

December 2023

Dear East Bluff Unit No. 4 Community Association Member:

The Board of Directors is preparing for the fiscal year 2024-2025. Please find enclosed the following year-end disclosures:

- Annual Policy Statement
- Annual Policy Statement
- Notice Assessments & Foreclosure
- Collection Policy
- IDR-ADR Summary of Dispute Resolution Procedures
- Annual Budget
- Budget Overview
- Insurance Disclosure
- Reserve Study Disclosure
- Fee Disclosure Statement
- Rules Enforcement Policy
- ARC/Design Review Procedures

The Board of Directors and the Avalon Management Group remain committed to maintaining the quality of East Bluff No. 4 while trying to contain costs without compromising the quality of services. Every effort is being made to make the operation of the Association as efficient as possible and the Board appreciates all of the input and feedback received from the community.

Please be advised that the regular assessments for the fiscal year 2024-2025 will increase according to the following chart, per month, per home, commencing February 1, 2024, through January 31, 2025.

Plan	Square Feet	Old Monthly fees	New Monthly Fees
1	1,270	\$516.94	\$542.79
2	1,358	\$526.62	\$552.95
3	1,570	\$553.74	\$581.43
4	1,650	\$561.46	\$589.52
5	892	\$470.47	\$493.99
6	1,103	\$495.63	\$589.53

Coupon booklets for making your monthly payments will be mailed to all owners in mid-January. If you pay by ACH (Automatic Clearing House), no coupon booklet will be sent. If you pay your assessments through online banking, please ensure your banking institution is mailing payments to P.O. Box 52982, Phoenix, AZ 85072-2982. If you use an online bill payment service through your bank, please be sure to change the assessment amount with your banking institution. If you use Zego/Paylease via the Homeowner Portal for re-occurring payments, please log-in and update your assessment amount.

The Board welcomes your attendance at any non-executive Board meeting. At such meetings, the Board of Directors sets policy, which guides the direction of the Homeowners Association. Notice and the meeting agendas are posted on the Association website www.EastBluff4.com.

Very Respectfully,

Chloe Holder

As Agent for the Board of Directors

East Bluff 4 Homeowners Association
Annual Policy Statement Disclosures

1. **Designated Contact Person for Association Communications:**

The name and address of the person designated to receive official communications on behalf of East Bluff 4 Homeowners Association, pursuant to Section 4035 of the California Civil Code. **Please submit all requests for copies of policies and meeting minutes in writing to the address below.**

President or Secretary of East Bluff 4 Homeowners Association
3618 Ocean Ranch Blvd.
Oceanside, CA 92056

2. **Request for Notices to Two Addresses.**

The association member has the right to submit a request to have notices sent to two different addresses pursuant to subdivision (b) of Section 4040 of the California Civil Code.

3. **Location for Posting General Notices.**

The following is the location for the posting of a general notice by the Association, pursuant to paragraph (3) of subdivision (a) of Section 4045 of the California Civil Code: Website and Association bulletin board.

4. **Right to Receive General Notices by Individual Delivery.**

Association members can arrange to have general notice items provided to them by individual delivery by submitting a written request to the association by email to EastBluff4@avalonweb.com, by fax to 800-646-1887 or in writing to the address indicated above.

5. **Right to Receive Meeting Minutes.**

The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any board meeting, other than an executive session shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member upon request and upon reimbursement of the association's cost for making that distribution by making a written request to the address provided above.

6. **Statement of Assessment Collection Policies.**

The Association's Assessment Collection Policy and statement of enforcement of lien and other remedies are attached as part of the Annual Policy Statement. This notice outlines some of the rights and responsibilities of owners of properties in common interest developments and the associations that manage them.

7. **Statement of Association's Discipline Policy and Schedule of Penalties for Violations of Governing Documents.**

The Association's statement of discipline policies and the fine schedule are attached as part of the Annual Policy Statement.

8. **Summary of Dispute Resolution Procedures.**

Summary of dispute resolution procedures is attached as part of the Annual Policy Statement.

9. **Summary of Requirements for Association Approval of Physical Changes to the Property.**

A summary of the architectural procedures is attached as part of the Annual Policy Statement.

10. **Statement Regarding Outstanding Loans.**

The Association has no outstanding loans longer than one year.

11. **Mailing Address for Overnight Payments of Assessments.**

The mailing address for overnight payment of assessments is:

East Bluff 4 Homeowners Association
c/o Avalon Management
31608 Railroad Canyon Road
Canyon Lake, CA 92587

12. **FHA Statement**

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/is not (circle one)] a condominium project. The association of this common interest development [is/is not (circle one)] certified by the Federal Housing Administration.

13. **VA Statement**

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/is not (circle one)] a condominium project. The association of this common interest development [is/is not (circle one)] certified by the federal Department of Veterans Affairs.

Notice Assessments & Foreclosures

Statement of Assessment Collection Policies [Civil Code §5730]

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain document in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by doing so specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code).

