



April 29, 2019

Dear Sandalwood Village Homeowner:

Enclosed, please find the Budget for the fiscal year ending May 31, 2020. Included with the Budget is the Association's Violation Policy, the Delinquency Policy, the statement of reserves, reserves executive summary, reserve disclosure, and information relating to Board of Directors Minutes, Alternative Dispute Resolution, Internal Dispute Resolution, Insurance Information and F.H.A. & V.A. Disclosure.

The Board faced an arduous task this year in drafting the budget, and a great deal of effort went into its preparation. The assessments will remain the same for the 2019-2020 fiscal year of \$370.00 per unit, per month.

Please retain these documents with the other permanent records for your home.

Have a wonderful year!

Very truly yours,

Board of Directors,  
Sandalwood Village Homeowners' Association

1259 Callens Road, Suite A, Ventura, CA 93003  
P.O. Box 5286, Ventura, CA 93005  
(805) 642-6160 / (800) 642-8333  
(805) 642-6161 fax / [www.spectrumprops.com](http://www.spectrumprops.com)

## **SANDALWOOD VILLAGE HOMEOWNERS ASSOCIATION**

### **BUDGET ASSUMPTIONS FOR FISCAL YEAR ENDING MAY 31, 2020**

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 March 21, 2017, prepared by Complex Solutions, LTD.

As of March, 2019 the total reserve funds on deposit are \$720,800.92. Reserves for the coming fiscal year are budgeted in accordance with the last reserve study recommendations and update.

### **ARCHITECTURAL MODIFICATION DISCLOSURE**

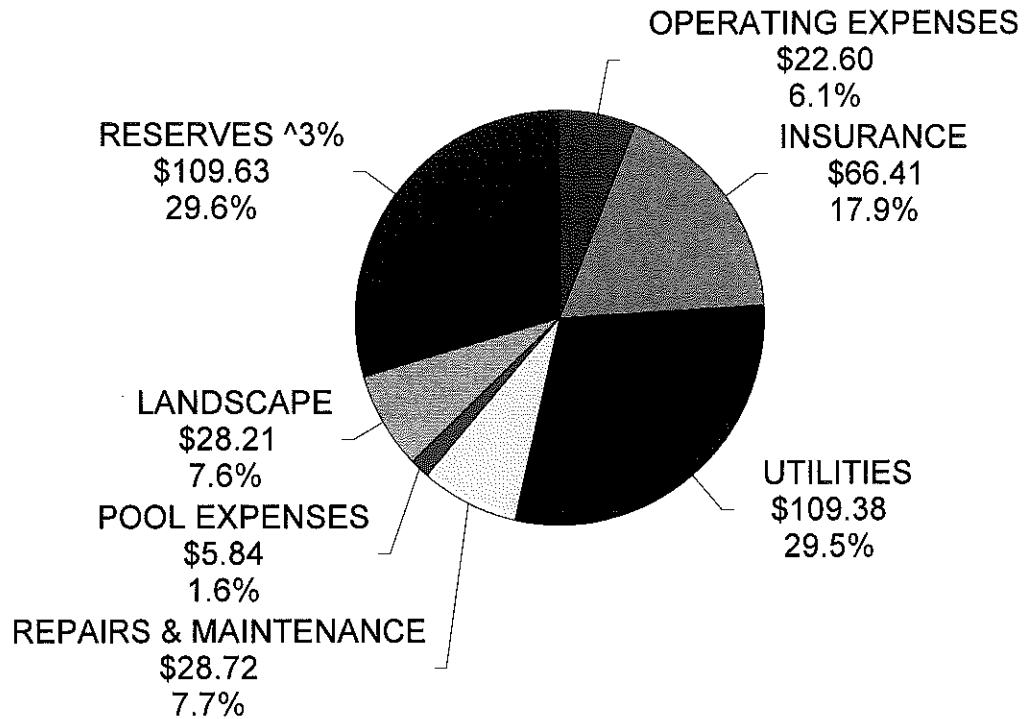
Pursuant to the governing documents, any changes to the exterior of any unit/lot, or to the common area, that a homeowner desires to make, requires the prior written consent of the Association's Architectural Committee. No changes may be made without prior approval.

Homeowners are required to complete an architectural modification form, identifying the proposed change(s) to the Architectural Committee. The Committee then has 60 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.

