

HAMILTON COVE HOA INFORMATION

Hamilton Cove is a 185 unit condominium development in the City of Avalon, on Catalina Island approximately 22 mile from the mainland. It is part of Los Angeles County, California. It was built directly adjacent to the shoreline, facing generally east. Units at Hamilton Cove range in size from 755 SF to 3,542 SF and have from one to three bedrooms. Each unit has at least one balcony with almost all balconies facing the ocean. Many of the units have wood burning fireplaces. Phase Five, described below, has added three single family residences of an anticipated eighty eight.

Hamilton Cove Homeowners Association ("HCHOA") is a California mutual benefit corporation with 188 voting members. It has a five person Board of Directors elected by the members. The Board elects officers. All of the officers are also directors. The officers manage the Association in accordance with the Restated CC&Rs and policies adopted by the Board of Directors. No management company is involved.

Prior to January 26, 2010, the members held subleases to their condominiums. The Land, Improvements and Infrastructure were owned by a subsidiary of the Santa Catalina Island Company. On January 26, 2010, the Association purchased the Land, Improvements and Infrastructure and became the Sub-lessor on the 185 Subleases. It immediately sold a 1/185 undivided fractional interest in the Land, Improvements and Infrastructure and fee interest in their condominiums to 119 members and canceled their subleases. Subsequently, additional sublessees exercised their option to purchase a fee interest in their condominiums.

The Association remains the Sub-lessor on approximately 36 Subleases; these members pay their pro rate share of a Master Land Loan each month. When a sub-lessee member pays his or her pro rate share of the Master Land Loan in full, he or she will receive the same interest in the Land, Improvements and Infrastructure and their condominium as was obtained by the other members referenced above. The purchase price on the land is approximately \$48,000. The loan payment, which is in lieu of rent, is \$419.67 per month per owner. The Master Land Loan has a 15 year term which commenced in January 2010. Normally, when a subleased unit is sold or refinanced, the balance of the loan is paid off and the member receives a fee interest in the unit.

Homeowners are required to pay for earthquake insurance through an annual assessment by the HOA based upon the cost of the insurance. In the past this has been approximately \$450.00 (payable in February). The monthly HOA assessment is \$890. Hamilton Cove has PERS approval from Fannie Mae which facilitates financing. Condominiums at Hamilton Cove have been financed by a number of different lenders.

Hamilton Cove has three distinct beach areas stretching approximately 1500 feet. The beach areas are set up for BBQ, volleyball and other appropriate beach activities. In addition, the area immediately offshore is a kelp garden teeming with fish. Hamilton Cove is a golf cart community. Transportation within Hamilton Cove and to Avalon is accomplished by golf cart. Hamilton Cove has a Club House with a full kitchen available for use. It has a heated swimming pool and Jacuzzi. There is also a Gym with the usual equipment found in a gym except you look out over the ocean as you exercise. The Gym has separate men and women locker rooms, each with its own sauna. There is also a Conference Room that can be variously configured for meetings. For additional entertainment and exercise there is a croquet course, an eighteen hole putting course and two lighted tennis courts. Hamilton Cove has its own Security Staff with at least one guard on duty at all times.

There are 24 moorings directly off-shore for boats up to 50 feet in length, and three swing-lines for boats up to 100 feet. From May to October, Hamilton Cove has a dock in the water to facilitate accessing Hamilton Cove by boat. Moorings can be reserved 48 hours in advance through the HOA office. Homeowners can also reserve a "preferred" mooring which enables boaters a year of access to a mooring paying in one installment through the HOA office for convenience.

The California Coastal Commission and the City of Avalon have approved Phase Five for development, which will be the last phase at Hamilton Cove.. Phase Five will add 88 more residences ranging in size from 1900 sq. ft. to 4500 sq. ft.; and a second swimming pool. Three residences have been constructed and 12 more are under construction. It is anticipated that most of the residences will be single family or townhouses.