



October 4, 2016

Dear Orchard Lane Terrace Homeowners:

Enclosed please find the budget for the fiscal year ending December 31, 2017. Included with the budget is the Association's violation policy, delinquency policy, reserve study executive summary, reserve study disclosure, information relating to Minutes, alternative dispute resolution, internal dispute resolution and insurance information.

The Board faced an arduous task this year in drafting the budget, and a great deal of effort went into its preparation. The Monthly assessment will remain \$400.00 per unit, per month, for the 2017 fiscal year.

Please retain a copy of these documents with the other permanent records of your unit at Orchard Lane Terrace.

Very truly yours,

BOARD OF DIRECTORS  
ORCHARD LANE TERRACE HOMEOWNERS ASSOCIATION

## **ORCHARD LANE TERRACE HOMEOWNERS ASSOCIATION**

### **BUDGET ASSUMPTIONS FOR FISCAL YEAR ENDING DECEMBER 31, 2017**

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.

Your assessments **have not** increased. 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 Section 1366 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 April 14, 2016, prepared by Complex Solutions, LTD.

As of August, 2016, the total reserve funds on deposit are \$733,161.70. Reserves for the coming fiscal year are budgeted in accordance with the last reserve study recommendations and update.

### **ARCHITECTURAL MODIFICATION DISCLOSURE**

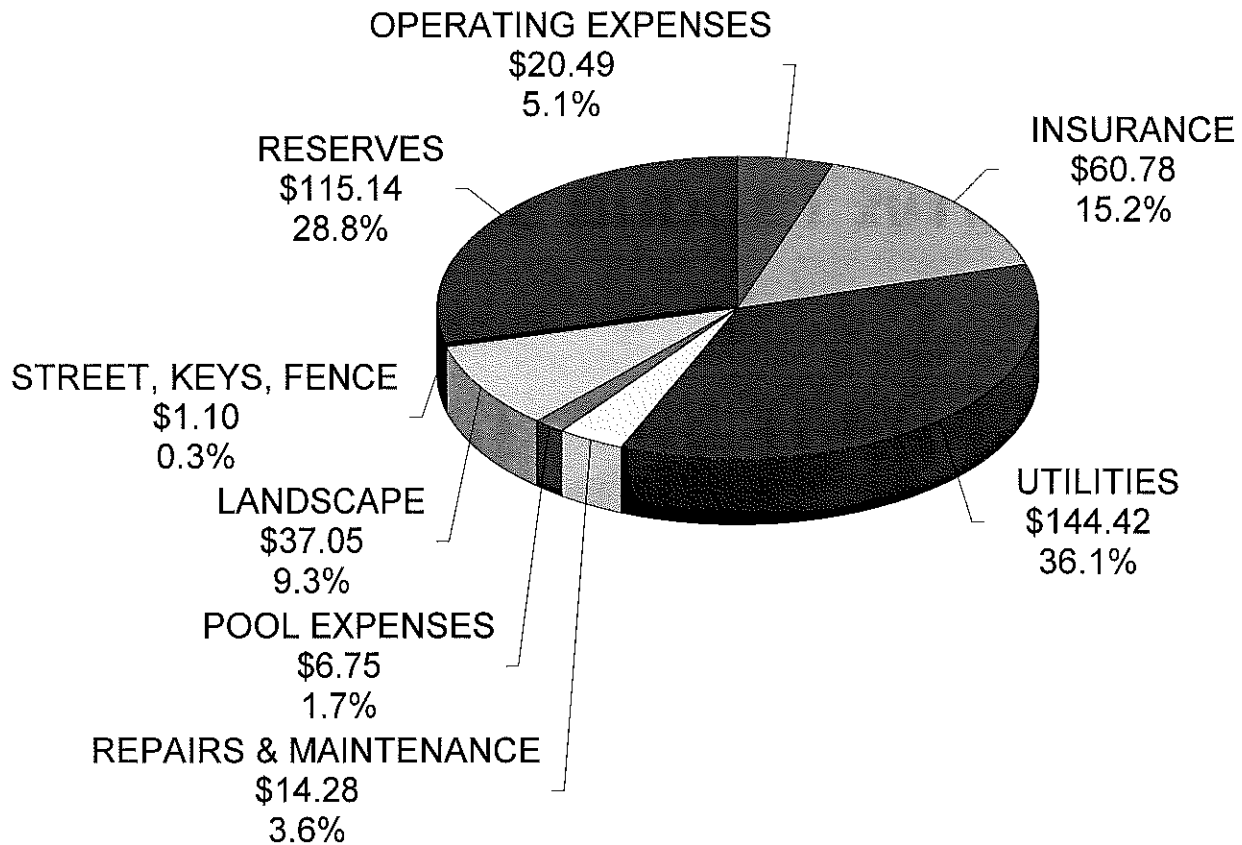
Pursuant to the governing documents, any changes to the exterior of any unit/lot, or to the common area, that a homeowner desires to make, requires the prior written consent of the Association's Architectural Committee. No changes may be made without prior approval.

