

*Centre Court*

*Annual Budget*

*and*

*Disclosures*

Received 1 - 62 pages

Sign

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Sign

Date

To all of our neighbors in the Centre Court Homeowners Association,

My name is Marissa Mihin, and I am the President of your Board of Directors. My family and I have lived here for the past three years; you may have seen either my teenager or my toddler running about the green, frequently trailed by our black cat Luna. I joined the Board in January of 2024 as a member-at-large because Centre Court is more than just where I live. It is my community that I have come to cherish, and I have a deep vested interest in shepherding it through the next few years to come.

Enclosed with this letter you will find a detailed breakdown of the 2025 Association budget. I will cut to the chase: this budget includes a **9.73% increase** in assessments over 2024, to a monthly per-household total of **\$857.88** for Centre Court assessments.

This was only done after many hours of discussion and debate. Each of us on the board understands exactly how painful this decision is for every household. Our monthly assessments are already very high, and this increase only exacerbates the financial difficulties many of you face. We understand this particularly affects those of you on fixed incomes. We also share your concerns about the effect this increase may have on our property values. We have taken these factors into consideration when making this critical decision.

What follows this cover letter is a thorough breakdown of how our HOA budget is structured, where we spend our money and why, and a detailed explanation of our current financial situation.

I'm sure you have many questions, and we want to answer them. **We will be hosting a Town Hall to discuss the budget on December 4th at 6PM at the CHBIOA offices located at 3195 Mecartney Road.** The meeting will be available over Ring Central. After the town hall, we will be sending out a detailed summary for those of you who were unable to attend.

Given our position, I want nothing more than for each of you reading this to start the new year with a complete understanding of why we are raising dues and how your money is being spent. Please attend the town hall if you are able. We would be grateful for the opportunity to answer your questions, and to see you all in person. My sincere hope is for everyone in our community to feel heard and valued.

Warmly,

Marissa Mihin,  
Centre Court Board President

# 2025 Centre Court Budget Overview

As mentioned in the cover letter, the 2025 Centre Court budget includes a 9.73% increase in assessments over 2024, to a monthly Centre Court per-household total of \$857.88.<sup>1</sup> Boosting assessments by this amount was a difficult decision. You deserve to know where your money is going, how the association spends it, and what's driving us to raise assessments aggressively.

## How the Centre Court HOA raises funds

Under California law, HOAs primarily raise funding through two different mechanisms:

1. Regular monthly assessments
2. Mandatory special assessments

A mandatory special assessment is a one-time charge leveled by the association to raise funds for a particular one-time project. Special assessments can cost tens of thousands of dollars; as the name implies, they are not optional. In the past couple of years, at least two Harbor Bay Isle HOAs issued special assessments to cover a mandatory sewer lateral project. The Harbor Point association, in particular, chose to use special assessments to raise \$27,214 per unit.

Special assessments tend to be highly disruptive to homeowner budgets, and in extreme cases, they can cause people to lose their homes. The Centre Court HOA has a tradition of operating with a strong bias against special assessments, preferring to raise money exclusively through monthly assessments, and taking on debt when reserves are insufficient to cover special projects.

## About the Centre Court HOA budget

In general, the Centre Court HOA budget is divided into three major categories:

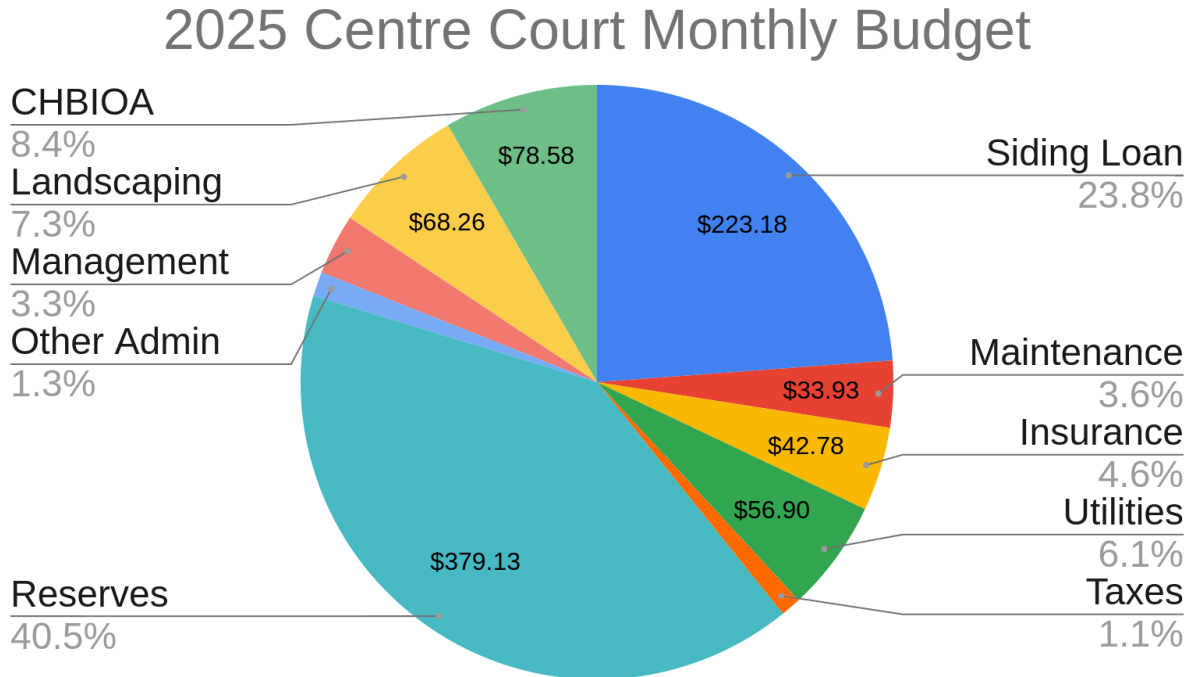
- The Operating Fund
- The Reserve Fund
- Special Projects

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<sup>1</sup> Note that this does not include CHBIOA assessments. For 2025 CHBIOA assessments increased to \$78.58/month (a 5% increase over 2024) bringing the total monthly payment for Centre Court homeowners to \$936.46.

## Breakdown by dollar

With this context in mind, here is a breakdown of how your dollars are being spent by the HOA, per unit, per month:



As you can see, 27.3% (\$255.57 per month) is for operational costs, 8.4% is for the master CHBIOA assessment, and the remaining 64.3% of your monthly assessment (\$602.31 per month) is dedicated to reserves and special projects.

## The Operating Fund

**The operating budget for 2025 is virtually flat compared to 2024.**

The Operating fund is where predictable monthly expenses are budgeted. Landscaping, water, garbage, general maintenance, insurance, taxes, and administrative fees are all paid from the operating fund. Enclosed with this letter is a full breakdown of the operating budget.

In 2025, we project the yearly operating fund to be \$343,492, versus \$344,222 budgeted for 2024 (a \$730 decrease). We were able to keep this part of the budget virtually flat because even though some items like landscaping, management, and utilities saw a modest increase, we were able to correspondingly reduce the amount we're budgeting for other items like insurance and legal fees, based on more accurate estimates we've received this year.

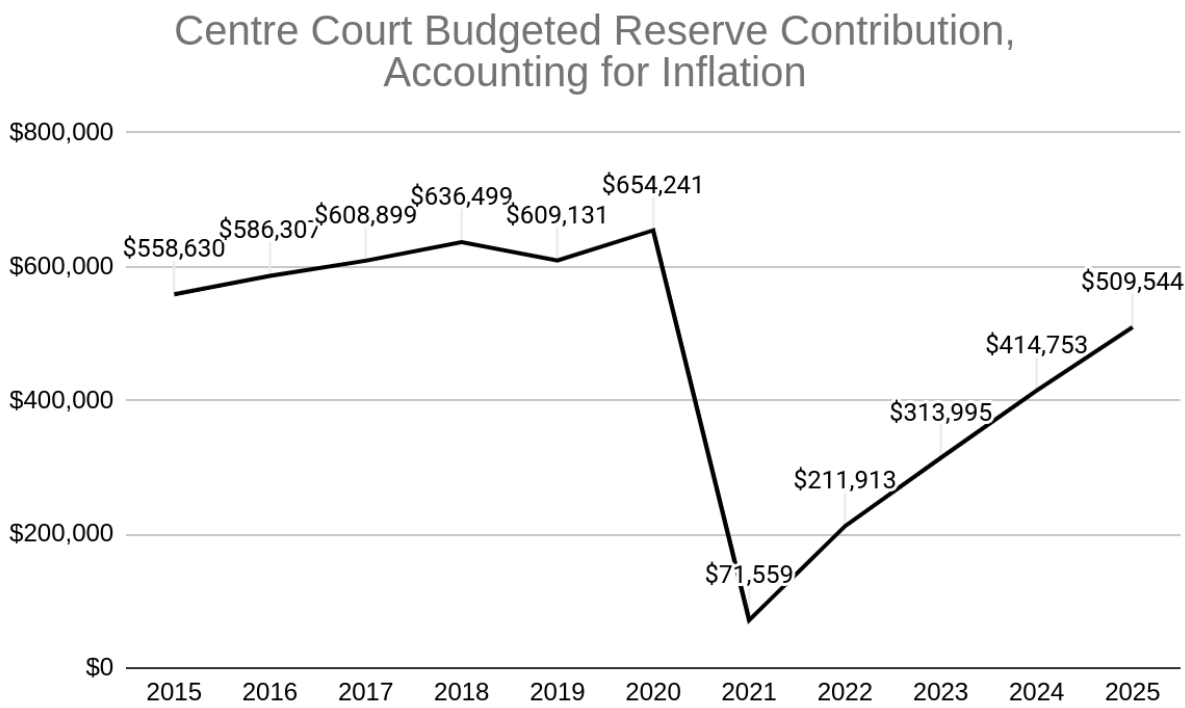
# The Reserve Fund

**The lion’s share of the increase in assessments for 2025 is allocated to increasing the reserves.**

The reserve fund is where less-predictable maintenance expenses for Centre Court are budgeted. In compliance with California law, every year the HOA commissions a reserve study that estimates the remaining lifespan and replacement costs for fixed assets such as carports, siding, roofing, parking lots, sidewalks, and other shared infrastructure. Based on the results of this study, the Centre Court HOA pays a fixed monthly amount into a reserve savings fund intended to cover the repair and replacement costs of these assets as it becomes necessary. If funds in the reserve are insufficient to cover a necessary project, then the HOA either funds the project by taking on debt, or by issuing a special assessment.

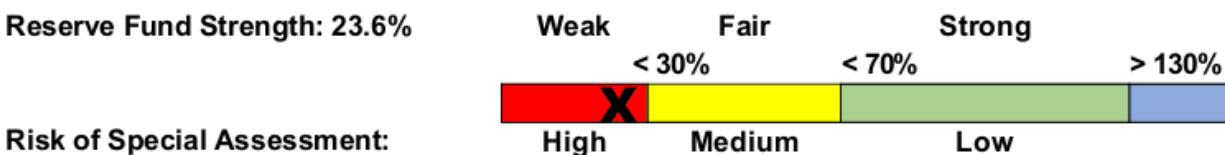
In 2024, we planned to contribute \$424,621 to our reserve fund, and started the year with \$1,075,023 in reserves. Between January 1, 2024 and October 31, 2024, we spent \$76,928 out of the reserves. As of October 31, 2024, our reserve fund stands at \$1,395,378. This significant increase in our reserves is a step in the right direction, reversing 2023’s trend which saw the reserve fund decreasing.

