

To: Westlake Pointe Homeowners  
From: The Board  
Re: 2019 Budget and Dues Increase

November 20, 2018

For some time now, your Homeowners Board has been in discussions regarding the current need to increase the HOA Dues. After much analysis and debate, the Board has conservatively assessed the current needs of the community and proposes to increase the Dues *from* the current \$410.00 per month *to* \$450.00 per month commencing with the January 2019 Budget.

To understand the Board's decision Members must understand two terms:

**Operating Budget:** An HOA "operating budget" is a projection of the money needed by the association to cover its operating expenses and provide adequate reserves for repair and replacement of the elements of the property the HOA maintains. California law requires that the HOA adopt an operating budget every year and levy assessments sufficient to cover that budget.

**Reserves:** "HOA Reserves" refers to money the association has set aside to defray the future repair or replacement of, or additions to, those major components which the association is obligated to maintain. Reserved funds are designated for restoration, replacement, or maintenance of major components that the association is obligated to repair, restore, replace, or maintain and for which the reserve fund was established.

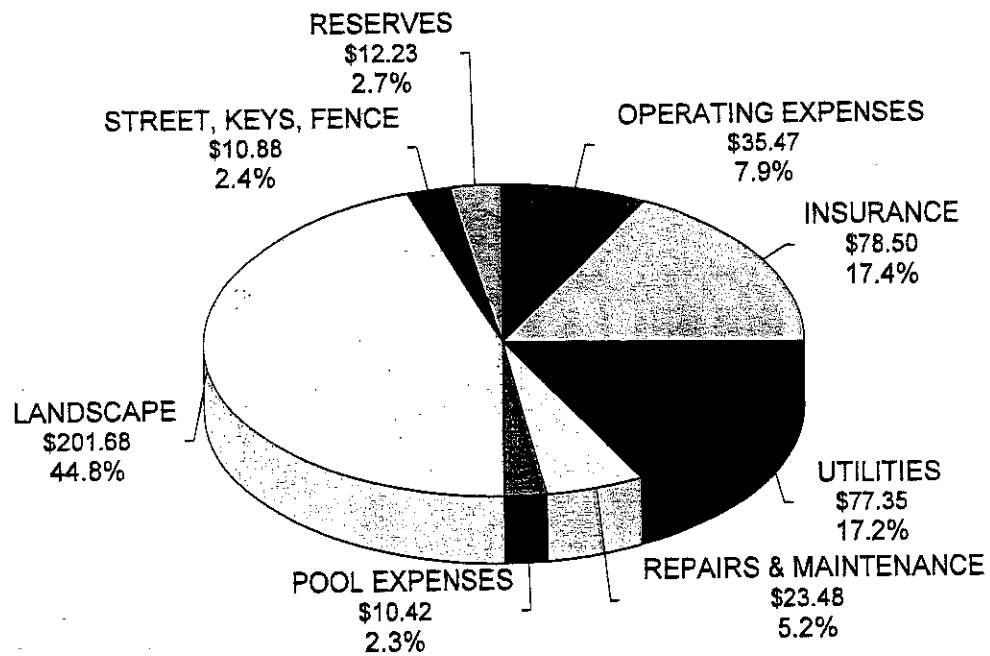
Because the Board's decision to raise the Dues is principally driven by the Association's need to meet our anticipated expenses, we address the **Operating Budget** at the outset.

- The Association has been operating at a deficit for some time as a consequence of our former Property Management Company's failure to appropriately adjust the Operating Budget as expenses rose; therefore, when the current Board took control, it inherited a shortfall between income and expenses.
- As a consequence, Westlake Pointe has incurred expenses that exceeded the **Operating Budget** that was funded by the \$410.00 assessment per month for almost two years. Accordingly, the proposed 2019 Budget prepared by this Board acknowledges that the former \$410 monthly dues will not cover 2019 expenses.
- The Monthly Dues of Westlake Pointe have not been raised in 5 years. This pattern did not allow the Association to keep up with inflation or minimum wage increases or vendor price increases. Anticipating that the dues can remain stable for more than five years is simply unrealistic and not sustainable. A look at our monthly dues over the past few years follows.