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

EAST BLUFF UNIT NO. 4 COMMUNITY ASSOCIATION

SUMMARY OF POLICIES AND PROCEDURES OF LIEN RIGHTS AND OTHER LEGAL REMEDIES FOR DEFAULT IN PAYMENT OF ASSESSMENTS

Prompt payment of assessments by all owners is critical to the financial health of the East Bluff Unit No. 4 Community Association ("Association"), and to the enhancement of the property values of the homes within the Association. Your Board of Directors ("Board") takes very seriously its obligations under the Declaration of Covenants, Conditions and Restrictions of East Bluff Unit No. 4 ("CC&Rs") and the California *Civil Code* to enforce the members' obligations to pay assessments. The following are the Association's assessment collection practices and policies pursuant to the CC&Rs and Civil Code Section 5310(a)(7) and payment plan standards consistent with Civil Code Section 5665:

1. **Regular and Special Assessments.** Regular assessments are due and payable, in advance, on the first day of each month. If imposed, special assessments shall be due and payable on the due date specified by the Board. Assessments, late charges, interest, collection costs and reasonable attorneys' fees if any are imposed are the personal obligation of the Owner(s) of the separate interest (Unit) at the time when the assessment or other charge fell due.
2. **Late Charges.** Regular and special assessments are delinquent thirty (30) days after they become due. A late charge of ten percent (10%) of the assessment or ten dollars (\$10.00), whichever is greater, will be applied if payment in full is not received fifteen (30) days after the payment is due.
3. **Interest.** Interest at the annual rate of twelve percent (12%) may be charged on all sums due that are thirty (30) or more days delinquent.
4. **Additional Charges, Costs and Attorneys' Fees.** Pursuant to Civil Code, the Association is entitled to recover reasonable collection costs, including reasonable attorneys' fees, incurred in connection with collection of delinquent assessments. Costs may include, but are not limited to, publication, recording, posting, service, and mailing.
5. **Application of Payments on Delinquent Assessments.** Payments received on delinquent assessment accounts will be applied first to the regular or special assessments owed, and then applied to interest, late charges, collection costs, administration fees, attorney's fees, reimbursement assessments, and any other amount due to the Association in connection with collection of delinquent assessments.
6. **Pay or Lien Letter.** Any Owner who is more than thirty (30) days delinquent in the payment of his or her assessments may be referred to the Association's management company or the Association's attorney for collection and will receive a pay-or-lien demand letter, via certified mail. The letter will be sent at least thirty (30) days prior to a Notice of Delinquent Assessment Lien ("Lien") being recorded against the delinquent Owner's property, and will notify the Owner of record in writing of the following pursuant to Civil Code:

- (a) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount;

- (b) An itemized statement of the amounts owed, including delinquent assessments, fees and reasonable costs of collection, reasonable attorneys' fees, late charges and interest charges, if any;
- (c) A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection if it is determined the assessment was paid on time to the Association.

7. **Standards for Payment Plans.** A delinquent Owner may request a payment plan to satisfy his or her debt. Payment plans will be considered on a case-by-case basis. Generally, no payment plan may exceed twenty-four (24) months in duration. Fees and/or costs may be charged for the administration of any payment plan and may vary based upon the duration of the payment plan. Any request for a payment plan must be accompanied by a written explanation of the reason for the request, which includes documentation of the Owner's special circumstances, financial hardship, and ability to make the payments requested. If a lien has not been recorded prior to the time that any payment plan is entered into, one may be recorded during the repayment period to secure the debt while the payment plan is pending. Payment plans must provide for full payment of the delinquent amounts, in addition to the amounts which will accrue during the repayment period, including any regular and/or special assessments, and any fees and/or costs related to the administration of the payment plan and/or for the recording and/or release of any lien. Once a payment plan is entered into, additional late charges will generally not accrue for so long as the Owner complies with the terms of the payment plan. In the event of a default in any payment agreement, the Association will resume collection efforts from the time prior to entering into the payment plan without any prior notice.

8. **Lien/Notice of Delinquent Assessment.** If the delinquent Owner does not bring their account current within thirty (30) days of the pay-or-lien demand letter, and unless a dispute over such debt has been resolved or a payment plan has been entered into as set forth above, a Lien will be recorded against the Owner's property. The Lien shall include an itemized statement of the charges included in the amount of the Lien including the delinquent assessments and all other sums owed, such as late charges, costs and reasonable attorneys' fees, a legal description of the property, the name of the record Owner, and the name and address of the trustee authorized to enforce the Lien by sale. A copy of the itemized statement of charges shall be recorded with the Lien.

A copy of such Lien will be mailed by certified mail to every person whose name is shown as an Owner of the separate interest in the Association's records within ten (10) days of the date the Lien is recorded. Upon receipt of a written request by an Owner (mailed in a manner indicating the Association has received the same such as by certified mail) identifying a secondary address to which the Owner wishes collection notices to be sent, the Association shall also send additional copies of any required collection notices by certified mail to such secondary address. The Lien is subject to judicial or non-judicial foreclosure, and the property may ultimately be foreclosed upon and sold without court action to satisfy the debt owed. Reasonable collection costs incurred in connection with preparing and recording the Lien may be included in the amount of the Lien. The Lien is a continuing lien and shall secure all other payments and/or assessments which shall become due and payable with respect to the Owner's property following such recording, and all costs (including attorneys' fees) and interest accruing therein.

