

TREO MAINTENANCE ASSOCIATION

November 2018

2019 Operating Budget. Enclosed, please find the budget for the period January 01, 2019 through December 31, 2019.

The monthly dues will remain at \$200.00 per home 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 September 30, 2018, there was \$17,097.46 in operating cash, and \$961,572.08 in reserves.

Reserves The reserves will be funded at \$11,708.00 per month. A copy of the most recent reserve study summary is enclosed. This reserve study estimates that the reserves are currently 92.74% funded and recommends funding next year of \$11,708.33 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 not carry earthquake insurance or flood insurance. 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: 181 S. Old Springs Road, Anaheim Hills, CA 92808.

Written Communication The name and address of the person designated to receive official communications for the Association: StoneKastle Community Management, 181 S. Old Springs Road, Anaheim Hills, CA 92808. 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 181 S. Old Springs Road, Anaheim Hills, CA 92808, 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, 181 S. Old Springs Road, Anaheim Hills, CA 92808.

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 mail boxes within the community.

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** (circle one) a condominium project. The Association of this common interest development **is not** (circle one) 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~~ **is not** (circle one) a condominium project. The Association of this common interest development [~~is~~ **is not** (circle one)] 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
Treo Maintenance Association

TREO MAINTENANCE ASSOCIATION

TO: ALL TREO MAINTENANCE ASSOCIATION HOMEOWNERS
FROM: TREO MAINTENANCE ASSOCIATION
RE: REQUEST FOR ANNUAL NOTICE OF ADDRESS, REPRESENTATIVE
AND RENTAL STATUS (CIVIL CODE SECTION 4041)

Civil Code, §4041 requires each homeowner to provide the Treo Maintenance Association with the following information on an annual basis. This request for information is also required to be sent by associations to their members at least 30 days prior to making the Association's own Annual Budget Report disclosures under Civil Code §5300.

Please complete this form and return it to the Treo Maintenance Association within 30 days:

Treo Maintenances Association Address: _____

1. The address or addresses to which notices from the Treo Maintenance Association are to be delivered:

2. An alternate or secondary address to which notices from the Treo Maintenance Association are to be delivered:

3. The name and address of your legal representative, if any, including any person with the power of attorney, or other person who can be contacted in the event of your extended absence: _____

4. Is the separate interest that you own (check one):

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Owner-Occupied? | <input type="checkbox"/> Rented Out? |
| <input type="checkbox"/> Developed, but Vacant? | <input type="checkbox"/> Undeveloped? |

NOTE: If an owner fails to provide the notices set forth in paragraphs 1 and 2, above the property address of the Owner's Separate Interest within the development shall be deemed to be the address to which notices are to be delivered.

PLEASE RETURN THIS INFORMATION TO THE ASSOCIATION AT THE FOLLOWING ADDRESS:

Treo Maintenance Association
c/o StoneKastle Community Management
181 S. Old Springs Rd., First Floor
Anaheim Hills, CA 92808

*Professionally Managed by StoneKastle Community Management, Inc.
181 S. Old Springs Road, Anaheim Hills, CA 92808
Phone: (714) 395-5245 Fax: (866) 575-0549
www.stonekastle.com*



MANAGING AGENT DISCLOSURE

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

1. Your community Manager Rina Sagal doesn't hold an active real estate license.
2. This common interest manager's office location is at StoneKastle Community Management; 181 S. Old Springs Rd. Anaheim Hills, CA 92808.

STONEKASTLE
Community Management, Inc.

181 S. Old Springs Road, Anaheim Hills, Ca. 92808 Ph: 714-395-5245 Fax: 866-575-0549

**TREO MAINTENANCE ASSOCIATION
OPERATING BUDGET
JANUARY 1, 2019 - DECEMBER 31, 2019
BASED ON 135 UNITS**

		2018	2018	2019	2019	2019
		ANNUAL	ACTUAL PROJECTIVE	ANNUAL PROJECTIVE	MONTHLY PROJECTIVE	UNIT
INCOME						
4010	ASSESSMENTS	324,006	300,144	323,996	27,000	200.00
TOTAL INCOME		324,006	300,144	323,996	27,000	200.00
EXPENSES						
UTILITIES						
5020	ELECTRICITY	11,200	9,235	11,000	917	6.79
5060	WATER	7,500	6,716	8,000	667	4.94
TOTAL UTILITIES		18,700	15,951	19,000	1,583	11.73
LAND MAINTENANCE						
5220	CONTRACT LANDSCAPE	47,744	47,743	49,175	4,098	30.35
5230	LANDSCAPE EXTRAS	11,930	1,793	7,226	602	4.46
5260	SPRINKLER/IRRIGATION REPAIRS	2,504	3,479	3,479	290	2.15
5280	TREE TRIMMING	20,250	20,400	15,315	1,276	9.45
TOTAL LAND MAINT.		82,428	73,415	75,195	6,266	46.42
CONTRACTS/MAINTENANCE						
5380	COMMON AREA MAINTENANCE	20,000	9,276	18,851	1,571	11.64
5510	LIGHT MAINT. CONTRACT	2,640	2,640	2,640	220	1.63
5520	LIGHTING/ELECTRICAL REPAIRS	6,878	5,769	6,900	575	4.26
5550	PEST CONTROL CONTRACT	3,168	2,866	3,168	264	1.96
5556	WASP/BEE/SWALLOW CONTROL	1,000		1,000	83	0.62
5570	PLUMBING REPAIRS	3,500		3,500	292	2.16
TOTAL CONTRACTS/ MAINT.		37,186	20,551	36,059	3,005	22.26
ADMINISTRATION						
5810	AUDIT/TAX RETURNS	1,250	798	1,300	108	0.80
5185	BAD DEBT EXPENSES	500		0	0	-
5870	INCOME TAX-FEDERAL	1,000	686	686	57	0.42
5875	INCOME TAX-STATE	500	838	838	70	0.52
5890	INSURANCE	23,700	22,639	24,877	2,073	15.36
5897	INSURANCE-WORKER COMP.	516	578	570	48	0.35
5900	LATE FEES	750	624	624	52	0.39
5910	LEGAL FEES-GENERAL	750	1,345	1,345	112	0.83
5930	MANAGEMENT SERVICE	17,748	17,748	18,636	1,553	11.50
5935	MANAGEMENT-ADMINISTRATIVE	540	778	778	65	0.48
5950	MISCELLANEOUS	250			0	-
5970	PRINTING/MAILING/SUPPLIES	3,000	2,461	2,461	205	1.52
5990	RESERVE STUDY	500		650	54	0.40
5998	WEBSITE	684	480	480	40	0.30
TOTAL ADMINISTRATION		51,688	48,975	53,245	4,437	32.87