However, 2024’s reserve funding level is still lower than the reserve funding level over the period 2015-2020 when accounting for inflation.



Based on the reserve study we commissioned this year (which, unlike last year's reserve study, *does* cover the Private Sewer Lateral project mentioned below) we are at a high risk of needing a special assessment, or having to take on additional debt to pay for the Private Sewer Lateral.

**Reserve Fund Strength: 23.6%**



**Risk of Special Assessment:**

## Special Projects & Debt

**Centre Court is paying off a \$3 million siding loan, and has another required \$2+ million project to pay for within the next two years.**

In February 2021, Centre Court took on a loan to pay for the replacement of the siding on all 112 units to avoid a special assessment that would have cost \$29,585 on average per unit. That loan was a 15 year fixed-rate at 4.05%, for a total of \$3,313,519. As of October 2024, our remaining principal balance is \$2,729,966.44, and our monthly payments on the loan are \$24,996.07/month.

### East Bay Municipal Utilities District (EBMUD) Sewer Lateral

In 2009, the United States Environmental Protection Agency (EPA) and the California Regional Water Quality Control Board ordered the East Bay Municipal Utility District (EBMUD), six East Bay cities and one sewer district to fix old, cracked sanitary sewer pipes. The EPA's mandate compelled EBMUD and its partners to phase in a Regional Private Sewer Lateral (PSL) Ordinance beginning in 2011. Affected property owners must obtain a certificate from EBMUD certifying that all of their PSLs are leak-free.

It's estimated that complying with this ordinance will cost Centre Court at least \$2 million, and the work and final inspections must be completed by the end of 2027.

As a result, we have three options to pay for the PSL in 2027:

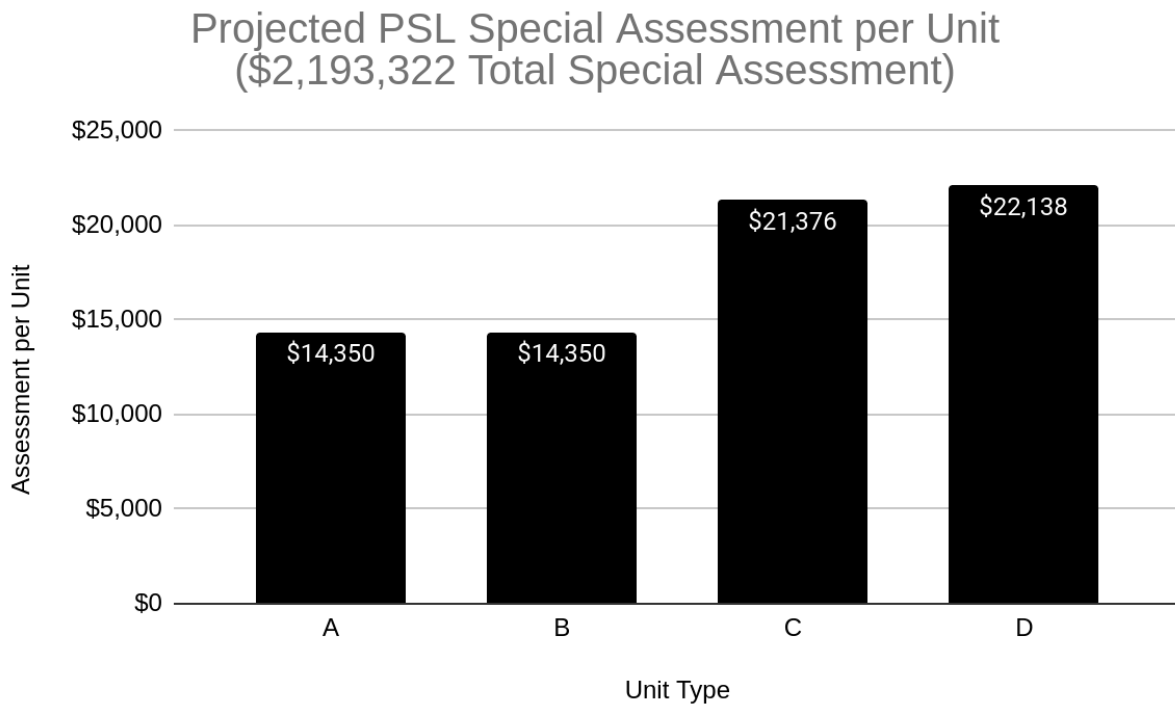
1. Avoid dramatic increases to the reserves, and **refinance the siding loan** to cover the cost of the PSL.
2. Avoid dramatic increases to the reserves, and **levy a special assessment** in 2027 to cover the cost of the PSL.
3. **Dramatically increase the reserves** via monthly assessments over the next two years, and refinance the siding loan to cover the remaining cost.

### Option 1: Minimal Reserve Increase, Refinance the Siding Loan

Refinancing the loan will reset our current low 4.05% interest rate to whatever the interest rate is in 2027. In the worst case, with interest rates as high as 8% and without growing our reserves, this could mean a monthly loan payment of as much as \$42,552.90/month—a 70% increase over our current monthly loan payment. Combined with a worst-case scenario of continued high spending to repair and replace our development’s aging infrastructure, this could result in an increase in assessments in 2027 of 21% or higher.

### Option 2: Minimal Reserve Increase, Levy a Special Assessment

Alternatively, instead of refinancing the loan or increasing our reserves, we could choose to implement a special assessment in 2027 to cover the cost of the PSL. Such a special assessment would likely cost more than \$14K-\$22K per unit.<sup>2</sup>



<sup>2</sup> Unlike regular assessments, special assessments are prorated by unit type based on the unit’s square footage.

### Option 3: Increase the Reserves Significantly, Refinance the Siding Loan

However, by increasing our reserve funding via monthly assessments, we can build up our reserves so that we will not have to take out a loan for the full amount of the PSL, or levy a special assessment costing tens of thousands of dollars.

Instead, we hope to increase our reserves by nearly \$1 million, so that we only need to refinance the siding loan for an additional \$1 million in 2027. While that will still result in a higher monthly loan payment, it will be a more manageable \$32,033.61/month, which would result in only an 8% increase in assessments in 2027 (as opposed to 21%).

**In conclusion, the 2025 Centre Court budget includes a needed increase in monthly assessments to help cover upcoming costs, especially the required sewer lateral project. We understand that any increase can be challenging, and we are committed to avoiding special assessments by managing our finances thoughtfully through regular assessments and responsible borrowing. By strengthening our reserves now, we are working to protect the community from larger, unexpected costs in the future.**

As stated before, we are sure that you have many questions. **We will be going over this again in more detail at the Town Hall on December 4th.** Even if you don't have specific questions, but would like to hear a presentation about the budget in more detail, we urge you to attend. As a board, we are dedicated to maintaining Centre Court as a welcoming and informed community.



## ANNUAL DISCLOSURES BUDGET YEAR 2025

### **Davis-Stirling Common Interest Development Act**

The portion of the California Civil Code called the Davis-Stirling Common Interest Development Act, Civil Code §4000 to §4765, addresses various aspects of homeowner association governance including annual disclosure requirements. The enclosed documentation, see Contents page, is being provided to the membership in compliance with this legislation. Please review the material carefully and if you should have any questions, contact your Association Manager, Nicelle Delos Reyes, by email at [CCT@harborbay.org](mailto:CCT@harborbay.org) or by phoning 510-865-3363.

### **2025 Operating Budget**

Each year, the Board of Directors adopts the operating budget for the upcoming fiscal year. The Board carefully reviews the Association's anticipated expenses and sets the assessment accordingly. The aim is to keep the assessments at a reasonable level while ensuring that the Association's financial obligations are met.

### **2025 Assessments**

The 2025 operating budget for the Centre Court Homeowners Association will increase 9.73% from the 2024 operating budget. The Centre Court Homeowners Association Annual Assessment increases to be \$10,294.56 or \$857.88 monthly.

The Community's Annual Assessment is increased to \$942.96 annually or \$78.58 monthly.

**In compliance with §5615, the total assessment for 2025 will be:**

**\$11,237.52 annually or \$936.46 monthly.**

### **Reserve Study**

Reserves are funds set aside for the Association's major component replacement or repairs. Civil Code §5550 requires that the Board of Directors authorize a comprehensive report of the major components, including a visual inspection, every three years. In each year between, the study must be updated to reflect spending from the prior year and anticipated spending in the upcoming year. A summary of the current Reserve Study is included.

### **Insurance**

The Association is obligated to provide a summary of the Association's policies annually in compliance with Civil Code §5300. Additional information about insurance and how to obtain proof of insurance for lenders is included.

### **Information Handbook, Architectural Guidelines, Policies & Forms**

The Association's Information Handbook, which augment and clarify the CC&R's, are included separately as are the Association's Architectural Guidelines. For your convenience, an Architectural Application is also included. Policies approved by the Board but not included in the Rules or Architectural Guidelines can be found in the Policies document along with other disclosures, notices, and forms.

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## **Financial - Ivory**

- 2025 Pro Forma Operating Budget - §5300
- Budget Information - §5301 (1)
- Assessment and Reserve Funding Disclosure Summary - §5300 (4)(5)(6)(7)(8)
- Reserve Study - §5300 (2)(3)
- Insurance Information and Summary - §5300 (9)
- FHA/VA Certification Disclosures - §5300(b) (10)-(11)
- Manager Certification Disclosure §5375

*Note: If you are planning to sell or refinance during the next year, you will need to provide the information included in the Financial Disclosure document, as well as a copy of the CC&R's, Bylaws, Articles of Incorporation and Rules to the lender and/or prospective buyer. Disclosure information required by lenders and/or prospective buyers may be purchased from the Community Offices at 3195 Mecartney Road, Alameda (510) 865-3363.*

## **Policies – Gold**

- Members Rights Notice
  - Minutes, Books & Records Review - §4950 (a) & 5500
  - Notice of Right to Submit Secondary Addresses for Collection Notices - §4040 (b)
- Member Information Update Form
  - Owner Information Update
  - Tenant Information Update
  - Opt-Out Request - §5220
  - Secondary Address for Collection Notices - §4040 (b)
- CHBIOA Dispute Resolution Policies - §5465, §5920
- Delinquent Assessment Collection Policy - §5730
- Enforcement Assessment Policy - §5850
- Meeting Schedule - §4923
- Community Center Rental Information
- Events on the Green (Common Area)

## **Information Handbook – Gray**

The Information Handbook, but is not limited, to the following:

- Earthquake Preparedness Handbook
- Insurance Information
- Garbage/Recycling Information
- Map of Centre Court

## **Maintenance Policy – Yellow**

- Preventative Maintenance Tips
- Maintenance Responsibility List

## **Architectural and Landscape Guidelines – Salmon**

§4765: Prior to *any* exterior modification or repair, owners must submit an architectural application for approval. In reviewing the applications, the Architectural Committee determines if the proposed modification or repair is consistent with the Project Association's and the Community's Guidelines. Along with the Guidelines, you will find an architectural application.

## **East Bay Regional Private Sewer Lateral Statement of Responsibility Form – Blue Section 11(c) of EBMUD's Private Sewer Lateral Ordinance**

Each HOA is required to submit a Statement of Responsibility to EBMUD. This requirement applies to all HOAs, even those not responsible for any sewer maintenance.

