

Carriage Hills Planned Development Association

NOTICE OF 2022 BUDGET/ASSESSMENT

December 1, 2021

To: All Carriage Hills Members

From: The Board of Directors

Greetings Carriage Hills Community,

Enclosed is the 2022 Association Operating Budget adopted by your Board of Directors in accordance with California Civil Code 5300 and the governing documents of your Association.

The purpose of this correspondence is to update the community on the Association's financial situation. The Board of Directors has met to review the 2022 budget for the Carriage Hills Planned Development Association. Although we have done our due diligence in looking at ways to stabilize our costs, during the last Board meeting we came to the decision that an increase in dues is necessary in order to meet the financial mandates of the Association. While we recognize this decision may be unpopular to some, the rising cost of water, goods, and services and our desire to maintain community beatification requires this increase.

Additionally, we have looked at how our current economy is affecting our neighboring HOA's, and they are feeling the need to adjust to the rising costs, as well. **Therefore, the Assessments will increase to \$150.00 per month. At \$150.00 per month, Carriage Hills is still among the lowest in the HOA industry. This increase will be effective January 1, 2022.**

We welcome your input as we look for ways to keep Association costs at a minimum while maintaining our beautiful community. We hope to see you at the next Board meeting.

If you are currently set up on autopay no action is necessary, the increased amount will automatically be deducted from your account. If you mail a check or send your payment via bill pay, please be sure to adjust your payment accordingly.

Enclosures:

Operating Budget / Civil Code 5300

Assessment & Reserve funding Disclosure Summary, / Civil Code 5565,

Reserve Study Summary & Funding Plan / Civil Code 5550 & 5570

Assessment Collection & Delinquency Policies / Civil Code 5730 & 5850

Alternate Dispute Resolution (ADR)(IDR) / Civil Code 5920, 5965 & 4615

Insurance Coverage Summary / Civil Code 5300(b)(9)

Carriage Hills 2022 Budget

INCOME	MONTHLY	ANNUAL	PER UNIT
Assessments	21,900.00	262,800.00	150.00
TOTAL INCOME	<u>21,900.00</u>	<u>262,800.00</u>	<u>150.00</u>
UTILITIES			
Electricity	116.67	1,400.00	0.80
Water & Sewer	4,833.33	58,000.00	33.11
Total Utilities	<u>4,950.00</u>	<u>59,400.00</u>	<u>33.90</u>
LANDSCAPE MAINTENANCE			
Landscape Contract	8,486.00	101,832.00	58.12
Landscape Extras	375.00	4,500.00	2.57
Irrigation Repairs	375.00	4,500.00	2.57
Tree Trimming/Removal	2,166.67	26,000.00	14.84
Total Landscape	<u>11,402.67</u>	<u>136,832.00</u>	<u>78.10</u>
COMMON AREA			
Pest Control	370.00	4,440.00	2.53
Misc	41.67	500.00	0.29
Total Common Area	<u>411.67</u>	<u>4,940.00</u>	<u>2.82</u>
ADMINISTRATIVE EXPENSES			
Insurance Master Policy	475.00	5,700.00	3.25
Taxes	0.83	10.00	0.01
Reserve Study	54.17	650.00	0.37
Audit	91.67	1,100.00	0.63
Collection Expense	125.00	1,500.00	0.86
Management	1,575.00	18,900.00	10.79
Legal Services	416.67	5,000.00	2.85
Holiday Decorations	41.67	500.00	0.29
Web Page	50.00	600.00	0.34
Internet Service	243.52	2,922.24	1.67
Camera Maintenance	173.00	2,076.00	1.18
Community Activities	25.00	300.00	0.17
Total Administration	<u>3,271.52</u>	<u>39,258.24</u>	<u>22.41</u>
RESERVE ALLOCATIONS			
Fencing & Walls	5.65	67.76	0.04
Landscape	416.67	5,000.00	2.85
Contingency	8.33	100.00	0.06
Irrigation Repairs	416.67	5,000.00	2.85
Lighting	333.33	4,000.00	2.28
Landscape Committee	416.67	5,000.00	2.85
Tree Trimming/Removals	183.50	2,202.00	1.26
Capital Contribution	<u>83.33</u>	<u>1,000.00</u>	<u>0.57</u>
RESERVE CONTRIBUTION	<u>1,864.15</u>	<u>22,369.76</u>	<u>12.77</u>
TOTAL EXPENSES	<u>21,900.00</u>	<u>262,800.00</u>	<u>150.00</u>