RESERVE DEPOSITS

6410	CONTINGENCY	3,900	4,116	4,092	341	2.53
6420	DECKS	16,836	17,268	17,317	1,443	10.69
6430	DOORS	6,180	6,660	6,444	537	3.98
6453	FRONT DOOR	5,580	6,432	5,928	494	3.66
6450	FENCING/WALLS	14,880	15,636	15,684	1,307	9.68
6451	FIRE TESTING & REPAIRS	3,420	3,408	3,420	285	2.11
6452	FIRE EXTINGUISHER CABINET	552	564	576	48	0.36
6462	GARAGE DOORS	4,884	5,004	5,028	419	3.10
6467	GUTTER	7,116	7,860	7,884	657	4.87
6470	IRRIGATION	960	960	972	81	0.60
6510	LIGHTING/ELECTRICAL	5,592	5,820	5,844	487	3.61
6560	MAILBOXES	1,380	1,416	1,428	119	0.88
6600	PAINTING	36,816	39,300	39,432	3,286	24.34
6610	PAVEMENT/STREETS/DRIVES	6,432	7,152	6,768	564	4.18
6750	ROOFS	5,448	5,424	5,400	450	3.33
6795	SHUTTERS	3,336	3,444	3,456	288	2.13
6800	SIGNS	1,188	1,200	1,200	100	0.74
6900	TERMITE CONTROL	9,504	9,588	9,624	802	5.94
	TOTAL RESERVE DEPOSIT	134,004	141,252	140,497	11,708	86.73

TOTAL EXPENSES

324,006	300,144	323,996	27,000	200.00
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Treo Maintenance Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	12622
Version Number	2
Analysis Date	07/23/2018
Fiscal Year	1/1/2019 to 12/31/2019
Number of Units	135
Phasing	9 of 9

Global Parameters:

Inflation Rate	2.50 %
Annual Contribution Increase	3.00 %
Investment Rate	1.50 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

Treo Maintenance Association is comprised of 135, 2-story condominiums in 45 buildings (3-unit buildings). Common areas include the asphalt drives, landscaping, unit exteriors including but not limited to, roofs, painting, decks, railings, doors and lighting. For budgeting purposes, we have used an average placed-in-service date of January 2006 for aging the components in this analysis.

ARS site visits conducted: June 23, 2016, May 9, 2013, September 20, 2010 & March 6, 2007

Adequacy of Reserves as of January 1, 2019:

Anticipated Reserve Balance	\$996,518.00
Fully Funded Reserve Balance	\$1,074,508.41
Percent Funded	92.74%

Recommended Funding for the 2019 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	\$140,500	\$11,708.33	\$86.73
Interest Contribution	\$11,192	\$932.67	\$6.91
Total Contribution	\$151,692	\$12,641.01	\$93.64

Treo Maintenance Association
Membership Disclosure Summary
Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
010 Streets	\$110,152	\$52,172	2-14	4-27
020 Roofs	\$18,006	\$6,002	2	3
030 Painting	\$234,543	\$124,581	1-5	4-8
040 Fencing	\$294,372	\$166,972	5-20	18-25
050 Lighting	\$131,170	\$68,208	12	25
060 Decks/Doors	\$571,658	\$329,568	1-17	4-30
090 Building Ext.	\$287,674	\$73,796	2-22	5-35
100 Grounds	\$39,360	\$29,194	1-7	14-20
110 Termite Control	\$162,000	\$117,000	5	18
Contingency	n.a.	\$29,025	n.a.	n.a.
Total	\$1,848,935	\$996,518	1-22	3-35

