pyrophytic vegetation (Pine, Fir, Bay, Eucalyptus, etc.) from their own property, without prior Association approval.
6. Owners may not remove or modify any healthy hardwood vegetation (Oak, Maple, Walnut, etc), anywhere, including on their own property, without the inspection/approval of the Association.
7. Neither the Association nor any neighboring property owners may introduce new plantings which would hamper or reduce the efficiency of any existing system.

APPENDIX A Internal (Individual) Dispute Resolution – State of California Civil Code

Article 2. Internal Dispute Resolution

5900 Application of Article. (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 I 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) (*ADR Prerequisite to Civil Action*), relating to alternative dispute resolution as a prerequisite to an enforcement action. [*prior ref 1363.810 - Unchanged*]

5905 Fair, Reasonable and Expeditious Dispute Resolution Required. (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 (*Default Meet & Confer*) applies and satisfies the requirement of subdivision (a). [*prior ref 1363.820 - Unchanged*]

5910 Minimum Requirements of Association Procedure. 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.

[*prior ref 1363.830 - Unchanged*]

5915 Default Meet and Confer. (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. [*prior ref 1363.840 - Unchanged*]

5920 Notice in Policy Statement. The annual policy statement prepared pursuant to Section 5310 (*Annual Policy Statement*) shall include a description of the internal dispute resolution process provided pursuant to this article. [*prior ref 1363.850 - Unchanged*]

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APPENDIX B Alternative Dispute Resolution – State of California Civil Code

Article 3. Alternative Dispute Resolution Prerequisite to Civil Action

5925 Definitions. As used in this article:

(a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision-making 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 I of the Corporations Code).

(3) Enforcement of the governing documents. *[prior reI 1369.510 - Unchanged]*

5930 ADR Prerequisite to Enforcement Action.

(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. *[prior reI 1369.520 - Unchanged]*

5935 Request for Resolution. (a) Any party to a dispute may initiate the process required by Section 5930 (*ADR Prerequisite to Enforcement Action*) 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.

[prior ref 1369.530 - Unchanged]

5940 ADR Process. (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.

[prior ref 1369.540 - Unchanged]

5945 Tolling of Statute of Limitations. 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 (*Request for Resolution*) for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 (*ADR Process*) for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940 (*ADR Process*). *[prior ref 1369.550 - Unchanged]*

5950 Certification of Efforts to Resolve Dispute.

(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

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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. *[prior ref 1369.560 - Unchanged]*

5955 Stay of Litigation for Dispute Resolution.

(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.

[prior ref 1369.570 - Unchanged]

5960 Attorneys Fees. 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. *[prior ref 1369.580 - Unchanged]*

5965 Notice in Annual Policy Statement. (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 (ADR Prerequisite to Enforcement Action) 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 (*Annual Policy Statement*). *[prior ref 1369.590 - Revised]*

APPENDIX C Records Inspection Policy - State of California Civil Code

5200 Definitions. For the purposes of this article, the following definitions shall apply:

(a) "association records" means all of the following:

(1) Any financial document required to be provided to a member in Article 7 (commencing with Section 5300 (*Annual Budget Report*) or in Sections 5565 (*Summary of Association Reserves*) and 5810 (*Notice of Change of Insurance Coverage*).

(2) Any financial document or statement required to be provided in Article 2 (commencing with Section 4525) of Chapter 4 (*Transfer Disclosure*).

(3) Interim financial statements, periodic or as compiled, containing any of the following:

(A) Balance sheet.

(B) Income and expense statement ..

(C) Budget comparison.

(D) General ledger. A "general ledger" is a report that shows all transactions that occurred in an association account over a specified period of time. The records described in this paragraph shall be prepared in accordance with an accrual or modified accrual basis of accounting.

(4) Executed contracts not otherwise privileged under law.

(5) Written board approval of vendor or contractor proposals or invoices.

(6) State and federal tax returns.

(7) Reserve account balances and records of payments made from reserve accounts.

(8) Agendas and minutes of meetings of the members, the board, and any committees appointed by the board pursuant to Section 7212 of the Corporations Code; excluding, however, minutes and other information from executive sessions of the board as described in Article 2 (commencing with Section 4900) (*Board Meeting*).

(9) Membership lists, including name, property address, and mailing address, but not including information for members who have opted out pursuant to Section 5220 (*Membership List Opt Out*).

(10) Check registers.

(11) The governing documents.

(12) An accounting prepared pursuant to subdivision (b) of Section 5520 (*Use of Reserve Funds for Litigation*).

(13) An "enhanced association record" as defined in subdivision (b).