## **CENTRE COURT HOMEOWNERS ASSOCIATION**

# **FINANCIAL DISCLOSURES 2025**

- **2025 Operating Budget**
- **Budget Information**
- **Assessment and Reserve Funding Disclosure**
- **Reserve Study**
- **Insurance**
- **FHA/VA Certification Disclosures**
- **Manager Certification Disclosure**

***Please retain these documents in a safe place;  
you will need them if you sell or refinance.***

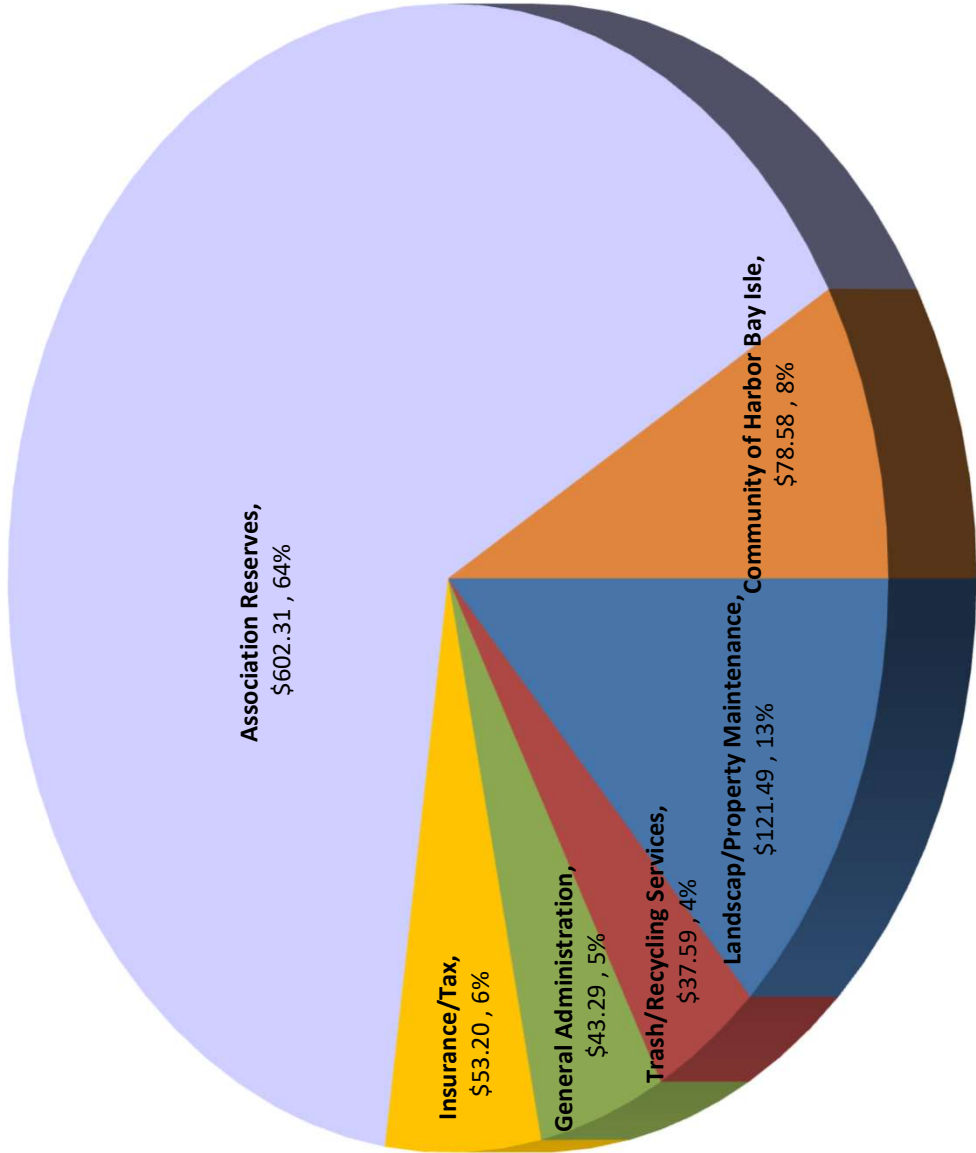
**Centre Court Homeowners Association, Inc.**  
**2025 Approved Budget**

	Annual	Per Month	Per Unit Per Month
<b>Revenues:</b>			
Assessments	\$ 1,152,988	\$ 96,082	\$ 857.88
Interest - Operating	\$ 8,000	\$ 667	\$ 5.95
Interest - Reserve	\$ 25,000	\$ 2,083	\$ 18.60
Miscellaneous	\$ -	\$ -	\$ -
Prior Year Surplus	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 1,185,988</b>	<b>\$ 98,832</b>	<b>\$ 882.43</b>
<b>Expenses:</b>			
<b>Landscaping/Property Maintenance:</b>			
Landscape Maintenance Service	\$ 59,748	\$ 4,979	\$ 44.46
Landscape Repairs/Replacement	\$ 5,000	\$ 417	\$ 3.72
Irrigation Repairs	\$ 15,000	\$ 1,250	\$ 11.16
Tree Service	\$ 12,000	\$ 1,000	\$ 8.93
General Repairs & Maintenance	\$ 10,000	\$ 833	\$ 7.44
Gutter Cleaning/Repair	\$ 12,000	\$ 1,000	\$ 8.93
Janitorial Maintenance Contract	\$ 14,760	\$ 1,230	\$ 10.98
Trash Can Cleaning	\$ 3,600	\$ 300	\$ 2.68
Dryer Vent Cleaning	\$ -	\$ -	\$ -
Bench Maintenance	\$ 3,236	\$ 270	\$ 2.41
Water	\$ 22,055	\$ 1,838	\$ 16.41
Electricity	\$ 2,899	\$ 242	\$ 2.16
Recycling (Garbage)	\$ 50,515	\$ 4,210	\$ 37.59
Telephone - Gate	\$ 1,000	\$ 83	\$ 0.74
Entrance Gate Maintenance	\$ 2,000	\$ 167	\$ 1.49
<b>Total</b>	<b>\$ 213,813</b>	<b>\$ 17,818</b>	<b>\$ 159.09</b>
<b>Administrative Expenses:</b>			
Management Services	\$ 41,484	\$ 3,457	\$ 30.87
CPA Fees	\$ 3,000	\$ 250	\$ 2.23
Legal Fees	\$ 5,000	\$ 417	\$ 3.72
Miscellaneous Administrative	\$ 4,000	\$ 333	\$ 2.98
Insurance	\$ 57,500	\$ 4,792	\$ 42.78
Federal Income Tax	\$ 9,000	\$ 750	\$ 6.70
State Income Tax	\$ 5,000	\$ 417	\$ 3.72
Community Relations	\$ 2,500	\$ 208	\$ 1.86
Reserve Study	\$ 1,695	\$ 141	\$ 1.26
Contingency	\$ 500	\$ 42	\$ 0.37
<b>Total</b>	<b>\$ 129,679</b>	<b>\$ 10,807</b>	<b>\$ 96.49</b>
<b>Total Operating Expenses:</b>	<b>\$ 343,492</b>	<b>\$ 28,624</b>	<b>\$ 255.57</b>
<b>Reserve Expenses:</b>			
Asset Reserve Fund	\$ 509,544	\$ 42,462	\$ 379.13
Loan Payment	\$ 299,952	\$ 24,996	\$ 223.18
Contribution From Interest	\$ 33,000	\$ 2,750	\$ 24.55
<b>Total</b>	<b>\$ 842,496</b>	<b>\$ 70,208</b>	<b>\$ 626.86</b>
<b>TOTAL EXPENSES</b>	<b>\$ 1,185,988</b>	<b>\$ 98,832</b>	<b>\$ 882.43</b>
<b>EXCESS/(SHORTAGE)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# CENTRE COURT 2025 BUDGET

## PER UNIT, PER MONTH

- Landscape/Property Maintenance includes: Landscape maintenance, landscape & irrigation repairs/replacement, tree service, general repairs/maintenance, gutter cleaning/repairs, janitorial, water, electricity & entrance gate maintenance
- Trash/Recycling Service includes: garbage, green waste and recycling services
- General Administration includes: Management Services, CPA fees, legal fees, reserve study preparation, copy and postage
- Insurance/Taxes includes: General insurance, state and federal taxes
- Reserves includes: Contribution towards asset reserve fund for major projects such as siding and roof replacements
- Community of Harbor Bay Isle includes: Security, community common area landscaping, community structures such as bridges, pedestrian and bicycle paths



## Assessment and Reserve Funding Disclosure Summary

### Centre Court Homeowners Association, Alameda

For Fiscal Year Beginning: 1/1/2025

# of units: 112

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Transfers:	\$42,462.00	\$379.13
Total Assessment Income:	\$96,082.33	\$857.88

per: Month

- 2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year	Total Amount Per Unit*	Purpose
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Total: \$0.00

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- 4) If the answer to #3 is no, what additional assessments or other transfers/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: \$0.00

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2025
Fully Funded Balance (based on formula defined in 5570(b)4):	\$6,087,000
Projected Reserve Fund Balance:	\$1,436,440
Percent Funded:	23.6 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$41,523

From the 7/26/2024 Reserve Study by Association Reserves and any minor changes since that date.

\* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

**Prepared by: Carlos Flores**

**Date: 10/28/2024**

*The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.*

# 30-Year Reserve Plan Starting with Board of Directors 2025 Rate

48543-1

Fiscal Year Start: 1/1/2025	Interest: 3.00 %	Inflation: 3.00 %
Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes	