Treo Maintenance Association
Projections
Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2019	\$996,518	\$140,500	\$11,192	\$0	\$1,148,210	\$1,240,795	93%
2020	\$1,148,210	\$144,715	\$11,239	\$149,172	\$1,154,992	\$1,257,236	92%
2021	\$1,154,992	\$149,056	\$12,301	\$57,302	\$1,259,047	\$1,374,495	92%
2022	\$1,259,047	\$153,528	\$14,025	\$0	\$1,426,600	\$1,558,841	92%
2023	\$1,426,600	\$158,134	\$15,790	\$2,386	\$1,598,137	\$1,749,025	91%
2024	\$1,598,137	\$162,878	\$9,368	\$784,763	\$985,620	\$1,124,717	88%
2025	\$985,620	\$167,764	\$10,988	\$20,915	\$1,143,457	\$1,295,246	88%
2026	\$1,143,457	\$172,797	\$8,964	\$372,897	\$952,322	\$1,102,545	86%
2027	\$952,322	\$177,981	\$10,647	\$24,573	\$1,116,378	\$1,276,985	87%
2028	\$1,116,378	\$183,321	\$10,917	\$165,567	\$1,145,048	\$1,311,252	87%
2029	\$1,145,048	\$188,820	\$12,749	\$23,086	\$1,323,531	\$1,501,228	88%
2030	\$1,323,531	\$194,485	\$14,654	\$23,626	\$1,509,044	\$1,699,923	89%
2031	\$1,509,044	\$200,319	\$11,544	\$506,494	\$1,214,413	\$1,398,450	87%
2032	\$1,214,413	\$206,329	\$9,983	\$362,571	\$1,068,155	\$1,246,156	86%
2033	\$1,068,155	\$212,519	\$10,290	\$190,047	\$1,100,917	\$1,277,765	86%
2034	\$1,100,917	\$218,894	\$12,474	\$18,770	\$1,313,515	\$1,496,017	88%
2035	\$1,313,515	\$225,461	\$14,913	\$3,209	\$1,550,680	\$1,741,307	89%
2036	\$1,550,680	\$232,225	\$12,383	\$483,236	\$1,312,052	\$1,491,223	88%
2037	\$1,312,052	\$239,192	\$14,701	\$28,128	\$1,537,817	\$1,720,781	89%
2038	\$1,537,817	\$246,368	\$17,414	\$0	\$1,801,599	\$1,991,324	90%
2039	\$1,801,599	\$253,759	\$16,471	\$356,506	\$1,715,323	\$1,897,937	90%
2040	\$1,715,323	\$261,371	\$13,089	\$594,337	\$1,395,446	\$1,556,955	90%
2041	\$1,395,446	\$269,213	\$12,268	\$355,829	\$1,321,097	\$1,465,230	90%
2042	\$1,321,097	\$277,289	\$11,967	\$313,671	\$1,296,683	\$1,421,845	91%
2043	\$1,296,683	\$285,608	\$15,018	\$3,910	\$1,593,398	\$1,710,685	93%
2044	\$1,593,398	\$294,176	\$15,638	\$245,785	\$1,657,427	\$1,757,821	94%
2045	\$1,657,427	\$303,001	\$18,227	\$68,488	\$1,910,167	\$1,999,914	96%
2046	\$1,910,167	\$312,091	\$15,213	\$611,035	\$1,626,437	\$1,682,026	97%
2047	\$1,626,437	\$321,454	\$18,666	\$4,316	\$1,962,240	\$2,003,665	98%
2048	\$1,962,240	\$331,097	\$15,954	\$601,608	\$1,707,683	\$1,709,857	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.

Treo Maintenance Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 12/31/19
 ("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 2019 fiscal year per ownership interest is **\$200.00** 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 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 7/23/18, 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: _____

Treo Maintenance Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 12/31/19
 ("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:
Concrete	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 **\$1,074,508**, based in whole or in part on the last reserve study or update prepared by Advanced Reserve Solutions, Inc. as of 1/1/19. The projected reserve fund cash balance at the end of the current fiscal year is **\$996,518**, resulting in reserves being **92.74%** funded at this date. The current deficiency in the reserve fund represents **\$578** 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 **1.5%** 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 55530. 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.

TREO MAINTENANCE 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 15 **days** after they are due. (CC&R's, Art. VIII, §8.1; CC §5650. A late charge of **\$10.00 or 10 %**, **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. VIII, §8.1; 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. VIII, §8.1; 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.

TREO MAINTENANCE 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))

TREO MAINTENANCE 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., 22800 Savi Ranch Parkway, Suite 214, 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.

TREE MAINTENANCE 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)

TREO MAINTENANCE 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).

ENFORCEMENT

The Board has the power to establish a system of fines and penalties enforceable as a Reimbursement Assessment. The Association Rules do not discriminate among Owners but are applied equitably and constantly with the Declaration.

If a resident observes an infraction of the rules, the resident may either point out the infraction to the person involved, or may inform the Board of Directors, in writing, of the facts. No such written notification shall be considered unless the person writing identifies himself and signs the letter. Infractions involving dog barking require signatures from two separate residences prior to enforcement being taken. Please mail the correspondence to the management company.

Violations of the CC&Rs and Rules & Regulations will be enforced as follows:

- FIRST OFFENSE** The homeowner is issued a courtesy Community Reminder Notice or Violation Notice and compliance requested within thirty (30) days.
- SECOND OFFENSE** The homeowner is issued a 2nd Notice of Violation and compliance is requested within ten (10) days.
- THIRD OFFENSE** The homeowner is issued a Hearing Notice and requested to attend a Hearing before the Board of Directors to discuss the violation.
- HEARING** The homeowner attends to discuss the situation and possible solutions. If the situation continues, a monetary fine may be assessed to the homeowner's account. Such a fine may be levied after a scheduled hearing with the Board of Directors and shall be in an amount as determined by the Board.

FINE SCHEDULE:

Failure to comply with the CC&R's or Rules & Regulations	\$50.00 - First Offense
Failure to comply with the CC&R's or Rules & Regulations	\$100.00 - Second Offense
Malicious Damage to Association Property	\$100.00 plus repair costs

These fines are subject to adjustment by the Board of Directors at the time of Hearing or at the Board's discretion for extenuating circumstances. Fines shall be in addition to an assessment equal to any applicable cost of repair. Violations continuing for more than sixty (60) days will increase by \$100 each month. In addition, homeowner files with violations exceeding sixty (60) days will be forwarded to the Association's counsel for resolution assistance.



TREOMA-01

KLUNDIN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/22/2018

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 Treo Maintenance Association Irvine, CA 92620	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Truck Insurance Exchange		
	INSURER B : Fireman's Fund Insurance		29181
	INSURER C : Mid Century Insurance Company		
	INSURER D :		
INSURER E :			
INSURER F :			

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			605821618	03/31/2018	03/31/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 75,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						
A	<input type="checkbox"/> 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			605821618	03/31/2018	03/31/2019	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			SUO0003227199154146	03/31/2018	03/31/2019	EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000
	DED RETENTION \$						
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		N / A	A09470358	03/31/2018	03/31/2019	<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			605821618	03/31/2018	03/31/2019	\$1,000 Deductible
A	HOA Fidelity/Crime			605821618	03/31/2018	03/31/2019	\$5,000 Deductible

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

"Bare Walls"; Special Form; 100% Replacement Cost Policy with 125% Extended Replacement Cost Endorsement; Management Company named Additional Insured on GL, D&O and Fidelity Bond; 135 Units

CERTIFICATE HOLDER

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 Treo Maintenance Association Irvine, CA 92620
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

Additional Coverage(s):

