

OAK RANCH ESTATES HOMEOWNERS ASSOCIATION

c/o Association Services of Ventura
P.O. Box 7466 * Oxnard, CA 93031
(805) 655-7786

November 17, 2020

YEAR END DISCLOSURES

As we near Oak Ranch Estates' fiscal year end, once again the Association is mailing out various notices and California Civil Code required disclosures including the Annual Budget Report and the Annual Policy Statement.

OPT-OUT FORMS

On occasion the Association may receive a homeowner request for another member's name, property address, mailing address or e-mail address. If you do not wish that information to be given out, you will need to notify the Association in writing. Give us a call and we will send you the appropriate form.

MODIFICATIONS

Remember – as a member of a community association and per Oak Ranch Estates' CC&Rs, which you legally accepted upon purchase of your unit, exterior modifications to your home and front yard require prior written Association approval!

ANNUAL BUDGET REPORT

(CCC 5300)

ASSESSMENTS

Oak Ranch Estates' monthly homeowner assessment will remain at **\$62** effective January 01, 2021. Shed fees are \$14 per month and corral fees are \$36 per month. At the present time there are no planned special assessments

RESERVE FUNDS

Oak Ranch Estates will continue to fund reserves to repair or replace major components through the regular monthly assessments. The Association has adopted a reserve funding plan with a monthly reserve contribution of \$341 per month. A summary of this study is enclosed and includes the major components for which the Association is responsible, their estimated useful life, their estimated remaining life and their estimated replacement cost. The full reserve study plan is available upon request.

In the upcoming fiscal year maturing components in the reserve study may not be replaced if (1) they are found to be still operational or (2) on further inspection and/or vendor consultation indicate replacement is not needed at the present time.

OAK RANCH ESTATES HOA 2021 Operating Budget

	YEARLY	MONTHLY	PER UNIT PER MONTH
ADMINISTRATION:			
Admin/Late Charge	276	23	0.575
CPA/Audit/Taxes	852	71	1.78
Contingency	336	28	0.70
Dues/Subscriptions	168	14	0.35
Insurance/Hazard	2,544	212	5.30
Legal	996	83	2.08
Management	5,760	480	12.00
Meetings/BOD Exp.	72	6	0.15
Office/Extra Admin.	1,080	90	2.25
Postage/Reprod/Mailings	960	80	2.00
Reserve Study	384	32	0.80
Rule Enforcement	120	10	0.25
Website	0	0	0.00
Taxes	12	1	0.03
Corral Expenses	744	62	1.55
MAINTENANCE:			
Weed Abatement	5,004	417	10.43
Repairs & Maint	240	20	0.50
Tree Maint	3,000	250	6.25
Landscape Other	3,120	260	6.50
**Manure Removal	1,944	162	
To be paid by Horse Corral Users			
RESERVE CONTRIBUTION	<u>4,092</u>	<u>341</u>	<u>8.53</u>
TOTALS	<u><u>\$29,760.00</u></u>	<u><u>\$2,480.00</u></u>	<u><u>\$62.00</u></u>

9/22/2020

INTRODUCTION

UPDATE - NO SITE INSPECTION

This Reserve Study is an evaluation of the association's Common Area Components and their Reserve Funds.

The goal is to keep the Reserve Funds at a sufficient level for future repair and/or replacement of these components and to disclose this information formally to the Association.

Oak Ranch Estates HOA

a residential development consisting of forty: single-family lots / homes, is located in: Oak View, CA

The community is comprised of 40 units built in 1978.

The Association's Fiscal Year End is December 31.

This study's Reserve Component Inventory lists the components that require reserve funding.

The Projected Reserve Fund Balance at Fiscal Year End 2020 is \$30,200.

The Ideal Reserve Fund Balance at Fiscal Year End 2020 is \$38,164.

Therefore, the Reserve Fund is theoretically 79% Funded.

The Current (2020) Annual Reserve Contribution is set at approximately \$4,092.

J.D. Brooks recommends maintaining this Reserve Contribution, or reducing to \$4,089

(The Deficit Reduction Contribution) for 2021, plus a contribution increase of 3% annually.