# SANDALWOOD VILLAGE EXPENSE BUDGET

06/01/2019-05/31/2020



SANDALWOOD VILLAGE HOA		168 units		
FINAL BUDGET				
FISCAL YEAR ENDING		MAY 31, 2020		
MONTHLY ASSESSMENT		\$370.00		
		UNIT	MONTH	YEAR
<b>INCOME</b>				
6310	REGULAR ASSESSMENTS	\$260.38	\$43,743.00	\$524,916.00
6920	MISC OWNER INCOME	\$0.78	\$131.05	\$1,572.60
	TOTAL	\$261.16	\$43,874.05	\$526,488.60
6311	REPLACEMENT ASSESSMENTS	\$109.63	\$18,417.00	\$221,004.00
6911	INTEREST	\$0.00	\$0.00	\$0.00
	TOTAL	\$109.63	\$18,417.00	\$221,004.00
	<b>TOTAL INCOME</b>	<b>\$370.78</b>	<b>\$62,291.05</b>	<b>\$747,492.60</b>
<b>EXPENSES</b>				
OPERATING EXPENSES				
7010	AUDIT/TAX/ACCTG	\$0.92	\$154.17	\$1,850.00
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	\$0.55	\$91.67	\$1,100.00
7030	DUES/SUBSCRIPTIONS	\$0.00	\$0.00	\$0.00
7041	INSURANCE LIABILITY	\$21.71	\$3,647.92	\$43,775.00
7042	INSURANCE EARTHQUAKE & FLOOD	\$44.52	\$7,479.17	\$89,750.00
7045	INSURANCE WORKERS COMP	\$0.18	\$30.42	\$365.00
7046	INSURANCE CLAIM	\$0.00	\$0.00	\$0.00
7050	LEGAL	\$0.99	\$166.67	\$2,000.00
7060	MANAGEMENT (06/2018)	\$14.00	\$2,352.00	\$28,224.00
7071	POSTAGE	\$1.19	\$200.00	\$2,400.00
7072	REPRODUCTION & SUPPLIES	\$1.79	\$300.00	\$3,600.00
7080	RESERVE STUDY 06/01/17	\$0.99	\$166.67	\$2,000.00
7090	TAX FORM 1099/TRANSMITTAL	\$0.11	\$18.33	\$220.00
7091	TAXES-FEDERAL CORP	\$0.84	\$141.67	\$1,700.00
7092	TAXES-STATE CORP	\$0.99	\$166.67	\$2,000.00
7093	TAXES & LICENSES MISC	\$0.02	\$3.75	\$45.00
7115	WEBSITE	\$0.21	\$35.00	\$420.00
7120	MISC - OPERATING	\$0.00	\$0.00	\$0.00
	TOTAL OPER EXP	\$89.01	\$14,954.08	\$179,449.00
UTILITIES				
7201	ELECTRIC	\$11.16	\$1,875.00	\$22,500.00
7202	GAS	\$21.83	\$3,666.67	\$44,000.00
7205	WATER	\$45.14	\$7,583.33	\$91,000.00
7206	TRASH	\$31.25	\$5,250.00	\$63,000.00
	TOTAL UTILITIES	\$109.38	\$18,375.00	\$220,500.00
REPAIRS & MAINTENANCE				
7302	R&M SUPPLIES	\$0.25	\$41.67	\$500.00
7305	R&M GUTTERS/DOWNSPOUTS	\$1.49	\$250.00	\$3,000.00
7306	R&M LIGHTS	\$2.58	\$433.33	\$5,200.00
7307	R&M PAINT	\$0.00	\$0.00	\$0.00