Insurer A: **Building** Policy #605821618 Effective: 03/31/2018 - 03/31/2019 \$39,500,504 Limit with \$10,000 Deductible

Document	Civil Code Section	Fee for Document
Articles, By-laws, CC&R's	Section -4525 (A) (1)	\$95.00
Operating Rules	Section -4525 (A) (1)	\$15.00
Annual Budget	Section -5300 and 4525 (A) (3)	\$65.00
Financial Statement	Section -5300 and 4525 (A) (3)	\$75.00
Regular Minutes for 12 months	Section 4525 (A) (10)	\$75.00
Transfer Fee	Section 4525	\$350.00
Lenders Questionnaire	Section 4525	\$225.00
Rush Fee	Section 4525	\$150.00
Demand Letter	Section 4525	\$100.00
Insurance Certificate	Sections 5300 and 4525 (A) (3)	\$25.00
HOA Contract	Section 4525	\$25.00

1. All Fee's are paid up front. Checks made payable to StoneKastle Community Management. We accept all major Debit and Credit Cards. There is a 3.75% service charge per Card transaction.
2. Transfer fee is paid at the close of escrow.
3. 7 Business day turnaround.
4. Rush fee is 24 hour turnaround.
5. Termite Letter of intent \$50.00.
6. Lien release \$150.00.

**INTERNAL DISPUTE RESOLUTION POLICY REQUIRED BY
CIVIL CODE SECTION 5915**

ARTICLE 2. Internal Dispute Resolution

5915.

- (a) This section applies to an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.
- (b) Either party to a dispute within the scope of this article may invoke the following procedure:
- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
- (3) The board shall designate a director 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 on behalf of the association.
- (c) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.
- (d) A member may not be charged a fee to participate in the process.

**ALTERNATIVE DISPUTE RESOLUTION POLICY REQUIRED BY
CIVIL CODE SECTIONS 5925-5965**

ARTICLE 3. Alternative Dispute Resolution Prerequisite to Civil Action

5925.

As used in this article:

- (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.
- (b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:
- (1) Enforcement of this act.
- (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
- (3) Enforcement of the governing documents.

5930.

- (a) An association or a member 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 this article.
- (b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.
- (c) This section does not apply to a small claims action.
- (d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935.

(a) Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

- (1) A brief description of the dispute between the parties.
 - (2) A request for alternative dispute resolution.
 - (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
 - (4) If the party on whom the request is served is the member, a copy of this article.
- (b) Service of the Request for Resolution shall be 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.
- (c) A party on whom a Request for Resolution is served has 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 by the party.

5940.

- (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.
- (b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.
- (c) The costs of the alternative dispute resolution shall be borne by the parties.

5945.

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

- (a) The period provided in Section 5935 for response to a Request for Resolution.
- (b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

5950.

- (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are 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.
- (b) Failure to file a certificate pursuant to subdivision (a) 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.

5955.

- (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.
- (b) The costs of the alternative dispute resolution shall be borne by the parties.

5960.

In an enforcement action in which attorney's fees and costs may be awarded, 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.

5965.

(a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

(b) The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

(Added by Stats. 2012, Ch. 180, Sec. 2. Effective January 1, 2013. Operative January 1, 2014, by Sec. 3 of Ch. 180.)

TREO MAINTENANCE ASSOCIATION (TMA)

GENERAL RULES (USE RESTRICTIONS) AND ARCHITECTURAL GUIDELINES

Below are summaries of Use Restrictions found in Article IX of the CC&Rs, as well as rules, which have been adopted by the Board to supplement the Use Restrictions.

1. **Homeowner or Single Family Living ONLY**

Each dwelling or unit shall be used for a homeowner, or his or her family, to reside and for no other purpose.

2. **Residential Use**

No part of the property may ever be used for any business, commercial, mercantile, manufacturing, storage, vending or other non-residential purposes. Home offices which comply with the law, do not involve clientele coming into the Association that is not apparent or detectable through sight, smell or sound, and does not increase the insurance obligations or premiums of the Association may be permissible. Likewise, day care centers which comply with California Health & Safety Code Section 1597.531 and the rules specific to day care centers are permissible.

3. **Leasing - Article IX, Section 17**

No Owner shall be permitted to rent or lease his Condominium for transient or hotel purposes or for a period of less than thirty (30) days. All rental and lease agreements shall be in writing and shall provide that the terms of such agreement shall be subject in all respects to the provisions of the Master Association Documents and the Association Documents, and that any failure by the tenant or lessee to comply with the terms of the Master Association Documents and the Association Documents shall constitute a default under such agreement.

4. **Trash and Trash Collection - Article IX, Section 20**

No rubbish, trash, garbage, waste or recyclable matter shall be kept or permitted upon any portion of the Project, except in sanitary containers located in appropriate areas screened and concealed from view of the common area. Please place your trash containers at the curbside in sealed containers without trash overflow in the designated areas (See "TCP" Exhibit) no earlier than 6:00 p.m. the day before pick-up and must not exceed 12 hours before and after scheduled trash collection hours. Holiday pick-ups are usually one day later. Please avoid placing the trash containers on any ground cover or landscape. Trash containers and other debris must be stored in your garage or private yard, not in view from the Common Area.

5. **Decorations and Holiday Decor**

Seasonal decorative flags are not encouraged within Treo due to the multiple unit buildings that unit owners share in ownership. However, Holiday Decorations are permitted provided no damage or penetration is done to the Common Area or to your Exclusive Use Common Area. Holiday decorations may be put up four (4) weeks before the holiday and must be removed within two (2) weeks after the holiday. Decorations that would restrict the Association's gardeners should not be placed in the front yard Common Areas.

6. **Homeowner Notices (Posted)**

Solicitation, political and commercial advertising is prohibited within the Treo Community. Please, no posting of notices on the mailboxes or on any Common Area.

