



GENERAL STATEMENTS - 2007 BUDGET

LITIGATION

As of November 10, 2006 litigation *is not* filed, pending or being considered by the Association and there *is not litigation* filed against the Association. .

MINUTES OF MEETINGS

Owners may contact the management company, Eugene Burger Management at (707) 584-5123 or (415) 461-8660, for the purpose of reviewing minutes of Board meetings. Minutes of all Board meetings, excluding executive session meetings, are available to members within 30 days after each meeting. The procedure for reviewing minutes is as follows:

1. Submission of a list of the minutes requested to be open for review.
2. A reasonable time for the review.
3. The purpose for the review as related to your interest as a member of your Association.

The governing Corporations Code allows for the review of documents within the above procedures. Copies of the minutes can be made at the offices of Eugene Burger Management at a cost of \$.15 per page.

The Board may adjourn to executive session to discuss or consider litigation, matters that relate to the formation of contracts or personnel matters.

ESTABLISHMENT OF RESERVES FOR MAJOR COMPONENTS

The major components having a useful life of less than 30 years for which the Association is obligated to repair, replace, restore or maintain are identified in a reserve study.

- The Board obtains a report from a professional reserve study company (Reserve Analysis).
- Reserve Analysis determines the current estimate of the amount of cash reserves necessary to repair, replace, restore or maintain the major components.
- The current amount of accumulated cash reserves set aside for major component needs is reviewed.
- Reserve Analysis, considering all information gathered, determines the total annual contribution needed to defray the cost to repair, replace, restore or maintain the identified major components.

The reserve funds are placed in interest bearing accounts separate from operating funds until needed.

SPECIAL ASSESSMENTS

At this time, the Association has determined or anticipates that one or more special assessments may not be required to repair, replace, restore or maintain the major components and/or legal action. If the reserves are not fully funded, a special assessment may be necessary. Please refer to the budget and reserve studies to ascertain reserve fund balances/requirements.

ENFORCEMENT OF GOVERNING DOCUMENTS / MONETARY PENALTIES

The Association is given the power to impose a monetary penalty or fine on any Association member for a violation of the governing documents or rules of the Association. A fine may also be levied on any owner for the actions or activities of any guest, invitee, or renter.



General Statements – 2007 Budget, continued

No fine or monetary penalty will be levied without the owner being afforded the opportunity of a hearing before the Board of Directors regarding said violation(s).

FINE SCHEDULE – the Violations subject to Fines are as follows:

1. Pet waste left in the Common Area
2. Dog loose in the Common Area, with or without human supervision.
3. Improper use of garages
4. Parking violations
5. Disturbance of other homeowners' quiet enjoyment

First Violation: \$25

Second Violation: \$50

Subsequent Violations: \$75

ATTACHED POLICIES:

The attached Collection Policy is in accordance with legislation, which took effect January 1, 2006 and is currently in force. There is also supplemental information entitled Notice – Assessments and Foreclosure.

INTERNAL DISPUTE RESOLUTION

Attached is the summary of California Civil Code 1363.810 through Code 1363.85 relating to internal dispute resolution that an Owner and Community Association must pursue as a prerequisite to an enforcement action.

ALTERNATIVE DISPUTE RESOLUTION

Attached is the summary of California Civil Code 1354 (b) relating to enforcement of the governing documents through alternative dispute resolution.

ARCHITECTURAL PROCEDURES

The Board of Directors is developing architectural procedures separate and / or in addition to the Association's Covenants, Conditions and Restrictions.

INSURANCE DISCLOSURE

This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may be responsible nevertheless for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage. If, after reviewing the information, you have any questions, please contact the Association's insurance agent.



Rules & Regulations

Marwood Circle living requires shared responsibilities toward both common area facilities and neighbors. Rules are necessary for the smooth operation of the community and your cooperation in observing these rules is appreciated by your neighbors.

General Rules

1. All owners are expected to observe the Rules and Regulations at all times. Failure to do so may be met with appropriate action or restrictions from the Board of Directors, including fines or suspension of privileges.
2. All owners are held responsible and liable for their tenants and/or guests, and for any damage which they may cause to the common area. Tenants are to be given a copy of the Rules & Regulations by the owner, and the tenants shall observe the Rules & Regulations at all times. Those Rules & Regulations will be equally binding to homeowners and tenants of homeowners.
3. Window coverings shall only be drapes, shades, or shutters and shall not be painted or covered with foil, cardboard or similar materials. All window coverings visible from outside each unit shall be of a material, design and color which, in the reasonable opinion of the Board, is compatible with the exterior design and coloration of adjacent portions of the project. If an owner wishes to tint the windows for energy conservation, a sample indicating color/shade, must be submitted to the Board for approval, before installation.
4. Hanging of unsightly objects from the balconies and fences (towels, rugs, etc.) is prohibited. All items stored in back/side yards must be below fence height.
5. Any resident/guest using the common area assumes all liability and agrees to hold blameless Marwood Circle Homeowners' Association, its members, directors, officers and employees in case of accident, injury, theft of personal property, or other calamities. Use of the common area shall be acknowledgement of the aforementioned limitations and acceptance thereof.
6. Each owner/tenant is entitled to quiet enjoyment. No obnoxious or offensive activity shall be carried on in any unit or upon any part of the project, nor shall anything be done which may be or become an annoyance or nuisance to the occupants of the other units. "Quiet Hour" shall begin at 11pm.
7. To assure quiet enjoyment, no speakers or stereo systems are to be mounted on a common wall.
8. The common area will not be used in any manner which would increase the rates of insurance coverage of the Association.