This funding plan *should* keep the association's Reserve Fund above \$31,106 over a thirty-year period.

NOTE: This Funding Plan includes the assumption that all Interest earned on the Reserve Funds will be re-invested into the Reserve Accounts (Net after Tax obligations)

The Repair / Replace Estimates and other parameters used in this study were estimated with the assistance of information obtained from one or more of the following:

- 1 The Association's Board of Directors.
- 2 The Association's Property Manager.
- 3 Vendor (Subcontractor) Proposal / Contract for work.
- 4 Vendor (Subcontractor) experience with the Association.
- 5 Construction estimating reference books & databases.
- 6 J.D. Brooks database of area construction costs and similar reserve studies.

This reserve study does not imply a warranty or guarantee of any form.

The named Association, by receiving this study, agrees to release J.D. Brooks from any claims and/or lawsuits.

J.D. BROOKS
RESERVE STUDIES

RESERVE STUDY SUMMARY

ASSOCIATION INFORMATION:

Name of Association: **OAK RANCH ESTATES HOA**
 Location: **OAK VIEW, CA**
 Number of Units: **40**
 Approximate Age of Complex: **42**

This report recommends contributions for Budget Year:
 Beginning: **JANUARY 1, 2021**
 Ending: **DECEMBER 31, 2021**

Reserve Study Report Date: **SEPTEMBER 22, 2020**
 Current Fiscal Year End: **DECEMBER 31, 2020**

CURRENT FUNDS SUMMARY:

Projected Reserve Balance at Current Fiscal Year End: **\$30,200**
 Ideal Reserve Balance at Current Fiscal Year End: **\$38,164**

PERCENT FUNDED: **79%**

CURRENT RESERVE CONTRIBUTIONS:

	Annual	Monthly	Monthly Per Unit
2020 Budgeted Reserve Contribution:	\$4,092	\$341	\$8.53

RECOMMENDATIONS FOR BUDGET YEAR 2021

RESERVE CONTRIBUTION MODELS:

	Annual	Monthly	Monthly Per Unit
2021 J.D. Brooks Recommendation in Box			
2021 Straight-Line Contribution:	\$3,771	\$314	\$7.86
2021 Deficit Reduction Contribution:	\$4,089	\$341	\$8.52
2021 Cash-Flow (Minimum) Contribution:	\$3,567	\$297	\$7.43