7. **Signs - Article IX, Section 6**

No commercial sign or billboard of any kind shall be displayed to the public view on any portion of the Project, except such signs as may be used by Declarant. Any Owner may display on his Condominium or real property owner by others with their consent, or both (i) the flag of the United States displayed in accordance with

Section 1353.5 of the California Civil Code; (ii) noncommercial signs, posters, flags or banners displayed in accordance with Section 1353.6 of the California Civil Code; and (ii) signs advertising the Owner's Condominium for sale, lease or exchange, or to advertise directions to the property or the Owner's agent's address and telephone number in accordance with California Civil Code Section 712. All signs must be reasonably located and if reasonable dimensions and design. The Board has adopted the following guidelines that are reasonable for sizes for signs allowed.

For Sale, Lease or Rent signs may be displayed if the sign complies with the following requirements:

- a. The sign is not larger than eighteen inches (18") by thirty inches (30") in size;
- b. The sign is attached to the ground by a conventional, single vertical stake that does not exceed two inches (2") by three inches (3") in diameter (i.e., posts, pillars, frames or similar arrangements are prohibited);
- c. The top of the sign is not more than three feet (3') in height above the ground level;

An approved Open House sign conforming to the City's requirements may be displayed concurrently with a For Sale sign only while someone is on the premises to conduct the Open House.

Only one security alarm sign shall be displayed to the public view and located only in the entry to the unit. The sign may not be installed in the front Common Area.

8. **Antennas/Satellite Dishes Article IX, Section 16**

No radio station or shortwave operators of any kind shall operate from any Condominium Unit or any other portion of the Project, and no exterior radio antenna, "Citizens Band" ("CB") antenna, ham radio or other similar radio receiving or broadcasting device of any type shall be erected or maintained in the Project. Additionally, no video or television antenna, (including a satellite dish) that has a diameter or diagonal measurement of more than thirty six (36) inches shall be installed or maintained in the Project. Any Owner who desires to install a video or television antenna (including a satellite):

1. Apply to and obtain approval from the Architectural Control Committee prior to the installation of such antenna.
2. Agree to maintain, repair or replace any roof or other Improvements affected by the installation, maintenance or use of such antenna, if required by the Architectural Control Committee.
3. Agree to indemnify and/or reimburse the Association for any loss or damage caused by the installation, maintenance or use of such antenna.
4. See attached Satellite Dish Policy with location maps dated June 10, 2005. (Attachment I)

9. **Quiet Enjoyment – Article IX, Section 8**

No Owner shall permit any activity to be performed or any substance or material to be kept in such Owner's Condominium which will obstruct or interfere with the rights of quiet enjoyment of the other occupants, or annoy them by unreasonable light glare, noises or otherwise; nor will any Owner commit or permit any nuisance in his Condominium. Without limiting the generality of the foregoing, no unreasonable bright exterior lights, noisy pets (e.g., barking dogs, squawking birds, etc.), drums or other loud instruments, horns, whistles, bells or other similar sound devices (other than security devices used exclusively for security purposes), noisy or smoky vehicles, unlicensed off-road motor vehicles, or items which may unreasonably interfere with the television or radio reception from any Condominium shall be located, used or placed on any portion of the project, or exposed to the view of other Owners. No noxious odors shall be permitted to emanate from the Project.

10. **Window Coverings**

No window in any Condominium Unit shall be covered, in whole or in part, inside or outside, with aluminum foil, newspaper, paint, reflective tint or any other material reasonably deemed inappropriate for such use by the Association; provided, however, an Owner may use plain white sheets to cover window for a period of time not to exceed six (6) months after the Close of Escrow, pending the installation of drapes, curtains, shutters or other appropriate interior window coverings.

11. **Miscellaneous**

- a. Clothing, rugs, etc. shall not be hung on any portion of your property that is visible outside your property or which may be obtrusive to other residents.
- b. Entries, sidewalks and driveways should be kept clear and clean.
- c. Toys, sports equipment, etc. should be stored inside the owner's residence after use but in no event can they be in a location visible from the Common Areas when not in use.
- d. **Driveway aprons must be kept clean of oil, grease and rust.??**
- e. Basketball backboards are NOT permitted anywhere within the common areas or exclusive common areas.
- f. No outside installation, including but not limited to clotheslines, may be constructed, installed or maintained in any Unit, except as may be installed by or with the prior consent of the Architectural Committee.
- g. Individual garage sales are not permitted. Community garage sales may be permitted by the Board.
- h. Under no circumstances shall personal items be left in the streets or in any manner which shall impede traffic.

12. **Day Care Centers**

All day care centers or facilities operating within the Association shall be required to comply with all of the following requirements and regulations:

- a. Provide copies of the resident/operator's application for a license and the actual license with the California State Department of Social Services, as required by the California Health and Safety Code, confirming whether the resident/operator represents that any portion of the Association's Common Area will be used in the operation of the day care facility.
- b. Identify the maximum number of children (under 18 years of age) will be at the home on a daily basis.
- c. Identify how many adults (over 18 years of age) will be supervising the children in the home.
- d. Identify which Association Common Area locations/facilities will be used in connection with the day care operations.
- e. Maintain adequate liability insurance and other insurance normally maintained by the day care facility, or as required by the State Department of Social Services and name the Association as an additional insured on any such policies.
- f. Indemnify, defend and hold the Association harmless (via written agreement) for any liability arising out of the existence and operation of the day care facility.
- g. Provide copies of affidavits which must be signed by the parents of every child at the day care facility stating that the owner and the Association may not provide coverage for losses arising out of, or in connection with, the operation of the day care facility, except if the losses are caused by or result from, an action or omission by the owner or the Association.
- h. Abide by and comply with the Association's CC&R's and Rules and Regulations.
- i. Supervise and be completely responsible for children when they are on the premises, including that a specified minimum number of responsible adults, as may be reasonably determined by the California State Department of Social Services, will be present to supervise the children when using the Common Area facilities.
- j. Comply with all local and state laws regulating the licensing and operation of a day care center.
- k. Cooperate with the Association and the Association's insurance agent or carrier respecting proof of insurance, proof of the above-stated agreements, or other such reasonable requests.
- l. One adult (person over 18 years of age) is required to supervise at all times for every three (3) children (persons under 18 years old) using any Common Area facilities.