Rules & Regulations, continued

9. No radio, TV, or stereo system antennas shall be mounted on the exterior portion of any building within the project.
10. All trash is to be placed in the appropriate trash containers.
11. Units for sale or rent may only display one sign, not more than 18" x 24". No other signs, billboards, or flags may be displayed. The sign can be post-mounted or attached to the involved unit.
12. Exterior Holiday lights are permitted from Thanksgiving Day to January 31st, only.

Pet Rules

1. Residents are responsible for their pets, as well as their guests' pets.
2. All dogs, when outside the unit or unit back/side yard fence area, must be kept under control and on a short leash.
3. Pets are not allowed to commit any waste on the common area. Any waste on the common area must be immediately removed and disposed of by the pet's owner.
4. Dogs found roaming free in the project may be picked up by the local humane shelter at an owner or tenant request.
5. Owners/residents with noisy or unruly pets that cause complaints, will be asked to relocate the pet outside of the Marwood Circle community.

Vehicle Operation and Parking Rules

1. The speed limit is 15 MPH for all vehicles in the common area.
2. No vehicle which is not in operating condition shall be parked or left on the property other than in a unit garage. The unit garage shall be used for parking vehicles only and shall not be converted for living, recreation or business purposes.
3. The unit occupant who operates one vehicle is expected to keep it in the unit garage. If, for any reason, the unit garage is not used for this purpose, the unit occupant must park his/her vehicle off the property.



Rules & Regulations, continued

4. The unit occupant who operates two vehicles may park one of the vehicles in the common area parking space (if available), provided the other vehicle is regularly stored in the unit garage. Failure to use the unit garage eliminates the on-site parking privilege for both vehicles, and both must be parked off the property.
5. The unit occupant who operates more than two vehicles may store two of them under the conditions stated in #4 above. All other vehicles must be parked off the property.
6. Parking in the common area is prohibited in any area other than the designated parking spaces. Unit occupants and guests may park in these designated spaces, pursuant to the above rules, for up to 72 consecutive hours, after which time the vehicle must be moved to a different location. Owners/residents are responsible to keep all parking spaces clean and free of debris. Excess motor oil should be cleaned up immediately.
7. Any vehicle in violation of the above rules is considered an “Unauthorized Vehicle” and will be towed at the vehicle owners’ expense.

These rules are not all inclusive. For more information, please refer to the “Declaration of Covenants, Conditions and Restrictions” and “By-laws” of the Marwood Circle Homeowners’ Association.



FINES: Procedures and Schedule (Effective April 1998)

The Board of Directors has developed a schedule of Fines to help implement the enforcement of the Association Rules and Regulations and the Covenants, Conditions and Restrictions (“CC&Rs”) of the Association.

Before a Fine is imposed, if there is any question that the Violation actually occurred or of who committed the Violation, the owner is to be given at least fifteen (15) days notice of the proposed Fine. The hearing must be held at least five (5) days before the Fine is to be imposed. The Notice of Hearing will be served along with the notice of proposed Fine.

In the event that there is an immediate threat to the safety and/or quiet enjoyment of the owners, a traffic or fire hazard, a threat of material damage to the Common Area, or a Violation of the Declarations when there is no question that a Violation has occurred or by whom, the Association may take immediate disciplinary action, including imposition of Fines.

After such action, the Board, on its own, may schedule a hearing, or may notify the accused owner of his or her right to a hearing and let the owner request a hearing. Such request must be delivered to the Association within five (5) days after the receipt of Notice of Disciplinary Action. Hearings must be held no more than fifteen (15) days after the disciplinary action or request for hearing.

The hearings are to be conducted by the Board or by a Hearing Committee established by the Board. If a Hearing Committee is established and makes the decision, the owner can appeal the decision to the Board. However, the Board has the discretion to hear or not to hear any matter which is appealed.

Fine Schedule

The Association’s Rules and Regulations and CC&R’s will be equally binding on homeowners and tenants of homeowners. Any homeowner who fails to abide by those Rules and/or CC&R’s will cause the homeowner to be fined \$50 per incident. Any tenant who fails to abide by those Rules and/or CC&Rs will cause the homeowner to be fined \$50 per incident. Each homeowner will be afforded due process prior to a fine being levied.