



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



SERVICE AGREEMENT

Homeowners Association Remittance Processing

This Agreement is for the purpose of specifying the responsibilities of Union Bank of California, N.A. (Bank) and the undersigned association ("Association") with respect to the Bank performing assessment processing services on behalf of the Association as described below ("Services").

REMITTANCE PROCESSING SERVICES. Association will direct residents, unit owners, homeowners, renters or lessees (collectively, "Residents") to forward assessment payments for Bank retrieval, processing, and deposit to Association's account ("Account") at Bank. Unless otherwise agreed in writing, payments will be mailed to a Bank designated U.S. Postal Service box, from which Bank will collect mail each Bank business day. Bank will open mail, endorse checks and other negotiable items ("Items"), and prepare Items for deposit to the Account. Unless otherwise agreed in writing, payment envelopes will be destroyed by Bank immediately following processing and coupons will be retained for fifteen calendar days and destroyed.

HOLD SERVICE. Bank shall act upon Association's request to return to Association an assessment payment without processing it for deposit to the Account. Bank shall use reasonable efforts to act on such a request received from Association but shall have no liability if such hold is not effected.

INFORMATION SERVICES. The Bank provides various reporting services including daily activity paper reports (available on a daily, weekly or monthly basis), custom reports, monthly holds reports, and electronic downloading of payment files via the Bank's Bulletin Board Service.

1. SERVICE ACKNOWLEDGEMENTS AND SERVICE ISSUES.

All parties acknowledge that (a) mail availability for Bank processing is subject to delay or non-delivery due to postal service delays, weather conditions, road closures and other events beyond the reasonable control of Bank; (b) cash remittances cause additional security issues and processing by Bank, are discouraged by Bank and subject to additional Bank processing fees; (c) for non-Bank supplied supply items; e.g., payment reply envelopes, Association will adhere to Bank's standards and obtain prior Bank approval of the items; (d) Association will notify Bank thirty (30) days in advance of any change in Customer's remittance statements and/or mailing schedules; and (e) crediting and collection of deposited items will be handled under the terms and conditions set forth in the Bank's All About Business Checking brochure which are subject to change, from time to time.

2. TERMINATION. This Agreement may be canceled upon 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 agreement with Bank, (b) Association becomes insolvent or the subject of a bankruptcy or dissolution proceeding, or (c) Association at any time fails to maintain sufficient collected funds in its designated Account(s) to adequately cover the amount of deposit adjustments, returned Items, or Bank fees. Termination shall not affect either party's obligations with respect to services previously performed.

3. LIMITATION OF LIABILITY. Bank will not be responsible for any loss, delay, cost or liability which arises, directly or indirectly, in whole or in part, from: (a) Association's actions or omissions, or those of third parties which are not within Bank's immediate and reasonable control; (b) Association's negligence or breach of any agreement with Bank; (c) any ambiguity, inaccuracy or omission in any instruction or information provided to Bank; (d) any error, failure or delay in the transmission, transportation of, or delivery of data, records, documents or items due to a breakdown in any computer or communications facility; (e) accidents, strikes or labor disputes, civil unrest, fire, flood, water damage (e.g., from fire suppression systems), or acts of God; (f) causes beyond Bank's reasonable control, except for losses caused by the Bank's gross negligence, or willful misconduct. Bank's liability for any loss, cost or liability arising from the Bank's acts or omissions shall not exceed the service fees for the month immediately preceding the date of loss. 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.

Association acknowledges that Bank's fees have been established in contemplation of the above limitations on liability and on Association's agreement to review statements and notices promptly and to notify Bank immediately of any discrepancies or problems. Any claim, action or proceeding to enforce the terms of this Agreement or to recover for any Service-related loss must be commenced within one year from the date that the event giving rise to the claim, action or proceeding first occurs.

4. INFORMATION PROCESSING AND REPORTING. Bank offers a number of services which require receiving, processing and reporting information involving Accounts, assessments, payments, and Items. Bank will not be responsible for determining the accuracy or completeness of information which Association provides to Bank. Association acknowledges that it is not possible for Services to be totally free from operator, programming or equipment error, and that errors in processing and compiling data may occasionally occur. Association agrees to review and verify all results and to maintain adequate controls for insuring both the accuracy of information and the detection of errors. Bank's sole responsibility for reporting errors caused by Bank will be to reprocess the information for the period in

question and to submit corrected reports at Bank's expense. Association agrees to maintain adequate backup files of all submitted data for a reasonable period of time in order to facilitate any needed reconstruction of transactions.

5. NOTIFICATION OF ERRORS. Transaction posted to an Account will be reflected on Association's periodic statement issued by Bank. Association agrees to notify Bank promptly of any erroneous or unauthorized transactions shown on any such periodic statement or report provided by Bank, but in no case later than 30 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. 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.

6. 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. If the Bank elects to increase any of its fees for the Services covered by this Agreement, Bank will notify Association in writing at least thirty (30) days prior to such change taking place.

7. ARBITRATION. Any controversy arising out of this Agreement or the 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.

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

9. 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 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) named 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 Service 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 remittance 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
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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 Service Agreement ("Agreement") with Union Bank of California, N.A. on behalf of the named Association(s), 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 remittance 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 the named Association(s).

PRINTED NAME OF SECRETARY	SIGNATURE x	DATE
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