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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN DIEGO

THE VILLAS OF CALAVERA HILLS
HOMEOWNERS ASSOCIATION, a California
nonprofit mutual benefit corporation,

Plaintiff,

v.

KEYSTONE PACIFIC PROPERTY
MANAGEMENT, LLC, a Delaware limited
liability company;

CARY TREFF, an individual;

AMY BERGEN, an individual;

CAMPBELL MANAGEMENT, INC., a
California corporation formerly known as Curtis
Management Company;

PATRICK CAMPBELL, an individual; and

DOES 1 through 100, inclusive,

Defendants.

Case No.:

VERIFIED COMPLAINT FOR:

1. BREACH OF CONTRACT;

2. BREACH OF THE IMPLIED
COVENANT OF GOOD FAITH AND
FAIR DEALING;

3. NEGLIGENCE;

4. BREACH OF FIDUCIARY DUTY;

5. PROMISSORY ESTOPPEL; AND

6. DECLARATORY RELIEF.

Unlimited Civil Case; Amount Demanded
Exceeds \$35,000.

JURY TRIAL DEMANDED

[IMAGED FILE]

1 Plaintiff The Villas of Calavera Hills Homeowners Association hereby alleges as follows:

2 **PARTIES**

3 1. Plaintiff **THE VILLAS OF CALAVERA HILLS HOMEOWNERS**
4 **ASSOCIATION** (“**Association**”) is a California nonprofit mutual benefit corporation formed to
5 manage a 222-unit residential common interest development condominium project under the Davis-
6 Stirling Common Interest Development Act (California Civil Code section 4000, *et seq.*). The
7 Association’s California Secretary of State Entity Number is C1252828. From at least on or about
8 May 27, 2020 through October 22, 2024, inclusive, the Association’s business/corporate office
9 registered with the Secretary of State was 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008.
10 From at least on or about May 27, 2020 through August 14, 2025, inclusive, the Association’s onsite
11 office registered with the Secretary of State was 5050 Avenida Encinas, Suite 160, Carlsbad, CA
12 92008. From on or about July 25, 2024 through October 22, 2024, inclusive, the Association’s
13 principal office and mailing address registered with the Secretary of State was 5050 Avenida Encinas,
14 Suite 160, Carlsbad, CA 92008. From on or about October 23, 2024 to August 14, 2025, inclusive,
15 the Association’s business/corporate office, principal office, and mailing address registered with the
16 Secretary of State was 240 Commerce Suite 200, Irvine, CA 92602.

17 2. Defendant **KEYSTONE PACIFIC PROPERTY MANAGEMENT, LLC**
18 (“**Keystone**”) is a Delaware limited liability company (Delaware File No. 6152830) registered to do
19 business in California as of November 15, 2016 with the California Secretary of State as a Foreign
20 Limited Liability Company with Secretary of State Entity No. 201632710176. Per the Internet
21 Archive’s Wayback Machine, Keystone’s “Contact” page on its website on or about May 26, 2024
22 shows Keystone maintaining an office address at “Formerly Curtis Management Company, 5050
23 Avenida Encinas Suite 160, Carlsbad, CA 92008... Email: infocarlsbad@keystonepacific.com.” See
24 <https://web.archive.org/web/20240526142715/https://www.kppm.com/contact/>. As of this filing,
25 Keystone’s “Contact” page on its website shows it maintaining a “San Diego Office” at “5050
26 Avenida Encinas, Suite 160 Carlsbad, CA 92008”. <https://www.kppm.com/contact-2/>. Per the
27 Internet Archive’s Wayback Machine, Keystone’s “Contact” page on its website on or about June 1,
28 2024 shows Keystone’s “Corporate Office” address as 240 Commerce Drive, Suite 200”. See

1 <https://web.archive.org/web/20240601200057/https://www.kppm.com/contact/>. As of or about
2 December 10, 2024, Keystone’s registered principal office and mailing office with the Secretary of
3 State was 240 Commerce, Suite 200, Irvine, CA 92602. From on or about October 23, 2024 through
4 August 14, 2025, inclusive, Keystone was the Association’s registered Managing Agent with the
5 Secretary of State at the address 240 Commerce, Suite 200, Irvine, CA 92602.

6 3. Defendant **CARY TREFF** (“Cary”) is an individual and was the Association’s
7 registered Managing Agent with the Secretary of State from on or about July 25, 2024 through
8 October 22, 2024, inclusive, at the address 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008.
9 On information and belief, Cary is a resident of Orange County, California.

10 4. Defendant **AMY BERGEN** (“Amy”) is an individual and also was a managing agent
11 for the Association. On information and belief, Amy is a resident of San Diego County, California.

12 5. Defendant **CAMPBELL MANAGEMENT, INC.** (“Campbell Management” or
13 “Curtis”) is a California corporation with Entity Number 1119926. From its initial registration with
14 the Secretary of State on or about August 10, 1982 by the filing of Articles of Incorporation, the
15 registered name for this Defendant was Curtis Management Company. On or about February 21,
16 2023, Campbell Management filed a Certificate of Amendment of Articles of Incorporation (Name
17 Change Only) with the Secretary of State to change its name from “Curtis Management Company”
18 to “Campbell Management, Inc.”. From at least on or about March 2, 2023 through May 4, 2024,
19 inclusive, the registered principal office and mailing address for Campbell Management with the
20 Secretary of State was 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008. From at least on or
21 about March 2, 2023 to present, the 5050 Avenida Encinas address was Patrick Campbell’s registered
22 officer address with the Secretary of State.

23 6. Defendant **PATRICK CAMPBELL** (“Patrick”) is an individual and was the
24 Association’s registered Managing Agent with the Secretary of State from at least on or about May
25 27, 2020 through July 24, 2024, inclusive, at the address 5050 Avenida Encinas, Suite 160, Carlsbad,
26 CA 92008. On information and belief, Patrick is a resident of San Diego County, California.

27 7. Plaintiff is ignorant of the true names and capacities of the defendants sued herein as
28 DOES 1 through 100, inclusive, and therefore sues these defendants by fictitious names. Plaintiff will

1 amend this Complaint to allege their true names and capacities when ascertained. Plaintiff alleges on
2 information and belief that each of the fictitiously named defendants are responsible in some manner
3 for the acts or omissions alleged in this Complaint, and that Plaintiff's injuries and damages were
4 proximately caused by the acts or omissions of these defendants.

5 8. Plaintiff is informed and believes, and thereon alleges, that each defendant, including
6 the DOE defendants, was, and is, the co-conspirator, agent, employee, servant, subsidiary, partner,
7 member, principal, joint venturer, associate, and/or representative of one or more of the other
8 defendants and that, at all times mentioned herein, each and every defendant was acting within the
9 course and scope of such conspiracy, agency, employment, service, subsidiary relationship,
10 partnership, membership, association, joint venture, or representative relationship or with the
11 knowledge and consent of each such other defendant or defendants.

12 9. Plaintiff is informed and believes, and thereon allege, that, at all times relevant to this
13 action, the defendants were alter egos of one another such that there existed a unity of interest and
14 ownership between the defendants that any individuality and separateness, if such individuality and
15 separateness ever existed, between the defendants has ceased and that an adherence to the fiction of
16 the separate existence of each defendant would produce an inequitable result, would permit an abuse
17 of the corporate privilege, and would sanction fraud and promote injustice.

18 **JURISDICTION AND VENUE**

19 10. This Court has jurisdiction of the parties and the subject matter of this action and is
20 the proper venue for this action.

21 **STATEMENT OF FACTS**

22 **A. The Association entered into a Full-Service Management Agreement to manage its 222** 23 **Condos.**

24 11. The Association is responsible for managing 222-unit condominiums ("**222 Condos**")
25 located at the corner of Carlsbad Village Drive and Tamarack Avenue in Carlsbad, California.
26 The 222 Condos are surrounded on three sides by canyons. Below is a 3D view of the 222 Condos
27 from Apple Maps:

28 *[picture follows]*



12. Due to the substantial demands in managing such a large condominium project, Article V Section 1(D) of the Association’s Bylaws permits the Board to “delegate the management of the activities of the Association to any person or persons [or] management company” and Article VII Section 10 permits the Association to “delegate the duties of any of its Officers to committees or employees, including a professional managing agent”.

13. Article V Section 1 of the Bylaws provides that “the Board shall have the power to and be responsible for, the following, in way of explanation, but not limitation ... Insurance Contracts. To contract for and pay premiums for fire, casualty, liability and other insurance and bonds (including indemnity bonds) that may be required or desirable from time to time by the Association.” (emphasis in original).

14. Article V Section 2 of the Bylaws provides that “**Duties of the Association**. In addition to the powers delegated to it by its governing documents, and without limiting their generality, the Association, acting by and through the Board and its agents, has the obligation to

conduct all business affairs of common interest for all Owners and to cause to be performed each of the duties set forth below: ... Insurance. To contract and pay for fire, casualty, liability, fidelity and other insurance adequately insuring the Association and Owners with respect to the Common Area and the affairs of the Association.” (emphasis in original).

15. To that end, on or about March 31, 2015 the Association entered into a “Community Association Full-Service Management Agreement” (“**Management Agreement**”) with Defendant Campbell Management (then named Curtis Management Company) for full-service management of the Association's affairs. Attached hereto and incorporated herein as **Exhibit A** is a true and correct copy of the Management Agreement.

16. Section C.1 of the Management Agreement provided that, “The Agent [i.e., Campbell Management] shall act as Association's exclusive Management Agent, and may perform either in the Agent's or the Association's name, to manage and operate the property under the supervision and direction of the Board of Directors and/or Board President.”

17. Section E.1 of the Management Agreement provided that, “The Agent shall hire in its own name all managerial personnel necessary for the efficient discharge of the duties of the agent hereunder. Compensation for the services of such employees shall be the responsibility of the Agent.”

18. Section E.1 further provided that, “The Agent fully understands that the function of the Association is the operation and management of the common areas and the Agent agrees, notwithstanding the authority given to the Agent in this Agreement, to confer fully and freely with the Directors of the Association in the performance of its duties as herein set forth, and to attend membership or Directors' meetings monthly. It is also understood that the Agent will confer with the Board President between regular Board meetings unless another Director is designated.”

19. Section F.2 provided that, “the Agent, with the prior approval of the Association, is authorized in the name of, or for the account of the Association to enter and negotiate contracts specifically designated by the Association.”

20. Section F.3 provided, “Agent will maintain the administrative and financial records of the Association and will act as the Custodian of Records for all such records. These records will remain the property of the Association.”

21. Section F.5 provided, "Agent will write necessary correspondence to homeowners, residents and service vendors, and will communicate with all necessary parties on required maintenance items. Agent may perform such other duties as are generally within the responsibility of an association management Agent if not specifically excluded from this agreement."

22. Section F.7 provided, "Agent shall attend one meeting of the Board of Directors or general membership every month (not to exceed two (2) hours). Agent will prepare the agenda for each meeting along with accompanying information, and will distribute the meeting information to the Board four (4) to five (5) days in advance of the meeting."

23. Section G.3 provided, "Agent will establish and maintain Association operating funds in a bank of Agent's choice ... with authority to draw thereon for any payments to be made by the Agent to discharge any liabilities or obligations incurred pursuant to this Agreement".

24. Section G.4 provided, "The Agent shall make all disbursements from assessment fees collected for normal recurring expenses as provided in the budget" and **"the Agent shall prepare, sign, and mail checks in timely payment of all ... insurance premiums,** contract fees, minor repairs, supplies and other regularly recurring expenses from the Association's funds." (emphasis added).

25. Section H.2 similarly provided, "Agent shall have the authority to draw on the operating account for any payments which it must make to discharge any liabilities or obligations incurred pursuant to this agreement. From funds collected, Agent will cause to be paid the expenses for the operation of the Association in accordance with the approved budget or as otherwise directed by the Board of Directors."

26. Section I.1 provided, "The Agent at the expense of the Association shall obtain or cause to be obtained the required insurance at all times to be in full force and effect in accordance with the Association's governing documents. Agent at the expense of the Association shall obtain or cause to be obtained any available insurance in addition to that set forth above that may be requested by the Association. **Per Paragraph G.4 of this agreement, the Agent shall be responsible for paying insurance premium from the Association's funds.**" (emphasis added).

27. Section K.1 provided, “Agent shall hire its own personnel necessary for the efficient discharge of the duties of Agent hereunder. Agent spends significant amounts of time and money to hire and train employees for the operation of this and other Associations. **Association derives the benefits of Agent's experience in operating this Association and of such hiring and training procedures.**” (emphasis added).

28. Per Section M.1, the Management Agreement became effective on May 1, 2015 “and shall continue in full force and effect until terminated.”

29. Section Q.1 provided, “This Agreement shall be binding on the parties hereto, their heirs, executors, administrators, successors and assigns.”

30. From on or about May 27, 2020 through October 22, 2024, inclusive, the Association’s business/corporate office registered with the Secretary of State was 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008.

31. From on or about May 27, 2020 through August 14, 2025, inclusive, the Association’s onsite office registered with the Secretary of State was 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008.

32. From on or about July 25, 2024 through October 22, 2024, inclusive, the Association’s principal office and mailing address registered with the Secretary of State was 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008.

B. Background information for Defendant Curtis Management.

33. On information and belief, from at least on or about August 13, 2001 through sometime in March 2024, Defendant Campbell Management’s (formerly Curtis Management) website was www.curtismanagement.com.