9. **Foreclosure.** Either Judicial or Non-judicial foreclosure will then be commenced by the Association's law firm pursuant to the CC&Rs, and Civil Code as follows:

- (a) **"Initiate Foreclosure"-Notice of Default and Election to Sell ("NOD")**. A Notice of Default and Election to Sell (NOD) will be recorded with the County Recorder's Office which puts the property into foreclosure. The Association cannot continue with the non-judicial foreclosure on the property for ninety (90) days from the date the NOD is recorded. The delinquent Owner is responsible for all fees and costs incurred to initiate foreclosure in addition to the delinquent assessments, late charges and interest.
- (b) **"Approve Foreclosure"- Notice of Sale (NOS)**. If the delinquency is not cured within ninety (90) days of the NOD being recorded, the attorney will proceed by recording, publishing and posting a NOS. The delinquent Owner is responsible for all fees and costs incurred to prepare, record, publish and post the NOS, in addition to the delinquent assessments, late charges and interest.

10. **Suspension of Membership Rights.** Without prejudice to its right to continue with and/or take other collection action, an Owner's rights to use the Common Area recreational facilities may be suspended after notice and a hearing. The Association will not deny an Owner's or his or her occupants' physical access to the property by way of any such suspension.

11. **Secondary Address.** Owners may submit a written request to the Association to communicate with Owner at a secondary address in addition to the Owner's primary address. Any such request by Owner as to a secondary address must be in writing to the Association.

12. **Redemption.** An Owner may redeem the property foreclosed upon by the Association by paying all amounts due and owing within ninety (90) days of the date of the foreclosure sale.

13. **Lawsuit.** The Association may, at any time, determine to file a personal lawsuit against the delinquent Owner to recover all delinquent charges pursuant to relevant law. All costs and attorneys' fees in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Owner.

14. **Release of Liens Upon Payment.** Within twenty-one (21) days of payment in full of all delinquent assessments and charges, or if it is determined that a Lien previously recorded was recorded in error, the attorney will prepare a Release of Lien which will be recorded by the County Recorder's Office and will provide Owner with a copy of such release or notice that the delinquent assessment has been satisfied.

15. **Right to Receipt.** When an Owner makes a payment, the Owner may request a receipt and the Association shall provide same which shall indicate the date of payment and person who received such payment.

16. **Overnight Payments.** Payments may be made by overnight mail to the following address:

If Account is being handled by Association:

East Bluff Unit No. 4
c/o Avalon Management
31608 Railroad Canyon Rd.
Canyon Lake, CA 92587

If Account is being handled by Attorney:

Community Legal Advisors, Inc.
509 N. Coast Hwy.
Oceanside, CA 92054
(760) 529-5211

IDR-ADR

Summary of Dispute Resolution

Summary of Association's Dispute Resolution Procedures (ADR and IDR) [Civil Code §§5310(a)(9), 5900-5920, and 5925-5965]

Alternative Dispute Resolution Procedures

The California Legislature has established a public policy in this state that requires the use of Alternative Dispute Resolution ("ADR") before resorting to litigation to resolve certain conflicts that arise in condominiums, planned developments and other common interest developments. The law requires every association to distribute a summary of California Civil Code §§5925 through 5965 to its members annually in its Annual Policy Statement prepared pursuant to Civil Code §5310. Rather than attempt to summarize the law, which is lengthy, and may result in omissions or misunderstandings of what the law provides, we are providing a copy of law in its entirety below. **PLEASE NOTE, Civil Code §5965 states:**

"Failure of a member of the association to comply with the alternative dispute resolution requirements of §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."

Please note that the section headings below are not a part of the law, but are present only to assist you in identifying the contents of each section.

§5925. ADR Definitions

As used in this article:

(a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral 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. ADR Required Before Filing Certain Actions

(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 ADR by 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. Time for Completing ADR Process and Cost Splitting

(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. Effect of ADR on 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. Filing ADR Certificate when Filing Court 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. Referral to ADR and Stay of Court Action by Stipulation

(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 ADR; Effect on Award of Fees and Cost

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 of ADR Procedures to Members

(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.