13. **Pets**

Common domesticated household pets are allowed (e.g., dogs, cats) provided they are not kept, bred or raised for commercial purposes or profit and are in compliance of the following:

- a. Animals belonging to owners, occupants, tenants or invitees must be either kept within an enclosure or on a leash held by a person capable of controlling the animal.

- b. Owners must carry appropriate "clean up" bags or equipment when walking their dog in a Common Area and must clean up after their pet.
- c. Pets are not allowed in the common area without a leash.
- d. For health reasons, owners must regularly clean their yards of any pet waste, pet food, or pet hair.

14. Parking

The following regulations are for the private streets of the Treo Development and are in accordance with the CC&R's. These provisions are established in part to regulate usage of the Common Area that, by its design and nature, has limited parking facilities other than the designated parking within garages. They are designed to be fair, equitable and reasonable.

- a. The provisions contained within the California Vehicle Code are hereby incorporated within these regulations to the extent they do not conflict with them.
- b. The maximum speed limit on private streets within the community is 15 MPH.
- c. The streets within Treo are not for on-street parking of any type of motorized vehicle.
- d. Authorized vehicles may be parked in any portion of the Property intended for parking of motorized vehicles; provided, however, that no Owner parks his vehicle in a manner that restricts the passage of pedestrians or vehicles over streets or sidewalks within the Property or extend beyond the limits of the space where the vehicle is parked.
- e. In accordance with California Vehicle Code section 22658.2, any vehicle parked along the red curb, a private association street, or blocking a homeowner's driveway shall be subject to towing.
- f. All residents shall keep their garages available for parking their vehicles, and shall not store any materials therein nor use the garage as a workshop or for any other purpose if such use prevents parking their vehicles therein.
- g. Any vehicle parked for more than 96 consecutive and continuous hours in the Common Area may be considered a stored vehicle and will be subject to a review by the Treo Board of Directors or its designated Parking Committee. A vehicle deemed to be either an obstruction or a nuisance shall be removed at the Owner's expense.
- h. None of the following shall be kept, parked, temporarily stored, or maintained anywhere on Association property: recreational vehicles (e.g., motor homes, travel trailers, camper vans, boats, etc.) commercial-type vehicles (e.g., stakebed trucks, tank trucks, dump trucks, step vans, concrete trucks, limousines, horse trailers, etc.) buses or vans designed to accommodate more than ten (10) people, vehicles having more than two (2) axles, trailers, inoperable vehicles or parts of vehicles, aircraft, other similar vehicles or any vehicle or vehicular equipment deemed a nuisance by the Board, prohibited vehicles may not be parked, stored or kept on any public or private street within, adjacent to or visible from the Properties except for brief periods (not to exceed four (4) hours, recreational vehicles not to exceed twenty four (24) hours within any seven (7) day period) for loading, unloading, making deliveries or emergency repairs, prohibited vehicles may only be parked within an Owner's fully enclosed garage with the door closed so long as their presence on the Properties does not otherwise violate the provisions of the Master Declaration.
- i. According to the CC&Rs, vehicles which are rated less than one ton are not a specifically prohibited vehicle according to the CC&Rs, and do not display commercial signs will be allowed to park on Association property.
- j. No owner or resident shall conduct repairs or restorations of any vehicle, boat, or trailer, on any Association Property or in any unit garage.
- k. Garage doors shall remain closed at all times except for reasonable periods while the garage is in use.

***15. Storage of Goods in Garage - Article IX, Section 12**

- A. Each owner shall keep his garage readily available for parking of permitted vehicles and shall not store any goods or materials of excessive size that would prevent the unit owner from parking vehicles inside the garage. This includes workbenches and equipment for the owners unit. The association shall have the right to inspect the owner's garage to verify compliance with the forgoing restrictions as stated in Article IX, Section 12c of the Treo Maintenance Corporation CC&Rs.

ARCHITECTURAL GUIDELINES

1. **Association Responsibilities:** One of the more important functions of an Association is enhancing the desirability and attractiveness of living in the community by preserving the architectural character of the neighborhood. With this in mind, homeowners may not make any modifications to the exterior of their homes without the prior approval of the Architectural Committee. Except for purposes of proper maintenance and repair, **no Owner may build, construct, erect, plant or otherwise install any improvements of any kind to his Condominium Unit or Exclusive Use Common Area WITHOUT FIRST:**
 - a. Submitting the attached application with plans and specifications for the proposed improvements to the Architectural Control Committee (ACC).
 - b. Obtain written approval of your plans by the ACC.
 - c. Submitting the approved plans to the City of Irvine and all other affected Public Agencies to obtain necessary permits
2. **Homeowner Responsibilities:** Prior to the commencement of any work, it is the responsibility of the individual homeowner to review the Associations Architectural Guidelines and Standards in their entirety and to submit their architectural request in full conformance with those Guidelines and Standards. In addition, homeowners are obligated to comply with Master Association governing documents, local government ordinances, and building codes.
3. **Purpose of Architectural Guidelines:** The Architectural Guidelines and Standards are designed to provide criteria for home improvements within the community. They are intended to help the Owners and the Association establish a high quality of appearance, to assure a harmonious streetscape and to direct character and form to enhance the community's overall value. They shall be followed by all Owners for all modifications, changes, or alterations to any portion of the building, landscaping, or lot.
4. **Enforcement and Violations:** Failure to submit the required plans and application, and obtain the necessary approval from the Association for any alteration, modification, or new construction, may constitute a violation of the CC&R's. Such violation could result in the Association requiring the modification or removal of the work (regardless of whether it has been completed) at the expense of the Owner. All residents have the right and the responsibility to bring to the attention of the Board of Directors any violations of any provision or standard which the Association's Board of Directors or the Committee has adopted.
5. **How to Submit:** All requests for Architectural Committee approval of improvements must be made on the standard forms/application (see enclosed) provided by the Architectural Committee and should be mailed or delivered to the Architectural Committee through the Manager for the Association at the following address:

StoneKastle Community Management, Inc.
181 S. Old Springs Road
Anaheim Hills, CA 92808
Telephone inquiries should be directed to (714) 395-5245
6. **Submission of Plans & Applications:** Plans must be clear, complete, drawn to scale and prepared in accordance with applicable building codes. Plans shall show all dimensions, sizes, materials, finish colors, plant species, drainage, grading, etc. to provide a full representation of the proposed improvement. Failure to submit complete plans and the filing fee of \$15.00 will result in denial of the application.
7. **Incomplete Applications:** The Architectural Committee will not review incomplete submissions. Incomplete submissions will be returned to the applicant.
8. **Committee Review:** The Treo Maintenance Associations Architectural Committee has **45 days** from the date of receipt of an Owner's completed set of plans to approve, conditionally approve, or disapprove. No construction may begin prior to receipt of Architectural Committee's written authorization.
9. **Approval and Appeals:** Upon final approval from Treo, the plans do not need to be approved by the Woodbury Community Association. If plans are disapproved, the party that submitted for approval may appeal in writing to the Board of Directors. This written request must be received **WITHIN 30 DAYS** of the disapproval notice.

Community Architectural Design Guidelines

These Community Guidelines are intended to supplement the Woodbury Master Architectural Guidelines and are specific to Tree. If there is any conflict between the guidelines noted below and the Master Association's guidelines, then Tree's Guidelines shall prevail.

1. Architectural approval for any changes or alterations to the exterior of the units must be obtained prior to the work commencing.
2. Potted plants located on the balconies must have saucers under them and must be elevated in order to allow airflow under the pots to prevent deterioration of the deck surfaces.
3. Nails, screws, bolts, etc., except for patio covers (see below) shall not penetrate stucco surfaces.
4. Patio covers shall be open. They may be free standing or attached to the structure. If attached to the building, all stucco penetrations must be sealed using an appropriate silicone caulking compound to prevent water intrusion.
5. Planters or flower pots, appropriately constructed and in good condition, may be placed securely on balconies, or hung from the inside of the balcony railing, or placed on any front porch, on condition that they contain at all times live, healthy plants or artificial plants that adequately represent living plants. Pots used on exterior pot shelves shall be of lightweight material resembling clay pots with tasteful artificial plants.
6. Application of any type of floor covering on the balcony decks is prohibited.
7. Decks and balconies are not to be used for such purposes as drying laundry, miscellaneous storage, etc. These areas are considered an aesthetic addition to the buildings and should be utilized in good taste. Only conventional patio furniture is allowed.
8. Window may not be covered with aluminum foil, blanket, newspaper, paint or reflective tint. A new occupant may use plain white sheets to cover the inside of the windows for not more than three (3) months after move-in, pending installation of appropriate interior window coverings.
9. No vines may be attached to the walls/fences maintained by the Association. All trees must be a minimum of five (5) feet away from any walls/fences. Any tree with a large canopy at maturity must be located in the yard so that the mature canopy does not encroach into neighboring yards or Common Area.
10. Homeowners are responsible for maintaining the original course and integrity of surface water flow and drainage. No planting, re-grading or other modifications will be permitted that adversely affect the original rear yard draining, neighboring lots or Common Area.
11. The installation of an in-ground spa is **not** allowed. Installation of a portable spa may be permitted provided the following conditions are met: (a) must have a minimum five (5) feet clearance from any fence/wall; (b) mechanical equipment must be contained within the unit and insulated for sound attenuation; (c) when necessary to drain spa for cleaning, filter change, etc. the water must be drained by a flex hose into a sewer cleanout. THE CITY OF IRVINE REQUIRES DRAINAGE INTO A SEWER LINE. DRAINAGE ONTO COMMON AREA STREETS, OR MASTER ASSOCIATION COMMON AREA, MAY SUBJECT THE HOMEOWNER TO FINES.
12. Raised planter boxes are not permitted adjacent to open metal fencing. Raised planter boxes are permitted at a height not to exceed 18" and consist of four sides. Existing block wall shall not be used as one side of the planter box. These walls have not been constructed to be used as retaining walls nor waterproofed.
13. Play equipment must not exceed 6 feet in height.
14. No outside sound system or outdoor speakers may be attached or wired to the outside of the building.
15. Outside lights shall be low wattage (100 or lower) and shall have a shield directing light down into the yard. Spotlights or other types of bright lights shall not be permitted.
16. No Owner shall obstruct, disconnect, remove or otherwise disable any fire sprinkler or related equipment installed in his or her Condominium Unit.
17. No Owner may build, construct, install, plant or submit an architectural application for any improvements in any portion of the association common area (excepting his or her exclusive use common area). This includes the front entryway, hand rails, sidewalks, or the entry porch to his or her Condominium Unit.
18. Certain Floor areas within the Condominium Plan, as generally depicted on Exhibit "E" of the CC&R's, may not be covered with tile, stone, wood or other material other than carpet in order to minimize the transmission of sound between Condominium Units.

Community Architectural Design Guidelines

(Continued)

19. No recessed lighting shall be installed in any Condominium Unit, save and except the recessed lighting installed by the Declarant.
20. Post tension wall penetration, using any materials of any kind, is prohibited as disclosed in the original builder disclosure.
21. Decks on Plan-1 are exclusive use common area and modifications to such decks must be approved by TMA.
22. **Plan 3 Owners** – Patio at Dining Room. Certain Plan 3 Units within the development have an exclusive use patio area located off the dining room at ground floor. This exclusive use area is delineated by a concrete mow-strip. Buyer may modify this area with walls, planting and hard-scape subject to the procedures in these Community Architectural Design Guidelines, and the Woodbury Community Architectural Design Guidelines, provided that, homeowner walls constructed in this area may be no greater than 42" high measured from the exterior finished grade elevation to the top of wall. The design and construction of any walls within this Area must be in keeping with the architectural style of the Unit and Building, and is subject to review by the Tree Maintenance Association Architectural Committee and Board of Directors.
23. See attached Satellite Dish Policy with location maps dated June 10, 2005. (Attachment I)

Treo Maintenance Association

Home Improvement - Architectural Application

--FOLLOWS ON NEXT PAGE --

Treo Maintenance Association

Home Improvement - Architectural Application

The Declaration of Covenants, Conditions, and Restrictions (CC&Rs) 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 five (5) copies of plans, a check for \$15.00 and other related material to:

Treo Maintenance Association
c/o StoneKastle Community Management, Inc.
181 S. Old Springs Road
Anaheim Hills, CA 92808

Owner's Name: _____

Day Phone#: _____

Address where work is to be performed: _____

Evening phone#: _____

Note: Each homeowner must submit plans and specifications for landscape, hardscape, patio, and building improvements to the Architectural Review Committee prior to installation and commencement of work.