34. The Internet Archive’s Wayback Machine shows Defendant Campbell Management’s “About Us” page on its website displaying the following on or about April 5, 2015:

Management Team

Company Board of Directors and Ownership

Patrick S. Campbell, President

Chief Operating Officer

Sheryl Sharp, CMCA, AMS, COO

Company Vice-President

Tina Rozycki, CMCA, Vice-President

See

http://web.archive.org/web/20150405023451/http://www.curtismanagement.com/pages/about_us_new.html.

35. The Internet Archive's Wayback Machine shows Defendant Campbell Management's "Contact Us" page on its website on or about April 6, 2015 displaying as its address "5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008". See http://web.archive.org/web/20150406041633/http://www.curtismanagement.com/pages/contact_us.html.

C. Defendant Patrick Campbell named himself the Managing Agent for the Association.


36. On or about May 27, 2020, Defendant Patrick Campbell executed and filed with the California Secretary of State a "Statement by Common Interest Development Association" for the Association.

37. In that Statement, Patrick noted that the address for the Association was 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008, which was the same registered address used by Defendant Campbell Management as its principal office and mailing address.

38. In that Statement, Patrick also listed *himself* as the Association's Managing Agent:

Association's Managing Agent, If any - Name, street address, and daytime telephone number (The address and telephone number must be different from the address and telephone number of the president of the association. Do not abbreviate the name of the city. Item 6 cannot be a P.O. Box.)					
6. NAME	PATRICK CAMPBELL		PHONE NUMBER	760-643-2200	
STREET ADDRESS		CITY	STATE	ZIP CODE	
5050 AVENIDA ENCINAS, SUITE 160		CARLSBAD	CA	92008	

39. Patrick signed the Statement as the "Agent" for the Association attesting that "The information contained herein is true and correct":

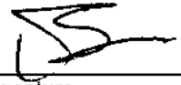
10. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.			
4/17/20	PATRICK CAMPBELL	AGENT	
DATE	TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM	TITLE	SIGNATURE

40. On or about August 18, 2022, Patrick executed and filed with the California Secretary of State a second "Statement by Common Interest Development Association" for the Association.

41. *Again*, Patrick listed *himself* as the Association's Managing Agent at the address 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008:

6. Association's Managing Agent, if any (Name, street address, and daytime telephone number. For Davis-Stirling Associations, the address and telephone number must be different from the address and telephone number of the President of the Association.)			
Name PATRICK CAMPBELL		Telephone Number (760) 643-2200	
Street Address – Do not list a P.O. Box 5050 AVENIDA ENCINAS, SUITE 160	City (no abbreviation) CARLSBAD	State CA	Zip Code 92008

42. And, *again*, Patrick signed the Statement as the "Agent" for the Association and *again* attested that "The information contained herein is true and correct":

The information contained hereing is true and correct.			
8/8/22	PATRICK CAMPBELL	AGENT	
Date	Type or Print Name of Person Completing the Form	Title	Signature

43. Defendant Patrick was the Association's registered Managing Agent at the address 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008 from at least on or about May 27, 2020 through July 24, 2024, inclusive.

D. Keystone's self-described "acquisition" of Defendant Campbell Management.

44. On or about February 9, 2023, Keystone had a press release distributed stating, "California-based Keystone, the premiere Homeowners Association management company in Southern California, has expanded in San Diego by acquiring Curtis Management. Curtis is located in Carlsbad, and was owned by its President, Patrick Campbell, whose mother, Lee Curtis, started the company in 1982. Campbell wanted to ensure his company and its high level of service would be matched or exceeded by the firm buying Curtis.... The acquisition will expand Keystone's portfolio to almost 600 clients in addition to adding twenty new team members.... Currently, [Keystone] manages over 100,000 units in master-planned, condominium, townhome, and single-family home,

mixed-use and commercial common interest developments. Keystone’s clients receive superior community association services and is an Accredited Association Management Company (AAMC) in Southern California, certified through Community Association Institute.” See: <https://www.cbs42.com/business/press-releases/ein-presswire/616133604/keystone-expands-in-san-diego-with-acquisition-of-curtis-management/>.

45. Prior to the acquisition, the Internet Archive’s Wayback Machine shows Keystone’s “Contact” page on its website displaying the following on or about January 20, 2024:

Keystone is growing! We are excited to expand our services to the following area markets:

<p>Keystone Denver Division 2851 S. Parker Road, Suite #840 Aurora, CO 80014 Phone: (303) 369-0800 Email: reconnect@keystonepacific.com</p>	<p>Keystone San Diego Division “Formerly” Pilot Property Management, Inc. 2146 Encinitas Blvd., Suite 102, Encinitas, CA 92024 Phone: (760) 635-1405 Email: infoSD@keystonepacific.com</p>
<p>(Vista Management Associates, Inc.) 8700 Turnpike Drive, Suite 230 Westminster, CO 80031 Phone: (303) 429-2611 Email: info@vistamgmt.com</p>	<p>(Curtis Management Company) 5050 Avenida Encinas, Suite 160 Carlsbad, CA 92008 Phone: (760) 643-2200 Email: infocarlsbad@keystonepacific.com</p>

See <https://web.archive.org/web/20240120190135/https://www.kppm.com/contact/>.

46. On or about February 21, 2023, Campbell Management filed a Certificate of Amendment of Articles of Incorporation (Name Change Only) with the Secretary of State to change its name from “Curtis Management Company” to “Campbell Management, Inc.”

47. On or about March 2, 2023, Campbell Management filed a Statement of Information with the Secretary of State listing 5050 Avenida Encinas Suite 160, Carlsbad, CA 92008 as its principal office and mailing address.

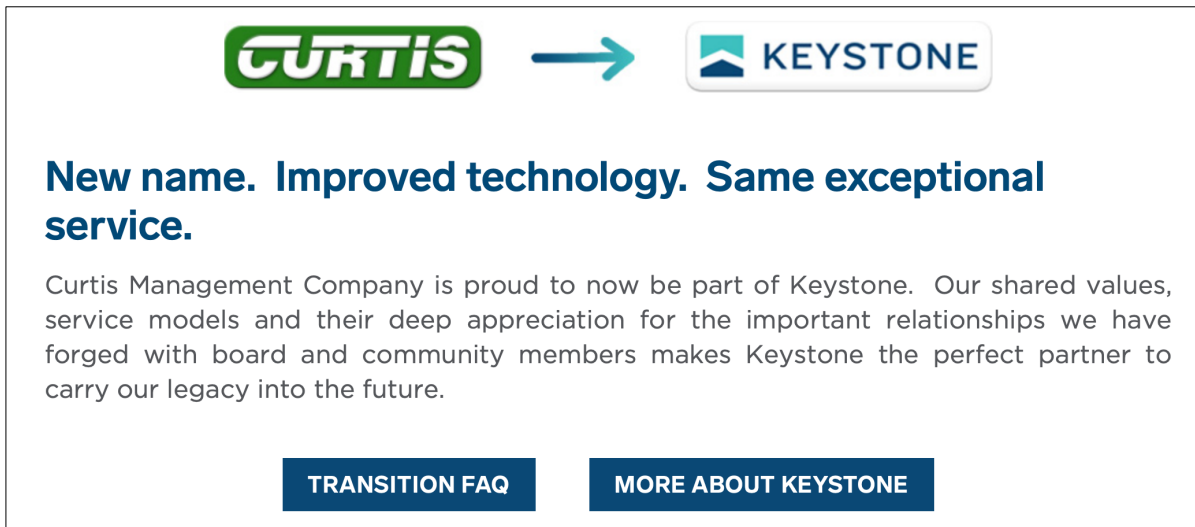
48. From on or about March 2, 2023 through May 4, 2024, inclusive, the registered principal office and mailing address for Defendant Campbell Management with the Secretary of State was 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008.

49. From on or about March 2, 2023 to the filing of this Complaint, the 5050 Avenida Encinas address was also Defendant Patrick Campbell's registered address with the Secretary of State as an officer of Defendant Campbell Management.

50. At no point did Defendant Campbell Management dissolve or cease to exist.

51. From reviewing the Internet Archive's Wayback Machine, on information and belief in or about March 2024 Keystone had Campbell Management's web address www.curtismanagement.com redirect to Keystone's www.keystonecarlsbad.com web address.

52. The Internet Archive's Wayback Machine shows Keystone's www.keystonecarlsbad.com website displaying the following on or about March 27, 2024:



CURTIS → **KEYSTONE**

New name. Improved technology. Same exceptional service.

Curtis Management Company is proud to now be part of Keystone. Our shared values, service models and their deep appreciation for the important relationships we have forged with board and community members makes Keystone the perfect partner to carry our legacy into the future.

TRANSITION FAQ **MORE ABOUT KEYSTONE**

See <https://web.archive.org/web/20240327175048/https://www.keystonecarlsbad.com/>.

53. The "Transition FAQ" link shows:

KEYSTONE Q&A
<p>What should I know about the transition to Keystone?</p> <p>As Curtis Management becomes a member of the Keystone family, the most important thing to know is that the people you're familiar with and have worked with for years are staying the same. The same local managers, assistants and executives will be serving you from the same local office in Carlsbad, CA.</p>
<p>So if the people and location are staying the same, what's changing?</p> <p>We are upgrading the technology and rolling out the Keystone Connection to give homeowners and Board Members additional tools to run their communities. This will allow clients to make payments, access community information and communicate with the Keystone Team.</p>
<p>How does Keystone ensure our annual legal requirements are met?</p> <p>To make sure that your legal requirements for items such as insurance renewal, election notices and audit and tax return preparation are met on time, Keystone employs an annual and monthly calendar with all of your Association's information pertaining to your fiscal year end, annual meeting date and insurance renewal. The Managers are provided reminders at the monthly staff meetings and by email. A tracking log is updated through completion.</p>

See <https://keystonecarlsbad.com/frequently-asked-questions.php>. On information and belief, this version of the webpage was the same in early 2024.

54. The Internet Archive’s Wayback Machine shows Keystone’s “Contact” page on its website displaying the following on or about May 26, 2024:



See <https://web.archive.org/web/20240526142715/https://www.kppm.com/contact/>.

55. Per the Internet Archive’s Wayback Machine, Keystone’s “Contact” page on its website on or about June 1, 2024 shows Keystone’s self-described “Corporate Office” address as “240 Commerce, Suite 200, Irvine, CA 92602”. See

<https://web.archive.org/web/20240601200057/https://www.kppm.com/contact/>.

56. From on or about October 23, 2024 to August 14, 2025, inclusive, the Association’s business/corporate office, principal office, and mailing address registered with the Secretary of State was 240 Commerce Suite 200, Irvine, CA 92602.

57. As of or about December 10, 2024, Keystone’s registered principal office and mailing office with the Secretary of State was changed to 240 Commerce, Suite 200, Irvine, CA 92602.

58. As of this filing, Keystone’s “Contact” page on its website shows the following:

[picture follows]

With four locations in Southern California, our certified community management teams service Orange, Los Angeles, Riverside, San Bernardino, and San Diego Counties.

Irvine Office

Our Corporate Office services our clients in Northern Orange County and Los Angeles County, and performs all accounting and financial functions including accounts payable, accounts receivable, and escrow processing for all clients.

240 Commerce, Suite 200, Irvine, CA 92602

Phone: (949) 833-2600

Email: reconnect@keystonepacific.com

Temecula Office

Our Inland Empire Regional Office services community association management, customer-service, and architectural processing needs for all our valued clients in Riverside County, San Diego County and San Bernardino County.

41593 Winchester Road, Suite 113 Temecula, CA 92590

Phone: (951) 491-6866

Email: reconnect@keystonepacific.com

Ontario Office

The Ontario Regional Office provides community association management and customer service for our valued clients in Southern California's Inland Empire.

3155-D Sedona Court, Suite 150 Ontario, CA 91764

Phone: (909) 297-2550

Email: reconnect@keystonepacific.com

San Diego Office

The Carlsbad Regional Office provides community association management and customer service for our valued clients in San Diego County.

5050 Avenida Encinas, Suite 160 Carlsbad, CA 92008

Phone: (760) 643-2200

Email: infocarlsbad@keystonepacific.com

See <https://www.kppm.com/contact-2/>.

E. Keystone's self-described work it does for Associations.

59. The Internet Archive's Wayback Machine shows Keystone's "Homeowners Association Management" page displaying the following on or about April 22, 2024:

<ul style="list-style-type: none"> ✓ Financial statement preparation ✓ Accounts payable processing ✓ Accounts receivable collection process ✓ Assessment collection and small claims services ✓ Effective internal controls ✓ Annual operating & reserve budget preparation ✓ Association banking activities ✓ In-house insurance support services 	<h3 style="color: #008080;">Financial & Accounting</h3> <p>In addition to making sure your association's bills are paid on time, we provide full-scope accounting services to make it easier to maintain your fiduciary responsibility. Our detailed record keeping, industry best practices and insight into long-term planning keeps your association on track to maintain the right balance of cash and reserves.</p>
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See <https://web.archive.org/web/20240422184124/https://www.kppm.com/services/homeowners-association-management/>.

60. The Internet Archive's Wayback Machine shows Keystone's "Who Does What? Common HOA Management Duties Defined" page displaying the following on or about April 1, 2023:

Q: Is the management company part of my HOA board?

