

MONTECIDO

At Portola Hills Association

November 21, 2019

Re: 2020 Fiscal Year Annual Budget Report, Annual Policy Statement

Dear Community Member:

In accordance with California Civil Code §5300, enclosed is a copy of the approved Annual Budget Report, Annual Policy Statement, Rules and Regulations and Architectural Submission Procedures for the Association's upcoming 2020 fiscal year.

The Association's monthly assessment will remain at \$220.00 for the fiscal year commencing January 1, 2020. Assessments are due on the first day of each month and are subject to a late charge after fifteen (15) days past due. Homeowners will continue to receive a courtesy billing statement prior to the first of each month as a reminder of the assessment coming due.

In preparing the 2020 Budget, the Association's Board of Directors attempted to realistically project the operating expenses for the upcoming year. The Board of Directors anticipates operating expenses to remain primarily in-line with the past year's budget. Per the Association's November 19, 2019 reserve analysis, reserve funding is sufficient to meet the next five (5) years reserve requirements.

The Board of Directors is pleased to present the 2020 Budget that represents the Association's best forecast of the upcoming fiscal year's operating expenses. Should you have any questions regarding the budget or other information contained herein, please contact John Marquez, Montecido at Portola Hills Management Representative with Accell Property Management.

Sincerely,

Board of Directors
Montecido at Portola Hills Association

Montecido at Portola Hills Association
Approved Annual Budget
For the Fiscal Year January 1, 2020 to December 31, 2020
Date Approved by the Board 11/20/19

		Number of Units	300
<u>2019 Budget</u>	<u>2020 Budget</u>	Average Cost per Unit per	
Income			
792,000.00	4010 Assessment Income	792,000.00	220.00
0.00	4035 Damage Assessment	0.00	0.00
0.00	4040 Fines	200.00	0.06
0.00	4050 Late Charges	5,000.00	1.39
0.00	4060 Collection Fees	4,500.00	1.25
0.00	4070 Keys	200.00	0.06
0.00	4076 Parking Pass	6,500.00	1.81
0.00	4085 Recreation Center Rental	400.00	0.11
0.00	4095 Reserve Interest	38,000.00	10.56
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792,000.00	Total Income	846,800.00	235.22
Expense & Allocation			
Utilities			
22,908.56	5010 Electricity	13,000.00	3.61
10,662.20	5020 Gas	19,000.00	5.28
24,693.99	5030 Water	18,500.00	5.14
0.00	5040 Telephone	0.00	0.00
2,256.55	5050 Cable	2,256.55	0.63
0.00	5090 Electric Auditing Services	2,000.00	0.56
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60,521.30	Total Utilities	54,756.55	15.21
Landscape			
115,120.56	5110 Maintenance Service	115,120.56	31.98
9,368.87	5120 Irrigation Repairs	9,200.00	2.56
220.50	5125 Backflow	220.50	0.06
0.00	5130 Plant Material	0.00	0.00
38,204.40	5170 Tree Trimming	38,204.40	10.61
1,012.00	5185 Landscape Extras	0.00	0.00
1,382.00	5195 Landscape Committee Monthly Al	0.00	0.00
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165,308.33	Total Landscape	162,745.46	45.21
Building Maintenance			
15,264.00	5205 Maintenance Contract	0.00	0.00
6,401.40	5210 Custodial Services	5,800.00	1.61
1,323.68	5215 Custodial Supplies	1,500.00	0.42

<u>2019 Budget</u>		<u>2020 Budget</u>	Average Cost per Unit per
0.00	5216 Dumpster Rental	0.00	0.00
2,112.55	5220 Lighting Services	2,600.00	0.72
2,934.14	5222 Lighting Supplies	2,400.00	0.67
1,645.14	5223 Lighting Extras	2,500.00	0.69
9,884.00	5230 Pest Control Services	15,000.00	4.17
8,254.00	5240 Street Sweeping Services	8,500.00	2.36
25,000.00	5295 Repair Insurance Deductible	25,000.00	6.94
5,828.43	5300 Common Area Repairs	5,000.00	1.39
2,763.00	5310 Plumbing Repairs	5,000.00	1.39
3,921.45	5311 Water Intrusion Repairs	2,500.00	0.69
0.00	5320 Maintenance Contract	20,000.00	5.56
0.00	5350 Lock and Key Repairs	500.00	0.14
61,495.92	5360 Patrol Services	61,495.92	17.08
500.00	5390 Weight Equipment Repairs	500.00	0.14
5,000.00	5395 Miscellaneous	1,000.00	0.28
<u>152,327.71</u>	Total Building Maintenance	<u>159,295.92</u>	<u>44.25</u>
	Pool & Spa		
3,330.00	5410 Pool & Spa Maintenance Service	4,785.43	1.33
1,000.00	5415 Pool & Spa Repairs	1,000.00	0.28
<u>2,500.00</u>	5420 Pool & Spa Supplies	<u>2,400.00</u>	<u>0.67</u>
6,830.00	Total Pool & Spa	<u>8,185.43</u>	<u>2.27</u>
	Administration		
7,150.00	5805 Collection Fees	3,200.00	0.89
6,500.00	5810 Bad Debt Write Offs	5,000.00	1.39
60,950.00	5820 Insurance	60,950.00	16.93
1,109.00	5826 Licenses & Permits	600.00	0.17
44,664.00	5840 Management Services	45,000.00	12.50
2,238.00	5841 Management Services Extras	2,000.00	0.56
5,415.00	5855 Printing and Postage	4,200.00	1.17
1,246.00	5865 Board Meeting Expense	2,200.00	0.61
13,170.00	5890 Federal Income Tax	13,800.00	3.83
4,455.00	5895 State Income Tax	4,500.00	1.25
1,242.00	5910 Tax & Audit Preparation	1,500.00	0.42
531.90	5915 Reserve Study	531.00	0.15
4,463.00	5930 Legal	8,000.00	2.22
5,500.00	5998 Miscellaneous	2,335.84	0.65
<u>158,633.90</u>	Total Administration	<u>153,816.84</u>	<u>42.73</u>
543,621.24	Total Expense	538,800.20	149.67
	Fund & Reserve Allocation		
	Non-Capital Reserve Allocation		
0.00	8140 Reserve Contingency	7,514.52	2.09

<u>2019 Budget</u>		<u>2020 Budget</u>	Average Cost per Unit per
0.00	8150 Painting	67,155.72	18.65
0.00	8160 Landscape Comm.Monthly Allowan	12,000.00	3.33
0.00	8170 Fumigation	16,872.12	4.69
0.00	8195 Reserve Interest	38,000.04	10.56
0.00	Total Non-Capital Res Alloc	141,542.40	39.32
	Capital Reserve Allocation		
0.00	8210 Asphalt,Streets,Driveways,Pave	25,992.72	7.22
0.00	8250 Wood Replacement	0.00	0.00
0.00	8260 Fence & Gate Replacement (incl	19,215.12	5.34
0.00	8280 Garage Doors	1,342.68	0.37
	8290 Fob Systems	2,535.12	0.70
0.00	8300 Landscape (Controllors & Plant	242.76	0.07
0.00	8320 Lighting Fixtures	5,317.68	1.48
0.00	8330 Mailboxes/Signs/Monuments	3,160.08	0.88
0.00	8370 Pool and Spa Equipment/Furnitu	3,829.44	1.06
0.00	8380 Recreation Center	5,181.00	1.44
0.00	8381 Play Area	3,971.64	1.10
0.00	8390 Roofs/Gutters/Downspouts/Gutte	87,138.24	24.21
0.00	8440 Utility Doors/Unit Doors	8,530.92	2.37
0.00	8470 Miscellaneous	0.00	0.00
0.00	Total Capital Reserve Alloc	166,457.40	46.24
<u>248,378.76</u>	Total Allocations	<u>307,999.80</u>	<u>85.56</u>
<u>792,000.00</u>	Total Expense & Allocation	<u>846,800.00</u>	<u>235.22</u>
(0.00)	Net Surplus/(Deficit)	0.00	0.00

**Montecido at Portola Hills Association
Annual Funding Disclosure Statement
For the Fiscal Year January 1, 2020 - December 31, 2020**

Your Association's Board of Directors has prepared the following disclosure information to assist you in understanding the Association's reserve funding and assessment needs. In addition, California law requires our community to distribute the Assessment and Reserve Funding Disclosure Summary form included with this budget. The form provides information regarding the Association's current assessment rate, additional assessments scheduled for the Association, projected reserve requirements over the next thirty (30) years, or other contributions that would be necessary to ensure that sufficient funds will be available each year during the next thirty (30) years, as well as, a list of major reserve components not included in the Association's existing reserve funding. These forms should be reviewed when determining the Association's long-term assessment requirements.