Homeowners are required to complete an architectural modification form, identifying the proposed change(s) to the Architectural Committee. The Committee then has 30 days to approve or disapprove, or conditionally approve or disapprove the homeowner's request.

A homeowner may appeal any decision made by the Architectural Committee to the Board of Directors. Architectural modification forms are available from the management company.

# ORCHARD LANE TERRACE

## EXPENSE BUDGET 2017



ORCHARD LANE TERRACE		114 units		
FINAL BUDGET				
FISCAL YEAR ENDING		DECEMBER 31, 2017		
MONTHLY ASSESSMENT		\$400.00		
		UNIT	MONTH	YEAR
<b>INCOME</b>				
6310	REGULAR ASSESSMENTS	\$284.86	\$32,474.00	\$389,688.00
6480	MISC INCOME	\$0.00	\$0.00	\$0.00
	TOTAL	\$284.86	\$32,474.00	\$389,688.00
6311	REPLACEMENT ASSESSMENTS	\$115.14	\$13,126.00	\$157,512.00
6911	INTEREST	\$0.00	\$0.00	\$0.00
	TOTAL	\$115.14	\$13,126.00	\$157,512.00
	<b>TOTAL INCOME</b>	<b>\$400.00</b>	<b>\$45,600.00</b>	<b>\$547,200.00</b>
<b>EXPENSES</b>				
OPERATING EXPENSES				
7010	AUDIT/TAX/ACCTG	\$0.88	\$100.00	\$1,200.00
7015	BAD DEBT	\$0.00	\$0.00	\$0.00
7016	BAD DEBT COLLECTED	\$0.00	\$0.00	\$0.00
7020	BOD & COMMITTEE EXPENSES	\$0.00	\$0.00	\$0.00
7025	CLERICAL/MINUTES	\$0.71	\$81.25	\$975.00
7030	DUES/SUBSCRIPTIONS	\$0.00	\$0.00	\$0.00
7040	INSURANCE	\$60.40	\$6,885.42	\$82,625.00
7045	INSURANCE WORKERS COMP	\$0.38	\$43.08	\$517.00
7050	LEGAL	\$0.55	\$62.50	\$750.00
7060	MANAGEMENT (01/01/2013)	\$13.00	\$1,482.00	\$17,784.00
7061	MEETING ATTENDANCE	\$0.00	\$0.00	\$0.00
7062	MEETING ROOM RENTAL	\$0.40	\$45.83	\$550.00
7071	POSTAGE	\$1.79	\$204.17	\$2,450.00
7072	REPRODUCTION & SUPPLIES	\$2.27	\$258.33	\$3,100.00
7080	RESERVE STUDY (01/01/17)	\$0.00	\$0.00	\$0.00
7090	TAX FORM 1099/TRANSMITTAL	\$0.19	\$21.67	\$260.00
7091	TAXES-FEDERAL CORP	\$0.22	\$25.00	\$300.00
7092	TAXES-STATE CORP	\$0.15	\$16.67	\$200.00
7093	TAXES & LICENSES MISC	\$0.03	\$3.75	\$45.00
7115	WEBSITE	\$0.31	\$35.00	\$420.00
7120	MISC - OPERATING	\$0.00	\$0.00	\$0.00
	TOTAL OPER EXP	\$81.27	\$9,264.67	\$111,176.00
UTILITIES				
7201	ELECTRIC	\$8.60	\$980.00	\$11,760.00
7202	GAS	\$4.02	\$458.33	\$5,500.00
7203	WATER	\$81.87	\$9,333.33	\$112,000.00
7206	TRASH	\$29.24	\$3,333.33	\$40,000.00
7208	CABLE TV	\$20.69	\$2,358.33	\$28,300.00
	TOTAL UTILITIES	\$144.42	\$16,463.33	\$197,560.00
REPAIRS & MAINTENANCE				
7301	JANITORIAL SERVICE	\$1.18	\$135.00	\$1,620.00
7302	R&M SUPPLIES	\$0.00	\$0.00	\$0.00
7305	R&M GUTTERS/DOWNSPOUTS	\$0.00	\$0.00	\$0.00
7306	R&M LIGHTS	\$0.88	\$100.00	\$1,200.00
7307	R&M PAINTING	\$0.00	\$0.00	\$0.00
7308	R&M PEST CONTROL	\$1.82	\$207.00	\$2,484.00

**ORCHARD LANE TERRACE**
**114 units**
**FINAL BUDGET**
**FISCAL YEAR ENDING**
**DECEMBER 31, 2017**
**MONTHLY ASSESSMENT**
**\$400.00**

