



VILLA LA VERNE HOMEOWNERS ASSOCIATION

SUMMARY OF ANNUAL BUDGET REPORT AND ANNUAL POLICY STATEMENT

(Civil Code Section 5320)

November 30, 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 reflects a need to increase assessments. As of January 1, 2018, the Association assessment will increase to \$285.00 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, 2018 WILL BE \$285.00 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 \$285.00 per month effective January 1, 2018.

- **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 84% 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 September 8, 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.
- **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 **\$285.00 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 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.

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)

* 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 Homeowner Association
2018 Approved Budget
Fiscal Year of January 1, 2018 - December 31, 2018

	Association Per Year	Association Per Month	Unit Per Month
INCOME			
4010 - Assessments - 300 Units	\$ 1,026,000.00	\$ 85,500.00	\$ 285.00
4130 - Interest/Dividends	\$ 23,000.00	\$ 1,916.67	\$ 6.39
4140 - Late Charge	\$ 725.00	\$ 60.42	\$ 0.20
4141 - Late Interest	\$ 850.00	\$ 70.83	\$ 0.24
4188 - Laundry	\$ 3,876.00	\$ 323.00	\$ 1.08
4470 - Homeowner Charge Back	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL INCOME	\$ 1,054,451.00	\$ 87,870.92	\$ 292.90
UTILITIES			
5020 - Electricity	\$ 42,400.00	\$ 3,533.33	\$ 11.78
5030 - Gas	\$ 46,000.00	\$ 3,833.33	\$ 12.78
5040 - Refuse/Disposal	\$ 80,000.00	\$ 6,666.67	\$ 22.22
5062 - Internet-Security Cameras	\$ 0.00	\$ 0.00	\$ 0.00
5070 - Water	\$ 113,000.00	\$ 9,416.67	\$ 31.39
5072 - Sewer	\$ 38,000.00	\$ 3,166.67	\$ 10.56
5080 - Paramedic Fee	\$ 20,000.00	\$ 1,666.67	\$ 5.56
TOTAL UTILITIES	\$ 339,400.00	\$ 28,283.33	\$ 94.28
LAND MAINTENANCE			
5510 - Landscape Contract	\$ 78,000.00	\$ 6,500.00	\$ 21.67
5540 - Landscape Supply & Extras	\$ 27,000.00	\$ 2,250.00	\$ 7.50
5810 - Arborist Contract	\$ 15,000.00	\$ 1,250.00	\$ 4.17
5850 - Tree Trimming/Removal	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL LAND MAINTENANCE	\$ 120,000.00	\$ 10,000.00	\$ 33.33
POOL/SPA			
6010 - Pool/Spa Contract	\$ 8,000.00	\$ 666.67	\$ 2.22
6070 - Pool/Spa Supply & Extras	\$ 2,000.00	\$ 166.67	\$ 0.56
TOTAL POOL/SPA	\$ 10,000.00	\$ 833.33	\$ 2.78
COMMON AREA/MAINTENANCE			
7040 - Janitorial Contract	\$ 9,600.00	\$ 800.00	\$ 2.67
7110 - Locks & Keys	\$ 3,000.00	\$ 250.00	\$ 0.83
7150 - Roof Maint/Repairs	\$ 1,500.00	\$ 125.00	\$ 0.42
7152 - Roof/Rain Gutter Cleaning	\$ 7,500.00	\$ 625.00	\$ 2.08
8050 - Maintenance/Repairs	\$ 33,000.00	\$ 2,750.00	\$ 9.17
8058 - Garage Maintenance	\$ 2,000.00	\$ 166.67	\$ 0.56
8110 - Pest Control Contract	\$ 8,100.00	\$ 675.00	\$ 2.25
8112 - Pest Control Extras & Supply	\$ 600.00	\$ 50.00	\$ 0.17
8120 - Plumbing Maint/Repairs	\$ 23,652.00	\$ 1,971.00	\$ 6.57
8140 - Patrol Service	\$ 20,000.00	\$ 1,666.67	\$ 5.56
TOTAL COMMON AREA/MAINTENANCE	\$ 108,952.00	\$ 9,079.33	\$ 30.26
ADMINISTRATION			
9011 - Bank Fees/Investment Plcmnt	\$ 1,188.00	\$ 99.00	\$ 0.33
9015 - Bad Debt Allowance	\$ 13,227.00	\$ 1,102.25	\$ 3.67
9020 - Audit/Tax Prep/1099s	\$ 1,700.00	\$ 141.67	\$ 0.47
9025 - Collection Expense	\$ 1,500.00	\$ 125.00	\$ 0.42
9075 - Federal/State Taxes	\$ 5,000.00	\$ 416.67	\$ 1.39
9090 - License & Permits	\$ 1,000.00	\$ 83.33	\$ 0.28
9110 - Insurance Master	\$ 98,659.00	\$ 8,221.58	\$ 27.41
9112 - Work Comp Insurance	\$ 1,001.00	\$ 83.42	\$ 0.28
9114 - Fidelity Bond	\$ 2,424.00	\$ 202.00	\$ 0.67
9120 - Legal Services	\$ 16,000.00	\$ 1,333.33	\$ 4.44
9130 - Management Services	\$ 55,728.00	\$ 4,644.00	\$ 15.48
9135 - Management Extras	\$ 1,200.00	\$ 100.00	\$ 0.33
9140 - Meeting Expense	\$ 1,200.00	\$ 100.00	\$ 0.33
9160 - Printing/Mailing/Supplies	\$ 4,400.00	\$ 366.67	\$ 1.22
9170 - Reserve Study	\$ 900.00	\$ 75.00	\$ 0.25
TOTAL ADMINISTRATION	\$ 205,127.00	\$ 17,093.92	\$ 56.98