Carriage Hills Planned Development Association
Executive Summary
Directed Cash Flow Calculation Method

Client Information:

Account Number	40338
Version Number	1
Analysis Date	01/19/2021
Fiscal Year	1/1/2021 to 12/31/2021
Number of Units	146
Phasing	1 of 1

Global Parameters:

Inflation Rate	2.00 %
Annual Contribution Increase	2.00 %
Investment Rate	1.50 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

This community was constructed between 1987 and 1988.

For budgeting purposes, unless otherwise indicated, we have used January, 1989 as the average placed-in-service date for aging the original components included in this analysis.

Level of service: Level 2 - update report with site visit.

Most recent ARS site visit: January, 2021.

Adequacy of Reserves as of January 1, 2021:

Anticipated Reserve Balance	\$57,083.94
Fully Funded Reserve Balance	\$150,804.47
Percent Funded	37.85%

Recommended Funding for the 2021 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	\$10,410	\$867.50	\$5.94
Interest Contribution	\$626	\$52.18	\$0.36
Total Contribution	\$11,036	\$919.68	\$6.30

Carriage Hills Planned Development Association
Membership Disclosure Summary
Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
020 Fencing	\$15,500	\$2,500	0-13	15-30
080 Landscape	\$187,600	\$52,921	2-9	18-25
100 Unfunded	\$0	\$0	n.a.	n.a.
Contingency	n.a.	\$1,663	n.a.	n.a.
Total	\$203,100	\$57,084	0-13	15-30

CARRIAGE HILLS

Assessment and Reserve Funding Disclosure Summary

- (1) The current assessment per unit is \$ 150.00 per Unit; If assessments vary by the size or type of unit the assessment applicable to this unit maybe found on the attached report.
- (2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purposes, if they have been approved by the board and/or members

Date assessment is due:	Amount per unit per month (If assessments are variable)	Purpose of the assessment:
1 st of each Month		Fund Operating and Reserves
	Total: \$ NA	

Note: If assessments vary by the size of the type of unit, the assessment applicable to this unit may be found on page _ of the attached report.

- (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. Additional Reserve Contributions / increases may be required.**

Please Note: For the fiscal year 2022 the association is projected to be 50% funded with a monthly reserve contribution of \$1864.15 However, if the association does not implement the reserve recommendations, the association may not meet future reserve obligations and may incur a special assessment.

- (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? N/A

Approximate date assessment will be due: N/A

Amount per unit per month: \$00.00

Total: \$00.00 per month

- (5) The following major components, which are included in the reserve study, are NOT included in the existing reserve funding:

Major component:	Useful remaining life in years:	Reason this major component was not included:

- (6) The last reserve study was completed in January 2021. The current balance in the reserve fund is \$36,947.29.

Please Note: The financial representations set forth in this summary are based on the best estimates of the prepare at that time. The estimates are subject to change.

Note: Civil Code Section 1365.2.5 provides as follows:

- a) "Estimating remaining useful life," means the time reasonably calculated to remain before a major component will require replacement.
- b) "Major component" has the meaning used in Section 1365.5 Components with an estimated remaining life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the assessment and reserve Funding Disclosure Summary.

CARRIAGE HILLS PLANNED DEVELOPMENT

ANNUAL BUDGET REPORT

2022 Budget

Enclosed, please find the budget for the New Year. Individual Association Assessments **will increase to \$150.00 per month**. Civil Code Sections 5300(b)(1) and 5615.

Association Assessment Increases/Special Assessment for Operating Shortfalls

This budget, as approved by the Board, is based upon anticipated costs for the next year. California Civil Code allows boards of directors, without a vote of the membership, to increase Association assessments up to 20% over the annual Association assessment for the prior year and to impose a special assessment of up to 5% of the current year's budgeted annual expenses and/or higher amounts under other specific circumstances. If the budget as adopted is insufficient to meet the Association's actual expenses, the board reserves the right to make an interim adjustment in the Association assessments, up to the annual limits allowed by California Civil Code, and/or impose a special assessment as allowed by California Civil Code.