No. The management company is a third-party consultant service that is hired by a homeowners association to help support the operations of the HOA. Your management company is an outside business with expertise in San Diego, Inland Empire or Orange County HOA management that carries out the instructions of your HOA board.

Q: Is the management company just another vendor for my HOA?

Though the property management company has been hired by the HOA to perform a supporting role, the management company/HOA board relationship is different than a standard vendor arrangement.

Traditional vendors generally work under a scope of work agreement, agreeing to perform specific services during a discreet time period. HOA management companies do more than work for an HOA; they act as an agent on behalf of the HOA. This means that management companies have a fiduciary duty to act in good faith and in the best interest of the homeowners association.

Q: What are some of the operational duties that the management company performs?

Your management company acts as the "boots on the ground" for the day-to-day operation of your homeowners association, which is a non-profit mutual benefit corporation. As part of the service contract, most HOA management companies provide the following important types of support:

- **Board meetings:** The management company facilitates and documents board meetings, including [drafting meeting agendas](#), noticing the meeting, distributing the information packet to board members prior to the meeting, attending the meeting itself, taking minutes, providing advice at the meetings, disseminating minutes post-meeting, following up on action items, and acting as inspectors of election for the annual meeting, where requested.
- **Risk reduction:** As experts in HOA operations, management companies help the board mitigate risk by ensuring that the association's exposure to liability is as low as possible. This includes specifics like making sure that the HOA's insurance coverage is adequate and in force.

Q: What are some of the management company's accounting duties?

As fiduciaries for the association, the management company has a legal obligation to act in the best interest of the HOA. Some of the management company's duties are defined by state law; others are important financial duties that the HOA board simply does not have time to manage.

- **Accounts payable:** The management company handles cutting checks to vendors and utilities. These transactions are always open and transparent and easily visible to the HOA board at any time.
- **Monthly fiscal statements:** Management companies compile and organize monthly financial statements for the HOA board, so all board members have a clear understanding of where the association's finances stand, including reserves and outstanding A/R and A/P.

See <https://web.archive.org/web/20230401230409/https://www.kppm.com/common-hoa-management-duties/>.

61. The Internet Archive's Wayback Machine shows Keystone's "How to Prepare for an HOA Board Meeting" page displaying the following on or about June 27, 2024:

Your management company: equipping you to make decisions

A major role of all [community management companies](#) is to prepare all the necessary materials to enable board members to make smart decisions on behalf of the community. Management company prep begins very early in the process, usually immediately following the previous board meeting. In the 3-week period between board meetings, your management company is working diligently behind the scenes to update and prepare the following:

- *Your board's annual calendar* – This is the calendar that outlines important milestones and events that are known well in advance. This includes things like insurance premium due dates, reserve project scheduling, etc.
- *Your list of action items* – This is the list of current and ongoing items to address immediately. Action items usually inform the agenda for HOA board meetings.
- *Board packet* – At every meeting, your management company will round out the board package with additional relevant community information, including things like the association's financial documents, a list of violation reports, board proposals, work order reports, correspondence log, and other administrative details. These documents give your board a complete snapshot of the association every month in terms of what has happened and what is on the horizon.

Your management company should arrive early to each board meeting to make sure that the room is clean and set up for the meeting, all materials are present, and all technology is working fine. Management companies provide all necessary support and organization—the next step is up to the board.

See <https://web.archive.org/web/20240627091449/https://www.kppm.com/prepare-for-an-hoa-board-meeting/>.

62. Finally, on or about October 21, 2016, in a HOALeader.com blog article, Keystone's then Vice President of Marketing Joe Winkler – when asked to comment as to whether a manager acted improperly as to renewing an HOA insurance policy – was reported as saying, "The manager needed to say, 'We need to finish this by this day. We can do it by phone by having this quorum. If we don't act by then, the association will be without insurance.' The manager should spell out the

process and what happens if we don't get this done." See <https://www.hoaleader.com/public/HOA-Rushed-Into-Insurance-Renewal-Maybe-There-DoOver.cfm>. Mr. Winkler was later named president of Keystone – a position he continues to occupy as of the filing of this Complaint. See <https://www.kppm.com/about/leadership-team/>.

A new vision for the industry



Cary Treff
Chief Executive Officer



Joe Winkler
President



Jared Jones
Chief Financial Officer

F. Defendant Cary Treff named the registered Managing Agent for the Association.

63. On or about July 25, 2024, Keystone's Director of Community Management executed and filed a "Statement of Information and Statement by Common Interest Development" for the Association still listing 5050 Avenida Encinas Suite 160, Carlsbad, CA 92008 as the Association's principal office and mailing address.

64. The Statement also listed Defendant Cary Treff as the Association's Managing Agent:

Association's Managing Agent	
Managing Agent Name	CARY TREFF
Address	5050 AVENIDA ENCINAS STE 160 CARLSBAD, CA 92008
Managing Agent Telephone Number	(760) 643-2200

65. Keystone's then Director of Community Management Sheryl Sharp (formerly Defendant Curtis Management's Chief Operating Officer) executed the Statement affirming "that the information herein is true and correct":

<input checked="" type="checkbox"/> By signing, I affirm that the information herein is true and correct and that I am authorized by California law to sign.	
Sheryl Sharp	07/25/2024
Signature	Date

66. Defendant Cary Treff was the Association's registered Managing Agent at the address 5050 Avenida Encinas, Suite 160, Carlsbad, CA 92008 from at least on or about July 25, 2024 through October 22, 2024, inclusive.

G. Defendant Keystone was named the registered Managing Agent for the Association.

67. On or about October 23, 2024, Keystone's Manager of Operations executed and filed a "Statement of Information and Statement by Common Interest Development" for the Association listing the address for Keystone's Corporate office (240 Commerce Drive Suite 200, Irvine, CA 92602) as the Association's principal office and mailing address.

68. The Statement listed Defendant Keystone as the Association's Managing Agent:

Association's Managing Agent	
Managing Agent Name	KEYSTONE PACIFIC PROPERTY MANAGEMENT, LLC
Address	240 COMMERCE STE 200 IRVINE, CA 92602
Managing Agent Telephone Number	(949) 833-2600

69. Keystone's Manager of Operations executed the Statement affirming "that the information herein is true and correct":

<input checked="" type="checkbox"/> By signing, I affirm that the information herein is true and correct and that I am authorized by California law to sign.	
<u>Lisa Klasky</u>	<u>10/23/2024</u>
Signature	Date

70. Defendant Keystone was the Association's registered Managing Agent at the address 240 Commerce, Suite 200, Irvine, CA 92602 from at least on or about October 23, 2024 through August 14, 2025, inclusive.

H. The Defendants Failed to Pay the Association's Insurance Resulting in the Cancellation of the Association's Insurance Policies.

71. For 24 years the Association had maintained a comprehensive condominium HOA insurance policy and a commercial umbrella policy with Farmers Insurance Group of Companies ("Farmers"), and this long-term relationship provided the Association stable, affordable insurance

coverage tailored to the Association's needs as a condominium development.

72. On or about January 4, 2024, the Association renewed its policies with Farmers with an effective date of February 3, 2024.

73. On or about January 15, 2024, Farmers sent the Association an invoice for \$5,734.61.

74. On or about January 22, 2024, Farmers received a payment of \$4,938.57 via check leaving a balance due.

75. On or about February 14, 2024, Farmers received a payment of \$5,734.61 via check.

76. On or about March 13, 2024, Farmers received a payment of \$795.92 via check.

77. On or about March 14, 2024, Farmers sent the Association an invoice for \$5,734.49.

78. On or about April 16, 2024, Farmers sent a "**Notice of Cancellation of Insurance for Nonpayment of Premium**" for non-payment of the March invoice to the Association at its registered 5050 Avenida Encinas Suite 160, Carlsbad, CA 92008 address. The Notice listed a total amount then due of \$11,482.98 (March's and April's invoices).

79. None of the Defendants notified the Association of this failure to pay and this Notice of Cancellation.

80. On or about April 29, 2024, Farmers received a payment of \$11,482.98 vi Web ACH and rescinded the Notice of Cancellation.

81. On or about May 14, 2024, Farmers sent the Association an invoice for \$5,734.49.

82. On or about June 18, 2024, Farmers sent a "**Notice of Cancellation of Insurance for Nonpayment of Premium**" for non-payment of the May invoice to the Association at its registered 5050 Avenida Encinas Suite 160, Carlsbad, CA 92008 address care of "Curtis Mgmt Co Inc." The Notice listed a total amount then due of \$11,482.98 (May's and June's invoices).

83. None of the Defendants notified the Association of this *second* failure to pay and *second* Notice of Cancellation.

84. On or about July 1, 2024, Farmers received a payment of \$5,734.49 via check for May's invoice and rescinded the Notice of Cancellation.

85. On or about July 16, 2024, Farmers sent a "**Notice of Cancellation of Insurance for Nonpayment of Premium**" to the Association at its registered 5050 Avenida Encinas Suite 160,

1 Carlsbad, CA 92008 address. The Notice listed a total amount due of \$11,496.98 (June's and July's
2 invoices). **The Notice listed August 5, 2024 as the "Cancellation Effective Date".**

3 86. None of the Defendants notified the Association of this *third* failure to pay and *third*
4 Notice of Cancellation.

5 87. During the time period spanning from when Farmers issued its invoice for June on
6 June 18, 2024 and the cancellation date of August 5, 2024, the Association had five managers:
7 Defendant Campbell Management pursuant to the Management Agreement, which neither party had
8 terminated; Defendant Patrick Campbell as the registered Managing Agent for the Association
9 through July 24, 2024; Defendant Keystone pursuant to the Management Agreement which it had
10 clearly and unambiguously assumed; Defendant Cary Treff as the registered Managing Agent for the
11 Association from July 25, 2024 onward; and Defendant Amy Bergen who was the designated
12 property manager for the Association for both Campbell Management and Keystone.

13 88. **None of the Defendants – all of whom had an obligation to pay the invoice –**
14 **actually paid Farmers' invoice.**

15 89. Consequently, on or about August 5, 2024, Farmers cancelled the Association's
16 insurance.

17 90. On or about August 19, 2024, Farmers sent a "Notice of Premium Due" to the
18 Association at its registered 5050 Avenida Encinas Suite 160, Carlsbad, CA 92008 address in care of
19 "Curtis Mgmt Co Inc". The Notice listed a total amount due of \$5,838.43 by the Association for
20 unpaid insurance coverage prior to cancellation.

21 91. On or about September 3, 2024, Farmers sent a second "Notice of Premium Due" to
22 the Association. The Notice listed a total amount due of \$5,838.43 by the Association for unpaid
23 insurance coverage prior to cancellation.

24 92. On or about October 14, 2024, on information and belief, Farmers referred the
25 \$5,838.43 past due amount to collections.

26 //

27 //

28 //

1 **I. The Defendants' Further Misconduct and Breaches.**

2 93. Defendants engaged in a pattern of mismanagement of the Association, which
3 included failures as simple as not maintaining the Association's website and securing a credit card
4 for the Association to *significant* failures like failing to pay vendors *for months*.

5 94. Ultimately on October 9, 2024, Keystone's Director of Community Management
6 Jenna Jacobs ("**Ms. Jacobs**") notified the Association that Defendant Amy Bergen, who was the
7 Association's designated property manager at Keystone, would be replaced effective November 1st
8 by Lisa Fowler from Keystone. Ms. Jacobs promised that "Amy will work with Lisa very closely to
9 ensure a smooth transition".

10 95. On or about November 1, 2024, on information and belief Defendants learned that
11 Farmers had cancelled the Association's insurance policies.

12 96. **Defendants did not immediately notify the Association that the Association was**
13 **without insurance.**

14 97. On or about November 4, 2024, Farmers Insurance agent Brad Needham ("**Mr.**
15 **Needham**") emailed Defendant Bergen stating, "The insurance for the Villas of Calaveras Hills was
16 cancelled for non-payment of premium since August 5th. I've attached the NOC that was sent back
17 on July 16 for payment and a screen-shot of the billing history that shows the invoices and notices
18 that were sent out. The account is in collections for premium due while Farmers insured the account
19 and billing was not to date."

20 98. On or about November 4, 2024, Defendant Bergen emailed individuals at Keystone
21 stating, "Can someone ehlp me ASAP" to which one of them replied, "I walked over to AP and had
22 them make a payment. It didn't give a confirmation number but please check with the vendor to make
23 sure it went through."

24 99. On or about November 5, 2024, Defendant Bergen emailed Mr. Needham, Defendant
25 Patrick Campbell, Lisa Fowler ("**Ms. Fowler**"), Ms. Fowler's direct supervisor Tina Rozycki ("**Ms.**
26 **Rozycki**") (who was at one time a Company Vice-President at Campbell Management), and
27 Keystone's Regional Manager Darren Mandel ("**Mr. Mandel**") stating that the amount due to Famers
28 "was paid for in full".

1 100. On or about November 5, 2024, Ms. Fowler emailed Mr. Needham, stating, “Hello
2 Brad – I’m not sure if you were on the email where I noted that I was taking over management of this
3 account. In reading your email to Amy below, am I correct in understanding that Calavera Hills is
4 not currently insured? Please let me know the best way to get this remedied as quickly as possible.
5 As Amy noted below, our insurance department has paid the balance due online.”