TOTAL OPERATING EXPENSES	\$	783,479.00	\$	65,289.92	\$	217.63
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RESERVES

9610 - General/Misc	\$	6,333.00	\$	527.75	\$	1.76
9621 - Decks Resurface/Repair	\$	2,856.00	\$	238.00	\$	0.79
9626 - Laundry Room Doors	\$	813.00	\$	67.75	\$	0.23
9627 - Pedestrian Doors	\$	813.00	\$	67.75	\$	0.23
9640 - Furniture	\$	813.00	\$	67.75	\$	0.23
9645 - Monument	\$	34.00	\$	2.83	\$	0.01
9650 - Garage Doors	\$	6,241.00	\$	520.08	\$	1.73
9651 - Garage Door Openers	\$	6,505.00	\$	542.08	\$	1.81
9663 - Locks/Keypad	\$	1,660.00	\$	138.33	\$	0.46
9696 - Cabana	\$	1,728.00	\$	144.00	\$	0.48
9710 - Landscape	\$	15,605.00	\$	1,300.42	\$	4.33
9715 - Irrigation Controllers	\$	1,660.00	\$	138.33	\$	0.46
9717 - Sprinklers	\$	1,660.00	\$	138.33	\$	0.46
9720 - Lighting	\$	1,660.00	\$	138.33	\$	0.46
9760 - Painting Stucco	\$	1,660.00	\$	138.33	\$	0.46
9765 - Painting Wood Trim	\$	1,660.00	\$	138.33	\$	0.46
9790 - Roof Comp Shingle	\$	162,615.00	\$	13,551.25	\$	45.17
9810 - Stairs	\$	3,121.00	\$	260.08	\$	0.87
9821 - Concrete Repairs/Alleys	\$	19,513.00	\$	1,626.08	\$	5.42
9852 - Wood Repair	\$	813.00	\$	67.75	\$	0.23
9853 - Stucco Repair	\$	813.00	\$	67.75	\$	0.23
9893 - Plumbing	\$	7,802.00	\$	650.17	\$	2.17
9894 - Mold Remediation	\$	34.00	\$	2.83	\$	0.01
9895 - Water Heaters	\$	1,560.00	\$	130.00	\$	0.43
9921 - Interest/Dividend Allocation	\$	23,000.00	\$	1,916.67	\$	6.39
TOTAL RESERVES	\$	270,972.00	\$	22,581.00	\$	75.27

TOTAL EXPENSES & RESERVES	\$	1,054,451.00	\$	87,870.92	\$	292.90
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Difference (Income Less Expenses & Reserves) \$ 0.00 \$ 0.00 \$ 0.00

Monthly Reserve Contribution: \$20,664.33

Entered 11/30/17 RAKZ/CF/Board

Villa La Verne Homeowners Association
 La Verne, California
RDA Reserve Analysis Report Summary

