



VILLA LA VERNE HOMEOWNERS ASSOCIATION

SUMMARY OF ANNUAL BUDGET REPORT AND ANNUAL POLICY STATEMENT

(Civil Code Section 5320)

November 29, 2021

Dear Association Member:

In accordance with Civil Code Section 5320, the following is a summary of the Annual Budget Report and Annual Policy Statement. **Members may receive at no charge a copy of the full Annual Budget Report and Annual Policy Statement and/or a complete copy of any document or summary mentioned below by submitting a written request to Beth Wood, So Cal Property Enterprises, Inc., 1855 Sampson Avenue, Corona, CA 92879.** Also enclosed with this summary are other statements, guidelines, and documents required by law or the governing documents.

SUMMARY OF ANNUAL BUDGET REPORT

- **Pro Forma Operating Budget for fiscal year January 1, 2022 through December 31, 2022 prepared on an accrual basis**

The full Operating Budget is enclosed with this summary. The Budget reflects a need to increase assessments. As of **January 1, 2022**, the Association assessment will increase to **\$345.00 per month per home.**

****IMPORTANT NOTICE: IF YOU ARE USING AN ONLINE/AUTOMATIC BILL PAYMENT SERVICE, PLEASE UPDATE YOUR PAYMENT INFORMATION. THE NEW AMOUNT OWED AS OF JANUARY 1, 2022 WILL BE \$345.00 PER MONTH. The payment address will remain PO Box 980966, West Sacramento, CA 95798.** If you are using the ePayment program through So Cal Property Enterprises, please update your payment information to withdraw **\$345.00** per month effective **January 1, 2022.**

- **Summary of the Association's Reserves**

A summary of the Reserve Study conducted per Civil Code Section 5550 is enclosed with this summary and indicates the Association reserves are **88%** funded. The Full reserve plan is available to any member upon request per Civil Code Section 5550.

- **Summary of the Board's Adopted Reserve Funding Plan**

A summary of the Reserve Funding Plan is enclosed.

- **Statement of Deferral/Decision to Not Undertake Repair/Replacement of Major Components**
Per Civil Code Section 5300(b)(4) and as of the date of this summary, the Board plans to not defer repairs or replacement of major components with a remaining life of thirty (30) years or less.
- **Statement of Anticipated Special Assessments**
Per Civil Code section 5300(b)(5), and as of the date of this summary, the Board does not anticipate that a special assessment will be required to repair, replace or restore any major components or to provide adequate reserves.
- **Statement of Mechanism of Funding Reserves to Repair or Replace Major Components**
The Board uses the following mechanism to fund reserves to repair or replace major components: regular assessments and/or special assessments as the need may arise.
- **Statement Addressing Procedures Used to Calculate and Establish Reserves**
Reserves are calculated per Civil Code Section 5550(a), and the last reserve study was conducted on November 19, 2021.
- **Statement of Association Outstanding Loans**
The Association does not have any outstanding loans.
- **Insurance Disclosure Information**
A summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policy and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling/ Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.
- **FHA and VA Disclosure Information**
FHA and VA disclosure information is enclosed with this summary.
- **Assessment and Reserve Funding Disclosure**
The regular assessment per ownership interest for the Association is **\$345.00 per month per home.** The Assessment and Reserve Funding Disclosure is enclosed.

SUMMARY OF ANNUAL POLICY STATEMENT

- **Person Designated to Receive Official Association Communications**
Beth Wood, So Cal Property Enterprises, Inc., 1855 Sampson Avenue, Corona, CA 92879.

- **Member's Secondary Address**
Civil Code 5310(a)(2) A member may submit a request to have notices sent to up to two different specified addresses, pursuant to subdivision (b) of Section 4040
- **Location for Posting Association's General Notices**
General notices to the members are posted at the bulletin board at the park.
- **Members' Rights to Receive General Notices by Individual Delivery**
A member may request to receive general notices from the Association by individual delivery. That request must be made in writing delivered to the Association.
- **Notice of Members' Rights to Minutes**
Each member has a right to receive copies of meeting minutes.
- **Association's Assessment Collection, Delinquencies, and Lien Policies**
A copy of the Association's Assessment and Billing Collection Policy is enclosed.
- **Association's Discipline Policy and Schedule of Penalties**
A copy of the Association's Enforcement Procedure is enclosed.
- **The Association's Dispute Resolution Procedures (ADR and IDR)**
The Association's Dispute Resolution Procedures (ADR and IDR) are enclosed.
- **Procedures for Architectural Review**
A copy of the Request for Architectural Approval is enclosed.
- **Address for Payment of Assessments via Regular Mail**
The address for payment of assessments via Regular Mail is: Villa La Verne Homeowners Association, P.O. Box 980966, West Sacramento, CA 95798.
- **Address for Overnight Payment of Assessments**
The address for overnight payment of assessments is: Villa La Verne Homeowners Association, 1855 Sampson Avenue, Corona, CA 92879.
- **Charges For Documents Provided**
Costs associated with providing documents per Section 4528

Respectfully submitted,

Board of Directors
Villa La Verne Homeowners Association

Enclosures:

1. Full Operating Budget
2. Summary of Reserve Study
3. Summary of Reserve Funding Plan
4. Assessment and Reserve Funding Disclosure
5. Summary of Insurance Information
6. FHA and VA Disclosure Information
7. Association's Assessment and Billing Collection Policy
8. Statement of Collection Procedure (Civil Code Section 5730)
9. Statement Describing Association's Discipline Policy, Including Any Schedule of Penalties for Violation of the Governing Documents Pursuant (Civil Code Section 5850) – Enforcement Procedure
10. Summary of Dispute Resolution Procedures (Civil Code Sections 5920, 5965)
11. Summary of Any Requirements for Association Approval of Physical Change to Property (Civil Code Section 4765)
12. Charges for Documents Provided per Civil Code Section 4528

* Per Civil Code section 5305 the Association will have a review prepared by a certified public accountant after the close of the fiscal year. That document and any other information required by Corporation Code Section 8321 should be available to you within 120 days after the close of the fiscal year.