% Increase									
Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	In Annual Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
2025	\$1,436,440	\$6,087,000	23.6 %	High	20.00 %	\$509,544	\$0	\$49,185	\$148,270
2026	\$1,846,898	\$6,693,998	27.6 %	High	20.00 %	\$611,453	\$0	\$62,774	\$177,572
2027	\$2,343,553	\$7,306,338	32.1 %	Medium	20.00 %	\$733,743	\$0	\$50,114	\$2,125,619
2028	\$1,001,791	\$5,948,393	16.8 %	High	20.00 %	\$880,492	\$0	\$34,339	\$626,143
2029	\$1,290,478	\$6,112,537	21.1 %	High	20.00 %	\$1,056,590	\$0	\$25,635	\$1,951,908
2030	\$420,795	\$4,934,986	8.5 %	High	0.75 %	\$1,064,515	\$0	\$25,985	\$197,459
2031	\$1,313,836	\$5,548,677	23.7 %	High	0.75 %	\$1,072,499	\$0	\$53,931	\$153,973
2032	\$2,286,292	\$6,245,641	36.6 %	Medium	0.75 %	\$1,080,542	\$0	\$75,071	\$716,832
2033	\$2,725,074	\$6,404,441	42.5 %	Medium	0.75 %	\$1,088,647	\$0	\$98,448	\$65,321
2034	\$3,846,848	\$7,260,355	53.0 %	Medium	0.75 %	\$1,096,811	\$0	\$133,083	\$39,672
2035	\$5,037,070	\$8,190,297	61.5 %	Medium	0.75 %	\$1,105,037	\$0	\$168,307	\$112,190
2036	\$6,198,224	\$9,096,033	68.1 %	Medium	0.75 %	\$1,113,325	\$0	\$185,188	\$1,332,740
2037	\$6,163,997	\$8,795,041	70.1 %	Low	0.75 %	\$1,121,675	\$0	\$203,956	\$38,574
2038	\$7,451,054	\$9,841,977	75.7 %	Low	0.75 %	\$1,130,088	\$0	\$242,748	\$70,284
2039	\$8,753,606	\$10,912,345	80.2 %	Low	0.75 %	\$1,138,563	\$0	\$281,586	\$130,083
2040	\$10,043,673	\$11,978,655	83.8 %	Low	0.75 %	\$1,147,103	\$0	\$320,387	\$167,427
2041	\$11,343,736	\$13,064,678	86.8 %	Low	0.75 %	\$1,155,706	\$0	\$359,720	\$189,781
2042	\$12,669,381	\$14,187,231	89.3 %	Low	0.75 %	\$1,164,374	\$0	\$402,925	\$8,843
2043	\$14,227,837	\$15,557,609	91.5 %	Low	0.75 %	\$1,173,107	\$0	\$449,021	\$103,440
2044	\$15,746,524	\$16,900,279	93.2 %	Low	0.75 %	\$1,181,905	\$0	\$496,439	\$31,598
2045	\$17,393,270	\$18,386,701	94.6 %	Low	0.75 %	\$1,190,769	\$0	\$544,606	\$166,767
2046	\$18,961,878	\$19,808,850	95.7 %	Low	0.75 %	\$1,199,700	\$0	\$591,291	\$243,141
2047	\$20,509,728	\$21,226,269	96.6 %	Low	0.75 %	\$1,208,698	\$0	\$641,819	\$25,350
2048	\$22,334,895	\$22,942,742	97.4 %	Low	0.75 %	\$1,217,763	\$0	\$685,882	\$787,382
2049	\$23,451,158	\$23,958,991	97.9 %	Low	0.75 %	\$1,226,896	\$0	\$726,066	\$386,749
2050	\$25,017,372	\$25,452,547	98.3 %	Low	0.75 %	\$1,236,098	\$0	\$777,203	\$165,890
2051	\$26,864,782	\$27,253,590	98.6 %	Low	0.75 %	\$1,245,369	\$0	\$570,225	\$17,479,819
2052	\$11,200,557	\$11,311,567	99.0 %	Low	0.75 %	\$1,254,709	\$0	\$332,448	\$1,795,690
2053	\$10,992,024	\$11,083,273	99.2 %	Low	0.75 %	\$1,264,119	\$0	\$334,309	\$1,265,704
2054	\$11,324,747	\$11,432,474	99.1 %	Low	0.75 %	\$1,273,600	\$0	\$361,156	\$175,328



Centre Court Homeowners Association

Alameda, CA

Level of Service: Update "No-Site-Visit"

Report #: 48543-1

# of Units: 112

January 1, 2025 through December 31, 2025

Findings & Recommendations

as of January 1, 2025

Projected Starting Reserve Balance .....	\$1,436,440
Current Fully Funded Reserve Balance .....	\$6,087,000
Average Reserve Deficit (Surplus) Per Unit .....	\$41,523
Percent Funded .....	23.6 %
Recommended 2025 "Monthly Fully Funding Contributions" .....	\$42,462
Recommended 2025 Special Assessments for Reserves .....	\$0
2024 Monthly Contribution Rate .....	\$35,385

Reserve Fund Strength: 23.6%

Weak

Fair

Strong

< 30%

< 70%

> 130%



Risk of Special Assessment:

High

Medium

Low

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves ..... 3.00 %

Annual Inflation Rate ..... 3.00 %

- This is an Update "No-Site-Visit" Reserve Study.
- This Reserve Study was prepared by or under the supervision of, a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 23.6 % Funded, this means the association's special assessment & deferred maintenance risk is currently High.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or "Fully Funded".
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is for you to increase your Reserve contributions to \$42,462/Monthly.
- No assets appropriate for Reserve designation were excluded.
- We recommend that this Reserve Study be updated annually, with an on-site inspection update every three years.



#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
<b>Asphalt &amp; Concrete Surfaces</b>				
103	Walkway/Landing - Repair Allowance	5	3	\$5,665
202	Asphalt - Remove & Replace	25	3	\$510,500
203	Asphalt - Seal/Repair	5	3	\$31,900
209	Pavers - Replace	25	23	\$354,500
214	Asphalt - Striping	5	3	\$1,545
<b>Building &amp; Carport Exterior Surfaces</b>				
324	Exterior Lights - Replace	25	4	\$10,845
326	Unit Lights - Replace	30	26	\$57,750
328	Carport Lights - Replace	25	24	\$28,200
332	Address Lights - Replace	30	26	\$19,050
715	Utility Doors - Replace Allowance	5	0	\$27,200
1101	Utility Doors - Repaint	5	0	\$7,830
1122	Wood Shingle Siding - Major Replace	30	26	\$7,365,000
1123	Wood Shingle Siding - Minor Replace	15	11	\$408,000
1134	Carports - Repair/Replace	30	27	\$642,000
1141	Utility Shed - Replace/Rebuild	30	0	\$31,150
1303	Comp Shingle Roof - Replace	30	4	\$1,605,000
1312	Carport Gutter/Downspout - Replace	15	11	\$15,100
1313	Building Gutter/Downspout - Replace	15	11	\$129,500
1318	Chimney Caps - Replace	30	27	\$143,000
1320	Carports Roofs - Replace	25	7	\$577,500
<b>Sites &amp; Grounds</b>				
320	Pole Lights - Replace	30	11	\$249,500
403	Mailboxes - Replace	25	4	\$32,400
409	Bench - Replace	25	22	\$9,630
410	Trash Enclosures w/Gates - Replace	30	1	\$59,750
412	Mailbox Structure - Repl/Rebuild	30	24	\$52,600
503	Metal Fence - Replace	30	5	\$91,100
504	Patio Gate - Repair/Repl. Allowance	1	0	\$3,600
505	Wood Fence - Replace Allowance	5	1	\$46,350
514	Retaining Wall - Replace/Repair	30	11	\$48,050
517	Trex Stage - Replace	35	16	\$7,365
705	Gate Operator - Replace	10	9	\$7,005
708	Emergency Vehicle Gates - Replace	40	19	\$5,665
709	Entry Gates - Replace(Veh/Ped)	30	29	\$18,800
719	Entry Access System - Replace	12	8	\$8,855
1113	Metal Surfaces - Repaint	5	1	\$60,950

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1116	Wood Surfaces - Restain	5	0	\$23,400
1401	Maps - Replace	15	0	\$10,185
1402	Directional/Street Signs - Replace	10	0	\$6,000
1804	Sewer Lateral Line - Replace/Repair	40	2	\$2,000,000
1811	Plumbing/Gas - Replace/Repair	3	0	\$18,050
<b>Landscape, Irrigation &amp; Trees</b>				
1001	Backflow Devices - Replace	30	13	\$3,400
1003	Irrigation Controller - Replace	12	0	\$5,405
1006	Irrigation System - Repair	5	0	\$5,665
1006	Irrigation System - Replace	10	4	\$25,750
1009	Landscaping - Major Replenish	10	4	\$56,650
1009	Landscaping - Minor Replenish	2	1	\$1,750
1722	Drainage System - Maintain	5	0	\$9,785

#### **47 Total Funded Components**

Note 1: Yellow highlighted line items are expected to require attention in this initial year.



Nishi Insurance Agency  
Farmers Insurance  
1516 Oak Ste, Ste. 100  
Alameda, CA 94501  
Lnishi@farmersagent.com  
510-473-5565

## Centre Court Homeowners Association

### PROPERTY (\$25,000 Deductible) 03/29/2025-03/29/2026

Building Coverage (Walls-out per CC&Rs)	Policy -606657809
50% Extended Replacement Cost	\$ 45,203,300.00
Association Fees and Extra Expense	\$ 100,000.00
Machinery & Equipment Breakdown	Included
Outdoor Property	\$ 50,000.00
Specified Property	\$ 10,000.00
Accounts Receivable	\$ 5,000.00
Fire Department Service Charge	\$ 25,000.00

### Fidelity Bond/Employee Dishonesty (\$500 Deductible)

\$ 1,200,000.00

Includes Property Manager as Employee Endorsement  
Includes Computer Fraud & Funds Transfer  
Non-Compensated Officers as Employees Endorsement

### Building Ordinance & Law

Loss to Undamaged Property	Included
Demolition Cost	\$ 411,600.00
Increased Cost	\$ 753,500.00

### General Liability (\$0 Deductible)

Bodily Injury & Property Damage	\$2,000,000/\$4,000,000 per occurrence/aggregate
Medical Payments (each person)	\$ 5,000.00
Directors and Officers Errors and Omissions	\$2,000,000/\$4,000,000
Third Party Discrimination and Employment Practice	Included

### Umbrella (\$10,000 Deductible)

Excess Liability Coverage	Policy -606658110
General Liability	\$ 5,000,000.00
Directors & Officers Coverage	included
	included

### Workers Compensation -No Direct Employees

Each Accident, Each Employee	Policy -A0949694
Includes Volunteer Board and Committee Members	\$ 1,000,000.00

## INSURANCE INFORMATION

The Association's insurance, both liability and D&O coverage, meet or exceed state requirements.

The Association insures all Association property and Common Areas under a single package policy. The insurance program of the Association provides:

- Financial protection to owners against the possible loss of Association property and common facilities because of fire and other perils; liability for accidents occurring in the common areas causing bodily injury or property damage; liability caused by actions or inaction of the Board of Directors; monetary loss due to theft or embezzlement;
- Protection of home values within the development by assuring funds are available to rebuild, repair or reconstruct following an insured loss of common-area property.

### Insurance Claims

Information regarding a loss must be provided to the Association Manager for a claim to be submitted to the Association's carrier. The Association's carrier only processes claims submitted through the management office.

### Individual Owner's Responsibility

As an individual owner, you need insurance protection that is compatible with the Association's policy and eliminates any gaps in coverage. You need insurance protection in at least three basic areas:

- 1. To protect your assets** in the event of loss or damage to your home and personal property from fire, theft or other specified causes.
- 2. To protect your assets** in the event you are legally responsible for injury to others, either in your home or elsewhere as a result of your personal activities.
- 3. To meet your shared insurance responsibility with the Association.** Currently, the Association carries a \$10,000 deductible on the package policy for Association property damage. The individual owner is responsible for any loss when the cause does not originate in the common area.

**Other types of insurance coverage that you may wish to discuss with your own insurance agent are:**

- **Personal Liability Coverage** protects you in the event others make a claim or bring suit against you for bodily injury or property damage.
- **Loss Assessment Coverage** is protection for the individual owner if it is necessary for the Association to levy an assessment in order to cover a loss or to provide additional funds if major damage occurs on the common area that is not fully covered by insurance.
- **Absentee Ownership** is coverage for owners who rent their homes and may wish to insure against loss of rents or personal property they may have in the unit.
- **Additional Living Expenses** is coverage for living expenses if you cannot live in your own home because it was damaged by an insured peril.

### PROOF OF INSURANCE

Lenders may require proof of insurance for the common area as evidenced by a signed copy of a Certificate of Insurance. If your lender requests a Certificate, please forward the written request to the insurance carrier and a Certificate will be issued immediately to your lender. The Association's insurance carrier is: *Farmers Insurance, 1124 Ballena Blvd. Ste. 9, Alameda, CA 94501. Phone (510) 473-5565.*

### INSURANCE SUMMARY

A summary of the Association's insurance policies and disclosure information required by Civil Code §5300 (9) is attached.

