

BENEDICT HILLS ESTATES ASSOCIATION

2020 ANNUAL POLICY STATEMENT

OFFICIAL COMMUNICATIONS. All notices and/or written communications to the Association shall be addressed to:

Benedict Hills Estates Association
9903 Santa Monica, Boulevard #355
Beverly Hill, CA 90212

with a copy to:
Claire Carafello, Manager
8581 Santa Monica Blvd #18
West Hollywood CA 90069
HandleWithClaire@aol.com

Or, if by email, to BHEA90210@aol.com.

ASSOCIATION NOTICES TO MEMBERS. Any notice permitted or required to be provided to an individual Member may be delivered as follows: first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The notice shall be addressed to the recipient at the address last shown the books of the Association. Delivery is deemed to be complete on deposit into the United States mail. Other acceptable delivery methods shall be by personal service, email, facsimile or other electronic means, if a Member has consented, in writing, to that method, or by any other method agreed between a member and the board. When sending electronic mail notice, delivery is determined to occur when the notice is sent.

REQUEST FOR NOTICE. A member may submit a request to have notice sent to up to two different specified addresses, pursuant to California Civil Code Section 4040(b).

GENERAL NOTICES. General Notices addressed to the members shall be either included in a billing statement or posted on the Association's website (www.benedicthillsestate.com).

MEMBER'S OPTION TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY. A member may request, in writing, that all general notices be sent to that owner by individual delivery, either by mail or electronic means. California Civil Code Section 4045(b).

RIGHT TO RECEIVE MEETING MINUTES. Pursuant to California Civil Code Section 4950(b), board meeting minutes are available as follows:

The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors of an Association, other than executive sessions, shall be available to members upon request within thirty (30) days of the meeting.

The minutes, proposed minutes or summary minutes shall be distributed to any member of the Association upon request and upon reimbursement of the Association's duplication costs.

In accordance with the Civil Code, minutes of the Association's board meetings may be obtained from the manager, Claire Carafello, 8581 Santa Monica Blvd #18, West Hollywood CA 90069.

LITIGATION. There are no lawsuits pending.

SAFETY ISSUES. Call 911 immediately if there is a real, personal or property emergency. Residents are reminded to check their smoke detectors and replace the batteries on at least a semi-annual basis, and to purchase and keep fire extinguishers readily available. Residents should purchase and install carbon monoxide detectors, especially if there are gas appliances in the home. Water leak detection devices should be installed at water supply lines such as under sinks and behind toilets.

SECURITY DISCLAIMER. Members should notify the Association of any dangerous or insecure areas. Residents are reminded that they are responsible for the safety and security of their property and their persons and should not rely on the Association. However, the property can never be completely safe and secure. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their own neighbors, for guests of residents to commit crimes, and for employees to commit crimes. As a result the property is not and can never be free of crime and we cannot guarantee your safety or security. Accordingly, you should NOT rely on the Association to protect you from loss or harm. Instead, you should provide for your own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; keeping your personal property secure; refusing to open your door to strangers; asking workers for identification; avoiding dangerous situations; installing a security system and alarms; and locking your vehicle.

REQUIREMENTS FOR ARCHITECTURAL APPROVAL. The Association requires prior written approval of architectural or landscape changes you make to your property by submission of two sets of plans to the Association's architectural committee. The complete requirements for Association approval are outlined in Article VII, "Architectural Control", Section 1 of the Benedict Hills Estates Association CC&R's, which state in pertinent part that:

'No building, fence, wall, sign or other structure or exterior addition to or change or alteration thereof (including painting) or landscaping shall be commenced, constructed, erected, constructed, placed, altered, maintained or permitted to remain on Benedict Hills Estates, or any portion thereof until plans and specifications shall have been submitted to and approved in writing by an architectural Committee '.

MEMBER LIST "OPTS OUT." California Civil Code gives members the right to inspect and copy the Association's membership list, including members' names, property addresses and mailing addresses. Owners have the right to opt out of the sharing of their name and address by notifying the Association in writing that they prefer to be contacted by an alternative means.

STATUTORY OWNER DISCLOSURE. Effective January 1, 2017, pursuant to Civil Code Section 4041, all owners are required on an annual basis to provide Benedict Hills Estates Association with the following information:

- (a) The address or addresses to which notices from the Association are to be delivered;
- (b) An alternate or secondary address to which notices from the Association are to be delivered;
- (c) The name and address of each owner's legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the owner's extended absence from his/her/its unit; and

- (d) Whether the unit is owner-occupied or is rented out.