Villa La Verne Homeowners Association
2022 Approved Budget
Fiscal Year of January 1, 2022 - December 31, 2022

	Association Per Year	Association Per Month	Unit Per Month
INCOME			
4010 - Assessments - 300 Units	\$ 1,242,000.00	\$ 103,500.00	\$ 345.00
4130 - Interest/Dividends	\$ 16,100.00	\$ 1,341.67	\$ 4.47
4140 - Late Charge	\$ 1,250.00	\$ 104.17	\$ 0.35
4141 - Late Interest	\$ 650.00	\$ 54.17	\$ 0.18
4188 - Laundry	\$ 18,000.00	\$ 1,500.00	\$ 5.00
4230 - Violation Fines	\$ 7,000.00	\$ 583.33	\$ 1.94
TOTAL INCOME	\$ 1,285,000.00	\$ 107,083.33	\$ 356.94

UTILITIES			
5020 - Electricity	\$ 27,900.00	\$ 2,325.00	\$ 7.75
5030 - Gas	\$ 71,000.00	\$ 5,916.67	\$ 19.72
5040 - Refuse/Disposal	\$ 90,000.00	\$ 7,500.00	\$ 25.00
5060 - Internet-Security Cameras	\$ 2,050.00	\$ 170.83	\$ 0.57
5070 - Water	\$ 154,000.00	\$ 12,833.33	\$ 42.78
5072 - Sewer	\$ 47,000.00	\$ 3,916.67	\$ 13.06
5080 - Paramedic Fee	\$ 20,226.00	\$ 1,685.50	\$ 5.62
TOTAL UTILITIES	\$ 412,176.00	\$ 34,348.00	\$ 114.49

LAND MAINTENANCE			
5510 - Landscape Service	\$ 81,000.00	\$ 6,750.00	\$ 22.50
5540 - Landscape Supply & Extras	\$ 2,200.00	\$ 183.33	\$ 0.61
5560 - Irrigation Repairs/Supplies	\$ 1,600.00	\$ 133.33	\$ 0.44
5810 - Arborist/Tree Maintenance	\$ 13,100.00	\$ 1,091.67	\$ 3.64
TOTAL LAND MAINTENANCE	\$ 97,900.00	\$ 8,158.33	\$ 27.19

POOL/SPA			
6010 - Pool/Spa Service	\$ 8,520.00	\$ 710.00	\$ 2.37
6070 - Pool/Spa Repairs, Supply & Extras	\$ 1,700.00	\$ 141.67	\$ 0.47
6130 - Pool Gate Access System	\$ 1,000.00	\$ 83.33	\$ 0.28
TOTAL POOL/SPA	\$ 11,220.00	\$ 935.00	\$ 3.12

COMMON AREA/MAINTENANCE			
7040 - Janitorial Service	\$ 12,933.00	\$ 1,077.75	\$ 3.59
7062 - Large Items/Trash Removal	\$ 1,000.00	\$ 83.33	\$ 0.28
7090 - Janitorial Supplies	\$ 50.00	\$ 4.17	\$ 0.01
7110 - Locks & Keys	\$ 3,200.00	\$ 266.67	\$ 0.89
7150 - Roof Maint/Repairs	\$ 1,500.00	\$ 125.00	\$ 0.42
7152 - Roof/Rain Gutter Cleaning	\$ 4,500.00	\$ 375.00	\$ 1.25
7188 - Laundry Maint/Repairs	\$ 4,000.00	\$ 333.33	\$ 1.11
8050 - Maintenance/Repairs	\$ 10,000.00	\$ 833.33	\$ 2.78
8052 - Maintenance/Repairs-Other	\$ 4,000.00	\$ 333.33	\$ 1.11
8058 - Garage Maint/Repairs	\$ 4,300.00	\$ 358.33	\$ 1.19
8060 - Lighting & Electrical Maint/Repairs	\$ 1,100.00	\$ 91.67	\$ 0.31
8070 - Lighting/Electrical Supplies	\$ 300.00	\$ 25.00	\$ 0.08
8110 - Pest Control Service	\$ 5,400.00	\$ 450.00	\$ 1.50
8112 - Pest Control Extras & Supply	\$ 575.00	\$ 47.92	\$ 0.16
8115 - Termite	\$ 16,500.00	\$ 1,375.00	\$ 4.58
8120 - Plumbing Maint/Repairs	\$ 18,000.00	\$ 1,500.00	\$ 5.00
8140 - Security/Patrol	\$ 12,552.00	\$ 1,046.00	\$ 3.49
8144 - Security Camera Monitor/Maint/Repair	\$ 1,500.00	\$ 125.00	\$ 0.42

8145 - Signs	\$ 2,000.00	\$ 166.67	\$ 0.56
8220 - Concrete Repair	\$ 10,000.00	\$ 833.33	\$ 2.78
8230 - Drywall Repair	\$ 10,000.00	\$ 833.33	\$ 2.78
8260 - Painting	\$ 1,000.00	\$ 83.33	\$ 0.28
TOTAL COMMON AREA/MAINTENANCE	\$ 124,410.00	\$ 10,367.50	\$ 34.56

ADMINISTRATION

9011 - Bank Fees/Investment Plcmnt	\$ 1,000.00	\$ 83.33	\$ 0.28
9015 - Bad Debt Allowance	\$ 2,500.00	\$ 208.33	\$ 0.69
9020 - Audit/Tax Prep	\$ 1,395.00	\$ 116.25	\$ 0.39
9025 - Collection Expense	\$ 2,000.00	\$ 166.67	\$ 0.56
9075 - Federal/State Taxes	\$ 15,000.00	\$ 1,250.00	\$ 4.17
9090 - Licenses/Fees/Permits	\$ 1,000.00	\$ 83.33	\$ 0.28
9110 - Insurance	\$ 77,679.00	\$ 6,473.25	\$ 21.58
9112 - Work Comp Insurance	\$ 364.00	\$ 30.33	\$ 0.10
9114 - Fidelity Bond Insurance	\$ 2,340.00	\$ 195.00	\$ 0.65
9120 - Legal Service	\$ 7,500.00	\$ 625.00	\$ 2.08
9130 - Management Service	\$ 80,352.00	\$ 6,696.00	\$ 22.32
9135 - Management Extras	\$ 1,000.00	\$ 83.33	\$ 0.28
9140 - Board Meetings	\$ 1,800.00	\$ 150.00	\$ 0.50
9142 - Election Inspection Service	\$ 2,000.00	\$ 166.67	\$ 0.56
9160 - Printing/Mailing/Supplies	\$ 3,000.00	\$ 250.00	\$ 0.83
9170 - Reserve Study	\$ 1,300.00	\$ 108.33	\$ 0.36
9195 - 1099 Prep & Filing	\$ 450.00	\$ 37.50	\$ 0.13
9475 - Administration Misc	\$ 82.00	\$ 6.83	\$ 0.02
TOTAL ADMINISTRATION	\$ 200,762.00	\$ 16,730.17	\$ 55.77

TOTAL OPERATING EXPENSES	\$ 846,468.00	\$ 70,539.00	\$ 235.13
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RESERVES

