



Instructions

1. Please print, read and complete the following agreement.
2. Mail your signed agreement to the following address:

Union Bank of California
HOA Remittance Processing N01-622
460 Hegenberger Road
Oakland CA 94621



ELECTRONIC ASSESSMENT PROCESSING AGREEMENT

Homeowners Association Remittance Processing

This Agreement is entered into between Union Bank of California, N.A. (Bank) and the association named below ("Association") for the purpose of specifying the terms and conditions under which the Bank will originate electronic funds transfers on behalf of the Association through the Automated Clearing House System and/or Bank.

1. COMMENCEMENT AND TERMINATION. This Agreement shall be in effect from the date of execution and may be canceled thereafter on thirty (30) days' prior written notice by either party. Bank, at its sole option, may discontinue providing the services described herein immediately upon notice to the Association if (a) Association breaches any of the terms of this Agreement or any other agreement with Bank, including but not limited to agreements involving the extension of credit; (b) any bankruptcy, reorganization, insolvency, dissolution or similar proceeding is initiated with respect to Association; (c) Association fails generally to pay its debts as they become due; (d) any material adverse change occurs in Association's financial condition or ability to perform its obligations under this Agreement; or (e) Association at any time fails to maintain sufficient collected funds in its designated account or accounts ("Account(s)") to adequately cover the amount of Entries made or charged back and other costs as may apply. Cancellation and discontinuance of services shall not affect either party's obligations with respect to services previously performed.

2. DEFINITIONS. As used herein, "NACHA" means the National Automated Clearing House Association; "Credit Entries" mean requests on or through prescribed media and format, for the transfer of funds to the accounts of depositors at Bank or other financial institutions; "Debit Entries" mean requests, on or through prescribed media and format, for the withdrawal of funds from the accounts of depositors at Bank or other financial institutions; "Entries" mean Credit Entries and Debit Entries. All parties acknowledge that the services provided hereunder are subject to the operating rules of NACHA ("Operating Rules") and agree to be bound by the Operating Rules, acknowledge that such rules are subject to change from time to time, and acknowledge that Entries will not be initiated that violate the laws of the United States. Association also acknowledges receipt of notice that credit given by a financial institution to a Receiver with respect to a Credit Entry subject to Article 4A of the Uniform Commercial Code as enacted in an applicable state is provisional until that financial institution has received final settlement therefor. Collected funds as used in this Agreement shall mean cash or funds representing deposits held by the Bank for which final settlement has been received.

3. ENTRIES, LIMITS, FINANCIAL REVIEW. Bank shall at all times reserve the right to designate or terminate the type of Entries Bank will process for Association, and Bank may establish from time to time such Credit Entry and/or Debit Entry limits as Bank in its sole discretion deems advisable to protect Bank from risk. Association is subject to satisfactory financial review by Bank from time to time, as required by the type of service provided. Association shall upon Bank's request provide Bank with information and assistance as Bank may reasonably require to perform any such evaluation.

4. INITIATING THE DEBIT PROCESS. Homeowner or resident must furnish Bank with a completed and signed Authorization Agreement for Preauthorized Payments to pay Association assessments through a Debit Entry to the homeowner's or resident's account. Homeowner or resident must provide a pre-printed, voided check designating the account subject to Entries. The parties understand and agree that Bank is acting on behalf of the Association and upon the Association's express instructions in processing Entries and that Bank is not replacing Association as originator of the Entries. Bank is not responsible for verifying the accuracy of information provided to Bank by the Association or its agents.

5. AVAILABILITY OF FUNDS; CHARGEBACKS. Bank shall not be obligated to make the amount of any Entry originated pursuant to this Agreement available for withdrawal by Association before such amount constitutes collected funds in the Account(s). Whether or not constituting collected funds, the amount credited to the Account(s) may be charged back to and recovered from Association if Bank does not receive final settlement for the Entry, the Entry is returned, an adjustment Entry is received by Bank pursuant to the Operating Rules, or the Entry violates any representation or warranty set forth in Section 7.