J.D. BROOKS
 RESERVE STUDIES

9/22/2020

OAK RANCH ESTATES HOA

CURRENT FISCAL YEAR END: DECEMBER 31, 2020
NUMBER OF UNITS: 40

RESERVE COMPONENT INVENTORY

CATEGORY	UNIT	UNIT	REPAIR /	USEFUL	RMNG.	STRAIGHT-LINE	IDEAL	PROJECTED	DEFICIT	DEFICIT	DEFICIT
RESERVE COMPONENT	QUANTITY	TYPE	REPLACE	LIFE	LIFE	ANNUAL	BALANCE	BALANCE	DEFICIT	CONTRIBUTION	CONTRIBUTION
			COST			CONTRIBUTION@F.Y.E.2020	@F.Y.E.2020	@F.Y.E.2020			
ROOFING											
CORRAL ROOF 1 (MIDDLE)	600	SQFT	3.40	2,040	40	20	51	1,071	460	(611)	82
CORRAL ROOF 2 (UPPER)	400	SQFT	3.40	1,360	40	14	34	918	918	-	34
CORRAL ROOF 3A (LOWER)	200	SQFT	3.40	680	40	14	17	459	459	-	17
CORRAL ROOF 3B (LOWER)	200	SQFT	3.40	680	40	28	17	221	-	(221)	25
CORRAL ROOF 4A (EAST)	200	SQFT	3.40	680	40	38	17	51	-	(51)	18
SHEDS / BUILDINGS											
STORAGE SHEDS	8	UNIT	1120	8,960	25	20	358	2,150	923	(1,228)	420
CONCRETE SHED BASES	8	UNIT	430	3,440	40	35	86	516	-	(516)	101
MANURE STORAGE	1	ALLOW	3800	3,800	30	27	127	507	-	(507)	145
RETAINING WALL (EAST C)	1	ALLOW	1900	1,900	40	38	48	143	-	(143)	51
PAVING											
CONCRETE DRIVE REPAIRS	1	ALLOW	1100	1,100	20	16	55	275	275	-	55
DRIVEWAY EXTENSION	1	ALLOW	4100	4,100	20	7	205	2,870	2,870	-	205
GRAVEL PAVING	1	ALLOW	1240	1,240	5	4	248	496	496	-	248
ARENA SAND	1	ALLOW	1470	1,470	8	6	184	551	551	-	184
FENCING											
PERIM. WIRE FENCE REPAIRS	1	ALLOW	1810	1,810	5	4	362	724	724	-	362
VINYL FENCE	320	LNFT	26.00	8,320	40	26	208	3,120	-	(3,120)	328
VINYL GATE	1	UNIT	3760	3,760	40	26	94	1,410	-	(1,410)	148
ARENA PIPE RAILING	300	LNFT	31.60	9,480	50	16	190	6,636	6,636	-	190
ARENA PIPE GATE	1	UNIT	1650	1,650	50	16	33	1,155	1,155	-	33
CORRAL RAILING -1 (MIDDLE)	220	LNFT		2,630	40	16	66	1,644	1,644	-	66
CORRAL RAILING -2 (UPPER)	170	LNFT		1,750	40	16	44	1,094	1,094	-	44
CORRAL RAILING -3A (LOWER)	100	LNFT		900	40	16	23	563	563	-	23
CORRAL RAILING -3B (LOWER)	165	LNFT		900	30	28	30	90	-	(90)	33
CORRAL RAILING -4A (EAST)	100	LNFT		900	40	38	23	68	-	(68)	24
EQUIPMENT											
PARK BENCHES	2	UNIT	440	880	20	10	44	484	484	-	44
PICNIC TABLES/BENCHES	4	UNIT	1130	4,520	20	10	226	2,486	2,486	-	226
ARENA DRAGGER	1	UNIT	180	180	10	8	18	54	54	-	18
FIXTURES											
LIGHTING FIXTURES	9	UNIT	350	3,150	40	7	79	2,678	2,678	-	79
ENTRANCE MONUMENTS	2	UNIT	270	540	20	17	27	108	108	-	27
NO TRESPASSING SIGNS	5	UNIT	165	825	5	1	165	825	825	-	165
NO TRESPASSING SIGNS	2	UNIT	165	330	10	6	33	165	165	-	33
ARENA SPRINKLERS	8	UNIT	180	1,440	15	9	96	672	672	-	96

9/22/2020

OAK RANCH ESTATES HOA

CURRENT FISCAL YEAR END: DECEMBER 31, 2020

NUMBER OF UNITS: 40

**RESERVE COMPONENT
INVENTORY**

CATEGORY	UNIT	UNIT	REPAIR / REPLACE	USEFUL	RMNG.	STRAIGHT-LINE ANNUAL	IDEAL BALANCE	PROJECTED BALANCE	DEFICIT	DEFICIT REDUCTION ANNUAL	
RESERVE COMPONENT	QUANTITY	TYPE	COST	LIFE	LIFE	CONTRIBUTION@F.Y.E.2020	@F.Y.E.2020	@F.Y.E.2020	CONTRIBUTION	CONTRIBUTION	
PLUMBING & ELECTRIC											
PLUMB.UPGRADE/REPAIRS	1	ALLOW	2060	2,060	10	4	206	1,442	1,442	-	206
ELECT.UPGRADE/REPAIRS	1	ALLOW	3600	3,600	10	4	360	2,520	2,520	-	360
CONTINGENCY: 0%											
TOTALS:			81,075				3,771	38,164	30,200	(7,964)	4,089

NET INTEREST ON RESERVE SAVINGS :	1%
INFLATION RATE :	3%
INCREASE TO ANNUAL RESERVE CONTRIBUTION:	3%

Assessment and Reserve Funding Disclosure Summary

Name: Oak Ranch Estates HOA

City: Oak View

For Fiscal Year Beginning:

1/1/21

of Units:

40

1) Budgeted Amounts:

	Total:	Per Unit:
Reserve Contributions:	\$4,092	\$102
Operating Budget:	\$25,668	\$642
Total Assessment:	\$29,760	\$744

Per: Annual

Note: If assessments vary by the size or type of unit, please see Budget for breakdown per Unit.