**Summary of Reserve Funding Plan
Civil Code §5300(b)(3)**

The Association is funding reserves at 102% of the recommended funding requirements specified in the community's most recently prepared reserve analysis. The Association's current Board of Directors plans to continue funding at this rate provided unforeseen circumstances do not alter the Association's forecasted reserve and operating requirements. At this time the Board of Directors does not anticipate the need for any special assessments to meet reserve requirements.

**Statement as to the Potential of a Special Assessment to Fund Reserves
Civil Code §5300(b)(5)**

At the time of this Budget Report the Association's Board of Directors has not determined nor anticipates the need for a special assessment. Consistent with the summary of the reserve funding plan described above, in the event a reserve component requires maintenance, repair or replacement and the costs exceed available reserve funds accumulated by our Association, the Board of Directors may find it necessary to raise the regular assessment rate or implement a special assessment to meet the Association's financial obligations.

**Statement as to the Mechanism or Mechanisms by which Reserves will be Funded
Civil Code §5300(b)(6)**

The Board of Directors plans to continue to fund reserves per the reserve allocation schedule detailed in the proforma operating budget. It is the Board's intent that a portion of the regular assessments identified in the budget will be allocated to the Association's reserve accounts to fund the future repair, replacement, or additions of those major components that the association is obligated to maintain. Should the Association have insufficient funds to meet its obligations, then the Board reserves the right to defer scheduled maintenance of reserve components or levy an assessment for the funding of reserves.

**Procedures Used for Calculation of Reserves
Civil Code §5300(b)(7)**

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 the Assessment and Reserve Funding Disclosure Summary. Information contained within the Association's reserve study includes estimates of replacement value and life expectancies of the components and 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, interest and other economic events may impact the reserve study, particularly over a thirty (30) year period of time, which could impact the accuracy of the reserve study and the funds available to meet the Association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear expressed responsibility to maintain pursuant to the Association's CC&R's.

Your Association employed a professional reserve analysis firm to appraise the remaining life, current replacement costs and new useful life of all major components that are attributable to the areas for which the Association is obligated. Reserve requirements were calculated based on beginning cash on hand, future replacement cost, estimated return on reserve investments and estimated remaining life.

A complete copy of the Reserve Study is available to all members. Copies will be provided only upon request. A reasonable charge for copying costs will be charged. Please contact Accell Property Management at (949) 581-4988 for more information.

Statement Regarding Outstanding Loans

Civil Code §5300(b)(8)

As of the date of this annual disclosure report the Association does not have any outstanding loans.

Montecido at Portola Hills Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	05394
Version Number	1
Analysis Date	11/19/2019
Fiscal Year	1/1/2020 to 12/31/2020
Number of Units	300
Phasing	10 of 10

Global Parameters:

Inflation Rate	2.50 %
Annual Contribution Increase	3.00 %
Investment Rate	2.50 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

This community was constructed between late 1990 and early 1993. For budgeting purposes, unless otherwise indicated, we have used January 1992 as the average placed-in-service date for aging most of the original components in this community. We have used January 1991 as the placed-in-service date for the clubhouse and pool area items.

ARS site visits conducted: November 19, 2019, October 5, 2005, June 18, 2002 & September 23, 1998

Adequacy of Reserves as of January 1, 2020:

Anticipated Reserve Balance	\$2,709,761.00
Fully Funded Reserve Balance	\$2,551,336.20
Percent Funded	106.21%

Recommended Funding for the 2020 Fiscal Year:	Annual	Monthly	Per Unit
			Per Month
Member Contribution	\$258,000	\$21,500.00	\$71.67
Interest Contribution	\$41,301	\$3,441.75	\$11.47
Total Contribution	\$299,301	\$24,941.75	\$83.14

Montecido at Portola Hills Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<u>010 Streets</u>				
Concrete - Repairs	4	8	\$15,000.00	\$7,500.00
Streets - Asphalt Overlay	16	20	\$312,713.00	\$62,542.60
Streets - Repairs & Replacements	0	4	\$10,631.06	\$10,631.06
Streets - Slurry Sealing & Striping	0	4	\$26,999.62	\$26,999.62
Sub Total	0-16	4-20	\$365,343.68	\$107,673.28
<u>020 Roofs</u>				
Roofs - Tile, Underlayment	16	35	\$2,126,706.90	\$1,130,785.62
Sub Total	16	35	\$2,126,706.90	\$1,130,785.62
<u>030 Painting</u>				
Painting - Curbs	0	2	\$3,000.00	\$3,000.00
Painting - Interior	2	8	\$8,580.00	\$6,435.00
Painting - Stucco	0	6	\$331,308.90	\$331,308.90
Painting - Woodwork/Trim	0	4	\$97,312.80	\$97,312.80
Sub Total	0-2	2-8	\$440,201.70	\$438,056.70
<u>040 Fencing</u>				
Fencing - Glass, Sound Walls	11	25	\$64,980.00	\$35,904.20
Fencing - Vinyl, Patio	12	29	\$219,512.00	\$128,679.45
Fencing - Vinyl, Pool Area/Tot Lot	12	25	\$46,225.00	\$23,812.88
Fencing - Vinyl, Units	12	25	\$119,610.00	\$62,197.20
Walls - Block, Repairs	5	33	\$3,539.70	\$3,003.38
Walls - Stucco, Repairs	5	33	\$38,931.15	\$33,032.49
Sub Total	5-12	25-33	\$492,797.85	\$286,629.60
<u>050 Lighting</u>				
Lighting - Buildings, Wall	8	14	\$97,625.00	\$41,839.29
Lighting - Pole Lanterns	5	34	\$9,150.00	\$7,804.41
Sub Total	5-8	14-34	\$106,775.00	\$49,643.70
<u>060 Pool Area</u>				
Clubhouse - Appliances	9	15	\$5,300.00	\$2,120.00
Clubhouse - Cabinets	19	25	\$17,750.00	\$4,260.00
Clubhouse - Carpeting, Gym	1	4	\$984.40	\$738.30
Clubhouse - Carpeting, Main Room	2	8	\$2,097.20	\$1,572.90
Clubhouse - Ceramic Tile, Interior	19	25	\$18,784.32	\$4,508.24
Clubhouse - Ceramic Tile, Shower	14	20	\$3,672.00	\$1,101.60
Clubhouse - Counters, Kitchen	19	25	\$4,500.00	\$1,080.00