Reserves

Associations have large expenses that may not occur every year, such as slope maintenance, landscape updates, tree trimming, etc. The goal in reserve funding is to set aside a portion of the current assessments to allow sufficient funds to be available when needed, instead of relying on special assessments. Per the approved budget, the reserves will be funded at **\$1,864.15** per month plus interest. A copy of the most recent reserve study summary is enclosed. Also enclosed is the "Special Assessment and Reserve Study Funding Disclosure. Civil Code Sections 5300(b)(2) and 5565.

Reserve Funding Plan

The reserve funding plan is attached. The full reserve study is available to any member upon request. Civil Code Section 5300(b)(3).

Major Component Repair Deferral Disclosure Statement

The Board of Directors has determined to defer repairs or replacement of any Major Component with the remaining life of thirty (30) years or less as they are not specified as needed on enclosed reserve study. These components are itemized in the current Reserve Study. Civil Code Section 5300(b)(4).

Special Assessment, Reserve Funding

Consistent with the reserve funding plan prepared by an independent reserve preparer, the board has determined or anticipated that the levy of one or more **special assessments will not be required** to repair, replace, or restore any major component or to provide adequate reserves. Civil Code Sections 5300(b)(3), (4), and (5).

Reserve Funding Procedures

The association intends to fund reserves to repair or replace major components through the Association Assessments. Civil Code Section 5300(b)(6).

Procedures for Calculating Reserves

Attached to this report is a general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain. Civil Code Sections 5300(b)(7) and 5570.

CARRIAGE HILLS PLANNED DEVELOPMENT

Reserves Study Procedure

A Reserve Study is completed every three years by an independent third party after conducting an onsite review of Common Area components. Updates are then performed in the following two years based on any work that has been performed. The reserve study calculations to establish reserves and funding amounts contain estimates and assumptions based on various sources of information and reflect the judgment of the Reserve Study preparers based on conditions present at the time of the study and should not be construed as a guarantee or assurance of future events. Off-year Reserve Study updates are prepared without an onsite visual inspection and entail the application of anticipated inflation factors to the current estimated replacement costs combined with interest rate assumptions.

Outstanding Loans

The Association does not have any outstanding loans. Civil Code Section 5300(b)(8).

Insurance

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. Civil Code Section 5300(b)(9).

The summary of the Association's master insurance is enclosed. Note that the Association does not carry flood insurance or earthquake insurance. Individual earthquake and flood coverage is available from your own insurance agent/broker or other sources.

2022 ANNUAL POLICY STATEMENT

Enclosed, please find the Summary of the Association's effective Policies and Documents required by Civil Code Section 5310

Official Contact Information

The name and address of the person designated to receive official communications to the association is listed below. Civil Code Sections 5310(a)(1) and 4035.

Carriage Hills Planned Development Association
c/o Association Management & Support Services, Inc.
14780 Pipeline Avenue
Chino Hills, CA 91709

Secondary Addresses

A homeowner of the community may submit a written request to have notices sent to up to two different specified addresses. Those addresses should be provided to the Association to the name an address listed above. Civil Code Sections 5310(a)(1) and 4040.

CARRIAGE HILLS PLANNED DEVELOPMENT

Location for the Posting of Notice

The location, if any, designated for posting of a general notice in the community is the following location: Community Bulletin Board Civil Code Sections 5310(a)(3) and 4045(a).

Option to Receive General Notices by Individual Delivery

If a member requests to receive general notices by individual delivery, all general notices to that member shall be delivered pursuant to Section 4040. Civil Code Sections 5310(a)(4) and 4045(b).

Books, Records, and Minutes of the Association

The books, records, and minutes of the Association shall be available for review by members in the management offices, by appointment and member's written request specifying a reason for such review reasonably related to their interest as members. Civil Code Sections 5310(a)(5) and 4950.

Statement of Collection Policy and Enforcement of Lien Rights

Below is a general statement addressing the procedures used for the collection of delinquent assessments and describing the association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments. Civil Code Sections 5310(a)(6), (7), and 5730.

1. Unpaid assessments are delinquent **15 days** after they are due. Assessments not paid within 15 days, shall be subject to a late charge of **Ten dollars (\$10.00) or 10%**, whichever is greater, for each delinquent monthly assessment and **12%** per annum, commencing 30 days after the assessment becomes due.

2. 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.