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Report Date</td> <td style="width: 20%;">September 8, 2015</td> <td style="width: 50%;"></td> </tr> <tr> <td>Version</td> <td>013</td> <td></td> </tr> <tr> <td>Account Number</td> <td>3566</td> <td></td> </tr> <tr> <td>Budget Year Beginning</td> <td>1/ 1/16</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Ending</td> <td>12/31/16</td> <td></td> </tr> <tr> <td>Total Units Included</td> <td>300</td> <td></td> </tr> <tr> <td>Phase Development</td> <td>5 of 5</td> <td></td> </tr> </table>	Report Date	September 8, 2015		Version	013		Account Number	3566		Budget Year Beginning	1/ 1/16		Ending	12/31/16		Total Units Included	300		Phase Development	5 of 5		<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Parameters:</td> </tr> <tr> <td style="width: 70%;">Inflation</td> <td style="text-align: right;">2.00%</td> </tr> <tr> <td>Annual Contribution Increase</td> <td style="text-align: right;">2.00%</td> </tr> <tr> <td>Investment Yield</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>Taxes on Yield</td> <td style="text-align: right;">30.00%</td> </tr> <tr> <td>Contingency</td> <td style="text-align: right;">3.00%</td> </tr> <tr> <td colspan="2">Reserve Fund Balance as of</td> </tr> <tr> <td>1/ 1/16:</td> <td style="text-align: right;">\$2,095,989.00</td> </tr> </table>	Parameters:		Inflation	2.00%	Annual Contribution Increase	2.00%	Investment Yield	1.00%	Taxes on Yield	30.00%	Contingency	3.00%	Reserve Fund Balance as of		1/ 1/16:	\$2,095,989.00
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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: October 30, 2012

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$30,626.97
(\$102.09 per unit per month)	
Average Net Monthly Interest Contribution This Year:	906.76
Net Monthly Allocation to Reserves 1/ 1/16 to 12/31/16:	\$31,533.73
(\$105.11 per unit per month)	

RDA Reserve Management Software
 Copyright 2015, Edwin G. Edgley
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Villa La Verne Homeowners Association
Distribution of Accumulated Reserves

REPORT DATE: September 8, 2015
 VERSION: 013
 ACCOUNT NUMBER: 3566

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Access System - Pool Areas	0	3,536.00	3,536.00
Alleys - Asphalt Overlay, 1990	0	32,340.00	32,340.00
Alleys - Asphalt Overlay, Orig	0	116,990.72	116,990.72
Alleys - Asphalt Repairs	0	29,187.37	29,187.37
Alleys - Asphalt Slurry Sealing	0	14,545.20	14,545.20
Cabana #1 - Ceramic Tile	0	7,998.84	7,998.84
Cabana #1 - Water Heater	0	1,372.00	1,372.00
Cabana #2 - Water Heater	0	1,372.00	1,372.00
Doors - Garage, Electric Openers	0	69,000.00	69,000.00
Doors - Garage, Sectional Roll Up	0	152,400.00	152,400.00
Doors - Utility	0	35,700.00	35,700.00
Irrigation - Controllers	0	19,180.00	19,180.00
Mailboxes - Pedestal Sets	0	42,300.00	42,300.00
Pool #1 - Filter	0	2,022.00	2,022.00
Pool #1 - Heater	0	4,791.00	4,791.00
Pool #1 - Pump & Motor	0	1,374.00	1,374.00
Pool #2 - Filter	0	2,022.00	2,022.00
Pool #2 - Pump & Motor	0	1,374.00	1,374.00
Pool Area #1 - Concrete Deck	0	10,197.50	10,197.50
Pool Area #1 - Deck Caulking	0	801.45	801.45
Pool Area #1 - Furniture	0	2,546.00	2,546.00
Pool Area #2 - Concrete Deck	0	7,508.75	7,508.75
Pool Area #2 - Deck Caulking	0	801.45	801.45
Pool Area #2 - Furniture	0	2,000.00	2,000.00
Roofs - Composition Roll	0	6,832.64	6,832.64
Surveillance System	0	11,550.00	11,550.00
Water Heaters - Older	0	135,044.00	135,044.00
Decks - Clean & Seal	1	29,808.00	29,808.00
Decks - Resurfacing, 2001	1	212,625.00	212,625.00
Fencing - Wrought Iron, Pool 2	1	16,343.85	16,343.85
Pool Area #1 - Trellis	1	8,656.27	8,656.27
Irrigation - Backflow Devices	2	15,598.92	15,598.92
Irrigation - Enclosures	2	32,711.25	32,711.25
Paint - Wrought Iron	2	4,539.30	4,539.30
Paint - Woodwork	3	15,249.37	15,249.37
Railing - Wrought Iron, Buildings	3	149,330.63	149,330.63
Termite Control - Fumigation	3	309,750.00	309,750.00
Walls - Block, Repairs	3	14,784.19	14,784.19
Walls - Slumpstone	3	7,222.13	7,222.13
Wood - Replacement	3	9,146.34	9,146.34

