



PARKSIDE GREEN HOMEOWNERS ASSOCIATION

SUMMARY OF ANNUAL BUDGET REPORT AND ANNUAL POLICY STATEMENT (Civil Code Section 5320)

November 21, 2017

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 Carol Foster, 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, 2018 through December 31, 2018 prepared on an accrual basis**
 - The full Operating Budget is enclosed with this summary. The Budget does not reflect a need to increase assessments. As of January 1, 2018, the Association assessment will remain **\$77.00 per month per home.**
- **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 **116.72%** funded.
- **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 December 21, 2015
- **Statement of Association Outstanding Loans**
The Association does not have any outstanding loans.
- **Insurance Disclosure Information**
Insurance disclosure information is enclosed with this summary.
- **Assessment and Reserve Funding Disclosure**
The regular assessment per ownership interest for the Association is **\$77.00 per month per home**. The Assessment and Reserve Funding Disclosure is enclosed.

SUMMARY OF ANNUAL POLICY STATEMENT

- **Person Designated to Receive Official Association Communications**
Carol Foster, So Cal Property Enterprises, Inc., 1855 Sampson Avenue, Corona, CA 92879.
- **Member's Secondary Address**
Members may submit a secondary address to the Association for purposes of receiving (1) annual reports/statements and (2) mailings and notices re: assessments, delinquencies, and foreclosures at the secondary address.
- **Location for Posting Association's General Notices**
General notices to the members are posted at the Bulletin boards at the exit gates.
- **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: Parkside Green Homeowners Association, P.O. Box 980966, West Sacramento, CA 95798.
- **Address for Overnight Payment of Assessments**
The address for overnight payment of assessments is: Parkside Green Homeowners Association, 1855 Sampson Avenue, Corona, CA 92879.

Respectfully submitted,

Board of Directors
Parkside Green 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. Association's Assessment and Billing Collection Policy
7. Statement of Collection Procedure (Civil Code Section 5730)
8. Statement Describing Association's Discipline Policy, Including Any Schedule of Penalties for Violation of the Governing Documents Pursuant (Civil Code Section 5850) – Enforcement Procedure
9. Summary of Dispute Resolution Procedures (Civil Code Sections 5920, 5965)
10. Summary of Any Requirements for Association Approval of Physical Change to Property (Civil Code Section 4765)

* 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.

Parkside Green HOA
2018 Approved Budget
Fiscal Year of January 1, 2018 - December 31, 2018

	Association Per Year		Association Per Month		Unit Per Month
INCOME					
4010 - Assessments - 320 Units	\$	295,680.00	\$	24,640.00	\$ 77.00
4025 - Collection Reimb	\$	2,500.00	\$	208.33	\$ 0.65
4050 - Gate Cards/Openers	\$	250.00	\$	20.83	\$ 0.07
4130 - Interest	\$	8,462.00	\$	705.17	\$ 2.20
4230 - Violation Fines	\$	1,500.00	\$	125.00	\$ 0.39
TOTAL INCOME	\$	308,392.00	\$	25,699.33	\$ 80.31

UTILITIES					
5020 - Electricity	\$	11,224.00	\$	935.33	\$ 2.92
5060 - Telephone	\$	4,944.00	\$	412.00	\$ 1.29
5070 - Water/Sewer	\$	16,000.00	\$	1,333.33	\$ 4.17
TOTAL UTILITIES	\$	32,168.00	\$	2,680.67	\$ 8.38

LAND MAINTENANCE					
5510 - Contract Landscape	\$	26,400.00	\$	2,200.00	\$ 6.88
5540 - Landscape Extras	\$	2,500.00	\$	208.33	\$ 0.65
5560 - Irrigation Supplies/Repairs	\$	1,600.00	\$	133.33	\$ 0.42
5850 - Tree Trim/Removal	\$	3,750.00	\$	312.50	\$ 0.98
5950 - Backflow	\$	300.00	\$	25.00	\$ 0.08
TOTAL LAND MAINTENANCE	\$	34,550.00	\$	2,879.17	\$ 9.00