(b) "Enhanced association records" means invoices, receipts and canceled checks for payments made by the association, purchase orders approved by the association, credit

card statements for credit cards issued in the name of the association, statements for services rendered, and reimbursement requests submitted to the association. [*prior ref: 1365.2(a) . Revised*]

5205 Inspection and Copying. (a) The association shall make available association records for the time periods and within the timeframes provided in Section 5210 (*Time Periods*) for inspection and copying by a member of the association, or the member's designated representative.

(b) A member of the association may designate another person to inspect and copy the specified association records on the member's behalf. The member shall make this designation in writing.

(c) The association shall make the specified association records available for inspection and copying in the association's business office within the common interest development.

(d) If the association does not have a business office within the development, the association shall make the specified association records available for inspection and copying at a place agreed to by the requesting member and the association.

(e) If the association and the requesting member cannot agree upon a place for inspection and copying pursuant to subdivision (d) or if the requesting member submits a written request directly to the association for copies of specifically identified records, the association may satisfy the requirement to make the association records available for inspection and copying by delivering copies of the specifically identified records to the member by individual delivery pursuant to Section 4040 (*Individual Notice*) within the timeframes set forth in subdivision (b) of Section 5210 (*Time Periods*).

(t) The association may bill the requesting member for the direct and actual cost of copying and mailing requested documents. The association shall inform the member of the amount of the copying and mailing costs, and the member shall agree to pay those costs, before copying and sending the requested documents.

(g) In addition to the direct and actual costs of copying and mailing, the association may bill the requesting member an amount not in excess of ten dollars (\$10) per hour, and not to exceed two hundred dollars (\$200) total per written request, for the time actually and reasonably involved in redacting an enhanced association record. If the enhanced association record includes a reimbursement request, the person submitting the reimbursement request shall be solely responsible for removing all personal

identification information from the request. The association shall inform the member of the estimated costs, and the member shall agree to pay those costs, before retrieving the requested documents.

(h) Requesting parties shall have the option of receiving specifically identified records by electronic transmission or machine-readable storage media as long as those records can be transmitted in a redacted format that does not allow the records to be altered. The cost of duplication shall be limited to the direct cost of producing the copy of a record in that electronic format. The association may deliver specifically identified records by electronic transmission or machine-readable storage media as long as those records can be transmitted in a redacted format that prevents the records from being altered. [*prior ref 1365.2(a), (b), (c), (h) - Revised*]

5210 Time Periods. (a) Association records are subject to member inspection for the following time periods:

(1) For the current fiscal year and for each of the previous two fiscal years.

(2) Notwithstanding paragraph (1), minutes of member and board meetings are subject to inspection permanently. If a committee has decision-making authority, minutes of the meetings of that committee shall be made available commencing January 1, 2007, and shall thereafter be permanently subject to inspection.

(b) When a member properly requests access to association records, access to the requested records shall be granted within the following time periods:

(1) Association records prepared during the current fiscal year, within 10 business days following the association's receipt of the request

(2) Association records prepared during the previous two fiscal years, within 30 calendar days following the association's receipt of the request.

(3) Any record or statement available pursuant to Article 2 (commencing with Section 4525) of Chapter 4 (*Transfer Disclosure*), Article 7 (commencing with Section 5300 (*Annual Budget Report*), Section 5565 (*Summary of Association Reserves*), or Section 5810 (*Notice of Change of Insurance Coverage*), within the timeframe specified therein.

(4) Minutes of member and board meetings, within the timeframe specified in subdivision (a) of Section 4950 (*Minutes*).

(5) Minutes of meetings of committees with decision making authority for meetings commencing on or after January 1, 2007, within 15 calendar days following approval.

(6) membership list, within the timeframe specified in Section 8330 of the Corporations Code.

(c) There shall be no liability pursuant to this article for an association that fails to retain

records for the periods specified in subdivision (a) that were created prior to January 1, 2006. [*priorref-1365.2(i), (j), (k) -Revised*]

5215 Withholding and Redacting. (a) Except as provided in subdivision (b), the association may withhold or redact information from the association records if any of the following are true:

(1) The release of the information is reasonably likely to lead to identity theft. For the purposes of this section, "identity theft" means the unauthorized use of another person's personal identifying information to obtain credit, goods, services, money, or property. Examples of information that may be withheld or redacted pursuant to this paragraph include bank account numbers of members or vendors, social security or tax identification numbers, and check, stock, and credit card numbers.

(2) The release of the information is reasonably likely to lead to fraud in connection with the association.

(3) The information is privileged under law. Examples include documents subject to attorney-client privilege or relating to litigation in which the association is or may become involved, and confidential settlement agreements.

(4) The release of the information is reasonably likely to compromise the privacy of an individual member of the association.

(5) The information contains any of the following:

(A) Records of goods or services provided a la carte to individual members of the association for which the association received monetary consideration other than assessments.