2002-08	\$370
2009-13	\$390
2014-18	\$410
2019-	\$450

# WESTLAKE POINTE HOA

## 2019 MONTHLY EXPENSE BUDGET @ \$450 PER UNIT



**WESTLAKE POINTE  
FINAL BUDGET  
FISCAL YEAR ENDING  
MONTHLY ASSESSMENT**

**64 units**

**DECEMBER 31, 2019  
\$450.00**

		UNIT	MONTH	YEAR
7306	R&M LIGHTS	\$1.56	\$100.00	\$1,200.00
7308	R&M PEST CONTROL-GOPHER/GENERAL	\$4.06	\$260.00	\$3,120.00
7309	R&M TERMITES	\$0.00	\$0.00	\$0.00
7310	R&M PLUMBING	\$0.00	\$0.00	\$0.00
7311	R&M ROOFS	\$0.00	\$0.00	\$0.00
7312	R&M SIGNS	\$0.00	\$0.00	\$0.00
7315	R&M VANDALISM	\$0.00	\$0.00	\$0.00
7317	R&M ELECTRICAL	\$1.56	\$100.00	\$1,200.00
7320	R&M MISCELLANEOUS	\$7.81	\$500.00	\$6,000.00
	TOTAL R & M	\$23.48	\$1,503.00	\$18,036.00
	POOL EXPENSES			
7401	POOL MAINTENANCE CONTRACT	\$4.30	\$275.00	\$3,300.00
7402	POOL SUPPLIES	\$4.30	\$275.00	\$3,300.00
7403	POOL HEALTH PERMIT	\$0.85	\$54.17	\$650.00
7420	MISC R&M POOL/JACUZZI	\$0.98	\$62.50	\$750.00
	TOTAL POOL EXPENSES	\$10.42	\$666.67	\$8,000.00
	LANDSCAPE			
7501	LANDSCAPE CONTRACT	\$157.81	\$10,100.00	\$121,200.00
7502	LANDSCAPE SUPPLIES	\$0.00	\$0.00	\$0.00
7503	LANDSCAPE IRRIGATION REPAIRS	\$15.63	\$1,000.00	\$12,000.00
7504	LANDSCAPE TREES	\$18.75	\$1,200.25	\$14,403.00
7510	LANDSCAPE WEED ABATEMENT	\$3.13	\$200.00	\$2,400.00
7515	BEAUTIFICATION	\$6.37	\$407.50	\$4,890.00
7520	LANDSCAPE MISC	\$0.00	\$0.00	\$0.00
	TOTAL LANDSCAPE	\$201.68	\$12,907.75	\$154,893.00
	STREET, KEYS, FENCE			
7601	STREET SWEEPING	\$0.00	\$0.00	\$0.00
7605	PATROL SERVICE	\$4.30	\$275.00	\$3,300.00
7606	SECURITY MONITORING	\$3.13	\$200.00	\$2,400.00
7608	FIRE EQUIPMENT MAINTENANCE	\$0.10	\$6.25	\$75.00
7610	KEYS & LOCKS	\$0.23	\$15.00	\$180.00
7614	CAMERAS	\$0.78	\$50.00	\$600.00
7615	FENCE/GATE REPAIRS	\$2.34	\$150.00	\$1,800.00
7620	STREETS/GATES MISC	\$0.00	\$0.00	\$0.00
	TOTAL STREET, KEYS, FENCE	\$10.88	\$696.25	\$8,355.00
	RESERVES			
9010	RESERVES GENERAL	\$0.00	\$0.00	\$0.00
9020	ASPHALT RESURFACE/RPLC	\$0.00	\$0.00	\$0.00
9021	ASPHALT SLURRY COAT	\$0.00	\$0.00	\$0.00
9092	DRINKING FOUNTAIN	\$0.16	\$10.00	\$120.00
9110	INTERCOM-TELEPHONE	\$1.24	\$79.17	\$950.04
9147	FOUNTAINS	\$0.78	\$50.00	\$600.00
9190	IRR TIMECLOCKS	\$0.65	\$41.66	\$499.92
9195	LANDSCAPE RENOVATE	\$0.00	\$0.00	\$0.00
9197	LIGHTS-BOLLARD	\$0.00	\$0.00	\$0.00