9610 - General Reserve	\$ 902.00	\$ 75.17	\$ 0.25
9626 - Laundry/Ped/Storage Doors Reserve	\$ 18,000.00	\$ 1,500.00	\$ 5.00
9640 - Furniture Reserve	\$ 2,229.00	\$ 185.75	\$ 0.62
9650 - Garage Doors Reserve	\$ 14,964.00	\$ 1,247.00	\$ 4.16
9651 - Garage Door Openers Reserve	\$ 1,963.00	\$ 163.58	\$ 0.55
9662 - Surveillance System Reserve	\$ 2,229.00	\$ 185.75	\$ 0.62
9690 - Mailboxes Reserve	\$ 1,963.00	\$ 163.58	\$ 0.55
9715 - Irrigation Reserve	\$ 8,543.00	\$ 711.92	\$ 2.37
9760 - Painting Reserve	\$ 36,000.00	\$ 3,000.00	\$ 10.00
9790 - Roof Reserve	\$ 61,714.00	\$ 5,142.83	\$ 17.14
9810 - Stairs Reserve	\$ 19,581.00	\$ 1,631.75	\$ 5.44
9821 - Concrete Reserve	\$ 11,091.00	\$ 924.25	\$ 3.08
9825 - Asphalt Reserve	\$ 39,800.00	\$ 3,316.67	\$ 11.06
9830 - Pool/Spa Reserve	\$ 11,780.00	\$ 981.67	\$ 3.27
9845 - Walls Reserve	\$ 4,617.00	\$ 384.75	\$ 1.28
9852 - Wood Replacement Reserve	\$ 39,003.00	\$ 3,250.25	\$ 10.83
9853 - Stucco Reserve	\$ 10,800.00	\$ 900.00	\$ 3.00
9893 - Plumbing Reserve	\$ 80,128.00	\$ 6,677.33	\$ 22.26
9894 - Mold Remediation/Repairs Reserve	\$ 19,581.00	\$ 1,631.75	\$ 5.44
9895 - Water Heaters Reserve	\$ 12,364.00	\$ 1,030.33	\$ 3.43
9898 - Wrought Iron Reserve	\$ 5,200.00	\$ 433.33	\$ 1.44
9920 - Contingency Reserve	\$ 19,980.00	\$ 1,665.00	\$ 5.55
9921 - Interest/Dividend Allocation	\$ 16,100.00	\$ 1,341.67	\$ 4.47
TOTAL RESERVES	\$ 438,532.00	\$ 36,544.33	\$ 121.81

TOTAL EXPENSES & RESERVES	\$ 1,285,000.00	\$ 107,083.33	\$ 356.94
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Difference (Income Less Expenses & Reserves) \$ - \$ - \$ -

Monthly Reserve Contribution: \$35,202.66

Entered 11/24/2021 KZ/RA/BW/BOARD

Villa La Verne Homeowners Association
La Verne, California
RDA Owner's Summary

Report Date	November 19, 2021	Parameters:	
Version	017	Inflation	2.00%
Account Number	3566	Annual Contribution Increase	2.00%
Budget Year Beginning	1/ 1/22	Investment Yield	1.00%
Ending	12/31/22	Taxes on Yield	30.00%
		Contingency	3.00%
Total Units Included	300	Reserve Fund Balance as of	
Phase Development	5 of 5	1/ 1/22:	\$2,998,560.00

Project Profile & Introduction

For budgeting purposes, unless otherwise indicated, we have used October 1970 as the placed-in-service date for aging the original components in this community. We have used the following terms throughout this report:

Pool 1: Pepper Street pool
Pool 2: Winfield Avenue pool

Last RDA Field Inspection: August 5, 2021

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$44,220.73
(\$147.40 per unit per month)	
Average Net Monthly Interest Contribution This Year:	1,341.70
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Net Monthly Allocation to Reserves 1/ 1/22 to 12/31/22:	\$45,562.43
(\$151.87 per unit per month)	

RDA Reserve Management Software
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RESERVE DATA ANALYSIS • (714) 434-8396

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Villa La Verne Homeowners Association
RDA Owner's Summary

REPORT DATE: November 19, 2021
VERSION: 017
ACCOUNT NUMBER: 3566

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Alleys - Asphalt Overlay, 1990	24	0	0	51,240	51,240	51,240
Alleys - Asphalt Overlay, Orig	24	0	0	185,362	185,362	185,362
Alleys - Asphalt Repairs	4	0	0	33,648	33,648	33,648
Alleys - Asphalt Slurry Sealing	4	0	0	19,394	19,394	19,394
Concrete - Repairs	5	0	2	22,388	13,433	13,433
*** CATEGORY SUMMARY:				312,032	303,076	303,076
Roofs - Composition Roll	15	0	0	7,875	7,875	7,875
Roofs - Composition Shingle	25	+5	7	1,090,940	836,387	836,387
Roofs - Gutters & Downspouts, 2016	30	0	24	133,140	26,628	0
Roofs - Gutters & Downspouts, 2018	30	0	26	55,080	7,344	0
Roofs - Gutters & Downspouts, 2020	30	0	28	8,372	558	0
*** CATEGORY SUMMARY:				1,295,407	878,792	844,262
Paint - Interior	8	+2	3	14,523	9,896	9,896
Paint - Stucco	8	+4	5	112,235	63,081	63,081
Paint - Woodwork	4	0	1	150,054	106,136	106,136
Paint - Wrought Iron	4	0	1	24,515	17,340	17,340
Paint - Wrought Iron, Pools	3	0	0	5,596	5,596	5,596
*** CATEGORY SUMMARY:				306,923	202,049	202,049
Wood - Replacement	4	0	1	89,107	63,027	63,027
*** CATEGORY SUMMARY:				89,107	63,027	63,027
Fencing - Wrought Iron, Pool 1	20	0	0	21,069	21,069	21,069
Fencing - Wrought Iron, Pool 2	20	0	0	17,798	17,798	17,798
Walls - Block, Repairs	40	+20	8	17,491	15,129	15,129
Walls - Slumpstone	40	+20	8	8,621	7,457	7,457
*** CATEGORY SUMMARY:				64,978	61,453	61,453
Lighting - Buildings	25	+4	7	84,000	63,724	63,724
*** CATEGORY SUMMARY:				84,000	63,724	63,724
Pool #1 - Filter	12	0	7	1,920	800	800
Pool #1 - Heater	12	0	0	5,314	5,314	5,314
Pool #1 - Pump & Motor	8	0	0	1,523	1,523	1,523
Pool #1 - Replaster & Tile	12	0	0	10,317	10,317	10,317
Pool Area #1 - Concrete Deck	40	0	0	109,576	109,576	109,576
Pool Area #1 - Deck Caulking	4	0	0	1,115	1,115	1,115
Pool Area #1 - Furniture	5	0	0	2,943	2,943	2,943
Pool Area #1 - Trellis	25	0	0	9,968	9,968	9,968
*** CATEGORY SUMMARY:				142,676	141,556	141,556

