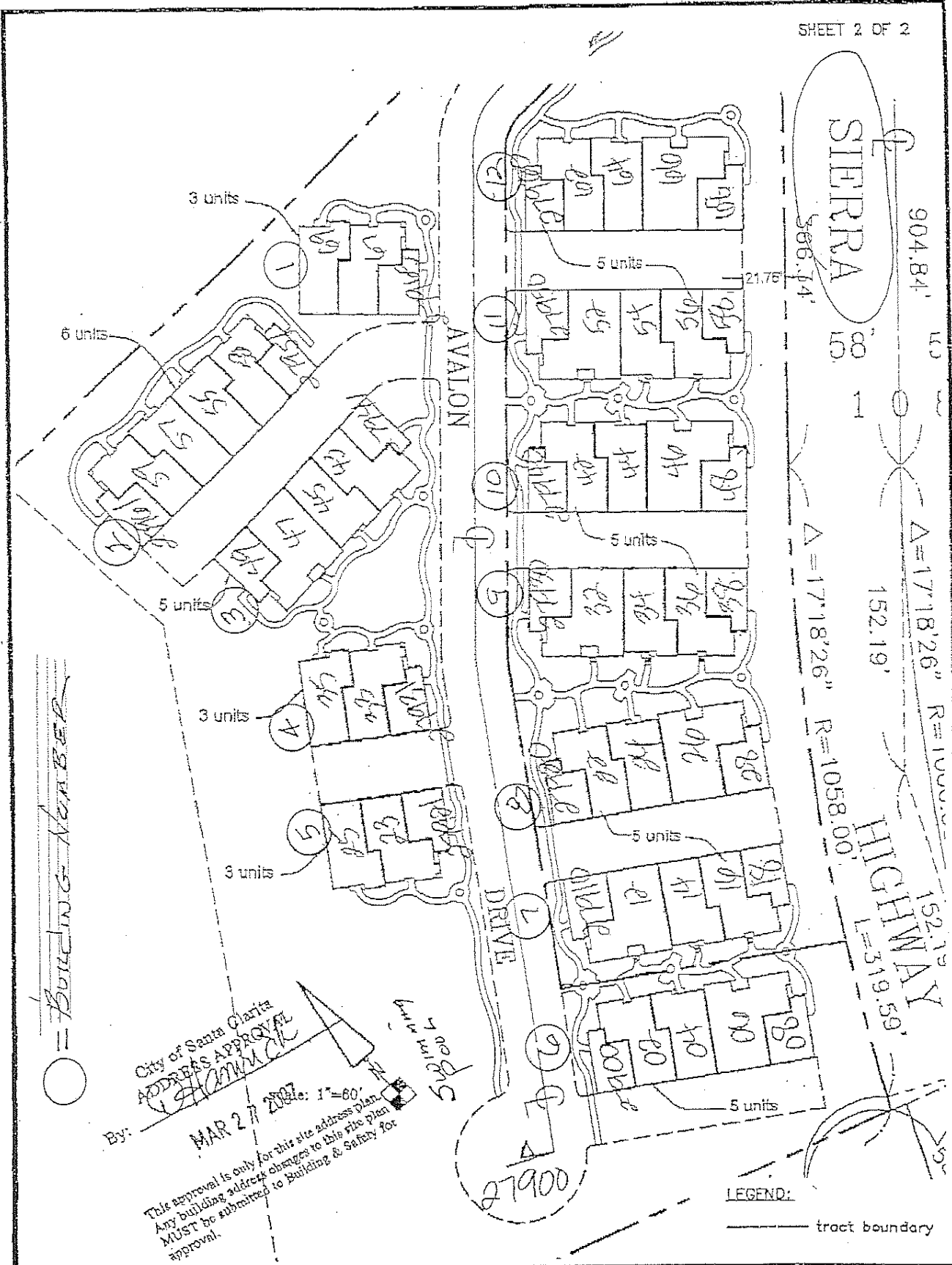


**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION  
ANNUAL CALENDAR**

| 0                | January | February                        | March | April  | May   | June | July  | August  | September      | October                                 | November  | December |
|------------------|---------|---------------------------------|-------|--|---|------|---|---|----------------|---|---|----------|
| Board Meetings   |         | Monday, 2/9/26<br>Ex, Open      |       | Monday,<br>4/16/26<br>Emergency<br>Special<br>Assessment<br>Ex, Open | Monday<br>5/11/26 Ex,<br>Open Budget            |      |   | Monday<br>8/10/26 Ex,<br>Open                       |                | Monday<br>10/5/26 Annual                | Monday<br>11/9/26 (If<br>applicable<br>Adjourned<br>Annual) |          |
| Annual Meeting   |         |                                 |       |  |   |      | Candidate<br>Nomination<br>Forms                          | Notice of<br>Meeting &<br>Candidate<br>Verification | Ballot Mailing | 10/5/26 Annual<br>Meeting &<br>Election |   |          |
| Reserve Study    |         | Reserve Study                   |       |  |   |      |   |   |                | Obtain<br>Reserve Study<br>Quote        | Approve<br>Reserve Study<br>Quote                           |          |
| Budget           |         | Mail Address<br>Update Request  |       | Update Owner<br>Information, Pre-<br>budget to Board                 | Budget<br>Approved by<br>BOD; Budget<br>Mailing |      |   |   |                |   |   |          |
| Financial Review |         |                                 |       | Quote for<br>Review/Taxes  | Approve<br>CPA Proposal                         |      |   |   |                | Financial<br>Review<br>Mailing          |   |          |
| Insurance        |         | Request<br>Insurance<br>Renewal |       | Insurance<br>Renewal<br>4/30<br>Tim Cline<br>Ins Agency              |   |      | EQ Insurance<br>Renewal<br>7/1<br>Tim Cline<br>Ins Agency |   |                |   |   |          |

# ADDRESS MAP

SHEET 2 OF 2



Building Number = ○

By: *City of Santa Clarita*  
**ADDRESS APPROVAL**  
*CHAMMA CIL*  
**MAR 27 2007**  
 Scale: 1"=60'

This approval is only for this site address plan.  
 Any building address changes to this site plan  
 MUST be submitted to Building & Safety for  
 approval.

LEGEND:  
 - - - - - tract boundary



**Board of Directors Open (Budget) Meeting**  
**Solstice South Pool**  
**May 11, 2026**

**Executive Session Meeting 6:30 pm**  
**(Closed to the membership)**

**Open Meeting 7:00 pm**  
**(Open to membership)**



**Board of Directors Open (Budget) Meeting**  
**Solstice South Pool**  
**May 11, 2026, 7:00 p.m.**

1. **Call to Order Executive Session (Closed to the Members)** 6:30
2. **Member Discipline**
  - a) Compliance Report
  - b) Parking Violation Report
3. **Approval of Executive Session Minutes**
4. **Third Party-Contracts**
5. **Legal**
6. **Delinquency Report**
7. **Adjournment**
  
1. **Call to Order Open Board Meeting (Open to the Membership)** 7:00
2. **Executive Session Recap**
3. **Homeowner Forum**
4. **Approval of Open Meeting Minutes**
5. **Financials**
  - a) December 2025, January, February, and March 2026 Financial Statements
  - b) April Delinquency Report
6. **Landscape and Maintenance**
  - a) Landscape Update
  - b) Landscape/Maintenance Proposals
  - c) Work Order Report
7. **Unfinished Business**

Emergency Special Insurance Assessment - Notice of Emergency Assessment and Resolution to Levy an Emergency Special Assessment to Fund an Unforeseen Insurance Premium Increase
8. **New Business**
  - a) Draft Reserve Study
  - b) 2026-27 Proposed Budget
  - c) Inspector of Election
  - d) Homeowner Request
9. **Architectural Applications**
10. **Adjournment**



**Board of Directors Executive Session  
May 11, 2026, 6:30 p.m.  
Manager's Report**

**1. Call to Order Executive Session**

**2. Member Discipline**

- a) Compliance Report (Page 7). Enclosed for the Board's review is the Compliance Report listing three (3) noncompliance issues that are currently being monitored by the Manager, which is the same number reflected in the last meeting. Previously, the board reviewed the HOA Specialists proposal to remove the egg and urine stains from the stucco between 27966-27968 Avalon for a total cost of \$510 with the paint to be matched as best as possible. The Board stated that they would individually review the stucco before the next meeting.