## Executive Summary - Westlake Pointe HOA - FY 2018

Information to complete this Update with Site Visit Study was gathered by performing an on-site visit of the common area elements. In addition, we may also have obtained information by contacting any vendors and/or contractors that have worked on the property recently, as well as communicating with the property representative (BOD Member and/or Community Manager). To the best of our knowledge, the conclusions and recommendations of this report are considered reliable and accurate insofar as the information obtained from these sources.

Projected Starting Balance as of 1/1/2018	\$509,783
Ideal Reserve Balance as of 1/1/2018	\$523,855
Percent Funded as of 1/1/2018	97%
Recommended Reserve Contribution (per month)	\$4,540
Minimum Reserve Contribution (per month)	\$3,800
Recommended Special Assessment	\$0

### Property Details

Westlake Pointe is a 64-unit community consisting of Single Family Homes. The property offers vehicle gates as well as a pool area as amenities. Construction on the community was completed in approximately 1985.

### Currently Programmed Projects

Projects programmed to occur this fiscal year (FY 2018) include: Gate Operators - Replace (Comp #906), Vehicle Gate Hinges - Partial Replace (Comp #505), Concrete Pavers - Sand/Seal/Repair (Comp #404), Pool - Resurface (Comp #1101), Pool Filter - Replace (Comp #1107) and Asphalt - Preventive Maintenance (Comp #402). We have programmed an estimated \$134,688 in reserve expenditures toward the completion of these projects. (See Page(s) 18 - 22)

### Significant Reserve Projects

The association's significant reserve projects include: Asphalt - Remove/Replace (Comp #401), (Comp #1812), Asphalt - Preventive Maintenance (Comp #402) and Gate Operators - Replace (Comp #906). The fiscal significance of these components is approximately 27%, 11%, 7% and 6% respectively. A component's significance is calculated by dividing its replacement cost by its useful life. In this way, not only is a component's replacement cost considered but also the frequency of occurrence. These components most significantly contribute to the total monthly reserve contribution. As these components have a high level of fiscal significance the association should properly maintain them to ensure they reach their full useful lives. (See Page(s) 12 - 13)

### Reserve Funding

In comparing the projected starting reserve balance of \$509,783 versus the ideal reserve balance of \$523,855 we find the association's reserve fund to be approximately 97% funded. This indicates a strong reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$4,540 (\$70.94/unit) per month. For comparison purposes, we have also set a minimum reserve contribution of \$3,800 (\$59.38/unit) per month. If the contribution falls below this rate, then the reserve fund may fall into a situation where special assessments, deferred maintenance, and lower property values are likely at some point in the future.

### Starting Reserve Balance

We have estimated the starting reserve balance by taking the 8/31/17 reserve balance provided by the client and adding four months of reserve contributions of \$3,500/month. We then subtracted \$15,000 to repair/repaint the stucco retaining walls, \$10,000 to upgrade the phone entry system, \$8,000 to upgrade the camera system and \$2,569 for pole light repair replacements, all projects programmed to occur before the end of the current year, to get a starting balance of \$509,782.51.