Villa La Verne Homeowners Association
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Cabana #1 - Ceramic Tile	30	0	0	10,648	10,648	10,648
Cabana #1 - Plumbing Fixtures	20	0	0	1,261	1,261	1,261
Cabana #1 - Water Heater	10	0	0	1,509	1,509	1,509
*** CATEGORY SUMMARY:				13,418	13,418	13,418
Pool #2 - Filter	12	0	7	1,920	800	800
Pool #2 - Pump & Motor	8	0	0	1,523	1,523	1,523
Pool #2 - Replaster & Tile	12	0	0	10,317	10,317	10,317
Pool Area #2 - Concrete Deck	40	0	0	79,802	79,802	79,802
Pool Area #2 - Deck Caulking	4	0	0	1,115	1,115	1,115
Pool Area #2 - Furniture	5	0	0	2,943	2,943	2,943
*** CATEGORY SUMMARY:				97,620	96,500	96,500
Cabana #2 - Ceramic Tile	20	0	0	9,872	9,872	9,872
Cabana #2 - Plumbing Fixtures	20	0	0	1,261	1,261	1,261
Cabana #2 - Water Heater	10	0	0	1,509	1,509	1,509
*** CATEGORY SUMMARY:				12,642	12,642	12,642
Decks - Clean & Seal	4	0	1	41,760	31,320	31,320
Decks - EEE Inspection	9	0	2	10,000	7,778	7,778
Decks - Resurfacing, 2001	16	+10	5	269,460	217,641	217,641
Decks - Resurfacing, 2014	16	+1	9	44,910	20,414	20,414
Decks - Resurfacing, 2015	16	0	9	59,880	25,111	25,111
Railing - Decks & Stairs	30	0	10	177,476	118,317	0
Stairs - Repair	30	0	0	194,250	194,250	194,250
*** CATEGORY SUMMARY:				797,736	614,830	496,513
Water Heaters - Newer	12	0	10	185,000	30,833	0
Water Heaters - Older	12	0	5	190,000	110,833	110,833
*** CATEGORY SUMMARY:				375,000	141,667	110,833
Doors - Garage, Electric Openers	12	+3	8	22,650	10,570	10,570
Doors - Garage, Sectional Roll Up	25	+14	8	145,200	115,415	115,415
Doors - Utility	20	0	13	151,166	52,908	0
*** CATEGORY SUMMARY:				319,016	178,893	125,985
Surveillance System	12	0	9	12,000	3,000	3,000
*** CATEGORY SUMMARY:				12,000	3,000	3,000
Irrigation - Backflow Devices	24	+8	4	18,876	16,517	16,517
Irrigation - Controllers	12	0	4	21,272	14,181	14,181
Irrigation - Enclosures	24	+11	7	39,585	31,668	31,668
*** CATEGORY SUMMARY:				79,733	62,366	62,366
Mailboxes - Pedestal Sets	18	0	13	46,605	12,311	0
*** CATEGORY SUMMARY:				46,605	12,311	0

Villa La Verne Homeowners Association
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Plumbing - Repair/Replace	1	0	0	150,000	150,000	150,000
*** CATEGORY SUMMARY:				150,000	150,000	150,000
Termite Control - Fumigation	15	+21	9	397,500	298,125	160,819
*** CATEGORY SUMMARY:				397,500	298,125	160,819
TOTAL ASSET SUMMARY:				4,596,392	3,297,429	2,911,223
CONTINGENCY @ 3.00%:					98,923	87,337
GRAND TOTAL:					3,396,352	2,998,560

Percent Fully Funded: 88%

Villa La Verne Homeowners Association
RDA Standard Projections

REPORT DATE: November 19, 2021
VERSION: 017
ACCOUNT NUMBER: 3566

Beginning Accumulated Reserves: \$2,998,560

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'22	4,596,392	530,649	16,100	948,747	2,596,562	2,920,170	89%
'23	4,688,320	519,953	16,644	464,544	2,668,615	2,940,161	91%
'24	4,782,086	524,888	19,095	189,757	3,022,841	3,258,236	93%
'25	4,877,728	530,751	21,666	180,532	3,394,727	3,601,842	94%
'26	4,975,283	538,390	23,705	265,650	3,691,172	3,872,480	95%
'27	5,074,788	553,804	19,693	1,140,534	3,124,135	3,251,315	96%
'28	5,176,284	564,142	22,523	175,226	3,535,574	3,641,872	97%
'29	5,279,810	577,212	15,465	1,597,538	2,530,714	2,566,114	99%
'30	5,385,406	589,570	16,357	471,334	2,665,308	2,665,918	100%
'31	5,493,114	615,447	12,510	1,165,599	2,127,665	2,068,560	103%
'32	5,602,976	595,915	12,394	635,559	2,100,415	2,027,594	104%
'33	5,715,036	591,268	15,127	216,997	2,489,813	2,437,257	102%
'34	5,829,337	603,688	17,117	328,733	2,781,885	2,749,665	101%
'35	5,945,923	654,617	14,686	990,181	2,461,007	2,385,519	103%
'36	6,064,842	647,275	17,973	197,922	2,928,334	2,858,860	102%
'37	6,186,139	653,092	21,063	227,932	3,374,556	3,322,810	102%
'38	6,309,861	662,953	23,615	315,177	3,745,947	3,717,305	101%
'39	6,436,059	714,902	22,037	935,115	3,547,772	3,481,566	102%
'40	6,564,780	710,211	25,637	222,229	4,061,391	4,003,517	101%
'41	6,696,075	717,468	29,105	245,273	4,562,691	4,525,413	101%
'42	6,829,997	741,494	31,314	442,940	4,892,559	4,864,068	101%
'43	6,966,597	761,949	27,710	1,295,481	4,386,737	4,328,087	101%
'44	7,105,929	778,100	29,427	552,515	4,641,749	4,576,502	101%
'45	7,248,047	761,139	33,383	236,535	5,199,736	5,176,700	100%
'46	7,393,008	814,445	27,758	1,619,863	4,422,076	4,350,721	102%
'47	7,540,868	822,689	27,062	945,120	4,326,706	4,232,554	102%
'48	7,691,686	822,551	30,619	343,185	4,836,691	4,760,172	102%
'49	7,845,520	840,210	34,359	328,588	5,382,673	5,329,748	101%
'50	8,002,430	860,196	37,462	441,857	5,838,474	5,808,106	101%
'51	8,162,479	902,918	34,330	1,363,264	5,412,457	5,344,721	101%

NOTE: In some cases, the projected ending reserves may exceed the fully funded reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.