August 11, 2010

Homeowners to Purchase and Maintain  
Homeowner's Liability Insurance

Because of the number of claims that have been made against the master insurance policy carried by the Association for damage to personal property and/or the structures of the Association, the Board of Directors has determined that it is in the best interests of the Association and its members that each unit owner shall purchase and maintain their own insurance coverage of their personal property, their unit and their personal liability for damage to other units in the Association against sudden accidental water damage and other perils to those areas the homeowner is responsible for. This would result from perils pertaining to, but not limited to, lack of maintenance, renovations and/or neglect.

No claim for such damage may be made against the insurance policy purchased by the Association without the affirmative vote of a majority of the members of the Board of Directors. The purpose of this rule is that the Association is at risk of either having its insurance policy cancelled or the premium raised to the extent that it is not affordable.

Should an owner fail or refuse to purchase and maintain an insurance policy as required by this Rule; and if damage occurs to the property of another that is the fault of an owner or a result of a peril commencing within said uninsured owner's unit; the Association may, but is not required to charge any costs of repair incurred by the Association and levy those charges against said owner's account.

This Rule becomes operative upon the execution hereof as an emergency measure.

# ***Centre Court***

Centre Court Homeowners Association  
3195 Mecartney Road  
Alameda, CA 94502  
(510) 865-3363

+

*Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.*

*This common interest development is a condominium project. The association of this common interest development is certified by the Federal Housing Administration.*

# ***Centre Court***

Centre Court Homeowners Association  
3195 Mecartney Road  
Alameda, CA 94502  
(510) 865-3363

*Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.*

*This common interest development is a condominium project. The association of this common interest development is not certified by the federal Department of Veterans Affairs.*

## **Common Interest Development (CID) Certifications per California Business & Professions Code §11502 & §11504**

### **California CID Certified Association Managers**

Dawn Jaeger, MPA      Executive Director

- Certified Community Association Manager, CACM, Issued 5/25/17, current
- Certified Manager of Community Associations, CAMICB, Issued 10/10/17, current
- Association Management Specialist, CAI, Issued 8/15/18, current
- Security Guard #G6353008, BSIS, Issued 12/31/19, current
- Society for Human Resource Management, SHRM-CP #184743, Issued 02/2023, current

Elyce Philcox              Association Manager

- Certified Community Association Manager, CACM, Issued 10/8/14, current
- Certified Manager of Community Associations, CAMICB, Issued 10/10/17, current
- Portfolio Manager Specialist, CACM, Issued 4/17/20, current

Andrea Godoy              Association Manager

- Certified Community Association Manager, CACM, Issued 8/24/22, current

Amanda Meng              Association Manager

- Certified Community Association Manager, CACM, Issued 7/20/23, current

Samantha Soogian              Association Manager

- Certified Community Association Manager, CACM, Issued 5/30/24, current

### **Certifying Affiliates**

California Association of Community Managers, Inc. (CACM)  
23461 South Pointe Drive, Suite 200, Laguna Hills, CA 92653 ~ (949) 916-2226

Community Associations Institute- Bay Area and Central California Chapter (CAI)  
2440 Camino Ramon, Suite 273, San Ramon, CA 94583-4326 ~ (925) 355-1980

Community Association Managers International Certification Board (CAMICB)  
6402 Arlington Blvd., Suite 510, Falls Church, VA 22042 ~ (703) 970-9300

Department of Consumer Affairs Bureau of Security & Investigative Services  
2420 Del Paso Road, #270, Sacramento, CA 95834 ~ (916) 322-4000

Society for Human Resource Management  
1800 Duke Street, Alexandria, VA 22314 ~ 1-800-283-7476



MEMORANDUM

To: Centre Court Homeowners Association

From: Board of Directors

Date: April 30, 2025

Re: Annual Financial Audit

Attached is your copy of the Financial Audit Statements prepared by the CPA retained by the Board of Directors for the year ending December 31, 2024.

Please review the statements and keep them with the other documents related to your home. Civil Code §4525 requires that this and other documents be provided if you sell or refinance your home.

Financials are audited annually by a third-party CPA in accordance with Civil Code §5305.

Should you have any questions regarding this document, please contact your Association Manager at (510) 865-3363, ext. 354 or email [cct@Harborbay.org](mailto:cct@Harborbay.org).

CENTRE COURT HOMEOWNERS ASSOCIATION  
(A California Nonprofit Mutual Benefit Corporation)

FINANCIAL STATEMENTS,  
INDEPENDENT AUDITORS' REPORT  
AND  
SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2024  
(WITH COMPARATIVE TOTALS FOR 2023)

MUELLER & STROSBERG, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**CENTRE COURT HOMEOWNERS ASSOCIATION  
DECEMBER 31, 2024 AND 2023**

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MUELLER & STROSBURG, LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
1865 PLEASANT VALLEY AVENUE OAKLAND, CA 94611  
PHONE: (510) 658-5600 FAX: (510) 658-5601  
SEAN@MSCPALLP.COM MARK@MSCPALLP.COM

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Centre Court Homeowners Association  
Alameda, CA

***Opinion***

We have audited the accompanying financial statements of Centre Court Homeowners Association (a corporation), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of revenues and expenses, and changes in fund balance and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Centre Court Homeowners Association as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Centre Court Homeowners Association and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Centre Court Homeowners Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Centre Court Homeowners Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Centre Court Homeowners Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Disclaimer of Opinion on Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the information on future major repairs and replacements of common property on pages 16 and 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Mueller & Strasberg, LLP*

Oakland, CA  
April 1, 2025

**CENTRE COURT HOMEOWNERS ASSOCIATION  
BALANCE SHEET  
DECEMBER 31, 2024 AND 2023**

	2024			2023
	Operating	Replacement	Total	Total
ASSETS	Fund	Fund	Funds	Funds
Cash and Cash Equivalents	\$ 242,783	\$1,131,409	\$1,374,192	\$ 491,623
Investments		352,259	352,259	807,780
Accrued Interest Receivable		2,032	2,032	3,861
Prepaid Expenses	151		151	151
Prepaid Income Taxes	508		508	820
TOTAL ASSETS	\$ 243,442	\$1,485,700	\$1,729,142	\$1,304,235
LIABILITIES AND FUND BALANCES				
Accounts Payable	\$ 598	\$ -	\$ 598	\$ 20,724
Notes Payable		2,682,766	2,682,766	2,868,093
Income Taxes Payable	2,224		2,224	-
Contract Liabilities		110,000	110,000	110,000
TOTAL LIABILITIES	2,822	2,792,766	2,795,588	2,998,817
FUND BALANCES	240,620	(1,307,066)	(1,066,446)	(1,694,582)
TOTAL LIABILITIES AND FUND BALANCES	\$ 243,442	\$1,485,700	\$1,729,142	\$1,304,235

**See independent auditors' report and accompanying notes.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023
	Operating Fund	Replacement Fund	Total Funds	Total Funds
REVENUES				
Membership Assessments	\$ 326,221	\$ 724,572	\$ 1,050,793	\$ 887,040
Interest Revenues	8,072	42,296	50,368	39,469
Realized Gain on Investments		11,479	11,479	-
TOTAL REVENUES	334,293	778,347	1,112,640	926,509
EXPENSES				
Utilities	80,884		80,884	71,835
Landscaping	78,845		78,845	83,058
Repairs and Maintenance	36,435		36,435	29,986
Management	39,504		39,504	37,620
Administration	7,504		7,504	4,494
Professional Fees	6,475		6,475	25,265
Insurance	49,203		49,203	46,142
Income Taxes	11,736		11,736	9,818
Replacement Expenditures		59,293	59,293	398,276
Interest Expense		114,625	114,625	121,752
TOTAL EXPENSES	310,586	173,918	484,504	828,246
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	23,707	604,429	628,136	98,263
BEGINNING FUND BALANCES	216,913	(1,911,495)	(1,694,582)	(1,792,845)
ENDING FUND BALANCES	\$ 240,620	\$ (1,307,066)	\$ (1,066,446)	\$ (1,694,582)

**See independent auditors' report and accompanying notes.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024			2023
	Operating Fund	Replacement Fund	Total Funds	Total Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Excess (Deficiency) of revenues over expenses	\$ 23,707	\$ 604,429	\$ 628,136	\$ 98,263
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash provided (used) by operating activities:				
Decrease (Increase) in -				
Accrued Interest Receivable		1,829	1,829	80
Prepaid Income Taxes	312		312	9,818
Increase (Decrease) in -				
Accounts Payable	(7,841)	(12,285)	(20,126)	9,701
Income Taxes Payable	2,224		2,224	-
Total Adjustments	(5,305)	(10,456)	(15,761)	19,599
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	18,402	593,973	612,375	117,862
CASH FLOWS FROM INVESTING ACTIVITIES:				
Net (Purchase) Sales of Investments		455,521	455,521	-
CASH FLOWS FROM FINANCING ACTIVITIES:				
Loan Repayment		(185,327)	(185,327)	(178,201)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-	(185,327)	(185,327)	(178,201)
NET INCREASE (DECREASE) IN CASH	18,402	864,167	882,569	(60,339)
CASH AT BEGINNING OF YEAR	224,381	267,242	491,623	551,962
CASH AT END OF YEAR	\$ 242,783	\$ 1,131,409	\$ 1,374,192	\$ 491,623
SUPPLEMENTAL INFORMATION				
Income Taxes Paid	\$ 9,200	\$ -	\$ 9,200	\$ -
Interest Paid	\$ -	114,625	114,625	121,752

**See independent auditors' report and accompanying notes.**



**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
-----

**Nature of Organization**

Centre Court Homeowners Association, incorporated on May 29, 1981, is a California Nonprofit Mutual Benefit Corporation. Its primary purpose is to provide for the maintenance, preservation and architectural control of the grounds and common areas of the 112 residences located on approximately 9 acres in Alameda, California.

Membership in the Association is mandatory for the homeowners. Voting members of the Association consist of all owners, who are entitled to one vote for each unit owned. Each member is obligated to pay annual assessments to the Association on each unit owned for amounts to be expended for the benefit of residents, and the maintenance of the common areas. Annual assessments are payable to the Association in monthly installments, and may be secured by a lien upon the property against which the assessment is made. In addition to the annual assessment, special assessments may be levied by the Association.

**Basis of Presentation**

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restriction on the use of financial resources, the Association maintains its accounts, prepares its financial statements, and files its Federal and State income tax returns using fund accounting and the accrual basis of accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose:

Operating Fund - This fund is used to account for financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repair and replacements.

**See independent auditors' report.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

-----

**Comparative Information**

The financial statements include certain summarized comparative information for the prior year. This information is presented in total and not by fund balance and does not include sufficient detail to be in conformity with accounting principles generally accepted in the United States of America. Accordingly, this information should be read in conjunction with the organization's financial statements for the year ended December 31, 2023, from which the summarized information was derived.

**Common Area**

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

**Property and Equipment**

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statements because those properties are owned by the individual unit owners in common and not by the Association. The Association capitalizes personal property at cost and depreciates it using the straight-line method.

**Fair Value of Financial Instruments**

The carrying amounts of financial instruments, including cash, certificates of deposit, account receivable and accounts payable approximate their fair value due to the short term maturities of these instruments.

**See independent auditors' report.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

-----

**Statement of Cash Flows**

For the purposes of the statement of cash flows, the Association considers all highly liquid investments purchased with a stated maturity of three months or less to be cash equivalents.

**Contract Liabilities**

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to reserve assessments. The balances of contract liabilities as of the beginning and end of the year are \$110,000 and \$110,000, respectively.