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

Date Due	Amount	Purpose
N/A		

3) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected Reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? YES

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?

Approximate Date Assessment would be Due	Amount (Monthly) per Unit
N/A	

5) All major components are included in the Reserve Study and are included in its calculations: YES

All computations/disclosures are based on the fiscal year beginning date of:	1/1/21
Fully Funded (Ideal) Balance (based on formula defined in 5570(b)4):	\$38,164
Projected Reserve Fund Balance:	\$30,200
Percent Funded:	79%
Reserve Deficit (surplus) on a per-unit basis:	\$199

Based on the Reserve Study by JD Brooks dated: 09/22/20

7) The Required Fully Funded (Ideal) Reserve Balance at the End of each of the next Five Budget Years is:

Year	Fully Funded Estimated (Ideal) Reserve Balance	Currently Planned Annual Reserve Contributions	Resultant Estimated Reserve Balance at Fiscal Year End	Projected Percent Funded	Special Assessments
2021	\$42,343	\$4,092	\$33,760	80%	
2022	\$47,614	\$4,215	\$38,461	81%	
2023	\$53,164	\$4,341	\$43,339	82%	
2024	\$49,200	\$4,471	\$38,549	78%	
2025	\$55,048	\$4,606	\$43,702	79%	

Interest Rate: 1%

Inflation Rate: 3.0%

Annual Increase: 3%

Prepared by: J.D. Brooks

Date:

09/22/20

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates should be expected to change from year to year.

Disclaimer: Because the reserve study is a PROJECTION, the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as (1) future inflation rates, (2) levels of maintenance applied by future boards, (3) unknown defects in materials that may lead to premature failures, (4) other variable factors. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement due to changes in manufacturing methods while others may cost more due to material shortages or high demand. JD Brooks Reserve Studies is not responsible for the accuracy of information presented.

STEVE D. REICH INSURANCE AGENCY
280 N. Westlake Blvd., Suite 200, Westlake Village, CA 91362
(805) 379-5159 (818) 706-0452 (805) 495-2494 fax
License #0484756

OAK RANCH ESTATES HOA
INSURANCE DISCLOSURE – SBI525

Effective January 1, 1997, California Civil Code Section 5300 (b)(9) requires that Associations send an insurance disclosure statement to each of its members within sixty (60) days preceding the beginning of the Association's fiscal year. Our Association carries the following coverage's:

ASSOCIATION PROPERTY & GENERAL LIABILITY: (No Coverage for Single Family Homes)

Insurer: Farmers Insurance Group / Truck Insurance Exchange
Term: 05/27/20 to 05/27/21
Policy Number: 60623-44-13
Association Property Coverage: \$152,775
Association Property Deductible: \$2,500
General Liability Limit: \$2,000,000
Flood Coverage: None
Earthquake Coverage: None

DIRECTORS & OFFICERS LIABILITY:

Insurer: Philadelphia Indemnity Insurance Company
Term: 06/28/20 to 06/28/21
Policy Number: PCAP008730-0318
Liability Limit: \$1,000,000
Deductible: \$1,000

FIDELITY BOND:

Insurer: Farmers Insurance Group / Truck Insurance Exchange
Term: 05/27/20 to 05/27/21
Policy Number: 60623-44-13
Limit: \$25,000
Deductible: \$500

WORKERS COMPENSATION: NONE

Insurer: N/A
Term: N/A
Policy Number: N/A
Limit: N/A
Deductible: N/A

This summary of the Association's policies of insurance provides only certain information, as required by Section 5300 (b)(9) of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate coverage.

