

**YOUR HOMEOWNERS'  
ASSOCIATION  
APPROVED BUDGET  
2015**

			MONTHLY
<b>CASH RECEIPTS</b>		REGULAR ASSESSMENTS	1918
		*RESERVE TRANSFER	-223
<b>TOTAL CASH RECEIPTS</b>			<b>\$ 1,695</b>
<b>CASH DISBURSEMENTS</b>	ADMINISTRATIVE	LICENSES AND FEES	3
		OFFICE EXPENSE	24
	CONTRACTS	INSURANCE	169
		GARDENING /MAINTENANCE	200
		MANAGEMENT FEE	800
		RESERVE STUDY	50
		TRASH DISPOSAL	215
	REPAIRS & SUPPLIES	FIRE SPRINKLER INSPECTION	32
		MINOR REPAIRS	30
	PROFESSIONAL FEES	ANNUAL TAX PREPARATION	25
		LEGAL FEES	20
	UTILITIES	WATER	127
<b>TOTAL CASH DISBURSEMENTS</b>			<b>\$ 1,695</b>

**NO INCREASE IN MONTHLY ASSESSMENTS**

# ANNUAL BUDGET REPORT

Your Homeowners Association  
(Civil Code Section 5300)

1. A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis, is attached to this Report.
2. A summary of the Association's reserves prepared pursuant to Civil Code Section 5565 is contained in the "Assessment and Reserve Funding Disclosure Summary" attached to this Report.
3. A summary of the reserve funding plan adopted by the Board, as specified in Civil Code Section 5550(b)(5), is contained in the "Assessment and Reserve Funding Disclosure Summary" attached to this Report. The full reserve funding plan is available upon request.
4. The Board has not determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less.
5. The Board, consistent with the reserve funding plan adopted pursuant to Civil Code Section 5560, does not anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If yes: not required  
Estimated commencement date: \_\_\_\_\_  
Estimated amount: \$ \_\_\_\_\_  
Duration of the assessment: \_\_\_\_\_
6. The Board will fund reserves to repair or replace major components by the following mechanism(s):see reserve disclosure summary attached
7. The procedures used for the calculation and establishment of reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain are as follows:- see reserve study disclosure summary attached ( if reserve study prepared)  
The amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the

component. The calculations do not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

8. The Association does not have any outstanding loans with an original term of more than one year. If yes: no outstanding loans  
Payee: \_\_\_\_\_  
Interest rate: \_\_\_\_\_ %  
Amount outstanding: \$ \_\_\_\_\_  
Annual payment: \$ \_\_\_\_\_  
Date the loan is scheduled to be retired: \_\_\_\_\_
9. A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies is attached to this Report.

## Your Homeowners Association Annual Policy Statement

This Annual Policy Statement or a summary of it shall be distributed to the members within 30 to 90 days before the end of its fiscal year.

(Civil Code §§ 5310, 5320)

1. The name and address of the person designated to receive official communications to the Association is:

Name: Donald Mink  
Address: 4040 Glencoe Ave  
Marina del Rey, CA 90292

If, *and only if*, no person is designated above, communications shall be delivered to the president or secretary of the Association.

(Civil Code § 4035)

2. A member may submit a request to have notices sent to up to two different specified addresses. The notices that owners may request be sent to two addresses are:

- Annual disclosures (the annual budget report, the review of the annual financial statement, and this annual policy statement)
- Assessment and collection notices (notices of special assessments or assessment increases, pre-lien notice, copy of recorded lien, copy of recorded lien release or recorded notice of rescission, notice of default, and related records)

(Civil Code § 4040(b))

3. The location, if any, designated for posting of a general notice is:

Mailbox area

(Civil Code § 4045(a)(3))

Notices that may be posted in this location by the Association include:

- Notices re: proposed and approved operating rule changes
- Notices and agendas of Board meetings
- Results of elections and other membership votes
- Board decisions to borrow from the reserve account to fund litigation

4. Members have the option to receive general notices by individual delivery.

- General notices are delivered by inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods listed in this paragraph 4; posting the printed document at the location listed above; if the Association broadcasts television programming for the purpose of distributing information on association business to its members, by inclusion in the programming; or by individual delivery.
- Individual delivery includes first-class mail, postage prepaid; registered or certified mail; express mail; or overnight delivery by an express service carrier. It also includes e-mail, facsimile, or other electronic means if the recipient has consented in writing.

(Civil Code § 4045(b))

5. Members have the right to receive copies of minutes of board meetings other than executive session meetings.

How to obtain copies:

Submit request in writing with dates of meetings requested. Deliver request by  
email to: don@minkcondo.com  
fax to: 310-437-4345  
mail to: 4040 Glencoe Ave  
Marina del Rey, CA 90292

Where to obtain copies: Copies may be mailed to you or, if you are set up to receive emails from the Association and if the minutes are scanned, they will be emailed to you. If you request to pick them up in person, you can do so at  
4040 Glencoe Ave  
Marina del Rey, CA 90292  
after you have been notified that they are ready for pickup.

(Civil Code § 4950(b))

6. The "Notice Assessments and Foreclosure" required by Civil Code Section 5730 is attached.
7. The Association's collection policy is attached.
8. The Association's discipline policy, if any, including any schedule of penalties for violations of the governing documents, is attached.  
(Civil Code § 5850)
9. A summary of the Association's internal dispute resolution procedure ("IDR" or "meet and confer") is attached.  
(Civil Code § 5920)
10. A summary of the Association's alternative dispute resolution procedure ("ADR") is attached.  
(Civil Code § 5965)
11. A summary of any requirements for Association approval of a physical change to property is attached.  
(Civil Code § 4765)
12. The mailing address for overnight payment of assessments is:  
  
Name: MUFG Union Bank, N.A.  
Address: 2001 Saturn St  
Monterey Park, CA 91755  
(Civil Code § 5655)
13. The annual budget report is attached.  
(Civil Code § 5300)

## ALTERNATIVE DISPUTE RESOLUTION

### Summary of Civil Code ' ' 5925 - 5965

Civil Code Sections 5925 to 5965 contain requirements that apply before owners and associations file lawsuits against each other to enforce the association=s governing documents, the Davis-Stirling Act (Civil Code Sections 4000 *et seq.*), or the California Nonprofit Mutual Benefit Corporation Law (Corporations Code Sections 7110 *et seq.*). Civil Code Sections 5925, *et seq.* apply to actions for declaratory, injunctive, or writ relief, or for that relief in connection with a claim for money damages under the small claims limit. They do not apply to:

1. Cross-complaints.
2. Small claims actions.
3. Assessment disputes, except as otherwise provided by law.
4. Claims for money damages in excess of the small claims limits in conjunction with a claim for declaratory, injunctive or writ relief.
5. Actions where preliminary or temporary injunctive relief is necessary.

If a claim is subject to Civil Code Sections 5925 *et seq.*, the filing party shall endeavor to submit the dispute to alternative dispute resolution (“ADR”). Forms of ADR include mediation, negotiation, and binding or nonbinding arbitration. The ADR process is initiated by one party serving a *Request for Resolution* upon the other parties to the dispute. This document must be served by personal delivery, first-class mail, express mail, fax, or any other means reasonably calculated to provide the party being served with actual notice of the request. The *Request for Resolution* must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within thirty (30) days or it will be deemed rejected, and (iv) if the party being served is a homeowner, a copy of Civil Code Sections 5925 to 5965.

If the individual receiving the request agrees to ADR, the process must be completed within 90 days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a *Certificate of Compliance* indicating the party has complied with the requirements of Sections 5925 to 5965. Failing to do so would be grounds for challenging the lawsuit. Although the prevailing party is entitled to reasonable attorneys= fees and costs, the court may consider a party=s refusal to participate in ADR when making the award.

Failure by any member of the Association to comply with the alternative dispute resolution requirements of Civil Code Section 5930 may result in the loss of your rights to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.

## INTERNAL DISPUTE RESOLUTION

### PROCEDURE

Civil Code Sections 5900 *et seq.*

1. This policy applies to a dispute between the Association and an Association homeowner involving their rights, duties, or liabilities under the Davis-Stirling Act, under the provisions of the Corporations Code relating to mutual benefit corporations (commencing with Corporations Code Section 7110), or under the Association's governing documents.
2. Either party to a dispute within the scope of this policy may initiate the following procedure:
  - A. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
  - B. An Association homeowner may refuse a request to meet and confer. The Association shall accept, unless the parties have already used this procedure to meet and discuss the same dispute within the past three (3) months and to the Association's knowledge there has been no change in any relevant circumstances since that prior meeting. In that case, the Association may accept or reject the homeowner's request at its option.
  - C. The Association's Board of Directors shall designate a member of the Board to meet and confer.
  - D. 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.
  - E. 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.
3. If the dispute is resolved by a means other than with the homeowner's agreement, the homeowner shall have a right of appeal to the Association's Board. The homeowner shall submit his or her appeal in writing to the Board.
4. No homeowner will be charged a fee to participate in the process.

**DISCLOSURE REGARDING APPROVAL NEEDED  
TO MAKE PHYSICAL CHANGES TO PROPERTY**

No owner or lessee, except for declarant, shall make, or cause to be made, any alteration, repair or addition to his unit which would substantially affect the exterior appearance thereof, create a risk of harm to the project or impair any easement without the prior written approval of the plans and specifications therefore by the Board. If the Board fails to approve or disapprove plans and specifications within (30) days of submission, they shall be deemed approved.

Secondary addresses provided by owners

Homeowners may submit a written request to the Association to receive collection notices at a secondary address.



## INSURANCE DISCLOSURE

California Civil Code Section 1365 requires that the Association send an insurance disclosure statement to each of its members not less than 45 days nor more than 60 days preceding the beginning of the association's fiscal year unless the Association's governing documents provide a more stringent time frame. Accordingly, the Association is providing you the following information in compliance with the Civil Code:

- (1) GENERAL LIABILITY INSURANCE
  - (2) The Association's general liability insurance carrier is:  
Allstate Insurance
  - (3) The Association has the following general liability insurance for the period 6/30/11-6/30/12
    - \$ 2,000,000 maximum limit per occurrence;
  - (4) There is no deductible under this general liability policy.
  
- (2) PROPERTY INSURANCE
  - (1) The Association's property insurance carrier is:  
Allstate Insurance
  - (2) The Association has the following property insurance for the period 6/30/11-6/30/12
  - (3) \$3,410,429 maximum limit per occurrence;
  - (4) The deductible under this property insurance policy is \$2500
  
- (3) FLOOD INSURANCE

The Association does not have flood insurance
  
- (4) FIDELITY INSURANCE
  - (1) The Association does have fidelity insurance coverage.
  - (2) The Association's fidelity insurance carrier is: Allstate Insurance.
  - (3) The Association has the following fidelity insurance for the period 6/30/11-6/30/12
  - (4) \$ 50,000 maximum limit per occurrence
  - (5) The deductible under this fidelity insurance policy is \$250.00

**This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 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.**