



## President's Corner

May 6, 2004



Well folks, this may be my last article for the *Tidelines*. My term of office expires at the Annual meeting on the 24<sup>th</sup> of May. I thought that I'd take the opportunity to review some of the issues and changes that have taken place in Cameo over the last few years and perhaps take a look into the future and see what may be ahead for our association. A "state of the association" message, so to speak!

### VIEW IMPAIRMENTS

As usual, quite a bit of the Board's time and homeowner's money has gone into resolving view impairment issues. Cameo was designed as an ocean view community with terraced lots and strong protections written into our CC&R's by the Irvine Company lawyers that incorporated the community years ago. The key provision quoted from the CC&R's is that "no tree bush or shrub shall be allowed to grow on any lot that in the reasonable opinion of the Architectural Committee impedes or detracts from the view from any lot."

Over the years, we have constantly reviewed and made minor changes to the process of handling the view impairments but the CC&R's have never changed. As it stands now, the procedure is for a homeowner to send a letter to the neighbor with the offending tree or bush, asking the object be trimmed or removed. If the response to the letter is negative or no response is received, then the complaining homeowner submits a view impairment form to our management company.

At the next scheduled meeting of the Architectural Committee, the form is reviewed and the Architectural Committee visits the site and makes a determination of whether or not a view impairment exists. If a majority of the Architectural Committee agrees that a view impairment exists, then this is essentially "the reasonable opinion" of the Architectural Committee. The management company then sends a letter to the offending homeowner asking that the impairment be either removed or trimmed appropriately. If no response to this letter is received

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## ANNUAL MEETING SLATED FOR MAY 24th

The Annual Meeting of the membership will be held on May 24th at the Bahia Corinthian Yacht Club on Bayside Drive beginning with refreshments and hors d'oeuvres at 5:30 p.m. The primary purpose of the meeting is to elect three new directors and receive reports from the officers and committee chairs. **Please mark your calendars today!**

You will be mailed a package in the near future which includes voting and proxy forms as required by law, a list of Board candidates and financial information.

## City Project Update

The City has completed the street light renovation.

The Shores has the new cobra fixture and the Highlands has a new fixture similar to the old one.

The City is concerned that the Highlands fixtures may produce backlighting into adjacent homes. The City can rectify this situation by installing a refractor at the homeowner's request.

The Association will collect the information and forward it to the City. What we need is your address and the offending light fixture number. There is a four digit number attached to each pole about eye level. The easiest method is to write us with the information at :

[cameohoa@adelphia.net](mailto:cameohoa@adelphia.net)

You may also call the Association office at 949-450-1515. Email is preferred.

The sewer force main project on Milford is ahead of schedule and will be completed soon.

Some time in early summer the City will be repaving all of the streets in the Shores and the Highlands.

within 30 days, the management company then sends a final notice letter that asks the homeowner to appear before the Board of Directors to explain why the case should not be referred to our attorney.

Our attorney will send a letter asking that the impairment be removed within 30 days. After the 30 days, the offending homeowner will be served legal notice to attend Alternative Dispute Resolution (ADR) in front of a mutually selected mediator. If the request for ADR is ignored or rejected, the Association will file a lawsuit against the homeowner. It is at the point of the ADR request that the offending homeowner seeks out an attorney and discovers that the Association has a strong case and that the Association can recover legal fees if it wins in court and further realizes that it is in his or her best interest to remove the view impairment.

Here are the results that I've observed over the last three years: 25% of the impairments are resolved with the first letter from the homeowner. 25% are resolved before being turned over to our attorney. 50% are resolved only after the homeowner has been served with ADR papers from our attorney. No case has gone to court over the last three years but we still have one ADR pending and three others at legal. By my recollection, about 17 cases were resolved in the last three years. Homeowners need to understand that our system is complaint based. We do not have "tree police" that roam the neighborhoods looking for possible impairments. Because a tree has been in place for 20 years without a complaint being filed does not preclude a view complaint from being filed and upheld by the Architectural Committee. It would be a lot more neighborly if homeowners would take the appropriate steps to abate a view impairment before the Association has to spend money on attorney fees. The Association, on the other hand has no choice but to uphold the CC&R's and take whatever steps are necessary to cure a validated view impairment. By the way, the Association has never lost a view impairment case in court.