		UNIT	MONTH	YEAR
<b>INCOME</b>				
7309	R&M TERMITES	\$7.48	\$853.00	\$10,236.00
7310	R&M PLUMBING	\$2.19	\$250.00	\$3,000.00
7311	R&M ROOFING	\$0.00	\$0.00	\$0.00
7312	R&M SIGNS	\$0.00	\$0.00	\$0.00
7315	R&M VANDALISM	\$0.18	\$20.83	\$250.00
7317	R&M ELECTRICAL	\$0.18	\$20.83	\$250.00
7320	R&M MISCELLANEOUS	\$0.36	\$41.00	\$492.00
	TOTAL R & M	\$14.28	\$1,627.67	\$19,532.00
<b>POOL EXPENSES</b>				
7401	POOL MAINTENANCE CONTRACT	\$2.94	\$335.00	\$4,020.00
7402	POOL SUPPLIES	\$2.56	\$291.67	\$3,500.00
7403	POOL HEALTH PERMIT	\$0.38	\$43.33	\$520.00
7420	MISC R&M POOL/JACUZZI	\$0.88	\$100.00	\$1,200.00
	TOTAL POOL EXPENSES	\$6.75	\$770.00	\$9,240.00
<b>LANDSCAPE</b>				
7501	LANDSCAPE CONTRACT	\$31.49	\$3,590.00	\$43,080.00
7502	LANDSCAPE SUPPLIES	\$0.00	\$0.00	\$0.00
7503	LANDSCAPE IRRIGATION REPAIRS	\$1.10	\$125.00	\$1,500.00
7504	LANDSCAPE TREES	\$2.92	\$333.33	\$4,000.00
7513	FERTILIZER	\$0.00	\$0.00	\$0.00
7515	BEAUTIFICATION	\$1.46	\$166.67	\$2,000.00
7520	LANDSCAPE MISC	\$0.07	\$8.33	\$100.00
	TOTAL LANDSCAPE	\$37.05	\$4,223.33	\$50,680.00
<b>STREET, KEYS, FENCE</b>				
7601	STREET SWEEPING	\$0.00	\$0.00	\$0.00
7605	PATROL SERVICE	\$0.00	\$0.00	\$0.00
7606	SECURITY MONITORING	\$0.00	\$0.00	\$0.00
7610	KEYS & LOCKS	\$0.22	\$25.00	\$300.00
7614	CAMERAS	\$0.55	\$62.50	\$750.00
7615	FENCE/GATE REPAIR	\$0.33	\$37.50	\$450.00
7616	STREETS/SIDEWALK GRINDING	\$0.00	\$0.00	\$0.00
7620	STREETS/GATES MISC	\$0.00	\$0.00	\$0.00
	TOTAL STREET, KEYS, FENCE	\$1.10	\$125.00	\$1,500.00
<b>RESERVES</b>				
9020	ASPHALT RESURFACE	\$5.66	\$645.80	\$7,749.60
9021	ASPHALT SLURRY COAT	\$4.37	\$498.14	\$5,977.68
9079	CONCRETE	\$1.45	\$165.22	\$1,982.64
9125	FENCING (WOOD, VINYL, CONCRETE)	\$5.39	\$614.53	\$7,374.36
9190	IRRIGATION TIMECLOCKS	\$0.00	\$0.00	\$0.00
9195	LANDSCAPE RENOVATION	\$3.48	\$396.53	\$4,758.36
9197	LIGHTS	\$0.98	\$111.19	\$1,334.28
9210	PAINT-STUCCO	\$7.54	\$859.14	\$10,309.68
9220	PAINT-WOOD SURFACES	\$22.47	\$2,561.56	\$30,738.72
9251	POOL FURNITURE	\$0.87	\$99.13	\$1,189.56
9253	POOL RESURFACE	\$1.28	\$145.39	\$1,744.68

**ORCHARD LANE TERRACE****114 units****FINAL BUDGET****FISCAL YEAR ENDING****DECEMBER 31, 2017****MONTHLY ASSESSMENT****\$400.00**

		<b>UNIT</b>	<b>MONTH</b>	<b>YEAR</b>
<b>INCOME</b>				
9260	POOL/SPA FILTERS	\$0.35	\$40.20	\$482.40
9261	POOL/SPA CHLORINATORS	\$0.00	\$0.00	\$0.00
9262	POOL/SPA PUMPS/MOTORS	\$0.00	\$0.00	\$0.00
9263	POOL/SPA HEATERS	\$0.88	\$100.79	\$1,209.48
9268	RESTROOMS	\$0.60	\$68.84	\$826.08
9271	ROOFS-BUILDING	\$34.35	\$3,915.40	\$46,984.80
9274	ROOFS-GARAGE	\$13.62	\$1,552.73	\$18,632.76
9292	SPA RESURFACE	\$0.65	\$74.35	\$892.20
9304	SURVEILLANCE SYSTEM	\$0.23	\$26.44	\$317.28
9359	WOOD/SIDING REPLACEMENT	\$8.50	\$969.28	\$11,631.36
9370	WROUGHT IRON FENCE PAINT	\$1.12	\$127.22	\$1,526.64
9371	WROUGHT IRON FENCE REPLACE	\$1.35	\$154.12	\$1,849.44
9499	UNALLOCATED INTEREST	\$0.00	\$0.00	\$0.00
TOTAL RESERVE EXPENSE		\$115.14	\$13,126.00	\$157,512.00
<b>TOTAL EXPENSES</b>		<b>\$400.00</b>	<b>\$45,600.00</b>	<b>\$547,200.00</b>
<b>NET INCOME(LOSS)</b>		<b>(\$0.00)</b>	<b>\$0.00</b>	<b>\$0.00</b>