1. Read CC&Rs Article II & III, Architectural Control.
2. Read Architectural Guidelines, Standards, and Procedures.
3. Complete this form in its entirety (two pages)
4. Enclose 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 (provide sample color chips)
 - d. Drawing showing affected elevations (patio covers, gates, etc.)
 - 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. Dimensions showing location of trees
 - h. Specify waterproofing material for raised planters (Note: Include diagrams for drainage)

Description and nature of 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 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 Review Committee and will be given a decision.

The undersigned owner acknowledges and agrees that:

1. I have received, read and understand the Architectural Guidelines, Standards and Procedures and agree that the provisions of the same are made a part of this application, including all homeowner obligations and liabilities therein. I also

acknowledge that architectural approval is not intended to be, nor shall it be considered, a substitute for obtaining required local governmental permits, inspections and approvals. I acknowledge that local governmental permits and inspections may be required and that it is my responsibility to obtain all such permits and inspections at my sole expense.

2. No work on the proposed improvements shall commence until I have received written approval of my final improvement plans from the Architectural Review Committee and have satisfied any and all conditions of such approval.
3. My failure to obtain the required Architectural Review 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's Signature:

Date:

Treo Maintenance Association

Neighbor Awareness Form

The undersigned 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: _____

Name of Contractor: _____

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, etc. are involved. Neighbors are invited to contact the Architectural Review Committee to discuss their comments and concerns. However, while neighbors' comments are welcome, final disposition of all applications will be based on the application's conformance with architectural guidelines, standards, and procedures.

California State Contractor #: _____

Note; All contractors must be licensed with the State of California. (If the work to be performed will be done by the homeowner, please note.)

Please have neighbors sign and complete this section

Signature: _____ **Next Door Neighbor:** _____ Date: _____

Address: _____

Comments: _____

Signature: _____ **Next Door Neighbor:** _____ Date: _____

Address: _____

Comments: _____

Signature: _____ **Rear Neighbor:** _____ Date: _____

Address: _____

Comments: _____

Signature: _____ **Facing Neighbor:** _____ Date: _____

Address: _____

Comments: _____

____ Approve

____ Approve with Conditions

____ Disapprove

Architectural Committee Signature:

Date:

Architectural Committee Signature:

Date:

Architectural Committee Signature:

Date:

Treo Maintenance Association

Architectural Submission Checklist

Status Description: Status Date: Description of Improvements & Notes:
Application Submitted:
Application Approved:

Submitted Not Submitted

		Forms Required (two copies of each)
0	0	Home Improvement - Architectural Application (completed and signed)}
o	o	Neighbor Awareness Form (signed by applicant and neighbors)
		Fees:
0	0	Review Fee:
		Plans & Specifications:
0	0	Five (5) sets of plans & specifications
0	0	Drawn to scale 1/8" = 1'-0" or 3/16" = 1'-0"
		Hardscape (patio slabs, walkways, planterwalls, etc.)
0	0	Dimensions shown on plans
0	0	Show grades for all hardscape (flow direction and slope)
0	0	Show elevation of hardscape (patio slab) in relationship to home's stucco screed
0	0	Materials specified for finished surfaces (concrete, brick, stone, etc.)
0	0	Colors specified for finished surfaces
		Landscape:
0	0	Plant material species specified
0	0	Plant material sizes specified (nursery container sizes)
0	0	Plant material located on plans
0	0	Dimensions for lot boundaries
0	0	Dimensions showing locations of trees
0	0	Dimensions of all planter areas
0	0	Show grades for landscape areas (flow direction and slope)
0	0	Show existing and proposed drainage systems
		Raised Planters (planter area with soil level raised above surrounding soils)
0	0	Drainage shown or specified
0	0	Water proofing specified (between soil and building or fence surfaces)
0	0	Material specified
0	0	Finish colors/materials specified
		Structures (patio covers, built in barbecues, gazebos, fountains, spas, fences, etc.)
0	0	Dimensions (height, width, and length) shown on plans
0	0	Materials specified
0	0	Finish colors specified
0	0	Fencing/gate material and colors specified
0	0	Elevation View of structure shown on plans

Architectural Submission Information

Welcome to Treo Maintenance Association (Treo). One of the more important functions of an Association is enhancing the desirability and attractiveness of living in the community by preserving the architectural character of the neighborhood. With this in mind, homeowners may not make any modifications to the exterior of their homes without the prior approval of the Architectural Review Committee.

Submission Procedures:

Forms to be submitted (two copies of each):

Architectural Application Form (completed & signed)
Neighbor Awareness Form (signed)

Fees:

\$15.00 Review Fee (made payable to Treo Maintenance Association)

Plans & Specifications:

Five (5) sets of plans and specifications
Proper scale used on plans 1/8"=1'0" or 1/4"= 1'0"

Mail or deliver all of the above material to:

Treo Maintenance Association
c/o StoneKastle Community Management, Inc.
181 S. Old Springs Road
Anaheim Hills, CA 92808

Business Hours:	Monday - Thursday Friday	9:00 a.m. to 5:00 p.m. 9:00 a.m.-1:00 p.m.
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