*Board Action Required: Board review and, if applicable, a motion, second, and vote are required to approve the HOA Specialist proposal in the amount of \$510 to clean and repaint the stained area, with funds appropriated from the Reserve account.*

- b) Parking Violation Report (Pages 8-22). Enclosed for the Board's review is the most recent parking violation report from SCV Public Safety. The Board should review the enclosed Association's Rules and Regulations to determine if they want to give automatic towing directives to the Security Vendor, SCV Santa Clarita

*Board Action Required: Board review and if applicable, provide directives to Management.*

**3. Approval of Executive Session Minutes (Pages 23-26)**

The February 9, 2026, Executive Session Minutes, and April 16, 2026, Emergency Insurance Executive Session Minutes are enclosed for the Board to review. Please contact Management prior to the meeting with any changes.

*Board Action Required: A motion, second, and vote are required to approve the February 9, 2026, Executive Session Minutes and April 16, 2026, Emergency Insurance Executive Session Minutes.*

#### **4. Third-Party Contracts**

There are no third-party contracts to review.

#### **5. Legal (Pages 27-35)**

At the previous meeting, the Board directed their legal counsel, Beaumont/Tashjian, to provide a Resolution to Levy an Emergency Special Assessment to Fund an Unforeseen Insurance Premium Increase and a Notice of Emergency Special Assessment for the Board to review at their May 11, 2026, Executive and Open Meetings. The Board should thoroughly review these documents prior to the meeting and communicate any questions to Management, so their legal counsel has time to prepare answers to be reviewed at the May 11, 2026, meeting.

*Board Action Required: Board review.*

#### **6. Delinquency Report**

Delinquency Report (Page 36). Enclosed for the Board's review is the April 2026 Delinquency Report, which reflects one (1) delinquent account.

*Board Action Required: None, for information only.*

#### **7. Adjournment**



**Board of Directors Open (Budget) Meeting**  
**May 11, 2026, 7:00 p.m.**  
**Manager's Report**

**1. Call to Order Open Board Meeting**

**2. Executive Session Recap**

During the May 11, 2026, Executive Session, the Board reviewed compliance issues, delinquent accounts, parking violations, and third-party contracts in addition to approving the February 9, 2026, Executive Session Minutes.

**3. Homeowner Forum**

Homeowners are afforded an opportunity to address concerns with the Board of Directors for discussion.

*Board Action Required: Moderate Member Forum.*

**4. Approval of Open Meeting Minutes (Pages 37-41)**

The February 9, 2026, Open Meeting Minutes are enclosed for the Board's review. Please contact Management prior to the meeting with any changes.

*Board Action Required: A motion, second, and vote are required to approve the February 9, 2026, Open Meeting Minutes.*

**5. Financials**

a) December 2025 and January, February, and March 2026 Financial Statements (Pages 42-69). The December 2025 and January, February, and March 2026 Financial Statements were forwarded to the Solstice South Financial Committee for their review. Enclosed for the Board's review is the December 2025 and January, February, and March 2026 Financial Statements. The March 2026 Financial Statements reflect the Association with total assets of \$696,156, of which \$670,078 was in cash. Of this amount, \$632,786 was held in Reserves, and \$37,291 was in Operating Cash. Through the ninth month of the fiscal year, Operating Expenses exceeded Operating Revenues by \$7,678 and Assessments Receivable were \$3,874. The Operating cash level was 13.8% of gross budgeted expenses of \$270,200 for the fiscal year, which is above the suggested range of 12.5% to 21%. In addition, as of the last Reserve Study Update on May 14, 2025, the Reserves were funded at 72.17%, as of July 1, 2025.

*Board Action Required: A motion, second, and vote are required to accept the December 2025, January, February, and March 2026 Financial Statements.*

b) April Delinquency Report (Page 36). Enclosed for the Board's review is the April 2026 Delinquency Report, which reflects all delinquent accounts.

*Board Action Required: None, for information only.*

## 6. Landscape and Maintenance

- a) Landscape Update (Pages 70-73). Stay Green Account Manager, John Krieger, performed research on the landscape directly behind the perimeter wall behind the odd numbered units to determine ownership as the brush on the other side of the perimeter wall is very dry and overgrown. Enclosed for the Board's review are pictures of the parcel number areas highlighted in turquoise, which appear to be part of the Solstice South Association. If applicable, Management will provide a brush clearance proposal on or before the May 11, 2026, meeting to address these areas.

*Board Action Required: Board review and, if applicable, provide directives to Management.*

- b) Landscape/Maintenance Proposals (Pages 74-78). Enclosed for the Board's review is the annual tree trimming proposal in the amount of \$3,080.

*Board Action Required: Board review and a motion, second, and vote are required to approve the annual tree trimming proposal from Stay Green Inc. in the amount of \$3,080, with funds appropriated from the Operating account.*

- c) Work Order Report (Pages 79-80). Enclosed for the Board's review is the Work Order Report reflecting three (3) work orders issued since the last Board meeting.

*Board Action Required: None, for information only.*

## 7. Unfinished Business

Emergency Special Insurance Assessment - Notice of Emergency Assessment and Resolution to Levy an Emergency Special Assessment to Fund an Unforeseen Insurance Premium Increase (Pages 23-35). At the previous meeting, the Board approved an emergency special insurance assessment to fund the 2026-27 insurance premium of \$125,065 and determined the total emergency special assessment per unit is \$2,273. In addition, Members may choose to pay \$2,273 in one lump sum or in twelve (12) monthly installments of \$189. Enclosed for the Board's review is the draft Resolution to Levy an Emergency Special Assessment to Fund an Unforeseen Insurance Premium Increase and a draft Notice of Emergency Special Assessment. The Board should thoroughly review these documents prior to the meeting and communicate any questions to Management, so their legal counsel has time to prepare answers to be reviewed at the May 11, 2026, meeting.

*Board Action Required: Board review and, a motion, second, and vote are required to approve the draft Notice of Emergency Assessment and the draft Resolution to Levy an Emergency Special Assessment to Fund an Unforeseen Insurance Premium Increase documents to be distributed to the Membership.*

## 8. New Business

- a) Draft Reserve Study (Pages 81-102). Enclosed for the Board's review is the draft reserve study from Reserve Studies Inc. The reserve study recommends following plan #3, which reflects a 10.90% increase in the monthly reserve contribution from \$5,918.67 to \$6,563.81.

***Board Action Required: Board review and, a motion, second, and vote are required to approve the draft reserve study and funding plan #3 for a monthly contribution of \$6,563.81.***

- b) 2026-27 Proposed Budget (Page 103 and Separate Enclosure). Enclosed for the Board's review is the proposed budget for the 2026-27 fiscal year. To meet Civil Code requirements, the approved budget will need to be mailed to the Membership no later than May 31, 2026. If possible, please forward any questions you might have on the enclosed proposed 2026-27 budget to Management, prior to the Board Meeting, so that the answers can be addressed at the meeting. Management is recommending a 20% increase in the monthly assessment from \$395 to \$474 for the following reasons.

- i. Significant Insurance Premium cost from \$19,830 to \$125,065.
- ii. Vendor contract increases.
- iii. The recommended plan #3 reserve funding plan contribution reflects a 10.90% monthly increase of \$11.73 per household over the previous year.
- iv. Utility companies, including Burrtec (trash) are expected to increase rates each year.
- v. Normal rising costs of doing business, especially gasoline prices.

***Board Action Required: Board review and, a motion, second, and vote are required to approve the proposed 2026-27 budget, which reflects an increase in the monthly assessment from \$395 to \$474.***

***Board Action Required: A motion, second, and vote are required to approve Management to transfer \$6,563.81 (reserve funding plan #3) per month from the First Citizens Operating account into the First Citizens Reserve account. Otherwise, indicate a different amount per month for Management to transfer from the First Citizens Operating account to the First Citizens Reserve account.***

- c) Inspector of Election. Management contacted homeowner, Noli Gregorio to be the 2026 Inspector of Election since he has served as the Inspector of Election for the past two (2) years and he agreed to serve as the 2026 Inspector of Election.

***Board Action Required: A motion, second, and vote are required to approve homeowner, Noli Gregorio to serve as the Inspector of Election for the 2026 Annual Meeting and Election.***

- d) Homeowner Request (Pages 104-106). Enclosed for the Board's review is an email from homeowner Javier Zamora Jr. regarding his insurance carrier's report. He is requesting various landscape updates be made to avoid losing the wildfire hardening discounts for his insurance renewal.

*Board Action Required: Board review and provide directives to Management.*

#### **9. Architectural Applications**

There were no Architectural applications received since the last meeting.

*Board Action Required: None.*

#### **10. Adjournment**

# Solstice South

## Compliances

Records: 3 Status: Open Community: Solstice South

**[179309] Colored holiday lights on wrought iron balcony and must be put away as the holidays were over 2 months ago.**

| Property                      | Type                | First Logged | Last Logged | Letters | Status |
|-------------------------------|---------------------|--------------|-------------|---------|--------|
| Daniel Prieto<br>27921 Avalon | Holiday Decorations | 2/24         | 3/24        | 2       | Open   |

| Fines | Recurrences |
|-------|-------------|
| None  | 3/24        |

### Actions & Notes

|      |        |                    |
|------|--------|--------------------|
| 3/25 | Letter | Compliance - Other |
| 2/25 | Letter | Compliance - Other |

**[178557] Holiday lights on their balcony should be put away, provide 2 weeks.**

| Property   | Type                | First Logged | Last Logged | Letters | Status |
|--|---------------------|--------------|-------------|---------|--------|
| Saray Caruso and Luis A Alvarez Jara<br>27961 Avalon | Holiday Decorations | 1/21         | 3/24        | 2       | Open   |

| Fines | Recurrences |
|-------|-------------|
| None  | 3/24        |

### Actions & Notes

|      |        |                    |
|------|--------|--------------------|
| 3/25 | Letter | Compliance - Other |
| 1/22 | Letter | Compliance - Other |

**[177254] Dog barking**

| Property                    | Type     | First Logged | Last Logged | Letters | Status |
|-----------------------------|----------|--------------|-------------|---------|--------|
| Raef Ragheb<br>27966 Avalon | Nuisance | 10/17/25     | 10/17/25    | 1       | Open   |

| Fines | Recurrences |
|-------|-------------|
| None  | None        |

### Actions & Notes

|          |        |                    |
|----------|--------|--------------------|
| 10/17/25 | Letter | Compliance - Other |
|----------|--------|--------------------|

This report is currently under review and has not been delivered.  
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# SCV PUBLIC SAFETY



License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID    | Report #              |
|-------------------------|-------------|-------------|-----------|------------|-----------------------|
| 5107 Solstice South HOA | 04/17/2026  | 1800        | 0500      | ANTHONYMAK | 1776488558-1114687912 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-17 22:02  
**Duty** ACTIVITY REPORT  
**Notes** Officer Mak conducting a foot patrol through the solstice south pool checking for any trespassers, vandalism , hazards, as well as securing the pool . Pool secured. No hazards, vandalism, nor trespassers to report.

| Employee ID | Name        | Signature | Submitted        |
|-------------|-------------|-----------|------------------|
| 060         | ANTHONY MAK |           | 2026-04-17 22:09 |

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# SCV PUBLIC SAFETY



License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID    | Report #              |
|-------------------------|-------------|-------------|-----------|------------|-----------------------|
| 5107 Solstice South HOA | 04/18/2026  | 1800        | 0500      | ANTHONYMAK | 1776574589-1140679543 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-18 21:56  
**Duty** ACTIVITY REPORT  
**Notes** Officer Mak conducting a foot patrol through the solstice south pool checking for any trespassers, vandalism , hazards, as well as securing the pool . Pool secured. No hazards, vandalism, nor trespassers to report.

| Employee ID | Name        | Signature | Submitted        |
|-------------|-------------|-----------|------------------|
| 060         | ANTHONY MAK |           | 2026-04-18 22:04 |

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# SCV PUBLIC SAFETY



License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID    | Report #             |
|-------------------------|-------------|-------------|-----------|------------|----------------------|
| 5107 Solstice South HOA | 04/19/2026  | 1800        | 0500      | ANTHONYMAK | 1776659682-824056978 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-19 21:34  
**Duty** ACTIVITY REPORT  
**Notes** Officer Mak conducting a foot patrol through the solstice south pool checking for any trespassers, vandalism , hazards, as well as securing the pool . Pool secured. No hazards, vandalism, nor trespassers to report.

| Employee ID | Name        | Signature | Submitted        |
|-------------|-------------|-----------|------------------|
| 060         | ANTHONY MAK |           | 2026-04-19 22:01 |

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# SCV PUBLIC SAFETY



License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID  | Report #             |
|-------------------------|-------------|-------------|-----------|----------|----------------------|
| 5107 Solstice South HOA | 04/20/2026  | 1800        | 0600      | SCVPS018 | 1776748193-899835967 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-20 22:15  
**Duty** ACTIVITY REPORT  
**Notes** SCVPS OFFICER WALDECK LOCKED UP THE POOL AND DID NOT OBSERVE ANY DISTURBANCES, DAMAGE, VANDALISM OR SUSPICIOUS ACTIVITY TO REPORT AT THE TIME.  
**End Time** 2026-04-20 22:20

| Employee ID | Name           | Signature | Submitted        |
|-------------|----------------|-----------|------------------|
| 018         | Howard Waldeck |           | 2026-04-20 22:33 |

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# SCV PUBLIC SAFETY



License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID  | Report #             |
|-------------------------|-------------|-------------|-----------|----------|----------------------|
| 5107 Solstice South HOA | 04/21/2026  | 1800        | 0600      | SCVPS005 | 1776833302-440211562 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-21 21:21  
**Duty** ACTIVITY REPORT  
**Notes** Officer Valerio conducting a foot patrol through the pool area checking for any vandalism , hazards, trespassers , as well as for any debris in the area. Nothing major to report at this time.

| Employee ID | Name         | Signature | Submitted        |
|-------------|--------------|-----------|------------------|
| 005         | Luis Valerio |           | 2026-04-21 22:01 |

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# SCV PUBLIC SAFETY

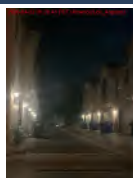


License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID  | Report #             |
|-------------------------|-------------|-------------|-----------|----------|----------------------|
| 5107 Solstice South HOA | 04/22/2026  | 1800        | 0600      | SCVPS005 | 1776842887-222162482 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-22 00:15  
**Duty** ACTIVITY REPORT  
**Notes** Officer Valerio conducting a vehicle patrol through the community checking for any hazards, vandalism, stored vehicles, as well as for any vehicles parked in the fire lane . Nothing major to report at this time. Officer also did not come across any hazards , vandalism, stored vehicles , nor any vehicles in the fire lane.

| Employee ID | Name         | Signature | Submitted        |
|-------------|--------------|-----------|------------------|
| 005         | Luis Valerio |           | 2026-04-22 00:33 |

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# SCV PUBLIC SAFETY



License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID  | Report #             |
|-------------------------|-------------|-------------|-----------|----------|----------------------|
| 5107 Solstice South HOA | 04/22/2026  | 1800        | 0600      | SCVPS005 | 1776918768-171281670 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-22 21:33  
**Duty** ACTIVITY REPORT  
**Notes** Officer Valerio conducting a foot patrol through the pool area checking for any vandalism , hazards, trespassers , as well as for any debris in the area. Nothing major to report at this time.

| Employee ID | Name         | Signature | Submitted        |
|-------------|--------------|-----------|------------------|
| 005         | Luis Valerio |           | 2026-04-22 21:51 |

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# SCV PUBLIC SAFETY

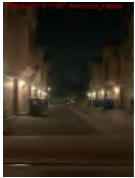


License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID  | Report #             |
|-------------------------|-------------|-------------|-----------|----------|----------------------|
| 5107 Solstice South HOA | 04/23/2026  | 1800        | 0600      | SCVPS005 | 1776934544-917363226 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-23 01:55  
**Duty** ACTIVITY REPORT  
**Notes** Officer Valerio conducting a vehicle patrol through the community checking for any hazards, vandalism, stored vehicles, as well as for any vehicles parked in the fire lane . Nothing major to report at this time. Officer also did not come across any hazards , vandalism, stored vehicles , nor any vehicles in the fire lane. 1 vehicle cited for no pass damage displayed .

| Employee ID | Name         | Signature | Submitted        |
|-------------|--------------|-----------|------------------|
| 005         | Luis Valerio |           | 2026-04-23 03:45 |

SAVE A TREE - DONT PRINT ME!

This report is currently under review and has not been delivered.  
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# SCV PUBLIC SAFETY



License #

## Activity Report

| Property                | Report Date | Start Shift | End Shift | Unit ID    | Report #             |
|-------------------------|-------------|-------------|-----------|------------|----------------------|
| 5107 Solstice South HOA | 04/23/2026  | 1800        | 0500      | ANTHONYMAK | 1777006859-173003799 |

### Attachments



### Observations / Duties Performed

ACTIVITY REPORT

### Contacts

SECURITY OFFICER

### Description Of Activities

**Start Time** 2026-04-23 22:01  
**Duty** ACTIVITY REPORT  
**Notes** Officer Mak conducting a foot patrol through the solstice south pool checking for any trespassers, vandalism , hazards, as well as securing the pool . Pool secured. No hazards, vandalism, nor trespassers to report.

| Employee ID | Name        | Signature | Submitted        |
|-------------|-------------|-----------|------------------|
| 060         | ANTHONY MAK |           | 2026-04-23 22:08 |

SAVE A TREE - DON'T PRINT ME!















**Minutes of the Board of Directors Executive Session  
Solstice South Pool  
February 9, 2026**

|          |                 |                           |
|----------|-----------------|---------------------------|
| Present: | Pedro Barrios   | President                 |
|          | Narva Blue      | Vice President            |
|          | Jaclyn Kurowski | Secretary                 |
|          | Porscha Rucker  | Treasurer                 |
|          | Sue Calhoun     | Valencia Management Group |
| Absent:  | Kirkland Walls  | Director                  |

**Call to Order Executive Session**

With a quorum of the Board present, President, Pedro Barrios, called the meeting to order at 6:30 p.m.

**Member Discipline**

Compliance Report. The Board reviewed the Compliance Report listing six (6) noncompliance issues, which was up from three (3) in the previous meeting. The Board reviewed a maintenance proposal in the amount of \$510 to clean and repaint to match as best as possible on the stained area of stucco between 27966-68 Avalon. A motion was made and seconded to table the issue until the next meeting and the motion passed unanimously.

Parking Violations Report. The Board reviewed the latest parking report from their security vendor, SCV Public Safety.

**Approval of Executive Session Minutes**

The Board reviewed the November 24, 2025 Executive Session Minutes. A motion was made and seconded to approve the minutes, and the motion passed unanimously.

**Third-Party Contracts**

The Board reviewed three proposals for security patrol service from Falcon Guard Security, Knight Guard, and Primary Protections Security & Patrol. Their current security patrol cost is under \$400 monthly, and the costs would be significantly increased if they were to switch to another security vendor. Therefore, a motion was made and seconded to maintain their security service with SCV Public Safety and the motion passed unanimously. Management will inform the vendors accordingly.

| Security Vendor                      | Number Patrols | Mo. Contract Fee |
|--------------------------------------|----------------|------------------|
| Falcon Guard Security                | 3              | \$2,200          |
| Knight Guard                         | 3              | \$1,150          |
| Primary Protection Security & Patrol | 3              | \$1,150          |

**Legal**

There were no legal issues to review.

**Delinquency Report**

The Board reviewed the January 2026 Delinquency Report, which reflected all accounts with a delinquent balance.

**Adjournment**

A motion was made and seconded to adjourn the Executive Session Meeting at 6:55 p.m. and the motion passed unanimously.

Respectfully Approved,

---

Secretary, Jaclyn Kurowski



**Minutes of the Board of Directors Emergency Insurance Executive Session  
Solstice South Pool  
April 16, 2026, 6:30 p.m.**

|          |                 |                           |
|----------|-----------------|---------------------------|
| Present: | Pedro Barrios   | President                 |
|          | Narva Blue      | Vice President            |
|          | Jaclyn Kurowski | Secretary                 |
|          | Porscha Rucker  | Treasurer                 |
|          | Kirkland Walls  | Director                  |
|          | Sue Calhoun     | Valencia Management Group |

Absent: None

**Call to Order Executive Session**

With a quorum of the Board present, President, Pedro Barrios, called the meeting to order at 6:30 p.m.

**Legal**

The Association's current property insurance vendor, Travelers Insurance, notified the Association that it would not renew the Association's insurance coverage due to a high fire brush score of 88. The Board reviewed three insurance quotes for the 2026-27 policy term, all provided by Cline Insurance. The quoted premiums reflect a substantial increase compared to the Association's 2025 total insurance cost of \$19,804. The most competitive quote for the 2026-27 policy period is \$125,065. Currently, the Association's Operating Account does not have sufficient funds to absorb this significant increase in insurance costs. During the meeting, Cline Insurance Agency Representative, Ryan Gesell, provided an overview of the current challenges in the California property insurance market, especially for communities located in high-risk fire brush zones, such as the Solstice South homeowners Association. After careful consideration, the Board determined that a special emergency assessment will be necessary to cover the increased insurance premium for the 2026-2027 policy period.

| 2025-26 total coverage cost                   | 2026-27 (least expensive total coverage quote) | 2026-27 California Fair Plan (2 <sup>nd</sup> most expensive quote)  | 2026-27 (3 <sup>rd</sup> most expensive total quote) |
|---|--|--|--|
| Property limit (\$22,935,109)                 | Property limit (\$23,160,109)                  | Property limit (\$22,835,109)  | Property limit (\$20,000,000)                        |
| Total insurance coverage cost <b>\$19,804</b> | Total insurance coverage cost <b>\$125,065</b> | Fire portion quote \$94,903 + Wrap around insurance \$45,069 + <b>\$139,972. Please note this does not include all required insurance.</b> | Total insurance coverage cost <b>\$157,138</b>       |

**Adjournment**

A motion was made and seconded to adjourn the Executive Session Meeting at 6:50 p.m. and the motion passed unanimously.

Respectfully Approved,

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Secretary, Jaclyn Kurowski

# SOLSTICE SOUTH HOMEOWNERS ASSOCIATION

## RESOLUTION TO LEVY AN EMERGENCY SPECIAL ASSESSMENT TO FUND AN UNFORESEEN INSURANCE PREMIUM INCREASE

This Resolution to Levy an Emergency Special Assessment to Fund an Unforeseen Insurance Premium Increase (“Resolution”) is made as of the date set forth below, pursuant to the following facts:

**WHEREAS**, The Solstice South Homeowners Association (hereinafter “Association”), through its volunteer Board of Directors, is responsible for management, control and administration of the common interest development (the “Community”), under: the Articles of Incorporation; the Declaration of Covenants, Conditions and Restrictions (“CC&Rs” or “Declaration”) recorded October 26, 2009 as Instrument Number 2009-1611270, and all subsequent amendments thereto; and the Bylaws.

**WHEREAS**, Article IV, Section 4.1 of the Declaration provides that the Association shall have all the powers of a non-profit corporation organized under the Non-Profit Mutual Benefit Corporation Law of the State of California, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws, or the Declaration;

**WHEREAS**, Article IV, Section 4.1 of the Declaration also states that the Association, through the Board, “has the express and implied power to perform any and all lawful acts that may be necessary or proper for, or incidental to the exercise of, any of the express powers and/ or duties of the Association;”

**WHEREAS**, California Civil Code Section 5600 et seq. grants the Board of Directors the power to impose emergency assessments sufficient to perform its obligations pursuant to the governing documents and the Davis-Stirling Common Interest Development Act;

**WHEREAS**, California Civil Code Section 5605(b) provides, in relevant part: “Notwithstanding more restrictive limitations placed on the board by the governing documents, the board may not impose a regular assessment that is more than 20 percent greater than the regular assessment for the association’s preceding fiscal year or impose special assessments which in the aggregate exceed 5 percent of the budgeted gross

expenses of the association for that fiscal year without the approval of a majority of a quorum of members, pursuant to Section 4070, at a member meeting or election”;

**WHEREAS**, California Civil Code Section 5610 provides, in relevant part: “Section 5605 does not limit assessment increases necessary for emergency situations. For purposes of this section, an emergency situation is any one of the following:...(i) An extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the association is responsible where a threat to personal safety on the property is discovered ... (ii) an extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual budget report. However, prior to the imposition or collection of an assessment under the latter, the board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process, and the resolution shall be distributed to the members with the notice of assessment”;

**WHEREAS**, the Association’s property insurance carrier, Travelers, has informed the Association’s Board of Directors that since the community has a wildfire score of 88 (i.e., indication of a high to extreme wildfire risk), it would NOT be renewing the Association’s existing property insurance policy – which expires April 30, 2026;

**WHEREAS**, the Association’s insurance broker, Cline Agency, conducted an exhaustive search for affordable insurance and the Board was presented with the least expensive insurance premium - which is a significant increase; whereby and for example, last year’s total insurance premium was \$19,830.00, while the least expensive insurance premium for this year is \$125,065.00 (see price comparison sheet attached as Exhibit A), which is noteworthy insofar as the California Fair Plan premium with wrap around insurance came in higher than \$125,065.00, which says a lot of the state of insurance in Santa Clarita/California;

**WHEREAS**, time is off the essence since the Association’s current insurance policy expires on April 30, 2026 whereby the Board has determined to borrow funds from the Association’s Reserve account (which is permitted under Civil Code Section 5515) to fund the \$125,065.00 premiums and intends to repay the funds borrowed from the Reserve account within one year (the Association’s fiscal year is 7/1/25-6/30/26) via an emergency special assessment;

**WHEREAS**, the non-renewal of insurance and the insurance premium increase were not reasonably foreseen, and thus was not included at the time the Board of Directors prepared the Association’s pro forma operating budget and the Association lacks the funds necessary to fund the insurance premium increase;

**WHEREAS**, the following expense of \$125,065.00 justifies the levying of an emergency special assessment pursuant to Civil Code Section 5610(c) because the increased expenses are necessary to insure the common interest development or any part of it for which the Association is responsible that could not have been reasonably foreseen by the Board in preparing and distributing the annual budget report;

**WHEREAS**, Based on the foregoing, the sum total of the emergency special assessment is \$125,065.00;

**NOW, THEREFORE**, be it resolved that the Board of Directors hereby makes the following resolution for the imposition of an emergency special assessment in the amount of \$125,065.00 based upon the above findings:

1. On **June 1, 2026**, the Association will levy an emergency special assessment against each Unit/Owner in the amount of **\$2,273.00**, which represents each Units'/Owners' proportionate share of the \$125,065.00 (i.e.,  $\$125,065.00 \div 55 \text{ Units} = \$2,273.00$ ), payable as follows:
  - a) in a one-time payment of **\$2,273.00**, due on or before **June 1, 2026**; or
  - b) the amount of **\$2,273.00** payable over twelve (12) equal and consecutive monthly installment payments of approximately **\$189.41**, with the first payment of \$189.41 being due on or before **June 1, 2026**, and all subsequent payments of \$189.41 being due on or before the first day of each month thereafter until paid in full.
2. In the event an Owner transfers title to his/her/its Unit before the emergency special assessment is paid in full, the entire amount set forth in the attached schedule, less any amounts actually paid, will be immediately due and owing prior to the close of escrow or before the new Owner takes full title, whichever occurs first. Alternatively, an Owner may transfer the emergency special assessment amount to a new Owner(s) with the new Owner's express permission, during the transfer of title to the Unit, and such documentation of the transfer must be submitted to the Association prior to the close of escrow, or before the new owner takes title, whichever occurs first.
3. The payment terms and conditions of the emergency special assessment, i.e., delinquency dates, late fees, etc., will mirror those set forth in the Association's recorded CC&Rs and collection policy.

4. The Association may institute formal collections proceedings against delinquent owners, pursuant to the Association's recorded CC&Rs and the California Civil Code.

**SOLSTICE SOUTH HOMEOWNERS  
ASSOCIATION**

By: \_\_\_\_\_  
Print Name  
Its: President

Dated: \_\_\_\_\_

**SOLSTICE SOUTH HOMEOWNERS  
ASSOCIATION**

By: \_\_\_\_\_  
Print Name  
Its: Secretary

Dated: \_\_\_\_\_

DRAFT

**CERTIFICATE OF SECRETARY**

I, the undersigned, being the duly elected and acting Secretary of **SOLSTICE SOUTH HOMEOWNERS ASSOCIATION, a California Non-Profit Mutual Benefit Corporation**, do hereby certify that the foregoing Resolution was adopted on \_\_\_\_\_, 2026.

This Certificate is executed under penalty of perjury on \_\_\_\_\_, 2026, in \_\_\_\_\_, California.

**SOLSTICE SOUTH HOMEOWNERS  
ASSOCIATION**

\_\_\_\_\_  
By: \_\_\_\_\_, Secretary

DRAFT

DRAFT

**EXHIBIT A**

## Solstice South HOA Insurance Comparison

| Policy Term                    | April 30, 2025-2026                                 | April 30, 2026-2027   |
|--------------------------------|---|---|
| Property Limits                | \$22,935,109  | \$23,160,109  |
| Deductible                     | \$5,000 All Perils                                  | \$10,000 All Perils, Except<br>\$25,000 Water Claims<br>3% (\$50K Minimum) Smoke and Wildfire<br>Damage |
| Gen Liability Limits           | \$1,000,000 Per Occurrence<br>\$2,000,000 Aggregate | \$1,000,000 Per Occurrence<br>\$2,000,000 Aggregate   |
| <b>PROP/LIAB PREMIUM</b>       | <b>\$15,721</b>                                     | <b>\$121,350</b>  |
| Directors & Officers Liability | \$1,000,000   | \$1,000,000   |
| <b>D&amp;O PREMIUM</b>         | <b>\$1,588</b>                                      | <b>\$949</b>  |
| Commercial Umbrella Limits     | \$5,000,000   | \$5,000,000   |
| <b>CO UMB PREMIUM</b>          | <b>\$1,452</b>                                      | <b>\$2,000</b>  |
| Fidelity Bond/Crime Limits     | \$750,000   | \$750,000   |
| <b>FB/CRIME PREMIUM</b>        | <b>\$702</b>  | <b>\$398</b>  |
| <b>WORLERS COMP PREMIUM</b>    | <b>\$367</b>  | <b>\$368</b>  |
| <b>TOTAL COST</b>              | <b>\$19,830</b>                                     | <b>\$125,065</b>  |

# SOLSTICE SOUTH HOMEOWNERS ASSOCIATION

April 29, 2026

**TO: ALL MEMBERS OF  
SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

**RE: SOLSTICE SOUTH HOMEOWNERS ASSOCIATION  
– *Notice of Emergency Special Assessment***

Dear Members:

The purpose of this letter is to inform you that, after thorough review and consideration by the Association's Board of Directors, it has approved an emergency special assessment in the amount of \$125,065.00, to fund a substantial and unforeseen increase in the Association's insurance premiums. This will result in an assessment being levied against each Owner/Unit in the amount of approximately \$2,273.00.

## **BACKGROUND**

The Association's property insurance carrier, Travelers, has informed the Association's Board of Directors that since the community has a wildfire score of 88 (i.e., indication of a high to extreme wildfire risk), it would NOT be renewing the Association's existing property insurance policy – which expires April 30, 2026.

The Association's insurance broker, Cline Agency, conducted an exhaustive search for affordable insurance and the Board was presented with the least expensive insurance premium - which is a significant increase. For example, last year's total insurance premium was \$19,830.00, while the least expensive insurance premium for this year is \$125,065.00. It is noteworthy that the California Fair Plan premium with wrap around insurance came in higher than \$125,065.00, which says a lot of the state of insurance in Santa Clarita/California.

Time is off the essence since the Association's current insurance policy expires on April 30, 2026. Therefore, the Board will be borrowing funds from the Association's Reserve account (which is permitted under Civil Code Section 5515) to fund the \$125,065.00 premiums and intends to repay the funds borrowed from the Reserve account within one year (the Association's fiscal year is 7/1/25-6/30/26) via this emergency special assessment.

***The non-renewal of insurance and the insurance premium increase were not reasonably foreseen, and thus was not included at the time the Board of Directors prepared the Association's pro forma operating budget and the Association lacks the funds necessary to fund the insurance premium increase.***

California Civil Code Section 5600 et seq. grants the Board of Directors the power to impose emergency assessments sufficient to address an extraordinary expense that is necessary to perform its obligations pursuant to the governing documents and California law. In fact, Civil Code Section 5610(c) explicitly authorizes the emergency special assessment in this situation given that it involves "an extraordinary expense necessary to repair or maintain the common interest development or any part of it for which the association is responsible that could not have been reasonably foreseen by the board in preparing and distributing the annual budget report." (Emphasis added.)

**MEMBERS OF SOLSTICE SOUTH  
HOMEOWNERS ASSOCIATION**

[Date]  
Page 2

**NEXT STEPS**

With that said, the Board has decided to levy an emergency special assessment in the amount of \$125,065.00, as follows:

1. On June 1, 2026, the Association will impose an emergency special assessment against each Unit/Owner in the amount of approximately **\$2,273.00**, which represents each Units'/Owners' proportionate share of the \$125,065.00 (i.e.,  $\$125,065.00 \div 55 \text{ Units} = \$2,273.00$ ), payable as follows:
  - a) in a one-time payment of **\$2,273.00**, due on or before **June 1, 2026; or**
  - b) the amount of **\$2,273.00** payable over twelve (12) equal and consecutive monthly installment payments of approximately **\$189.41**, with the first payment of \$189.41 being due on or before **June 1, 2026**, and all subsequent payments of \$189.41 being due on or before the first day of each month thereafter until paid in full.
2. In the event an Owner transfers title to his/her/its Unit before the emergency special assessment is paid in full, the entire amount set forth in the attached schedule, less any amounts actually paid, will be immediately due and owing prior to the close of escrow or before the new Owner takes full title, whichever occurs first. Alternatively, an Owner may transfer the emergency special assessment amount to a new Owner(s) with the new Owner's express permission, during the transfer of title to the Unit, and such documentation of the transfer must be submitted to the Association prior to the close of escrow, or before the new owner takes title, whichever occurs first.
3. The payment terms and conditions of the emergency special assessment, i.e., delinquency dates, late fees, etc., will mirror those set forth in the Association's recorded CC&Rs and collection policy.
4. The Association may institute formal collections proceedings against delinquent owners, pursuant to the Association's recorded CC&Rs and the California Civil Code

This emergency assessment is critical to protect the property values within the community. The decision to impose an emergency special assessment was a difficult one, but necessary to ensure the wellbeing of all Owners. A copy of the resolution of the Board supporting the imposition of the emergency special assessment is enclosed.

Enclosure

**Board of Directors  
SOLSTICE SOUTH  
HOMEOWNERS ASSOCIATION**

# Solstice South

Delinquency Report as of April 29, 2026 - 1 Account

## Liened (1)

**SS29602 - Susomboon**

**Total: \$3,860.65**

| Address      | APN          | Last Action   | Last Payment         |
|--------------|--------------|---------------|----------------------|
| 27962 Avalon | 2803-024-078 | Lien Recorded | \$395.00 on 4/7/2026 |
| Assessments  | Special      | Water         | CC&R Fines           |
| \$395.00     | -            | -             | -                    |
| Late Fees    | Collections  | Attorney      | Other                |
| \$2,153.65   | \$1,312.00   | -             | -                    |

**1/31/25:** Lien recorded 05/19/2021. Assessments only one month behind at this time. **2/7/25:** Homeowner communication stated they should have had fee waiver of late fees and interest per payment plan, however, payment plan was for 4 months of first payment of \$1257.50 and three payments of \$1000 per month to be paid prior to the 15th. Homeowner paid 2nd and 3rd installments late and never paid installment #4. Therefore, no fees waived **7/30/25:** Making monthly assessment payments, nothing towards prior balance or fees **10/3/25:** Paid \$395 on 10/01/25 **11/12/25:** Paid \$395 on 11/01/25 **1/27:** Paid \$395.00 on 12/30/2025

## Totals

| Assessments | Special     | Water    | CC&R Fines | Total             |
|-------------|-------------|----------|------------|-------------------|
| \$395.00    | -           | -        | -          | <b>\$3,860.65</b> |
| Late Fees   | Collections | Attorney | Other      |                   |
| \$2,153.65  | \$1,312.00  | -        | -          |                   |

This report does not include accounts with balances under 2x assessments without CC&R fines, and may not reflect any unbilled legal or collection fees and costs.



**Minutes of the Board of Directors Open Meeting  
Solstice South Pool  
February 9, 2026**

|          |                 |                           |
|----------|-----------------|---------------------------|
| Present: | Pedro Barrios   | President                 |
|          | Narva Blue      | Vice President            |
|          | Jaclyn Kurowski | Secretary                 |
|          | Porscha Rucker  | Treasurer Director        |
|          | Sue Calhoun     | Valencia Management Group |
| Absent:  | Kirkland Walls  | Director                  |

**Call to Order**

A quorum of the Board was present, and the meeting was called to order at 7:00 p.m.

**Executive Recap**

During the February 9, 2026, Executive Session, the Board reviewed compliance issues, delinquent accounts, and third-party contracts in addition to approving the November 24, 2025, Executive Session Minutes.

**Homeowners Forum**

No homeowners attended the meeting.

**Approval of Minutes**

A motion was made and seconded to approve the November 24, 2025, Open Meeting Minutes and the motion passed unanimously.

**Financial Report**

Financial Statements. The Board reviewed the October and November 2025 Financial Statements. The November Financial Statements showed the Association with total assets of \$664,121 of which \$623,184 was in cash. Of this amount, \$606,237 was held in Reserves and \$16,948 was in Operating Cash. Through the fifth month of the fiscal year, Operating Expenses exceeded Operating Revenues by \$11,505 and Assessments Receivable were \$4,647. The Operating Cash level was 6.3% of the gross budgeted expenses of \$270,200 for the fiscal year, which is below the suggested range of 12.5% to 21%. In addition, as of the last Reserve Study Update on May 14, 2025, the Reserves were funded at 72.17%. A motion was made and seconded to accept the October and November 2025 Financial Statements, and the motion passed unanimously.

Delinquency Report. The Board reviewed the January 2026 Delinquency Report.

Investments. The Board reviewed the November 2025 Financial Summary, which reflected six (6) First Citizens Bank (FCB) CDARS that will mature between February 19, 2026, and March 5, 2026. A motion was made and seconded to reinvest in a 26-week First Citizens Bank CDAR for all six (6) upcoming FCB CDARS at the appropriate times before the CDAR matures and the motion passed unanimously.

### **Landscape and Maintenance Report**

- a) Landscape/Maintenance Proposals. At the meeting, the Board reviewed a comparison report along with three proposals to repaint the wrought iron pool fencing, which includes the pool equipment room gate and repairing a small section of wrought iron from HOA Specialists, Select Painting, and Precision Painting. A motion was made and seconded to approve the HOA Specialists proposal to repair a section of fencing and paint the entire fence including the pool equipment room for a total cost of \$4,020 as long as they agreed to a 2-year warranty, and the motion passed unanimously. The funds will be appropriated from the Reserve account.
- b) Work Order Report. The Board reviewed the Work Order Report reflecting eight (8) work orders issued since the last Board meeting.

### **Unfinished Business**

For a second time, the Board revisited whether to allow members to park in the curve of the cul-de-sac by the pool parking spaces and no changes were made to the current Rules. Members may park there. However, a motion was made and seconded to distribute a newsletter to the membership regarding the following issues and the motion passed unanimously.

- a) Members must park on the straight portion of the street before parking in the curved end of the cul-de-sac by the pool.
- b) If eligible, residents who need a parking permit will need to resubmit for a new 2026 parking sticker immediately. On April 1, 2026, resident vehicles without a 2026 parking sticker will be subject to a parking violation notice and tow at the owners expense. Prior parking permit stickers will no longer be valid at that time.
- c) All pets must be on a leash at all times, and no pets are allowed in the pool facility.

### **New Business**

Insurance Update. The Board discussed the letter from Travelers insurance that stated they would not be renewing their insurance policy due to the Association's classification as a high wildfire risk area. Furthermore, the Association's fire brush zone score is now at 88 and their insurance agent will seek coverage in the standard market and expect that the premiums will be much higher than before, which may require looking into the California Fair Plan as well.

Parking Permit Process. The Board reviewed the parking permit process, and a motion was made and seconded to implement an update to the parking permit process and the motion passed unanimously. Only one (1) parking permit will be issued to eligible residences if they qualify. If residents request more than one (1) parking permit, they will need to attend the next Board meeting to speak with the Board before they are approved for a second parking permit. In addition, they must find other parking alternatives until the next meeting.

### **Architectural Applications**

There were no Architectural applications received since the last meeting.

### **Adjournment**

As there was no other business to discuss, the meeting was adjourned at 7:45 p.m.

Respectfully Approved,

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Secretary, Jaclyn Kurowski



**Minutes of the Board of Directors Open Meeting  
Solstice South Pool  
April 16, 2026, 6:45 p.m.**

Present: Pedro Barrios President  
Narva Blue Vice President  
Jaclyn Kurowski Secretary  
Porscha Rucker Treasurer Director  
Kirkland Walls Director  
Sue Calhoun Valencia Management Group

Absent: None

**Call to Order**

A quorum of the Board was present, and the meeting was called to order at 6:50 p.m.

**Homeowners Forum**

Socorro Sanchez attended the meeting and requested to speak to the Board regarding her need for a second parking permit. She has relatives living at her residence and there are four vehicles, two of which are parked in the garage and the Board approved for one (1) permit. She is requesting a second permit for a vehicle that is only overnight half of the time since the relative works at night and on those evenings, the vehicle will not be parked overnight in the community. The Board granted the second parking permit.