East Bluff Unit No. 4 Community Association
Fiscal Year 2024-2025 APPROVED BUDGET

Units: 199

	2025 Annual	2025 Monthly	2025 Unit/Month
REVENUE			
Assessments	\$ 1,322,249.40	\$ 110,187.45	\$ 553.71
Late Charges	\$ -	\$ -	\$ -
Collections Costs	\$ -	\$ -	\$ -
Interest Income	\$ -	\$ -	\$ -
ACH Fees	\$ -	\$ -	\$ -
Total Revenues	\$ 1,322,249.40	\$ 110,187.45	\$ 553.71
EXPENSES			
Administrative Expenses			
Management Contract	\$ 100,824.00	\$ 8,402.00	\$ 42.22
Legal/Professional Services	\$ 42,000.00	\$ 3,500.00	\$ 17.59
Collection Expense	\$ -	\$ -	\$ -
Permits/license/fees	\$ 900.00	\$ 75.00	\$ 0.38
Reserve Study	\$ 2,496.00	\$ 208.00	\$ 1.05
Audit & Tax Prep	\$ 2,004.00	\$ 167.00	\$ 0.84
Taxes	\$ 5,004.00	\$ 417.00	\$ 2.10
Admin, Printing & Postage	\$ 6,000.00	\$ 500.00	\$ 2.51
Board Meetings	\$ 3,504.00	\$ 292.00	\$ 1.47
Total Administrative Expenses	\$ 162,732.00	\$ 13,561.00	\$ 68.15
Insurance Expense			
Insurance - Master Policy	\$ 49,500.00	\$ 4,125.00	\$ 20.73
Insurance - Earthquake	\$ 51,000.00	\$ 4,250.00	\$ 21.36
Total Insurance Expense	\$ 100,500.00	\$ 8,375.00	\$ 42.09
Landscape Expenses			
Landscape - Service Contract	\$ 178,800.00	\$ 14,900.00	\$ 74.87
Landscape - Extras	\$ 15,996.00	\$ 1,333.00	\$ 6.70
Irrigation Repairs	\$ 21,012.00	\$ 1,751.00	\$ 8.80
Tree Maintenance	\$ 34,680.00	\$ 2,890.00	\$ 14.52
Total Landscape Expenses	\$ 250,488.00	\$ 20,874.00	\$ 104.89

East Bluff Unit No. 4 Community Association
Fiscal Year 2024-2025 APPROVED BUDGET

Units:	199	2025	2025	2025
		Annual	Monthly	Unit/Month
Maintenance Expenses				
Common Area Repairs & Maint	\$	24,000.00	\$ 2,000.00	\$ 10.05
Pest Control	\$	12,600.00	\$ 1,050.00	\$ 5.28
Lighting/ Electrical Service	\$	10,080.00	\$ 840.00	\$ 4.22
Fire Watch - Inspect/Repair	\$	816.00	\$ 68.00	\$ 0.34
Plumbing Maintenance	\$	8,004.00	\$ 667.00	\$ 3.35
Plumbing - Remediation/Repairs	\$	21,996.00	\$ 1,833.00	\$ 9.21
Roof Maintenance	\$	24,000.00	\$ 2,000.00	\$ 10.05
Janitorial Maint Contract	\$	6,864.00	\$ 572.00	\$ 2.87
Janitorial Supplies	\$	1,260.00	\$ 105.00	\$ 0.53
Total Maintenance Expenses	\$	109,620.00	\$ 9,135.00	\$ 45.90
Pool Expenses				
Pool/Spa Maintenance	\$	26,148.00	\$ 2,179.00	\$ 10.95
Total Pool Expenses	\$	26,148.00	\$ 2,179.00	\$ 10.95
Utilities				
Water & Sewer	\$	106,296.00	\$ 8,858.00	\$ 44.51
Gas & Electric	\$	47,040.00	\$ 3,920.00	\$ 19.70
Refuse & Recycling Services	\$	13,776.00	\$ 1,148.00	\$ 5.77
Total Utilities	\$	167,112.00	\$ 13,926.00	\$ 69.98
Operating Contingency				
Contingency Expense	\$	40,824.00	\$ 3,402.00	\$ 17.10
Total Operating Contingency	\$	40,824.00	\$ 3,402.00	\$ 17.10
Total Operating Expenses - Before Reserve Contribution				
	\$	857,424.00	\$ 71,452.00	\$ 359.06
Reserve Contribution				
Monthly Reserve Contribution	\$	464,825.40	\$ 38,735.45	\$ 194.65
Total Reserve Contribution	\$	464,825.40	\$ 38,735.45	\$ 194.65
Total Expenses				
	\$	1,322,249.40	\$ 110,187.45	\$ 553.71

**EAST BLUFF 4 HOMEOWNERS ASSOCIATION
2024-2025 OPERATING BUDGET OVERVIEW**

In accordance with the CC&R's, and California Civil Code Section §5300, we have enclosed the Operating Budget for February 1, 2024 to January 31, 2025. The Board of Directors has diligently reviewed the prior year's budget, and made necessary adjustments and corrections.

The monthly assessments for the year 2024-2025 for East Bluff 4 will increase by 5% per lot effective February 1, 2024. A breakdown of the increase for each plan is provided on the cover sheet.