6 101. On or about November 21, 2024, Mr. Mandel called Andrew Mirabelli (“**Mr.**
7 **Mirabelli**”), the Association’s Chief Executive Officer and a board member, right before the
8 Association’s regularly scheduled board meeting and told him that the Association’s insurance had
9 been cancelled.

10 102. On or about November 22, 2024, Mr. Mandel emailed Mr. Mirabelli stating, “Per or
11 phone discussion today I want to introduce to you via email Lisa's direct supervisor, Tina Rozycki.
12 Tina is a Director of Community Management in our Carlsbad Office and is extremely tenured in the
13 industry.”

14 103. In response, Mr. Mirabelli emailed Mr. Mandel asking, “Darren, can you please send
15 me a copy of our contract with Keystone this afternoon?”

16 104. Mr. Mandel replied that day to Mr. Mirabelli stating, “Hi Andrew. Attached is the
17 contract being operated, it is the Curtis Management contract. Let me know please should you have
18 any questions.” Attached hereto and incorporated herein as **Exhibit B** is a copy of Mr. Mandel’s
19 email to Mr. Mirabelli with the referenced attachment.

20 105. On November 22, 2024, Ms. Fowler emailed Mr. Mirabelli an application for
21 replacement insurance.

22 106. That day, Mr. Mirabelli emailed Ms. Fowler, Mr. Mandel, and Ms. Rozycki stating,
23 “I don't know who prepared these documents, but they need to be reviewed ... On the first document
24 I looked at [there was an error]” and “my name [is] misspelled on the documents.” Mr. Mirabelli then
25 asked Ms. Fowler to “Please review everything very carefully and go over it with Brad before you
26 send it to me so I don’t have to find inaccuracies and kick them back”. Mr. Mirabelli warned that
27 “We can’t put inaccurate information on application ... [as errors] gives [insurance] reason not to pay
28

a claim if they so choose.” Finally, Mr. Mirabelli expressed his disappointment stating, “unfortunately, here we are on a Friday afternoon – Uncovered”.

107. In an email later that day, Mr. Mirabelli emailed Ms. Fowler, Mr. Mandel, and Ms. Rozycki asking, “Darren and Lisa: how long have you known about this problem before you contacted me late yesterday afternoon?”

108. When he received no response to that question, Mr. Mirabelli emailed Mr. Mandel and Ms. Rozycki asking: “Darren, when did Keystone Pacific first learn that our association was without insurance. What date? I sent you an email previously, but I don’t have a record of receiving the answer from you.”

109. Mr. Mandel ultimately responded to the second email, stating:

Pardon my delay. I did see you asked this question under a separate email cover this afternoon.

As I continue to review internally with my staff and superiors, I can say that I was understanding fully the matter that **the HOA was indeed without insurance late Wednesday 11/20**. That afternoon, I reached out to Brad in efforts to gather confirmation and additional information. My communications with Brad ran into Thursday 11/21 as I was hoping to obtain some solutions prior to calling you yesterday afternoon, 11/21 in advance of the board meeting.

As we discussed yesterday on the phone, this is not a matter which we are taking lightly. As we continue to review internally my commitment to you is to keep you apprised and work hard in efforts to maintain our working partnership together **while instilling the trust in our services which is understandably lessened**.

Please email or call me if anything more is needed today. I did read that Lisa has obtained all the required signature forms today.

(emphasis added). Attached hereto and incorporated herein as **Exhibit C** is a copy of Mr. Mandel’s email to Mr. Mirabelli.

110. On or about December 4, 2024, Mr. Mirabelli emailed Ms. Fowler and Mr. Mandel stating, “I would like you to send me all pertinent insurance correspondence, including invoices, cancellation notices, and records of Keystone’s communications with the insurance company, back-and-forth leading up to our cancellation starting at when our account was current with them. I need this as soon as possible. Please gather everything right away. I don’t want this to drag out.”

111. In response, Mr. Mandel emailed Mr. Mirabelli stating, “I am out of the office returning 12/13. Please let me know if we need to chat before my return and what is the best time with your schedule.”

112. Mr. Mirabelli then responded, “Yes, Darren, we do need to chat and I would like you to please make sure that Lisa gets me what I requested. I have requested all documents to and from the insurance companies between the time we were in good standing and the time that we were canceled / terminated.... I didn’t hear back from Lisa after my recent email.”

113. Mr. Mandel responded, “I will have some time early next week, Monday and Tuesday to connect on the phone. Let me know what works best with your schedule and I will send an invite for us both to have on calendar.”

114. Since Mr. Mandel failed to respond to – much less acknowledge – Mr. Mirabelli’s request for documents from Ms. Fowler, Mr. Mirabelli – for the third time – told Mr. Mandel: “Darren, first and foremost please make sure that Lisa completes my request for documents pertaining to the insurance disaster before we talk. Unfortunately, I still have not heard from her and she has not acknowledged my email in anyway, which is disturbing.”

115. On or about December 6, 2024, Mr. Mirabelli emailed Ms. Fowler stating, “Lisa, I have not received a response to my request for documents regarding our insurance issue. Please respond today and send me everything pertinent, including copies of any checks that were sent to them. I’m surprised and disappointed that I have herd not heard back from you on such an important issue. Don’t ignore this email again. I need all the documentation as soon as possible (today).”

116. After Mr. Mirabelli sent this email – which was his *fourth* request for documents – Ms. Fowler finally responded stating:

Hello Andrew - I will provide what information I am able to. Please remember, I did not fully take over this account until the week of the November meeting - which was the same week I received confirmation that the Farmers Insurance had not been reinstated with payment.

Before those details - I want to get the current insurance payment out of the way-we received the invoice for the down payment (\$75,085.61) [for the replacement insurance]. I need approval to pay this.... This is due December 22. This would be considered an emergency situation and will be ratified at the next meeting.

I've attached the communications I have on the matter. If you read from the bottom up, you will see:

- We were made aware of the situation on November 1
- Amy acted quickly to get the invoice paid
- On Nov. 5th I began asking Brad for confirmation whether the payment reinstated the policy or not.
- On Nov. 14, Brad asked me to sign a No Known Loss letter, which I did and returned moments later. At this time, I was still under the impression this was to secure the Farmer's original policy.
- On Nov. 19, Brad called me to confirm the Farmers policy could not be reinstated, and that he was working on other options.
- I searched through Strongroom for insurance invoices, and found there were none since May 2024.
- Brad forwarded me the statements and Notice of Cancellation. Please note- it's difficult to confirm whether these were actually received by our office, as they were only mailed with no email backup. We have not found hard copies of the attached.

I hope this answers your questions. I'm happy to help in anyway I can.

117. On or about December 11, 2024, Ms. Fowler emailed the Association stating:

Dear Valued Client,

We hope this email finds you well.

To better serve you and ensure the uninterrupted continuity of your insurance coverage, we're implementing a new payment method starting February 1, 2025. As of this date, all insurance premiums will be processed through ACH payments, either monthly or 1-time lump sum payment of the entire premium, whichever the Board decides.

This decision is part of our ongoing commitment to providing exceptional service. **By streamlining our payment processes, we aim to reduce the risk of missed payments and subsequent coverage lapses.**

Benefits of ACH Payments:

- Convenience: **Automated payments eliminate the need for manual checks or approvals** via Strongroom.
- Efficiency: **Timely and secure processing of your premium payments.**
- Peace of Mind: Reduced risk of coverage interruptions.

We understand that any change, no matter how small, can be disruptive. Please know that we're committed to making this transition as smooth as possible.

If you have any questions or concerns, please don't hesitate to reach out to me, your community manager.

(emphasis added).

118. The Association ultimately secured replacement policies. Unfortunately, these new policies cost nearly four times the Farmers policies and had higher deductibles.

119. On or about December 23, 2024 – just two days before Christmas – Mr. Needham emailed Mr. Mirabelli stating, “I have attached the invoices that detail the payment due our trust service (Coast Hwy Ins Svcs) so that we can deposit that check and mail out the premiums to the 4 insurers shown on the invoice. Arden Programs (who handles your property coverage) does have an online portal for the mgmt company to pay them directly. Arden Programs likes to bill the client directly vs the agent collecting and then forwarding the premium to them. I am here at the office if you need me.”

120. Mr. Mirabelli also spoke with Mr. Needham by phone. Mr. Needham told Mr. Mirabelli that Ms. Fowler had not made the necessary payments for the Association’s replacement insurance allegedly because she was having problems paying the insurance premium electronically.

121. On or about December 23, 2025, Mr. Mirabelli emailed Ms. Rozycki, Ms. Fowler, and Mr. Needham stating, “Please give me a call immediately because the insurance agent just informed me that Keystone is again failed to pay our insurance premium on time. I told Lisa to pay it out of reserves and it has not been paid yet. I need to call immediately and I want you to write them a check let’s not hear about glitches with electronic payments.”

122. After not hearing from anyone, Mr. Mirabelli emailed Ms. Rozycki, Ms. Fowler, and Mr. Needham stating, “Tina and or Lisa please call me immediately. This needs to be paid today. We can write them a check or do a wire transfer. There’s no excuse why this hasn’t been paid. And why haven’t we heard about it? why have you failed to communicate with us? I had to hear about it from our insurance agent Brad that you were having ‘problems paying it.’”

123. After not hearing from *anyone* after this second email, Mr. Mirabelli emailed Ms. Rozycki, Ms. Fowler, and Mr. Needham a *third* time stating, “Please call me right away and get this insurance premium paid immediately with checks or wire transfers. I’m sitting on hold with your office right now.”

124. That night, in apparent response to Mr. Mirabelli's three emails, Ms. Rozycki drove out and met Mr. Needham by the highway to make the necessary payments.

125. On or about December 24, 2024, Mr. Mirabelli emailed Mr. Needham stating, "Thanks Brad, when you met with Tina last night, she gave you the money to take care of all of this, so now we are current and good with all the companies? Also, there's a mechanism and plan set up to make sure all future payments are easily made?"

126. Mr. Needham replied, "I have deposited the check and have sent my trust check to the insurers today. I personally drove to the Carlsbad Post Office and put them in outgoing mail. Thank you again for all of your help, enjoy the day".

127. On or about December 26, 2024, Ms. Jacobs emailed Mr. Mirabelli stating, "I did speak with Tina on Monday night and she informed me that this was being addressed and that a check was being delivered to the insurance vendor that night."

128. On or about December 26, 2024, Mr. Mirabelli emailed Ms. Jacobs and Ms. Rozycki stating:

Jenna / Tina, to date and in conflict with all of my conversations with Darren I have not heard anything from you on the replacement of our manager. It appears that Keystone is in disarray and is failing on many fronts. We need this corrected with our association at the very least immediately, and you need to be transparent with us. The fact that you kept us in the dark again when you knew insurance payments hadn't been made is a very serious problem. I just happened to be speaking to our insurance agent and found out - Fortunately, that you had not paid our new insurance bill. The same problem as last time all over again, which is completely disappointing and astonishing that you would let that happen and I would have to find it. This conduct is dangerous and keystone needs to get their act together and respect their clients which has not been occurring. I need to hear from you regarding this today no later than the close of business. We have been ignored all through the holidays and Lisa continues to fail to communicate and not do her job.

129. On or about January 4, 2025, a large branch on Association property fell on three cars, damaging them.

130. On or about January 6, 2025, Mr. Mirabelli emailed Ms. Jacobs and Ms. Rozycki about tendering the damage to the cars to the Association's insurance.

131. On or about January 15, 2025, Ms. Rozycki emailed Mr. Mirabelli stating, "I am sorry for the delay in getting back to you as we needed to finalize the transfer. We have assigned Christian Villalobos to your account he is a Senior Community Manager, and I feel will be a better fit for your community.... Lisa will be at the meeting to discuss any items she has been working on, but Christian will take over following the meeting tomorrow. I am sure with this change you will see a vast improvement moving forward. Please let me know if you have any other questions."

132. On or about January 23, 2025, Mr. Mirabelli emailed Christian Villalobos ("**Mr. Villalobos**"), Ms. Rozycki, Ms. Jacobs, and Ms. Fowler stating, "Why are we paying seven Orkin invoices in strongroom?... I would like to know if we have failed to pay them for many months also."

133. On or about January 23, 2025, Mr. Villalobos replied, "I am not sure why they weren't paid before but they are outstanding invoices per the vendor so I have approved them."

134. On or about January 30, 2025, Mr. Mirabelli emailed Mr. Villalobos stating:

Thank you, Christian so we have an invoice dated October 16 and it didn't get approved at Keystone until most people are off for the holiday season on December 27 - four days before it was due even though you had about 2 1/2 months to process it. Obviously we are seeing very serious recurring problems with Keystone Pacific not doing their job in a timely manner and putting the association at risk. This needs to stop immediately and I want your assurances that it will....

When you failed to make our insurance payments, you concealed it from us for weeks and left the association uninsured and then your previous regional manager only contacted me a few hours before a board meeting to inform us since he knew it had to be brought up at some point, but Keystone made sure it was concealed for a long period of time.... This is extremely unprofessional and negligent and it's not going to be tolerated any longer. We spoke on the phone the other day and I told you I want you to go through every vendor find out the due dates of their invoices and put them on Reminders in the accounting system for recurring payments at the appropriate intervals. Then when the invoice comes in, if it's a little bit different than the pre-programmed amount then you simply edit it and pay it. It's very strange and disappointing that I have to tell a company that's supposed to know how to manage associations how to pay bills on time and appropriately communicate with their customers (US). You're new and they said you were great and I'm counting on you I need to get all of this fixed and I'd like you to show me how you're fixing it as you're doing it, And keep me informed every step of the way, so I can communicate with the board. For you to make a statement that the bill was paid late and the pool was closed because of a board member when you had the bill for 2 1/2 months

and approved it only four days before it was due over the holiday is absolutely inappropriate...