Montecido at Portola Hills Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Clubhouse - Doors, Clubhouse	19	25	\$7,200.00	\$1,728.00
Clubhouse - Doors, Gym	18	20	\$4,000.00	\$400.00
Clubhouse - Doors, Pump Room	2	18	\$1,800.00	\$1,600.00
Clubhouse - Doors, Restrooms	16	18	\$1,800.00	\$200.00
Clubhouse - FOB Entry System	9	10	\$25,000.00	\$2,500.00
Clubhouse - Furnishings	4	10	\$8,500.00	\$5,100.00
Clubhouse - HVAC Systems	13	15	\$15,000.00	\$2,000.00
Clubhouse - Plumbing Fixtures	22	25	\$5,800.00	\$696.00
Clubhouse - Restroom Partitions	17	20	\$3,200.00	\$480.00
Clubhouse - Water Heater, Club	1	10	\$1,250.00	\$1,125.00
Clubhouse - Water Heater, Restrooms/Shower	4	10	\$1,500.00	\$900.00
Clubhouse - Wood Shutters	14	20	\$4,500.00	\$1,350.00
Gym - Equipment, Eliptical	5	8	\$3,200.00	\$1,200.00
Gym - Equipment, Multistation	11	14	\$4,800.00	\$1,028.57
Gym - Equipment, Recumbant Bicycle	5	8	\$2,800.00	\$1,050.00
Pool - Filter	6	12	\$1,300.00	\$650.00
Pool - Heater	10	12	\$4,000.00	\$666.67
Pool - Replaster & Tile Replace	11	12	\$17,359.50	\$1,446.63
Pool Area - Deck Caulking	3	4	\$1,278.00	\$319.50
Pool Area - Deck Pavers, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Pool Area - Furniture	6	7	\$21,960.00	\$3,137.14
Pool/Spa - Chemical Controller	9	12	\$7,400.00	\$1,850.00
Spa - Filter	4	10	\$1,200.00	\$720.00
Spa - Heater	0	10	\$3,700.00	\$3,700.00
Spa - Replaster & Tile Replace	9	10	\$8,104.00	\$810.40
Tot Lot - Benches	3	10	\$1,400.00	\$980.00
Tot Lot - Play Structure	12	14	\$44,000.00	\$6,285.71
Tot Lot - Rubber Flooring	12	14	\$9,750.00	\$1,392.86
Sub Total	0-22	4-25	\$264,889.42	\$58,697.51
<u>090 Decks/Doors</u>				
Decks - Concrete, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Doors - Entry, Units	23	30	\$210,000.00	\$49,000.00
Doors - Garage	6	25	\$191,100.00	\$145,236.00
Doors - Utility Closets	6	25	\$111,000.00	\$84,360.00
Sub Total	6-23	25-30	\$512,100.00	\$278,596.00

Montecido at Portola Hills Association

Calculation of Percent Funded

Sorted by Category

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<u>100 Grounds</u>				
Gutters & Downspouts - Cleaning	0	1	\$13,500.00	\$13,500.00
Gutters & Downspouts - Replace	16	35	\$51,710.40	\$28,071.36
Mailboxes - Pedestal Sets	14	20	\$40,700.00	\$12,210.00
Signs - Bulletin Board	9	15	\$1,500.00	\$600.00
Signs - Entrance Monuments	13	20	\$16,500.00	\$5,775.00
Sub Total	0-16	1-35	\$123,910.40	\$60,156.36
<u>105 Landscape</u>				
Irrigation Controllers	7	12	\$14,560.00	\$6,066.67
Landscape Reserve	2	5	\$20,000.00	\$12,000.00
Slopes - Potential Failures, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Sub Total	2-7	5-12	\$34,560.00	\$18,066.67
<u>110 Termite</u>				
Termite Control - Fumigation	12	15	\$243,600.00	\$48,720.00
Sub Total	12	15	\$243,600.00	\$48,720.00
Contingency	n.a.	n.a.	n.a.	\$74,310.76
Total	0-23	1-35	\$4,710,884.95	\$2,551,336.20
Anticipated Reserve Balance				\$2,709,761.00
Percent Funded				106.21%

**Montecido at Portola Hills Association
For the Fiscal Year January 1, 2020 to December 31, 2020**

**Reserve Component Deferred
Maintenance Disclosure Statement**

Deferred Reserve Components: At November 20, 2019

Reserve Component	Deferred Maintenance	Reason to Defer Maintenance
3210 Asphalt, Streets and Drives	Street Replacement and Sleery Seal Striping	Work will be scheduled following completion of preparatory work on association components.
3150 Painting	Curbs, Stucco and Wood Trim Painting	Component's condition meets Board's expectations.
3370 Pool Spa Equipment,	Carpeting Gym, Spa Heater	Component's condition meets Board's expectations.
3390 Roofs/Gutters/Downspouts	Gutter and Downspout Cleaning	Component's condition meets Board's expectations.
3380 Recreation Center	Water Heater Clubhouse	Component's condition meets Board's expectations.

Other Budgeted Reserve Components:

Reserve Budget Category	Deferred Maintenance	Reason to Defer Maintenance
3140-Reserve Contingency	none at this time	N/A
3150-Painting	none at this time	N/A
3160-Landscape Comm. Monthly A	none at this time	N/A
3170-Fumigation	none at this time	N/A
3195-Reserve Interest	none at this time	N/A
3210-Asphalt,Streets,Driveways	none at this time	N/A
3250-Wood Replacement	none at this time	N/A
3260-Fence & Gate Replacement	none at this time	N/A
3280-Garage Doors	none at this time	N/A
3300-Landscape (Controllers &	none at this time	N/A
3310-Irrigation	none at this time	N/A
3320-Lighting Fixtures	none at this time	N/A
3330-Mailboxes/Signs/Monuments	none at this time	N/A
3370-Pool and Spa Equipment/Fu	none at this time	N/A
3380-Recreation Center	none at this time	N/A
3381-Play Area	none at this time	N/A
3390-Roofs/Gutters/Downspouts/	none at this time	N/A
3440-Utility Doors/Unit Doors	none at this time	N/A
3465-Front Doors	none at this time	N/A
3470-Miscellaneous	none at this time	N/A

The Association's Board of Directors has relied on information, opinion, 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 Disclosure Statement. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this disclosure summary.

**Montecido at Portola Hills Association
Summary of Insurance Coverage & Limits
At November 21, 2019**

In conformance with the California Civil Code, Section 5300(b)(9), the following coverage limits apply to Montecido at Portola Hills Association insurance coverage:

	<u>Limits of Insurance</u>
The following coverage is provided by Harco National Insurance Company:	
Property	Buildings \$53,187,755
Deductible	\$10,000
Liability	
General Liability	\$1,000,000
Damage to Rented Premises	\$100,000
Medical Payments	\$5,000
Personal and Adv Injury	\$1,000,000
Aggregate	\$2,000,000
Products – Comp/OP AGG	\$2,000,000
Automobile (combined single limit per accident)	\$1,000,000

The following coverage is provided by Philiadelphia Indemnity Insurance Company	
Directors and Officers	\$1,000,000
Deductible	\$5,000

The following coverage is provided by Firemans Fund Insurance Company:	
Umbrella (each occurrence)	\$10,000,000
Aggregate	\$10,000,000

The following coverage is provided by The Hanover Insurance Company:	
Worker's Compensation	
E.L. Each Accident	\$1,000,000
E.L. Disease – EA Employee	\$1,000,000
E.L. Disease – Policy Limit	\$1,000,000

The following coverage is provided by Liberty Mutual Insurance:	
Fidelity Bond	\$3,000,000
Deductible	\$20,000

LaBarre/Oksnee Insurance, Inc. assisted the Montecido at Portola Hills Association in the development of the general liability policy limits. The coverages shown above follow the recommendations by Brian Linehan of LaBarre/Oksnee Insurance, Inc. for Montecido at Portola Hills Association.

In the event of a covered loss, all insurance deductibles would be paid by the party responsible for the maintenance, repair and replacement of the covered item in accordance with the Montecido at Portola Hill's governing documents and Part 5, of the California Civil Code. The coverages shown above extend to portions of the real property improvements of the common areas.

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 you 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.

Montecido at Portola Hills Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 12/31/20
 ("Disclosure Summary")

The notes at the end of this Disclosure Summary should be read in conjunction with the information provided.

(1) The regular assessment for the 2020 fiscal year per ownership interest is **\$220** per month.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

(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 association's Board of Directors (the "Board") and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the assessment:
N.A.		

Total: _____

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

(3) Based upon the most recent reserve study, dated 11/22/19, and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No _____

(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 been approved by the Board or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N.A.	