Villa La Verne Homeowners Association

Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year January 1, 2022 through December 31, 2022

- (1) The regular assessment per ownership interest is **\$345.00** per month.
- (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		
	Total:	

- (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**
- (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	
	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 is \$3,396,352 based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of November 19, 2021. The projected reserve fund cash balance at the end of the current fiscal year is \$2,998,560 resulting in reserves being 88 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$N/A. The current deficiency in reserve funding expressed on a per unit basis is \$1,326.
- (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 (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. *(See recommendation below)*

Year Ending	Projected Reserve Balance (a)	Estimated Amount Required in Reserves (b)	Percent Fully Funded (c)
2022	2,596,562	2,920,170	89 %
2023	2,668,615	2,940,161	91 %
2024	3,022,841	3,258,236	93 %
2025	3,394,727	3,601,842	94 %
2026	3,691,172	3,872,480	95 %

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (a), leaving the reserve at (b) percent funding. *(See approved budget below)*

Year Ending	Projected Reserve Balance (a)	Percent Fully Funded (b)
2022	2,488,314	85 %
2023	2,470,560	84 %
2024	2,738,081	84 %
2025	3,025,628	84 %
2026	3,238,502	84 %

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 1% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2% per year.

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. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which may become subject in connection of this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or any third party.

2021 – 2022 Insurance Disclosure Statement

(As required by California Civil Code Section 5300)

VILLA LA VERNE HOMEOWNERS ASSOCIATION

The California Civil Code Section 5300 requires that the Association send insurance disclosure statement to each of its members. Accordingly, we are providing you the following information in compliance with the Civil Code.

The following is a summary of the association's insurance coverage for policy period 2021 – 2022:

Coverage for Items 1, 2, 5, 6, 7 & 8 below are provided by: **Prendiville Insurance Agency**
Phone: (949) 487-9696 / fax: (949) 487-9626

1. Property Insurance: Policy # 60677-27-07

(A)	Insurance carrier:	<u>Farmers Insurance Exchange</u>
(B)	The type of insurance:	<u>Property</u>
(C)	The policy limits of the insurance:	<u>\$61,645,788</u>
(D)	The amount of deductible, if any:	<u>\$25,000</u>
(E)	The policy term is:	<u>08/01/2021 – 08/01/2022</u>

2. Liability Insurance: Policy # 60677-27-07

(A)	Insurance carrier:	<u>Farmers Insurance Exchange</u>
(B)	The type of insurance:	<u>Commercial General Liability</u>
(C)	The policy limits of the insurance:	<u>\$3,000,000 Per Occurrence</u> <u>\$6,000,000 Annual Aggregate</u>
(D)	The amount of deductible, if any:	<u>N/A</u>
(E)	The policy term is:	<u>08/01/2021 – 08/01/2022</u>

3. Earthquake Insurance: Policy # N/A

(A)	Insurance carrier:	<u>N/A</u>
(B)	The type of insurance:	<u>Earthquake Coverage</u>
(C)	The policy limits of the insurance:	<u>N/A</u>
(D)	The amount of deductible, if any:	<u>N/A</u>
(E)	The policy term is:	<u>N/A</u>

4. Flood Insurance: Policy # N/A

(A)	Insurance carrier:	<u>N/A</u>
(B)	The type of insurance:	<u>Flood Coverage</u>
(C)	The policy limits of the insurance:	<u>N/A</u>
(D)	The amount of deductible, if any:	<u>N/A</u>
(E)	The policy term is:	<u>N/A</u>

**5. Fidelity Insurance (Fidelity Bond/Employee Dishonesty) Coverage: Policy # 60677-27-07/
SSA-392-56-74-9913-02**

(A)	Insurance carrier:	<u>Farmers Insurance Exchange</u> <u>Great American Alliance Insurance Company</u>
(B)	The type of insurance:	<u>Crime</u>
(C)	The policy limits of the insurance:	<u>\$3,200,000</u>
(D)	The amount of deductible, if any:	<u>\$500 / \$10,000</u>
(E)	The policy term is:	<u>08/01/2021 – 08/01/2022</u>

6. Directors & Officers Liability Insurance Coverage: Policy # 60677-27-07

(A)	Insurance carrier:	<u>Farmers Insurance Exchange</u>
(B)	The type of insurance:	<u>D&O Liability</u>
(C)	The policy limits of the insurance:	<u>\$1,000,000 Per Occurrence</u> <u>\$1,000,000 Annual Aggregate</u>
(D)	The amount of deductible, if any:	<u>\$1,000</u>
(E)	The policy term is:	<u>08/01/2021 – 08/01/2022</u>

7. Umbrella Liability Insurance Coverage: Policy # UM30210934

(A)	Insurance carrier:	<u>Great American Alliance Insurance Company</u>
(B)	The type of insurance:	<u>Umbrella Liability</u>
(C)	The policy limits of the insurance:	<u>\$5,000,000 Per Occurrence</u> <u>\$5,000,000 Annual Aggregate</u>
(D)	The amount of deductible, if any:	<u>N/A</u>
(E)	The policy term is:	<u>08/01/2021 – 08/01/2022</u>

8. Workers' Compensation Insurance Coverage: Policy # TCW4000105

(A)	Insurance carrier:	<u>AmTrust North America</u>
(B)	The type of insurance:	<u>Workers' Compensation Insurance</u>
(C)	The policy limits of the insurance:	<u>\$1,000,000</u>
(D)	The amount of deductible, if any:	<u>N/A</u>
(E)	The policy term is:	<u>08/01/2021 – 08/01/2022</u>

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



The Department of Housing and Urban Development (HUD) has **APPROVED** your community as an FHA Certified Condo Project. The approval is effective immediately and is good for a period of three years.