## Executive Summary - Orchard Lane Terrace - ID # 10832

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.

<b>Projected Starting Balance as of 1/1/2017</b>	<b>\$796,059</b>
<b>Ideal Reserve Balance as of 1/1/2017</b>	<b>\$840,863</b>
<b>Percent Funded as of 1/1/2017</b>	<b>95%</b>
<b>Recommended Reserve Contribution (per month)</b>	<b>\$13,126</b>
<b>Minimum Reserve Contribution (per month)</b>	<b>\$11,150</b>
<b>Recommended Special Assessment</b>	<b>\$0</b>

### Property Details

Orchard Lane Terrace is a 114-unit Townhouse community. Construction on the community was completed in 1975.

### Currently Programmed Projects

Projects programmed to occur this fiscal year (FY 2017) include: Pool Heater - Replace (Comp #1104), Spa Heater - Replace (Comp #1105), Restrooms - Remodel (Comp #1413), Pool Furniture - Replace (Comp #1121), Landscaping Lights - Replace (Comp #1603) and Pole Light Fixtures - Replace (Comp #1604). We have programmed an estimated \$64,025 in reserve expenditures toward the completion of these projects. (See Page(s) 17 - 20)

### Significant Reserve Projects

The association's significant reserve projects include: Pitched Roof - Tile - Replace (Comp #106), Building Trim/Siding - Repaint (Comp #202), Pitched Roof - Comp Shingle - Replace (Comp #105) and Wood Surfaces - Repair (Comp #303). The fiscal significance of these components is approximately 30%, 20%, 12% and 7% 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)

### Reserve Funding

In comparing the projected starting reserve balance of \$796,059 versus the ideal reserve balance of \$840,863 we find the association's reserve fund to be approximately 95% 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 \$13,126 (\$115.14/unit) per month. For comparison purposes, we have also set a minimum reserve contribution of \$11,150 (\$97.81/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.