ASSESSMENT COLLECTION POLICIES. Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and Civil Code Section 5650 (a), the following are the Association's assessments practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorney's fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 5650 (a)).
2. Regular quarterly assessments are due and payable on January 1, April 1, July 1 and October 1. A courtesy billing statement is sent each quarter to the billing address on record with the Association. **However, it is the owner of record's responsibility to pay each assessment in full each quarter regardless of whether a statement is received.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.
3. All payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, such payments to late charges, interest, and collection expenses, including attorneys fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within thirty (30) days of the stated due date are delinquent and shall be subject to a late charge of ten percent (10%) of the delinquent assessment.
5. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.

6. Once an assessment becomes delinquent, the subsequent courtesy billing statement will serve as the first notice of past due assessment.
7. If an assessment is not received within thirty (30) days after the assessment becomes delinquent, the Association or its designee, in the event the account is turned over to its managing agent, fiscal managing agent or a collection agent ("designee"), will send a pre-lien letter to the owner as required by Civil Code Section 5650(a) by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account, impending collection action and the owner's right to request that the Association participate in some form of internal dispute resolution process ("IDR"). The owner will be charged a fee for the pre-lien letter. Notwithstanding the provisions of this Paragraph, the Association may (i) send a pre-lien letter to a delinquent Owner at any time when there is an open escrow involving the Owner's Unit/Lot, and/or (ii) issue a pre-lien letter **immediately** if any Special Assessment becomes delinquent.
8. If an owner fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within forty five (45) days of the date of the pre-lien letter, the Board shall decide, by majority vote, whether to authorize designee to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees, against the owner's property. If the Association authorizes designee to record a lien against the owner's property, the owner will be charged for the fees and costs of preparing and recording the lien. The lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700(a)). The owner will be charged a fee for the costs of coordinating enforcement of the lien between designees.
9. Once the matter has been transferred to designee, designee may be authorized to enforce the lien thirty (30) days after recordation of the lien and may be authorized to foreclose the lien by non-judicial foreclosure sale when either (a) the delinquent assessment amount totals One Thousand Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more than twelve (12) months. You could lose ownership of your property if a foreclosure action is completed. You will be responsible for significant additional fees and costs if a foreclosure action is commenced against your property.
10. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent homeowners the option of participating in IDR or Alternative Dispute Resolution ("ADR").
11. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.

12. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.
13. An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to designee for delivery to the Association pursuant to Civil Code Section 5900.
14. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 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 a judicial foreclosure.
15. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to designee to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.
16. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association, including but not limited to assignment of rents.
17. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest and costs of collection, including attorneys' fees, must be paid in full to the Association.
18. There is no right of offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.
19. The Association shall charge the owner a Twenty-Five Dollar (\$25.00) fee for the first check or direct debit tendered to the Association that is returned unpaid by the owner's bank and Thirty-Five Dollars (\$35.00) for each subsequent check or direct debit passed on insufficient funds. In addition, the owner will be assessed for any bank charges associated with the returned check or direct debit. If the check or direct debit cannot be negotiated, the Association may also seek to recover damages of at least One Hundred

Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00 pursuant to Civil Code Section 1719.

20. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. The owner's request shall be in writing and shall be mailed to the Association in a way that shall indicate that the Association has received it. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.
21. All charges listed herein are subject to change upon thirty (30) days' prior written notice. If allowed by the Association's CC&R and/or Bylaws, and until the owner has paid all amounts due, including but not limited to the suspension of the owner's right to vote. However, any suspension imposed shall not prevent the delinquent owner from the use, benefit and pleasure of the owner's lot.
22. The mailing address for overnight payment of assessments is

Benedict Hills Estates Association
c/o Claire Carafello, Manager
8581 Santa Monica Blvd #18
West Hollywood CA 90069

ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

Assessments become delinquent 30 (thirty) days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Sections 5705(a); 5715(a) and 5720(a) of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5600(a); 5605(a) and 5605(c) of the Civil Code)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 5600(a); 5605(a) and 5605(c) and Sections 5705(a); 5715(a) and 5720(a) of the Civil Code).

The association must comply with the requirements of Section 5660 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5660 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5660 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Sections 5660 of the Civil Code)

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

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

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5660 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 5660 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 5660 of the Civil Code).

ALTERNATIVE DISPUTE RESOLUTION

The California Civil Code requires Alternative Dispute Resolution (ADR) instead of litigation in certain Association and Owner disputes. The following is a summary of the statute,

- (a) The covenants and restrictions in the declaration shall be enforceable equitable servitudes, unless unreasonable, and shall inure to the benefit of and bind all owners' of separate interests in the development. Unless the declaration states otherwise, these servitudes may be enforced by any owner of a separate interest or by the association, or by both.
- (b) Unless the applicable time limitation for commencing the action would run within 120 days, prior to the filing of a civil action by either an association or an owner or a member of a common interest development solely for declaratory relief or injunctive relief, or for declaratory relief or injunctive relief in conjunction with a claim for monetary damages, other than association assessments, not in excess of five thousand dollars (\$5,000), related to the enforcement of the governing documents, the parties shall endeavor, as provided in this subdivision, to submit their dispute to a form of alternative dispute resolution such as mediation or arbitration. The form of alternative dispute resolution chosen 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 another 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. Service of the Request for Resolution shall be in the same manner as prescribed for service in a small claims action as provided in Section 116.340 of the Code of Civil Procedure. Parties receiving a Request for Resolution shall have 30 days following service of the Request for Resolution to accept or reject alternative dispute resolution and, if not accepted within the 30-day period by a party shall be deemed rejected by that party. If alternative dispute resolution is accepted by the party upon whom the Request for Resolution is served, The alternative dispute resolution shall be completed within 90 days of receipt of the acceptance by the party initiating the Request for Resolution, unless extended by written stipulation signed by both parties. The costs of the alternative dispute resolution shall be borne by the parties.
- (c) At the time of filing a civil action by either an association or an owner or a member of a common interest development solely for declaratory relief or injunctive relief, or for declaratory relief or injunctive relief in conjunction with a claim for monetary

damages not in excess of five thousand dollars (\$5,000), related to the enforcement of the governing documents, the party filing the action shall file with the complaint a certificate stating that alternative dispute resolution has been completed in compliance with subdivision (b). The failure to file a certificate as required by subdivision (b) shall be grounds for a demurrer pursuant to Section 430.10 of the Code of Civil Procedure or a motion to strike pursuant to Section 435 of the Code of Civil Procedure unless the filing party certifies in writing that one of the other parties to the dispute refused alternative dispute resolution prior to the filing of the complaint, that preliminary or temporary injunctive relief is necessary, or that alternative dispute resolution is not required by subdivision (b), because the limitation period for bringing the action would have run within the 120-day period following the filing of the action, or the court finds that dismissal of the action for failure to comply with subdivision (b) would result in substantial prejudice to one of the parties.

- (d) Once a civil action specified in subdivision (a) to enforce the governing documents has been filed by either an association or an owner or member of a common interest development, upon written stipulation of the parties the matter may be referred to alternative dispute resolution and stayed. The costs of the alternative dispute resolution shall be borne by the parties. During this referral, the action shall not be subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.
- (e) The requirements of subdivisions (b) and (c) shall not apply to the filing of a cross-complaint.
- (f) In any action specified in subdivision (a) to enforce the governing documents, the prevailing party shall be awarded reasonable attorney's fees and costs. Upon motion by any party for attorney's fees and costs to be awarded to the prevailing party in these actions, the court, in determining the amount of the award, may consider a party's refusal to participate in alternative dispute resolution prior to the filing of the action.
- (g) Unless consented to by both parties to alternative dispute resolution that is initiated by a Request for Resolution under subdivision (b), evidence of anything said or of admissions made in the course of the alternative dispute resolution process shall not be admissible in evidence, and testimony or disclosure of such a statement or admission may not be compelled, in any civil action in which, pursuant to law, testimony can be compelled to be given.
- (h) Unless consented to by both parties to alternative dispute resolution that is initiated by a Request for Resolution under subdivision (b), documents prepared for the purpose or in the course of, or pursuant to, the alternative dispute resolution shall not be admissible in evidence, and disclosure of these documents may not be compelled, in any civil action in which, pursuant to law, testimony can be compelled to be given.

Failure of any 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 your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.