135. On or about January 31, 2025, Mr. Villalobos incompetently emailed Mr. Mirabelli the board agenda for Lomas Santa Fe Villas HOA – *an entirely different association*.

136. On or about February 1, 2025, Mr. Villalobos emailed Mr. Mirabelli stating:

Management fully acknowledges the seriousness of the issues and concerns that you have communicated. Thank you for taking the time to share. I fully understand your frustration with the delays and the miscommunication regarding the invoice and the insurance situation. You are correct that it is Keystone Pacific's responsibility to process invoices promptly, and I understand the importance of meeting deadlines to protect the Association and its interests. I deeply regret that this did not happen in a timely manner and that the situation caused unnecessary confusion and stress....

I take your feedback seriously and understand the need for Keystone Pacific to uphold the highest level of professionalism and accountability. I will not allow any more delays or mismanagement to occur.

Thank you for your patience, and I look forward to working together to ensure that these problems are resolved.

137. On or about February 20, 2025, Mr. Villalobos informed the board of the Association that the Association had not submitted its taxes for 2023.

138. On or about February 28, 2025, the Association's attorney served a notice of termination of the Management Agreement pursuant to Section M.1 of the Management Agreement.

139. On April 30, 2025, the Management Agreement terminated.

FIRST CAUSE OF ACTION

Breach of Contract

(By Plaintiff Against Defendants Keystone Property Management, LLC and Campbell Management, Inc.)

140. Plaintiff incorporates each and every other allegation in this Complaint as if fully set forth herein.

141. Plaintiff and Defendant Campbell Management entered into the Management Agreement.

142. Thereafter, Defendant Keystone by its words, actions, and conduct, implied, express, and otherwise, agreed to be bound by the Management Agreement together with Campbell

Management.

143. Plaintiff did all, or substantially all, of the significant things that the Management Agreement required it to do that it was not otherwise excused from having to do or that Defendants Campbell Management and/or Keystone otherwise waived its performance of.

144. Defendants Campbell Management and Keystone Pacific failed to perform as required under the Management Agreement and to fulfill their obligations under the same, including, but not limited to:

- a. Failing to confer fully and freely with the board of the Association as required by Section E.1;
- b. Failing to prepare, sign, and mail checks in timely payment of all insurance premiums as required by Sections G.4, H.2, and I.1; and
- c. Failing to maintain the Association's insurance at all times in full force and effect as required by Section I.1.

145. Plaintiff has been harmed.

146. Defendants Campbell Management and Keystone Pacific's breaches of the Management Agreement were a substantial factor in causing Plaintiff's harm.

SECOND CAUSE OF ACTION

Breach of Implied Covenant of Good Faith and Fair Dealing

(By Plaintiff Against Defendants Keystone Property Management, LLC and Campbell Management, Inc.)

147. Plaintiff incorporates each and every other allegation in this Complaint as if fully set forth herein.

148. Plaintiff and Defendant Campbell Management entered into the Management Agreement.

149. Thereafter, Defendant Keystone by its words, actions, and conduct, implied, express, and otherwise, agreed to be bound by the Management Agreement together with Campbell Management.

150. Plaintiff did all, or substantially all, of the significant things that the Management Agreement required it to do that it was not otherwise excused from having to do or that Defendants Campbell Management and/or Keystone otherwise waived its performance of.

151. Defendants Campbell Management and Keystone Pacific prevented Plaintiff from receiving the benefits under the Management Agreement.

152. In doing so, Defendants Campbell Management and Keystone Pacific did not act fairly and in good faith.

153. Plaintiff has been harmed.

154. Defendants Campbell Management and Keystone Pacific's breaches of the Management Agreement were a substantial factor in causing Plaintiff's harm.

THIRD CAUSE OF ACTION

Negligence

(By Plaintiff Against Defendants)

155. Plaintiff incorporates each and every other allegation in this Complaint as if fully set forth herein.

156. Defendants owed duties to Plaintiff.

157. Defendants were negligent as to their duties, including, but not limited to, their actions, conduct, and omissions as to Plaintiff, including, but not limited to, by failing to pay the insurance premium for the Association thereby causing said insurance to be cancelled.

158. Plaintiff has been harmed.

159. Defendants' conduct was a substantial factor in causing Plaintiff's harm.

FOURTH CAUSE OF ACTION

Breach of Fiduciary Duty

(By Plaintiff Against Defendants)

160. Plaintiff incorporates each and every other allegation in this Complaint as if fully set forth herein.

161. As admitted by Defendant Keystone, managers of homeowners associations have fiduciary duties to the associations they serve.

162. Defendants breached their fiduciary duty of care to the Association by, *inter alia*, failing to pay the insurance premium for the Association thereby causing said insurance to be cancelled.

1 163. Plaintiff has been harmed.

2 164. Defendants' conduct was a substantial factor in causing Plaintiff's harm.

3 **FIFTH CAUSE OF ACTION**

4 **Promissory Estoppel**

5 **(By Plaintiff Against Defendants Keystone Property Management, LLC and Campbell**
6 **Management, Inc.)**

7 165. Plaintiff incorporates each and every other allegation in this Complaint as if fully set
8 forth herein.

9 166. Plaintiff and Defendant Campbell Management entered into the Management
10 Agreement.

11 167. Thereafter, Defendant Keystone by its words, actions, and conduct, implied, express,
12 and otherwise, clearly and unambiguously agreed to be bound by the Management Agreement
13 together with Campbell Management. Defendants' post-acquisition conduct, announcements
14 ("seamless integration"), receipt of management fees, continued performance of the Management
15 Agreement, filing of a statement of information listing itself as the managing agent for the
16 Association, and confirming that the Management Agreement was the operative agreement all
17 establish the clearness and lack of ambiguity regarding Keystone's promise.

18 168. Plaintiff reasonably and foreseeably relied on such promises.

19 169. Plaintiff has been harmed.

20 170. Defendants' conduct was a substantial factor in causing Plaintiff's harm.

21 **SIXTH CAUSE OF ACTION**

22 **Declaratory Relief**

23 **(By Plaintiff Against Defendants Keystone Property Management, LLC and Campbell**
24 **Management, Inc.)**

25 171. Plaintiff incorporates each and every other allegation in this Complaint as if fully set
26 forth herein.

27 172. Plaintiff and Defendant Campbell Management entered into the Management
28 Agreement.

173. Thereafter, Defendant Keystone by its words, actions, and conduct, implied, express, and otherwise, agreed to be bound by the Management Agreement together with Campbell Management.

174. To the extent Defendants Campbell Management and/or Keystone deny being bound by the Management Agreement, Plaintiff seeks a judicial determination and declaration that are so bound.

PRAYER

WHEREFORE, Plaintiffs pray for judgment against defendants as follows:

1. For an award of consequential, compensatory, general, special, and other damages according to proof;
2. A judicial determination and declaration that Defendants Campbell Management and Keystone are bound by the Management Agreement to Plaintiff;
3. For reasonable attorney's fees and costs as allowed by contract or law;
4. For interest at the maximum legal rate;
5. For such other and further relief as the Court may deem just and proper.

JURY TRIAL

Plaintiff hereby demands a jury trial on all such triable causes of action and issues.

SEVERANCE LAW, PC

Dated: September 15, 2025



Dominick Severance, Esq.
Attorneys for Plaintiff The Villas of Calavera
Hills Homeowners Association

VERIFICATION

I am the Chief Executive Officer of Plaintiff The Villas of Calavera Hills Homeowners Association in this action. I have read the foregoing Verified Complaint and know its contents. The matters stated in the foregoing Verified Complaint are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated: September 15, 2025

DocuSigned by:
Andrew Mirabelli
B12A59FFFC2C43A...
Andrew Mirabelli

EXHIBIT A



Community Association
Full Service Management Agreement

IN CONSIDERATION OF THE TERMS, CONDITIONS, AND COVENANTS HEREIN CONTAINED, **THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION**, hereinafter called the "Association", and **CURTIS MANAGEMENT COMPANY**, a California Corporation, hereinafter called the "Agent", agree as follows:

A. EMPLOYMENT OF AGENT

A.1 The Association hereby exclusively engages the Agent and appoints the Agent to manage the Association under the sole direction of the Board of Directors of the property known as **THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION (222 Units)** hereinafter referred to as the "property", upon the terms hereinafter set forth, commencing as of 5/1, 2015 subject to termination of this agreement as outlined hereinafter. The relationship between the Association and Agent is one of Principal and Agent.

B. MANAGEMENT STANDARDS

B.1 The Agent shall use its reasonable efforts and care in ordinary course of business to perform such tasks, for the orderly management of the business affairs and common area property of the Association as determined by the Board of Directors of the Association and within the guidelines set forth in the Articles of Incorporation, Bylaws, CC&R's of said Association as determined by the governing body of the Association.

C. JOB DESCRIPTION

C.1 The Agent shall act as Association's exclusive Management Agent, and may perform either in the Agent's or the Association's name, to manage and operate the property under the supervision and direction of the Board of Directors and/or Board President.

D. BIDS & QUOTATIONS

D.1 The Agent shall make every effort to obtain three third party bids for all necessary major repairs, and common area maintenance contracts for projects over \$1,000.00 or as directed by the Board of Directors.
D.2 The Agent shall endeavor to assure that all contract prices fall within the overall limits set forth in the projected annual budget.

E. EMPLOYMENT AND SUPERVISION OF LABOR

E.1 The following does not cover on-site personnel. The Agent shall hire in its own name all managerial personnel necessary for the efficient discharge of the duties of the agent hereunder. Compensation for the services of such employees shall be the responsibility of the Agent. The Agent fully understands that the function of the Association is the operation and management of the common areas and the Agent agrees, notwithstanding the authority given to the Agent in this Agreement, to confer fully and freely with the Directors of the Association in the performance of its duties as herein set forth, and to attend membership or Directors' meetings monthly. It is also understood that the Agent will confer with the Board President between regular Board meetings unless another Director is designated. It is further understood and agreed that the authority and duties conferred upon the Agent hereunder are confined to the common areas and facilities as defined in the Plan of Ownership. Such authority and duties shall not include supervision or management of the interior of family units, exclusive use areas, or parking and garage spaces assigned to a particular living unit, except to the extent that the Board of Directors requests Agent's assistance, and Agent Agree to assist, in the exercise or enforcement of any of the Association's rights or rules and regulations related thereto.



- E.2 Upon written approval by the Association, the Agent may be authorized to employ additional personnel to perform under the direction of the Agent or Board of Directors such duties, as the Association may deem necessary. These employees will be the employees of the Association and all costs incurred; i.e. payroll taxes, health benefits, worker's compensation and other insurance, etc. will be the responsibility of the Association.
- E.3 All employees of the Association who are employed in the operation and maintenance of the said property shall be covered under the Association's Worker's Compensation insurance policy.

F. ADMINISTRATION

- F.1 The Agent shall not be required to govern the acts of residents, guests, or any other persons with the exception of the Agent's own employees, even though the Agent or the Agent's employees may assist the Association in enforcing the Association's rules and regulations.
- F.2 It is further understood that the Agent, with the prior approval of the Association, is authorized in the name of, or for the account of the Association to enter and negotiate contracts specifically designated by the Association.
- F.3 Agent will maintain the administrative and financial records of the Association and will act as the Custodian of Records for all such records. These records will remain the property of the Association. Agent will maintain and update a membership roster. Association's Board of Directors shall have, at all reasonable times during normal business hours, the right to inspect and copy any records of the Association as maintained by the Agent.
- F.4 Owner Review of Records. Agent will make allowable Association records available to Association members for review. Association agrees that Agent shall charge a fee to the homeowner in accordance with the California Civil Code, for records research and copying, scheduling and monitoring of such a review. The Association's legal team or any other person(s) the Board so chooses will be required to redact all records necessary within the law.
- F.5 Agent will write necessary correspondence to homeowners, residents and service vendors, and will communicate with all necessary parties on required maintenance items. Agent may perform such other duties as are generally within the responsibility of an association management Agent if not specifically excluded from this agreement.
- F.6 Agent will distribute an Association newsletter. Agent will not be responsible for writing the newsletter. Association will provide Agent with the newsletter, not to exceed two (2) pages, which Agent will include in the billing statement sent to the homeowners. (Newsletter to be received by Agent no later than the 18th of the month)
- F.7 Agent shall attend one meeting of the Board of Directors or general membership every month (not to exceed two (2) hours). Agent will prepare the agenda for each meeting along with accompanying information, and will distribute the meeting information to the Board four (4) to five (5) days in advance of the meeting. The Board will be responsible to post the Board Meeting agenda in accordance with the California Civil Code.

G. FISCAL MANAGEMENT

- G.1 **Accuracy of Financial Information.** It is understood that the accuracy of financial information supplied to the Agent is the sole responsibility of the Association. Agent shall not be held responsible for the production of incorrect financial reports if the financial data submitted by the Association or by the prior agent or Management Company is inaccurate. In addition the Association agrees to have an independent Certified Public Accountant perform a review/audit of the Association's records for the sole purpose of correcting financial data if it is discovered that the information received is inaccurate. The Association agrees to be responsible for all costs associated with an independent financial review/audit.