**Member Assessments**

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. The Community of Harbor Bay Isle Owners' Association, Inc. (CHBIOA) is responsible for the collection of membership assessments. CHBIOA remits monthly to the Association the full amount of monthly assessments.

**Interest Income**

It is the Association's policy that interest earned on Replacement Fund savings is restricted and remains in the Replacement Fund.

**See independent auditors' report.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**  
-----

**Investments**

Investments consist of Government Securities that include U.S. Treasury Notes and are stated at cost.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - FUTURE MAJOR REPAIRS AND REPLACEMENTS**  
-----

The Association's governing documents require funds to be accumulated for future major repairs and replacements. Accumulated funds, which aggregate (\$1,197,066), and are presented on the accompanying balance sheet as a contract liability and Replacement Fund balance at December 31, 2024, are held in separate accounts and are generally not available for operating purposes.

On July 26, 2024, Association Reserves conducted a reserve study update which estimated the remaining useful lives, replacement costs and a funding schedule of the common property identified in the study. Significant assumptions of the study include an annual inflation rate of 3.0%, annual recommended reserve contribution increases of 20.0% through 2029, and 0.75% annually per year thereafter and a 23.6% funding level as of December 31, 2024. The reserve study projected the Replacement Fund having a balance of \$1,436,440 at year end.

**See independent auditors' report.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 2 - FUTURE MAJOR REPAIRS AND REPLACEMENTS (CONTINUED)**  
-----

As disclosed in the reserve study, based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the California Civil Code, the estimated fully funded balance in the Replacement Fund at year end is \$6,087,000. The actual balance in the Replacement Fund and contract liabilities is (\$1,801,495) at December 31, 2024. However, the Association has restricted \$110,000 of the Replacement Fund for re-leveling of lots in the Association. The reserve study was reviewed by the Board of Directors and incorporated into the 2025 budget. The table included in the compiled supplementary information on Future Major Repairs and Replacements is based on this information. The costs in the table are those at the date of the study.

The Association is funding such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs for major repairs and replacements. If additional funds are needed the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

**See independent auditors' report.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 3 - NOTE PAYABLE**  
-----

In February 2020, the Association entered into a loan and security agreement from CIT Bank to fund the siding replacements, carport and sewer repair projects. The total amount of the promissory note is \$5,125,000. The draw period on the loan ended on February 28, 2021 and during the period made monthly interest only payments. Interest on the loan is fixed at 4.05%. After the draw period the Association began to make monthly interest and principal payments starting on March 28, 2021, and the last payment will be on February 28, 2036.

The terms and conditions of the note payable, which are not limited to, the following:

Maturity Date	2/28/2036
Fixed Interest Rate	4.05%
Balance at December 31, 2024	\$ 2,682,766

Collateral: all money, deposit accounts, all rights of the Association in regards to receiving payments from present and future owners.

Debt retirement is scheduled as follows:

2025	\$	193,412
2026		201,505
2027-2036		2,287,849
		<u>\$ 2,682,766</u>

**NOTE 4 - MANAGEMENT AGREEMENT**  
-----

The management services are provided by the Community of Harbor Bay Isle Owners' Association, Inc. The fee is approximately \$28 per unit, per month.

**See independent auditors' report.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 5 - SPECIAL ASSESSMENT**  
-----

As disclosed in the reserve study, the current percent funding of the Replacement Fund is estimated to be below thirty-two percent between 2025 to 2031. Therefore, there is a possibility that should the Replacement Fund activity not occur as planned, a special assessment may be necessary.

**NOTE 6 - INCOME TAXES**  
-----

Income taxes are provided for in accordance with current regulations and case law pertaining to homeowners associations. Under Section 528 of the Internal Revenue Code and California Revenue and Taxation Act Section 23701t, qualified homeowners associations may elect to be treated as tax-exempt organizations. The Association has elected to be taxed only on income from investments and business with nonmembers. For federal tax purposes, the election may be made or waived each year. Under Federal tax-exempt status, nonexempt income (such as interest) is subject to tax after deducting directly related expenses. For California tax purposes, the election is generally permanent, and must be made prior to the year in which tax-exempt status is to become effective. Under California tax-exempt status, nonexempt income is subject to tax after deducting a specific homeowners association deduction.

Income tax expense for the year ended December 31, 2024 is as follows:

Federal	\$ 9,060
California	2,676
	-----
	\$11,736
	=====

**See independent auditors' report.**

**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 6 - INCOME TAXES (CONTINUED)**  
-----

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Association and recognize a tax liability if the Association has taken an uncertain position that more likely than not would be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Association and has concluded that as of December 31, 2024, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Association is no longer subject to U.S. federal or California income tax examinations by tax authorities for years ended before December 31, 2020.

**NOTE 7 - RELATED PARTY TRANSACTIONS**  
-----

The Association is a sub-association of the Community of Harbor Bay Isle Owners' Association Inc. (CHBIOA). The Association has contracted with the CHBIOA to handle collection of assessments and to provide management services for the Association; CHBIOA accepts the responsibility for the assessment collection and the related administrative responsibility for collection of unpaid dues. CHBIOA on a monthly basis electronically transfers the full monthly budgeted assessment amount to the Association's Operating Fund checking account.

**See independent auditors' report.**



**CENTRE COURT HOMEOWNERS ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

**NOTE 8 - INSURED CASH BALANCES**  
-----

The Association maintains its cash balance at UBS located in Sacramento, California. The Association's cash at UBS are held in three different account types. The Association has \$238,694 held in UBS Bank USA Business accounts, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The remaining Association's cash balance of \$1,135,498 at UBS are held in a UBS Select Treasury Institutional Fund (UBSSTIF), which is a government money fund. The UBSSTIF is not federally insured but does invest at least eighty percent of the fund assets in US Treasury investments.

**NOTE 9 - PENDING LITIGATION**  
-----

On December 22, 2024, Centre Court (CCT) was served with papers regarding a trip and fall which allegedly occurred on CCT Common Area. CCT has submitted the case to their insurance, which has accepted the claim.

**NOTE 10 - SUBSEQUENT EVENTS**  
-----

The Association has evaluated subsequent events through April 1, 2025, the date which the financial statements were available to be issued. Based upon this evaluation, the Association has determined that no subsequent events have occurred which require adjustment to or disclosure in the financial statements.

**See independent auditors' report.**

**Supplementary Information  
(Compiled)**

**See independent auditors' report.**

**CENTRE COURT HOMEOWNERS ASSOCIATION  
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS  
DECEMBER 31, 2024**

**(COMPILED)**

On July 26, 2024, Association Reserves conducted a reserve study update which estimated the remaining useful lives, replacement costs and a funding schedule of the common property identified in the study. Significant assumptions of the study include an annual inflation rate of 3.0%, annual recommended reserve contribution increases of 20.0% through 2029, and 0.75% annually per year thereafter and a 23.6% funding level as of December 31, 2024. The reserve study was reviewed by the Board of Directors and incorporated into the 2025 budget.

A limitation of replacement funding is that items included in the study are those outlined by the scope and parameters of the study. In addition, the actual expenditures and timing of the replacements may vary from the estimates and the variations may be material. Those individuals relying upon the study should obtain a copy of the study and become familiar with the premises on which it has been prepared.

If additional funds are needed, the Association may increase regular assessments, pass special assessments, or delay major repairs and replacements until the funds are available.

The following compiled table is based on the study and presents significant information about the components of the common property. The costs in the table are those at the date of the study.

Components -----	Estimated Future Remaining Useful Life -----	Estimated Current Replacement Cost -----
Asphalt & Concrete Surfaces	3-23 years	\$ 904,110
Building & Carport Exterior Surfaces	0-27	11,067,125
Sites & Grounds	0-29	2,759,255
Landscape, Irrigation & Trees	0-13	108,405
		-----
		\$14,838,895
		=====
Replacement Fund & Contract		
Liabilities Balance at December 31, 2024		\$(1,197,066)
		=====

**See independent auditors' report.  
(The supplementary information is compiled)**

**CENTRE COURT HOMEOWNERS ASSOCIATION  
SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS  
DECEMBER 31, 2023**

**(COMPILED)**

On October 27, 2023, Association Reserves conducted a reserve study which estimated the remaining useful lives, replacement costs and a funding schedule of the common property identified in the study. Significant assumptions of the study include an annual inflation rate of 4.0%, annual recommended reserve contribution increases of 20.0% through 2030, and 3.3% annually per year thereafter and a 34.7% funding level as of December 31, 2023. The reserve study was reviewed by the Board of Directors and incorporated into the 2023 budget.

A limitation of replacement funding is that items included in the study are those outlined by the scope and parameters of the study. In addition, the actual expenditures and timing of the replacements may vary from the estimates and the variations may be material. Those individuals relying upon the study should obtain a copy of the study and become familiar with the premises on which it has been prepared.

If additional funds are needed, the Association may increase regular assessments, pass special assessments, or delay major repairs and replacements until the funds are available.

The following compiled table is based on the study and presents significant information about the components of the common property. The costs in the table are those at the date of the study.

Components -----	Estimated Future Remaining Useful Life -----	Estimated Current Replacement Cost -----
Asphalt & Concrete Surfaces	4-24 years	\$ 876,450
Building & Carport Exterior Surfaces	1-28	10,743,000
Sites & Grounds	0-25	772,350
Landscape, Irrigation & Trees	0-14	128,550
		-----
		\$12,520,350
		=====
Replacement Fund & Contract		
Liabilities Balance at December 31, 2023		\$ (1,801,495)
		=====

**See independent auditors' report.  
(The supplementary information is compiled)**

## **CENTRE COURT HOMEOWNERS ASSOCIATION**

# **POLICIES 2025**

- **Member Rights**
- **Member Information Form**
- **Events On The Green (Common Area)**
- **CHBIOA Dispute Resolution Policies**
- **Fine Schedule Resolution**
- **Meeting Schedule**
- **Fee Schedule for CHBIOA**
- **Community Center Rentals**

# **MEMBER RIGHTS**

## **MINUTES, BOOKS AND RECORDS**

### **MINUTES**

§4950 (a)

Minutes of all open meetings of the Board are available to members within 30 days of the meeting. The minutes, proposed minutes or summary minutes may be obtained through the Community Office by contacting your Association Manager. In addition, the minutes, proposed minutes or summary will be distributed to any member of the association upon request and upon reimbursement of the association's costs for making that distribution.

### **BOOKS AND RECORDS**

Civil Codes §5205

Corporation Codes §8330 & §8333 & §8311

The accounting books and records and minutes of proceedings of the members and the Board and committees of the Board shall be open to inspection upon the written demand on the corporation of any member at a reasonable time, for a purpose reasonably related to such person's interests as a member. The association may bill the requesting member for the direct and actual cost of copying requested documents. The association must inform the member of the amount of the copying costs before copying the requested documents.

## **RIGHT TO SUBMIT SECONDARY ADDRESS FOR COLLECTION NOTICES**

### **SECONDARY ADDRESS FOR COLLECTION NOTICES**

Civil Code §4040 (b)

Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the association shall send additional copies of any notices required by this section to the secondary address provided. The association shall notify owners of their right to submit secondary addresses to the association, at the time the association issues the pro forma operating budget pursuant to Section 5310 (a)(2). The owner's request shall be in writing and shall be mailed to the association in a manner that shall indicate the association has received it. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the association shall only be required to send notices to the indicated secondary address from the point the association receives the request.