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
102	Flat Roof - Cap Sheet Roll - Replace	12	4	Approx 300 Sq.ft.	\$2,100	\$1,400	\$1,400	\$23.13
105	Pitched Roof - Comp Shingle - Replace	20	6	Approx 66,130 Sq.ft.	\$231,450	\$162,015	\$162,015	\$1,529.60
106	Pitched Roof - Tile - Replace	30	19	Approx 161,580 Sq.ft.	\$888,690	\$325,853	\$281,049	\$3,915.43
201	Stucco Surfaces - Repaint	10	6	Approx 141,900 Sq.ft.	\$65,000	\$26,000	\$26,000	\$859.14
202	Building Trim/Siding - Repaint	5	1	(114) Units	\$96,900	\$77,520	\$77,520	\$2,561.56
207	Wrought Iron Fencing - Repaint	4	2	Approx 85 Linear ft.	\$850	\$425	\$425	\$28.09
207	Wrought Iron Fencing - Repaint	4	2	Approx 300 Linear ft.	\$3,000	\$1,500	\$1,500	\$99.13
303	Wood Surfaces - Repair	15	11	(114) Units	\$110,000	\$29,333	\$29,333	\$969.28
401	Asphalt - Major Rehab	24	15	Approx 67,015 Sq.ft.	\$117,263	\$43,973	\$43,973	\$645.80
402	Asphalt - Preventative Maintenance	4	1	Approx 67,015 Sq.ft.	\$15,075	\$11,306	\$11,306	\$498.14
403	Concrete - Repair/Replace	8	1	Extensive Sq.ft.	\$10,000	\$8,750	\$8,750	\$165.22
508	Unit Entry Gates - Replace (Operating Expense)	N/A	0	(18) Gates	\$0	\$0	\$0	\$0.00
803	Mailboxes - Replace (Not HOA)	N/A	0	(10) Clusters	\$0	\$0	\$0	\$0.00
903	Camera System - Replace	10	4	(1) System	\$2,000	\$1,200	\$1,200	\$26.44
1002	Wrought Iron Fencing - Replace	25	7	Approx 85 Linear ft.	\$4,675	\$3,366	\$3,366	\$24.72
1002	Wrought Iron Fencing - Replace	25	7	Approx 445 Linear ft.	\$24,475	\$17,622	\$17,622	\$129.40
1003	Chain Link Fencing - Replace	30	10	Approx 125 Linear ft.	\$5,313	\$3,542	\$3,542	\$23.41
1008	PVC Vinyl Fencing - Replace	18	13	Approx 950 Linear ft.	\$47,500	\$13,194	\$13,194	\$348.80
1012	Prefab Concrete Fence - Replace	30	9	Approx 1,100 Linear ft.	\$55,000	\$38,500	\$38,500	\$242.32
1101	Pool - Resurface	10	5	(1) 20' X 40' pool	\$11,000	\$5,500	\$5,500	\$145.39
1102	Spa - Resurface	8	2	(1) 10' Diameter spa	\$4,500	\$3,375	\$3,375	\$74.35
1104	Pool Heater - Replace	10	0	(1) Heater	\$3,250	\$3,250	\$3,250	\$42.96
1105	Spa Heater - Replace	8	0	(1) Heater	\$3,500	\$3,500	\$3,500	\$57.83
1107	Pool Filters - Replace	12	5	(2) Filters	\$2,650	\$1,546	\$1,546	\$29.19
1108	Spa Filter - Replace	12	1	(1) Filter	\$1,000	\$917	\$917	\$11.01
1121	Pool Furniture - Replace	5	0	(14) Pieces	\$3,750	\$3,750	\$3,750	\$99.13
1390	Exterior Shower - Re-Tile	18	0	(1) 4' X 6' Shower	\$1,500	\$1,500	\$1,500	\$11.01
1413	Restrooms - Remodel	16	0	(2) Restrooms	\$7,000	\$7,000	\$7,000	\$57.83
1603	Landscaping Lights - Replace	15	0	(48) Lights	\$5,400	\$5,400	\$5,400	\$47.58
1604	Pole Light Fixtures - Replace	20	0	(11) Lights	\$9,625	\$9,625	\$9,625	\$63.61
1703	Irrigation Clocks - Replace (Operating Expense)	N/A	0	(3) Clocks	\$0	\$0	\$0	\$0.00
1812	Landscaping/Irrigation - Renovate	10	0	Extensive Sq.ft.	\$30,000	\$30,000	\$30,000	\$396.53





**Assessment and Reserve Funding Disclosure Summary**  
**For the Fiscal Year Ending 12/31/2017**  
California Civil Code Section 5570  
**Orchard Lane Terrace**

(1) The assessment per ownership interest is \$400.00 per month. Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page N/A of the attached summary.

(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:

Date assessment will be due:	Amount per ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the Assessment
N/A	N/A	N/A
Total:		

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page N/A of the attached report.

(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       

(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 will be due:	Amount per ownership interest per month or year:
N/A	N/A
	Total:

(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 5570, the estimated amount required in the reserve fund at the end of the current fiscal year (FY 2016-17) is \$840,863, based in whole or in part on the last reserve study or update prepared by Complex Solutions, Ltd. as of 4/14/2016. The projected reserve fund cash balance at the end of the current fiscal year (FY 2016-17) is \$796,059, resulting in reserves being 95 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A. (See attached explanation if applicable)

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 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 Chart

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 Chart Below), leaving the reserve at \$ (See Chart 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 Chart Below), leaving the reserve at (See Chart Below), percent funding. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was .25 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.50 percent per year.

End of Fiscal Year	Projected End Balance (Per Reserve Study)	Projected Ideal Balance (Per Reserve Study)	Projected Percent Funded (Per Reserve Study)	Projected End Balance (Approved Funding Plan)	Percent Funded (Approved Funding Plan)
2016-17	\$891,656	\$906,810	98%	\$891,659	98%
2017-18	\$924,947	\$913,196	101%	\$924,953	101%
2018-19	\$1,077,596	\$1,046,004	103%	\$1,077,605	103%
2019-20	\$1,240,380	\$1,196,572	104%	\$1,240,392	104%
2020-21	\$1,399,661	\$1,351,528	104%	\$1,399,676	104%

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.

For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5300. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.
- (5) The board has not determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less.
- (6) The board has not determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserve to fund same.
- (7) The board intends to fund the reserves to repair or replace major components via a regular monthly reserve assessment.
- (8) The current deficiency in reserve funding expressed on a per unit basis is \$393.02.

## Yearly Summary

Year	Beginning Fully Funded Balance	Beginning Reserve Balance	Beginning % Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2017	\$840,863	\$796,059	95%	\$157,512	\$2,109	\$64,025	\$891,655
2018	\$906,810	\$891,655	98%	\$158,300	\$2,271	\$127,279	\$924,946
2019	\$913,196	\$924,946	101%	\$159,091	\$2,503	\$8,945	\$1,077,596
2020	\$1,046,004	\$1,077,596	103%	\$159,887	\$2,897	\$0	\$1,240,379
2021	\$1,196,572	\$1,240,379	104%	\$160,686	\$3,300	\$4,705	\$1,399,660
2022	\$1,351,528	\$1,399,660	104%	\$161,489	\$3,657	\$38,570	\$1,526,236
2023	\$1,480,986	\$1,526,236	103%	\$166,334	\$3,417	\$488,260	\$1,207,727
2024	\$1,153,818	\$1,207,727	105%	\$171,324	\$3,191	\$37,087	\$1,345,155
2025	\$1,286,586	\$1,345,155	105%	\$176,464	\$3,582	\$4,609	\$1,520,592
2026	\$1,462,192	\$1,520,592	104%	\$181,758	\$3,897	\$109,134	\$1,597,113
2027	\$1,540,499	\$1,597,113	104%	\$187,210	\$4,142	\$71,464	\$1,717,001
2028	\$1,665,437	\$1,717,001	103%	\$192,827	\$4,161	\$302,068	\$1,611,920
2029	\$1,561,147	\$1,611,920	103%	\$198,612	\$4,283	\$0	\$1,814,815
2030	\$1,771,100	\$1,814,815	102%	\$204,570	\$4,674	\$99,429	\$1,924,630
2031	\$1,890,929	\$1,924,630	102%	\$210,707	\$5,069	\$9,469	\$2,130,937
2032	\$2,113,685	\$2,130,937	101%	\$217,028	\$5,317	\$230,214	\$2,123,068
2033	\$2,121,591	\$2,123,068	100%	\$223,539	\$5,215	\$302,581	\$2,049,241
2034	\$2,060,901	\$2,049,241	99%	\$230,245	\$5,355	\$49,757	\$2,235,084
2035	\$2,265,995	\$2,235,084	99%	\$237,153	\$5,868	\$18,296	\$2,459,808
2036	\$2,517,287	\$2,459,808	98%	\$244,267	\$4,324	\$1,708,507	\$999,892
2037	\$1,034,689	\$999,892	97%	\$251,595	\$2,701	\$92,774	\$1,161,415
2038	\$1,179,399	\$1,161,415	98%	\$259,143	\$2,943	\$230,605	\$1,192,896
2039	\$1,193,677	\$1,192,896	100%	\$266,917	\$3,309	\$8,206	\$1,454,916
2040	\$1,446,046	\$1,454,916	101%	\$274,925	\$3,986	\$0	\$1,733,827
2041	\$1,723,409	\$1,733,827	101%	\$283,173	\$4,678	\$12,558	\$2,009,119
2042	\$2,005,419	\$2,009,119	100%	\$291,668	\$5,273	\$96,479	\$2,209,580
2043	\$2,218,655	\$2,209,580	100%	\$300,418	\$4,340	\$1,251,597	\$1,262,741
2044	\$1,252,308	\$1,262,741	101%	\$309,430	\$3,548	\$0	\$1,575,719
2045	\$1,556,342	\$1,575,719	101%	\$318,713	\$4,336	\$5,502	\$1,893,265
2046	\$1,874,429	\$1,893,265	101%	\$328,275	\$5,089	\$48,068	\$2,178,561

# ASSOCIATION COLLECTION POLICY

## LIENS AND FORECLOSURES

**General Statement.** Prompt payment of Assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R'S) and the California Civil Code to enforce the members' obligation to pay assessments. When any owner becomes delinquent in the payment of assessments, the Association and the remaining owners are unfairly burdened with a delinquent account. The Association and its Board of Directors must exercise due diligence in the collection of delinquent assessments utilizing available methods of collection. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R'S and Civil Code Section 5310, the following are the Association's assessment practices and policies:

- 1. Personal Obligation for Payment of Assessments.** Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 5650).
- 2. Due Dates of Assessments.** Regular monthly assessments are due and payable on the first day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received. All other assessments, including special assessments are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.
- 3. Application of Payments.** Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
- 4. Delinquency Dates.** Assessments not received within fifteen (15) days of the stated due date are delinquent unless the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) specifies a longer time period, in which case the longer time period will apply.
- 5. Late Charges.** Delinquent payments will be subject to a late charge of Ten Percent (10%) or Ten Dollars (\$10), whichever is greater, for each delinquent assessment payment unless the Declaration of Covenants, Conditions and Restrictions (CC&Rs) specifies a smaller amount, in which case the late charge shall not exceed the amount authorized by the CC&Rs.
- 6. Interest Charges.** Payments delinquent by thirty (30) days or more will be subject to an interest charges at the rate of twelve percent (12%) per annum and will be assessed against any outstanding balance, including delinquent assessments, late charges, and cost of collection, which may include attorneys' fees. If the Declaration of Covenants, Conditions and Restrictions (CC&Rs) provides for an interest charge at a smaller rate, the smaller rate will be applicable. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.