# COMPARATIVE FUNDING ANALYSIS

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
<b>Common Area</b>								
206	Vehicle Gates - Repaint	4	1	(2) Sets/(8) Leafs	\$3,000	\$2,250	\$2,250	\$76.89
208	Retaining Walls - Repaint	8	7	Moderate Sq.ft.	\$15,000	\$1,875	\$1,875	\$182.23
401	Asphalt - Remove/Replace	30	11	Approx 119,500 Sq.ft.	\$358,500	\$227,050	\$227,050	\$1,225.15
402	Asphalt - Preventive Maintenance	5	0	Approx 119,500 Sq.ft.	\$14,938	\$14,938	\$14,938	\$306.29
403	Concrete - Repair/Replace	10	5	Extensive Sq.ft.	\$10,000	\$5,000	\$5,000	\$102.52
404	Concrete Pavers - Sand/Seal/Repair	5	0	Approx 4,575 Sq.ft.	\$4,000	\$4,000	\$4,000	\$82.02
405	Concrete Pavers - Repair/Replace	25	15	Approx 4,575 Sq.ft.	\$42,888	\$17,155	\$3,082	\$175.88
504	Vehicle Gates - Replace (Main Gate)	25	10	(4) Leafs	\$16,400	\$9,840	\$9,840	\$67.26
504	Vehicle Gates - Replace (Rear Gate)	25	3	(4) Leafs	\$16,400	\$14,432	\$14,432	\$67.26
505	Vehicle Gate Hinges - Partial Replace	4	0	(8) Hinges every 4 years	\$2,800	\$2,800	\$2,800	\$71.77
801	Monument - Re-Letter	15	4	(14) Letters	\$3,150	\$2,310	\$2,310	\$21.53
803	Mailboxes - Replace	18	7	(4) 16-Box clusters	\$5,800	\$3,544	\$3,544	\$33.04
903	Security Camera System - Replace	10	9	(1) 3-Camera system	\$8,000	\$800	\$800	\$82.02
905	Phone Entry System - Replace	10	9	(1) System	\$10,000	\$1,000	\$1,000	\$102.52
906	Gate Operators - Replace	10	0	(8) Operators	\$28,000	\$28,000	\$28,000	\$287.07
1003	Guard Rail - Replace	N/A	0	Approx 300 Linear ft.	\$0	\$0	\$0	\$0.00
1304	Drinking Fountain - Replace	10	3	(1) Fountain	\$850	\$595	\$595	\$8.71
1604	Pole Light Fixtures - Replace	25	8	(37) Lights	\$32,375	\$22,015	\$22,015	\$132.77
1605	Exterior Light Fixtures - Replace	18	7	(31) Fixtures	\$8,525	\$5,210	\$5,210	\$48.56
1703	Irrigation Time Clocks - Replace	12	9	(5) Hunter ICC clocks	\$5,500	\$1,375	\$1,375	\$46.99
1811	Concrete Drains - Repair (Slopes)	30	3	Moderate Linear ft.	\$25,000	\$22,500	\$22,500	\$85.44
1812	Landscaping - Renovate	10	0	Extensive Sq.ft.	\$50,000	\$50,000	\$50,000	\$512.62
2001	Water/Sewer System - Repair	15	3	Extensive linear ft.	\$7,000	\$5,600	\$5,600	\$47.84
2201	Fountains - Refurbish	15	3	(2) Fountains	\$8,000	\$6,400	\$6,400	\$54.68
<b>Summary</b>					<b>\$676,125</b>	<b>\$448,689</b>	<b>\$434,616</b>	<b>\$3,831</b>
<b>Pool Area</b>								
201	Pool Building - Repaint	6	-1	(1) Building	\$2,750	\$3,208	\$3,208	\$46.99
207	Pool Fence - Repaint	4	-2	Approx 225 Linear ft.	\$2,250	\$3,375	\$3,375	\$57.67
608	Pool Deck - Replace	30	0	Approx 2,675 Sq.ft.	\$26,750	\$26,750	\$26,750	\$91.42
1002	Pool Fence - Replace	25	8	Approx 225 Linear ft.	\$12,375	\$8,415	\$8,415	\$50.75
1101	Pool - Resurface	12	0	(1) Pool	\$7,000	\$7,000	\$7,000	\$59.80



# ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

## WESTLAKE POINTE HOMEOWNERS ASSOCIATION

For Fiscal Year Beginning: 01/01/2019

# of Units: 64

1) Current Budget:	Total	Per Unit
Reserve Contribution:	\$782.50	\$12.23
Operating Budget:	\$28,017.50	\$437.77
Total:	\$28,800.00	\$450.00

per Month

Note: If assessments vary by the size or unit, please see attached

- 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:

Date Due	Total Amount Per Unit (if assessments are variable, see note below)	Purpose
NONE		

Total: \_\_\_\_\_

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found attached to this document.

- 3) Based on the most recent approved 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

- 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?

Approximate Fiscal Year Assessment Will Be Due	Total Amount Per Unit

Total: \_\_\_\_\_

- 5) The following major components, which are included in the Reserve Study, are NOT included in the existing Reserve Funding:

Major Component	Remaining Useful Life (yrs)	Reason Not Included

- 6) As of the last reserve study effective January 1, 2018, the current balance in the reserve fund as of October 31, 2018 is \$574,065.81. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the required amount in the Reserve Fund (Fully Funded Balance) as of January 1, 2019 should be \$527,930.00 (108% Funded).

- 7) See attached 30-year Summary Table

These disclosures are based on the best estimates of the preparer at the time they were prepared. As they are estimates, these figures should be expected to change from year to year.

## **WESTLAKE POINTE HOMEOWNERS ASSOCIATION, INC.**

### **BUDGET ASSUMPTIONS FOR FISCAL YEAR ENDING DECEMBER 31, 2019**

The budget for the fiscal year was prepared based upon the following assumptions. In general, budgeted expenses are based on the average monthly expenses that were incurred in the current year.

Maintenance contract expenses are based upon current contracts in effect, or if known, on contract rates effective in the budgeted fiscal year.

This approved budget does represent an increase over the prior year's assessments. Your CC&R's allow the Board of Directors to increase assessments up to 20% without bringing it to a vote of the membership. California Civil Code also allows the Board of Directors to increase assessments up to 20%, without the vote of the homeowners. The Board of Directors has no plans for a special assessment this fiscal year, but reserves the right to charge a special assessment if conditions warrant an increase.

### **BOARD OF DIRECTORS MINUTES**

As a homeowner you are entitled to review minutes of any Board of Director's meeting, (except Executive/Closed sessions). These minutes are available for inspection by members at least 30 days after the meeting. If the minutes have not been adopted or ratified, they shall be marked "DRAFT" status. If a homeowner asks for copies of the minutes or a summary, if available, then the homeowner shall be required to pay a nominal cost for the time in obtaining the minutes, copying and mailing. Minutes may be obtained by making your request to Spectrum Property Services at (805) 642-6160 or writing to P.O. Box 5286, Ventura, Ca. 93005.

### **STATEMENT OF RESERVE FUNDING**

Reserve Figures are based on requirements by the Department of Real Estate, under the original subdivision report/DRE budget, which was up-dated November 20, 2017, prepared by Complex Solutions, Ltd.

As of October 2018 the total reserve funds on deposit are \$574,065.81. Budgeted liabilities for the same period are \$574,065.81. The Association's reserves are 100% funded for the same period.

**7. Special Assessment Payments.** If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.

**8. Pre-lien Letter.** If an assessment is not received within fifteen (15) days after the assessment becomes delinquent, the Association or its designee will send a pre-lien letter to the owner by certified and first class mail, to the owner's mailing address(es) of record advising of the delinquent status of the account and impending collection action. The owner will be charged a fee for the pre-lien letter.

**9. The Decision to Lien.** If the pre-lien letter fails to resolve the delinquent account within thirty (30) days, the Board of Directors will consider recording a lien against the delinquent owner(s)' separate interest. For liens recorded on or after January 1, 2006, the decision to record a lien for delinquent assessments will be made only by the Board of the Association and may not be delegated to an agent of the Association. The Board must approve the decision by a majority vote of the Board members in an open meeting. The Board will record the vote in the minutes of that meeting. The Board will maintain the confidentiality of the owner or owners of the separate interest by identifying the matter in the minutes by the parcel number of the property, rather than the name of the owner or owners.