Villa La Verne
Condo ID: S000834

05/22/2020

Approved

05/22/2023

Expires

FHA APPROVED



**Approval status is given to the community by The Department of Housing and Urban Development (HUD) and may be withdrawn if conditions in the community change. This document is for informational purposes only and is not an official HUD Document. Please visit <https://entp.hud.gov/idapp/html/condlook.cfm> to view the official record.*

California Bill AB-596

FHA Disclosure

PROPERTY NAME: **VILLA LA VERNE**
TRACT: **TRACT NO. 30185**
FHA CONDO ID #: **S000834**
CURRENT STATUS: **APPROVED**

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

This information was compiled on November 19, 2021. To check the current status of the FHA Certification please visit:

www.fhareview.com/check-fha

California Bill AB-596

VA Disclosure

PROPERTY NAME: **VILLA LA VERNE (listed as "Tract 30185")**
TRACT: **TRACT NO. 30185**
VA ID #: **000203**
CURRENT STATUS: **Accepted Without Conditions**

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

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

This information was compiled on November 29, 2021. To check the current status of the VA Certification please visit:

www.fhareview.com/check-va

VILLA LA VERNE HOMEOWNERS ASSOCIATION

ASSESSMENT AND BILLING COLLECTION POLICY

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 your homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. Therefore, pursuant to the CC&Rs and Civil Code §5310(a)(7) and §5660, the following are the Association's assessment collection practices and policies, which So Cal Property Enterprises, Inc. has been directed to strictly enforce without exception. Owners are advised that you do not have a legal right to withhold assessments, or any portion thereof, on the grounds that the owner is entitled to recover money or damages from the Association or for any alleged failure of the Association to maintain the common area (*Park Places Estates HOA v. Nabor* (1994) 20 Cal App. 4th 427).

1. **Due Dates:** Regular monthly assessments are due and payable on the first (1st) day of each month and are due **whether or not a billing statement is received**. If a statement is not received, mail your check payable to VILLA LA VERNE HOMEOWNERS ASSOCIATION, PO BOX 980966, WEST SACRAMENTO, CA 95798. Overnight payments are accepted Monday through Friday at 1855 Sampson Avenue, Corona, CA 92879. Payments shall be applied to the oldest outstanding assessment. All other assessments, including Special Assessments, are due and payable on the date specified by the Board in notice of the assessment.
2. **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, fees, interest, or collection costs. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied. A late charge may accrue if payment is not sufficient to satisfy all delinquent assessments, and the current month's assessment.
3. **Obligation to Pay:** Assessments, late charges, interest and collection costs, including attorney's fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (Civil Code §5650(a).)
4. **Delinquent Assessments:** Unpaid assessments are delinquent fifteen (15) days after they are due (Civil Code §5650(b)). A late charge of 10% of the delinquent assessment or \$10.00, whichever is greater, unless the declaration specifies a late charge in a smaller amount, will be charged for any assessment which is not paid in full within 30 days of the due date (the late charge for Villa La Verne Homeowners Association is \$5.00 if not paid in full by the last day of the month of the due date per page 2 of this policy) (Civil Code §5650(b)(2).) Any installment of annual assessments and special assessments not received within thirty (30) days after the due date, plus all reasonable costs of collection (including attorney's fees) and late charges shall bear interest commencing **thirty (30) days** from the due date until paid at the rate of **six percent (6%)** per annum. (Civil Code §5650(b)(3).)
5. **Right to Submit Secondary Address:** Owners may submit a written request to the Association to use a secondary address. (Civil Code §5260(b)) Any such request must be delivered to the Association in a manner that complies with Civil Code §4035. The Association will send notices to the indicated secondary address only from and after the point that the Association receives any such request. Nothing

herein shall require the Association to re-send or duplicate any notice sent to the owner prior to the date that a request for a secondary address is received.

PROCEDURES FOR COLLECTION OF PAST DUE ASSESSMENTS

1. **30 DAYS PAST DUE:** The Association will send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address or addresses on file with the Association. **A LATE CHARGE OF \$5.00 will be assessed to the owner's account for any assessment that is not received on or before the last day of the month of the due date** (Civil Code §5650(b)(2).) **Interest commences at the rate of six (6%) percent per annum** on all regular and special assessments, late charges, and costs of collection (the "Delinquency") and will be charged to the homeowner's account and appear on their Statement (Civil Code §5650(b)(3).) Additionally, an owner's membership rights, including, but not limited to voting rights, or rights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to Civil Code §5855. The Association will not deny an owner or occupant physical access to his or her separate interest by way of any such suspension of privileges. (Civil Code §4510.)
2. **45 DAYS PAST DUE: DELINQUENT PROCESSING FEE OF \$75.00** will be assessed to the owner's account. Notice of Intent to Record Assessment Lien letter is mailed to the owner as required by Civil Code §5660 via certified and first class mail to the owners of record at the address of record with the Association stating the intent to either lien the property or file a small claims action (at the Association's discretion) if payment in full is not received in fifteen (15) days. If the small claims action is taken, the letter may be titled Notice of Intent to Commence Collection Action.
3. **Opportunity to Meet and Confer and/or Request ADR:** An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written request to meet and confer with a designated director of the Association pursuant to the Association's Internal Dispute Resolution Policy established in accordance with Article 2 of Chapter 10 of the Act ("IDR") and/or a written request for alternative dispute resolution with a neutral third party pursuant to Article 3 of Chapter 10 of the Act ("ADR"). (Civil Code §5660.)
4. **60 DAYS PAST DUE:** If an owner fails to pay the amounts set forth in the pre-lien letter within fifteen (15) days of the date of that letter, the matter will be turned over to an attorney for the preparation and filing of a lien. The owner will be charged one hundred dollars (\$100.00) for preparing the matter to be sent to legal counsel.
5. **Right to Request a Payment Plan:** Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within fifteen (15) days of the postmark of the pre-lien notice, the board will meet with the owner, in executive session, within forty-five (45) days of the postmark of such request, unless there is no regularly-scheduled meeting of the board within that period of time, in which case the board may designate a committee of one or more directors to meet with the owner. (Civil Code §5665.) In addition to the foregoing procedure for requesting a payment plan, an owner may negotiate a payment plan with the Association's managing agent, attorney or authorized collection agent. Any payment plan must comply with any standards for payment plans adopted by the Association.
6. **Lien:** After the issuing of the Notice of Intent to Record Assessment Lien letter, the Board of Directors may decide in an open meeting of the Board to file a lien against the property. (Civil Code §5673.) A lien for the amount of any delinquent assessments, late charges, interest and/or costs of

collection, including attorneys' fees may be recorded against the owner's property. (Civil Code §5675.) If a lien is recorded, a copy of the lien will be sent to every person whose name is shown as an owner of the Property in the Association's records, via certified mail, within ten (10) calendar days of recordation of the lien. (Civil Code §5675(e).) Any lien recorded by the Association will remain as an encumbrance against the property until the debt secured thereby is satisfied.