Villa La Verne Homeowners Association
Distribution of Accumulated Reserves

DESCRIPTION	REM LIFE	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Cabana #2 - Ceramic Tile	4	5,934.77	5,934.77
Concrete - Repairs	4	4,791.44	4,791.44
Lighting - Buildings	4	68,880.00	68,880.00
Water Heaters - Newer	4	47,770.67	47,770.67
Roofs - Composition Shingle	5	732,776.11	367,011.73
Pool #1 - Replaster & Tile	6	4,186.00	0.00
Pool #2 - Replaster & Tile	6	4,186.00	0.00
Cabana #2 - Plumbing Fixtures	7	696.15	0.00
Paint - Interior	7	807.22	0.00
Paint - Stucco	7	5,208.78	0.00
Cabana #1 - Plumbing Fixtures	8	642.60	0.00
Fencing - Wrought Iron, Pool 1	12	5,505.20	0.00
Decks - Resurfacing, 2014	14	3,658.06	0.00
Decks - Resurfacing, 2015	15	1,625.81	0.00
Total Asset Summary:		2,427,220.98	2,034,940.78
Contingency @ 3.00%:		72,816.63	61,048.22
Grand Total:		2,500,037.61	2,095,989.00
Excess Reserves Not Used:			0.00
Percent Fully Funded:	84%		

Villa La Verne Homeowners Association
Funding Status Report

REPORT DATE: September 8, 2015
 VERSION: 013
 ACCOUNT NUMBER: 3566

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
*** CATEGORY SUMMARY:				0	0	0
Alleys - Asphalt Overlay, 1990	24	0	0	32,340	32,340	32,340
Alleys - Asphalt Overlay, Orig	24	0	0	116,991	116,991	116,991
Alleys - Asphalt Repairs	4	0	0	29,187	29,187	29,187
Alleys - Asphalt Slurry Sealing	4	0	0	14,545	14,545	14,545
Concrete - Repairs	5	0	4	23,957	4,791	4,791
*** CATEGORY SUMMARY:				217,020	197,855	197,855
Roofs - Composition Roll	15	0	0	6,833	6,833	6,833
Roofs - Composition Shingle	22	0	5	948,299	732,776	367,012
*** CATEGORY SUMMARY:				955,131	739,609	373,844
Paint - Interior	8	0	7	14,369	807	0
Paint - Stucco	8	0	7	92,716	5,209	0
Paint - Woodwork	4	0	3	125,045	15,249	15,249
Paint - Wrought Iron	3	0	2	26,328	4,539	4,539
*** CATEGORY SUMMARY:				258,457	25,805	19,789
Wood - Replacement	4	0	3	75,000	9,146	9,146
*** CATEGORY SUMMARY:				75,000	9,146	9,146
Fencing - Wrought Iron, Pool 1	20	0	12	13,763	5,505	0
Fencing - Wrought Iron, Pool 2	20	+1	1	17,182	16,344	16,344
Railing - Wrought Iron, Buildings	30	+19	3	159,231	149,331	149,331
Walls - Block, Repairs	30	+19	3	15,764	14,784	14,784
Walls - Slumpstone	35	+14	3	7,701	7,222	7,222
*** CATEGORY SUMMARY:				213,641	193,186	187,681
Lighting - Buildings	20	0	4	86,100	68,880	68,880
*** CATEGORY SUMMARY:				86,100	68,880	68,880
Pool #1 - Filter	12	0	0	2,022	2,022	2,022
Pool #1 - Heater	12	0	0	4,791	4,791	4,791
Pool #1 - Pump & Motor	8	0	0	1,374	1,374	1,374
Pool #1 - Replaster & Tile	12	0	6	8,372	4,186	0
Pool Area #1 - Concrete Deck	40	0	0	10,198	10,198	10,198
Pool Area #1 - Deck Caulking	4	0	0	801	801	801
Pool Area #1 - Furniture	5	0	0	2,546	2,546	2,546
Pool Area #1 - Trellis	22	+5	1	8,989	8,656	8,656
*** CATEGORY SUMMARY:				39,093	34,574	30,388
Cabana #1 - Ceramic Tile	30	0	0	7,999	7,999	7,999