**SANDALWOOD VILLAGE HOA**  
**FINAL BUDGET**  
**FISCAL YEAR ENDING**  
**MONTHLY ASSESSMENT**

**168 units**

**MAY 31, 2020**  
**\$370.00**

		UNIT	MONTH	YEAR
7308	R&M PEST CONTROL	\$1.46	\$245.00	\$2,940.00
7309	R&M TERMITES	\$10.83	\$1,820.00	\$21,840.00
7310	R&M PLUMBING/BACKFLOW	\$9.92	\$1,666.67	\$20,000.00
7311	R&M ROOFING	\$0.60	\$100.00	\$1,200.00
7312	R&M SIGNS	\$0.00	\$0.00	\$0.00
7315	R&M VANDALISM	\$0.30	\$50.00	\$600.00
7317	R&M ELECTRICAL	\$0.15	\$25.00	\$300.00
7610	KEYS & LOCKS	\$0.30	\$50.00	\$600.00
7615	FENCE/GATE REPAIRS	\$0.10	\$16.67	\$200.00
7320	R&M MISCELLANEOUS	\$0.75	\$126.25	\$1,515.00
	TOTAL R & M	\$28.72	\$4,824.58	\$57,895.00
	POOL EXPENSES			
7401	POOL MAINTENANCE CONTRACT	\$2.86	\$480.00	\$5,760.00
7402	POOL SUPPLIES	\$1.88	\$316.67	\$3,800.00
7403	POOL HEALTH PERMIT	\$0.56	\$93.33	\$1,120.00
7420	MISC R&M POOL/JACUZZI	\$0.55	\$91.67	\$1,100.00
	TOTAL POOL EXPENSES	\$5.84	\$981.67	\$11,780.00
	LANDSCAPE			
7501	LANDSCAPE CONTRACT	\$22.90	\$3,847.05	\$46,164.60
7502	LANDSCAPE SUPPLIES	\$0.00	\$0.00	\$0.00
7503	LANDSCAPE IRRIGATION REPAIRS	\$2.78	\$466.67	\$5,600.00
7504	LANDSCAPE TREES	\$0.99	\$166.67	\$2,000.00
7513	LANDSCAPE FERTILIZER	\$0.00	\$0.00	\$0.00
7515	BEAUTIFICATION	\$1.14	\$191.67	\$2,300.00
7519	BACKFLOW CERTIFICATION	\$0.10	\$16.67	\$200.00
7520	LANDSCAPE MISC	\$0.30	\$50.00	\$600.00
	TOTAL LANDSCAPE	\$28.21	\$4,738.72	\$56,864.60
	RESERVES ^3%			
9020	ASPHALT RESURFACE	\$5.31	\$891.85	\$10,702.20
9021	ASPHALT SEAL/REPAIR	\$2.79	\$468.65	\$5,623.80
9050	CHAIN LINK FENCE	\$0.27	\$45.05	\$540.60
9079	CONCRETE-WALKWAY PATHS	\$0.72	\$121.40	\$1,456.80
9081	DECKS-BALCONY RECOAT	\$3.90	\$655.20	\$7,862.40
9082	DECKS-BALCONY RESURFACE	\$3.64	\$611.55	\$7,338.60
9095	DIRECTORIES	\$0.22	\$36.40	\$436.80
9160	GUTTERS/DOWNSPOUTS	\$2.89	\$486.30	\$5,835.60
9191	IRRIGATION BACKFLOW	\$0.12	\$19.70	\$236.40
9192	IRRIGATION CONTROLLERS	\$0.24	\$40.45	\$485.40
9201	MAILBOXES	\$0.59	\$99.00	\$1,188.00
9208	MONUMENT SIGN	\$0.10	\$16.15	\$193.80
9209	PAINT	\$30.33	\$5,096.25	\$61,155.00
9222	PATIO FENCES	\$2.98	\$500.55	\$6,006.60
9240	POLE LIGHTS PAINT	\$0.36	\$60.70	\$728.40
9241	POLE LIGHTS	\$1.25	\$210.35	\$2,524.20