- G.2 **Monthly Assessment Fees.** The Agent shall collect and/or account for all assessment fees, late fees, interest, etc. as prescribed by the Association, and shall set-up checking, savings or other accounts with any federally insured institution or institutions. The Agent shall keep accounting records to reflect the status of the Association's interest in any account or accounts set up by the Agent or Board. **Agent is not authorized to open Association reserve fund accounts. Per California Civil Code this is the responsibility of the Board of Directors.**
- G.3 **Association's Operating Funds.** Agent will establish and maintain Association operating funds in a bank of Agent's choice whose deposits are federally insured, for deposit of monies of the Association, with authority to draw thereon for any payments to be made by the Agent to discharge any liabilities or obligations incurred pursuant to this Agreement and for the payment of Agent's fee, which payments are subject to the limitations of this Agreement. Any base fees and costs due the Agent will be paid promptly each month on the first of each month.
- G.4 **Disbursement Authorization.** The Agent shall make all disbursements from assessment fees collected for normal recurring expenses as provided in the budget, which shall be approved in advance annually by the Association. Further, the Agent shall prepare, sign, and mail checks in timely payment of all utilities, taxes, insurance premiums, contract fees, minor repairs, supplies and other regularly recurring expenses from the Association's funds. All non-budgeted expenditures shall be made only with approval of the Association, except in the cases of emergency requiring prompt action to avoid further loss or damage. **Emergency repairs involving imminent danger to life or property, or immediately necessary for the preservation and safety of the property, or for the safety of any person, or required to avoid the suspension of any necessary service to the complex, may be made by the Agent, irrespective of the cost limitation imposed by this section.** The Agent shall not be required to advance any monies for the care or management of said property, and the Association agrees to advance all monies necessary regardless of the lack of approvals otherwise required by this section.
- G.5 **Delinquent Accounts.** Agent is authorized to take reasonable steps for collection of delinquent accounts. In the event such efforts fail, Agent will have authority with Board approval to record a lien against the delinquent owner's unit in accordance with the Declarations and the approved collection policy. The Agent is authorized to assess the delinquent account a late charge as permitted under state law, along with other charges for collection & lien fees, reflective of the costs of collection, accounting, and payment plan monitoring and legal proceedings. All such assessments are to be deposited into the account of the Association. Agent shall be paid a fee of \$10.00 per unit for each month of delinquency when assessments are not paid by the due date. Delinquent fee shall be paid to Agent as an offset of collection costs.
- G.6 **Financial Statement.** The Agent shall furnish the Association with copies of a monthly fiscal statement prepared on a modified accrual basis of accounting, of all receipts and disbursements, showing assessment fees and other cash receipts, the grouping by category of all disbursements, net cash gain or loss, cash on hand, and reserve accounts. The books of accounts maintained with respect to the management of the property shall at all reasonable times be open to the Association's inspection. All copies of financial reports or invoices to be at Association's expense.
- G.7 **Annual Budget.** At least sixty (60) days before the beginning of each new fiscal year, the Agent shall prepare and submit to the Association for approval an annual budget, to be used for the determination of maintenance fees for the ensuing year.
- G.8 **Independent Audit.** The Agent at the expense of the Association and in accordance with the Plan of Ownership shall cause an independent audit or review to be made annually of such books and records by a certified public accountant, and a copy of each audit or review shall be delivered to the Board and each owner within sixty (60) days after the fiscal year adopted by the Association if available and approved by the Board.



- G.9 Reserve Study/Analysis.** At least six months before the beginning of each new fiscal year, the Agent, at the expense of the Association shall cause an independent reserve study and or analysis to be initiated. The reserve study/analysis is to be used for the determination of reserve allocations for the ensuing year. The detailed reserve study must be completed no less than every three years and updated annually. A summary of reserve study and or analysis is to be mailed to all owners at the Association's expense.

H. DEPOSIT & COLLECTIONS

- H.1** All monies collected under this agreement shall be deposited in an operating bank account separate from the funds of Curtis Management Company and at no time are any of the funds of said bank account(s) to be intermingled with the funds of Curtis Management Company. The Association shall own all such bank accounts. CMC will designate the Bank for the Association's operating account.
- H.2** Agent shall have the authority to draw on the operating account for any payments which it must make to discharge any liabilities or obligations incurred pursuant to this agreement. From funds collected, Agent will cause to be paid the expenses for the operation of the Association in accordance with the approved budget or as otherwise directed by the Board of Directors
- H.3** **Reserve funds of the Association are to be held in a separate trust account(s) at a federally insured financial institution in the name of and controlled by the Association.** Agent will maintain reserve accounting records in its offices and update signature cards as necessary. Agent will not be a signatory on the reserve accounts. The account will require the countersignatures of at least two (2) Board Members. Agent will deposit reserve funds into reserve account monthly per the Association's budget and/or as directed by the Board.

I. INSURANCE

- I.1** The Agent at the expense of the Association shall obtain or cause to be obtained the required insurance at all times to be in full force and effect in accordance with the Association's governing documents. Agent at the expense of the Association shall obtain or cause to be obtained any available insurance in addition to that set forth above that may be requested by the Association. Per Paragraph G.4 of this agreement, the Agent shall be responsible for paying insurance premium from the Association's funds.
- I.2** Concurrent with the execution of this agreement the Association agrees to obtain and furnish to the Agent copies of master property, general liability, directors and officers liability insurance and fidelity bond insurance policies pertaining to the property and to have the Agent named by endorsement immediately after the effective date of the agreement as an additional insured in the above described insurance policies.
- I.3** Agent shall maintain a fidelity bond on Agent's employees in the amount of \$1,000,000.00.

J. INDEMNIFICATION

- J.1** To the fullest extent of the law the Association shall indemnify and defend and hold Agent, and its employees, agents, officers and directors, harmless from liability for any and all claims, costs, suits and damages, including cost of defense and attorney fees arising directly or indirectly out of or in any way related to or connected with the management and operation of the Association or its Property, and from liability for injuries suffered by any person in any way related to the Association or its Property; provided, however, the Association's foregoing obligations shall not extend to any acts of Agent constituting intentional or willful misconduct. The Association shall have an immediate duty to defend Agent from any and all claims to which obligation may apply. These obligations relate to any acts or omissions, statements or representations made by Agent in the performance and/or non-performance of Agent's duties and to any and all claims which may be alleged or imposed against Agent concerning or otherwise related to the management and operation of the Association or its property. This provision shall survive any termination of this agreement.
- J.2** Agent shall not be held liable for failure to pay any charges against property if the Association does not make necessary funds available to the Agent.



K. AGENT / ASSOCIATION PROTECTION

- K.1 **Agent's Employees:** Agent shall hire its own personnel necessary for the efficient discharge of the duties of Agent hereunder. Agent spends significant amounts of time and money to hire and train employees for the operation of this and other Associations. Association derives the benefits of Agent's experience in operating this Association and of such hiring and training procedures. Association therefore agrees not to engage the services of any past or present employee, partner, officer or co-owner of Agent in any capacity whatsoever, during the term of this agreement or for a period of two (2) years following the termination of this agreement or any extension thereof without the expressed written consent of Agent. Association agrees to pay Agent the sum of Ten Thousand Dollars (\$10,000) in damages if it breaches this provision of the agreement. Association agrees that it will use due diligence to ensure that this provision of the agreement is upheld. Both parties agree that this is a reasonable sum due to the extensive training and trade secrets that Agent provides, as well as expectation of continued income and allotment of resources.
- K.2 **Trade Secrets and Proprietary Data:** During the course of this Agreement, the Association will be dealing with trade secrets of the Agent, including information, inventions, and processes, all of a confidential nature, that are Agent's property and are used in the course of Agent's business. In particular, Association may have access to and be dealing with trade secrets such as confidential customer lists, procedures for servicing Agent's Associations, and documentation relating to the servicing of Agent's Associations. Association promises to hold in the strictest confidence and not divulge to others, nor to use to the detriment of Agent, anytime during this Agreement or thereafter, so long as it shall retain a degree of confidentiality giving value to its protection from competitors, any trade secret or confidential information obtained during the course of this agreement.
- K.3 **Enforcement:** In the event Association violates the terms of K.1 or K.2, Agent may bring legal action requesting both legal and equitable relief. Each further recognizes that in the event legal action is necessary to enforce the terms of this Section the prevailing party shall be entitled to attorney's fees and all costs of suit incurred therewith.
- K.4 **Disclosure Statement:** Agent or its affiliated companies may be engaged in enterprises other than full service or fiscal association management. These activities may include, but are not limited to budget and planning consultation with developers, brokerage services, rental management for unit owners, collection and insurance services.

L. COMPENSATION

- L.1 For services rendered pursuant to this agreement the Association shall pay the Agent a total monthly base management fee of **\$2,222.00 per month** exclusive of all surcharges. Reference attachments on pages eight (8), nine (9) and ten (10) of this agreement for additional charges.
- L.2 The base fee, as defined in L.1 shall be net to Agent and is exclusive of the Association's operating expenses and costs. The base fee shall be adjusted by the adoption of a new annual association budget indicating an adjusted base fee for management services. Adoption of the annual budget by the Association's Board of Directors shall constitute an approval of a base fee charge under this agreement, but in no event shall the base fee be less than the previous year's base fee. This fee is due on the first of each and every month.
- L.3 Agent shall attend one Association meeting every month, but any hours of Agent's attendance by Association's request over two (2) hours per monthly Board meeting shall be reimbursed at a rate consistent with attachment on page eight (8).
- L.4 Upon request, the Agent will attend special meetings and the Association will reimburse the Agent at a rate consistent with attachments on page eight (8).
- L.5 Meeting's scheduled on weekends and holiday's may be attended by the Agent, at the request of the Board, and the availability of the Agent, and at the expense of the Association at the rate of \$130.00 per hour. (Weekend commences at 5:00 p.m. on Friday and continues through Monday at 8:30 a.m.)



M. TERMINATION

M.1 This agreement shall become effective on 5/1, 2015 and shall continue in full force and effect until terminated. Written notice of termination must be given by a party to each other party to this agreement at least sixty (60) days prior to the end of the then current term; unless so terminated, the agreement automatically renews for an additional successive twelve (12) month term. Agent's monthly fee adjustment, if any, shall be based on the Association's approved budget, but in no event shall the base fee be less than the previous year's base fee.

Initial Here: PLC

N. SUBSTITUTION OF AGENT

N.1 **Records:** Upon termination by either party per notice requirements in terms of agreement, a date and time shall be set for a meeting to take place in Agent's office for the purpose of turning over to the Association records, funds and deposit accounts (except for escrow account established under these provisions) and to execute any agreements and releases relating to the conclusion of contractual obligations. Association will also present Agent with a forwarding address and telephone number for association business.

N.2 **Disbursements:** An escrow account fund will be held by the Agent in the amount of \$500.00 or half of current Agent's fee at time of termination, whichever is greater, for 30 days. Agent will be allowed to draw a final check for services rendered and/or reimbursement costs incurred by Agent on behalf of the Association during the transition period, which is for 30 days after the termination date.

Services rendered that will be charged at Agent's hourly rate (see Attachment) will include, but are not limited to:

- a) Coordination time with Association or its newly appointed agent to transfer documents.
- b) Set up of termination files.
- c) Special meetings as called by Association or its newly appointed agent.

O. NOTICE

O.1 All notices required under any article of this agreement shall be either:

- 1) in writing, delivered by registered or certified mail, postage prepaid, return receipt requested; or
- 2) by personal delivery, respectively. The place which notices shall be addressed is as follows:

TO THE ASSOCIATION: **THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION**
C/O: BOARD PRESIDENT
CARLSBAD, CALIFORNIA 92010

TO THE AGENT: **CURTIS MANAGEMENT COMPANY, INC.**
C/O PATRICK S. CAMPBELL, PRESIDENT
5050 AVENIDA ENCINAS, SUITE 160
CARLSBAD, CALIFORNIA 92008



P. MODIFICATIONS

P.1 This Agreement shall constitute the entire Agreement between the parties, and no modification shall be valid or enforced except by supplemental written agreement signed by both parties.

Q. MISCELLANEOUS

Q.1 This Agreement shall be binding on the parties hereto, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, this Agreement has been executed in the county of San Diego, State of California, as of the date and year first written above.

CURTIS MANAGEMENT COMPANY, INC.

By: 

Patrick S. Campbell

Title: President

Date: December 8, 2014

THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION

By: 

Title: Board President

Date: 3/31/2015



ATTACHMENT #1 TO MANAGEMENT AGREEMENT BETWEEN CURTIS MANAGEMENT AND THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION.

ASSOCIATION CHARGEBACKS

THIS ATTACHMENT is incorporated by reference and made a part thereof to the Community Association Management Agreement.