COMMON AREA/MAINTENANCE					
7040 - Janitorial Contract	\$	7,740.00	\$	645.00	\$ 2.02
8020 - Lighting & Electrical	\$	3,700.00	\$	308.33	\$ 0.96
8050 - Maintenance/Repairs	\$	1,000.00	\$	83.33	\$ 0.26
8052 - Maint/Repairs Supplies	\$	250.00	\$	20.83	\$ 0.07
8110 - Pest Control	\$	1,500.00	\$	125.00	\$ 0.39
8130 - Gate Maint/Programming	\$	3,500.00	\$	291.67	\$ 0.91
8132 - Gate/Fence Repair	\$	4,000.00	\$	333.33	\$ 1.04
8140 - Security & Safety	\$	36,900.00	\$	3,075.00	\$ 9.61
8142 - Security & Safety Extras	\$	1,000.00	\$	83.33	\$ 0.26
8160 - Vandalism/Graffiti	\$	375.00	\$	31.25	\$ 0.10
TOTAL COMMON AREA/MAINTENANCE	\$	59,965.00	\$	4,997.08	\$ 15.62

ADMINISTRATION					
9015 - Bad Debt	\$	5,000.00	\$	416.67	\$ 1.30
9020 - Audit/Tax Prep	\$	1,200.00	\$	100.00	\$ 0.31
9025 - Collection Expense	\$	3,100.00	\$	258.33	\$ 0.81
9075 - Taxes	\$	3,993.00	\$	332.75	\$ 1.04
9110 - Insurance	\$	5,500.00	\$	458.33	\$ 1.43
9112 - Work Comp Insurance	\$	503.00	\$	41.92	\$ 0.13
9120 - Legal Services	\$	2,000.00	\$	166.67	\$ 0.52
9130 - Management Services	\$	48,828.00	\$	4,069.00	\$ 12.72
9135 - Management Extras	\$	300.00	\$	25.00	\$ 0.08
9145 - Community Events/Social	\$	2,100.00	\$	175.00	\$ 0.55
9160 - Printing & Mailing	\$	4,700.00	\$	391.67	\$ 1.22
9170 - Reserve Study	\$	1,000.00	\$	83.33	\$ 0.26
9475 - Admin Miscellaneous	\$	1,000.00	\$	83.33	\$ 0.26
TOTAL ADMINISTRATION	\$	79,224.00	\$	6,602.00	\$ 20.63

TOTAL OPERATING EXPENSES	\$	205,907.00	\$	17,158.92	\$ 53.62
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RESERVES					
9610 - General Reserve	\$	79,046.66	\$	6,587.22	\$ 20.59
9921 - Interest Allocation	\$	8,462.00	\$	705.17	\$ 2.20
9925 - PFY Resv Contributions	\$	14,976.34	\$	1,248.03	\$ 3.90

TOTAL RESERVES	\$	102,485.00	\$	8,540.42	\$	26.69
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TOTAL EXPENSES & RESERVES	\$	308,392.00	\$	25,699.33	\$	80.31
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<i>Difference (Income Less Expenses & Reserves)</i>	<i>\$</i>	<i>0.00</i>	<i>\$</i>	<i>0.00</i>	<i>\$</i>	<i>0.00</i>
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2018 Monthly Reserve Contribution: \$6,587.22

Prepared 11/16/17 RA/KZ/CF

Reserve Summary

(As required by California Civil Code Section 5565)

PARKSIDE GREEN HOMEOWNERS ASSOCIATION

SCT Reserve Consultants, Inc. is pleased to provide this Level III Reserve Study (Financial Update Report). In order to comply with the California Civil Code, specifically the Davis-Stirling Common Interest Development Act, Section 5565, we are providing the following information to the Homeowners within the PARKSIDE GREEN HOMEOWNERS ASSOCIATION.