#### PCH WALL, ETC.

It must seem to many of you that the PCH Wall project has been dragging on forever, but in dealing with government bureaucracies such as the City of Newport Beach, CalTrans and the Coastal Commission, it takes a lot of time and effort to complete a project. The Board this year, with considerable assistance from Randy Luebke, Chairman of our Long Range Planning Committee, has seen significant progress. The City approved a contract for a company called PENCO Engineering to do the engineering and design and obtain approvals from CalTrans and The Californian Coastal Commission for a sidewalk along PCH on the Shores side. The Board, in turn, hired PENCO Engineering to provide a topographic survey and engineering drawings for a new wall along PCH to replace the wood fence. PENCO is almost finished with our \$15,000 contract and we hope to join with the City when the sidewalk and wall contract are put up for bid in late summer of this year. We have built up our reserve fund over the last three years and think that we have enough money set aside to complete our portion of the wall. The plan is to split the cost of the wall construction with the City. One of the hang-ups that Boards struggled with over the years is that the wall is on City property and our CC&R's prohibit spending Association funds on property that does not belong to the Association. Thanks to Randy Luebke, the City has given us a letter stating their intent to either deed us the property back or giving us a permanent easement. (Cameo originally deeded that property to the City about 40 years ago with the idea of saving the Association some maintenance money.)

The Board is also restricted by our CC&R's on how much money it can raise. Dues (known as the Annual Assessment) can only be raised 20% per year and special assessments cannot exceed 10% of the annual operating budget, which this year was about \$165,000. Any expenditure that exceeds these limits has to be approved by a vote of 75% of our homeowners. Since it is near impossible to get 75% of our homeowners to vote, let alone vote in favor, these restrictions have to be lived with when considering repairs and renovations. In addition, any "capital improvements" must be approved by the same homeowner vote. Over the years, numerous Boards and Committees have looked at renovating our entrances and I recall looking at various architects' renderings at past annual meetings. The big roadblock has always been how can we pay for the renovations given the above restrictions. Our legal counsel has grappled with the problem and a concept that is being seriously considered is for the Association to take out a loan for the costs to renovate the entrances and pay for the loan through authorized annual dues increases, as needed. Keep in mind that this is a CONCEPT and no plans for the entrance renovations have been prepared or approved and no estimates of the costs have been obtained. Annual dues increases, if needed, will be determined by the actual costs to renovate the entrances, the bank interest rates charged and the number of years that the loan must be amortized. I would anticipate that those association members who have concerns over possible dues increases will want to share their views with the Board of Directors before this concept becomes an action item.

The Board has asked to have some architects look at ideas but no funds have been authorized at this point. Along these lines the Board has voted at the March Board meeting to raise the annual assessment by the maximum of 20% to \$770 for the coming year in anticipation of expenses to be incurred in renovating the entrances. In retrospect, increases over the past 20 years have averaged less than 5% each year, and this may offer you some assurance that your Board has historically been

**New California Laws That Apply to Homeowners Associations**

Cameo's attorneys have provided the following pertinent information regarding new laws governing homeowners' associations in California. The information is extracted from "Common Interests" a publication of Harle, Janics and Kannen, our association legal advisors.

A bill passed last year by the California legislature made some changes to the Davis-Stirling Common Interest Development Act that will affect Cameo in the years to come. A significant change to the Act is the addition of Sections 1357.100 through 1357.150 to the Act, which provide:

(a) Standards for determining the validity and enforceability of board-adopted "operating" rules. The rules must be:

1. In writing;
2. Adopted pursuant to authority conferred on the board by law, the association's CC&R's, articles of incorporation or bylaws;
3. Not inconsistent with governing law and the association's other governing documents;

(b) A board of directors is required to notify members of a proposed rule change at least thirty days in advance of making the rule change (which must include the text of the proposed rule change and a description of its purpose and effect) unless the rule change is necessary to address an imminent threat to public health or safety or imminent risk of substantial economic loss to the association ("emergency rule change"); *This will apply to any future changes of Cameo's Architectural Guidelines.*