OAK RANCH ESTATES HOMEOWNERS ASSOCIATION

c/o Association Services of Ventura
P.O. Box 7466 * Oxnard, CA 93031
(805) 655-7786

November 17, 2020

ANNUAL POLICY STATEMENT
(CCC 5310)

Included in the annual policy statement are various Civil Code required disclosures which are to be distributed annually to all homeowners covering topics such as collections, modification procedures and the association's rule enforcement policy

Per CCC 4035, all official communications to the association need to be mailed to:

President, Oak Ranch Estates HOA
c/o Association Services of Ventura
P.O. Box 7466
Oxnard, CA 93031

General association notices will be posted on the gate at 599 Ridgeline Drive (CCC 4045). Members have the option to receive general notices by individual delivery but must submit a written request (CCC 4045 & CCC 5260).

Members have the right to receive copies of Board meeting minutes. (CCC 5310 & CCC 4950). Presently Board meeting minutes are posted on the association's website and emailed to members with an email address on file

For those wishing to attend Board meetings, the meeting agenda is posted at least four days before the meeting on the association's website and at 599 Ridgeline Drive, as well as emailed to members with an email address on file.

Members may submit a written request to have certain notices (annual budget report, annual policy statement, collection notices, trustee notices re: foreclosures) sent to up to two different specified addresses (CCC 4040). The owner's request needs to be in writing and needs to be mailed to the association in a manner that indicates that the association has received it.

The mailing address for overnight payment of assessments is:

Union Bank N.A.
Attn: HOA LOCKBOX MC-N06-001
460 Hegenberger Rd.
Oakland, CA 04621

OAK RANCH ESTATES HOMEOWNERS ASSOCIATION

c/o Association Services of Ventura
P.O. Box 7466 * Oxnard, CA 93031
(805) 655-7786

Rule Enforcement Procedures
(CCC 5850)

In the event of violation or breach of any restriction, covenant, or rule by an owner, members of his/her family, his/her tenants, social guests, employees, agents, or animals, the Board will contact the owner in writing outlining the offense and timeline for correction. The Owner has the right to a hearing before the Board to discuss the situation. Disciplinary proceedings are set forth in Article VII, Section 7.05 of the CC&Rs. As stated, the Board may impose an assessment in an amount sufficient to remedy or repair the violation or breach. In addition the following penalties will be levied:

First offense:	Written notice
Second notice of offense:	\$50.00
Third notice of offense:	\$100.00
Final notice of offense:	Legal action and attorneys' fees

Adopted 6-09-2014

**OAK RANCH ESTATES HOME OWNERS ASSOCIATION
C/O ASSOCIATION SERVICES OF VENTURA
P.O. BOX 7466, OXNARD, CA 93031
PHONE (805) 655-7786 FAX 642-8056**

ARCHITECTURAL REVIEW DISCLOSURE

Effective September 22, 2014

BACKGROUND

California Civil Code (the Davis-Stirling Act) requires that all HOAs provide to their members written procedures to be followed when owners wish to add or change improvements to their property. Based on this requirement, the Oak Ranch Estates Home Owners Association (OREHOA) has prepared this Disclosure which will be sent, as required, to homeowners yearly in the Annual Report mailing.

DEFINITION: "Improvements" shall include buildings, outbuildings, paved areas, roads, driveways, parking areas, carports, fences, screening walls, retaining walls, irrigation systems, stairs, decks, hedges, windbreaks, poles, signs and all other structures of every type and kind." (from OREHOA CC&R's, Section 2.11) Additionally, trees, shrubs, and other plantings are considered Improvements subject to Architectural Committee approval under the conditions outlined in the Architectural Committee Landscape Rules ("Rules"), adopted April 14, 2014.

OREHOA CC&Rs Section 3.04 and the Rules, adopted April 14, 2014, page 2 states: "No improvements shall be erected, placed or altered on any lot until the construction plans and specifications, color schemes and a plan showing the location of the improvements have been approved by the Architectural Committee as to quality of workmanship and materials, harmony of the external design with existing improvements and location."