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

As of December 31, 2015, the estimated ending reserve fund balance is \$891,000 and the estimated current replacement cost is \$1,497,995 for the portfolio of reserve components. The projected future replacement cost of the portfolio is \$2,206,270, calculated at an annually compounded inflation rate of 3.00%. The Association's level of funding which is based upon the estimated ending reserve fund balance divided by the reserve components' fully funded amount is 120.51%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were \$739,341.00 in the reserve fund.

The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is (\$473.93). This is calculated by subtracting the ending balance (\$891,000) from the 100% funded figure (\$739,341.00), then divided by the number of ownership interests (320). There is currently no requirement to be fully funded.

Our original analysis of the cash flow for this association indicated future inadequate funding if there were no annual increases to the Reserves. It is our understanding the Board of Directors will allocate a total of \$7,500 starting in 2016 (\$23.44 per unit per month for each of the 320 ownership interests) per month towards the reserve fund. To offset the future cash shortfall we recommend and have included an increase of 4.47% starting in 2017 for 29 years. The increase is scheduled to take effect in the year 2017. The Board of Directors may change the amount; however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

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

Fiscal Year: January 1, 2016 through December 31, 2016

Category	Estimated Remaining Useful Lives	Estimated Current Replacement Cost	Fund Balance on Dec 31, 2015	Estimated Reserve Allocation	Estimated Special Assessment Allocation	Estimated Interest
Access System	2 to 9	\$81,369	\$66,465	\$6,713.68	\$0.00	\$598.68
Asphalt & Concrete	0 to 20	\$910,599	\$415,659	\$41,985.78	\$0.00	\$3,744.00
Contingency	0 to 0	\$4,500	\$8,786	\$887.45	\$0.00	\$79.14
Electrical/Lights	5 to 18	\$98,350	\$68,113	\$6,880.12	\$0.00	\$613.52
Fence/Gates/Walls	0 to 15	\$180,540	\$137,107	\$13,849.21	\$0.00	\$1,234.98
Irrigation/Landscape	0 to 6	\$39,000	\$57,558	\$5,813.96	\$0.00	\$518.45
Mailboxes	13 to 13	\$46,200	\$19,432	\$1,962.79	\$0.00	\$175.03
Paint	0 to 0	\$44,507	\$46,725	\$4,719.66	\$0.00	\$420.87
Park Amenities	1 to 10	\$69,830	\$52,279	\$5,280.73	\$0.00	\$470.90
Signage	2 to 7	\$23,100	\$18,876	\$1,906.63	\$0.00	\$170.02
Totals:		\$1,497,995	\$891,000	\$90,000	\$0	\$8,026

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



Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending December 31, 2016

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

(1) The regular assessment per ownership interest is \$ **77** per month, of which approximately \$23.44 is allocated to reserves.

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

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year:	Purpose of the assessment:
(Intentionally left blank)	(Intentionally left blank)	(Intentionally left blank)

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

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No X

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

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

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

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

Approximate date assessment(s) will be due:	Amount per ownership interest per month:
4.47% starting in 2017 for 29 years	(Current amount) X (the increases)

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

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is \$724,825.54, as of December 31, 2016, based in whole or in part on the last reserve study or update prepared by SCT RESERVE CONSULTANTS, INC. The projected reserve fund cash balance at the end of the current fiscal year is \$845,999.08, resulting in reserves being 116.72% percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is \$143,027. (See explanation below).

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



Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending December 31, 2016

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

(continued)