The Board made its decision based on historical expenses, projected inflation, and a review of the Reserve Fund ("Reserve Summary"). Review of the Budget, indicates the following:

1. The annual revenues are projected to be \$1,322,249.40 on an accrual basis and an additional \$267,401.89 in remaining special assessments approved on October 28, 2021
2. The projected annual expenses, including contribution to the Reserve Fund, are \$1,322,249.40 on an accrual basis.
3. The Reserve Fund for future repairs and replacements is \$801,219.21 as of November 30, 2023. Summaries of the estimated remaining life of equipment and a funding summary are noted in the Reserve Summary. Reserve studies are required to be updated every three years. The complete study is available at the management office for review. Management will provide copies upon written request.
4. The Board does not anticipate the need to levy one or more special assessments in the year 2024-2025 to repair, replace, or restore major components, at this time.

The California Civil Code 4950(a) requires notification that minutes, and minutes proposed for adoption of meetings of the Board of Directors, or summary thereof, other than executive session, are available to the membership within 30 days of the meeting. You may view the minutes by submitting a written request to the management office. Copies of minutes are available by written request and upon payment of any associated cost.

Pursuant-to Corporations Code §8321, every member is entitled upon written request to receive a copy of the most recent annual report of the Association.

Insurance Disclosure - As required by subdivision (e) of Section 5300(b)(9) of the Civil Code, the enclosed summary of the association's policy of insurance provides only certain information. Therefore, the summaries of insurance should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policy may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. If a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/23/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER LaBarre/Oksnee Insurance 30 Enterprise, Suite 180 Aliso Viejo CA 92656	CONTACT NAME: PHONE (A/C No. Ext): 800-698-0711 E-MAIL ADDRESS: proof@hoa-insurance.com FAX (A/C No.): 949-588-1275
INSURED East Bluff Unit No. 4 c/o The Avalon Mgmt Group, Inc 3618 Ocean Ranch Blvd Oceanside CA 92056	INSURER(S) AFFORDING COVERAGE INSURER A: Accelerant National Insurance INSURER B: PMA Insurance Group INSURER C: Philadelphia Indemnity Ins. Co INSURER D: Federal Insurance INSURER E: INSURER F:

COVERAGES	CERTIFICATE NUMBER: 257033866	REVISION NUMBER:
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.		

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	TBD	8/24/2023	8/24/2024	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0 <input type="checkbox"/> CLAIMS-MADE		TBD	7/31/2023	8/24/2024	EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input type="checkbox"/>	2023010814715Y	8/24/2023	8/24/2024	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A B C	Property Crime/Fidelity Bond Directors & Officers	Y Y	TBD 4123010814715Y PCAP011725-0618	8/24/2023 8/24/2023 8/24/2023	8/24/2024 8/24/2024 8/24/2024	\$25,000 Deductible \$10,000 Deductible \$1,000 Deductible \$59,590,000 \$3,000,000 \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
HOA consists of 199 units. Located in San Diego, CA.

Management Company is Additionally Insured on the General Liability, D&O Liability, and Fidelity Bond.

See 2nd page of certificate of insurance for further coverage information.

See Attached...

CERTIFICATE HOLDER The Avalon Management Group, Inc. 3618 Ocean Ranch Blvd Oceanside, CA 92056 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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**ADDITIONAL REMARKS SCHEDULE**Page 1 of 1

AGENCY LaBarre/Oksnee Insurance		NAMED INSURED East Bluff Unit No. 4 c/o The Avalon Mgmt Group, Inc 3618 Ocean Ranch Blvd Oceanside CA 92056
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

Single Entity Coverage (Walls In, excluding Improvements and Betterments)

Coverage Includes:
Special Form with 100% Replacement Cost
Guaranteed Replacement Cost
Equipment Breakdown
Wind/Hail
Building Ordinance or Law A+B+C
Inflation Guard and/or limits are reviewed yearly to ensure 100% Replacement Cost
Severability of Interest / Separation of Insureds
Computer Fraud & Funds Transfer Fraud
Waiver of Rights of Recovery
No Co-Insurance
D&O is a Claims-Made Policy
\$100,000 for Cyber Liability
Hired and Non-Owned Auto Liability

Earthquake Coverage:
Earthquake Carrier: Certain Underwriters at Lloyds of London
Earthquake Policy Number: AMR-72644-02
Policy Term: 2/1/2023 - 2/1/2024
Limit: \$25,000,000
Deductible: 5%

Excess Crime/Fidelity Bond:
Excess Fidelity Bond Carrier: ACE American Insurance Company
Excess Fidelity Bond Policy Number: G72594460 002

Insurance Disclosure Summary

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Reserve Summary

(As required by California Civil Code Section 5565)

EAST BLUFF UNIT NO. 4 COMMUNITY ASSOCIATION

SCT Reserve Consultants, Inc. is pleased to provide this Level II Reserve Study (Site Visit Update Report). In order to comply with the California Civil Code, specifically the Davis-Stirling Common Interest Development Act, Section 5565, we are providing the following information to the Homeowners within EAST BLUFF UNIT NO. 4 COMMUNITY ASSOCIATION.

The following study has been prepared with several assumed factors taken into account: a 3.00% inflation rate; a 1.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

As of January 31, 2024, the estimated ending reserve fund balance is \$935,403 and the estimated current replacement cost is \$10,210,139 for the portfolio of reserve components. The projected future replacement cost of the portfolio is \$16,806,186, calculated at an annually compounded inflation rate of 3.00%. The Association's level of funding which is based upon the estimated ending reserve fund balance divided by the reserve components' fully funded amount is 16.80%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were \$5,567,221.33 in the reserve fund.

The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$23,275.47. This is calculated by subtracting the ending balance (\$935,403) from the 100% funded figure (\$5,567,221.33), then divided by the number of ownership interests (199). There is currently no requirement to be fully funded.

Our original analysis of the cash flow for this association indicated future inadequate funding if there were no annual increases to the Reserves. It is our understanding the Board of Directors will allocate a monthly amount of \$38,736.00 starting in 2025 (\$194.65 per unit per month for each of the 199 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included a change of 5.33% starting in 2026 for 29 years. This report includes the following special assessments: \$282,065 for Balance of Approved Special Assessment Funds in 2025 for 1 year and \$398,000 for SCT Minimum Recommended Special Assessment starting in 2026 for 3 years. The Board of Directors may change the amount; however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

The following table represents additionally required information pursuant to the Davis-Stirling Common Interest Development Act, Section 5565.

Fiscal Year: February 1, 2024 through January 31, 2025

Category	Range of Full Useful Life	Range of Remaining Useful Life	Current Replacement Cost	Fund Balance on Feb 01, 2024	Reserve Allocation	Balance of Approved Special Assessment Funds	Interest
Asphalt & Concrete	4 to 28	0 to 25	\$764,075	\$65,458	\$32,528	\$19,739	\$217
Buildings, Balconies & Landings	9 to 30	0 to 24	\$531,226	\$82,255	\$40,875	\$24,804	\$273
Buildings, Doors	1 to 30	0 to 22	\$141,585	\$6,226	\$3,094	\$1,877	\$21
Buildings, Pony Walls	30 to 30	0 to 29	\$1,171,144	\$102,936	\$51,152	\$31,040	\$341
Buildings, Roofs	1 to 40	0 to 38	\$2,643,700	\$29,111	\$14,466	\$8,778	\$97
Buildings, Stucco, Flashing & Wood	20 to 25	0 to 23	\$613,630	\$74,878	\$37,209	\$22,579	\$248
Contingency	1 to 1	0 to 0	\$40,000	\$24,508	\$12,179	\$7,390	\$81
Electrical & Lights	1 to 30	0 to 23	\$179,981	\$14,147	\$7,030	\$4,266	\$47
Fence & Walls	30 to 45	8 to 29	\$432,273	\$4,139	\$2,057	\$1,248	\$14
Irrigation	12 to 30	0 to 29	\$315,000	\$75,367	\$37,452	\$22,727	\$250
Landscape	15 to 15	0 to 14	\$713,730	\$54,497	\$27,081	\$16,433	\$181
Mailboxes	28 to 50	10 to 10	\$35,410	\$1,529	\$760	\$461	\$5
Paint & Waterproofing	10 to 15	1 to 8	\$962,404	\$39,114	\$19,437	\$11,794	\$130
Pool Cabanas	1 to 35	0 to 10	\$120,525	\$10,375	\$5,156	\$3,128	\$34
Pools & Spas	4 to 30	1 to 13	\$270,971	\$13,344	\$6,631	\$4,024	\$44
Signage	20 to 40	1 to 12	\$26,703	\$1,270	\$631	\$383	\$4
Termite Control	1 to 20	0 to 18	\$496,680	\$31,083	\$15,446	\$9,373	\$103
Utilities	0 to 30	0 to 29	\$751,102	\$305,167	\$151,647	\$92,021	\$1,012
Totals:			\$10,210,139	\$935,403	\$464,832	\$282,065	\$3,102

The complete reserve study is available by request from the Association.



Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending January 31, 2025

(As illustrated by California Civil Code Section 5570(a))

(1) The regular assessment per ownership interest is **variable** per month, of which approximately \$194.65 is allocated to reserves, monthly.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. SEE "FYE2025 BUDGET COVER LETTER"

(2) Additional regular or special 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: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year:	Purpose of the assessment:
FYE 2025 FYE 2026, 2027, and 2028	Individual Amounts May Vary Per Unit \$2,000.00 per year	Balance of Approved Special Assessment Funds SCT Minimum Recommended Special Assessment

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. NOT APPLICABLE

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances 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 X No X

Yes, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

No, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

**Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the data of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association's CC&Rs.*

(4) If the answer to (3) is No, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the Board or the members?

Approximate date assessment(s) will be due (see Funding Plan column, next page):	Amount per ownership interest per month:
5.33% starting in 2026 for 29 years	(Current amount) X (the increases)

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$5,025,286.58**, as of **January 31, 2025**, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** The projected reserve fund cash balance at the end of the current fiscal year is **\$507,140.71**, resulting in reserves being **10.09%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$1,178,261**. (See explanation below).

Explanation: *Cash Flow Methodology - a method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*



Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending January 31, 2025

(continued)

7) See below: 30-Year Reserve Funding Plan Table...Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$(see "100% Funded" column below), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$(see "Cash Flow" column below), leaving the reserve at (see "Percent Funded" column below) percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$(see "Cash Flow" column below), leaving the reserve at (see "Percent Funded" column below) percent funding. Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

30-Year Reserve Funding Plan Table

Year	End of Year			Revenue			Expenditures
	100% Funded	Cash Flow	Percent Funded	Contribution, Interest, Approved & Recommended Special Assessment(s)	Contribution Unit/Month	Funding Plan	Components, Taxes, Deferred Exp
2024	\$5,567,221	\$935,403	16.80%				
2025	\$5,025,287	\$507,141	10.09%	\$749,999	\$194.65	0.00%	\$1,178,261
2026	\$4,488,007	\$222,710	4.96%	\$888,226	\$205.03	5.33%	\$1,172,656
2027	\$4,049,105	\$59,812	1.48%	\$913,736	\$215.96	5.33%	\$1,076,634
2028	\$4,087,679	\$386,491	9.46%	\$942,554	\$227.47	5.33%	\$615,875
2029	\$4,011,768	\$214,851	5.36%	\$572,572	\$239.59	5.33%	\$744,211
2030	\$4,280,874	\$395,226	9.23%	\$603,951	\$252.36	5.33%	\$423,576
2031	\$4,504,150	\$539,459	11.98%	\$637,182	\$265.81	5.33%	\$492,949
2032	\$4,961,783	\$924,563	18.63%	\$674,577	\$279.98	5.33%	\$289,473
2033	\$4,665,253	\$578,431	12.40%	\$706,944	\$294.90	5.33%	\$1,053,076
2034	\$4,968,806	\$844,645	17.00%	\$746,668	\$310.62	5.33%	\$480,454
2035	\$5,590,666	\$1,436,988	25.70%	\$791,782	\$327.18	5.33%	\$199,439
2036	\$5,989,359	\$1,820,151	30.39%	\$837,134	\$344.62	5.33%	\$453,972
2037	\$6,413,246	\$2,243,675	34.99%	\$884,994	\$362.98	5.33%	\$461,470
2038	\$7,043,693	\$2,886,736	40.98%	\$937,291	\$382.33	5.33%	\$294,230
2039	\$7,795,559	\$3,663,849	47.00%	\$993,409	\$402.71	5.33%	\$216,296
2040	\$8,608,609	\$4,515,700	52.46%	\$1,052,876	\$424.17	5.33%	\$201,026
2041	\$9,279,860	\$5,244,344	56.51%	\$1,113,920	\$446.78	5.33%	\$385,276
2042	\$10,040,557	\$6,081,583	60.57%	\$1,178,812	\$470.59	5.33%	\$341,573
2043	\$10,777,895	\$6,917,636	64.18%	\$1,246,756	\$495.68	5.33%	\$410,703
2044	\$11,652,976	\$7,913,565	67.91%	\$1,319,401	\$522.10	5.33%	\$323,471
2045	\$12,551,205	\$8,957,220	71.37%	\$1,395,915	\$549.92	5.33%	\$352,260
2046	\$12,799,429	\$9,391,340	73.37%	\$1,470,163	\$579.24	5.33%	\$1,036,043
2047	\$13,035,230	\$9,856,834	75.62%	\$1,548,171	\$610.11	5.33%	\$1,082,677
2048	\$12,189,283	\$9,309,328	76.37%	\$1,620,445	\$642.63	5.33%	\$2,167,951
2049	\$12,667,197	\$10,131,788	79.98%	\$1,709,478	\$676.88	5.33%	\$887,018
2050	\$13,192,951	\$11,051,768	83.77%	\$1,804,352	\$712.96	5.33%	\$884,372
2051	\$13,878,232	\$12,182,031	87.78%	\$1,905,842	\$750.96	5.33%	\$775,579
2052	\$14,373,174	\$13,180,978	91.71%	\$2,010,982	\$790.98	5.33%	\$1,012,035
2053	\$14,155,867	\$13,545,464	95.69%	\$2,115,090	\$833.14	5.33%	\$1,750,604
2054	\$14,014,537	\$14,067,098	100.38%	\$2,225,773	\$877.55	5.33%	\$1,704,140
30-Year Sum:				\$35,598,995			\$22,467,300



**CHARGES FOR DOCUMENTS PROVIDED
AS REQUIRED BY SECTION 4525***

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section <u>4525(a)(1)</u>	\$5.00	
CC&Rs	Section <u>4525(a)(1)</u>	\$40.00	
Bylaws	Section <u>4525(a)(1)</u>	\$25.00	
Operating Rules	Section <u>4525(a)(1)</u>	\$10.00	
Age restrictions, if any	Section <u>4525(a)(2)</u>	\$10.00	
Rental restrictions, if any	Section <u>4525(a)(9)</u>	\$10.00	
Annual budget report or summary, including reserve study	Sections <u>5300</u> and <u>4525(a)(3)</u>	\$25.00	
Assessment and reserve funding disclosure summary	Sections <u>5300</u> and <u>4525(a)(4)</u>	\$10.00	
Financial statement review	Sections <u>5305</u> and <u>4525(a)(3)</u>	\$25.00	
Assessment enforcement policy	Sections <u>5310</u> and <u>4525(a)(4)</u>	\$10.00	
Insurance summary	Sections <u>5300</u> and <u>4525(a)(3)</u>	\$10.00	
Regular assessment	Section <u>4525(a)(4)</u>	\$10.00	
Special assessment	Section <u>4525(a)(4)</u>	\$10.00	
Emergency assessment	Section <u>4525(a)(4)</u>	\$10.00	
Other unpaid obligations of seller	Sections <u>5675</u> and <u>4525(a)(4)</u>	\$10.00	
Approved changes to assessments	Sections <u>5300</u> and <u>4525(a)(4), (8)</u>	\$10.00	
Settlement notice regarding common area defects	Sections <u>4525(a)(6), (7),</u> and <u>6100</u>	\$10.00	
Preliminary list of defects	Sections <u>4525(a)(6), 6000,</u> and <u>6100</u>	\$10.00	
Notice(s) of violation	Sections <u>5855</u> and <u>4525(a)(5)</u>	\$10.00	
Required statement of fees	Section <u>4525</u>	\$10.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section <u>4525(a)(10)</u>	\$75.00	

Total fees for these documents:

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.

ENFORCEMENT / MONETARY PENALTIES

The Association and/or any owner has the right to enforce the Association's governing documents, including the Rules and Regulations. This right includes requesting the violator to cease the offending action, taking legal action against the violator and making a complaint to the Board of Directors. Once a resident gives the Board of Directors a written complaint that a rule has been violated, the Board will investigate the allegation and may take action against the offending resident, including but not limited to, fining or specially assessing (if appropriate) or instituting legal action. However, nothing in this section obligates or requires the Board of Directors or authorized committee to take any action against an individual resident. The Board of Directors, in making this decision, will determine the costs and benefits of taking such action.

A. DUE PROCESS:

Prior to the imposition of any fine, individual reimbursement assessment or suspension of rights, the homeowner shall be given notice and an opportunity to appear in person or in writing before the Board of Directors or appropriate committee.

B. ENFORCEMENT GUIDELINES:

GENERALLY, though not necessary, the Association will adhere to the following schedule:

1. First Offense: Warning Letter and Request to Correct Violation (if applicable). Possible fine not to exceed \$100.00, special assessment to reimburse the Association for costs incurred in compelling compliance, suspension of privileges.
2. Second Offense: Possible imposition of fine not to exceed \$250.00, individual assessment to reimburse the Association for costs to compel compliance, suspension of privileges. Institute Alternative Dispute Resolution and/or Internal Dispute Resolution. Filing of lawsuit.
3. Third Offense: Possible imposition of fine not to exceed \$500.00, special assessment to reimburse the Association for costs to compel compliance, suspension of privileges. Institution of Alternative Dispute Resolution and/or Internal Dispute Resolution. Filing of lawsuit.

Depending on the severity and frequency of the violation and violator, the choice of the enforcement procedure(s) and/or the enforcement remedy utilized may vary. Fines will usually vary from \$100.00 to \$500.00. In extreme cases, the fines may be substantially higher.

SUMMARY OF PROCEDURES FOR ARCHITECTURAL REVIEW

[Civil Code §5310(a)(10), §4765, and §4765(c)]

The Association requires prior written approval of certain architectural changes that you make to your property. The general types of changes that require Association approval are described as follows: all exterior additions and modifications require written architectural approval, all changes to structural members, all changes to water, sewer, electrical and other utility components, all changes that would require a building permit, etc. You should review the Association's Declaration, Bylaws, Rules, Architectural Guidelines and Article 7 of the CC&R's for more specific information.

7.1 General. Any change or improvement to the exterior of a Unit, or to the interior which affects the exterior of Unit, any wall, or any mechanical or utility systems (HVAC systems, gas, water or electrical pipes or wires, etc.), or the structural integrity of any building, shall be governed by this Article. Changes or improvements to the Common Area by the Association do not need to comply with the requirements of this Article. The powers and duties set forth in this Article shall be vested in, and exercised by, the Board.

7.2 General Changes Requiring Prior Approval. Nothing may be erected, placed or planted on the exterior of any Unit, or on the Common Area by any Owner, including any fence, wall, pool, spa, obstruction, outside or exterior wiring, balcony, screen, patio, patio cover, tent, awning, trellis, tree, grass, shrub or other landscaping, any improvement or structure of any kind without the prior written approval of the Board. Modifications to the interior of Units which involve alterations to the floor plan, or removal of a wall or have the potential to affect the Common Area, including the walls, roofs and mechanical or utility systems shall require prior approval. Additionally, prior written Board approval shall be required for any alteration, modification, painting or other change or addition to any existing improvement or landscaping.