1. Assessment Billing	\$1.00 per bill
2. Cost of Postage	Current postal rates
3. Photocopies	.15 per page (included in base contract)
Fax	\$1.00 per page (incoming)
	.50 per page (outgoing)
4. Additional office expenses as incurred, i.e. folding stapling, stuffing and collating written materials.	.20 per page-(included in base contract)
5. Attendance at special meetings. (Board request only)	\$65.00 per hour
6. Attendance at Board meetings in excess of 2 hours or in excess of meeting frequency per this agreement. (Board request only)	\$65.00 per hour
7. Liaison and office support between Board, Homeowners and Legal Counsel during lawsuit activities (Board request only)	\$65.00 per hour
8. Representation at Small Claims Actions (Board request only)	\$65.00 per hour
9. Special projects not included in Management Agreement. (Board request only)	\$65.00 per hour
10. Preparation of Annual 1099,1096,596,W2 and W3 Forms	\$200.00 - \$300.00 Annually (predicated on the number of forms)
11. Payroll processing charge for Associations with on-site staff	\$30.00 per employee (per month)
12. Emergency Association Payables (Checks)	\$15.00 each
13. Phone Charge	Included in contract
14. Monthly storage fee (if applicable)	\$3.00 per banker size box

Initial Here: PKD/



ATTACHMENT #1 (contd.) TO MANAGEMENT AGREEMENT BETWEEN CURTIS MANAGEMENT COMPANY AND THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION.

- | | |
|--|-----------------------------------|
| 15. Year to Date General Ledger (for auditors) | \$60.00 annually |
| 16. NSF Check Fee | \$20.00 (Charged to owner) |
| 17. For emergency mail outs, where material is provided with less than 3 days processing time. | \$50.00 additional charge |
| 18. Initial Set Up (new clients only):
Agent shall organize the records and documents it receives from Association or its prior Agent, in accordance with Agent's normal procedures. Association agrees to pay a one time set up fee. | \$4.00 per unit |
| 19. Management company to act as inspectors of elections.
(per Board request) | \$1.00 per unit (total HOA units) |

Initial Here: PKB/



ATTACHMENT #2 TO MANAGEMENT AGREEMENT BETWEEN CURTIS MANAGEMENT COMPANY AND THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION.

SPECIAL PROJECTS

- | | | |
|----|---|----------------------------|
| 1. | Additional Financial Reports | \$200.00 per month |
| 2. | Special Assessment Accounting Fee | \$1.00 per unit, per month |
| 3. | Special Bank Account Set-up Fee | \$100.00 |
| 4. | Loan Set-up, Administration & Management Fee | \$65.00 (one time fee) |
| 5. | Additional Administration, Management & Consulting for Special Projects | \$65.00 per hour |

Initial Here: PLS
KJ

EXHIBIT B

From: Darren Mandel <dmandel@keystonepacific.com>

Date: Fri, Nov 22, 2024 at 1:57 PM

Subject: RE: The Villas of Calavera Hills HOA - Keystone Leadership Support

To: Andrew Mirabelli <apmirabelli@gmail.com>, Ed Willers <ewillers47@gmail.com>, Craig Combs <ccombs@wk4law.com>

CC: Darren Mandel <dmandel@keystonepacific.com>

Hi Andrew.

Attached is the contract being operated, it is the Curtis Management contract. Let me know please should you have any questions.

Thank you,

Darren Mandel, CMCA®, AMS®, PCAM® | Regional Manager

Keystone

direct: 951.395.1202 | main: 760.643.2200

[5050 Avenida Encinas, Suite 160 | Carlsbad, CA 92008](#)

[kppm.com](#) | [facebook](#) | [linkedin](#) | dmandel@keystonepacific.com

We'd love your feedback! [Let us know how we're doing.](#)

From: Andrew Mirabelli <apmirabelli@gmail.com>

Sent: Friday, November 22, 2024 1:20 PM

To: Darren Mandel <dmandel@keystonepacific.com>; Ed Willers <ewillers47@gmail.com>; Craig Combs <ccombs@wk4law.com>

Subject: Re: The Villas of Calavera Hills HOA - Keystone Leadership Support

Darren, can you please send me a copy of our contract with Keystone this afternoon?

Best regards,

Andrew Mirabelli

FAA CRS BW3R412L

Cell 619 985-9276

45 Years in Business Aviation

American Aircraft Interiors

Pacific Coast Enterprises Inc.

Cabin Safety, Business Jet Design & Completions

Police, Medevac, Fire, Search & rescue outfitters

International Leather Source

Carlsbad CA , Temecula CA

On Fri, Nov 22, 2024 at 11:17 AM Darren Mandel <dmandel@keystonepacific.com> wrote:

Hi Andrew,

Per or phone discussion today I want to introduce to you via email Lisa's direct supervisor, Tina Rozycki.

Tina is a Director of Community Management in our Carlsbad Office and is extremely tenured in the industry

Her contact information as well:

trozycki@keystonepacific.com

760-278-0489

Darren Mandel, CMCA®, AMS®, PCAM® | Regional Manager

Keystone

direct: 951.395.1202 | main: 760.643.2200

[5050 Avenida Encinas, Suite 160 | Carlsbad, CA 92008](#)

[kppm.com](#) | [facebook](#) | [linkedin](#) | dmandel@keystonepacific.com

We'd love your feedback! [Let us know how we're doing.](#)

Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

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Community Association
Full Service Management Agreement

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E. EMPLOYMENT AND SUPERVISION OF LABOR

E.1 The following does not cover on-site personnel. The Agent shall hire in its own name all managerial personnel necessary for the efficient discharge of the duties of the agent hereunder. Compensation for the services of such employees shall be the responsibility of the Agent. The Agent fully understands that the function of the Association is the operation and management of the common areas and the Agent agrees, notwithstanding the authority given to the Agent in this Agreement, to confer fully and freely with the Directors of the Association in the performance of its duties as herein set forth, and to attend membership or Directors' meetings monthly. It is also understood that the Agent will confer with the Board President between regular Board meetings unless another Director is designated. It is further understood and agreed that the authority and duties conferred upon the Agent hereunder are confined to the common areas and facilities as defined in the Plan of Ownership. Such authority and duties shall not include supervision or management of the interior of family units, exclusive use areas, or parking and garage spaces assigned to a particular living unit, except to the extent that the Board of Directors requests Agent's assistance, and Agent Agree to assist, in the exercise or enforcement of any of the Association's rights or rules and regulations related thereto.



- E.2 Upon written approval by the Association, the Agent may be authorized to employ additional personnel to perform under the direction of the Agent or Board of Directors such duties, as the Association may deem necessary. These employees will be the employees of the Association and all costs incurred; i.e. payroll taxes, health benefits, worker's compensation and other insurance, etc. will be the responsibility of the Association.
- E.3 All employees of the Association who are employed in the operation and maintenance of the said property shall be covered under the Association's Worker's Compensation insurance policy.

F. ADMINISTRATION

- F.1 The Agent shall not be required to govern the acts of residents, guests, or any other persons with the exception of the Agent's own employees, even though the Agent or the Agent's employees may assist the Association in enforcing the Association's rules and regulations.
- F.2 It is further understood that the Agent, with the prior approval of the Association, is authorized in the name of, or for the account of the Association to enter and negotiate contracts specifically designated by the Association.
- F.3 Agent will maintain the administrative and financial records of the Association and will act as the Custodian of Records for all such records. These records will remain the property of the Association. Agent will maintain and update a membership roster. Association's Board of Directors shall have, at all reasonable times during normal business hours, the right to inspect and copy any records of the Association as maintained by the Agent.
- F.4 Owner Review of Records. Agent will make allowable Association records available to Association members for review. Association agrees that Agent shall charge a fee to the homeowner in accordance with the California Civil Code, for records research and copying, scheduling and monitoring of such a review. The Association's legal team or any other person(s) the Board so chooses will be required to redact all records necessary within the law.
- F.5 Agent will write necessary correspondence to homeowners, residents and service vendors, and will communicate with all necessary parties on required maintenance items. Agent may perform such other duties as are generally within the responsibility of an association management Agent if not specifically excluded from this agreement.
- F.6 Agent will distribute an Association newsletter. Agent will not be responsible for writing the newsletter. Association will provide Agent with the newsletter, not to exceed two (2) pages, which Agent will include in the billing statement sent to the homeowners. (Newsletter to be received by Agent no later than the 18th of the month)
- F.7 Agent shall attend one meeting of the Board of Directors or general membership every month (not to exceed two (2) hours). Agent will prepare the agenda for each meeting along with accompanying information, and will distribute the meeting information to the Board four (4) to five (5) days in advance of the meeting. The Board will be responsible to post the Board Meeting agenda in accordance with the California Civil Code.

G. FISCAL MANAGEMENT

- G.1 **Accuracy of Financial Information.** It is understood that the accuracy of financial information supplied to the Agent is the sole responsibility of the Association. Agent shall not be held responsible for the production of incorrect financial reports if the financial data submitted by the Association or by the prior agent or Management Company is inaccurate. In addition the Association agrees to have an independent Certified Public Accountant perform a review/audit of the Association's records for the sole purpose of correcting financial data if it is discovered that the information received is inaccurate. The Association agrees to be responsible for all costs associated with an independent financial review/audit.



- G.2 **Monthly Assessment Fees.** The Agent shall collect and/or account for all assessment fees, late fees, interest, etc. as prescribed by the Association, and shall set-up checking, savings or other accounts with any federally insured institution or institutions. The Agent shall keep accounting records to reflect the status of the Association's interest in any account or accounts set up by the Agent or Board. **Agent is not authorized to open Association reserve fund accounts. Per California Civil Code this is the responsibility of the Board of Directors.**
- G.3 **Association's Operating Funds.** Agent will establish and maintain Association operating funds in a bank of Agent's choice whose deposits are federally insured, for deposit of monies of the Association, with authority to draw thereon for any payments to be made by the Agent to discharge any liabilities or obligations incurred pursuant to this Agreement and for the payment of Agent's fee, which payments are subject to the limitations of this Agreement. Any base fees and costs due the Agent will be paid promptly each month on the first of each month.
- G.4 **Disbursement Authorization.** The Agent shall make all disbursements from assessment fees collected for normal recurring expenses as provided in the budget, which shall be approved in advance annually by the Association. Further, the Agent shall prepare, sign, and mail checks in timely payment of all utilities, taxes, insurance premiums, contract fees, minor repairs, supplies and other regularly recurring expenses from the Association's funds. All non-budgeted expenditures shall be made only with approval of the Association, except in the cases of emergency requiring prompt action to avoid further loss or damage. **Emergency repairs involving imminent danger to life or property, or immediately necessary for the preservation and safety of the property, or for the safety of any person, or required to avoid the suspension of any necessary service to the complex, may be made by the Agent, irrespective of the cost limitation imposed by this section.** The Agent shall not be required to advance any monies for the care or management of said property, and the Association agrees to advance all monies necessary regardless of the lack of approvals otherwise required by this section.
- G.5 **Delinquent Accounts.** Agent is authorized to take reasonable steps for collection of delinquent accounts. In the event such efforts fail, Agent will have authority with Board approval to record a lien against the delinquent owner's unit in accordance with the Declarations and the approved collection policy. The Agent is authorized to assess the delinquent account a late charge as permitted under state law, along with other charges for collection & lien fees, reflective of the costs of collection, accounting, and payment plan monitoring and legal proceedings. All such assessments are to be deposited into the account of the Association. Agent shall be paid a fee of \$10.00 per unit for each month of delinquency when assessments are not paid by the due date. Delinquent fee shall be paid to Agent as an offset of collection costs.
- G.6 **Financial Statement.** The Agent shall furnish the Association with copies of a monthly fiscal statement prepared on a modified accrual basis of accounting, of all receipts and disbursements, showing assessment fees and other cash receipts, the grouping by category of all disbursements, net cash gain or loss, cash on hand, and reserve accounts. The books of accounts maintained with respect to the management of the property shall at all reasonable times be open to the Association's inspection. All copies of financial reports or invoices to be at Association's expense.
- G.7 **Annual Budget.** At least sixty (60) days before the beginning of each new fiscal year, the Agent shall prepare and submit to the Association for approval an annual budget, to be used for the determination of maintenance fees for the ensuing year.
- G.8 **Independent Audit.** The Agent at the expense of the Association and in accordance with the Plan of Ownership shall cause an independent audit or review to be made annually of such books and records by a certified public accountant, and a copy of each audit or review shall be delivered to the Board and each owner within sixty (60) days after the fiscal year adopted by the Association if available and approved by the Board.



- G.9 Reserve Study/Analysis.** At least six months before the beginning of each new fiscal year, the Agent, at the expense of the Association shall cause an independent reserve study and or analysis to be initiated. The reserve study/analysis is to be used for the determination of reserve allocations for the ensuing year. The detailed reserve study must be completed no less than every three years and updated annually. A summary of reserve study and or analysis is to be mailed to all owners at the Association's expense.

H. DEPOSIT & COLLECTIONS

- H.1** All monies collected under this agreement shall be deposited in an operating bank account separate from the funds of Curtis Management Company and at no time are any of the funds of said bank account(s) to be intermingled with the funds of Curtis Management Company. The Association shall own all such bank accounts. CMC will designate the Bank for the Association's operating account.
- H.2** Agent shall have the authority to draw on the operating account for any payments which it must make to discharge any liabilities or obligations incurred pursuant to this agreement. From funds collected, Agent will cause to be paid the expenses for the operation of the Association in accordance with the approved budget or as otherwise directed by the Board of Directors
- H.3** **Reserve funds of the Association are to be held in a separate trust account(s) at a federally insured financial institution in the name of and controlled by the Association.** Agent will maintain reserve accounting records in its offices and update signature cards as necessary. Agent will not be a signatory on the reserve accounts. The account will require the countersignatures of at least two (2) Board Members. Agent will deposit reserve funds into reserve account monthly per the Association's budget and/or as directed by the Board.