PROCEDURES

To comply with California Civil Code 4765 (Procedures for Architectural Review), OREHOA has adopted the following:

1. Contact Association Services of Ventura (805 655-7786) or go to the OREHOA website (orehoa.org) to obtain the Architectural Committee Project Application. OREHOA recommends that Architectural Committee ("Committee") approval be obtained prior to applying for permits or approval required by the County. Committee approval is not intended and should not be interpreted as an indication that the proposed project meets any State, County, or other codes or regulations. The applicant and/or owner is responsible for complying with the codes and regulations.

2. Fill out the form(s) applicable to your project completely as incomplete applications cannot be processed. Depending on the scope of the project the following should be submitted with the application.

- a. **For structural modifications:** a plot plan showing existing structures and proposed improvement(s) ; floor plans and elevation drawings; a description of exterior materials and colors, and a proposed construction schedule
- b. **For landscape modifications:** landscape drawings showing existing structures, (i.e. where will changes take place in relation to the house or a fence) and proposed improvements, with the names of plants shown on the drawing, and a proposed construction schedule

3. Submit the completed Application and attachments (the "packet") to any OREHOA Architectural Committee member. A list of members may be found on the OREHOA website (orehoa.org) in the **Directory** folder.

4. After verification that your project packet is complete, the project will be reviewed by at least two members of the Committee. Applications must be submitted to allow time for review and processing prior to the start of construction; please allow a minimum of two weeks. Additionally, OREHOA recommends that you inform your neighbors of your intentions for projects that could potentially create a disturbance during construction.

5. After reviewing the project, the Committee may decide it needs additional information, in which case the applicant will be notified and the application held in abeyance until the requested information is supplied, which would increase the timeframe for approval. As a result of the additional information, if a proposed change in the original submission is approved, the modification is subject to final inspection and any required County permits.

6. OREHOA, acting through its Architectural Committee, has sole and complete discretion to approve or disapprove an alteration requiring approval. The Committee can only approve projects that meet the Rules in effect at the time the application was submitted and comply with the OREHOA CC&Rs. Additionally, the Committee's decision must be made in good faith, cannot be unreasonable, arbitrary or capricious, and must be consistent with any governing law.

7. The applicant will be notified in writing of the Committee's decision within 30 days of its initial receipt as to whether the project was approved or denied. A project is deemed approved if the applicant is not notified within 30 days. If the project is not approved, the Committee will explain the reasons for disapproval and the process for reconsideration.

8. Any project denied can be resubmitted (appealed) to the Board of Directors of the OREHOA.

9. If appealed to the Board, the appeal must be submitted within 30 days of the Committee's written disapproval. It must be submitted to the Board in care of Association Services of Ventura at the address above. The Board will consider the appeal at an open meeting held as part of its next regularly scheduled meeting and the applicant will be notified in writing of the time and place of the Board meeting. Notification in writing of the Board's decision will be within 30 days of the meeting at which it considered the appeal.

10. Projects must be started within one year of the approval date. If not, the approval will be considered rescinded.

11. Upon completion of any construction or reconstruction, alteration or refinishing of the exterior of any improvements, or upon the completion of any other work, such as landscaping, for which approval is required by Article VI of the OREHOA CC&Rs or the Rules, the applicant (homeowner) shall notify Association Services of Ventura who will then notify the Architectural Committee Chair that the work is complete. As indicated in the OREHOA CC&Rs, Section 6.11 (b) within 60 days thereafter, the Committee, or its duly authorized representative, may inspect the project to determine compliance with the approved plans. If the project is determined to be non-compliant, the Committee will follow the processes as set forth in the OREHOA CC&Rs, Section 6.11 (b) – (f).

12. As a reminder, Committee approval is not intended and should not be interpreted as an indication that the proposed project meets any State, County, or other codes or regulations. The applicant and/or owner is responsible for complying with the codes and regulations.

OAK RANCH ESTATES HOMEOWNERS ASSOCIATION

COLLECTION POLICY

(CCC 5650)

Prompt payment of Assessments by all owners is critical to the financial health of the Association and to the enhancement of property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the *California Civil Code* to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&Rs and *California Civil Code* Section 5650, the following are the Association's assessment practices and policies:

Assessments, late charges, interest and collection costs, including any attorney's fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied.