6. PROCESSING SCHEDULE. Parties understand that to add, change or delete services for particular homeowners or residents, information received by the Bank prior to the 10th day of the month will be processed for execution the following month. Additions, changes and deletions received after the 10th day of the month will be delayed an additional month. Subject to Bank's right to reject Entries as provided in this Agreement, and except when prevented from doing so by communications failures, accidents, strikes, fire, flood, war, riot, electrical or mechanical failure, acts of God, or any cause or causes which are unavoidable or beyond its reasonable control, Bank shall process Entries on, or about, the 8th day of the month.

7. REPRESENTATIONS AND WARRANTIES. Association represents and warrants with respect to each Entry Bank initiates for Association that on its Effective Entry Date, on the date it is originated, and on the date Bank credits or debits the Account(s) for the Entry: (a) Each Receiver has authorized the crediting or debiting of its account in the amount of such Entry and such authorization is fully operative; (b) Each Debit Entry is for an amount agreed to by the Receiver or a correction of a previously transmitted Credit Entry; (c) Association has received no notice of cancellation of the Receiver's authorization; and (d) Each Entry and authorization is in all respects in compliance with the Operating Rules, including without limitation the warranty provisions of the Operating Rules applicable to Bank as an originating institution, whether the Receiver's account is maintained by Bank or another financial institution. Association agrees to indemnify Bank for any losses, liabilities, costs or expenses, including but not limited to reasonable attorneys' fees and costs, Bank suffers or incurs as a result of any breach of these representations and warranties.

8. LIMITATION OF LIABILITY. Bank shall not be liable for the errors, acts, or failures of other persons or entities, including but not limited to banks, communications carriers, or clearing houses, through which Entries may be originated, received, or transmitted, and no such person or entity shall be

deemed Bank's agent. Bank shall not be liable to Association for any special, consequential, indirect, or punitive damages, whether or not Bank knew or should have known the likelihood of these damages. Except as otherwise required by the California Commercial Code, Bank's liability for the acts or failure to act of itself or its employees shall be limited to actual damages in an amount not exceeding the aggregate charges for these services for the one (1) month immediately preceding the act or failure.

9. NOTIFICATION OF ERRORS/UNAUTHORIZED ENTRIES. Entries processed by Bank will be reflected on Association's periodic statement issued by Bank. Association agrees to notify Bank promptly of any erroneous or unauthorized Entries shown on any such periodic statement or report provided by Bank, but in no case later than 14 days following receipt of the periodic statement or report containing such information. If Association fails to give such notice, Bank shall not be liable for losses which Bank could have avoided had Association provided prompt notice of the errors or unauthorized Entries, nor for interest on any amount to be refunded by Bank. If Association fails to notify Bank of any such error or discrepancy within one hundred twenty (120) calendar days following the day Bank first mails or otherwise makes available applicable notices, statements or reports, Association shall be precluded from asserting such discrepancy or claim against Bank.

10. MODIFICATIONS. Bank may make, by written notice to Association, such modifications, changes or revisions to this Agreement as it may from time to time deem appropriate. Association's continued use of electronic assessment processing services following such notification and/or modifications will be deemed acceptance of the modifications, changes or revisions.

11. RECORD KEEPING. Bank and Association shall each maintain records of Entries for at least six (6) years from the date the Entry was originated, and Bank will maintain the homeowner or resident Authorized Agreement for Preauthorized Payments forms for a minimum of two years following termination or revocation of the authorization. Association will, at its expense, provide Bank with reasonable assistance in locating specific records and shall at Bank's request deliver originals or copies of records to Bank.

12. FEES. Bank's fees are set forth in the Fee Schedule provided to Association. Association agrees to pay said fees and charges. Association also agrees to pay on demand such additional fees charged by Bank, at its standard rates, for the performance of services which are in addition to those normally undertaken by Bank and which result from Association's failure to provide timely and accurate data to Bank. Bank reserves the right to review and change its fees for the services provided. If the Bank elects to increase any of its fees for the services covered by the Agreement, Bank will notify Association in writing at least thirty (30) days prior to such change takes place.

13. CANCELLATION AND AMENDMENT OF ENTRIES. Bank shall use reasonable efforts to act on requests by Association or homeowner or resident to cancel or amend Entries prior to processing, or in the case of an on-us Entry, prior to crediting the Receiver's account. Bank shall have no liability if such cancellation or amendment is not effected.