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

30-Year Reserve Funding Plan Table

Fiscal Year: January 01, 2016 - December 31, 2016							
Year	End of Year			Revenue			Expenditures
	100% Funded	Cash Flow (Balance with Funding Plan)	Percent Funded (EOY)	Contribution, Interest, Spec Assess	Contribution Unit/Month	Contribution % Change	Components, Taxes, Deferred Exp
2015	\$739,341	\$891,000	120.51%				
2016	\$724,826	\$845,999	116.72%	\$98,026	\$23.44		\$143,027
2017	\$794,898	\$895,645	112.67%	\$102,485	\$24.49	4.47%	\$52,839
2018	\$787,148	\$868,819	110.38%	\$106,433	\$25.58	4.47%	\$133,259
2019	\$791,389	\$859,322	108.58%	\$110,702	\$26.72	4.47%	\$120,200
2020	\$845,725	\$907,106	107.26%	\$115,720	\$27.92	4.47%	\$67,936
2021	\$912,355	\$972,010	106.54%	\$121,129	\$29.17	4.47%	\$56,225
2022	\$921,211	\$973,312	105.66%	\$126,151	\$30.47	4.47%	\$124,849
2023	\$995,754	\$1,052,541	105.70%	\$132,113	\$31.83	4.47%	\$52,884
2024	\$1,034,425	\$1,092,255	105.59%	\$137,964	\$33.25	4.47%	\$98,250
2025	\$1,041,619	\$1,090,656	104.71%	\$143,647	\$34.74	4.47%	\$145,246
2026	\$962,036	\$979,282	101.79%	\$148,520	\$36.29	4.47%	\$259,895
2027	\$1,031,755	\$1,057,854	102.53%	\$155,424	\$37.92	4.47%	\$76,853
2028	\$1,048,445	\$1,070,404	102.09%	\$162,055	\$39.61	4.47%	\$149,505
2029	\$1,016,311	\$1,005,351	98.92%	\$168,208	\$41.38	4.47%	\$233,262
2030	\$1,029,313	\$1,027,727	99.85%	\$175,465	\$43.23	4.47%	\$153,088
2031	\$1,087,034	\$1,094,376	100.68%	\$183,496	\$45.16	4.47%	\$116,848
2032	\$1,169,540	\$1,210,728	103.52%	\$192,350	\$47.18	4.47%	\$75,999
2033	\$909,499	\$736,853	81.02%	\$195,943	\$49.29	4.47%	\$669,817
2034	\$932,783	\$779,424	83.56%	\$204,573	\$51.49	4.47%	\$162,002
2035	\$1,051,712	\$942,641	89.63%	\$214,945	\$53.80	4.47%	\$51,729
2036	\$662,015	\$227,157	34.31%	\$217,384	\$56.20	4.47%	\$932,869
2037	\$755,580	\$345,272	45.70%	\$227,815	\$58.71	4.47%	\$109,699
2038	\$765,518	\$368,288	48.11%	\$238,115	\$61.34	4.47%	\$215,100
2039	\$813,531	\$420,028	51.63%	\$249,099	\$64.08	4.47%	\$197,359
2040	\$901,970	\$537,129	59.55%	\$261,186	\$66.94	4.47%	\$144,085
2041	\$1,052,710	\$756,407	71.85%	\$274,763	\$69.94	4.47%	\$55,485
2042	\$1,059,868	\$799,257	75.41%	\$287,213	\$73.06	4.47%	\$244,362
2043	\$1,180,961	\$989,722	83.81%	\$301,530	\$76.33	4.47%	\$111,065
2044	\$1,302,514	\$1,202,160	92.30%	\$316,676	\$79.74	4.47%	\$104,238
2045	\$1,456,064	\$1,465,542	100.65%	\$332,900	\$83.30	4.47%	\$69,519
30-Year Sum:				\$5,702,032			\$5,127,491



Summary

(continued)

As of January 1, 2016, the estimated reserve fund balance is \$891,000 and the estimated current replacement cost is \$1,497,995 of the portfolio of reserve components. The projected future replacement cost of the portfolio is \$2,206,270, calculated at an annually compounded inflation rate of 3.00%. The Davis-Stirling Common Interest Development Act requires the disclosure of the *current reserve fund balance divided by the current replacement cost* (this is not *Percent Funded*). Currently, *this factor for PARKSIDE GREEN HOMEOWNERS ASSOCIATION is 59.48%.*

The Association's level of funding for the fiscal year (January 1, 2016 through December 31, 2016) which is based upon the final estimated reserve fund balance divided by the reserve components' fully funded amount is *116.72%, and is referred to as Percent Funded.* The Association would be 100.00% funded if there were \$724,825.54 in the reserve fund.