Regular & Special Monthly assessments are due and payable on the first day of each month. It is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received. All other assessments, including special assessments, are due and payable on the date specified by the Board on a notice of assessment, which will not be less than thirty (30) days after the date of said notice of special assessment.

Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full shall such payments be applied to late charges, interest, and collection expenses, including attorney's fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.

Assessments not received within thirty (30) days of the stated due date are delinquent and shall be subject to a late charge of \$5.00 for each delinquent assessment per unit per month as well as a collection fee of \$5 per mailing to cover cost of collection by management company.

An interest charge at the rate of 10% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges and cost of collection, which may include attorney's fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.

If a special assessment is payable in installments and an installment payment of the special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.

OAK RANCH ESTATES HOMEOWNERS ASSOCIATION

INTERNAL DISPUTE RESOLUTION PROCEDURES

(Civil Code Section 5920)

In the event of a dispute between an Owner and the Board of Directors, either party may request the other party to meet and confer in an effort to resolve the dispute. The request must be in writing.

The Owner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.

The Board of Directors shall designate a member or members of the Board to meet and confer.

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. The parties may be assisted by an attorney or another person at their own cost when conferring.

A resolution of the dispute agreed by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

An agreement reached under this procedure 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 Association; and
2. The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.

An Owner may not be charged a fee to participate in the dispute resolution procedure.

ALTERNATIVE DISPUTE RESOLUTION (“ADR”)

Please be advised that California Civil Code Section 5925 et. Seq. requires that the Association and owners endeavor to submit certain types of disputes to ADR prior to initiating a lawsuit. This notice merely provides a summary of the statute. If there is a dispute which may require ADR pursuant to Civil Code Section 5925 et seq., please review all of the provisions of the statute or seek your own independent legal counsel.

PARTIES BOUND BY THE STATUTE

The parties required to comply with the new statute are the Association (through the Board of Directors) and any owners of record.

DISPUTES SUBJECT TO THE STATUTE (QUALIFYING DISPUTES)

Section 5930 provides that the Association or owners may not file an enforcement action in the Superior court unless the parties have endeavored to submit their dispute to ADR. An “enforcement action” is defined as a civil action or other proceeding for any of the following purposes:

- 1) Enforcement of the Davis-Stirling Common Interest Development Act (Civil Code Section 4000 et seq.);
- 2) Enforcement of the California Nonprofit Mutual Benefit Corporation law, commencing with Corporations Code Section 7110.
- 3) Enforcement of the Association’s governing documents.

Where, however, an owner has a private dispute with another owner or a tenant, or the board has a dispute with a third party such as a landscaper, such a dispute is not within the confines of the statute.

DISPUTES SPECIFICALLY EXCLUDED FROM THE STATUTE

The ADR statute 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 \$5,000. The following types of disputes are specifically excluded from being required to resort to ADR:

- 1) A Small Claims action;
- 2) Assessment collection, except as provided for by law
- 3) Claims for money damages in excess of \$5,000.00 in conjunction with a claim for declaratory, injunctive or writ relief;
- 4) Actions for preliminary or temporary injunctive relief; and
- 5) The filing of a cross-complaint in response to a complaint already filed.

COMPLIANCE PROCEDURES

A. INITIATING PARTY. The party pursuing the dispute, prior to filing any lawsuit, must serve on the other party a "Request for Resolution" including the following information and language:

- 1) A brief description of the dispute;
- 2) A request that the matter be submitted to ADR;
- 3) A notice that the party receiving the Request of Resolution (the "Responding Party") is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected.
- 4) If the party on whom the Request is served is an owner, a copy of Civil Code Section 5925 et seq.

B. SERVICE. A Request for Resolution may be served by personal delivery, first-class mail, express mail, facsimile transmission or other means reasonably calculated to provide the Responding Party actual notice of the Request.

C. RESPONDING PARTY'S OBLIGATION. Upon receipt of a Request for Resolution the Responding Party, whether the Association or an owner, has thirty (30 days) in which to either accept or reject the Request. In the event no such response is received, the Request is deemed "rejected."