SANDALWOOD VILLAGE HOA		168 units		
FINAL BUDGET				
FISCAL YEAR ENDING		MAY 31, 2020		
MONTHLY ASSESSMENT		\$370.00		
		UNIT	MONTH	YEAR
9250	POOL FILTER	\$0.14	\$24.30	\$291.60
9251	POOL FURNITURE	\$0.72	\$121.40	\$1,456.80
9252	POOL HEATER	\$0.47	\$78.90	\$946.80
9253	POOL RESURFACE	\$1.30	\$218.45	\$2,621.40
9260	RECIRCULATION PUMPS	\$0.92	\$154.75	\$1,857.00
9261	POOL/SPA CHLORINATOR	\$0.20	\$33.40	\$400.80
9262	POOL/SPA PUMP	\$0.55	\$93.05	\$1,116.60
9273	ROOFS-FLAT	\$21.88	\$3,676.60	\$44,119.20
9275	ROOFS-TILE	\$6.05	\$1,015.60	\$12,187.20
9290	SPA FILTERS	\$0.13	\$21.25	\$255.00
9291	SPA HEATERS	\$0.54	\$91.50	\$1,098.00
9292	SPA RESURFACE	\$0.75	\$125.85	\$1,510.20
9298	SIDING-EXT BLDGS	\$3.16	\$530.85	\$6,370.20
9311	TENNIS COURT RESURFACE	\$0.52	\$87.95	\$1,055.40
9312	TENNIS COURT WINDSCREEN	\$0.57	\$95.85	\$1,150.20
9315	TERMITE TREATMENT	\$3.61	\$606.65	\$7,279.80
9320	TREE TRIMMING	\$5.06	\$849.30	\$10,191.60
9330	UTILITY DOORS	\$0.52	\$87.30	\$1,047.60
9350	WATER HEATERS	\$5.69	\$955.50	\$11,466.00
9370	WROUGHT IRON FENCE PAINT	\$0.58	\$97.00	\$1,164.00
9371	WROUGHT IRON FENCE REPLACE	\$0.55	\$92.00	\$1,104.00
9499	UNALLOCATED INTEREST	\$0.00	\$0.00	\$0.00
	TOTAL RESERVE EXPENSE	\$109.63	\$18,417.00	\$221,004.00
	TOTAL EXPENSES	\$370.78	\$62,291.05	\$747,492.60
	NET INCOME(LOSS)	\$0.00	\$0.00	\$0.00

## Executive Summary - Sandalwood Village Homeowners Association - ID # 11349

Information to complete this Full 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 6/1/2017	\$845,817
Ideal Reserve Balance as of 6/1/2017	\$1,476,179
Percent Funded as of 6/1/2017	57%
Recommended Reserve Contribution (per month)	\$17,360
Recommended Special Assessment	\$0

### Property Details

Sandalwood Village Homeowners Association is a 168-unit Townhouse community. Construction on the community was completed in 1984.

### Currently Programmed Projects

Projects programmed to occur this fiscal year (FY 2018) include: Pool Heater - Replace (East) (Comp #1104), Pool/Spa Pumps - Replace (Comp #1110), Pool/Spa Chlorinators - Replace (Comp #1111), Spa Filter - Replace (West) (Comp #1108), Tennis Court Windscreen - Replace (Comp #1202) and Balcony Decks - Reseal (Comp #603). We have programmed an estimated \$994,700 in reserve expenditures toward the completion of these projects. (See Page(s) 18 - 24)

### Significant Reserve Projects

The association's significant reserve projects include: Siding - Repaint (Comp #217), Flat Roofs - Replace (Comp #101), Pitched Roofs - Tile - Replace (Comp #106) and Water Heaters - Partial Replace (Comp #703). The fiscal significance of these components is approximately 28%, 20%, 6% and 5% 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 \$845,817 versus the ideal reserve balance of \$1,476,179 we find the association's reserve fund to be approximately 57% funded. This indicates a fair reserve fund position. In order to continue to strengthen the account fund, we suggest adopting a monthly reserve contribution of \$17,360 (\$103.33/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.

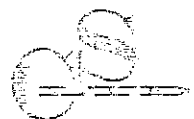
### Starting Reserve Balance

We have estimated the starting reserve balance by taking the actual reserve balance of \$804,683.20 per the 2/28/17 balance sheet provided by the client and adding three months of reserve contributions of \$16,777.80/month. We then subtracted \$3,200 and \$2,000 costs we have estimated to repaint the wrought iron fencing and pole light fixtures and \$4,000 to replace the pool area electrical projects programmed to occur before the end of the current year to get a starting balance of \$845,816.60.