(B) Records of disciplinary actions, collection activities, or payment plans of members other than the member requesting the records.

(C) Any person's personal identification information, including, without limitation, social security number, tax identification number, driver's license number, credit card account numbers, bank account number, and bank routing number.

(D) Minutes and other information from executive sessions of the board as described in Article 2 (commencing with Section 4900) (*Board Meeting*), except for executed contracts not otherwise privileged. Privileged contracts shall not include contracts for maintenance, management, or legal services.

(E) personnel records other than the payroll records required to be provided under subdivision (b).

(F) Interior architectural plans, including security features, for individual homes.

(b) Except as provided by the attorney-client

privilege, the association may not withhold or redact information concerning the compensation paid to employees, vendors, or

contractors. Compensation information for individual employees shall be set forth by job classification or title, not by the employee's name, social security number, or other personal information.

(c) No association, officer, director, employee, agent, or volunteer of an association shall be liable for damages to a member of the association or any third party as the result of identity theft or other breach of privacy because of the failure to withhold or redact that member's information under this section unless the failure to withhold or redact the information was intentional, willful, or negligent.

(d) If requested by the requesting member, an association that denies or redacts records shall provide a written explanation specifying the legal basis for withholding or redacting the requested records. *[prior ref 1365.2(d) - Unchanged]*

5220 Membership List Opt Out. A member of the association may opt out of the sharing of that member's name, property address, and mailing address by notifying the association in writing that the member prefers to be contacted via the alternative process described in subdivision (c) of Section 8330 of the Corporations Code. This opt out shall remain in effect until changed by the member. *[prior ref 1365.2(a)(1)(J)(jii) - Unchanged]*

5225 Membership List Request. A member requesting the membership list shall state the purpose for which the list is requested which purpose shall be reasonably related to the requester's interest as a member. If the association reasonably believes that the information in the list will be used for another purpose, it may deny the member access to the list. If the request is denied, in any subsequent action brought by the member under Section 5235 (*Enforcement*), the association shall have the burden to prove that the member would have allowed use of the information for purposes unrelated to the member's interest as a member. *[prior ref 1365.2(a)(1)(I)(ii) - Unchanged]*

5230 Restrictions on Use. (a) The association records, and any information from them, may not be sold, used for a commercial purpose, or used for any other purpose not reasonably related to a member's interest as a member. An association may bring an action against any person who violates this article for injunctive relief and for actual damages to the association caused by the violation.

(b) This article may not be construed to limit the right of an association to damages for misuse of information obtained from the association records pursuant to this article or to limit the right of an association to injunctive relief to stop the misuse of this information.

(c) An association shall be entitled to recover reasonable costs and expenses, including reasonable attorney's fees, in a successful

action to enforce its rights under this article.

[prior ref: 1365.2(e) - Unchanged]

5235 Enforcement. (a) A member may bring an action to enforce that member's right to inspect and copy the association records. If a court finds that the association unreasonably withheld access to the association records, the court shall award the member reasonable costs and expenses, including reasonable attorney's fees, and may assess a civil penalty of up to five hundred dollars (\$500) for the denial of each separate written request.

(b) A cause of action under this section may be brought in small claims court if the amount of the demand does not exceed the jurisdiction of that court.

(c) A prevailing association may recover any costs if the court finds the action to be frivolous, unreasonable, or without foundation. *[prior ref 1365.2(f) - Unchanged]*

5240 Application of Article. (a) As applied to an association and its members, the provisions of this article are intended to supersede the provisions of Sections 8330 and 8333 of the Corporations Code to the extent those sections are inconsistent.

(b) Except as provided in subdivision (a), members of the association shall have access to association records, including accounting books and records and membership lists, in accordance with Article 3 (commencing with

Section 8330) of Chapter 13 of Part 3 of Division 2 of Title 1 of the Corporations Code.

(c) The provisions of this article apply to any community service organization or similar entity that is related to the association, and to any nonprofit entity that provides services to a common interest development under a declaration of trust. This article shall operate to give a member of the organization or entity a right to inspect and copy the records of that organization or entity equivalent to that granted to association members by this article.

(d) The provisions of this article shall not apply to any common interest development in which separate interests are being offered for sale by a subdivider under the authority of a public report issued by the Department of Real Estate so long as the subdivider or all subdividers offering those separate interests for sale, or any employees of those subdividers or any other person who receives direct or indirect compensation from any of those subdividers, comprise a majority of the directors. Notwithstanding the foregoing, this article shall apply to that common interest development no later than 10 years after the close of escrow for the first sale of a separate interest to a member of the general public pursuant to the public report issued for the first phase of the development. *[prior ref 1365.2(g) (l), (m) - Unchanged]*