Total: _____

Montecido at Portola Hills Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 12/31/20
("Disclosure Summary")

(5) All major components are included in the reserve study and are included in its calculations. However, the following major assets are excluded from the reserve study calculations for the following reasons:

Major asset:	Reason this major asset was not included:
Decks	Indeterminate life and cost
Pool Deck, Pavers	Repair as needed
Slopes	Indeterminate life and cost

(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 **\$2,551,336**, based in whole or in part on the last reserve study or update prepared by Advanced Reserve Solutions, Inc. as of 1/1/20. The projected reserve fund cash balance at the end of the current fiscal year is **\$2,709,761**, resulting in reserves being **106.21%** funded at this date. The current deficiency in the reserve fund represents **\$0** per ownership interest.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, a reserve funding plan has been developed – see the attached projections. The assumed long-term before-tax interest rate earned on reserve funds is **2.5%** per year and the assumed long-term inflation rate applied to major component repair and replacement costs is **2.5%** per year. Full reserve study available upon request.

NOTES:

(A) The financial representations set forth in this summary are based on the best estimates of the preparer and the Board at that time. The estimates are subject to change. (B) For the purposes of understanding this Disclosure Summary: (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement. (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in the study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary. (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided. (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund reserves in accordance with this calculation. (5) Based on reserve studies or the occurrence of one or more unanticipated events, the Board could increase regular assessments and/or levy special assessments, consistent with the provisions of the CC&Rs and applicable law, to fund additional reserves as it deems necessary. For example, the information contained in this Disclosure Summary includes (i) estimates of replacement value and life expectancies of the components and (ii) assumptions regarding future events. Estimates are projections of a future event based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from this report and summary and the variation may be significant. Additionally, inflation and other economic events may impact this report and summary, particularly over an extended period of time (such as thirty (30) years) and those events could have a significant and negative impact on the accuracy of this Disclosure Summary and, further, the funds available to meet the association's obligation for repair and/or replacement of major components during their estimated useful life.

Montecido at Portola Hills Association

Projections

Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2020	\$2,709,761	\$258,000	\$41,301	\$486,452	\$2,522,610	\$2,378,468	106%
2021	\$2,522,610	\$265,740	\$46,359	\$16,128	\$2,818,581	\$2,704,746	104%
2022	\$2,818,581	\$273,712	\$51,021	\$51,457	\$3,091,857	\$3,008,979	103%
2023	\$3,091,857	\$281,924	\$56,509	\$17,422	\$3,412,867	\$3,364,023	101%
2024	\$3,412,867	\$290,381	\$59,088	\$196,085	\$3,566,251	\$3,546,775	101%
2025	\$3,566,251	\$299,093	\$63,884	\$81,580	\$3,847,648	\$3,863,160	100%
2026	\$3,847,648	\$308,065	\$63,366	\$396,453	\$3,822,626	\$3,862,875	99%
2027	\$3,822,626	\$317,307	\$68,958	\$58,647	\$4,150,244	\$4,227,263	98%
2028	\$4,150,244	\$326,827	\$63,374	\$707,133	\$3,833,312	\$3,923,243	98%
2029	\$3,833,312	\$336,631	\$68,976	\$77,165	\$4,161,753	\$4,285,134	97%
2030	\$4,161,753	\$346,730	\$75,425	\$44,646	\$4,539,263	\$4,699,036	97%
2031	\$4,539,263	\$357,132	\$80,568	\$135,365	\$4,841,598	\$5,036,296	96%
2032	\$4,841,598	\$367,846	\$67,755	\$1,168,897	\$4,108,302	\$4,301,595	96%
2033	\$4,108,302	\$378,882	\$73,696	\$103,863	\$4,457,017	\$4,682,274	95%
2034	\$4,457,017	\$390,248	\$79,863	\$108,194	\$4,818,934	\$5,077,466	95%
2035	\$4,818,934	\$401,956	\$87,873	\$21,403	\$5,287,360	\$5,583,978	95%
2036	\$5,287,360	\$414,014	\$18,684	\$4,417,418	\$1,302,640	\$1,469,791	89%
2037	\$1,302,640	\$426,435	\$25,405	\$57,341	\$1,697,139	\$1,866,147	91%
2038	\$1,697,139	\$439,228	\$32,586	\$50,653	\$2,118,300	\$2,289,978	93%
2039	\$2,118,300	\$452,405	\$37,894	\$176,933	\$2,431,666	\$2,601,850	93%
2040	\$2,431,666	\$465,977	\$41,048	\$317,733	\$2,620,957	\$2,783,905	94%
2041	\$2,620,957	\$479,956	\$49,242	\$48,934	\$3,101,221	\$3,265,608	95%
2042	\$3,101,221	\$494,355	\$57,287	\$79,709	\$3,573,154	\$3,738,457	96%
2043	\$3,573,154	\$509,185	\$59,557	\$429,749	\$3,712,147	\$3,865,456	96%
2044	\$3,712,147	\$524,461	\$50,620	\$1,082,301	\$3,204,928	\$3,318,880	97%
2045	\$3,204,928	\$540,195	\$60,262	\$35,752	\$3,769,632	\$3,876,018	97%
2046	\$3,769,632	\$556,401	\$68,272	\$153,785	\$4,240,519	\$4,335,269	98%
2047	\$4,240,519	\$573,093	\$69,106	\$584,998	\$4,297,719	\$4,363,867	98%
2048	\$4,297,719	\$590,285	\$74,183	\$362,251	\$4,599,937	\$4,641,790	99%
2049	\$4,599,937	\$607,994	\$84,114	\$109,664	\$5,182,381	\$5,207,112	100%

NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

**Montecido at Portola Hills Association
Federal Housing Administration (FHA)
Certification Disclosures
As of November 22, 2019**

Federal Housing Administration (FHA) Disclosure:

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development **is** certified by the Federal Housing Administration.

**Montecido at Portola Hills Association
Department of Veterans Affairs (VA)
Certification Disclosures
As of November 22, 2019**

Department of Veterans Affairs (VA) Disclosure:

Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development **is** certified by the federal Department of Veterans Affairs.



PURSUANT TO CIVIL CODE §4530 OWNER/SELLER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH REQUESTS FOR DOCUMENTS

FOLLOWING ARE THE CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY CIVIL CODE §4530

THE SELLER IS NOT REQUIRED TO PURCHASE ALL OF THE DOCUMENTS LISTED ON THE FORM AND MAY PURCHASE SOME OR ALL OF THE DOCUMENTS, AS DESIRED

Document	Civil Code Section	Fee For Document	Notes
Statement of Assessments: includes the current assessment, balance of the account and the next assessment due. Includes all regular assessments, special assessments, emergency assessments and other unpaid obligations of seller	4525(a)(4) and 5675	\$150	
Transfer Fee	4530(b)(1)	\$195	
Foreclosure Transfer Fee	4530(b)(1)	\$350	
Governing Documents: Articles of Incorporation, By-Laws, CC&R's, Rules & Regulations (if applicable), Architectural Guidelines (if applicable)	4525(a)(1)	\$65	
Annual Budget Report and Annual Policy Statement Annual Budget Report: includes approved annual budget for the fiscal year, annual funding disclosure statement, executive summary of the reserve study, 30-year funding plan, reserve component deferred maintenance disclosure statement, and summary of insurance; Annual Policy Statement: includes collection policy, lien and foreclosure policy, enforcement fine policy, summary of alternative dispute resolution (ADR) and internal dispute resolution (IDR), and architectural guidelines (if applicable)	5300 and 4525(a)(3)	\$75	
Financial Statement Review	5305 and 4525(a)(4)	\$45	
Certification Letter	4530(b)(1)	\$225 + \$30/page	
Owner Occupancy Letter	4530(b)(1)	\$50	

Document	Civil Code Section	Fee For Document	Notes
Collection Policy and Lien & Foreclosure Policy	5310 and 4525(a)(4)	**	** included with Annual Budget and Annual Policy Statement
Insurance Summary	5305 and 4525(a)(3)	**	** included with Annual Budget and Annual Policy Statement
Approved changes to assessments	5300 and 4525(a)(4), (8)	\$35	
Settlement notice regarding common area defects	4525(a)(6), (7)	\$50	Contact Management to verify whether applicable.
Preliminary list of common area defects	4525(a)(6), 6000 and 6100	\$50	Contact Management to verify whether applicable.
Notice(s) of Violation	5855 and 4525(a)(5)	No Charge	
Minutes of regular board meetings conducted over the previous 12 months, If requested	4525(a)(10)	\$85	
Age Restrictions Disclosure, if any	4525(a)(2)	\$15	Contact Management to verify whether applicable.
Rental Restrictions Disclosure, if any	4525(a)(9)	\$15	Contact Management to verify whether applicable.
72 Hours Rush Fee	4530(b)(1)	\$80	
48 Hour Rush Fee	4530(b)(1)	\$145	
Same Day Rush Fee (order must be placed no later than 2:00 P.M.)	4530(b)(1)	\$225	
Cancellation Fee	4530(b)(1)	\$75	
Other:	4530(b)(1)	To be determined	

Montecido at Portola Hills Association
Annual Policy Statement
Effective January 1, 2020

In accordance with California Civil Code §5310, the following annual disclosures are being provided as required by law.

Association's Designated Recipient
California Civil Code §§5310(a)(1), 4035

Members who wish to submit official communications to the association shall provide all communications to the association, at the noted address:

Montecido at Portola Hills Association
c/o Accell Property Management, Inc.
23046 Avenida de la Carlota, Suite 700
Laguna Hills, CA 92653

Members may also send communications via facsimile or email as follows:

949.581.9785 Facsimile
hoa@accellpm.com

Pursuant to Civil Code §5260 members requesting to change membership information, individual delivery, membership list opt out status or request association documents pursuant to Civil Code section §5320 must do so by submitting their request in writing on an appropriate form designated by the association. Forms are available through Accell Property Management, Inc. and the Association's website.

Right of Notice to Two Addresses
California Civil Code §§5310(a)(2), 4040(b)

Members have the right to submit a request to have notices sent to up to two (2) different specified addresses for the distribution of collection notices, annual audit, annual budget report, and annual policy statement. Members who wish to receive notices at two (2) separate addresses may submit a written request on the appropriate form to Accell Property Management, Inc. via US mail, facsimile or email, at the above address. Forms are available through Accell Property Management, accellpm.com and the Association's website.

General Notice Location
California Civil Code §§5310(a)(3), 4045(a)

The association's designated area for posting of general notices is located at the bulletin board adjacent to the front door of the community clubhouse.

Right to Receive General Notice by Individual Delivery
California Civil Code §§5310(a)(4), 4040(a), 4045(b)

Members opting for individual delivery will receive notices by US First Class Mail, unless otherwise specified and assented to by the Association.

To receive general notices via email, Members are required to submit their request in writing using the appropriate form available through Accell Property Management, accellpm.com and the Association's website.

Right to Receive Board Minutes
California Civil Code §§5310(a)(5), 4950(b)

Members have a right to receive copies of Minutes from Board of Directors, Committee, and Membership meetings. A written request is required providing an explanation outlining the reason for your request. Requestors will be charged the reasonable costs of duplicating and distributing the minutes. Members may obtain Minutes by writing the Association's Designated Recipient at the above address.

All other disclosures required in accordance with Civil Code §5310 are attached hereto and are a part of these Annual Policy Statements:

- Assessment Collection Policy [§§5310(a)(6), 5730] including the Mailing Address for Overnight Payments of Assessments [§§5310(a)(11), 5655];
- Policies and Practices in Enforcing Lien Rights or Other Legal Remedies for Default in the Payment of Assessments [§5310(a)(7)];
- Enforcement and Fine Policy [§5310(a)(8)];
- Internal and Alternative Dispute Resolution Procedures [§5310(a)(9)]; and
- Architectural Submission & Review Procedures [§§5310(a)(10), 4765].

**Montecido at Portola Hills Association
Collection Policy
Effective January 1, 2020**

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 under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the member's obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and Civil Code, the following are the Association's assessment practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorney's fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied [Civil Code Section 5650(a)].
2. The association shall provide notice by first-class mail to the owners of the separate interests of any increase in the regular or special assessments of the association, not less than thirty (30) nor more than sixty (60) days prior to the increased assessment becoming due. Regular monthly assessments are due and payable on the first day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. **However, it is the owner's responsibility to pay each assessment in full each month regardless of whether a statement is received.** All other assessments, including special assessments, are due and payable on the date specified on the Notice of Assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection costs, including attorney's fees, unless the owner and the Association enter into a written agreement providing for payments to be applied in a different manner [Civil Code 5655(a)].
4. **Regular and special assessments levied pursuant to the governing documents are delinquent fifteen (15) days after they become due. The association will levy late charges at fifteen (15) days past due.** If an assessment is delinquent the association may recover all of the following:
 - (a) Reasonable costs incurred in collecting the delinquent assessment, including reasonable attorney's fees.
 - (b) A late charge not exceeding ten (10%) percent of the delinquent assessment or ten dollars (\$10), whichever is greater, unless the declaration specifies a late charge in a smaller amount, in which case any late charge imposed shall not exceed the amount specified in the declaration.
 - (c) Interest on all sums imposed in accordance with this section, including the delinquent assessments, reasonable fees and costs of collection, and reasonable attorney's fees, at an annual interest rate not to exceed twelve (12%) percent, commencing thirty (30) days after the assessment becomes due, unless the declaration specifies the recovery of interest at a rate of a lesser amount, in which case the lesser rate of interest shall apply and shall continue to be assessed each month until the account is brought current.
5. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
6. If an assessment is not received within forty-five (45) days after the assessment becomes due and at least thirty (30) days prior to recording a lien, the Association or its designee will send a pre-lien letter to the owner as required by Civil Code Section 5660 by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a fee for the pre-lien letter. The pre-lien letter will include an offer by the Association to engage in informal dispute resolution upon receipt of a written request by the owner within fifteen (15) days of the pre-lien letter. The Board shall meet with the owner in executive session within forty five (45) days of receipt of the owner's written request pursuant to the association's "meet and confer" program required by Civil Code Section 5900, unless there is no regularly scheduled board meeting within that period, in which case the Board may designate a committee of one or more members to meet with the owner.

7. **If an owner fails to pay the amounts set forth in the pre-lien letter within thirty-five (35) days of the date of receipt of the letter, unless extended by operation of law, the Association will authorize a lien be recorded for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees against the owner's property.** The owner will be charged for the fees and costs of preparing and recording the lien. Thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure [Civil Code Sections 5700-5720].
8. Prior to recording of a lien, the Board of Directors will approve the recording of the lien in open session at a regular or special board meeting. Prior to recording of a lien for delinquent assessment, the Association shall offer the owner and, if so requested by the owner, participate in dispute resolution [Civil Code Sections 5705 -5720].
9. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Civil Code Sections 5200-5240 and Corporation Code Section 8333.
10. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.
11. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans shall not impede an association's ability to record a lien on the owner's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
12. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
13. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and cost of collection, including attorney's fees, must be paid in full to the Association.
14. All charges listed herein are subject to change upon thirty (30) days prior written notice.
15. **The mailing address for overnight payment of assessments is:**

**Montecido at Portola Hills Association
c/o Accell Property Management, Inc.
23046 Avenida de la Carlota, Suite 350
Laguna Hills, CA 92653
(949) 581-4988**

16. The Association may not foreclose unless delinquent assessments are greater than \$1,800 or greater than twelve (12) months delinquent.
17. Prior to initiating a foreclosure for delinquent assessments, the association shall offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the association's "meet and confer" program or alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5900-5920.
18. Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in executive session and note the approval in the regular minutes of the Association without identification of the name of the individual.
19. A nonjudicial foreclosure by the Association to collect upon a debt for delinquent assessments shall be subject to a right of redemption. The redemption period within which the separate interest may be redeemed from a foreclosure sale under this paragraph ends ninety (90) days after the sale.
20. Owners have the right to request that all collection correspondence and legal notices be mailed to both a primary and secondary address. Upon receipt of a written request by an owner sent by United States Mail or facsimile transmission, identifying a secondary address for purposes of receiving collection notices, the Association shall send additional copies of all collection correspondence and legal notices to both the primary and secondary address provided in the written request.

**Montecido at Portola Hills Association
Lien & Foreclosure Policy
Effective January 1, 2020**

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 nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. **(Sections 5700 through 5720 of the Civil Code, inclusive)**

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas 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, 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. **(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 reserves 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 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. **(Section 5665 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. **(Section 5665 of the Civil Code)**

MONTECIDO AT PORTOLA HILLS HOMEOWNERS ASSOCIATION

SCHEDULE OF FINES

DISTRIBUTED DECEMBER 2017

<u>Infraction</u>	<u>Fine 1st Infraction</u>	<u>2nd Infraction</u>	<u>3rd Infraction</u>
Parking Rules	\$50.00	\$75.00	\$100.00
Architectural & Landscape Standards	\$100.00	\$150.00	\$200.00
Common Area Usage	\$50.00	\$75.00	\$100.00
Pool Complex Rules	\$50.00	\$75.00	\$100.00
Play Area Rules	\$50.00	\$75.00	\$100.00
Weight Room Rules	\$50.00	\$75.00	\$100.00
Clubhouse Rules	\$100.00	\$150.00	\$200.00
Key/Handbook Rules	\$50.00	\$75.00	\$100.00
Safety Rules	\$50.00	\$75.00	\$100.00

**MONTECIDO AT PORTOLA HILLS ASSOCIATION
SUMMARY OF CALIFORNIA CIVIL CODE
INTERNAL AND ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS
FOR COMMON INTEREST DEVELOPMENTS
Effective January 1, 2020**

PLEASE TAKE NOTICE: *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 alternative dispute resolution pursuant to Article 2, of Chapter 10, under Part 5, of Division 4 of the California Civil Code.*

In general, the California Civil Code encourages parties involved in a dispute involving enforcement of the Association's governing documents to submit the dispute to a form of alternative dispute resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost-effective resolution of such disputes, to better preserve community cohesiveness and to channel CC&R disputes away from our state's court system.

Any party to a dispute regarding enforcement of the governing documents may initiate the process of ADR by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain the following: (1) a brief description of the nature of the dispute; (2) a request for ADR; and (3) 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.

If the Request is accepted, the ADR must be completed within ninety (90) days of receipt of the acceptance, unless otherwise agreed by the parties and stipulated by written consent. Any Request for Resolution sent to the owner of a separate interest must include a copy of Civil Code, Article 2, of Chapter 10, under Part 5, of Division 4. The costs of the alternative dispute resolution shall be borne by the parties.

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 RIGHTS TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.

Should Montecido at Portola Hills Association or an individual member wish to file a lawsuit for enforcement of Montecido at Portola Hills Association's governing documents, the law requires the Association or the individual file a certificate with the court stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with this article; (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution; (3) Preliminary or temporary injunctive relief is necessary. Failure to file a certificate pursuant to the Civil Code could be cause for the lawsuit to be dismissed.

Furthermore, in any lawsuit to enforce the governing documents in which fees and costs may be awarded pursuant to subdivision (c) of Section 5975, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

For disputes between the Association and a member involving a member's rights, duties, or liabilities under the Civil Code or under the governing documents of the Association, Montecido at Portola Hills Association has elected to observe the following procedures in compliance with and as defined under California Civil Code Section 5915. These procedures require that: (1) The party may request the other part to meet and confer in an effort to resolve the dispute; (2) A member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer; (3) The Association's board of directors shall designate at least one member of the board to meet and confer; (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute; (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee(s) on behalf of the Association.

DATE: November 10, 2019
TO: Montecido at Portola Hills Association
FROM: Montecido at Portola Hills Association Board of Directors
RE: Architectural Control Procedures

California Civil Code 4765 states that an Association shall provide a fair, reasonable, and expeditious procedure for making its decision when reviewing architectural improvement requests. The procedure shall provide prompt deadlines; and shall state the maximum time for response to an application or a request for reconsideration by the Board of Directors.

Furthermore, an Association shall annually provide its members with notice of any requirements for association approval of physical changes to property. The notice shall describe the types of changes that require association approval and shall include a copy of the procedures used to review and approve or disapprove a proposed change.

After review, the Board of Directors has determined that the existing Architectural Control Procedures are in compliance with the civil code. Enclosed is a copy of the Architectural Control Procedures.

Please keep a copy of the Architectural Control Procedures as part of your permanent records for the Association.

Sincerely,

Montecido at Portola Hills Association Board of Directors

DATE: November 28, 2013

TO: All Montecido at Portola Hills Homeowners

FROM: Board of Directors

RE: Architectural Submission & Review Procedures

One of the more important functions of our community association is to enhance the desirability, attractiveness and living experience of the community by preserving the architectural character of the neighborhood. Enclosed please find a copy of the Association's CC&R's governing all alterations, additions, modifications and changes to any Home, Lot or Unit within our Association. It is the responsibility of every homeowner to review these CC&R's in their entirety and to submit all requests for architectural changes in full conformance with these submission & review procedures prior to the commencement of any work. These guidelines and each Member's compliance with them are intended to help maintain our community's architectural integrity and property values.

The goal of the CC&R's is to provide a fair, reasonable, and expeditious procedure for making decisions when reviewing architectural improvement requests. Please remember all request must be in writing and shall include sufficient plans and specifications for the Architectural Committee to determine the full extent of the proposed changes and their compliance with the enclosed submission & review procedures. An application form is included with the submission & review procedures to assist homeowners with this process. All submissions must include this application form.

Should you have any questions regarding the CC&R's and compliance with these regulations, please contact Accell Property Management at 949-581-4988 for assistance. Please keep a copy of the CC&R's as part of your permanent records for the Association.

Sincerely,

Your Board of Directors
Montecido at Portola Hills Association

The lien of the Assessments and Allowable Charges as aforesaid shall also be subordinate to the interests of the Department of Veterans Affairs of the State of California as the vendor under its Cal-Vet loan contracts to the same extent that the said liens are made subordinate to the liens or charges of First Mortgages as provided above.

Section 3.17 - Capitalization of Association. Each Owner in the Initial Covered Property shall contribute to the capital of the Association an amount equal to one-sixth (1/6th) of the amount of the annual Regular Assessment levied against the Condominium of such Owner as of the date of such Owner's acquisition of title. This amount shall be deposited by the buyer into the purchase and sale escrow and at the close of escrow disbursed therefrom to the Association. Any amounts paid into this fund pursuant to this Section should not be considered as advance payments of Regular Assessments.

ARTICLE IV

ARCHITECTURAL CONTROL

Section 4.01 - Architectural Committee. The Architectural Committee shall consist of not fewer than three (3) nor more than five (5) persons as fixed from time to time by resolution of the Board. The Declarant shall initially appoint the Architectural Committee. The Declarant shall retain the right to appoint, augment or replace all members of the Architectural Committee until one (1) year after the date of the issuance of a Final Subdivision Public Report covering the Initial Covered Property. The Declarant shall retain the right to appoint, augment or replace a majority of the members of the Architectural Committee until five (5) years after the date of the issuance of said Final Subdivision Public Report, or until ninety percent (90%) of the Condominiums within the Development have been conveyed by the Declarant, whichever shall first occur at which time the right to appoint, augment or replace all members of the Architectural Committee shall automatically be transferred to the Board. As long as Declarant has the right to appoint some but not all of the members of the Architectural Committee, the Board shall have the right but not the obligation to fill the remaining vacancies on the Architectural Committee. Persons appointed by the Board to the Architectural Committee must be Members; however, persons appointed by Declarant to the Architectural Committee need not be Members, in Declarant's sole discretion. The address of the Architectural Committee shall be the address established for giving notice to the Association. Such address shall be the place for the submittal of plans and specifications and the place where the current Architectural Standards shall be kept.

Section 4.02 - Architectural Standards. The Board may, from time to time, adopt and promulgate Architectural Standards to be administered through the Architectural Committee. The Architectural Standards may include among other things those restrictions and limitations upon the Owners set forth below:

(a) time limitations for the completion of the Improvements for which approval is required pursuant to the Architectural Standards;

(b) conformity of completed Improvements to plans and specifications approved by the Architectural Committee;

(c) such other limitations and restrictions on Improvements as the Board in its reasonable discretion shall adopt, including, without limitation, the regulation of the placement, kind, shape, height, materials, species and location of any Improvement; and

(d) a description of the Improvements which, if completed in conformity with the Architectural Standards, do not require the approval of the Architectural Committee.

Section 4.03 - Functions of Architectural Committee.

(a) It shall be the duty of the Architectural Committee to consider and act upon proposals or plans submitted pursuant to the terms of the Declaration or the Architectural Standards, and to perform such other duties delegated to it by the Board.

(b) The Architectural Committee may delegate its plan review responsibilities to one or more members of such Architectural Committee. Upon such delegation, the approval or disapproval of plans and specifications by such persons shall be equivalent to approval or disapproval by the entire Architectural Committee.

(c) The Architectural Committee may, from time to time, subject to the approval of the Board, adopt, amend and repeal Architectural Committee Rules, may require the prepayment of a deposit to be applied toward the payment of any Special Assessment levied by the Board if such Owner fails to restore any portion of the Covered Property to a clean and attractive condition and may assess a reasonable fee as appropriate for the type and nature of the Improvement, to cover the cost of inspections that may be necessary to insure compliance and in connection with the review of plans and specifications for proposed Improvements, including without limitation, a procedure for approval of preliminary plans and drawings, as well as final approval, the number of sets of plans to be submitted, and may require such detail as it deems proper, including without limitation, floor plans, site plans, elevation drawings, and descriptions or samples of exterior material and colors. Unless

any such rules are complied with, such plans and specifications shall be deemed not submitted.

Section 4.04 - Allowable Modifications. An Owner shall have the right to make certain modifications in accordance with Section 1360 of the California Civil Code which as of the date of this Declaration, provides that subject to the provisions of the Association Management Documents and other applicable provisions of law, if the boundaries of the Unit are contained within a building, the Owner of such Unit may do the following:

(a) make any Improvements within the boundaries of such Owner's Unit that do not impair the structural integrity or mechanical systems or lessen the support of any portion of the Covered Property; or

(b) modify a Unit, at the Owner's expense, to facilitate access for persons who are blind, visually handicapped, deaf, or physically disabled, or to alter conditions which could be hazardous to these persons. These modifications may also include modifications of the route from the public way to the door of the Unit for the purposes of this paragraph if the Unit is on the ground floor or already accessible by an existing ramp or elevator. The modifications shall be consistent with applicable building code requirements and shall be consistent with the intent of otherwise applicable provisions of the Association Management Documents pertaining to safety or aesthetics. The modifications external to the dwelling shall not prevent reasonable passage by other residents, and shall be removed by the Owner when the Unit is no longer occupied by persons requiring those modifications who are blind, visually handicapped, deaf, or physically disabled.

Any change in the exterior appearance of a Unit shall be in accordance with the Association Management Documents and applicable provisions of law.

Section 4.05 - Approval.

(a) No Improvements shall be made upon the Covered Property including those made pursuant to California Civil Code Section 1360 as provided above except in compliance with plans and specifications therefor which have been submitted to and approved by the Architectural Committee except as may otherwise be provided in the Architectural Standards or in a Supplementary Declaration. An Owner who intends to modify a Unit pursuant to the foregoing Section entitled "Allowable Modifications" shall submit plans and specifications to the Architectural Committee to determine whether the modifications comply with such Section. The Architectural Committee shall not deny approval of the

proposed modifications which comply with the provisions of subparagraph (b) of said Section without good cause.

(b) The Architectural Committee shall review plans and specifications submitted for its approval as to style, exterior design, appearance and location and shall approve such plans and specifications only if it deems that the proposed Improvement will not be detrimental to the appearance of the Development as a whole; that the Improvement complies with the Architectural Standards; that the appearance of any Improvements will be in harmony with the surrounding structures; that the construction of any Improvement will not detract from the beauty and attractiveness of the Development or the enjoyment thereof by the Owners; and that the upkeep and maintenance of any Improvement will not become a burden on the Association. The Architectural Committee (i) may determine that such Improvement cannot be approved because of its effect on existing drainage, utility or other easements, (ii) may require submission of additional plans and specifications or other information or materials prior to approving or disapproving plans and specifications submitted, or (iii) may condition its approval of plans and specifications for any Improvement on such changes therein as it deems appropriate such as, and without limitation, the approval of such Improvement by a holder of an easement which may be impaired thereby or upon approval of any such Improvement by the appropriate governmental entity. Any Architectural Committee approval conditioned upon the approval by a governmental entity shall not imply the Association is enforcing any government codes or regulations, nor shall the failure to make such conditional approval imply that any such governmental agency approval is not required.

(c) In the event the Architectural Committee fails to approve or disapprove plans and specifications within thirty (30) days after the same have been duly submitted in accordance with any rules regarding such submission adopted by the Architectural Committee, such plans and specifications will be deemed approved.

(d) If for any reason an inspection has not been made within forty-five (45) days of notification by the Owner of the completion of an Improvement or the Owner requesting such inspection has not been notified of any noncompliance within thirty (30) days after such inspection, the Improvement shall be deemed to be completed in substantial conformance with approved plans and specifications.

Section 4.06 - Nonliability for Approval. Plans and specifications are not approved for (a) engineering design, (b) compliance with zoning and building ordinances, and other applicable statutes, ordinances or governmental rules or regulations, (c) compliance with the requirements of any public utility, (d) any easements or other agreement, or (e)

preservation of any view and by approving such plans and specifications neither the Architectural Committee, the members thereof, the Association, the Owners, the Board nor Declarant, nor agents, employees, attorneys or consultants of any of the foregoing, assume liability or responsibility therefor, or for any defect in any Improvement constructed from such plans and specifications or for any obstruction or impairment of view caused or created as the result of any Improvements approved by the Architectural Committee.

Section 4.07 - Appeal. In the event plans and specifications submitted to the Architectural Committee are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The written request shall be received by the Board not more than fifteen (15) days following the final decision of the Architectural Committee. The Board shall submit such request to the Architectural Committee for review, whose written recommendations are to be submitted to the Board. Within forty-five (45) days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) day period shall be deemed a decision in favor of the appellant.