## Component Funding Information

ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
101	Flat Roofs - Replace	18	0	Approx 121,200 Sq.ft.	\$545,400	\$545,400	\$545,400	\$3,485.51
106	Pitched Roofs - Tile - Replace	25	10	Approx 55,800 Sq.ft.	\$209,250	\$125,550	\$0	\$857.30
120	Rain Gutters/Downspouts - Replace	25	0	Approx 16,700 Linear ft.	\$100,200	\$100,200	\$100,200	\$458.41
207	Wrought Iron Fencing - Repaint	4	3	Approx 400 Linear ft.	\$3,200	\$800	\$0	\$91.50
211	Pole Light Fixtures - Repaint	4	3	(80) Fixtures	\$2,000	\$500	\$0	\$57.19
217	Siding - Repaint	6	0	(168) Units	\$252,000	\$252,000	\$200,217	\$4,803.67
303	Siding - Repair	12	6	Approx 180,000 Sq.ft.	\$52,500	\$26,250	\$0	\$500.38
401	Asphalt - Major Rehab.	20	6	Approx 84,000 Sq.ft.	\$147,000	\$102,900	\$0	\$840.64
402	Asphalt - Preventative Maintenance	5	2	Approx 84,000 Sq.ft.	\$19,313	\$11,588	\$0	\$441.77
503	Utility Doors - Replace	20	4	Approx (48) Doors	\$14,400	\$11,520	\$0	\$82.35
601	Concrete Sidewalks - Repair	5	1	Approx 30,000 Sq.ft.	\$5,000	\$4,000	\$0	\$114.37
603	Balcony Decks - Reseal	5	0	Approx 7,200 Sq.ft.	\$27,000	\$27,000	\$0	\$617.62
604	Balcony Decks - Resurface	25	13	Approx 7,200 Sq.ft.	\$126,000	\$60,480	\$0	\$576.44
703	Water Heaters - Partial Replace	2	0	(3) Heaters every 2 years	\$15,750	\$15,750	\$0	\$900.69
801	Monument - Replace	15	0	(1) Sign	\$2,000	\$2,000	\$0	\$15.25
802	Maps - Replace	15	5	(3) Maps	\$4,500	\$3,000	\$0	\$34.31
803	Mailboxes - Replace	18	0	(168) Boxes	\$14,700	\$14,700	\$0	\$93.41
808	Signs - Replace (Operating Expense)	N/A	0	(69) Signs	\$0	\$0	\$0	\$0.00
1001	Patio Fencing - Replace	10	2	Approx 2,200 Linear ft.	\$41,250	\$33,000	\$0	\$471.79
1002	Wrought Iron Fencing - Replace	25	10	Approx 400 Linear ft.	\$19,000	\$11,400	\$0	\$86.92
1003	Chain Link Fencing - Replace	35	5	Approx 350 Linear ft.	\$13,125	\$11,250	\$0	\$42.89
1101	Pool - Resurface	10	1	(2) Pools	\$18,000	\$16,200	\$0	\$205.87
1102	Spa - Resurface	8	5	(2) Spas	\$8,300	\$3,113	\$0	\$118.66
1104	Pool Heater - Replace (East)	10	0	(1) Heater	\$3,250	\$3,250	\$0	\$37.17
1104	Pool Heater - Replace (West)	10	6	(1) Heater	\$3,250	\$1,300	\$0	\$37.17
1105	Spa Heater - Replace (East)	8	7	(1) Heater	\$3,000	\$375	\$0	\$42.89
1105	Spa Heater - Replace (West)	8	6	(1) Heater	\$3,000	\$750	\$0	\$42.89
1107	Pool Filter - Replace (East)	12	11	(1) Filter	\$1,200	\$100	\$0	\$11.44
1107	Pool Filter - Replace (West)	12	11	(1) Filter	\$1,200	\$100	\$0	\$11.44
1108	Spa Filter - Replace (East)	12	5	(1) Filter	\$1,050	\$613	\$0	\$10.01
1108	Spa Filter - Replace (West)	12	0	(1) Filter	\$1,050	\$1,050	\$0	\$10.01
1110	Pool/Spa Pumps - Replace	3	0	(6) Pumps	\$2,300	\$2,300	\$0	\$87.69





ID	Component Name	UL	RUL	Quantity	Average Current Cost	Ideal Balance	Current Fund Balance	Monthly
1111	Pool/Spa Chlorinators - Replace	2	0	(4) Chlorinators	\$550	\$550	\$0	\$31.45
1121	Pool Furniture - Replace	6	4	(34) Pieces	\$6,000	\$2,000	\$0	\$114.37
1201	Tennis Court - Resurface	8	4	(1) Court	\$5,800	\$2,900	\$0	\$82.92
1202	Tennis Court Windscreen - Replace	5	0	Approx 360 Linear ft.	\$3,950	\$3,950	\$0	\$90.35
1604	Pole Light Fixtures - Replace	30	2	(80) Fixtures	\$52,000	\$48,533	\$0	\$198.25
1703	Irrigation Clocks - Partial Replace	3	2	(5) Controllers	\$1,000	\$333	\$0	\$38.12
1706	Backflow Devices - Replace	20	2	(1) Device	\$3,250	\$2,925	\$0	\$18.59
1802	Tree Trimming - Perform	2	0	Numerous trees	\$14,000	\$14,000	\$0	\$800.61
2002	Recirc. Pumps - Partial Replace	2	0	(3) Every 2 years	\$2,550	\$2,550	\$0	\$145.83
2090	Gas Lines - Partial Replace	N/A	0	(168) Units	\$0	\$0	\$0	\$0.00
2101	Termite Treatment - Allowance	2	0	(168) Units	\$10,000	\$10,000	\$0	\$571.87
					\$1,758,288	\$1,476,179	\$845,817	\$17,360

Current Fund Balance as a percentage of Ideal Balance: **57%**



**ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY****SANDALWOOD VILLAGE HOMEOWNERS ASSOCIATION**

For Fiscal Year Beginning: 06/01/19

# of Units: 168

1) Current Budget:	Total	Per Unit
Reserve Contribution:	\$18,417.00	\$109.63
Operating Budget:	\$43,743.00	\$260.38
Total:	\$62,160.00	\$370.00 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	Purpose

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 or update, the current balance in the reserve fund is \$720,800.92. Based on the method of calculation in 5570cc and 5570 and 5300 the required amount in the Reserve Fund (Fully Funded Balance) is \$1,312,719.00 (\_54\_% 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.

# Yearly Summary

Year	Beginning Fully Funded Balance	Beginning Reserve Balance	Beginning % Funded	Reserve Contributions	Interest Income	Reserve Expenses	Ending Reserve Balance
2018	\$1,476,179	\$845,817	57%	\$208,320	\$2,268	\$994,700	\$61,705
2019	\$650,678	\$61,705	9%	\$214,570	\$788	\$23,633	\$253,430
2020	\$804,536	\$253,430	32%	\$221,007	\$1,401	\$168,565	\$307,273
2021	\$818,114	\$307,273	38%	\$227,637	\$2,090	\$8,136	\$528,864
2022	\$1,001,433	\$528,864	53%	\$234,466	\$3,045	\$76,965	\$689,411
2023	\$1,123,726	\$689,411	61%	\$238,569	\$3,884	\$67,485	\$864,378
2024	\$1,263,901	\$864,378	68%	\$242,744	\$3,442	\$597,680	\$512,884
2025	\$868,068	\$512,884	59%	\$246,992	\$3,106	\$33,266	\$729,716
2026	\$1,046,333	\$729,716	70%	\$251,314	\$4,150	\$54,478	\$930,702
2027	\$1,212,889	\$930,702	77%	\$255,713	\$5,298	\$2,936	\$1,188,776
2028	\$1,442,314	\$1,188,776	82%	\$260,187	\$5,586	\$408,317	\$1,046,233
2029	\$1,266,994	\$1,046,233	83%	\$264,741	\$5,800	\$42,588	\$1,274,186
2030	\$1,468,266	\$1,274,186	87%	\$269,374	\$5,796	\$504,840	\$1,044,515
2031	\$1,205,887	\$1,044,515	87%	\$274,088	\$5,443	\$191,091	\$1,132,954
2032	\$1,264,611	\$1,132,954	90%	\$278,884	\$6,205	\$68,494	\$1,349,549
2033	\$1,457,019	\$1,349,549	93%	\$283,765	\$7,311	\$65,271	\$1,575,354
2034	\$1,664,301	\$1,575,354	95%	\$288,731	\$8,397	\$88,134	\$1,784,348
2035	\$1,860,234	\$1,784,348	96%	\$293,783	\$9,593	\$33,880	\$2,053,845
2036	\$2,123,922	\$2,053,845	97%	\$298,925	\$7,327	\$1,482,501	\$877,595
2037	\$913,203	\$877,595	96%	\$304,156	\$5,138	\$8,707	\$1,178,182
2038	\$1,190,503	\$1,178,182	99%	\$309,479	\$6,299	\$152,000	\$1,341,960
2039	\$1,335,377	\$1,341,960	100%	\$314,894	\$7,365	\$59,396	\$1,604,824
2040	\$1,586,763	\$1,604,824	101%	\$320,405	\$8,319	\$210,084	\$1,723,464
2041	\$1,697,813	\$1,723,464	102%	\$326,012	\$9,400	\$21,649	\$2,037,227
2042	\$2,013,323	\$2,037,227	101%	\$331,717	\$9,539	\$599,450	\$1,779,033
2043	\$1,751,823	\$1,779,033	102%	\$337,522	\$9,114	\$258,413	\$1,867,256
2044	\$1,841,773	\$1,867,256	101%	\$343,429	\$9,208	\$403,087	\$1,816,807
2045	\$1,793,993	\$1,816,807	101%	\$349,439	\$9,841	\$55,776	\$2,120,310
2046	\$2,110,445	\$2,120,310	100%	\$355,554	\$11,224	\$116,810	\$2,370,278
2047	\$2,381,808	\$2,370,278	100%	\$361,776	\$12,728	\$22,731	\$2,722,052