Villa La Verne Homeowners Association
Funding Status Report

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Cabana #1 - Plumbing Fixtures	20	0	8	1,071	643	0
Cabana #1 - Water Heater	10	0	0	1,372	1,372	1,372
*** CATEGORY SUMMARY:				10,442	10,013	9,371
Pool #2 - Filter	12	0	0	2,022	2,022	2,022
Pool #2 - Pump & Motor	8	0	0	1,374	1,374	1,374
Pool #2 - Replaster & Tile	12	0	6	8,372	4,186	0
Pool Area #2 - Concrete Deck	40	+6	0	7,509	7,509	7,509
Pool Area #2 - Deck Caulking	4	0	0	801	801	801
Pool Area #2 - Furniture	5	0	0	2,000	2,000	2,000
*** CATEGORY SUMMARY:				22,078	17,892	13,706
Cabana #2 - Ceramic Tile	20	0	4	7,418	5,935	5,935
Cabana #2 - Plumbing Fixtures	20	0	7	1,071	696	0
Cabana #2 - Water Heater	10	0	0	1,372	1,372	1,372
*** CATEGORY SUMMARY:				9,861	8,003	7,307
Decks - Clean & Seal	4	0	1	39,744	29,808	29,808
Decks - Resurfacing, 2001	16	0	1	226,800	212,625	212,625
Decks - Resurfacing, 2014	16	0	14	37,800	3,658	0
Decks - Resurfacing, 2015	16	0	15	50,400	1,626	0
*** CATEGORY SUMMARY:				354,744	247,717	242,433
Water Heaters - Newer	12	0	4	71,656	47,771	47,771
Water Heaters - Older	12	0	0	135,044	135,044	135,044
*** CATEGORY SUMMARY:				206,700	182,815	182,815
Doors - Garage, Electric Openers	12	0	0	69,000	69,000	69,000
Doors - Garage, Sectional Roll Up	25	0	0	152,400	152,400	152,400
Doors - Utility	18	0	0	35,700	35,700	35,700
*** CATEGORY SUMMARY:				257,100	257,100	257,100
Access System - Pool Areas	10	0	0	3,536	3,536	3,536
Surveillance System	12	0	0	11,550	11,550	11,550
*** CATEGORY SUMMARY:				15,086	15,086	15,086
Irrigation - Backflow Devices	24	0	2	17,017	15,599	15,599
Irrigation - Controllers	12	0	0	19,180	19,180	19,180
Irrigation - Enclosures	24	0	2	35,685	32,711	32,711
*** CATEGORY SUMMARY:				71,882	67,490	67,490
Mailboxes - Pedestal Sets	18	0	0	42,300	42,300	42,300
*** CATEGORY SUMMARY:				42,300	42,300	42,300
Termite Control - Fumigation	15	+9	3	354,000	309,750	309,750
*** CATEGORY SUMMARY:				354,000	309,750	309,750

Villa La Verne Homeowners Association
Funding Status Report

DESCRIPTION	USE +/- REM LIFE LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
TOTAL ASSET SUMMARY:		3,188,637	2,427,221	2,034,941
CONTINGENCY @ 3.00%:			72,817	61,048
GRAND TOTAL:			2,500,038	2,095,989

Percent Fully Funded: 84%

Villa La Verne Homeowners Association
Asset Listing - Summary by Category

REPORT DATE: September 8, 2015
 VERSION: 013
 ACCOUNT NUMBER: 3566

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
*** CATEGORY SUMMARY:		0	0.00	0.00
Alleys - Asphalt Overlay, 1990	0	32,340	131.77	132.19
Alleys - Asphalt Overlay, Orig	0	116,991	476.66	478.19
Alleys - Asphalt Repairs	0	29,187	630.17	632.20
Alleys - Asphalt Slurry Sealing	0	14,545	314.04	315.05
Concrete - Repairs	4	23,957	418.96	423.11
*** CATEGORY SUMMARY:		217,020	1,971.60	1,980.74
Roofs - Composition Roll	0	6,833	42.15	42.29
Roofs - Composition Shingle	5	948,299	10,499.71	10,748.24
*** CATEGORY SUMMARY:		955,131	10,541.86	10,790.53
Paint - Interior	7	14,369	180.67	181.25
Paint - Stucco	7	92,716	1,165.80	1,169.55
Paint - Woodwork	3	125,045	3,157.13	3,176.20
Paint - Wrought Iron	2	26,328	933.85	939.51
*** CATEGORY SUMMARY:		258,457	5,437.45	5,466.51
Wood - Replacement	3	75,000	1,893.60	1,905.04
*** CATEGORY SUMMARY:		75,000	1,893.60	1,905.04
Fencing - Wrought Iron, Pool 1	12	13,763	104.16	104.49
Fencing - Wrought Iron, Pool 2	1	17,182	88.63	98.48
Railing - Wrought Iron, Buildings	3	159,231	444.18	533.00
Walls - Block, Repairs	3	15,764	43.98	52.77
Walls - Slumpstone	3	7,701	21.48	25.78
*** CATEGORY SUMMARY:		213,641	702.43	814.52
Lighting - Buildings	4	86,100	446.04	487.78
*** CATEGORY SUMMARY:		86,100	446.04	487.78
Pool #1 - Filter	0	2,022	15.30	15.35
Pool #1 - Heater	0	4,791	36.26	36.38
Pool #1 - Pump & Motor	0	1,374	15.21	15.26
Pool #1 - Replaster & Tile	6	8,372	122.04	122.43
Pool Area #1 - Concrete Deck	0	10,198	27.43	27.52
Pool Area #1 - Deck Caulking	0	801	17.30	17.36
Pool Area #1 - Furniture	0	2,546	44.26	44.40
Pool Area #1 - Trellis	1	8,989	37.54	42.73
*** CATEGORY SUMMARY:		39,093	315.34	321.43
Cabana #1 - Ceramic Tile	0	7,999	27.03	27.12

Villa La Verne Homeowners Association
Asset Listing - Summary by Category

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Cabana #1 - Plumbing Fixtures	8	1,071	11.86	11.90
Cabana #1 - Water Heater	0	1,372	12.31	12.35
*** CATEGORY SUMMARY:		10,442	51.20	51.37
Pool #2 - Filter	0	2,022	15.30	15.35
Pool #2 - Pump & Motor	0	1,374	15.21	15.26
Pool #2 - Replaster & Tile	6	8,372	122.04	122.43
Pool Area #2 - Concrete Deck	0	7,509	20.19	20.25
Pool Area #2 - Deck Caulking	0	801	17.30	17.36
Pool Area #2 - Furniture	0	2,000	34.76	34.87
*** CATEGORY SUMMARY:		22,078	224.80	225.52
Cabana #2 - Ceramic Tile	4	7,418	38.43	42.03
Cabana #2 - Plumbing Fixtures	7	1,071	13.47	13.51
Cabana #2 - Water Heater	0	1,372	12.31	12.35
*** CATEGORY SUMMARY:		9,861	64.21	67.89
Decks - Clean & Seal	1	39,744	873.99	894.24
Decks - Resurfacing, 2001	1	226,800	1,430.22	1,559.25
Decks - Resurfacing, 2014	14	37,800	248.29	249.09
Decks - Resurfacing, 2015	15	50,400	310.90	311.90
*** CATEGORY SUMMARY:		354,744	2,863.40	3,014.48
Water Heaters - Newer	4	71,656	567.19	596.97
Water Heaters - Older	0	135,044	1,022.07	1,025.36
*** CATEGORY SUMMARY:		206,700	1,589.26	1,622.33
Doors - Garage, Electric Openers	0	69,000	522.22	523.90
Doors - Garage, Sectional Roll Up	0	152,400	599.73	601.66
Doors - Utility	0	35,700	186.95	187.55
*** CATEGORY SUMMARY:		257,100	1,308.90	1,313.11
Access System - Pool Areas	0	3,536	31.72	31.82
Surveillance System	0	11,550	87.42	87.70
*** CATEGORY SUMMARY:		15,086	119.14	119.52
Irrigation - Backflow Devices	2	17,017	77.28	86.66
Irrigation - Controllers	0	19,180	145.16	145.63
Irrigation - Enclosures	2	35,685	162.05	181.71
*** CATEGORY SUMMARY:		71,882	384.49	414.00
Mailboxes - Pedestal Sets	0	42,300	221.52	222.23
*** CATEGORY SUMMARY:		42,300	221.52	222.23
Termite Control - Fumigation	3	354,000	1,599.68	1,786.09
*** CATEGORY SUMMARY:		354,000	1,599.68	1,786.09