**New Business**

Insurance Premiums. The Association’s current property insurance vendor, Travelers Insurance, notified the Association that it would not renew the Association’s insurance coverage due to a high fire brush score of 88. The Board reviewed three insurance quotes for the 2026-27 policy term, all provided by Cline Insurance. The quoted premiums reflect a substantial increase compared to the Association’s 2025 total insurance cost of \$19,804. The most competitive quote for the 2026-27 policy period is \$125,065. Currently, the Association’s Operating Account does not have sufficient funds to absorb this significant increase in insurance costs. During the meeting, Cline Insurance Agency Representative, Ryan Gesell, provided an overview of the current challenges in the California property insurance market, especially for communities located in high-risk fire brush zones, such as the Solstice South homeowners Association. A motion was made and seconded to approve the least expensive insurance premium cost of \$125,065, with funds borrowed from the Reserve account as a loan and it will be reimbursed within one (1) year from the Operating account and the motion passed unanimously.

| 2025-26 total coverage cost            | <b>2026-27</b> (least expensive total coverage quote) | <b>2026-27</b> California Fair Plan (2 <sup>nd</sup> most expensive quote)   | <b>2026-27</b> (3 <sup>rd</sup> most expensive total quote) |
|--|---|--|---|
| Property limit (\$22,935,109)          | Property limit (\$23,160,109)                         | Property limit (\$22,835,109)  | Property limit (\$20,000,000)                               |
| Total insurance coverage cost \$19,804 | Total insurance coverage cost <b>\$125,065</b>        | Fire portion quote \$94,903 + Wrap around insurance \$45,069 + <b>\$139,972. Please note this does not include all required insurance.</b> | Total insurance coverage cost <b>\$157,138</b>              |

Emergency Special Insurance Assessment. The Association’s Operating account currently lacks sufficient funds to cover the significant increase in insurance premiums for the 2026-27 policy period. Therefore, an emergency special assessment is required to fund the total 2026-27 insurance premium amount of \$125,065. The total emergency special assessment per unit is \$2,273. After careful consideration, a motion was made and seconded to approve a one-time emergency special assessment in the amount of \$2,273 per unit. Members may choose to pay this amount in one lump sum or in twelve (12) monthly installments of \$189. The motion passed unanimously. The emergency special assessment and its payment structure will be noticed to the membership along with a Resolution of Emergency Special Assessment, in accordance with Civil Code 5615. Once the Resolution is approved, it must be distributed to the membership together with the Notice of Emergency Special Assessment no less than 30 days and no more than 60 days prior to the due date of the first installment. In addition, a motion was made and seconded to engage the Association’s legal counsel, Beaumont/Tashjian, to prepare the Notice of Emergency Special Assessment and the Board Resolution for the Emergency Special Assessment, with funds appropriated from the Operating account. Furthermore, the Board authorized two (2) Board members to review and approve the final Notice and Resolution if necessary and the motion passed unanimously.

**Adjournment**

As there was no other business to discuss, the meeting was adjourned at 7:20 p.m.

Respectfully Approved,

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Secretary, Jaclyn Kurowski

**Solstice South Homeowners Association**

**Financial Statements**

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03/31/2026

Per Civil Code §5500., the Board of Directors is required to perform a monthly financial review. The following should be included in the monthly review: a current reconciliation of the association's operating and reserve accounts, the current year's actual operating revenues and expenses compared to the current year's budget, the latest account statements prepared by the financial institutions where the association has its operating and reserve accounts, an income and expense statement for the association's operating and reserve accounts, a check register, monthly general ledger, and delinquent assessment receivable report. For months with no Board of Directors meetings, a financial committee, appointed by the Board, may review the monthly financial statement and have that review ratified at the following month's meeting.

Valencia Management Group

Leonard A. McKinley  
Certified Public Accountant  
25106 Avenue Tibbitts, Suite 100  
Valencia, CA 91355  
(661) 964-1521

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To the Board of Directors  
Solstice South Homeowners Association

I have compiled the accompanying balance sheet of Solstice South Homeowners Association as of 03/31/2026, and the related statements of revenues and expenses, and changes in fund balances for the period ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly do not express an opinion or provide any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Solstice South Homeowners Association financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basis financial statements. Solstice South Homeowners Association has not presented this supplementary information.

I am not independent with respect to Solstice South Homeowners Association.



Santa Clarita, California  
April 14, 2026

Member American Institute of Certified Public Accountants

# Solstice South Homeowners Association

Balance Sheet as of 3/31/2026

| <b>Assets</b>                                 | <b>Operating</b>   | <b>Reserve</b>      | <b>Total</b>        |
|---|--------------------|---------------------|---------------------|
| <b>Operating Cash</b>                         |                    |                     |                     |
| 10000 - First Citizens Checking - Operating   | \$37,291.10        |                     | \$37,291.10         |
| <b>Total Operating Cash</b>                   | <b>\$37,291.10</b> |                     | <b>\$37,291.10</b>  |
| <b>Cash in Reserves</b>                       |                    |                     |                     |
| 11000 - First Citizens Money Market - Reserve |                    | \$267,142.92        | \$267,142.92        |
| 11400 - First Citizens CDARS - Reserve        |                    | \$365,643.56        | \$365,643.56        |
| <b>Total Cash in Reserves</b>                 |                    | <b>\$632,786.48</b> | <b>\$632,786.48</b> |
| <b>Other Assets</b>                           |                    |                     |                     |
| 01310 - Receivable - Accounts                 | \$3,873.85         |                     | \$3,873.85          |
| 01320 - Accrued Receivable - Interest         |                    | \$10,947.00         | \$10,947.00         |
| 01700 - Prepaid Insurance                     | \$7,005.41         |                     | \$7,005.41          |
| 01710 - Prepaid Income Tax                    | \$3,070.00         | \$1,080.00          | \$4,150.00          |
| 01750 - Prepaid Expenses - Other              | \$102.00           |                     | \$102.00            |
| <b>Total Other Assets</b>                     | <b>\$14,051.26</b> | <b>\$12,027.00</b>  | <b>\$26,078.26</b>  |
| <b>Total Assets</b>                           | <b>\$51,342.36</b> | <b>\$644,813.48</b> | <b>\$696,155.84</b> |
| <b>Liabilities / Equity</b>                   |                    |                     |                     |
| <b>Liabilities</b>                            |                    |                     |                     |
| 02050 - Income Taxes Payable                  | \$3,004.00         |                     | \$3,004.00          |
| 02300 - Accounts payable                      | \$3,067.64         |                     | \$3,067.64          |
| 02305 - Accrued Accounts Payable              | \$236.39           |                     | \$236.39            |
| 02310 - Prepaid Owner Assessments             | \$5,886.69         |                     | \$5,886.69          |
| <b>Total Liabilities</b>                      | <b>\$12,194.72</b> |                     | <b>\$12,194.72</b>  |
| <b>Equity</b>                                 |                    |                     |                     |
| 03000 - Operating Fund                        | \$46,825.16        |                     | \$46,825.16         |
| 03020 - Current Year Net Income/(Loss)        | (\$7,677.52)       | \$67,086.99         | \$59,409.47         |
| 03900 - Replacement Reserve                   |                    | \$577,726.49        | \$577,726.49        |
| <b>Total Equity</b>                           | <b>\$39,147.64</b> | <b>\$644,813.48</b> | <b>\$683,961.12</b> |
| <b>Total Liabilities / Equity</b>             | <b>\$51,342.36</b> | <b>\$644,813.48</b> | <b>\$696,155.84</b> |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 3/1/2026 - 3/31/2026

|                                   | Current Period   |                  |              | Year To Date      |                   |                 | Annual Budget     |
|-----------------------------------|------------------|------------------|--------------|-------------------|-------------------|-----------------|-------------------|
|                                   | Actual           | Budget           | Variance     | Actual            | Budget            | Variance        |                   |
| <b>Operating Income</b>           |                  |                  |              |                   |                   |                 |                   |
| <b>Revenues</b>                   |                  |                  |              |                   |                   |                 |                   |
| 04000 - Regular Assessments       | 15,806.33        | 15,806.33        | -            | 142,256.97        | 142,256.97        | -               | 189,676.00        |
| 04055 - Collection fee            | 20.00            | 16.67            | 3.33         | 180.00            | 150.03            | 29.97           | 200.00            |
| 04070 - CC&R fines                | -                | -                | -            | (1,050.00)        | -                 | (1,050.00)      | -                 |
| 04085 - NSF charges               | -                | -                | -            | 35.00             | -                 | 35.00           | -                 |
| 04120 - Late Charges Income       | 39.50            | -                | 39.50        | 258.50            | -                 | 258.50          | -                 |
| 04130 - Interest Penalties Income | 4.64             | -                | 4.64         | 36.73             | -                 | 36.73           | -                 |
| 04150 - Checking Interest Income  | 1.74             | -                | 1.74         | 14.34             | -                 | 14.34           | -                 |
| 04170 - Key Income                | -                | 8.33             | (8.33)       | 100.00            | 74.97             | 25.03           | 100.00            |
| <b>Total Revenues</b>             | <b>15,872.21</b> | <b>15,831.33</b> | <b>40.88</b> | <b>141,831.54</b> | <b>142,481.97</b> | <b>(650.43)</b> | <b>189,976.00</b> |
| <b>Total Income</b>               | <b>15,872.21</b> | <b>15,831.33</b> | <b>40.88</b> | <b>141,831.54</b> | <b>142,481.97</b> | <b>(650.43)</b> | <b>189,976.00</b> |