7. **Foreclosure of Lien:** If the balance due is not paid within thirty (30) days of recordation of the lien, legal action to foreclose the assessment lien and/or money judgment may commence against the owner. The Association will not seek to foreclose any lien through judicial or non-judicial foreclosure unless and until the amount of delinquent assessments secured thereby reaches one thousand eight hundred dollars \$1,800.00, or until the assessments are at least twelve (12) months delinquent. (Civil Code §5720(b)(2).) The decision to initiate foreclosure of any lien shall be made by a majority vote of the board members, in executive session. Prior to initiating foreclosure of any lien, the association shall offer to the owner of the property, and if so requested by the owner, shall participate in IDR and/or ADR pursuant to Civil Code §5705. The decision to pursue IDR or a particular type of ADR shall be the choice of the owner, except that binding arbitration shall not be available if the Association intends to pursue judicial foreclosure.

8. **Notice to Owner of Decision to Foreclose:** If the board of directors decides to initiate foreclosure of a lien, it shall provide notice of such decision to the owner pursuant to Civil Code §5705(d). Such notice will be by personal service to an owner who occupies the property or to the owner's legal representative. The board shall provide written notice to an owner of property who does not occupy the property by first-class mail, to 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 property shall be treated as the owner's mailing address. (Civil Code §5705(d).)

9. **Release of Lien Upon Satisfaction of Debt:** Within 21 days of full payment to satisfy a lien, and after confirmation that such payment has cleared, the Association will record a release of lien, and provide a copy thereof to the owner. (Civil Code §5685(a).)

10. Owners have the right to inspect certain Association records pursuant to Civil Code §5205.

11. Nothing herein limits or otherwise affects the Association's rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.

12. Prior to release of any lien, or suspension of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association.

13. The delinquent owner will be responsible for all costs of collection, including attorney's fees, incurred by the Association to collect and delinquent sums (Civil Code §5650).

14. An NSF fee will be assessed against the account for any returned checks.

15. All charges listed above herein are subject to change without notice.

VILLA LA VERNE HOMEOWNERS ASSOCIATION

c/o SO CAL PROPERTY ENTERPRISES, INC.

1855 SAMPSON AVENUE

CORONA, CA 92879

PHONE: 951-270-3700 • FAX: 951-270-3709

Email: bw@socalenterprise.com

**ANNUAL STATEMENT OF COLLECTION PROCEDURE
Civil Code §5730**

Pursuant to California Civil Code Section 5310, the Association is providing the following:

NOTICE OF ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

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

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

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

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

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

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

PAYMENTS

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

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

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

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

MEETING AND PAYMENT PLANS

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

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

VILLA LA VERNE HOMEOWNER'S ASSOCIATION

REVISED FINE SCHEDULE

Approved and Effective June 27, 2018

The fine schedule is that all first fines are \$100.00 per violation, which may be levied depending on the type of violation upon sole discretion of the Board of Directors.

Fine Schedule for Violations:

First Violation	Courtesy Letter
Second Violation (same rule).....	Hearing letter with a possible fine of \$100.00 per violation
Additional Violations (same rule).....	\$200.00 per violation
Ongoing Uncorrected Violations	\$750.00 per violation
Suspension of Common Area Privileges	Common area privileges may be Suspended.
Failure to Obtain HOA Approval of ARC Application (when required).....	\$100.00
Vandalism to Common Area	Subject to a fine of \$100.00 plus cost of repairs
Automatic Fine for the Following Items	\$200.00
<ul style="list-style-type: none">• Using Association Water• Using Association Electricity• Dumping Items in Common Area or Alleys	

Failure to correct a violation in response to a warning letter may result in a single fine or continuing fines which may be imposed on a daily basis as the Board determines to be appropriate. **Common area privileges may also be suspended.**

ALL FINES SUBJECT TO CHANGE UPON NOTICE

VILLA LA VERNE HOMEOWNERS ASSOCIATION
c/o SO CAL PROPERTY ENTERPRISES, INC.

1855 SAMPSON AVENUE
CORONA, CA 92879
PHONE: 951-270-3700 • FAX: 951-270-3709
Email: bw@socalenterprise.com

RE: 1) SUMMARY OF STATUE OF THE ALTERNATIVE DISPUTE RESOLUTION (ADR)
CIVIL CODE §5925 through §5965

2) DESCRIPTION OF THE PROCEDURE OF THE INTERNAL DISPUTE
RESOLUTION (IDR) CIVIL CODE §5900 through §5920 (EFFECTIVE JANUARY 1,
2014)

Dear Member,

Please be informed about the following:

ALTERNATIVE DISPUTE RESOLUTION

Pursuant to Civil Code §5925 et seq., this is a summary for submitting a dispute between the Association and a member to Alternative Dispute Resolution (“ADR”) prior to initiating litigation to enforce the Association’s governing documents, the Davis-Stirling Act (Civil Code §4000, et seq.), or the Non-Profit Mutual Benefit Corporation Law (Corporations Code §7110, et seq.). The Association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to ADR. ADR means mediation, arbitration, conciliation or other non-judicial procedures that involves a neutral third party before filing a lawsuit. The ADR requirements only apply to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits of small claims court. It does not apply to small claims actions or to assessment disputes, except as required by other laws, e.g., requirements to offer IDR or ADR before recording an assessment lien or commencing foreclosure.

The form of ADR chosen as listed above may be either binding or non-binding, with the voluntary consent of the parties. Failure of either the Association or any owner to offer ADR prior to initiation litigation is a potential basis for having your lawsuit dismissed. Additionally, in an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of §5975, the court, in determining the amount award, may consider whether a party’s refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

Finally, this statute specifically requires that the members of the Association are to be annually provided with a summary of the ADR Provision contained within Civil Code §5925 through §5965 (“Annual ADR Notice”).

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

If you have a dispute with a member or with the Association regarding the enforcement of the governing documents, we strongly suggest that you review the provisions of Civil Code §5925 and consult with an attorney as to your certain rights and remedies.

INTERNAL DISPUTE RESOLUTION

Pursuant to the requirements of California Civil Code §5900 et seq., the following Internal Dispute Resolution procedure is provided as stated in California Civil §5915. This policy applies to a dispute between the Association and a member involving their rights, duties, or liabilities under the Davis-Stirling Act, Civil Code §4000, et seq.; the California Non-Profit Mutual Benefit Corporation Law Corporations Code §7110, et seq.; or the governing documents of the Association. This Policy is in addition to the requirements of California Civil Code §5925, et seq., setting forth Alternative Dispute Resolution procedures. The IDR process supplements the ADR process.

Either party to an aforementioned dispute may invoke the following procedure:

1. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
2. A member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer. A party must respond within 30 days of receiving a request. If a member fails to respond to an Association's request, it will be deemed rejected.
3. The Association's Board of Directors shall designate a member of the Board to meet and confer. The meet and confer will occur within 90 days of receiving the request.
4. 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.
5. A resolution of the dispute agreed to 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 policy 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 common interest development or association.
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.

A member of the Association may not be charged a fee to participate in the Internal Dispute Resolution process.

VILLA LA VERNE HOMEOWNERS ASSOCIATION

SUMMARY OF REQUIREMENTS FOR ASSOCIATION APPROVAL OF PHYSICAL CHANGE TO PROPERTY (Civil Code Section 4765)

The California Civil Code requires the Association to publish a notice annually that describes the types of architectural changes that require Association approval. This Summary of Architectural Procedures has been prepared for that purpose. This is only a summary, and Owners are therefore requested to refer to the Association's Declaration of Covenants, Conditions and Restrictions (CC&R's) for more detailed architectural modification related information. If you have questions about whether there are any standards, guidelines, or requirements for the type of modification you wish to construct or install, please contact management *before* you schedule or start work.

- A. **No Exterior Changes Without Prior Written Approval.** No construction, installation or alteration of an Improvement, including landscaping, in the Properties may be commenced until plans and specifications thereof showing the nature, kind, shape, height, width, color, materials and location thereof have been submitted to and approved in writing by the Design Review Committee.
- B. **Submission Procedures/Plan Requirements.** The Owner's application for architectural modifications shall be submitted only on the Association's architectural application form and shall be submitted only to the Association's managing agent: So Cal Property Enterprises, Inc. at 1855 Sampson Avenue, Corona, CA 92879. Architectural application forms and documents shall not be submitted directly to any Association Director, Officer, or Committee Member.

The Application shall include all the information required under the CC&R's, and the application materials, including, without limitation, the following:

1. The completed application form, checklist, and any other required documents.
2. Two (2) copies of plans showing the nature, kind, shape, height, width, other dimensions, color, materials, drainage information, setbacks from both sides and back side, etc., and location of the proposed construction/modifications.
3. It is the responsibility of the homeowner to obtain all necessary permits, approvals, etc., for any construction approved herewith, and shall comply with all local laws and land ordinances in connection with such construction. Any improvement or addition, structure in nature, (i.e., patio cover, spa, electrical installation, etc.) may require a separate application to the appropriate city and/or county agency to obtain needed permits.
4. All applicable application fees, if required, and any other applicable fees and/or deposits the Association may require. Until the Association receives all required plans, specifications, and other information the Committee requires, the Committee may postpone review of any application and plans submitted for approval.
5. Please return completed application, all forms, and two (2) copies of plans to:

**Mailing Address: So Cal Property Enterprises, Inc.
1855 Sampson Avenue
Corona, CA 92879**

If you should have any questions regarding the Architectural Request Form, please feel free to contact us at (951) 270-3700.

- C. **Approval Criteria.** Approval may be based upon, among other things, the following factors: (i) the construction activity is in conformance with the Architectural Committee rules, (ii) the construction activity will not be detrimental to the appearance of the surrounding area or the Development as a whole, (iii) the appearance of any structure affected thereby will be in harmony with the surrounding structures, (iv) the construction activity and product thereof will not detract from the beauty, wholesomeness and attractiveness of the Development and, (v) the upkeep and maintenance thereof will not become a burden on the Association.
- D. **Decision Timing.** The Committee will notify the Owner of its decision in writing within forty-five (45) days after the Association's receipt of all information, plans, and materials required for a complete submission; provided, however, that to be valid and effective any approval must be in writing. No purported oral or verbal approval by the Committee shall be valid or effective.
- E. ALL CONDITIONS BELOW APPLY TO YOUR SUBMITTED PLANS:
1. This approval is only for those items, which do not deviate from the requirements, set forth by the CC&R's.
 2. Any modifications to established drainage facilities are done under the homeowner's responsibility. Consultation with a licensed civil engineer is recommended when designing new drainage facilities. All necessary approvals are the homeowner's responsibility.
 3. Improvements done by a homeowner which may cause damage to any landscape and lighting district facilities are the responsibility of that homeowner to return the district improvement to their original state at his own expense, (i.e., fencing, irrigation, landscaping, etc.).
 4. Any improvements, which modify the existing grading, or slope, are done under the sole responsibility of that homeowner performing the work. A licensed geotechnical and civil engineer should be consulted prior to any such work taking place, and copies of all plans, specification, and calculations, along with all property lines and set-back information must be included on plans for any improvement and should be submitted to the Architectural Committee for their approval and records. Any slope failures, which are a result of the documented improvements, are the sole responsibility of the homeowner performing the construction.
 5. Soft scape planting is the homeowner's responsibility regarding future root system damage or droppings of leaves and/or fruit.

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

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

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

Property Address:

Owner of Property:

Owner's Mailing Address (If known or different from property address.):

Provider of the Section 4525 Items:

Print Name _____ Position or Title _____ Association or Agent

Date Form Completed:

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section <u>4525(a)(1)</u>	30.00	
CC&Rs	Section <u>4525(a)(1)</u>	45.00	
Bylaws	Section <u>4525(a)(1)</u>	30.00	
Operating Rules	Section <u>4525(a)(1)</u>	15.00	
Age restrictions, if any	Section <u>4525(a)(2)</u>	N/App	
Rental restrictions, if any	Section <u>4525(a)(9)</u>	N/App	
Annual budget report or summary, including reserve study	Sections <u>5300</u> and <u>4525(a)(3)</u>	25.00	
Assessment and reserve funding disclosure summary	Sections <u>5300</u> and <u>4525(a)(4)</u>	55.00	
Financial statement review	Sections <u>5305</u> and <u>4525(a)(3)</u>	30.00	
Assessment enforcement policy	Sections <u>5310</u> and <u>4525(a)(4)</u>	00.00	
Insurance summary	Sections <u>5300</u> and <u>4525(a)(3)</u>	15.00	
Regular assessment	Section <u>4525(a)(4)</u>	98.00	
Special assessment	Section <u>4525(a)(4)</u>	N/A	
Emergency assessment	Section <u>4525(a)(4)</u>	N/A	
Other unpaid obligations of seller	Sections <u>5675</u> and <u>4525(a)(4)</u>	N/A	
Approved changes to assessments	Sections <u>5300</u> and <u>4525(a)(4), (8)</u>	N/A	
Settlement notice regarding common area defects	Sections <u>4525(a)(6), (7), and 6100</u>	N/A	
Preliminary list of defects	Sections <u>4525(a)(6), 6000, and 6100</u>	N/A	
Notice(s) of violation	Sections <u>5855</u> and <u>4525(a)(5)</u>		
Required statement of fees	Section <u>4525</u>	00.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section <u>4525(a)(10)</u>	45.00	

Total fees for these documents:

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