Our original analysis of the cash flow for this association indicated future inadequate funding (see the graph, the "square box and/or pink line"). This line represents the cash flow if there were no annual increases to the Reserves. *It is our understanding the Board of Directors will allocate a total of \$7,500 starting in 2016 (\$23.44 per unit per month for each of the 320 ownership interests) per month towards the reserve fund. To offset the future cash shortfall we recommend and have included an increase of 4.47% starting in 2017 for 29 years. The increase is scheduled to take effect in the year 2017.* The Board of Directors may raise or lower this amount, however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

Sincerely,



Michael C. Graves, R.S. #00039
SCT Reserve Consultants, Inc.

Parkside Green Homeowners Association
INSURANCE SUMMARY DISCLOSURE

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

I. GENERAL LIABILITY INSURANCE

- A. Name of insurer: American Alternative Insurance
- B. Policy limits: \$3,000,000 each occurrence and Unlimited aggregate
- C. Amount of deductible (if any): N/A
- D. Umbrella coverage, if applicable: N/A
- E. Umbrella carrier: N/A
- F. Policy dates: 09/23/2017 - 09/23/2018

II. PROPERTY INSURANCE

- A. Name of insurer: American Alternative Insurance
- B. Policy limits: \$220,000 (Guaranteed Replacement Cost)
- C. Amount of deductible: \$2,500
- D. Policy dates: 09/23/2017 - 09/23/2018

III. EARTHQUAKE INSURANCE

Association does not have Earthquake insurance.

IV. FLOOD INSURANCE

Association does not have Flood insurance.

V. FIDELITY BOND INSURANCE

- A. Name of insurer: Liberty Mutual Insurance Company
- B. Policy limits: \$1,500,000
- C. Amount of deductible: \$10,000
- D. Policy dates: 09/23/2017 - 09/23/2018

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or realproperty 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.

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

**PARKSIDE GREEN HOMEOWNERS ASSOCIATION
ASSESSMENT 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 our homes. Your Board of Directors takes very seriously its obligation 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. The following are the Association's assessment collection practices and policies, pursuant to Civil Code ("CC") §5320(a):

1. **Regular monthly assessments are due and payable on the first day of every month.**
2. All other assessments, are due and payable on the date specified in the notice of assessment.
3. Assessments, late charges, interest, reasonable collection costs, and reasonable attorneys' fees, if any, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (CC§5650(a).) Owners shall be responsible for all such amounts unless it is determined that all assessments were paid on time to the Association. (CC§§5650(b); 5650(a).)
4. **Unpaid assessments are delinquent 15 days after they are due (CC§5650(b).) A late charge of 10% or \$10.00, whichever is greater, will be charged for any assessment which is not paid in full within 15 days of the due date. (CC§5650(b).)**
5. **Interest on the balance due will accrue at the rate of 12% per annum, commencing thirty (30) days after the assessment becomes due. (5650(b).)**
6. Any payments received will be applied first to assessments owed, and, only after the assessments owed are paid in full will the payments be applied to fees and costs of collection, late charges and/or interest. 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.
7. If any assessment becomes delinquent, the Association may send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address on file with the Association. The owner will be charged a fee for such delinquency notice. If the amount set forth in the delinquency notice is not received before the due date set forth therein, the matter may be turned over to a collection agent or an attorney for further action, including legal action, or the Association may take such other collection action as it deems appropriate.
8. Without prejudice to its right to continue with and/or take other collection action, in the event an assessment is not paid within 15 days of its due date, an owner's rights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to CC§4820. 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. (CC§4510)
9. Prior to recording a lien for delinquent assessments, the Association, its agent or attorney will send a pre-lien letter to the record owner as required by CC§5650(a), by certified and first class mail to the owner's address of record with the Association. The owner will be charged a fee for such pre-lien letter. The Association may obtain a vesting report from a title company in connection with preparation of a pre-lien letter. If a vesting report is obtained the owner will be charged a fee for the report.
10. An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written explanation of the reasons for his or her dispute within 15 days of the postmark on the pre-lien letter. If such written explanation is so received, the board will respond, in writing, within 15 days of the postmark on the explanation. (CC§5670)
11. Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within 15 days of the postmark of the pre-lien letter, the board will meet with the owner, in executive session, within 45 days of the postmark of such request. (CC§5673)
12. Meet and Confer – Prior to recording a lien, the Association shall offer and, if so requested by the owner, to participate in dispute resolution pursuant to the Association's "meet and confer" program (known as IDR – Internal/Informal Dispute Resolution) commencing with Civil Code Section 5900.