**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

Association's "meet and confer" program.

**12. Legal Effect of Recording Lien.** The amount of the assessment, plus any costs of collection, late charges, and interest assessed, will be a lien on the owner's separate interest in the development from and after the time the Association causes to be recorded with the County Recorder a notice of delinquent assessment, which will state the following:

- (a) The amount of the assessment and other sums imposed;
- (b) A legal description of the owner's separate interest;
- (c) The name of the record owner of the separate interest against which the lien is imposed;
- (d) The itemized statement of the charges owed by the owner described in paragraph 10(b) above will be recorded together with the notice of delinquent assessment;
- (e) In order for the lien to be enforced by nonjudicial foreclosure, the notice of delinquent assessment must state the name and address of the trustee authorized by the association to enforce the lien by sale; and
- (f) The notice of delinquent assessment must be signed by the person designated in the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) or by the Association for that purpose, or if no one is designated, by the President of the Association.

**13. Mailing of Lien Copies.** A copy of the recorded notice of delinquent assessment 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, and the notice will be mailed no later than ten (10) calendar days after recordation.

**14. Payment of Amounts Due Pursuant to Lien.** Within twenty-one (21) days of the payment of the sums specified in the notice of delinquent assessment, the Association will record or cause to be recorded in the office of the County Recorder a lien release or notice of rescission and provide the owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied.

**15. Failure to Follow Lien Procedures.** If it is determined that a lien previously recorded against the separate interest was recorded in error, the party who recorded the lien shall, within twenty-one (21) calendar days, record or cause to be recorded in the County Recorder's Office in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission.

**16. Liens for Recovery of Costs Due to Damage to Common Area.** If authorized in the Association's Declaration of Covenants, Conditions and Restrictions (CC&Rs), a monetary charge imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the owner or the owner's guests or tenants were responsible may become a lien against the owner's separate interest enforceable by the sale of the interest by non-judicial foreclosure. All other collection methods for such monetary penalties will also remain available to the Association.

**17. No Liens for Monetary Penalties.** Monetary penalties imposed by the Association as a disciplinary measure for failure of an owner to comply with the Association's governing documents may not be characterized nor treated as an assessment that may become a lien against the owner's separate interest to

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:

(a) **Small Claims Actions:** First, the Association may elect to instruct its property manager to pursue the Association's claims against the owner in a Small Claims Court Action.

(b) **Foreclosure of Lien.** Second, the Association may elect to foreclose the lien previously recorded on the owner(s)' separate interest, subject to the limitations and procedures set forth below.

**24. Limitations on Foreclosures.** The Board may elect to pursue either judicial or non-judicial foreclosure of the lien, subject to the following limitations:

(a) The Association may not seek to collect delinquent regular or special assessments through either judicial or non-judicial foreclosure for either (i) an amount less than one thousand eight hundred dollars (\$1,800) not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest or (ii) an assessment which is less than twelve (12) months delinquent, whichever is less.

(b) For delinquent assessments less than one thousand eight hundred dollars (\$1,800) or twelve months delinquent, the Association may pursue the following collection activities:

(i) An action in Small Claims Court;

(ii) Recording a lien on the owner's separate interest upon which the association may not foreclose until the amount of the delinquent assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, equals or exceeds one thousand eight hundred dollars (\$1,800) or the assessments are more than twelve (12) months delinquent; or

(iii) Any other manner provided by law, except for judicial or nonjudicial foreclosure.

**25. Procedures for Foreclosure.** For delinquent assessments which equal or exceed the sum of one thousand eight hundred dollars (\$1,800) or which are more than twelve (12) months delinquent, the Association may initiate either judicial or non-judicial foreclosure pursuant to the following procedures:

(a) The decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded will be made only by the Board of Directors 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 executive session. The Board will record the vote in the minutes of the next meeting of the Board open to all members. 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. A Board vote to approve foreclosure of a lien shall take place at least 30 days prior to any public sale.

(b) Prior to initiating a foreclosure on an owner's separate interest, the Association will offer the owner and, if so requested by the owner, participate in dispute resolution pursuant to the Association's "meet and confer" program. The decision to pursue dispute resolution or a particular type of alternative dispute resolution will be the choice of the owner, except that binding arbitration will not be available if the association intends to initiate a judicial foreclosure.



(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.

### INTERNAL DISPUTE RESOLUTION PROCEDURE

In the event of a dispute between an Owner and the Board of Directors, either party may request the other party to meet and confer in an effort to resolve the dispute. The request must be in writing.

The Owner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.

The Board of Directors shall designate one or more members of the Board to meet and confer.

The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

A resolution of the dispute agreed by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

An agreement reached under this procedure binds the parties and is judicially enforceable if both of the following conditions are satisfied:

- (1) The agreement is not in conflict with law or the governing documents of the Association; and
- (2) The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.