You can submit a secondary address request on the Member Information form included in this packet and available through the Community office.

## COMMUNITY OF HARBOR BAY ISLE OWNERS ASSOCIATION

### MEMBER INFORMATION UPDATE

Owner Name(s)

Email Address

Property Address

Billing Address – if different from property address

Phone – Home

Work

Cell

Emergency Contact Information – will be kept confidential and used only if necessary

Vehicle Make/Model

Color

License #

Vehicle Make/Model

Color

License #

Vehicle Make/Model

Color

License #

#### Tenant Information

If you rent your property, please provide the following information about your tenants:

Name(s):

Phone – Home

Work

Cell

#### Secondary Address

Civil Code §4040 gives members the right to request that any and all billing or collection notices be sent to a secondary address in addition to the owner's listed mailing address. If you wish to exercise this right, please check the box, provide the secondary address and sign this form.

☐

Secondary Address Option – Please send billing and collection notices to:

Secondary Address

City

Zip

#### Receive Information by Email Opt-In Option

Civil Code §4041 - By checking the box below, you agree to:

- Receive all notices, disclosures, and documents from CHBIOA and your project Association electronically which includes email, fax, electronic message board, or network which the association has designated for those communications, together with a separate notice to you of the posting.
- The delivery by electronic means is complete at the time of transmission.
- A member shall, on an annual basis, provide written notice to the association.

☐

Opt-In Option – Please send me Annual Disclosure Documents by email.

#### Information Sharing Opt-Out Option

Civil Code §4041 (b)2 - Members have the right to request approval from the Board to inspect and copy the membership list for purposes reasonably related to the requestor's interest as a member. The list may include the members' names, property addresses, and mailing addresses. Individual owners have the option to choose not to share their name and address by notifying the association in writing that they prefer to be contacted by an alternate means. You can choose this option by checking the box below and signing this form.

☐

Opt-Out Option – Please do not share my name and mailing address.

Owner Signature

Date

## PREFERRED CONTACT METHOD FOR INDIVIDUAL DELIVERY

As of January 1, 2023, California Civil Code §4041 requires associations to solicit from each member that member's contact information and preferred method(s) for receiving association communications via individual delivery ("4041 Solicitation"). Each member is entitled to request that communications be sent to the member at one or two specified mailing addresses, one or two specified email addresses, or at a specified mailing address and a specified email address.

If a member has not responded to the association's most recent 4041 Solicitation, individual delivery is achieved by sending the communication to the last address shown on the association's records for the member through the United States Postal Service.

If a member has never responded to a 4041 Solicitation or submitted their contact information to the association, individual delivery is achieved by sending the communication to the member's on-site property address.

I (Print Name) \_\_\_\_\_

at ( Property Address) \_\_\_\_\_

prefer to receive individual delivery through (choose 1):

☐

Email: \_\_\_\_\_ (1<sup>st</sup>)

\_\_\_\_\_ (2<sup>nd</sup>)

☐

US Postal Service:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Return form to: [FrontOffice@HarborBay.Org](mailto:FrontOffice@HarborBay.Org)**

**Front Office – Preferred Delivery  
Community of Harbor Bay Isle Owners' Association  
3195 Mecartney Road  
Alameda, CA 94502**



# Centre Court Event

Date of submission to Association Manager\_\_\_\_\_

Exact location at Centre Court (Common Area)

Event Date: \_\_\_\_\_

Event Time Start:\_\_\_\_\_Event Time End:\_\_\_\_\_

## Contact Information:

Name:\_\_\_\_\_

Address:\_\_\_\_\_

Phone:\_\_\_\_\_

Email address:\_\_\_\_\_

**\*\* Copy of vendor insurance certificate (one week prior to event date) especially for bouncy houses and such.**



**\*\* Copy of homeowner insurance, minimum 500k of liability or renters.**

**COMMUNITY OF HARBOR BAY ISLE OWNERS' ASSOCIATION**  
**DISPUTE RESOLUTION POLICIES**

Adopted on December 6, 2023

The enclosed Dispute Resolution Policies apply, respectively, to the Community of Harbor Bay Isle Owners Association ("Association") and its policies for informal meetings pursuant to Civil Code §5900, et. seq. ("IDR Policy"), and alternative dispute resolution proceedings pursuant to Civil Code §5925, et. seq. ("ADR Policy").

A. **Internal Dispute Resolution "IDR" Policy** – In a dispute between the Association and an Owner involving their rights, duties or liabilities under the Davis-Stirling Act, Corporations Code or the Association's governing documents, the Association or any Owner can elect to use the following IDR procedure. Owners will not be charged a fee to participate in the process. Each party is responsible for their own costs and expenses associated with the IDR. The following is the Association's IDR process:

1. The party may request the other party to meet and confer in an effort to resolve the dispute. The request must be in writing and specify all disputes the requesting party has with the other party at that time to be efficient and respectful of the parties time and efforts to resolve disputes that may arise ("IDR Request"). To the extent the requesting party wishes to propose resolutions to resolve their dispute(s), they are encouraged (but not required) to include such resolutions in their IDR Request.

2. An Owner may refuse an IDR request. The Association may not refuse an IDR Request.

3. The Board will designate at least one, and potentially more, directors to meet and confer with the owner requesting IDR. The Board may request legal counsel to attend the IDR, and if it elects to have its legal counsel attend the IDR, it will provide the Owner with prior notice of same. An Owner can bring legal counsel or one other advocate to attend the IDR in order to assist the Owner in stating their positions, at their own cost, and in accordance with the prior notice outlined in Section 5 below.

4. The parties must meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The Association will endeavor to schedule an IDR within 30-days of the Association's receipt of an IDR Request.

5. The parties may be assisted by an attorney or another person at their own cost when conferring. An Owner intending to bring an attorney or another person to an IDR must inform the Association at least ten (10) days prior to the meeting. If an Owner brings an attorney or other person without the Association's prior knowledge, the IDR will be rescheduled to a later date so the Association can be properly represented at the meeting.

6. If the parties are able to resolve the dispute, the resolution agreed to by the parties must be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association. Unless at least a majority of the Board is present at the meeting, a written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied: (1) The agreement is not in

conflict with law or the governing documents of the Association and (2) The agreement is either consistent with the authority granted by the Board to its designee(s) or the agreement is ratified by the Board. Unless and until the resolution established at the IDR is approved or ratified by the Board, the parties are hereby informed that such resolution is not a legally binding or judicially enforceable agreement. Typically, if the parties reach terms at the IDR, the Association will send a follow-up letter to the Owner to confirm their understanding of and agreement with the terms reached at the IDR so that they can be provided to the full Board for its review and response.

7. With respect to a nuisance claim by an Owner(s), in the event the Board does not find the issue arises to the level of a nuisance, the Board encourages the complaining party(ies) to try and resolve the dispute amongst themselves. In the event the parties are unable to resolve their dispute, they may request, in writing, the Board facilitate an IDR between the parties per the above process, in which case the Board will send a letter inviting the relevant parties to attend the IDR. If a party refuses to attend, the Association will communicate this to the parties and will conclude the matter.

**B. Alternative Dispute Resolution “ADR” Policy** – It is the Association’s strong policy and preference that prior to the initiation of any legal disputes, with the exception of small claims matters and as otherwise permitted by law, that the Association and owners agree to submit their dispute to an alternative dispute resolution proceeding held in accordance with Civil Code §5925, et seq. To this end, for cost and time efficiency, the Association’s strong preference is for a non-binding mediation held with a third party neutral that has prior experience in handling mediations involving homeowners association issues.

## **§5925. Definitions**

As used in this article:

(a) “Alternative dispute resolution” means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral third party in the decision-making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) “Enforcement action” means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

(1) Enforcement of this act.

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).

(3) Enforcement of the governing documents.

## **§5930. Litigation Pre-Filing Requirements**

(a) An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

### **§5935. Initiating the Process; Request for Resolution**

(a) Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

(4) If the party on whom the request is served is the member, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

### **§5940. Completing the Process; Costs**

(a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

### **§5945. Statutes of Limitation**

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

#### **§5950. Certificate; Commencement of Action**

(a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

#### **§5955. Post-Filing Reference**

(a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

#### **§5960. Refusal to Participate in Pre-Filing Alternative Dispute Resolution**

In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

#### **§5965. Annual Disclosure**

(a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

(b) The summary shall be included in the annual policy statement prepared pursuant to Section 5310.



Centre Court  
Homeowners' Association, Inc.  
3195 Mecartney Road  
Alameda, California 94502  
(510) 865-3363

Adopted November 9, 2005

**CENTRE COURT HOMEOWNERS' ASSOCIATION  
DELINQUENT ASSESSMENT COLLECTION POLICY**

1. It is the fiduciary responsibility of the Board of Directors to collect all assessments for the maintenance and replacement of common area property and other Association expenses in a timely fashion. The Association is entitled to recover assessments, reasonable collection costs, reasonable attorney's fees, late charges and interest. The Association will not use nonjudicial foreclosure to collect fines or penalties but other remedies are available to collect these and any sums not suitable for collection by nonjudicial foreclosure. The Association shall comply with requirements of 5740 or 5650 of the Civil Code when collecting delinquent assessments. If an error is made that requires termination of any collection proceeding or beginning a collection process over, the Association shall bear the costs; otherwise, the owner is responsible for all costs as identified above.
2. The Association will, in good faith, send each member a monthly billing statement. However, it is the owner's responsibility to pay each assessment in full each month regardless of whether a statement is received.
3. Assessments are due on the first (1<sup>st</sup>) day of each month and are delinquent at 5:00 p.m. on the fifteenth (15<sup>th</sup>) day of the month, regardless of what day of the week the fifteenth (15<sup>th</sup>) day falls. If an assessment is delinquent a late charge of ten dollars (\$10.00) or ten percent (10%) of the assessment (or special assessment), whichever is greater, will be charged on the sixteenth (16<sup>th</sup>) day. All balances due as of 5:00 p.m. on the thirtieth (30<sup>th</sup>) day of the month will be subject to interest of ten percent (10%) per annum. All such amounts must be paid in full and the Association shall not be required to accept partial payments unless there is a mutually accepted payment agreement.
4. **IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.**

5. On or about the forty-sixth (46<sup>th</sup>) day after a payment is due, a 30-day Pre-Lien Notice will be prepared and sent, by certified mail, to the delinquent record owner(s) at the last mailing address provided to the Association. If the delinquent record owner(s) has provided a written notice of a secondary address, all notices shall be sent to that address also. Such notice will include an itemized statement of the total amount's delinquent, including but not limited to, assessments, the fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest. Also, a notice that the owner is entitled to ask to meet with the Board or Board representative(s) pursuant to the Association's Internal Dispute Resolution (meet and confer program) will be included.

6. The decision to record a lien shall be made only by the Board of Directors, approved by a majority vote in an open meeting. The Board shall record the vote in the minutes of that meeting referring to the property by parcel number, and not name of the owner. Likewise, the decision to file in Small Claims Court shall be made by the Board and not the Association's Agent.

7. On or about the thirtieth (30<sup>th</sup>) day after the Pre-Lien Notice is sent the Association may record a lien on the property to secure the debt; however, there are limitations that may preclude foreclosure of the lien at this time (see paragraph 8).