13. A delinquent owner may also request a payment plan to satisfy his or her debt, without first meeting with the board. Payment plans will be considered on a case-by-case basis. Payment plans must provide for payment of the delinquent amounts, in addition to the amounts which will accrue during the repayment period, including any fees and/or costs related to the administration of the payment plan.
14. If an owner to whom a pre-lien letter is sent fails to pay the amounts demanded therein within thirty (30) days from the date such pre-lien letter is mailed, and unless a dispute over such debt has been resolved or payment plan has been entered as set forth above, a lien will be recorded against the property, upon a majority of the Board during an open meeting. The Board shall record the vote in the minutes of that meeting.
15. A copy of the lien will be sent to each owner at his/her address of record via certified mail and regular mail within ten (10) days of recordation thereof. After the expiration of (30) days following recordation of lien, the lien may be enforced in any manner permitted by law, including judicial or non-judicial foreclosure. (CC§5675; 5685(a); 5725(a).)
16. Prior to initiating foreclosure for delinquent assessments, the Association shall offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the Association's "meet and confer" program (known as IDR - Internal/Informal Dispute Resolution) pursuant to Civil Code Sections 5900 et. seq. or, Alternative Dispute Resolution with a neutral third party pursuant to Civil Code Section 5925 et. seq. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner (binding arbitration not available if the Association pursues judicial foreclosure).
17. If the delinquent owner does not bring the account current after such lien has been recorded and after the above dispute resolution requirements have been met, the majority of the Board may decide, in Executive Session, to approve foreclosure of such lien, only for those regular or special assessments which are of an amount equal to or exceeding \$1,800.00 exclusive of late charges, fees, costs of collection, attorney's fees and interest, or which are more than 12 months delinquent. The Board shall record the vote in the minutes of the next meeting of the Board, open to all members. Confidentiality shall be maintained by identifying the property by account number. Such Board vote shall occur at least thirty (30) days prior to any public sale. The Board shall deliver notice by personal service to owner-occupants or to the owners' legal representative upon the Board voting to foreclose upon the owner's separate interest, and by first class mail, postage pre-paid to non-occupant owners at the most current address shown on the Association's books. These limits do not apply to timeshares or assessments owed by developers.
18. Any owner may redeem the property foreclosed upon within ninety (90) days after the sale, by paying all charges owed.
19. If an owner pays all amounts required by CC§5650(b), and meets the requirements of that section, the Association will inform the owner that he/she may resolve the dispute as outlined in CC§5975, civil action, or by other procedures available throughout the Association.
20. Within 21 days of receipt of full payment to satisfy a lien, the Association will record a release of lien, and provide a copy thereof to the owner. (CC§5675; 5685(a).)
21. Owners have the right to inspect certain Association records pursuant to Corporation Code §5725(a) to verify the debt.
22. The mailing address for overnight payment of assessments is: **1855 Sampson Ave., Corona, CA 92879**
23. Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association. The Association reserves the right to change the amount of any collection fee or charge, without notice, and reserves the right to modify or amend this collection policy at any time.

PARKSIDE GREEN HOMEOWNERS ASSOCIATION

c/o SO CAL PROPERTY ENTERPRISES, INC.

1855 SAMPSON AVENUE

CORONA, CA 92879

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

Email: cf@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).