D. TIME FOR COMPLETION OF ADR. Where the Request is accepted, the parties must complete the ADR within ninety (90) days of receipt of the acceptance. However, the parties can stipulate in writing to extend this period.

E. COST OF ADR. The cost of ADR shall be borne by the parties.

F. TOLLING OF STATUTE OF LIMITATIONS. If a Request for Resolution is served before the end of the applicable statute of limitations, the time limitation is tolled for certain periods specified in Civil Code Section 5945.

G. CERTIFICATE. In the event that a lawsuit is eventually commenced, the party filing must file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with 5925 et seq.; (2) One of the parties to the dispute did not accept the terms offered for alternative dispute resolution; or, (3) preliminary injunctive relief necessary.

CONSEQUENCES FOR FAILURE TO COMPLY WITH THE ADR

The failure to file the aforementioned certificate with the Court is grounds for demurrer or motion to strike unless the Court finds that dismissal of the action for failure to comply would result in substantial prejudice to one of the parties. Additionally, in awarding attorneys' fees and costs, a court may consider whether a party's refusal to participate in ADR before commencement of the enforcement action was reasonable. As a result, it is important to seek independent counsel in the event that you, as an owner have further questions.

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

The preceding summary has been provided in accordance with Civil Code Section 5965.

NOTICE

CCC 5730

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

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

(b) An association distributing the notice required by this section to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.

**OAK RANCH ESTATES HOA
CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525***

Property Address _____, Oak View, CA 93022 (000)

Owner of Property _____

Owner's Mailing Address _____
(If known or different from property address.)

These documents are being provided to you in the limited scope of complying with a request of the owner of the unit/lot for same in accordance with Civil Code Section 4530. The delivery of these documents to you shall not constitute establishment of privity between you and the association, and such delivery shall not create any further responsibility for the association with respect to further disclosure of documents to you.

Provider of the Section 4525 Items:

<u>D. Sweatt</u>	<u>Managing Agent</u>	<u>Oak Ranch Estates HOA</u>	
Name	Position/Title	Association	Date Form Completed

Document	Civil Code Sections	Included	Fee for Document	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller & confirmed in writing by Seller as a Current Document (DP)
Articles of Incorporation	4525(a)(1)	_____	\$10	_____
CC&Rs	4525 (a)(1)	_____	\$35	_____
Bylaws	4525 (a)(1)	_____	\$25	_____
Operating Rules	4525 (a)(1)	_____	\$20	_____
Age restrictions, if any	4525 (a)(2)	_____	_____	N/App
Rental restrictions, if any	4525 (a) (9)	_____	_____	N/App
Annual budget report or summary including reserve study	5300 & 4525 (a)(3)	_____	\$10	_____
Assessment & reserve funding disclosure summary	5300 & 4525 (a)(4)	_____	\$5	_____
Financial statement review	5305 & 4525 (a)(3)	_____	\$10	_____
Assessment enforcement policy	5310 & 4525 (a)(4)	_____	\$5	_____
Insurance summary	5300 & 4525 (a)(3)	_____	\$5	_____
Regular assessment	4525 (a)(4)	✓	_____	_____
Special assessment	4525 (a)(4)	_____	_____	N/App
Emergency assessment	4525 (a)(4)	_____	_____	N/App
Other unpaid obligations of seller (water bill, assessments, etc.)	5675 & 4525 (a)(4)	✓	_____	_____
Approved changes to assessments	5300 & 4525 (a)(4), (8)	_____	_____	N/App
Settlement notice regarding common area defects	4525 (a)(6),(7) & 6100	_____	_____	N/App
Preliminary list of defects	4525 (a)(6), 6000 & 6100	_____	_____	N/App
Notice(s) of violation, if any	5855 & 4525 (a)(5)	_____	\$5	_____
Required statement of fees	4525	_____	\$5	_____
Minutes of regular Board of Directors meetings for the previous 12 months	4525 (a)(10)	_____	\$20	_____

Total fees for these documents: \$ 155.00

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

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.