I. INSURANCE

- I.1** The Agent at the expense of the Association shall obtain or cause to be obtained the required insurance at all times to be in full force and effect in accordance with the Association's governing documents. Agent at the expense of the Association shall obtain or cause to be obtained any available insurance in addition to that set forth above that may be requested by the Association. Per Paragraph G.4 of this agreement, the Agent shall be responsible for paying insurance premium from the Association's funds.
- I.2** Concurrent with the execution of this agreement the Association agrees to obtain and furnish to the Agent copies of master property, general liability, directors and officers liability insurance and fidelity bond insurance policies pertaining to the property and to have the Agent named by endorsement immediately after the effective date of the agreement as an additional insured in the above described insurance policies.
- I.3** Agent shall maintain a fidelity bond on Agent's employees in the amount of \$1,000,000.00.

J. INDEMNIFICATION

- J.1** To the fullest extent of the law the Association shall indemnify and defend and hold Agent, and its employees, agents, officers and directors, harmless from liability for any and all claims, costs, suits and damages, including cost of defense and attorney fees arising directly or indirectly out of or in any way related to or connected with the management and operation of the Association or its Property, and from liability for injuries suffered by any person in any way related to the Association or its Property; provided, however, the Association's foregoing obligations shall not extend to any acts of Agent constituting intentional or willful misconduct. The Association shall have an immediate duty to defend Agent from any and all claims to which obligation may apply. These obligations relate to any acts or omissions, statements or representations made by Agent in the performance and/or non-performance of Agent's duties and to any and all claims which may be alleged or imposed against Agent concerning or otherwise related to the management and operation of the Association or its property. This provision shall survive any termination of this agreement.
- J.2** Agent shall not be held liable for failure to pay any charges against property if the Association does not make necessary funds available to the Agent.



K. AGENT / ASSOCIATION PROTECTION

- K.1 **Agent's Employees:** Agent shall hire its own personnel necessary for the efficient discharge of the duties of Agent hereunder. Agent spends significant amounts of time and money to hire and train employees for the operation of this and other Associations. Association derives the benefits of Agent's experience in operating this Association and of such hiring and training procedures. Association therefore agrees not to engage the services of any past or present employee, partner, officer or co-owner of Agent in any capacity whatsoever, during the term of this agreement or for a period of two (2) years following the termination of this agreement or any extension thereof without the expressed written consent of Agent. Association agrees to pay Agent the sum of Ten Thousand Dollars (\$10,000) in damages if it breaches this provision of the agreement. Association agrees that it will use due diligence to ensure that this provision of the agreement is upheld. Both parties agree that this is a reasonable sum due to the extensive training and trade secrets that Agent provides, as well as expectation of continued income and allotment of resources.
- K.2 **Trade Secrets and Proprietary Data:** During the course of this Agreement, the Association will be dealing with trade secrets of the Agent, including information, inventions, and processes, all of a confidential nature, that are Agent's property and are used in the course of Agent's business. In particular, Association may have access to and be dealing with trade secrets such as confidential customer lists, procedures for servicing Agent's Associations, and documentation relating to the servicing of Agent's Associations. Association promises to hold in the strictest confidence and not divulge to others, nor to use to the detriment of Agent, anytime during this Agreement or thereafter, so long as it shall retain a degree of confidentiality giving value to its protection from competitors, any trade secret or confidential information obtained during the course of this agreement.
- K.3 **Enforcement:** In the event Association violates the terms of K.1 or K.2, Agent may bring legal action requesting both legal and equitable relief. Each further recognizes that in the event legal action is necessary to enforce the terms of this Section the prevailing party shall be entitled to attorney's fees and all costs of suit incurred therewith.
- K.4 **Disclosure Statement:** Agent or its affiliated companies may be engaged in enterprises other than full service or fiscal association management. These activities may include, but are not limited to budget and planning consultation with developers, brokerage services, rental management for unit owners, collection and insurance services.

L. COMPENSATION

- L.1 For services rendered pursuant to this agreement the Association shall pay the Agent a total monthly base management fee of **\$2,222.00 per month** exclusive of all surcharges. Reference attachments on pages eight (8), nine (9) and ten (10) of this agreement for additional charges.
- L.2 The base fee, as defined in L.1 shall be net to Agent and is exclusive of the Association's operating expenses and costs. The base fee shall be adjusted by the adoption of a new annual association budget indicating an adjusted base fee for management services. Adoption of the annual budget by the Association's Board of Directors shall constitute an approval of a base fee charge under this agreement, but in no event shall the base fee be less than the previous year's base fee. This fee is due on the first of each and every month.
- L.3 Agent shall attend one Association meeting every month, but any hours of Agent's attendance by Association's request over two (2) hours per monthly Board meeting shall be reimbursed at a rate consistent with attachment on page eight (8).
- L.4 Upon request, the Agent will attend special meetings and the Association will reimburse the Agent at a rate consistent with attachments on page eight (8).
- L.5 Meeting's scheduled on weekends and holiday's may be attended by the Agent, at the request of the Board, and the availability of the Agent, and at the expense of the Association at the rate of \$130.00 per hour. (Weekend commences at 5:00 p.m. on Friday and continues through Monday at 8:30 a.m.)



M. TERMINATION

M.1 This agreement shall become effective on 5/ 1, 2015 and shall continue in full force and effect until terminated. Written notice of termination must be given by a party to each other party to this agreement at least sixty (60) days prior to the end of the then current term; unless so terminated, the agreement automatically renews for an additional successive twelve (12) month term. Agent's monthly fee adjustment, if any, shall be based on the Association's approved budget, but in no event shall the base fee be less than the previous year's base fee.

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N. SUBSTITUTION OF AGENT

N.1 **Records:** Upon termination by either party per notice requirements in terms of agreement, a date and time shall be set for a meeting to take place in Agent's office for the purpose of turning over to the Association records, funds and deposit accounts (except for escrow account established under these provisions) and to execute any agreements and releases relating to the conclusion of contractual obligations. Association will also present Agent with a forwarding address and telephone number for association business.

N.2 **Disbursements:** An escrow account fund will be held by the Agent in the amount of \$500.00 or half of current Agent's fee at time of termination, whichever is greater, for 30 days. Agent will be allowed to draw a final check for services rendered and/or reimbursement costs incurred by Agent on behalf of the Association during the transition period, which is for 30 days after the termination date.

Services rendered that will be charged at Agent's hourly rate (see Attachment) will include, but are not limited to:

- a) Coordination time with Association or its newly appointed agent to transfer documents.
- b) Set up of termination files.
- c) Special meetings as called by Association or its newly appointed agent.

O. NOTICE

O.1 All notices required under any article of this agreement shall be either:

- 1) in writing, delivered by registered or certified mail, postage prepaid, return receipt requested; or
- 2) by personal delivery, respectively. The place which notices shall be addressed is as follows:

TO THE ASSOCIATION: **THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION**
C/O: BOARD PRESIDENT
CARLSBAD, CALIFORNIA 92010

TO THE AGENT: **CURTIS MANAGEMENT COMPANY, INC.**
C/O PATRICK S. CAMPBELL, PRESIDENT
5050 AVENIDA ENCINAS, SUITE 160
CARLSBAD, CALIFORNIA 92008



P. MODIFICATIONS

P.1 This Agreement shall constitute the entire Agreement between the parties, and no modification shall be valid or enforced except by supplemental written agreement signed by both parties.

Q. MISCELLANEOUS

Q.1 This Agreement shall be binding on the parties hereto, their heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, this Agreement has been executed in the county of San Diego, State of California, as of the date and year first written above.

CURTIS MANAGEMENT COMPANY, INC.

By: 

Patrick S. Campbell

Title: President

Date: December 8, 2014

THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION

By: 

Title: Board President

Date: 3/31/2015



ATTACHMENT #1 TO MANAGEMENT AGREEMENT BETWEEN CURTIS MANAGEMENT AND THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION.

ASSOCIATION CHARGEBACKS

THIS ATTACHMENT is incorporated by reference and made a part thereof to the Community Association Management Agreement.

1. Assessment Billing	\$1.00 per bill
2. Cost of Postage	Current postal rates
3. Photocopies	.15 per page (included in base contract)
Fax	\$1.00 per page (incoming)
	.50 per page (outgoing)
4. Additional office expenses as incurred, i.e. folding stapling, stuffing and collating written materials.	.20 per page-(included in base contract)
5. Attendance at special meetings. (Board request only)	\$65.00 per hour
6. Attendance at Board meetings in excess of 2 hours or in excess of meeting frequency per this agreement. (Board request only)	\$65.00 per hour
7. Liaison and office support between Board, Homeowners and Legal Counsel during lawsuit activities (Board request only)	\$65.00 per hour
8. Representation at Small Claims Actions (Board request only)	\$65.00 per hour
9. Special projects not included in Management Agreement. (Board request only)	\$65.00 per hour
10. Preparation of Annual 1099,1096,596,W2 and W3 Forms	\$200.00 - \$300.00 Annually (predicated on the number of forms)
11. Payroll processing charge for Associations with on-site staff	\$30.00 per employee (per month)
12. Emergency Association Payables (Checks)	\$15.00 each
13. Phone Charge	Included in contract
14. Monthly storage fee (if applicable)	\$3.00 per banker size box

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ATTACHMENT #1 (contd.) TO MANAGEMENT AGREEMENT BETWEEN CURTIS MANAGEMENT COMPANY AND THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION.

- | | |
|--|-----------------------------------|
| 15. Year to Date General Ledger (for auditors) | \$60.00 annually |
| 16. NSF Check Fee | \$20.00 (Charged to owner) |
| 17. For emergency mail outs, where material is provided with less than 3 days processing time. | \$50.00 additional charge |
| 18. Initial Set Up (new clients only):
Agent shall organize the records and documents it receives from Association or its prior Agent, in accordance with Agent's normal procedures. Association agrees to pay a one time set up fee. | \$4.00 per unit |
| 19. Management company to act as inspectors of elections.
(per Board request) | \$1.00 per unit (total HOA units) |

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ATTACHMENT #2 TO MANAGEMENT AGREEMENT BETWEEN CURTIS MANAGEMENT COMPANY AND THE VILLAS AT CALAVERA HILLS HOMEOWNERS ASSOCIATION.

SPECIAL PROJECTS

- | | | |
|----|---|----------------------------|
| 1. | Additional Financial Reports | \$200.00 per month |
| 2. | Special Assessment Accounting Fee | \$1.00 per unit, per month |
| 3. | Special Bank Account Set-up Fee | \$100.00 |
| 4. | Loan Set-up, Administration & Management Fee | \$65.00 (one time fee) |
| 5. | Additional Administration, Management & Consulting for Special Projects | \$65.00 per hour |

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plh
KJ

EXHIBIT C

Subject: RE: The Villas of Calavera Hills HOA Insurance lapse
Date: Friday, November 22, 2024 at 4:35:57 PM Pacific Standard Time
From: Darren Mandel <dmandel@keystonepacific.com>
To: Andrew Mirabelli <apmirabelli@gmail.com>, Tina Rozycki <trozycki@keystonepacific.com>

Hi Andrew

Pardon my delay. I did see you asked this question under a separate email cover this afternoon.

As I continue to review internally with my staff and superiors, I can say that I was understanding fully the matter that the HOA was indeed without insurance late Wednesday 11/20. That afternoon, I reached out to Brad in efforts to gather confirmation and additional information. My communications with Brad ran into Thursday 11/21 as I was hoping to obtain some solutions prior to calling you yesterday afternoon, 11/21 in advance of the board meeting.

As we discussed yesterday on the phone, this is not a matter which we are taking lightly. As we continue to review internally my commitment to you is to keep you apprised and work hard in efforts to maintain our working partnership together while instilling the trust in our services which is understandably lessened.

Please email or call me if anything more is needed today. I did read that Lisa has obtained all the required signature forms today.

Darren Mandel, CMCA®, AMS®, PCAM® | Regional Manager
Keystone

direct: 951.395.1202 | main: 760.643.2200
5050 Avenida Encinas, Suite 160 | Carlsbad, CA 92008
kppm.com | [facebook](https://www.facebook.com/keystonepacific) | [linkedin](https://www.linkedin.com/company/keystonepacific) | dmandel@keystonepacific.com

We'd love your feedback! [Let us know how we're doing.](#)

From: Andrew Mirabelli <apmirabelli@gmail.com>
Sent: Friday, November 22, 2024 4:04 PM
To: Darren Mandel <dmandel@keystonepacific.com>; Tina Rozycki <trozycki@keystonepacific.com>
Subject: The Villas of Calavera Hills HOA Insurance lapse

Darren, when did Keystone Pacific first learn that our association was without insurance. What date? I sent you an email previously, but I don't have a record of receiving the answer from you.

Best regards,

Andrew Mirabelli

FAA CRS BW3R412L

Cell 619 985-9276

45 Years in Business Aviation

American Aircraft Interiors

Pacific Coast Enterprises Inc.

Cabin Safety, Business Jet Design & Completions

Police, Medevac, Fire, Search & rescue outfitters

International Leather Source

Carlsbad CA , Temecula CA

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