**10. The Lien Notice Letter.** The Board will follow up its decision to record a lien with a lien notice letter mailed to the owner(s) of the separate interest by certified mail, return receipt requested. The lien notice letter will include all of the following:

(a) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount, a statement that the owner of the separate interest has the right to inspect the association records, pursuant to Section 8333 of the California Corporations Code, and the following statement in 14-point boldface type, if printed, or in capital letters, if typed: "IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION."

(b) An itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any.

(c) A statement that the owner will 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.

(d) The right to request a meeting with the Board.

(e) The right to dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's "meet and confer" program.

(f) The right to request alternative dispute resolution with a neutral third party before the Association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

**11. Meet and Confer Program.** Prior to recording a lien for delinquent assessments, the Association will offer the owner(s) and, if so requested by the owner(s), participate in dispute resolution pursuant to the



be enforced by non-judicial foreclosure. All other collection methods for such monetary penalties will remain available to the Association.

**18. Priority of Association Liens.** A lien created pursuant to the foregoing procedures will be prior to all other liens recorded subsequent to the notice of assessment, except that the Declaration of Covenants, Conditions and Restrictions (CC&Rs) may provide for the subordination thereof to any other liens and encumbrances.

**19. Limitations on Assignment of Association's Lien and Foreclosure Rights.** The Association may not voluntarily assign or pledge its right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association; however, the foregoing provision may not restrict the right or ability of the Association to assign any unpaid obligations of a former member to a third party for purposes of collection. Subject to the limitations of this paragraph, after the expiration of thirty (30) days following the recording of a lien, the lien may be enforced in any manner permitted by law, including judicial and non-judicial foreclosure. Any non-judicial foreclosure will be conducted in accordance with California Civil Code Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trust. The fees of a trustee may not exceed the amounts prescribed in California Civil Code Sections 2924c and 2924d.

**20. Secondary Addresses Provided by Owners.** Owners may provide written notice by facsimile transmission or United States mail to the Association of a secondary address. If a secondary address is provided, the Association will send any and all correspondence and legal notices required pursuant to this policy to both the primary and the secondary address of the owner(s).

**21. Receipts Requested by Owner.** When an owner makes a payment, the owner may request a receipt and the Association shall provide it. The receipt will indicate the date of payment and the person who receives it. The Association shall provide a mailing address for overnight payment of assessments. The mailing address for overnight payment of assessments is: 1259 Callens Road, Suite A, Ventura, CA 93003.

**22. Payment Plans.** An owner may submit a written request to meet with the Board to discuss a payment plan for the debt. The Association will provide the owner(s) the standards for payment plans, if any exist. The Board will meet with the owner(s) in executive session within forty-five (45) days of the postmark of the request, if the request is mailed within fifteen (15) days of the date of the postmark of the notice, unless there is no regularly scheduled Board meeting within that period, in which case 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. Payment plans shall not impede the Association's ability to record a lien on the owner's separate interest to secure payment of delinquent assessments. Additional late fees will not accrue during the payment plan period if the owner(s) is/are 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.

**23. Collection Alternatives Available to the Association If Demand Does Not Result in Payment in Full.** If the owner's assessment account remains delinquent for more than thirty (30) days following the Association's lien notice letter, the Association will be entitled to pursue either of two alternatives:

(c) The Board will provide notice by personal service to an owner of a separate interest who occupies the separate interest or to the owner's legal representative, if the Board votes to foreclose upon the separate interest. The Board will provide written notice to an owner of a separate interest who does not occupy the separate interest by first-class mail, postage prepaid, at the most current address shown on the books of the Association. In the absence of written notification by the owner to the Association, the address of the owner's separate interest may be treated as the owner's mailing address.

(d) In addition to the requirements of California Civil Code Section 2924, a notice of default will be served by the Association on the owner's legal representative in accordance with the manner of service of a summons under California law.

(e) A nonjudicial foreclosure by the Association to collect upon a debt for delinquent assessments will be subject to a right of redemption. The redemption period within which the separate interest may be redeemed from a foreclosure sale under this paragraph ends ninety (90) days after the sale.