Section 4.08 - Evidence of Approval. As provided elsewhere in the Association Management Documents, the Declarant is not subject to the provisions of the Association Management Documents pertaining to architectural control. Any Improvements constructed by the Declarant shall automatically be in compliance with the Association Management Documents and shall not be subject to further architectural control until and unless there has been a change or alteration made by a successor in title to the Declarant as to any Residence in the material, texture, color or appearance of any such Improvement upon such Residence. Normal maintenance, repair or reconstruction by any successor in title to the Declarant in the event of a destruction, in substantial conformance with the Improvements constructed by the Declarant, shall not be deemed to be an Improvement that requires approval pursuant to the provisions of this Article. The Architectural Committee of the Association shall provide to any Owner, purchaser, Mortgagee or prospective Mortgagee of a Residence who has submitted a written request therefor a statement as to the compliance or noncompliance, as the case may be, of the Improvements upon such Residence made by Owners other than Declarant with the provisions of the Association Management Documents. If the Improvements upon such Residence comply with the provisions of the Association Management Documents, the Architectural Committee shall, upon such request, issue a statement (hereinafter a "Compliance Statement") which will evidence such compliance. If any of the Improvements upon such Residence do not comply with the provisions of the Association Management Documents, the Architectural Committee shall, upon

such request, issue a statement (hereinafter a "Noncompliance Statement") delineating the corrective action that is required to bring such Improvements into compliance with the Association Management Documents. In the event the Architectural Committee has issued a Noncompliance Statement as to any such Residence, the Architectural Committee shall provide a Compliance Statement, upon request, after the corrective work has been satisfactorily completed which shall then evidence that the Improvements upon such Residence comply with the provisions of the Association Management Documents. The Architectural Committee shall provide either a Compliance Statement or a Noncompliance Statement, as applicable, within forty-five (45) days of a written request therefor by any such Owner, purchaser, Mortgagee or prospective Mortgagee provided that the Architectural Committee, after notice of not less than three (3) days delivered to the Owner of such Residence, was afforded the right to enter upon the affected Residence at a reasonable time specified by the Architectural Committee. Any Compliance or Noncompliance Statement issued by the Architectural Committee shall be executed by any person or persons authorized by resolution of the Board or by the president and secretary of the Association. The signatures on a Compliance Statement shall be notarized. A Compliance Statement shall be conclusive evidence of compliance with the provisions of the Association Management Documents as to the Improvements described in the Compliance Statement and further approval of any such Improvements shall not be required unless there is a change or alteration in material, exterior appearance, color or texture in such Improvements. The Association shall be entitled to collect a fee to cover the cost of inspections and other costs in connection with the issuance of any Compliance Statements and Noncompliance Statements in accordance with the provisions of this Declaration contained in the Section entitled "Limitation on Fees" of the Article entitled "Assessments" and the Section entitled "Functions of Architectural Committee" of this Article. Failure to schedule an inspection or to issue a Compliance Statement or Noncompliance Statement for any reason within the time limitation established herein shall be deemed to mean that all existing Improvements do comply with the Association Management Documents and any such requesting Owner, purchaser, Mortgagee or prospective Mortgagee shall be entitled to receive a Compliance Statement evidencing such compliance.

Section 4.09 - Nonconformity. In the event an Improvement was commenced without the required approval of the Architectural Committee, or, if such Improvement was not completed within the time limitation established for such Improvement in the Architectural Standards or in substantial conformance with the approved plans and specifications, a notice of noncompliance or noncompletion shall be delivered to the violating Owner and the Architectural Committee shall correct the violation or take other

appropriate action in accordance with the procedure described in the Article entitled "Discipline of Members" of the Bylaws.

Section 4.10 - Variances. The Board may authorize a variance from compliance with the architectural controls set forth in this Article when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental consideration may require; provided, however, that no variance from the use restrictions contained in the Article entitled "Use Restrictions" of this Declaration may be granted. Written evidence of such variance must be delivered to such Owner and a copy of the resolution of the Board authorizing such variance must be retained in the permanent records of the Association. If such variances are granted, no violation of the covenants, conditions and restrictions contained in the Association Management Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms and provisions of the Association Management Documents for any purpose except as to the particular Condominium and particular provision of this Article covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all government laws and regulations affecting his use of his Condominium including, but not limited to, zoning ordinances and lot setback lines or requirements imposed by any governmental or municipal authority.

Section 4.11 - Reconstruction After Destruction. The reconstruction after destruction by casualty or otherwise of any Residences which is accomplished in substantial compliance with the provisions of the Section entitled "Compliance with Plans" of the Article entitled "Destruction of Improvements" of this Declaration shall not require compliance with this Article.

ARTICLE V

INSURANCE

Section 5.01 - Obligation to Insure. The Association shall obtain and maintain in effect insurance and fidelity bond coverage in the amounts and with endorsements deemed adequate by the Board which shall be not less than the coverages hereinafter required in this Section. All coverages must be consistent with Local Government and California insurance laws.

(a) Public Liability Insurance. The comprehensive general liability insurance policy shall insure the Association, the Declarant for as long as Declarant is an Owner, and the agents and employees of each and the Owners, and their respective family members, guests, employees, tenants or agents against any

Montecido at Portola Hills Association
Home Improvement - Architectural Application
(please type or print legibly)

The Declaration of Covenants, Conditions and Restrictions for our community requires that you obtain the approval of the Architectural Committee before commencing any improvements or alterations to your home or lot. To obtain this approval, please complete this form and mail or deliver along with the required copies of plans and other related material to

Montecido at Portola Hills Association
c/o Accell Property Management
23046 Avenida de la Carlota, Ste. 700
Laguna Hills, CA 92653

Owner's Name: _____ Day Ph. # _____

Address where work is to be performed: _____ Evening Ph. # _____

Follow these steps:

Note: Homeowners must submit plans and specifications to the Architectural Committee prior to installation/commencement of work.

- 1) Complete this form in its entirety (**front and back**).
- 2) Enclose three (3) full sets of drawings and detailed plans/specifications that provide the following:
 - a. Complete dimensions of improvements proposed (drawn to scale).
 - b. Measurements of improvements in relationship to home and lot lines.
 - c. Identification of building materials and color scheme to be used (if available, provide sample color chips).
 - d. Drawing showing affected elevations (patio covers, gates, et cetera).
 - e. Description/drawing showing how drainage will be affected (flow direction and slope).
 - f. For landscape improvements, provide a landscape site plan indicating scope of work, materials, names of plants and sizes of plants and drainage as noted in (e), above.
 - g. Specify type and anticipated height of trees and provide dimensions showing their planned locations.
Note: No trees may be planted within ten feet of sewer, drain or water supply lines
 - h. Specify waterproofing material for raised planters, if any.

Briefly describe the nature of the work to be performed: _____

**** Important - Read Carefully ****

Any compliance with Local Government Ordinances and Building Codes regarding architectural/structural changes and additions are strictly between the homeowner and these regulating bodies. Approval of this request by them does not imply the Association's acceptance based upon the above mentioned regulations. It is your responsibility to contact these regulating bodies as required. If further architectural and/or design changes are to take place, which are not part of this application, applicant must submit a new application for the proposed improvements. Your request will be reviewed by the Architectural Committee and you will be given a decision within thirty (30) days from receiving a completed application including all plans and specifications as outlined above.

The undersigned owner acknowledges and agrees that:

1. No work on the proposed improvements shall commence until I have received written approval of my final improvement plans from the Architectural Committee and have satisfied any and all conditions of such approval.
2. My failure to obtain the required Architectural Committee approval of any improvements or to comply with all applicable architectural standards will constitute a violation of the CC&R's and I may be required to modify or remove such improvements at my sole expense.

Homeowner Signature _____
Date

For Architectural Committee Use Only

Date Application Received: _____

Action by Architectural Control Committee: Approval Non-Approval

Conditions of Approval/Reason for Disapproval: _____

Date _____
Signature of Architectural Committee Chairperson

**Montecido at Portola Hills Association
Neighbor Awareness Form**

The intent of this form is to advise your neighbors who own residences facing and adjacent to yours of your planned improvement. Failure to obtain these signatures could delay approval in cases where visibility, drainage, noise, et cetera are involved. Neighbors are invited to contact the Architectural Committee to discuss their concerns and comments. However, while neighbor's comments are welcome, final disposition of all applications will be based on the application's conformance with architectural guidelines, standards and procedures.

The undersign applicant certifies that the attached plans and specification were made available to the following adjacent (facing, side, rear) neighbors as listed below.

Address of Improvements: _____

Description of Improvements: _____

Please have neighbors complete, print name, and sign this section

Next Door Neighbor:

Print Name: _____

Signature: _____ Date: _____

Address: _____

Comments: _____

Next Door Neighbor:

Print Name: _____

Signature: _____ Date: _____

Address: _____

Comments: _____

Rear Neighbor:

Print Name: _____

Signature: _____ Date: _____

Address: _____

Comments: _____

Facing Neighbor:

Print Name: _____

Signature: _____ Date: _____

Address: _____

Comments: _____

Applicant's Signature

Date