14. INCONSISTENT NAME AND ACCOUNT NUMBER. Association understands that if an Entry describes the Receiver inconsistently by name and account number, payment of the Entry transmitted by Bank may be made to the Receiving Depository Financial Institution ("RDFI") (or by the Bank in the case of an on-us entry) on the basis of the account number even if it identifies a person or entity different from the named Receiver, and that Association's obligation with respect to the Entry is not excused in such circumstances.

15. ARBITRATION. Any controversy arising out of this Agreement or the ACH Services shall be referred to arbitration before the American Arbitration Association, in accordance with its Commercial Arbitration Rules. The board of arbitrators shall convene at a place mutually agreed upon by the parties. If that place cannot be agreed upon, arbitration shall be conducted in Los Angeles or San Francisco, California (whichever is closest to Association's branch of account). Parties agree that: (a) pursuant to California Code of Civil Procedure section 1283.1, each party to the arbitration will have the discovery rights described in Code of Civil Procedure section 1283.05, as amended from time to time; (b) Parties will be bound by the decision of the board of arbitrators; (c) judgment upon an arbitration award may be entered by any court of competent jurisdiction; and (d) Parties will submit to the jurisdiction of California. BY ENTERING INTO THIS AGREEMENT, PARTIES WAIVE ANY RIGHT TO TRIAL BY JURY in connection with this Agreement and the Services. This provision shall not limit or constrain Bank's right of setoff or to obtain provisional or ancillary remedies such as injunctive relief.

16. NO ASSIGNMENTS. Association may not assign any right or delegate any obligation under this Agreement without Bank's prior written consent.

17. MISCELLANEOUS. Unless otherwise agreed, notices required by this Agreement must be in writing. Notices to Association may be mailed or delivered at the statement or mailing address shown for Association on Bank's deposit or service records. Unless otherwise indicated (e.g., in an Addendum), notices to Bank must be delivered or mailed to the Bank at the Association's branch of account. This Agreement shall be governed by and construed in accordance with California law without reference to California's conflict of law provisions. Association agrees on behalf of itself, its employees and agents that Bank may monitor and record telephone conversations in connection with these services at any time without further notice to Association or any party to the conversation.

DATE

ASSOCIATION

PRINTED NAME	SIGNATURE x	TITLE
PRINTED NAME	SIGNATURE x	TITLE

MANAGEMENT COMPANY , As Agent for the Association(s) listed above, or as listed on Exhibit A, as may be amended from time to time
--

PRINTED NAME	SIGNATURE x	TITLE
PRINTED NAME	SIGNATURE x	TITLE

UNION BANK OF CALIFORNIA, N.A.

PRINTED NAME	SIGNATURE x	TITLE
PRINTED NAME	SIGNATURE x	TITLE

ASSOCIATION CERTIFICATION

I hereby certify that the Board of Directors of _____ ("Association") at a meeting duly called and held on _____, adopted resolutions that authorize the Association to: (a) Enter into the foregoing Electronic Assessment Processing Agreement ("Agreement") with Union Bank of California, N.A. and (b) Delegate to each of the authorizing officers signing this Agreement the authority to designate, from time to time, the persons to provide information and instructions to Union Bank of California regarding electronic assessment processing. I also hereby certify that _____ or _____, the _____ and _____, respectively, of the Association, are each authorized to execute this Agreement for and on behalf of Association.

PRINTED NAME OF SECRETARY	SIGNATURE x	DATE
---------------------------	-----------------------	------

MANAGEMENT COMPANY CERTIFICATION

I hereby certify that the Board of Directors of _____ ("Management Company") at a meeting duly called and held on _____, adopted resolutions that authorize the Management Company to: (a) Enter into the foregoing Electronic Assessment Processing Agreement "Agreement") with Union Bank of California, N.A. on behalf of the named Associations, and (b) Delegate to each of the authorizing officers signing this Agreement the authority to designate, from time to time, the persons to provide information and instructions to Union Bank of California regarding electronic assessment processing. I also hereby certify that _____ or _____, the _____ and _____, respectively, of the Management Company, are each authorized to execute this Agreement for and on behalf of Association(s).

PRINTED NAME OF SECRETARY	SIGNATURE x	DATE
---------------------------	-----------------------	------