**26. Liens Recorded in Error.** If it is determined through dispute resolution pursuant to the association's "meet and confer" program or alternative dispute resolution with a neutral third party that the association has recorded a lien for a delinquent assessments in error, the Association will promptly reverse all late charges, fees, interest, attorney's fees, costs of collection, costs imposed for the notice of lien, and costs of recordation and release of the lien, and pay all costs related to the dispute resolution or alternative dispute resolution.

## **ALTERNATIVE DISPUTE RESOLUTION**

Mandatory "Alternative Dispute Resolution" has been made a part of California Civil Code Section 5930 which governs Common Interest Developments.

The statutes generally require that prior to an Association or a Member of an Association filing a lawsuit for declaratory or injunctive relief relating to enforcement of the governing documents, the parties must first attempt to resolve the dispute by use of Alternative Dispute Resolution. Arbitration and mediation are mentioned as methods of resolving the dispute.

A procedure is contained in the code sections and states that a form, "Request for Resolution" be served on the parties to the dispute; a summary of Civil Code Sections must also be served with the Request. Any party may decline to use Alternative Dispute Resolution (ADR), however if they later prevail in court, judges are allowed to consider the refusal when awarding attorney fees.

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

WESTLAKE POINTE HOMEOWNERS ASSOCIATION, INC.

FHA DISCLOSURE

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 not a condominium project. The association is not certified by the Federal Housing Administration.

**STEVE D. REICH INSURANCE AGENCY, INC.**  
280 NO. WESTLAKE BLVD., STE. 200, WESTLAKE VILLAGE, CA 91362  
(805) 379-5159 • (818) 706-0452 • FAX (805) 495-2494  
LICENSE #0484756

Effective January 1, 1997, California Civil Code Section 5300 (b)(9) requires that Associations send an insurance disclosure statement to each of its members within sixty (60) days preceding the beginning of the Association's fiscal year. Our Association carries the following coverage's:

**WESTLAKE POINTE HOA**

Insurance Disclosure - SB1525

**PROPERTY & GENERAL LIABILITY INSURANCE:**

INSURER: Farmers Insurance Group / Truck Insurance Exchange  
TERM: 11/01/2018 - 11/01/2019  
POLICY NUMBER: 60059-08-96  
PROPERTY COVERAGE: \$29,737,800  
PROPERTY DEDUCTIBLE: \$5,000  
GENERAL LIABILITY LIMIT: \$1,000,000  
GENERAL LIABILITY DEDUCTIBLE: None

**UMBRELLA:**

INSURER: Great American Insurance Company  
TERM: 11/01/2018 - 11/01/2019  
POLICY NUMBER: UM2259894 / cert #um30141574  
LIMIT: \$5,000,000  
DEDUCTIBLE: None

**DIRECTORS & OFFICERS LIABILITY:**

INSURER: Farmers Insurance Group / Truck Insurance Exchange  
TERM: 11/01/2018 - 11/01/2019  
POLICY NUMBER: 60059-08-96  
LIABILITY LIMIT: \$1,000,000  
DEDUCTIBLE: \$1,000

**EMPLOYEE DISHONESTY:**

INSURER: Farmers Insurance Group / Truck Insurance Exchange  
TERM: 11/01/2018 - 11/01/2019  
POLICY NUMBER: 60059-08-96  
LIMIT: \$400,000  
DEDUCTIBLE: \$5,000

**EARTHQUAKE AND FLOOD:** (Not through our office)

INSURER: Guide One and Palomar Insurance Companies  
TERM: 02/04/2018 - 02/04/2019  
POLICY NUMBER: CTE00274  
LIMIT: \$29,170,000  
DEDUCTIBLE: 7.5% per Bldg.

**WORKERS COMPENSATION:** (No Employee - No Payroll)

INSURER: AmTrust North America / Wesco Insurance Company  
TERM: 06/01/2018 - 06/01/2019  
POLICY NUMBER: WWC3354444  
LIMIT: \$1,000,000 / Statutory Limits  
DEDUCTIBLE: None

This summary of the Association's policies of insurance provides only certain information, as required by Section 5300 (b)(9) 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 coverage.