# 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.

## 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 by any guest(s), licensee or tenant of such owner.

### Violation Policy

1. Initial Violation Notice: Formal Warning Notice
2. Second Notice: \$ 50.00 fine  
(30 days to comply - response, in writing, required from homeowner once in compliance)
3. Third Notice : \$ 100.00 fine  
(5 days to comply - response, in writing, required from homeowner once in compliance)
4. Fourth Notice: \$ 150.00 fine  
(Additional \$200 with each subsequent violation (i.e. 350, 550, 750). Homeowner may be subject to legal action on all subsequent violations. Homeowner may also be responsible for any legal fees).

### Architectural Schedule of Monetary Penalties

Unauthorized unapproved architectural modifications (including satellite dishes)

1. Initial Violation Notice \$100.00  
(30 days to comply - response, in writing, required from homeowner once in compliance)
2. Second Notice \$200.00  
(5 days to comply - response, in writing, required from homeowner once in compliance)
3. Third Notice \$400.00  
(Association to employ licensed vendor to remove / repair / replace architectural modification; service call, repairs, and replacement to be levied to such homeowners account)

### Animal Schedule of Monetary Penalties

(Dog not on leash, allowing dog to relieve themselves on common area without properly disposing, dogs in pool area, aggressive behavior)

1. Initial Violation Notice \$100.00
2. Second Notice \$150.00
3. Third Notice \$200.00

#### \*Note\*

All violations for animals with aggressive behavior, that have the potential to hurt someone or have already hurt someone, will be copied to Animal Control.

# 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:

## **SANDALWOOD VILLAGE HOA**

Insurance Disclosure – SB1525

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

INSURER: Farmers Insurance Exchange

TERM: 05/01/2019 – 05/01/2020

POLICY NUMBER: 09420-74-06

PROPERTY COVERAGE: \$39,213,400

PROPERTY DEDUCTIBLE: \$2,500 All Peril / \$10,000 water damage

GENERAL LIABILITY DEDUCTIBLE: None

### **UMBRELLA:**

INSURER: Farmers Ins Group/Truck Ins Exchange

TERM: 05/01/2019 – 05/01/2020

POLICY NUMBER: 09420-74-07

LIMIT: \$2,000,000

DEDUCTIBLE: \$10,000 self- insured retention

### **DIRECTORS & OFFICER LIABILITY:**

INSURER: Farmers Insurance Company

TERM: 05/01/2019 – 05/01/2020

POLICY NUMBER: 09420-74-06

LIABILITY LIMIT: \$2,000,000

DEDUCTIBLE: \$500

### **EMPLOYEE DISHONESTY:**

INSURER: Farmers Insurance Exchange

TERM: 05/01/2019 – 05/01/2020

POLICY NUMBER: 09420-74-06

LIMIT: \$800,000

DEDUCTIBLE: \$2,500

### **WORKERS COMPENSATION:**

INSURER: AmTrust North America/Wesco Ins Co

TERM: 10/29/2018 – 10/29/2019

POLICY NUMBER: WWC3373944

LIMIT: 1,000,000 Statutory Limits

DEDUCTIBLE: None

### **EARTHQUAKE:**

INSURER: Aegis & Certain U/W's Lloyd's Ins. Co's

TERM: 05/01/2019 – 05/01/2020

POLICY NUMBER: VAS1902439 & VDL810447

LIMIT: \$20,000,000

DEDUCTIBLE: 10% per Bldg.

### **FLOOD:**

INSURER: American Modern Ins Co

TERM: 10/22/2018 – 10/22/2019

FLOOD LIMIT: \$1,510,625 per building

FLOOD DEDUCTIBLE: \$3,000

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.

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

SANDALWOOD VILLAGE HOA  
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 a condominium project. The association is not certified by the Veterans Administration.