Statement of Discipline Policy

Below is the Association's Discipline policy including any reimbursement or fine penalties, if any, and can also be made available upon request from the management office. Civil Code Sections 5310(a)(8) and 5850.

SCHEDULE OF MONETARY PENALTIES

The monetary penalties for violation of the Associations Rules and Regulations and Architectural Standards will be as follows, subject to required notice and hearing procedure:

First fine amount \$50

All subsequent fines will increase in increments of \$50.

*Meaning they will increase \$50/\$100/\$150

Continuing Violations \$5 per day. Fines will accrue until the violation is corrected.

* For infractions such as landscape, parking, maintenance on home i.e.; paint, mailbox, etc.

Repeat Violations \$25 per infraction

* For infractions such as RV parking on property, trash containers left out, dogs without a leash, etc.

A Special Assessment may be levied to reimburse HOA expenses.

The HOA may pursue legal action upon a Homeowner to gain compliance at their discretion.

CARRIAGE HILLS PLANNED DEVELOPMENT

Dispute Resolution Policies (IDR and ADR)

Below are summaries of the Dispute Resolution procedures as required by Civil Code Section 5920 and 5965. The parties shall endeavor to submit the matter to Dispute Resolution prior to filing an enforcement action for the CC&Rs, unless otherwise permitted by Civil Code Section 5900.

IDR

For disputes between an Association and a member involving their rights, duties, or liabilities covered by Davis-Stirling communities, the Association shall provide a fair, reasonable, and expeditious procedure for resolving a dispute. Civil Code Sections 5310(a)(9) and 5925.

ADR

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. Civil Code Sections 5310(a)(9) and 5965.

Architectural Modifications

A summary of the physical change to property is available from the management office. Civil Code Sections 5310(a)(10) and 4765.

Address for Overnight Payment

Carriage Hills Planned Development Association
c/o Association Management & Support Services, Inc.
14780 Pipeline Avenue
Chino Hills, CA 91709
Civil Code Sections 5310(a)(11) and 5655.

Additional Information

The association performs an annual tax review and audit as required each year. A copy of this information will be submitted to each owner approximately 120 days after the end of the fiscal year. Other information that is required by law or the governing documents or that the board determines to be appropriate for inclusion. Civil Code Sections 5310(a)(12).



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
02/02/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Prendiville Insurance Agency 24661 Del Prado, Suite 3 License #0740433 Dana Point CA 92629	CONTACT NAME: PHONE (A/C. No, Ext): (949) 487-9696 FAX (A/C. No): (949) 487-9626 E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
INSURED Carriage Hills Planned Development Association c/o Association Management & Support Ser 14780 Pipeline Avenue Chino Hills CA 91709	INSURER A: United States Liability Insura NAIC # 25895	
	INSURER B: Scottsdale Insurance Company 41297	
	INSURER C: AmTrust - Wesco Insurance Comp 25011	
	INSURER D: Great American Insurance Compa 16691	
	INSURER E:	
	INSURER F:	

COVERAGES

CERTIFICATE NUMBER: Cert ID 16387

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> *D&O is Claims Made <input checked="" type="checkbox"/> D&O Ded: \$5,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		NPP1600605	02/01/2021	02/01/2022	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000 D&O Liability \$ 1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY	Y		NPP1600605	02/01/2021	02/01/2022	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	Y		CUP1565002	02/01/2021	02/01/2022	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WWC3517064	02/06/2021	02/06/2022	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Fidelity Bond	Y		SSA-392-56-74-11426-00	02/01/2021	02/01/2022	Fidelity Bond Deductible \$5,000 \$ 150,000
B	Property (R/C)			CPS7300732	02/01/2021	02/01/2022	Property Deductible \$1,000 \$ 89,500

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Association Management & Support Services, Inc. is Named as Additional Insured as Their Interests May Appear, as Respects: Auto, CGL, D&O Liability, Fidelity Bond and Umbrella Liability.

Property Coverage Applies to Common Areas Only. 147 Unit PUD.

*CANCELLATION: 30 DAY NOTICE, EXCEPT 10 DAY NOTICE FOR NON-PAYMENT OF PREMIUM.

CERTIFICATE HOLDER**CANCELLATION**

Association Management & Support Service
 14780 Pipeline Avenue
 Chino Hills CA 91709

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE