

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION
OPERATING BUDGET LETTER
SEPTEMBER 1, 2023 TO AUGUST 31, 2024

The budget is comprised of two major categories; Operations – what is needed to pay current (one year or less) obligations and Reserves – what is needed to fund future obligations including replacement and maintenance of Association assets.

The expiring Operational budget should finish the current fiscal year within 1% of last year's forecast. Reserves are recovering from the four-year (2018-2021) impact of street removal/replacement and roof repairs, showing healthy managed growth despite significant headwinds, including a current US annual inflation rate of 6%.

The Budget Committee is comprised of 8 homeowners. This Committee met in June to review expected operational and reserve expenditures for the coming year. The committee considered inflationary impacts to expenditures, drought impacts on water costs, landscape contract renewal, and the recent withdrawal of two industry giants (State Farm and Allstate) from California's insurance marketplace due to increasing wildfire risk and soaring construction costs. The annual cost of insurance coverage will rise from \$150K in the expiring budget to \$187K in next year's budget, an increase of 24%. **Monthly dues will rise by \$11/month from \$355.00 to \$366.00, a 3.0% increase.** This increase adjusts for inflation and for substantial increases in the cost of insurance. Note that inflation adjusted expenses in 2023 are 11% lower than in 2013, showing long term fiscal discipline. The proposed budget and monthly dues were accepted by the board at the July meeting.

The Committee appreciates the many inputs received from homeowners. Information is critical to help maintain the quality of lifestyle we enjoy. On behalf of the East Lake Village Shores Community Association Board of Directors and the Budget Committee, we share with you as homeowners the common objective of deriving value from the Association while endeavoring to live in a respected, quality, and valued community.

Pursuant to the Civil Code please find enclosed copies of the following documents:

- Budget for 2023-2024

In accordance with Civil Code 5805 the Association is insured to the level specified in the Code and carries General Liability Insurance in the amount of \$3 million. Therefore, owners are individually liable only for their proportionate share of assessments levied to pay any judgment that exceeds the limit of the association insurance.

Copies of the Board meeting minutes are available upon request throughout the year. Minutes will be released 30 days following the scheduled meeting dates. Any changes for copying and postage will be the responsibility of the requesting party. Minutes can also be accessed through the association website. Please contact **Stonecastle Community Management (714-395-5245)** to request a copy of any Board meeting minutes. The website is also available to view newsletters, pay assessments, access guidelines and policies or to report a problem or ask a question. Website is: www.myhoa.com/eastlakevillageshores.com

East Lake Village Shores Community Association
Joe Winston
Treasurer 2023-2024



EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION

July 2023

2023/2024 Operating Budget. Enclosed, please find the budget for the period September 1, 2023 – August 31, 2024.

The monthly dues will increase to \$366.00 per month

Interim HOA Fees This budget, as approved by the Board, is based upon anticipated costs for the next year. California Civil Code allows Board of Directors, without a vote of the membership, to increase HOA fees up to 20% over the annual HOA fee of the prior year and to impose a 5% special assessment of the current year's budgeted annual expenses. 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 HOA fees, up to the annual limits allowed by civil code.

Special Assessment At the present time, the board does not anticipate a special assessment in the New Year. Special Assessments may be needed in the future to pay for unforeseen operating expenses or for reserve expenditures if the reserve funding is insufficient to meet the costs.

Cash Position As of June 30, 2022, there was \$40,200.37 in operating cash and \$883,124.78 in reserves.

Reserves The reserves will be funded at \$28,108.00 per month. A copy of the most recent reserve study summary is enclosed. This reserve study estimates that the reserves are currently 60% funded and recommends funding next year of \$28,009.44 per month. Also enclosed is the "Assessment and Reserve Study Funding Disclosure." The full reserve study and funding plan is available to any member upon request.

Deferral Disclosure Statement The Board of Directors has determined not to defer repairs or replacement of any Major Component with the remaining life of thirty (30) years or less.

Reserve Funding Plan, Special Assessment The Board of Directors is not contemplating a special assessment as part of the Reserve Funding Plan. The reserve funding plan is attached.

Delinquency Policy The delinquency policy is enclosed. Please refer to the Association's CC&Rs for additional information.

NOTICE 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 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 non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial 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 12 months delinquent, an association may use judicial or non-judicial 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 non-judicial 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 non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial 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)

MEETINGS 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)

Schedule of Fines for Violating Governing Documents or Association Rules The policy regarding fines is outlined in the “Rules and Regulations.”

Security Disclaimer Members should notify the Association of any dangerous or insecure areas. Residents are reminded that they are responsible for the safety and security of their property and their persons and should not rely on the Association. It is hoped that the systems to limit access to the property provide some deterrence to crime. However, no matter what steps are taken, the property can never be completely safe and secure. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their own neighbors, for guests of residents to commit crimes. As a result, the property is not and can never be free of crime and we cannot guarantee your safety or security. Accordingly, you should NOT rely on the association to protect you from loss or harm. Instead, you should provide for your own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; keeping your personal property secure; refusing to open the door to strangers; asking workers for identification; avoiding dangerous situations; locking your vehicles.

Insurance This document contains a general description of coverage’s but is not a statement of contract. For a more detailed description of the policy conditions and exclusions, please consult the policy itself or contact your insurance professional.

At your own expense, owners should carry insurance for real and personal property damage or loss for unit improvements and contents, and premises liability for bodily injury and property damage. In addition, owners should carry insurance for loss of their units and coverage for any loss assessments which might be levied against them in the event of an earthquake or loss.

Here are a few examples of losses that would not be covered under the master policy and that illustrate why you need to carry your own insurance:

- Your freezer ice maker leaks and damages your unit and/or another unit
- A fire occurs and your personal property is damaged
- A fire occurs, your unit is damaged, and you or your tenants have to move out while the unit is being rebuilt
- There is an earthquake and your personal property is damaged

Whether or not there is negligence, if damage, including but not limited to fire, water damage, mold or other structural damage, should arise as a result an act or omission of a resident or invites or out of failure, leaking, overflow or any other reason of any component which is within the scope of the unit and its exclusive use common area and/or an individual’s property, including but not limited to vehicles, stoves, flex lines, angle stops, shut-off valves, toilets, sinks, bathtubs, showers, ice makers, dishwashers, mixer valves, tub drain overflows, caulking, tub surrounds, shower pans, individual water heaters, washing machines, dryer and dryer vent hook-ups, is any, or the appurtenant

lines which are solely for the use of that unit, ***the unit owner will be responsible for the deductible on a covered loss or the total cost of the damage repairs if not a covered loss. If another unit is damaged, that owner's recourse is against the offending unit owner, not the association.*** If the cause of the damage is related to a component within the scope of the association's maintenance and repair responsibilities, the association will absorb the master policy deductible. ***THE MASTER POLICY DOES NOT COVER YOUR PERSONAL PROPERTY OR UNIT UPGRADES OR YOUR PERSONAL LIABILITY. CHECK WITH YOUR INSURANCE AGENT TO BE SURE YOUR INDIVIDUAL POLICY COVERS THESE TYPES OF LOSSES.***

If you have tenants in your unit, you need to advise them to purchase a renter's policy. You also need to advise your insurance agent that you are renting out your unit so that they can tailor your individual policy to your needs.

You are advised to annually evaluate your individual owner's policy in relationship to the coverage and deductibles provided for in the Association's Master Policy. All owners should review their individual policies to make sure that there is adequate "real property" coverage.

The summary of the Association's master insurance is enclosed. Note that the Association does carry Earthquake insurance but does not carry flood. Individual earthquake and flood coverage is likely available from your own insurance agent/broker. You should discuss these coverage's with him/her to determine the extent purchasing such coverage would protect your investment.

The summary of the Association's policies of insurance provides only certain information as required by Section 5310(a)(7) 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 payment 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 the 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 agent /broker for appropriate additional coverage.

Internal Dispute Resolution and Alternative Dispute Resolution the California Legislature has adopted guidelines for resolution of disputes between associations and members and between members, prior to taking disputes to court. The procedures adopted by the Association are enclosed.

Requirements of Architectural Approval the requirements for association approval of physical changes to a unit are enclosed.

Overnight Payments the Association's mailing address for overnight payment of assessment is: 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887

Written Communication The name and address of the person designated to receive official communications for the Association: StoneKastle Community Management, 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887. Association members may submit a written request to StoneKastle Community Management in order to have notices sent to up to two different addresses, to change and/or update their contact information on file, request all general notice items be provided by individual delivery, opt out of the membership list, or receive all reports in full. Written requests may be mailed to 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887, faxed to 866-575-0549 or emailed to info@stonecastle.com. (Civil Code 4040)

Secondary Address California Civil Code gives members the right to submit a request for collection notices to be sent to a secondary address. Send such request by certified mail to StoneKastle Community Management, Inc., Attn: Secondary Address request, 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887

Board Meeting Minutes In accordance with the California Civil Code, board meeting minutes are available as follows: The approved minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors of an association, other than an executive session, shall be available to members within thirty (30) days of the meeting. The approved minutes proposed minutes or summary minutes shall be distributed to any member of the association upon request and upon reimbursement of the association's cost of mailing that distribution. In accordance with the Civil Code, minutes of your association's board meetings may be obtained from StoneKastle Community Management, Inc. Minutes may also be obtained on-line at the association's website.

General Notices General notices from the Association to the members will be posted at the following location in the community (Civil Code 4045): At the clubhouse bulletin board.

Certification by the Federal Housing Administration (FHA) 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 a condominium project. The Association of this common interest development is not certified by the Federal Housing Administration (FHA).

Certification by the Department of Federal Affairs (VA) 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 a condominium project. The Association of this common interest development is not certified by the Department of Federal Affairs (VA).

Annual Policy Statement Pursuant to the new Civil Code Section 5320, an association may distribute a summary of the Annual Policy Statement. To request a full copy of the Annual Policy Statement, please send a written request to StoneKastle Community Management.

Board of Directors
East Lake Village Shores Community Association

**EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION
OPERATING BUDGET
SEPTEMBER 1, 2023 TO AUGUST 31, 2024
BASED ON 191 UNITS**

	<u>ANNUALLY</u>	<u>MONTHLY</u>	<u>PER UNIT MONTHLY</u>	
INCOME:				
4010	ASSESSMENT INCOME	\$ 838,872.00	\$ 69,906.00	\$ 366.00
4510	OWNER COLLECTION CHARGE	4,224.00	352.00	1.84
4535	OWNER LATE CHARGES	1,824.00	152.00	0.80
4780	WATER REIMBURSEMENT	7,776.00	648.00	3.39
	TOTAL INCOME	\$ 852,696.00	\$ 71,058.00	\$ 372.03
EXPENSES:				
UTILITIES				
5010	CABLE TV	\$ 129,588.00	\$ 10,799.00	\$ 56.54
5020	ELECTRICITY	3,000.00	250.00	1.31
5060	WATER	36,696.00	3,058.00	16.01
	TOTAL UTILITIES	\$ 169,284.00	\$ 14,107.00	\$ 73.86
LANDSCAPE				
5210	BACKFLOW	\$ 1,296.00	\$ 108.00	\$ 0.57
5220	LANDSCAPE CONTRACT	80,952.00	6,746.00	35.32
5240	LANDSCAPE REPLACEMENT/E	12,000.00	1,000.00	5.24
5260	SPRINKLER/IRRIGATION REPA	3,804.00	317.00	1.66
5280	TREE MAINTENANCE	3,996.00	333.00	1.74
	TOTAL LANDSCAPE	\$ 102,048.00	\$ 8,504.00	\$ 44.52
MAINT. CONTRACT & REPAIRS				
5380	COMMON AREA MAINTENANCE	\$ 2,952.00	\$ 246.00	1.29
5520	LIGHTING /ELECTRICAL REPAIR	3,996.00	333.00	1.74
	TOTAL MAINT. CONTRACT & REPAIRS	\$ 6,948.00	\$ 579.00	\$ 3.03
GENERAL & ADMINISTRATIVE				
5810	AUDIT/TAX RETURNS	\$ 1,200.00	\$ 100.00	\$ 0.52
5870	INCOME TAX-FEDERAL	1,500.00	125.00	0.65
5875	INCOME TAX-STATE	156.00	13.00	0.07
5890	INSURANCE	100,860.00	8,405.00	44.01
5895	EARTHQUAKE INSURANCE	85,848.00	7,154.00	37.46
5897	INSURANCE-WORKER COMP.	576.00	48.00	0.25
5900	LATE SERVICE FEES	1,488.00	124.00	0.65
5910	LEGAL FEES-GENERAL	2,004.00	167.00	0.87
5930	MANAGEMENT FEES	37,800.00	3,150.00	16.49
5940	MEETING EXPENSES	1,596.00	133.00	0.70
5970	OFFICE SUPPLIES	996.00	83.00	0.43
5990	RESERVE STUDY	900.00	75.00	0.39
5996	SOCIAL ACTIVITIES	1,200.00	100.00	0.52

5998	WEBSITE	996.00	83.00	0.43
	TOTAL GENERAL & ADMINIST	\$ 237,120.00	\$ 19,760.00	\$ 103.46

RESERVE CONTRIBUTIONS

6425	DECKS	\$ 9,468.00	\$ 789.00	\$ 4.13
6410	CONTINGENCY	9,780.00	815.00	4.27
6450	FENCING -WROUGHT IRON	6,000.00	500.00	2.62
6470	IRRIGATION	4,896.00	408.00	2.14
6490	LANDSCAPE	16,344.00	1,362.00	7.13
6510	LIGHTING	4,476.00	373.00	1.95
6560	MAILBOXES	1,452.00	121.00	0.63
6600	PAINTING	141,024.00	11,752.00	61.53
6610	PAVEMENT/STREETS/DRIVES	98,592.00	8,216.00	43.02
6750	ROOF	45,264.00	3,772.00	19.75
	TOTAL RESERVE CONTRIBUTI	\$ 337,296.00	\$ 28,108.00	\$ 147.16

TOTAL EXPENSES	\$ 852,696.00	\$ 71,058.00	\$ 372.03
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EXECUTIVE SUMMARY

RESERVE ANALYSIS

EAST LAKE VILLAGE SHORES COMMUNITY ASSOC.

AUGUST 31, 2023

<i>COMPONENT</i>	<i>CURRENT REPLACEMENT COST</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED RESERVES 8/31/23</i>	<i>MONTHLY FUNDING REQUIREMENT</i>	<i>IDEAL RESERVE</i>
<u>BUILDING ELEMENTS</u>						
<i>ROOFING COMPONENTS;</i>						
Tile Roofs	\$1,843,628	30	50	\$445,602	\$3,883.42	\$737,451
Flat Roofs	46,725	10	20	14,117	271.75	23,363
<i>DECKS;</i>						
Resurface	35,000	2	4	10,574	1,017.75	17,500
Category Total	\$1,925,353			\$470,294	5,172.92	\$778,314
<u>PAVED SURFACES</u>						
Streets - Seal Coat	37,416	1	4	16,956	1,705.00	28,062
Streets - Overlay	226,055	36	40	13,660	491.67	22,606
Category Total	\$263,471			\$30,616	2,196.67	\$50,668
<u>FENCES & GATES</u>						
<i>WROUGHT IRON;</i>						
Perimeter Fences	12,100	1	3	4,874	602.17	8,067
Category Total	\$12,100			\$4,874	602.17	\$8,067
<u>PAINT</u>						
<i>DWELLINGS;</i>						
Via Andalusia - Doors	6,110	4	7	1,583	94.33	2,619
Via Andalusia - Stucco & Trim	104,000	4	7	26,932	1,605.58	44,571
Via Andalusia - Wrought Iron	7,404	4	4	0	154.25	0
Via Apolina - Doors	4,465	6	7	386	56.67	638
Via Apolina - Stucco & Trim	112,000	6	7	9,668	1,421.25	16,000
Via Apolina - Wrought Iron	2,861	3	4	432	67.50	715
Via Fonte - Doors	5,170	3	7	1,785	94.00	2,954
Via Fonte - Stucco & Trim	116,000	3	7	40,053	2,109.67	66,286
Via Fonte - Wrought Iron	6,472	1	4	2,933	294.92	4,854
Via Maria - Doors	2,585	2	7	1,115	61.25	1,846
Via Maria - Stucco & Trim	60,000	2	7	25,896	1,421.00	42,857
Via Maria - Wrought Iron	3,752	1	4	1,700	171.00	2,814
Via Morena - Doors	7,520	1	7	3,895	302.08	6,446
Via Morena - Stucco & Trim	128,000	7	7	0	1,523.83	0
Via Morena - Wrought Iron	8,536	4	4	0	177.83	0
Via Murcia - Doors	3,995	5	7	689	55.08	1,141
Via Murcia - Stucco & Trim	57,000	5	7	9,841	786.00	16,286
Via Murcia - Wrought Iron	5,105	3	4	771	120.42	1,276
Via Oporto - Doors	4,465	2	7	1,927	105.75	3,189
Via Oporto - Stucco & Trim	76,000	2	7	32,802	1,799.92	54,286
Via Oporto - Wrought Iron	3,652	2	4	1,103	106.17	1,826
Via Rene - Doors	5,405	1	7	2,799	217.17	4,633
Via Rene - Stucco & Trim	92,000	1	7	47,649	3,695.92	78,857
Via Rene - Wrought Iron	5,655	1	4	2,563	257.67	4,241
<i>OTHER PAINTING;</i>						
Perimeter Walls	4,000	5	7	691	55.17	1,143
Category Total	\$832,152			\$217,213	16,754.43	\$359,478
<u>LIGHTING</u>						
<i>LANDSCAPE LIGHTING;</i>						
Pole Fixtures	68,750	6	25	31,572	516.33	52,250
Category Total	\$68,750			\$31,572	516.33	\$52,250

EXECUTIVE SUMMARY

RESERVE ANALYSIS

EAST LAKE VILLAGE SHORES COMMUNITY ASSOC.

AUGUST 31, 2023

<i>COMPONENT</i>	<i>CURRENT REPLACEMENT COST</i>	<i>REMAINING LIFE</i>	<i>USEFUL LIFE</i>	<i>PROJECTED RESERVES 8/31/23</i>	<i>MONTHLY FUNDING REQUIREMENT</i>	<i>IDEAL RESERVE</i>
<u>IRRIGATION</u>						
<i>SYSTEM COMPONENTS;</i>						
Controller Vaults	11,250	9	30	4,758	60.08	7,875
Controller Vaults	6,750	13	30	2,311	28.42	3,825
Backflow Device - 2003	1,050	3	15	508	15.08	840
Backflow Devices	7,350	3	15	3,553	105.50	5,880
<i>CONTROLLERS;</i>						
Electronic	19,800	10	10	0	165.00	0
Category Total	\$46,200			\$11,130	374.08	\$18,420
<u>LANDSCAPE</u>						
<i>GENERAL LANDSCAPE;</i>						
Renovate - Via Andalusia	6,000	14	14	0	35.75	0
Renovate - Via Apolina	6,000	14	14	0	35.75	0
Renovate - Via Fonte	8,500	14	14	0	50.58	0
Renovate - Via Maria	6,000	14	14	0	35.75	0
Renovate - Via Morena	6,000	14	14	0	35.75	0
Renovate - Via Murcia	6,000	14	14	0	35.75	0
Renovate - Via Oporto	11,000	14	14	0	65.50	0
Renovate - Via Rene	6,000	14	14	0	35.75	0
Tree Removals	3,000	1	5	1,450	129.17	2,400
Category Total	\$58,500			\$1,450	459.75	\$2,400
<u>OTHER</u>						
<i>MAILBOXES;</i>						
Cluster Boxes	26,350	13	20	5,573	133.17	9,223
<i>COMMON AREA;</i>						
Contingency (5%)	41,155	1	1	19,556	1,799.92	41,155
Category Total	\$67,505			\$25,129	1,933.09	\$50,378

GRAND TOTALS:

\$3,274,031

\$792,279

\$28,009.44

\$1,319,975

Less Projected Available Reserves

792,279

Ideal Reserve Deficiency (Over Funding)*

\$527,696

Percent Funded To Ideal Reserve

60%

Deficiency (Over Funding) Per Unit

\$2,762.81

*A positive result indicates an Ideal Reserve Deficiency while a (negative balance) reflects an Over Funded Condition.

NOTE: Monthly Funding Requirement is predicated on the Current Reserve Method of funding.

NOTE: This schedule reflects summary data only, for supporting details and/or additional information please refer to the complete Reserve Study Report

Revision 1

PERCENT FUNDED PROJECTIONS

CURRENT RESERVE METHOD	2023	2024	2025	2026	2027	2028
Projected Ideal Reserve	\$1,319,975	\$1,389,422	\$1,452,960	\$1,567,326	\$1,686,540	\$1,834,534
Projected Available Reserves	792,279	958,583	1,122,365	1,340,913	1,567,172	1,825,217
<i>Monthly Funding \$28,009.44</i>						
Ideal Reserve Deficiency (Over Funding)*	\$527,696	\$430,838	\$330,595	\$226,413	\$119,369	\$9,317
Percent Funded To Ideal	60%	69%	77%	86%	93%	99%

* A positive result indicates an Ideal Reserve Deficiency while a (negative balance) reflects an Over Funded Condition.

STRAIGHT LINE METHOD	2023	2024	2025	2026	2027	2028
Projected Ideal Reserve	\$1,319,975	\$1,389,422	\$1,452,960	\$1,567,326	\$1,686,540	\$1,834,534
Projected Available Reserves	792,279	1,078,256	1,352,773	1,672,725	1,990,652	2,330,208
<i>Monthly Funding \$37,932.51</i>						
Ideal Reserve Deficiency (Over Funding)*	\$527,696	\$311,166	\$100,188	(\$105,399)	(\$304,112)	(\$495,675)
Percent Funded To Ideal	60%	78%	93%	107%	118%	127%

* A positive result indicates an Ideal Reserve Deficiency while a (negative balance) reflects an Over Funded Condition.

PRESENT LEVEL OF FUNDING	2023	2024	2025	2026	2027	2028
Projected Ideal Reserve	\$1,319,975	\$1,389,422	\$1,452,960	\$1,567,326	\$1,686,540	\$1,834,534
Projected Available Reserves	792,279	970,952	1,137,092	1,347,584	1,554,956	1,782,851
<i>Monthly Funding \$29,035.00</i>						
Ideal Reserve Deficiency (Over Funding)*	\$527,696	\$418,470	\$315,869	\$219,742	\$131,585	\$51,683
Percent Funded To Ideal	60%	70%	78%	86%	92%	97%

* A positive result indicates an Ideal Reserve Deficiency while a (negative balance) reflects an Over Funded Condition.

PROPOSED LEVEL OF FUNDING	2023	2024	2025	2026	2027	2028
Projected Ideal Reserve	\$1,319,975	\$1,389,422	\$1,452,960	\$1,567,326	\$1,686,540	\$1,834,534
Projected Available Reserves	792,279	958,583	1,122,365	1,340,913	1,567,172	1,825,217
<i>Monthly Funding \$28,009.44</i>						
Ideal Reserve Deficiency (Over Funding)*	\$527,696	\$430,838	\$330,595	\$226,413	\$119,369	\$9,317
Percent Funded To Ideal	60%	69%	77%	86%	93%	99%

* A positive result indicates an Ideal Reserve Deficiency while a (negative balance) reflects an Over Funded Condition.

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

AUGUST 31, 2023

(1) The current regular assessment per ownership interest is \$366.00 per month.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

<i>Date Assessment is Due</i>	<i>Amount per Unit per Month</i>	<i>Purpose of the Assessment</i>
NA	NA	NA

(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 No

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

<i>Approximate date assessment will be due:</i>	<i>Amount per unit per month:</i>
See note below *	

* The need for, the amount of, and the timing for additional assessments or other contributions to reserves are directly correlated to and expressly conditioned upon, actual and sometimes unforeseen events that will occur over the next 30 years, in conjunction with a variety of other factors that will determine whether improvements can last their estimated useful lives and whether replacement costs have been accurately predicted.

A Reserve Study is periodically prepared for the association as mandated and in compliance with California law to assist in the budgeting for a major repair, refurbishment and/or replacement of association owned improvements and major components that are expressly identified in the Reserve Study ("Major Components") that are properly maintained. While the Reserve Study cannot be used as a guaranty of any of its budgetary conclusions, it is used by the association as a tool to anticipate and estimate how Major Component reserves should be currently funded in an effort to mitigate the need to make additional assessments in the future.

The Reserve Study relies on a variety of assumptions and predicates concerning each Major Component, to generate budgetary estimates, which estimates are based upon industry standards, manufacturer specifications, a program of scheduled maintenance and anticipated environmental conditions and other conditions affecting wear and tear. These estimates are generally accepted in the practice of formulating reserve studies, and include estimates of replacement value and life expectancies of the components as well as assumptions regarding future events.

EAST LAKE VILLAGE SHORES
COMMUNITY ASSOCIATION
ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY
(CONTINUED)

As a result, any one or more of the statistical components that form the basis of assumptions that are used to project anticipated events and conditions can fail. Therefore the actual replacement cost, useful life and remaining life may vary from the Reserve Study and the variance may be significant. In addition it is impossible to conclude that any mathematically supported and financially prudent funding mechanism adopted by the board of directors and used to fund reserves can guarantee sufficient funds for each Major Component for the next 30 years. It is also impossible to provide a “best or reasonable estimate” of the adequacy of reserve funds or the likelihood and/or risk of, magnitude, or timing of additional assessments for the next 30 years due to the multitude of variables, assumptions and predicates as well as the sheer duration of time. Any such attempt would simply constitute a guess. Additionally, other factors may influence a board of directors in establishing assessments within the association, which may have little to do with the results of a Reserve Study.

The Reserve Study relies upon numerous assumptions and predictions and expressly excludes a comprehensive analysis of factors and future events that are essential in determining the structural tolerances and actual useful life of a component. The Reserve Study findings can easily be invalidated by changes in any of the assumptions or the occurrence of any events typically excluded from the analysis, such as weather, environmental, seismic and geological impacts, quality of construction and installation, possible construction and/or other manufacturing defects or failures, acts of vandalism, the actual useful life and/or actual wear and tear of a component, the actual replacement cost of a component, economic and inflationary factors or the future availability of labor and materials at current or future price estimates. In addition, the Reserve Study does not include a comprehensive analysis or an engineering analysis of Major Components.

For these reasons, the Reserve Study is not able to accurately predict or even reasonably estimate, what additional assessments or other contributions will be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years. However, presuming that the association does in fact fund its reserve accounts at the levels recommended in the Reserve Study, presuming that all of the assumptions and predicates of those items and components examined by the Reserve Study, as more fully identified and described in the Reserve Study, remain true and correct for the next 30 years, and presuming that those matters not included within the scope of the Reserve Study analysis, or that are deemed immaterial or are expressly excluded from the Reserve Study scope of analysis, never become material or relevant over the following 30 years, there is no reason to conclude that over the following 30 years the association will be required to seek additional assessments or other contributions. Members and prospective homeowner association members are referred to the Reserve Study and the Associations’ final adopted budget for a more comprehensive analysis of the foregoing and the likelihood and/or risk that a future assessment can occur.

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

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$1,319,975, based in whole or in part on the last reserve study or update prepared by Foresight Financial Services, Inc. as of August 31, 2023, Revision 1. The projected reserve fund cash balance at the end of the current fiscal year is \$792,279, resulting in reserves being 60% funded at this date.

(7) Please refer to the “Projected Reserve Fund Balances” provided on the following page (page 3 of 3).

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.5% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.0%

**EAST LAKE VILLAGE SHORES
COMMUNITY ASSOCIATION**

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY
(CONTINUED)

PROJECTED RESERVE FUND BALANCES

APPROVED RESERVE FUNDING PLAN

Year	2023	2024	2025	2026	2027	2028
Required Ideal Reserve *	\$1,319,975	\$1,389,422	\$1,452,960	\$1,567,326	\$1,686,540	\$1,834,534
Projected Available Reserves	\$792,279	\$970,952	\$1,147,597	\$1,379,519	\$1,619,679	\$1,892,170
Percent Funded To Ideal	60%	70%	79%	88%	96%	103%

PRIOR LEVEL OF FUNDING**

Year	2023	2024	2025	2026	2027	2028
Required Ideal Reserve *	\$1,319,975	\$1,389,422	\$1,452,960	\$1,567,326	\$1,686,540	\$1,834,534
Projected Available Reserves	\$792,279	\$970,952	\$1,137,092	\$1,347,584	\$1,554,956	\$1,782,851
Percent Funded To Ideal	60%	70%	78%	86%	92%	97%

EAST LAKE VILLAGE SHORES COMMUNITY ASSOC.

AUGUST 31, 2023

REVISION 1

- * Estimated based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code.
 ** Per Civil Code Section 5550, based only on assessments already approved and other known revenues prior to the adoption of the new budget and reserve funding plan.

NOTE: The association's board of directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve study specialists, CPAs and/or other professionals and is relying upon this information, financial data and reports pursuant to Corporations Code 7231 in providing the association membership the information contained in this Assessment And Reserve Funding Disclosure Summary. The information contained within the reserve study includes assumptions regarding future events based on information supplied to the association's board of directors from said professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the accuracy of the reserve study, particularly over a thirty year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods, or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain pursuant to the association's CC&R's. The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change.

EAST LAKE VILLAGE SHORES
COMMUNITY ASSOCIATION

APPROVED RESERVE FUNDING PLAN SUMMARY

AUGUST 31, 2023

PROJECTED ANNUAL RESERVE FUNDING	APPROVED SPECIAL ASSESSMENT	YEAR	CHANGE IN RESERVE FUNDING	PROJECTED RESERVE FUND BALANCE
\$348,420		2023		
348,420	\$0	2024	\$0	\$970,952
358,873	0	2025	10,453	1,147,597
369,639	0	2026	10,766	1,379,519
380,728	0	2027	11,089	1,619,679
392,150	0	2028	11,422	1,892,170
403,914	0	2029	11,764	2,044,780
416,032	0	2030	12,117	2,300,327
428,513	0	2031	12,481	2,600,112
441,368	0	2032	12,855	2,797,469
454,609	0	2033	13,241	2,960,271
468,247	0	2034	13,638	3,292,027
482,295	0	2035	14,047	3,693,682
496,764	0	2036	14,469	3,912,612
511,667	0	2037	14,903	4,128,258
527,017	0	2038	15,350	4,522,432
542,827	0	2039	15,810	4,832,438
559,112	0	2040	16,285	5,152,863
575,885	0	2041	16,773	5,514,261
593,162	0	2042	17,277	6,015,630
610,957	0	2043	17,795	6,413,525
629,285	0	2044	18,329	6,765,534
648,164	0	2045	18,879	7,184,810
667,609	0	2046	19,445	7,628,071
687,637	0	2047	20,028	8,115,317
708,266	0	2048	20,629	8,538,972
729,514	0	2049	21,248	9,126,379
751,400	0	2050	21,885	9,695,020
773,942	0	2051	22,542	10,083,374
797,160	0	2052	23,218	10,610,633
821,075	0	2053	23,915	6,439,051

3.0% Projected Annual Increase In Reserve Funding

3.0% Annual Inflation Rate

NOTE: This schedule reflects summary data only, for supporting details and/or additional information please refer to the complete Reserve Study Report which is available upon request.



MANAGING AGENT DISCLOSURE

In Accordance with Section 11504 of the Business & Professions Code, Agent hereby discloses the following:

1. Your community Manager **Nancy Blasco** is a certified common interest development manager.
2. This manager has been certified through CACM as of July 2008 and is active and in good standing.
3. This common interest manager's office location is at StoneKastle Community Management; 22722 Old Canal Road, Unit B, Yorba Linda, CA 92887.
4. This manager does not hold an active real estate license.

STONEKASTLE
Community Management, Inc.

22722 Old Canal Road, Unit B, Yorba Linda, Ca. 92887 Ph: 714-395-5245 Fax: 866-575-0549

**EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION
ASSESSMENT COLLECTION POLICY**

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. The following are the Association's assessment collection practices and policies, pursuant to Civil Code ("CC") §5320(a),(b), and payment plan standards consistent with CC§5665:

1. Regular assessments are due and payable on the first day of each month. It is the owner's responsibility to timely pay each assessment regardless of whether a statement is received.
2. All other assessments, including special assessments, are due and payable on the date specified in the notice of assessment.
3. Assessments, late charges, interest, reasonable collection costs, and reasonable attorneys' fees, if any, are the personal obligation of the owner of the subject property (the "Property") at the time the assessment or other sums are levied. (CC §5650(a), 5660) Owners shall be responsible for all such amounts unless it is determined that all assessments were paid on time to the Association. (CC §5650)
4. Unpaid assessments are delinquent **30 days** after they are due. (CC&R's, Art. 7, §7.1; CC § 5650. A late charge of **\$5.00 or 5%, whichever is greater** will be charged for any assessment which is not paid in full within **30 days** of the due date. (CC&R's, Art. 7, §7.1; CC §5650).
5. Interest on the balance due will accrue at the rate of 12% per annum, commencing thirty (30) days after the assessment becomes due. (CC&R's, Art. 7, §7.1; CC §5650).
6. Any payments received will be applied first to assessments owed, and, only after the assessments owed are paid in full will the payments be applied to fees and costs of collection, late charges and/or interest. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied. A late charge may accrue if payment is not sufficient to satisfy all delinquent assessments, and the current month's assessment.
7. If any assessment becomes delinquent, the Association may send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address or addresses on file with the Association. The owner will be charged a fee for such delinquency notice. If the amount set forth in the delinquency notice is not received before the due date set forth therein, the matter may be turned over to a collection agent or an attorney for further action, including legal action, or the Association may take such other collection action as it deems appropriate.
8. Owners may submit a written request to the Association to use a secondary address. Any such request must be mailed to the Association (at the address indicated below) in a manner that shall indicate that the Association has received it (e.g., via certified mail). (CC §4040(b) 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.

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION
Assessment Collection Policy, Page 2

9. Without prejudice to its right to continue with and/or take other collection action, 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 CC §4820 and Corporations Code §7341. The Association will not deny an owner or occupant physical access to his or her separate interest by way of any such suspension of privileges. (CC §4510)
10. At 45 days delinquent a courtesy late notice letter will be sent.
11. At 60 days delinquent and prior to recording a lien for delinquent assessments, the Association, its collection agent or attorney will send a pre-lien letter to the record owner as required by CC §5650(a), 5660, by certified and first class mail to the owner's address of record with the Association. The owner will be charged a fee for such pre-lien letter. The Association may obtain a vesting report from a title company in connection with preparation of a pre-lien letter. If a vesting report is obtained, the owner will be charged a fee for the report.
12. 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. (CC §§5915; 5650(a), 5660)
13. Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within 15 days of the postmark of the pre lien letter, the board will meet with the owner, in executive session, within 45 days of the postmark of such request, 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. (CC §5670, 5673, 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 the standards for payment plans set forth herein below.
14. A delinquent owner may also request a payment plan to satisfy his or her debt, without first meeting with the board. Payment plans will be considered on a case-by-case basis. Generally, no payment plan may exceed six (6) months in duration. Fees and/or costs may be charged for the administration of any payment plan, and may vary based upon the duration of the payment plan. Any request for a payment plan which exceeds six months in duration must be accompanied by a written explanation of the reason for the request, which includes documentation of the owner's special circumstances, financial hardship, and ability to make the payments requested. If a lien has not been recorded prior to the time that any payment plan is entered into, one may be recorded during the repayment period to secure the debt while the payment plan is pending. Payment plans must provide for full payment of the delinquent amounts, in addition to the amounts, which will accrue during the repayment period, including any regular and/or special assessments, and any fees and/or costs related to the administration of the payment plan and/or for the recording and/or release of any lien. Once a payment plan is entered into, additional late charges will not accrue for so long as the owner complies with the terms of the payment plan. In the event of a default in any payment agreement, the Association will resume collection efforts from the time prior to entering into the payment plan. (CC §5670, 5673, 5665)
15. If an owner to whom a pre-lien letter is sent fails to pay the amounts demanded therein within thirty (30) days from the date such pre-lien letter is mailed, 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. (CC §5675, 5685(a), 5725(a)) The owner will be charged a fee for such lien. No lien will be recorded unless a majority of the members of the board of directors approves the decision to record the lien at an open board meeting. (CC §5705(b)-(d), 5715(b))

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION

Assessment Collection Policy, Page 3

16. 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. (CC §5675, 5685(a), 5725(a)) Any lien recorded by the Association will remain as an encumbrance against the Property until the debt secured thereby is satisfied.
17. 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 dispute resolution in accordance with the Association's Internal Dispute Resolution Policy, or in alternative dispute resolution with a neutral third party pursuant to CC §5925 et seq. The decision to pursue internal dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the Association intends to pursue judicial foreclosure.
18. 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 \$1,800.00, or until the assessments are at least twelve (12) months delinquent. The decision to initiate foreclosure of any lien shall be made by a majority vote of the board members, in executive session.
19. If the board of directors decides to initiate foreclosure of a lien, it shall provide notice of such decision to the owner pursuant to CC §5705(b)-(d), 5715(b). 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. (CC § 5705(b)-(d), 5715(b).
20. Within 21 days of receipt of full payment to satisfy a lien, the Association will record a release of lien, and provide a copy thereof to the owner. (CC §5720(c)(2)-(3))
21. Owners have the right to inspect certain Association records pursuant to Corporations Code §8333 to verify the debt.
22. The mailing address for overnight payment of assessments, notices or requests, is: c/o StoneKastle Community Management, Inc., 22722 Old Canal Road, Unit B, Yorba Linda, CA, 92887.
23. Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association. The Association reserves the right to change the amount of any collection fee or charge, without notice, and reserves the right to modify or amend this collection policy at any time.

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.

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION
Assessment Collection Policy, Page 4

ASSESSMENTS AND NON-JUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as non-judicial foreclosure. When using non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time (Sections 5600 and 5700 of the Civil Code)

Like a non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a members guests, if the governing documents provide for this. (Sections 5600 and 5700 of the Civil Code)

The association must comply with the requirements of Section 5600-5700 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 5600-5700 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. Among these documents, the association must send 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 5600-5700 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 5600-5700 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, he or she 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 (Sections 5600-5700 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 giving the board of the association a written explanation and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 5600 and 5700 of the Civil Code)

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION
Assessment Collection Policy, Page 5

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Sections 5600 and 5700 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share 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 exist. (Sections 5600 and 5700 of the Civil Code)

The board of directors 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. (Sections 5600 and 5700 of the Civil Code).

Adopted by the Board January 8, 2009.

East Lake Village Shores Community Association
SCHEDULE OF FINES

***Note:** No changes to the Leasing/Rental Procedures/Short Term Rental Rules Fines

Penalties (Fines) for violations of the **Leasing/Renting Procedures/Short Term Rental Rules, Rule #4 of less than 30 days**, are as follows:

-First Occurrence	\$500 per day of the violating rental
-Second Occurrence	\$2,000 or, at the option of the Association, \$1,000 per day of the violating rental
-Third and Any Subsequent or Continuing Occurrence	\$3,000 or, at the option of the Association, \$1,500 per day of the violating rental

Penalties (fines) for violations of the Association's governing documents (other than Rule #4 of the Leasing/Renting Procedures/Short Term Rental Rules which are addressed above), are as follows:

-First Hearing	Up to \$150.00 fine and/or suspension of privileges.
-Second Hearing	(Continuing, similar or same offense within a 1-year period): Warning up to \$250.00 fine or suspension of privileges.
-Third Hearing	(Continuing, similar or same offense within a 1-year period): Warning up to \$550.00 fine or suspension of privileges and or legal action.

Type of Violation: Immediate Action – Homeowner Property

Property Modifications

Notwithstanding the foregoing, a violation for commencing a modification without first obtaining approval from the Architectural Committee and/or making a modification which deviates from plans approved by the Architectural Committee shall result in a hearing notice and may result in a fine up to \$300.00 and or suspension of privileges.

Adopted 07/14/22

**Civil Code §5300 Insurance Disclosure Prepared for
East Lake Village Shores Community Association**

General Liability Coverage

1. Name of Insurer:	Policy # - 094351534
2. Policy Limits:	Farmers Insurance Exchange
3. Deductible:	\$1,000,000 per occurrence/\$2,000,000 aggregate
4. Effective Dates:	None
	9/15/2022 to 9/15/2023

Property Coverage

1. Name of Insurer:	Policy # - 094351534
2. Policy Limits:	Farmers Insurance Exchange
3. Deductible:	\$83,309,333
4. Effective Dates:	\$10,000 per occurrence
	9/15/2022 to 9/15/2023

****ALL INTERIOR COVERAGE EXCLUDED****

D&O Coverage

1. Name of Insurer:	Policy # - 094351534
2. Policy Limits:	Farmers Insurance Exchange
3. Deductible:	\$1,000,000
4. Effective Dates:	\$1,000 per occurrence
	9/15/2022 to 9/15/2023

Fidelity Bond Coverage

1. Name of Insurer:	Policy # - 094351534
2. Policy Limits:	Farmers Insurance Exchange
3. Deductible:	\$1,300,000
4. Effective Dates:	\$10,000 per occurrence
	9/15/2022 to 9/15/2023

Umbrella Coverage

1. Name of Insurer:	Policy # - 602322566
2. Policy Limits:	Truck Insurance Exchange
3. Deductible:	\$2,000,000
4. Effective Dates:	\$10,000 per occurrence
	9/15/2022 to 9/15/2023

Workers Comp Coverage

1. Name of Insurer:	Policy # - A09326698
2. Policy Limits:	Farmers Insurance Exchange
3. Deductible:	\$1,000,000 Statutory Limits
4. Effective Dates:	None
	9/15/2022 to 9/15/2023

“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.”



UNIT OWNERS' INSURANCE NEEDS

Personal Property Coverage

The Association Master Policy does not cover a unit owner's personal property and may have limited or excluded coverage for the fixtures and improvements to the unit interior. This coverage should be obtained with a "Contents Replacement Cost" endorsement, which will replace damaged property without deduction for depreciation.

Loss of Use

If the unit is unlivable due to a covered loss, this coverage will pay for the unit owner's additional living expense. For rental units, the coverage pays the lost income to the unit owner while the unit is vacant due to a covered loss. An insurance professional can help determine an adequate limit for this coverage.

Loss Assessment

This coverage will pay a special assessment levied by the association to the membership due to an insured loss exceeding the association's master policy limits. This is not coverage for common area maintenance assessments.

Personal Liability

This coverage pays for the bodily injury or property damage to a third party if the unit owner is liable due to unintentional acts. It also covers family members, sporting activities and injury caused by pets.

California Earthquake Authority (CEA)

Coverage is available through this state-run program, or similar programs operated by individual insurance carriers, for damage incurred in the event of an earthquake. Contact an insurance professional or go to earthquakeauthority.com for more information.





EASTLAK-01

KBROWN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/23/2022

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 License # 0118113 Berg Insurance Agency 1 Orchard, Suite 230 Lake Forest, CA 92630	CONTACT NAME: PHONE (A/C, No., Ext): (800) 989-7990	FAX (A/C, No.): (949) 586-9877	
	E-MAIL ADDRESS: info@berginsurance.com		
INSURED East Lake Village Shores Community Association Yorba Linda, CA 92886	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Farmers Insurance Exchange		21652
	INSURER B : Truck Insurance Exchange		21709
	INSURER C :		
	INSURER D :		
	INSURER E :		

COVERAGES **CERTIFICATE NUMBER:** **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 GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			094351534	9/15/2022	9/15/2023	EACH OCCURRENCE \$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ Included
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 1,000,000
							\$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			094351534	9/15/2022	9/15/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			602322566	9/15/2022	9/15/2023	EACH OCCURRENCE \$ 2,000,000
							AGGREGATE \$ 2,000,000
							\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y <input checked="" type="checkbox"/> N N/A If yes, describe under DESCRIPTION OF OPERATIONS below			A09326698	9/15/2022	9/15/2023	<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
A	Directors & Officers			094351534	9/15/2022	9/15/2023	\$1,000 Deductible 1,000,000
A	Fidelity Bond			094351534	9/15/2022	9/15/2023	\$10,000 Deductible 1,300,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
No additional affiliated or unaffiliated projects; Umbrella policy provides additional liability coverage to General Liability and Directors & Officers Liability; Management Company named Additional Insured on GL, D & O and Fidelity Bond; Policy Includes Separation of Insureds, Building Ordinance (Coverage A, B and C), Boiler/Machinery Breakdown, Wind & Hail, Waiver of Subrogation, Inflation Guard, No Coinsurance; 10 Day notice of cancellation for non payment of premium.

Per CCR -- Bare Walls (All Interior Coverage EXCLUDED); Special Form; 100% Replacement Cost Policy with 150% Extended Replacement Cost Endorsement; 191 Units

CERTIFICATE HOLDER INFORMATION ONLY	CANCELLATION 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



ADDITIONAL REMARKS SCHEDULE

AGENCY Berg Insurance Agency		License # 0118113	NAMED INSURED East Lake Village Shores Community Association Yorba Linda, CA 92886
POLICY NUMBER SEE PAGE 1			
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

2022/2023
 Insurer A) Building Policy #094351534 Effective 09/15/2022 - 09/15/2023
 \$83,309,333 Limit \$10,000 Deductible



EASTLAK-01

KBROWN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/23/2022

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PRODUCER License # 0118113 Berg Insurance Agency 1 Orchard, Suite 230 Lake Forest, CA 92630	CONTACT NAME: PHONE (A/C, No, Ext): (800) 989-7990		FAX (A/C, No): (949) 586-9877
	E-MAIL ADDRESS: info@berginsurance.com		
INSURED East Lake Village Shores Community Association Yorba Linda, CA 92886	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Farmers Insurance Exchange		21652
	INSURER B : Truck Insurance Exchange		21709
	INSURER C :		
	INSURER D :		
	INSURER E :		

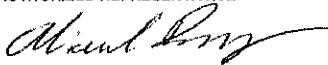
COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		094351534	9/15/2022	9/15/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ Included GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			094351534	9/15/2022	9/15/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			602322566	9/15/2022	9/15/2023	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input checked="" type="checkbox"/> Y / <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	A09326698	9/15/2022	9/15/2023	<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
A	Directors & Officers	X		094351534	9/15/2022	9/15/2023	\$1,000 Deductible 1,000,000
A	Fidelity Bond	X		094351534	9/15/2022	9/15/2023	\$10,000 Deductible 1,300,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
No additional affiliated or unaffiliated projects; Umbrella policy provides additional liability coverage to General Liability and Directors & Officers Liability; Management Company named Additional Insured on GL, D & O and Fidelity Bond; Policy Includes Separation of Insureds, Building Ordinance (Coverage A, B and C), Boiler/Machinery Breakdown, Wind & Hail, Waiver of Subrogation, Inflation Guard, No Coinsurance; 10 Day notice of cancellation for non payment of premium.

Certificate Holder is named Additional Insured Property Management Company.

CERTIFICATE HOLDER Stonecastle Community Management 22722 Old Canal Road, Unit B Yorba Linda, CA 92887	CANCELLATION 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 



ADDITIONAL REMARKS SCHEDULE

AGENCY Berg Insurance Agency	License # 0118113	NAMED INSURED East Lake Village Shores Community Association Yorba Linda, CA 92886
POLICY NUMBER SEE PAGE 1		
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

2022/2023
Insurer A) Building Policy #094351534 Effective 09/15/2022 - 09/15/2023
\$83,309,333 Limit \$10,000 Deductible

East Lake Village Shores Community Association

4528. The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

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

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

Property Address: _____

Owner of Property: _____

Owner's Mailing Address: _____
(if known or different from property address)

Provider of the **Section 4525** Items:

StoneKastle Escrow Department	Appraiser	StoneKastle Community Management, Inc	3-13-2023
Print Name	Position or Title	Association or Agent	Date Form Completed

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Articles of Incorporation (or statement that not incorporated)	Section 4525(a)(1)	\$35.00	
CC&Rs	Section 4525(a)(1)	\$55.00	
Bylaws	Section 4525(a)(1)	\$35.00	
Operating Rules	Section 4525(a)(1)	\$25.00	
Age Restrictions, if any	Section 4525(a)(2)		Refer to the Demand
Rental Restrictions, if any	Section 4525(a)(9)	\$10.00	Refer to CC&Rs
Annual Budget Report (or summary, including Reserve Study)	Sections 5300 and 4525 (a)(3)	\$75.00	
Assessment and Reserve Funding Disclosure Summary	Sections 5300 and 4525 (a)(4)		Included in Budget
Financial Statement Review	Sections 5305 and 4525(a)(3)	\$85.00	
Assessment Enforcement Policy	Sections 5310 and 4525(a)(4)		Included in Budget
Insurance Summary	Sections 5300 and 4525 (a)(3)		Included in Budget
Regular Assessment	Section 4525(a)(4)		Refer to the Demand
Special Assessment	Section 4525(a)(4)	\$10.00	Refer to the Demand
Emergency Assessment	Section 4525(a)(4)		Refer to the Demand

East Lake Village Shores Community Association

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Other Unpaid Obligations of Seller	Sections 5675 and 4525(a)(4)		Refer to the Demand
Approved Changes to Assessments	Sections 5300 and 4525(a)(4), (8)		Included in Budget
Settlement Notice Regarding Common Area Defects	Sections 4525(a)(6), (7) and 6100		Refer to the Demand
Preliminary List of Defects	Sections 4525(a)(6), 6000 and 6100		Refer to the Demand
Notice(s) of Violations	Sections 5855 and 4525(a)(5)		Refer to the Demand
Required Statement of Fees	Section 4525	\$202.00	aka Demand
Minutes of Regular Board Meetings (conducted over the previous 12 months, if requested)	Section 4525(a)(10)	\$85.00	
Total fees for these documents:		\$ \$617.00	

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

Buyer and Seller may negotiate who pays document and disclosure fees.

The management company was not paid a referral fee by HomeWiseDocs as part of this transaction.

This is the minimum document offering required to meet CA statute 4525. You may opt to acquire additional documents including, but not limited to, Meeting Minutes, Reserve Studies, Insurance Declaration Pages, and/or property inspections not mandated by law but helpful to the prospective buyer(s) and/or their agent to make a more informed decision regarding the subject property.

Please note: The fees listed are an estimate and the actual fees charged for the documents may be different than this amount. Other fees including, but not limited to, Transfer Fees, Capital Contributions, Collection fees, etc. may be assessed to each property and will be disclosed on the Statement of Fees (Demand), and are not included within estimated charges outlined within this form.

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION

TO: All East Lake Village Shores Homeowners
FROM: Community Manager
REF: Alternative and Internal Dispute Resolution Procedures

Dear Association Member:

For approximately the last nine (9) years, California Community Associations and their homeowners have been required to participate in certain Alternative Dispute Resolution ("ADR") procedures prior to initiating certain types of litigation between them. Beginning on January 1, 2005, newly enacted Civil Code Sections 5900-5920 require that, in addition to ADR, Associations also offer an Internal Dispute Resolution ("IDR") procedure for most disputes that may arise between the Association and a homeowner.

The following is an overview of the now statutorily required ADR and IDR procedures/requirements. Please be advised that the referenced Civil Code Sections may be subject to varying interpretations. As such, this summary represents the current interpretation of one industry law firm based upon currently available information. Each homeowner should consult with his/her own attorney regarding appropriate compliance with the requirements in the newly enacted Civil Code Sections if/when any disputes arise.

I. INTERNAL DISPUTE RESOLUTION ("IDR") PROCEDURES

Civil Code Section 5900 requires that Community Associations provide a fair, reasonable, and expeditious procedure for resolving disputes between an Association and any homeowner involving the Member's rights, duties or liabilities under the Davis-Stirling Act, the Nonprofit Mutual Benefit Corporation Law or under the governing documents of the Common Interest Development or Association. Unless you are notified otherwise, the Association will continue to provide fair, reasonable, and expeditious procedures for resolving disputes by adopting the IDR procedure set forth in California Civil Code Section 5915, which is summarized as follows:

- A. Either party to the dispute (either the Member or the Association), may deliver a written request to the other party seeking to meet and confer in an effort to resolve the dispute. **A homeowner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.**
- B. The Association's Board of Directors shall designate a member of the Board of Directors to meet and confer.
- C. 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.

Professionally Managed by StoneKastle Community Management
22722 Old Canal Road, Unit B
Yorba Linda, CA 92887
(714) 395-5245

*EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION
ALTERNATIVE/INTERNAL DISPUTE RESOLUTION
PAGE 2*

D. 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.

E. An agreement reached using these procedures will bind 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, and (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.

F. A Member of the Association may not be charged a fee to participate in this process.

II. ALTERNATIVE DISPUTE RESOLUTION ("ADR")

If the parties cannot resolve a dispute through the use of IDR procedures referenced above (or elect not to initiate those procedures), the parties, under many circumstances, are required to attempt to resolve the dispute via ADR. Pursuant to California Civil Code Section 5925, California Community Associations and their individual Members are required to participate in ADR prior to initiating certain types of lawsuits. In accordance with California Civil Code Section 5965, you are advised that The 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 your right to sue the Association or another Member of the Association regarding enforcement of the governing documents or the applicable law.

A. WHAT IS ADR?

"Alternative Dispute Resolution" or "ADR" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of ADR is established by/through the voluntary consent of the parties.

B. SCOPE OF ADR REQUIREMENTS

The ADR provisions of Civil Code Section 5925-5965 apply only to enforcement actions filed by either homeowners or the Community Association against the other which (1) seek the enforcement of the Davis-Stirling Act, The Association's governing documents, or enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), and (2) seek only the declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of Five Thousand Dollars (\$5,000.00). It does not apply to a small claims action, and except as otherwise provided by law, does not apply to assessment disputes.

C. ADR COMPLIANCE PROCEDURES:

1. The Request for Resolution.

An Association or an owner or a Member of a Common Interest Development may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to ADR. Any party to a dispute may initiate the process by serving a Request for Resolution on all other parties to the dispute. The Request for Resolution shall include all of the following:

- a) A brief description of the dispute between the parties.
- b) A request for ADR.
- c) A notice that the party receiving the Request for Resolution is required to respond within thirty (30) days of receipt or the request will be deemed rejected, **and**.
- d) If the party on whom the request is served is the owner of a separate interest, a copy of the applicable Civil Code sections.

2. Service of the Request for Resolution.

The Request for Resolution must be served by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request

3. Response to a Request for Resolution.

A party served with a Request for Resolution has thirty (30) days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected. If the party served accepts the request, the parties are required to complete the ADR within ninety (90) days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties. The parties share the costs of the ADR.

4. Tolling.

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation to file the enforcement action is tolled during (a) the period provided for the response to the Request for Resolution (thirty (30) days after service), and (b) if the Request for Resolution is accepted during the period provided for completion of ADR (ninety (90) days), including any extension of time agreed to by the parties.

5. Requirements for Filing a Lawsuit.

At the time of commencement of an enforcement action (lawsuit), the party commencing the action must file, with the initial pleading, a certificate stating that one or more of the following conditions is satisfied: a) ADR has been completed in compliance with the article, b) One of the other parties to the dispute did not accept the terms offered for ADR, or c) preliminary or temporary injunctive relief is necessary. Failure to file a certificate is grounds for a demurrer or a motion to strike unless the Court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

D. RAMIFICATIONS OF A REFUSAL TO PARTICIPATE IN ADR:

If a party refuses to participate in ADR before the lawsuit is filed, the Court may, pursuant to Civil Code Section 5960, take that refusal into consideration in determining the amount of attorney's fees and costs which may ultimately awarded to the prevailing party at the conclusion of any subsequent lawsuit.

Adopted by the East Lake Village Shores Board of Directors April 14, 2005.

EAST LAKE VILLAGE SHORES

TO: All East Lake Village Shores Homeowners
FROM: Nancy Blasco, CCAM, Community Manager
RE: Summary of Architectural Control Procedures

Dear Association Member:

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 Control Procedures has been prepared for that purpose. This is only a summary and owners are therefore requested to refer to the CC&Rs and to the Association's Architectural Guidelines and other appropriate document(s) for additional architectural improvement related information. If you have questions about whether there are any standard guidelines or requirements for the type of improvement you would like to make, please contact management before you start work.

A. No Exterior Additions and Changes without Prior Approval. No construction, alteration, addition, modification, decoration, redecoration or reconstruction of an Improvement in the Project shall be commenced or maintained, until the plans and specifications therefore showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the ARC and approved in writing by the ARC. The Owner submitting such plans and specifications shall obtain a written receipt therefore from an authorized agent of the ARC. The address for submission of such plans and specifications shall be the address of the principal place of business of the Association.... (CC&Rs Article VIII, Section 8.02).

B. Board Approval Requirement. In addition to Architectural Committee approval, modifications or additions affecting the Common Area also require prior approval from the Board of Directors. (CC&Rs Article VIII, Section 8.02).

C. Submission Procedures/Plan Requirements. An Owner's architectural application shall be submitted only on the Association's Architectural Request Form. The completed Architectural Request Form, three (3) copies of the Owner's plans and specifications, and the completed Neighbor Awareness portion of the form shall be submitted only to the Association's Management agent, StoneKastle Community Management, Inc., and not to any Association Director, Officer, or Committee member. The plans and specifications shall show the nature, kind, shape, color, size, materials, and location of the proposed improvements or alterations. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, elevation drawings, and description or samples of exterior materials or colors. Until the Committee receives all required plans and specifications, the application is not deemed complete, the Committee may postpone review of the application, and the forty-five (45) day period within which the Committee must notify the applicant of its decision, does not commence. (CC&Rs Article VIII, Section 8.02).

*Professionally Managed by StoneKastle Community Management, Inc.
22722 Old Canal Road, Unit B, Yorba Linda, CA 92887
Phone: (714) 395-5245 Fax: (866) 575-0549
www.stonekastle.com*

EAST LAKE VILLAGE SHORES

D. Approval Criteria. Approval shall be based, among other things, on adequacy of site dimensions; adequacy of structural design and material; conformity and harmony of external design with neighboring structures; effect of location and use of improvements on neighboring properties, improvements, operations and uses; aesthetic beauty; and conformity of the plans and specifications to the purpose and general plan and intent of the CC&Rs. (CC&Rs Article VIII, Section 8.02).

E. Decision Timing. If the Architectural Committee, or its designated representatives, fails to notify the applicant of the Committee's decision to approve or disapprove a complete submission of plans and specification within forty-five (45) days after the same have been submitted to the Committee, it shall be conclusively presumed that the Architectural Committee has approved such plans and specifications. No purported oral or verbal approval of the Committee shall be permitted or effective, and any approval, to be binding upon the Committee and the Association, must be in writing. (CC&Rs Article VIII, Section 8.02).

F. Disapproval/Request for Reconsideration. If plans and specifications submitted to the Architectural Committee are disapproved, the applicant shall be advised in writing of the reason(s) for the denial and of the applicant's ability to request reconsideration by the Board of Directors. The applicant may submit a request to the Board of Directors to reconsider the Architectural Committee's denial at an open meeting, or the applicant may request the matter to be heard in an executive session meeting of the Board of Directors. The request for reconsideration shall be in writing, shall be addressed to the Board of Directors of the Association, shall be delivered to the Association's managing agent, StoneKastle Community Management, Inc., and must be received by the Association's managing agent not more than fifteen (15) days following delivery to the applicant of the Architectural Committee's notice of disapproval. The term "delivery" as used herein is defined in Civil Code Section 1350.7.

G. Board Decision on Request for Reconsideration. Notice of the date, time, and location of the Board of Directors meeting at which the applicant's request for reconsideration shall be heard shall be delivered to the applicant at least ten (10) days prior to the meeting. The Board of Directors shall render its decision on the request for reconsideration within forty-five (45) days following the Association's managing agent's receipt of the request for reconsideration, and the Board shall transmit its decision to the Owner within fifteen (15) days after its decision; provided, however, if no written decision is provided to the Owner within fifteen (15) days after the hearing, the request for reconsideration shall be deemed denied and the Architectural Committee's decision shall be deemed affirmed. In no event will a request for reconsideration be deemed approved based upon the passage or lapse of time; any approval must be by affirmative written action of the Board of Directors to be effective. The Board of Directors shall uphold the Architectural Committee's disapproval if the Board of Directors determines that the Architectural Committee acted within its authority under the Declaration and the Architectural Guidelines and otherwise acted in a manner the Board believes to be in the best interests of the community.

EAST LAKE VILLAGE SHORES COMMUNITY ASSOCIATION

c/o StoneKastle Community Management, Inc.
22722 Old Canal Road, Unit B · Yorba Linda, CA 92887

July, 2023

ANNUAL NOTICE OF REQUEST FOR ADDRESS, REPRESENTATIVE, AND RENTAL STATUS

Civil Code Section 4041 requires each owner to provide written notice to the East Lake Village Shores Community Association ("Association") of the following information annually. Please provide the information in the form below and return the completed form to the Association at the address listed below within thirty (30) days. Note, you are not required to provide an e-mail address. If the information requested below is not provided, the property address of the owner's separate interest will be used for notices.

1. Name of member(s): _____

2. Your property address within the Association:

If you do not want to change your method of delivery for individual notices, you can SKIP TO OPTIONAL OPT-OUT OF SHARING OF INFORMATION section on this form

3. If applicable, please provide indicate preferred method of delivery, IF DIFFERENT THAN YOUR PROPERTY ADDRESS:
I hereby request all notices related to the Association NOT be sent to my property address, but rather one of the following:

Mailing Address: _____

Email: Provide Address: _____

Both Mailing Address and Email provided above

4. Would you like to provide an alternate or secondary delivery method for receiving individual notices from the Association: **Yes** **No**

If yes, please provide the mailing or email address for alternate or secondary delivery of notices:

5. The name and mailing address, and email address (if available), of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence from the separate interest.

Name: _____

Please choose one:

- Legal representative
- Power of Attorney
- Contact person for extended absences

Mailing Address:

Email Address:

If someone is authorized to act as a legal representative or is under a power of attorney for the property within the Association, please provide a copy of the applicable documentation to the address listed above so that the scope of the legal authority is known.

6. Please check one of the following that applies to the property within the Association:

- Owner-occupied
- Developed, but vacant
- Rented
- Undeveloped

Changes and updates to the information provided above (or below) can be made by mailing the information to:

Association Name

c/o StoneKastle Community Management, Inc.
22722 Old Canal Road, Unit B
Yorba Linda, CA 92887

Or by email to: info@stonecastle.com

OPTIONAL OPT-OUT OF SHARING OF INFORMATION

The *California Civil Code* requires that the Association provide a member's e-mail and mailing address to other members upon request and for a valid purpose. This information may not be used for commercial purposes. If you do not want your name, email address, or mailing address to be disclosed to other members, you must "opt-out" in which case the Association will be required to provide an alternative means of allowing the members' communication to be provided to you. This may mean that members' communications are forwarded to you by the Association. The opt-out will remain in effect until changed by you.

I hereby **opt-out** of the sharing of the following information with other members of the Association:

- My name
- My Association property address
- My mailing address (if different from the Association property address)
- My e-mail address
- None of the above (all my information can be provided)