PARKSIDE GREEN
HOMEOWNERS ASSOCIATION
ADOPTED REVISED
ASSOCIATION ENFORCEMENT POLICY

10.0 Violation Enforcement Policy

10.1 Within seven (7) days from the date an alleged violation is reported to the association management company, either verbally or in writing, a written violation letter will be sent via first class mail to the offending Homeowner. In the event that the violation requires immediate action, the management company may opt to notify the offending Homeowner either by telephone or personally visit, followed up by a written violation letter.

10.2 All written complaints shall be acknowledged. However, if The Board reviews the complaint, they may elect to drop the complaint based upon insufficient evidence to support the complaint.

10.3 If additional time is requested as an extension for correction, this request must be received in writing by the management company within fourteen (14) days upon receipt of the notice with an explanation as to the cause for the delay.

10.4 Should the Board request a hearing to discuss the alleged violation, notification shall be made in writing and shall indicate the date, time and place to be present in order to hear any facts regarding the matter.

10.5 Should the alleged offender not be available to attend such hearing, they may send a written reply to the management company for Board consideration. In the absence of either written statement or the alleged offender, The Board may proceed in order to enforce the rules through penalty assessments or litigation.

10.6 Written notification of The Board's decision regarding hearings shall be sent via first class mail to the owner record.

10.7 Should the offender be fined and not comply with the rules or pay the fine, the Association, The Board, may turn the matter over to legal counsel or pursue other means collection and/or enforcement.

10.8 All legal fees, court costs, etc. shall be billed to the Homeowner in violation for payment.

10.9 Penalties (fines) for non-compliance of the Association's Governing Documents may be assessed, after notice and hearing in accordance with the following schedule:

First Occurrence: Notice

Second Occurrence: \$100.00

Third Occurrence: \$200.00

Fourth Occurrence: \$400.00

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RE: 1) SUMMARY OF STATUTE 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.

RESOLUTION OF PARKSIDE GREEN HOMEOWNERS ASSOCIATION
ASSOCIATION'S BOARD OF DIRECTORS CONCERNING REQUIREMENTS
FOR REVIEWING PROPOSED PHYSICAL CHANGES TO
AN OWNER'S SEPARATE INTEREST OR TO THE COMMON AREA

WHEREAS, pursuant to Parkside Green Homeowners Association ("Association") Declaration of Covenants, Conditions & Restrictions ("CC&Rs") the Association's Architectural Control Committee ("ACC") is empowered to rule upon applications for architectural improvements submitted by members;

WHEREAS, California State Assembly Bill 2376 has been enacted and codified as Civil Code § 4765, setting forth additional requirements for review of architectural applications to an owner's separate interest or to the common area.

IT IS HEREBY RESOLVED BY The Board of Directors of the Parkside Green Homeowners Association that the following procedures for review of proposed physical changes to an owner's separate interest or to the common area are to be adhered to by the Association's ACC:

- (1) The Association, acting through the ACC, shall provide a fair, reasonable, and expeditious procedure for making its decision on proposed physical changes to an owner's separate interest or to the common area. Said procedure shall be included in the Association's governing documents. The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for response to an application or a request for reconsideration by the Board of Directors.
- (2) A decision on a proposed change shall be made in good faith and may not be unreasonable, arbitrary, or capricious.
- (3) A decision on a proposed change shall be consistent with any governing provision of law, including, but not limited to, the Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code.
- (4) A decision on a proposed change shall be in writing. If a proposed change is disapproved, the written decision shall include both an explanation of why the proposed change is disapproved and a description of the procedure for reconsideration of the decision by the Board of Directors.
- (5) If a proposed change is disapproved, the applicant is entitled to reconsideration by the Board of Directors of the Association at an open meeting of the Board. This paragraph does not require reconsideration of a decision that is made by the Board of Directors or a body that has the same membership as the board of directors, at a meeting that satisfies the requirements of Civil Code Section 4900. Reconsideration by the board does not constitute dispute resolution within the meaning of Civil Code Section 5905.