An Owner may not be charged a fee to participate in the dispute resolution procedure.

## 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.

## **ORCHARD LANE TERRACE HOMEOWNERS ASSOCIATION**

### **SCHEDULE OF MONETARY PENALTIES**

In order to enforce the CC&R's, Bylaws, Rules and Regulations, the Board of Directors may: levy, assess and collect reasonable monetary penalties as established by the Board of Directors to cover such costs as legal expenses, time or labor, postage, etc., for violation of Use Restrictions, the Declaration or published Rules and Regulations. The monetary penalty shall be assessed against the Homeowner involved for violations made by the owner, members of his or her family, or ban any guest(s), licensee or tenant of such owner.

#### **VIOLATIONS AND MONETARY PENALTIES**

1. Initial Violation Notice: A letter advising homeowner of alleged violation.
  2. Second Violation: A same violation will cause a second letter to be sent to the homeowner stating the alleged violation continues and a \$25.00 monetary penalty will be assessed.
  3. Third Violation: A same violation within one year, a monetary penalty of \$25.00 will be assessed.
  4. Fourth Violation: A same violation within one year, a monetary penalty of \$25.00 will be assessed.
  1. Fifth Violation: A same violation within one year, a monetary penalty of \$25.00 will be assessed, with an additional monetary penalty of \$25.00 for each subsequent violation.
- Conducting a garage or yard sale of any type (including estate sales) will be subject to an immediate fine of \$50.00.
  - Any type of open fire on a patio, including but not limited to items such as fire pits of any kind with or without grills, chimneys, barbeques used for purposes other than food preparation, or any other incendiary item, will be subject to an immediate fine of \$100.00.

Note: Should a violation occur which imposes a financial obligation on the Association, then the party responsible for said violation shall reimburse, by way of a Reimbursement Assessment, the Association for this financial obligation. If, for example, a party damages a fence, tree, or other common property, repair and replacement costs will be charged to that party.

**PLEASE KEEP THIS APPROVED BUDGET WITH YOUR IMPORTANT PAPERS AS THE STATE OF CALIFORNIA REQUIRES THAT A COPY OF THE MOST CURRENT BUDGET BE PASSED ALONG TO THE NEW OWNER SHOULD YOU CHOOSE TO SELL YOUR PROPERTY.**

**APPROVED BY THE BOARD OF DIRECTORS OF ORCHARD LANE TERRACE  
HOMEOWNERS ASSOCIATION**

**Effective Date: January 1, 2017**

# STEVE D. REICH INSURANCE AGENCY, INC.

280 NO. WESTLAKE BLVD., #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:

## **ORCHARD LANE TERRACE**

### Insurance Disclosure – SB1525

#### **PROPERTY & GENERAL LIABILITY INSURANCE:**

INSURER: Farmers Insurance Exchange  
TERM: 06/10/2016 – 06/10/2017  
POLICY NUMBER: 60143-88-67  
PROPERTY COVERAGE: \$27,062,800  
PROPERTY DEDUCTIBLE: \$10,000  
GENERAL LIABILITY LIMIT: \$2,000,000  
GENERAL LIABILITY DEDUCTIBLE: None

#### **UMBRELLA:**

INSURER: Farmers Insurance Group / Truck Insurance Exchange  
TERM: 06/10/2016 – 06/10/2017  
POLICY NUMBER: 60099-49-75  
LIABILITY LIMIT: \$1,000,000  
DEDUCTIBLE: \$10,000 Self Insured Retention

#### **DIRECTORS & OFFICERS LIABILITY:**

INSURER: Farmers Insurance Exchange  
TERM: 06/10/2016 – 06/10/2017  
POLICY NUMBER: 60143-88-67  
LIABILITY LIMIT: \$2,000,000  
DEDUCTIBLE: \$1,000

#### **EMPLOYEE DISHONESTY:**

INSURER: Farmers Insurance Exchange  
TERM: 06/10/2016 – 06/10/2017  
POLICY NUMBER: 60143-88-67  
LIMIT: \$150,000  
DEDUCTIBLE: \$10,000

#### **EARTHQUAKE and FLOOD:** (Special Flood Hazard Areas Are Excluded)

INSURER: QBE Specialty Insurance Company  
TERM: 06/10/2016 – 06/10/2017  
POLICY NUMBER: SSE81488-00  
LIMIT: \$15,000,000  
DEDUCTIBLE: 7.5% per Bldg.

#### **WORKERS' COMPENSATION:**

INSURER: AmTrust North America / Wesco Insurance Company  
TERM: 03/17/2016 – 03/17/2017  
POLICY NUMBER: WWC3189986  
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.



## VA DISCLOSURE

Certification by the Veterans 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 certified by the Veterans Administration.



## 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 certified by the Federal Housing Administration.