(c) A board's decision on a rule change must be made at a board meeting after consideration of member comments;

(d) A board must deliver notice of the rule change to the members within fifteen days of adoption of the rule change; and

(e) Association members owning five percent or more (16 members in the case of Cameo) of the separate interests in the common interest development are authorized to request a special meeting of members to vote on reversing a rule change, which request must be delivered within thirty days of the date the members were notified of the rule change (rule reversal requires approval of a majority of a quorum, or greater proportion if required by the CC&R's or bylaws). A reversed rule may not be re-adopted for one year after the date of the meeting at which it was reversed. An association's board of directors must deliver notice to the members of the results of a reversal vote within fifteen days after close of voting. The rule reversal provisions do not apply to emergency rule changes.

Sections 1357. 100 through 1357.150 only apply to rule changes commenced (i.e., the board takes its first official action leading to adoption of the rule change) on or after January 1, 2004. *(Our new Architectural Guidelines were changed and approved by the Board in the fall of last year. Legal review, architectural review, changing management companies and publication have delayed the distribution until this month.)*

**2. Community Service Organization Transfer Fees, Stats 2003, Ch. 393 (AB 1086, Laird).**

This bill amends Civil Code Section 1368(c) to prohibit the imposition or collection of transfer fees by an association, community service organization or similar entity. These community service organizations have become popular means in recent years of providing supplemental services.

**3. Signs, Posters, Flags and Banners; Stats 2003 Ch. 774 (AB 1525)**

This bill adds Section 1353.6 to the California Civil Code. New Section 1353.6 provides that an association's governing documents may not prohibit posting or displaying noncommercial signs, posters, flags or banners on or in an owner's separate interest, except as required for protection of public health or safety or if the posting or display would violate a local, state or federal law. Associations can still prohibit noncommercial signs or posters more than nine square feet in size and noncommercial flags or banners more than fifteen square feet in size. *Cameo can still (and does) prohibit commercial signs and banners.*

**4. Contracts for Construction, Janitorial or Security Guard Services, Stats 2003 Ch. 9008 (SB 179, Alarcon)**

This bill adds Labor Code Section 28 10 and significantly impacts contracts entered into for construction, janitorial or security guard services (among other non-applicable services). This new law prohibits, in pertinent part, a person or entity, including community associations, from entering into contracts for construction, janitorial or security guard labor or services, if the person or entity knows or should know that the contract does not include sufficient funds to allow the contractor to comply with all applicable local, state, and federal laws or regulations governing the labor or services to be provided.

Under this law, a rebuttable presumption that no violation has occurred arises if the contract is in writing, in a single document, and contains all of the following provisions:

- (a) The name, address, and telephone number of the person or entity and construction, janitorial or security guard contractor ("Contractor") through which the labor or services are to be provided;
- (b) A description of the labor or services to be provided and a statement of when those services are to be commenced and completed-
- (c) The employer identification number for state tax purposes of the contractor;
- (d) The workers' compensation insurance policy number and the name, address, and telephone number of the Contractor's insurance carrier;
- (e) The vehicle identification number of any vehicle owned by the Contractor and used for transportation in connection with the services provided pursuant to the contract, the vehicle liability insurance policy number that covers the vehicle, and the name, address, and telephone number of the insurance carrier.
- (f) The address of any real property to be used to house workers in connection with the contract;
- (g) The total number of workers to be employed under the contract, the total amount of all wages to be paid, and the date(s) when those wages are to be paid;
- (h) The amount of any commission or other payment made to the Contractor for services under the contract;
- (i) The total number of persons who will be utilized under the contract as independent contractors, along with a list of the current local, state, and federal contractor license identification numbers that the independent contractors are required to have under local, state, or federal laws or regulations; and
- (j) The signature of all parties to the contract and the date on which the contract was signed.

If a person or entity fails to request or obtain from the Contractor any of the information required above, knowledge of that information will be imputed to such person or entity for purposes of this new law.

If a material change to the contract is made, it must be in writing, in a single document, and contain all of the provisions listed above to qualify for the rebuttable presumption that no violation exists.

If, at the time the contract is entered into, the information required above is unknown, the parties are required to include in the contract the best estimate available. In such a situation, the parties have a continuing duty to ascertain the information required and to reduce that information to writing once the information becomes known.

The person or entity entering into such a contract is required to keep a copy of the written contract for at least four years following the termination of the contract (not four years from when the agreement was entered into, but four years after the contract ends).

If an employee is able to successfully prove that he or she was injured as a result of a violation of this law, the aggrieved employee is entitled to damages, injunctive relief, and/or recovery of reasonable attorney's fees and costs.

Although compliance with this new law is onerous, once contractors are familiar with the law, they should be agreeable to providing the requisite information so that it can be inserted into the contract. We (Harle, Janics and Kannen) recommend providing the contractor with a form for the contractor to complete the requisite information, which form can then be attached to the contract as an exhibit and incorporated therein.

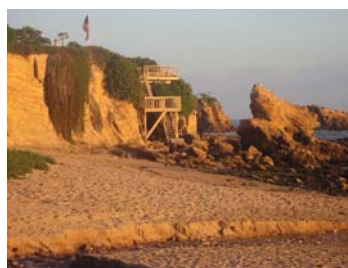
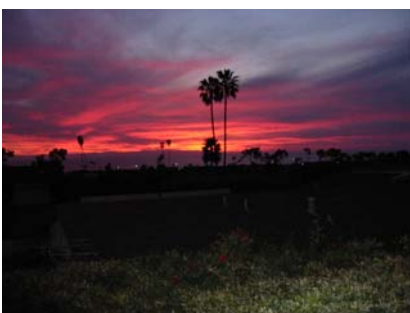
*This will impact Cameo for the PCH Wall contract, Summer Security Contract and Landscaping Contract as well as Beach Clean-up contracts.*



## **EASTER EGG HUNT GETS UNDERWAY**

Thanks to all who participated in the Annual Easter Egg Hunt the day on Easter Saturday. Much thanks to Melissa Frojen and others who helped set up the gathering.

You can tell by the anticipation on the children's faces that it was a fun day!



## MEET YOUR BOARD

We continue to feature our biography of Board members. This month we focus on Stacy Krajna who will be leaving the Board after three years. We wish to thank Stacy for her continued interest in making Cameo a better place to live.

Stacy grew up in Red Wing, Minnesota. She attended SUNY-Binghamton University and received her MBA from Yale University. Upon graduation from Yale University, Stacy joined Goldman, Sachs & Co. in New York City where she was a municipal finance investment banker. Her other professional experience includes municipal and corporate bond sales. In January of 2000, Stacy and her husband moved from NYC to Cameo Shores where they share a home with their three miniature wire-haired dachshunds and their green-cheeked conure, *Atlas*. Stacy enjoys recreational tennis, camping, the family wine cellar and her 250 KTM dirt bike.

Within the Newport Beach community, Stacy has been active serving in the American Cancer Society through its Cattle Baron's League, the Pacific Coast Credit Union as a Director and the Cameo Community Association as Director for 3 years.

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## CAMEO'S PARKWAY TREES

Some have asked how they can attend to trees on their parkways. First off, the city has long employed an "Urban Forrester" who attends to the requirements of the city's 31,000 trees. The Urban Forrester has inspected every tree in the city and has marked the location of each by Global Positioning Satellite. The Urban Forrester has also produced an official tree list for each street in Cameo.

<b>Street</b>	<b>Botanical Name</b>	<b>Common Name</b>
Brighton Road	Bauhinia Blakena	Hong Kong Orchid
Camden Drive	Eriobotrya Deflexa	Bronze Loquat
Cameo Highlands Drive	Lagerstroemia Indicia	Crape Myrtle
Cameo Shores Road	Lagerstroemia Indicia	Crape Myrtle
Cortland Drive	Magnolia g. 'Little Gem'	Little Gem Magnolia
Dorchester Road	Eriobotrya Deflexa	Bronze Loquat
Fairfield Drive	Eriobotrya Deflexa	Bronze Loquat
Garrett Drive	Lagerstroemia Indicia	Crape Myrtle
Gorham Drive	Magnolia g. 'Little Gem'	Little Gem Magnolia
Hampden Road	Eriobotrya Deflexa	Bronze Loquat
Milford Place	Magnolia g. 'Samuel Summer'	Southern Magnolia
Orrington Road	Bauhinia Blakena	Hong Kong Orchid
Perham Road	Chionanthus Retusus	Chinese Fringe Tree
Rockford Place	Magnolia g. 'Little Gem'	Little Gem Magnolia
Rockford Road	Magnolia g. 'Little Gem'	Little Gem Magnolia
Roxbury Road	Chionanthus Retusus	Chinese Fringe Tree
Surrey Drive	Bauhinia Blakena	Hong Kong Orchid
Tremont Lane	Lagerstroemia Indicia	Crape Myrtle
Wayne Road	Chionanthus Retusus	Chinese Fringe Tree

If you have any questions regarding your parkway trees, you may call Mr. John Conway, Urban Forrester at 949-644-2083 or email him at [jconway@city.newport-beach.ca.us](mailto:jconway@city.newport-beach.ca.us)

responsible when adopting dues increases.

### CITY TREES

Well over a year ago a group calling itself The Balboa Arbor Society sued the City of Newport Beach over the removal of City trees in Balboa. As part of the settlement of that suit, the City agreed to review the City policy on trees, known as the G-1 Policy. From that point on, the City has refused to trim the City trees in Cameo to our previous height requirements for view protection until the G-1 policy was revised. A sub-committee of the Parks Beaches and Recreation Commission held public meetings and discussed changes to the G-1 Policy over many months. Several members of our association (Tess Lier and Kathy Young) attended all the PB&R meetings and provided suggested changes and wording to benefit Cameo. I spoke at the final Commission meeting as the Cameo representative and endorsed the proposed new policy. The new G-1 policy was forwarded to the City Council last fall for Council approval. At that point, the Balboa Arbor Society again threatened to sue the City unless an Environmental Impact Report was done on the new G-1 policy. The new policy was then taken off the City Council agenda until the City Attorney had studied the issue. Last month, the City Attorney decided that an EIR was not required and he will issue a Negative Declaration. The revised G-1 policy was approved by the City Council April 27.

What this all means to Cameo is that the new G-1 Policy will allow Cameo to request City trees be trimmed to roof height and in those cases where the tree cannot be trimmed any more, Cameo can pay to have the old tree removed and replaced with a new approved City tree. Under the old rules, the City was charging \$500 for removal and \$750 for a replacement 36-inch box tree. Under the new rules, the City can use a 24-inch box tree, costing \$250. Along those lines, the Cameo Board has approved a new line item for the upcoming budget that will allow us to remove and replace up to 20 City trees a year.

### LOCAL COASTAL PLAN (LCP)

The California Coastal Commission requires cities located in the coastal zone of California to have an approved (by the Coastal Commission) plan in place to govern development and public access within their boundaries. Newport Beach has no such plan in place and is currently being fined by the Coastal Commission until an approved plan is submitted. The City Planning Commission is holding public hearings on the draft of the new Newport Beach LCP. Cameo has three residents on the Planning Commission, Board Member Jeff Cole, Mr. Kiser and Mr. Selich. There was some concern that one of the sections of the draft LCP would permanently preclude Cameo from ever gating the community. (Since this would require a 75% vote of homeowners, gating the community is not very likely in the foreseeable future.) In the opinion of our attorney, the proposed wording of this section does not preclude gating but I appeared before the Planning Commission and requested that they change the wording of that particular section to clarify the meaning. Our suggested wording was approved by the Planning Commission at their April meeting. Our beach access walkways are easements that were granted to the Association by the property owner at the time, The Irvine Company. Over the years, some ocean front residents were required by the Coastal Commission to grant additional easements in exchange for a building permit. Court rulings on this subject seem to indicate that such behavior from the Coastal Commission is no longer permitted but the older easements are still valid until they expire or are taken over by an entity that will maintain and provide insurance. The Board is having our attorney review the recorded easements and prepare a legal opinion as to the status of our private beaches in relation to the draft LCP and Coastal Commission policies but we don't expect to have an answer before the annual meeting.

### COMMUNITY INVOLVEMENT

In closing, I want to express my sincere appreciation to those Cameo residents that have contributed their time and expertise to the Association in the last year. Board Directors Stacy Krajna and Sandi Luebke will be leaving the Board with me in May and have put in three years of time and effort that has been deeply appreciated. Barbara Plimpton, Kevin Leonard, Henry Durkee, Bill Caskey, Greg Chila and Jeff Cole have contributed their time, energy and new ideas. Thank you. The Architectural Committee of Steve Zotovitch, John Frojen, Leon Skeie, Doretta Ensign, Linda Goodman and Bill Robbins has done a fantastic job. Our Long Range Planning Committee with Randy Luebke and Bev White has finally got the PCH renovation within grasp. The Social Committee with Jackie Herr and Melissa Frojen has put together some great events over the last year. A special thanks goes to our "phantom" *Tidelines* editor who has badgered us constantly to meet deadlines and get us moving on our new web site. Without his nudging the *Tidelines* would probably come out only twice a year! Greg Chila who prints the *Tidelines* and Chas Plimpton who is our delivery "newsboy" also deserve special thanks.

**Continued - See President's Corner on Page 4**

## REAL ESTATE UPDATE

(As reported to Multiple Listing service)

Thanks to Bev White, Shores Resident & Agent

### PROPERTIES ACTIVELY LISTED AS OF APRIL 2004

607 Rockford Road	\$1,299,000
4614 Cortland Drive	\$1,799,000
4639 Orrington Road	\$2,750,000
4545 Gorham Drive	\$4,495,000

### PROPERTIES IN ESCROW

525 Rockford Road	\$1,299,000
4624 Dorchester Road	\$1,299,000
4633 Roxbury Road	\$2,750,000

### PROPERTIES SOLD SINCE NOVEMBER, 2003 (last six month's comparables)

4626 Cortland Drive	\$1,237,500
4721 Cortland Drive	\$1,306,000

Cameo Community Association  
Villageway Management  
22 Mauchly  
Irvine, CA 92618  
949-450-1515  
Gary Ross, Cameo Representative  
ross@villageway.com

Rules and Regulations

Are the Result of the

Failure of Courtesy &

Common Sense

## Crime Report

There were two recent residential burglaries one in the Highlands and one in the Shores. Both homes were adjacent to a home under construction. A pattern is falling in place with regard to burglaries—vehicle and/or residence: in almost every case, in very near proximity, is a home being remodeled.

We must be vigilant at all times. If you see suspicious activity, report it to the Newport Beach Police at 644-3711.

Questions? Comments? Write us at:

[Cameohoa@adelphia.net](mailto:Cameohoa@adelphia.net)

## BOARD OF DIRECTORS 2003-2004

Bill Caskey, Highlands—1st Year

Greg Chila, Shores—1st Year

Jeff Cole, Shores—1st Year

Henry Durkee, Highlands—2nd Year

Stacy Krajna, Shores—3rd Year

Kevin Leonard, Shores—2nd Year

John Lindgren, Highlands—3rd Year

Sandi Luebke, Shores—3rd Year

Barbara Plimpton, Shores—2nd Year

### OFFICERS

John Lindgren, President  
949-721-1475

Barbara Plimpton Vice President

Jeff Calentino, Treasurer

Stacy Krajna, Secretary

## President's Report - Con't

Our Board meetings are open to all homeowners and are held on the 4<sup>th</sup> Tuesday of each month at 6PM at the Colony in Fashion Island. The first item on every agenda is "Homeowner Forum". In the 10 meetings since I was elected President, we have had a total of seven homeowners attend Board meetings. Of these, five were related to view complaints. Granted that our meetings are not exactly Dr. Phil stuff but your opinions are appreciated.

### NEW BOARD MEMBERS

As of this writing we have four candidates for the three open Board positions. Jeff Calentino, Joel Mascitelli, Steve Kray and Walter Wallach. You will have received via mail your ballot materials and other required items that contains a brief bio of each candidate by the time you get this edition of the Tidelines.

You will also receive a new version of the Architectural Guidelines that was approved by the Board last year that includes some minor revisions and corrections. Please discard your old (2000 edition) to avoid confusion.