Villa La Verne Homeowners Association
Asset Listing - Summary by Category

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
TOTAL ASSET SUMMARY:		3,188,637	29,734.92	30,603.09
CONTINGENCY @ 3.00%:			892.05	930.64
GRAND TOTAL:			30,626.97	31,533.73

LAKE INSURANCE AGENCY

**Insurance Disclosure Statement
(As required by California Civil Code Section 5300)**

Villa La Verne HOA
SoCal Property Enterprises Inc
1855 Sampson Avenue
Corona CA 92879

1. General Liability

(A) Insurance carrier:	Kinsale Insurance Company
(B) The policy limits of insurance:	\$2,000,000 Gen Agg/\$1,000,000 Per Occur
(C) The amount of deductible:	N/A
(D) The policy term is:	12/1/2016 to 12/1/2017

2. Property

(A) Insurance carrier:	CIBA Insurance Services
(B) The policy limits of insurance:	\$46,074,875
(C) The amount of deductible:	\$5,000
(D) The policy term is:	12/1/2016 to 12/1/2017

3. Crime (Includes Burglary)

(A) Insurance carrier:	The Hanover Insurance Company
(B) The policy limits of insurance:	\$3,000,000
(C) The amount of deductible:	\$10,000
(D) The policy term is:	12/1/2016 to 12/1/2017

4. Directors & Officers

(A) Insurance carrier:	United States Liability Insurance Company
(B) The policy limits of insurance:	\$3,000,000
(C) The amount of deductible:	\$5,000
(D) The policy term is:	12/1/2016 to 12/1/2017

5. Excess Liability

(A) Insurance carrier:	Kinsale Insurance Company
(B) The policy limits of insurance:	\$5,000,000
(C) The amount of deductible:	\$10,000
(D) The policy term is:	12/1/2016 to 12/1/2017

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, 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 ASSOCIATION WILL NOTIFY YOU AS SOON AS REASONABLY PRACTICAL IF ANY OF THESE POLICIES ARE CANCELED AND NOT IMMEDIATELY REPLACED. IF A POLICY IS RENEWED OR A NEW POLICY IS ISSUED TO REPLACE A POLICY AND THERE IS NO LAPSE IN COVERAGE, THE ASSOCIATION WILL NOTIFY YOU IN ITS NEXT AVAILABLE MAILING TO MEMBERS.

653 South B Street Suite 200 • Tustin, California 92780
Phone 714.263.3600 • Fax 714.838.7568 • License # 0747473 • www.lakeins.com

California Bill AB-596

FHA Disclosure

PROPERTY NAME: **VILLA LA VERNE**
FHA CONDO ID # **N/A**

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 (circle one)] certified by the Federal Housing Administration.

This information was compiled on November 30, 2017. 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**
VA ID # **N/A**

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 (circle one)] certified by the Federal Department of Veterans Affairs.

This information was compiled on November 30, 2017. 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 fifty 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: 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).

VILLA LA VERNE HOMEOWNERS ASSOCIATION

FINE SCHEDULE

Unless stated elsewhere in the Rules and Regulations, the fine schedule is that all fines are \$100.00 per violation, which may be levied on a daily, weekly or monthly basis 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).....	\$100.00
Failure to Obtain HOA Approval (when required).....	\$100.00 (this applies even if the plans or project is ultimately approved)
Ongoing Uncorrected Violations	\$100.00 per day until corrected
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	

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: cf@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.