8. If all sums secured by the lien are not paid in full within thirty (30) days after recordation, and the amount of delinquent regular or special assessments reaches one thousand eight hundred dollars (\$1,800.00), not including any accelerated assessments, collection costs, attorney's fees, late charges, or interest, or has been delinquent more than twelve (12) months, the Board may make the decision to foreclose the lien. All resulting collection fees and costs will be added to the total delinquent amount. At some point in time prior to initiating foreclosure, the Board shall offer the owner(s) and, if so requested by the owner(s), shall participate in dispute resolution pursuant to the Association's Internal Dispute Resolution (meet and confer program) or Alternative Dispute Resolution with a neutral third party. The decision to pursue dispute resolution shall be the choice of the owner(s), except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

9. The decision to initiate foreclosure shall be made only by the Board of Directors, by majority approval, and while the discussion may be held in executive session, the decision shall be recorded in the minutes of an open meeting in the same form as the decision to record a lien was made (by account number only). A Board vote to approve foreclosure of a lien must take place at least thirty (30) days prior to any public sale.

10. If the Board votes to foreclose, the Board shall provide notice of its decision by personal service to the owner(s) who occupies the separate interest or to the owner's legal representative. If the owner(s) does not occupy the separate interest, said notice will be sent by first-class mail to the most current address provided to the Association. In the absence of written notification by the owner(s) to the Association, the address of the owner's separate interest may be treated as the owner's mailing address. In addition, statutory procedures including recorded notices regarding foreclosure and sale will be accomplished.

11. A nonjudicial foreclosure by an Association shall be subject to the owner's right to redeem the property up to ninety (90) days after the sale.

12. All charges levied to the assessment account must be paid in full as a condition to curing and releasing a recorded lien and other documents of foreclosure. The Association is not required to accept any partial or installment payments, except with the execution of a mutually accepted payment agreement. Arrangements for such an agreement must be made with the Association's Agent assigned to the collection of the account or to the Board or Board representative(s), at a meeting arranged under the Association's Internal Dispute Resolution (meet and confer program).

13. When a payment is made, the owner may request a receipt and the Association will provide it. On the receipt, the Association shall indicate the date of payment and person who received it.

14. Each payment from an owner shall be applied first to the principal sum owed. Only after the assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorney's fees, late charges and interest, unless an alternate agreement is entered into between the Association and the owner(s).

15. An owner(s) may request the Association to consider a payment plan to satisfy a delinquent assessment. The Board will inform the owner(s) of the standards for payment plans, to the extent standards have been adopted by the Board. Certain timelines apply as follows: If an owner's request is mailed within fifteen (15) days of the date of the postmark of the notice of delinquency (lien), the Board will meet with the owner(s) in executive session within forty-five (45) days of the postmark of that request. However, if there is no regularly scheduled Board meeting during that period, the Board may designate a committee of one or more members to meet with the owner(s). Payment plans may incorporate any assessments that accrue during the payment plan period; however, they shall not impede an Association's ability to record a lien to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the owner(s) is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the Association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.



16. Any check returned by the bank for insufficient funds, stop payment or any other reasons will be charged back to the unit and a fifteen dollar (\$15.00) administrative fee plus any bank fees will be assessed to the account. If the account has been turned over to the Association's Agent for collection and a check is returned, the account will be assessed whatever administrative fees as the Agent provides.

17. The location for overnight payments of assessments is 3195 Mecartney Road, Alameda, CA 94502. Payments may also be made in the Association's office between 8:00 a.m. and 5:00 p.m. Monday through Friday.

18. An owner of the separate interest has the right to inspect the Association's financial books and records to verify the delinquency, per laws related to inspection of HOA records.

19. Except where prohibited by law, the Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so. To the extent there are any general discretionary changes (rather than compliance related to the law or governing documents); the Board shall circulate the policy to owners at least thirty (30) days before the meeting at which the revisions will be considered.

# THE CENTRE COURT HOMEOWNERS' ASSOCIATION

## FINE SCHEDULE RESOLUTION

**WHEREAS**, The Centre Court Associations' Bylaws, has a general monetary fine provision in Article III, Section 7. **Enforcement**

"The Board shall have the power, obligation and duty to enforce the provisions of this Declarations, the By-Laws and the Rules in any manner provided by law, or in equity, including but not limited to appropriate legal action, suspension of the Unit Owner's right to use the Common facilities of the Project or suspension of the Unit Owner's voting rights; provided, however, such suspension may not be for a period in excess of thirty (30) days, after notice and hearing as herein provided, for an infraction of such rules. In addition, to the other remedies herein set forth, the Board by majority vote, may levy a fine against such Unit Owner, after appropriate notice and hearing as herein, provided, in an amount not to exceed one month's assessment for each such violation and the payment of such fine may be enforced in the same manner as set forth in Article IV hereof. The right to levy fines, hold disciplinary hearings or otherwise impose discipline on Members under this section is bested in the Board and may not be delegated to any manager or their employee of the Association or Declarant.

**WHEREAS**, the State of California has added to the Civil Code Section 1363 requiring associations which impose or intend to impose monetary fines to adopt and distribute a schedule of monetary penalties that may be assessed for violations. Distribution must be by personal delivery or first class mail.

**THEREFORE, LET IT BE RESOLVED**, that the Centre Court Association herein notifies its members of its schedule of fines as follows:

For all violations not corrected within 30 days of notification of the violation pursuant to the Centre Court Enforcement procedures, the Board will assess the owner \$100 per month for the first three months; \$250 per month for the fourth through sixth months and \$500 per month thereafter.

After the opportunity for a hearing before the Board has been provided to the owner, the fine will be added to the owner's account, along with any other penalties deemed warranted by the Board, if:

1. Owner was not in attendance at the scheduled hearing and did not request a rescheduled Hearing pursuant to the Centre Court Association Procedures, not inform the Board, in writing, that the violation has been corrected; or
2. It was determined, by the Board, upon the conclusion of the Hearing that the owner did not show good cause as to why they feel they were not in violation.

For all violations relating to the installation and/or maintenance of landscape or other real property not corrected within 30 days of notification to the homeowner and after a hearing has been held, the Board has the option to levy a Single Benefit Project Assessment equal to the Association's cost of correction, plus a 15% Administrative Fee, a late fee will be charged on the payment demand of the unpaid balance after thirty-days at an annual rate of 10%.

## **CENTRE COURT**

### 2025 Meeting Schedule

Below is the proposed meeting schedule for 2025, which includes the Board of Directors meetings and the Annual Membership Meeting, too. If revisions are necessary, they will be announced. Owners are welcome and encouraged to attend the Association meetings.

Per Civil Code § 4045, General Notice can be found on the [www.harborbay.org](http://www.harborbay.org) website or on the bulletin board at the Community Center, 3195 Mecartney Road, Alameda.

The Board of Directors meetings are held on the second Wednesday of each month at 6:30 p.m., as follows:

January 8  
February 12  
March 12  
**April 9 Annual Meeting**  
May 14  
June 11  
July 9  
August 13  
September 10  
October 8  
November 12  
December 10

The Annual Membership Meeting will be held:

Wednesday, April 9, 2025 at 6:00 p.m.

Mark your calendar so that you can be sure to attend!

**Fee Schedule for Community of Harbor Bay Isle Owners' Association**

	Costs
1. Escrow Disclosure	\$50.00
2. Association Certification	\$50.00
3. Statement of Account Condition	\$50.00
4. Complete Seller's Disclosure Package (Both Associations) In addition to #6a-h, the complete package includes Escrow Disclosure Form (provided by realtor), Insurance Information Sheet, and Minutes for 1 Year.	
Articles of Incorporation	\$10.00
By-Laws	\$20.00
Covenants Conditions & Restrictions	\$80.00
Budget & Reserve Schedule	\$10.00
Annual Financial Review/Audit	\$10.00
Rules and Regulations	\$30.00
Minutes	\$40.00
6. Individual Documents (One Association)	
a) Articles of Incorporation	\$5.00
b) By-Laws	\$20.00
c) Covenants Conditions & Restrictions	\$40.00
d) Budget & Reserve Schedule	\$5.00
e) Annual Financial Review/Audit	\$5.00
f) Minutes (one month)	\$5.00
g) House Rules	\$15.00
h) Architectural Guidelines	\$20.00
7. Administrative Supplementary Services	
a) Color Printing	\$ 1.85
b) Copy costs	\$ 0.30
c) Labels	\$ 0.15
d) #10 Envelopes	\$ 0.15
e) #9 Return Envelopes	\$ 0.10
f) 10x13 Self-seal Envelopes	\$ 0.51
g) Handling – in-house	*incorporate staff time
h) Handling – outside service	At cost
i) Postage	At cost
8. Staff Billing Rates	
a) Executive Director/Consultant	\$ 175.00
b) Department Manager/Consultant	\$ 150.00
c) Association Manager	\$ 125.00
d) Certified Arborist	at cost
e) Technical Staff (Accounting, Computer, Administrative)	\$ 125.00
f) Maintenance Worker (for homeowner requests)	\$ 100.00
f) Maintenance Worker (for commercial requests)	\$ 100.00
g) Security Officer	\$ 100.00
h) Clerical Staff	\$ 75.00
9. Recording Fees	At cost

**Community Center Fee Schedule -2024**

The meeting room is only open for non-business activities and rental on weekends.

<b>HOMEOWNER (FLAT RATE)</b>	
Meeting room with kitchen	\$650.00

<b>COMMERCIAL (FLAT RATE)</b>	
Meeting room with kitchen	\$1,000.00

<b>EMPLOYEE/NON-PROFIT RATES (FLAT RATE)</b> <b>*CHBIOA reserves the right to waive fees</b>	
Meeting room with kitchen	\$250.00

**Civil Code §4515 Room Rates at cost**

<b>DEPOSIT FOR ROOM RENTAL</b>
\$1,000.00 (REFUNDABLE)

**COVID Related Additional Costs (Required if people get COVID from event)**

- Post Event COVID Sanitizing Service – At Cost
- Post Event Cleaning Fee – At Cost

## The Community of Harbor Bay Isle Community Center Rentals

*A quiet lagoon side location with marvelous views in a peaceful setting.....*

The quiet lagoon side location of the Harbor Bay Isle Community Center lends itself to a variety of uses:

- ❖ Meetings
- ❖ Training Sessions
- ❖ Seminars
- ❖ Private Parties
- ❖ Weddings
- ❖ And more...

### Hours

The facility is available weekdays and weekends.

All events must end (with clean –up to follow) by

10:00 p.m. Monday through Saturday and 8:00 p.m. on Sundays.

### Questions?

If you have any questions about the facility or the rental process, please contact the Community of Harbor Bay Isle Owners Association offices. Office hours are 8:00 a.m. to 5:00 p.m. Monday through Friday but you can leave a voicemail message at any time. Phone (510) 865-3363 for information or to make your reservation.

### Kitchen

The Community Center has a spacious kitchen with two microwave and conventional ovens, a gas cook top, refrigerator/freezer and commercial coffee maker. The kitchen can also be closed off from the main room to eliminate noise or other distractions.

### Rates

See attached fee schedule.

Security Deposit: A refundable cleaning/security deposit in the amount of \$350 for weekdays and \$650 for weekends is required.

*Special equipment available for an additional charge:*

<u>EQUIPMENT</u>	<u>CHARGE PER SESSION</u>
➤ TV/VCR	\$20
➤ Overhead Projector	\$10
➤ Projection Screen	\$10
➤ Lectern with sound	\$20
➤ Erasable Easel w/markers	\$15

*\*Rates subject to change without notice*