## Operating Expense

### Administration

|                                      |                 |                 |               |                  |                  |                 |                  |
|--------------------------------------|-----------------|-----------------|---------------|------------------|------------------|-----------------|------------------|
| 06110 - Y/E Review & Tax Preparation | -               | 172.92          | 172.92        | 1,975.00         | 1,556.28         | (418.72)        | 2,075.00         |
| 06120 - Reserve Study                | -               | 61.67           | 61.67         | 1,650.00         | 555.03           | (1,094.97)      | 740.00           |
| 06160 - Collection Fees              | 20.00           | 16.67           | (3.33)        | 180.00           | 150.03           | (29.97)         | 200.00           |
| 06210 - Management Contract          | 1,605.26        | 1,613.08        | 7.82          | 14,447.34        | 14,517.72        | 70.38           | 19,357.00        |
| 06220 - Additional Management        | 47.50           | 54.17           | 6.67          | 525.00           | 487.53           | (37.47)         | 650.00           |
| 06310 - D&O/Fidelity Bond Insurance  | 195.00          | 193.58          | (1.42)        | 1,775.69         | 1,742.22         | (33.47)         | 2,323.00         |
| 06320 - Package Policy Insurance     | 1,310.08        | 1,304.42        | (5.66)        | 11,790.72        | 11,739.78        | (50.94)         | 15,653.00        |
| 06330 - Umbrella Insurance           | 120.98          | 123.83          | 2.85          | 1,088.82         | 1,114.47         | 25.65           | 1,486.00         |
| 06340 - Earthquake Insurance         | 1,762.52        | 2,069.42        | 306.90        | 15,862.68        | 18,624.78        | 2,762.10        | 24,833.00        |
| 06350 - Worker's Comp Insurance      | 30.59           | 30.83           | .24           | 275.30           | 277.47           | 2.17            | 370.00           |
| 06410 - Supplies, Printing, Postage  | -               | 40.00           | 40.00         | 10.85            | 360.00           | 349.15          | 480.00           |
| 06420 - Required Mailings            | -               | 83.33           | 83.33         | 440.50           | 749.97           | 309.47          | 1,000.00         |
| 06430 - Newsletter Mailings          | 36.72           | 6.67            | (30.05)       | 36.72            | 60.03            | 23.31           | 80.00            |
| 06520 - License Expense              | -               | 37.50           | 37.50         | -                | 337.50           | 337.50          | 450.00           |
| 06870 - Miscellaneous Expense        | 209.88          | 3.75            | (206.13)      | 244.88           | 33.75            | (211.13)        | 45.00            |
| <b>Total Administration</b>          | <b>5,338.53</b> | <b>5,811.84</b> | <b>473.31</b> | <b>50,303.50</b> | <b>52,306.56</b> | <b>2,003.06</b> | <b>69,742.00</b> |

### Utilities

|                        |                 |                 |              |                  |                  |                   |                  |
|------------------------|-----------------|-----------------|--------------|------------------|------------------|-------------------|------------------|
| 06910 - Electricity    | 1,106.08        | 1,041.67        | (64.41)      | 9,976.16         | 9,375.03         | (601.13)          | 12,500.00        |
| 06920 - Gas            | 426.70          | 500.00          | 73.30        | 9,662.22         | 4,500.00         | (5,162.22)        | 6,000.00         |
| 06940 - Water          | 469.97          | 1,016.67        | 546.70       | 6,812.00         | 9,150.03         | 2,338.03          | 12,200.00        |
| 06950 - Trash          | 2,115.28        | 1,600.00        | (515.28)     | 18,655.62        | 14,400.00        | (4,255.62)        | 19,200.00        |
| <b>Total Utilities</b> | <b>4,118.03</b> | <b>4,158.34</b> | <b>40.31</b> | <b>45,106.00</b> | <b>37,425.06</b> | <b>(7,680.94)</b> | <b>49,900.00</b> |

### Maintenance

|                                     |          |          |        |           |           |          |           |
|-------------------------------------|----------|----------|--------|-----------|-----------|----------|-----------|
| 07010 - Patrol Contract             | 326.72   | 336.50   | 9.78   | 3,267.20  | 3,028.50  | (238.70) | 4,038.00  |
| 07050 - Alarm Monitoring            | 102.00   | 105.42   | 3.42   | 918.00    | 948.78    | 30.78    | 1,265.00  |
| 07110 - Landscape Contract          | 2,604.65 | 2,604.67 | .02    | 23,317.82 | 23,442.03 | 124.21   | 31,256.00 |
| 07120 - Add'l Landscape Maintenance | 84.75    | 225.00   | 140.25 | 2,259.75  | 2,025.00  | (234.75) | 2,700.00  |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 3/1/2026 - 3/31/2026

|                                      | Current Period   |                  |                 | Year To Date      |                   |                   | Annual Budget     |
|--------------------------------------|------------------|------------------|-----------------|-------------------|-------------------|-------------------|-------------------|
|                                      | Actual           | Budget           | Variance        | Actual            | Budget            | Variance          |                   |
| <b>Operating Expense</b>             |                  |                  |                 |                   |                   |                   |                   |
| 07130 - Landscape Supplies           | 56.50            | 150.00           | 93.50           | 2,652.76          | 1,350.00          | (1,302.76)        | 1,800.00          |
| 07140 - Tree Maintenance             | -                | 300.00           | 300.00          | 3,617.00          | 2,700.00          | (917.00)          | 3,600.00          |
| 07310 - Pool Contract                | 328.37           | 392.08           | 63.71           | 3,131.72          | 3,528.72          | 397.00            | 4,705.00          |
| 07320 - Add'l Pool Maintenance       | 200.00           | 141.67           | (58.33)         | 1,167.00          | 1,275.03          | 108.03            | 1,700.00          |
| 07340 - Pool Chemicals               | 612.30           | 370.83           | (241.47)        | 3,988.68          | 3,337.47          | (651.21)          | 4,450.00          |
| 07410 - Rec Center Contract          | 175.50           | 221.25           | 45.75           | 1,911.54          | 1,991.25          | 79.71             | 2,655.00          |
| 07420 - Add'l Rec Center Maintenance | -                | 33.33            | 33.33           | 220.00            | 299.97            | 79.97             | 400.00            |
| 07430 - Rec Center Supplies          | 31.55            | 66.67            | 35.12           | 433.94            | 600.03            | 166.09            | 800.00            |
| 07610 - Lighting Contract            | 125.00           | 125.00           | -               | 1,125.00          | 1,125.00          | -                 | 1,500.00          |
| 07620 - Lighting Maintenance         | -                | 20.83            | 20.83           | -                 | 187.47            | 187.47            | 250.00            |
| 07630 - Lighting Supplies            | 18.50            | 62.50            | 44.00           | 591.00            | 562.50            | (28.50)           | 750.00            |
| 07720 - Gate Maintenance             | -                | 16.67            | 16.67           | -                 | 150.03            | 150.03            | 200.00            |
| 07740 - Card Key System              | 35.00            | 40.00            | 5.00            | 315.00            | 360.00            | 45.00             | 480.00            |
| 07750 - Keys & Openers Supplies      | -                | 4.17             | 4.17            | 65.85             | 37.53             | (28.32)           | 50.00             |
| 08310 - Common Area Maintenance      | -                | 66.67            | 66.67           | 640.00            | 600.03            | (39.97)           | 800.00            |
| 08330 - Pest Control                 | 405.00           | 444.58           | 39.58           | 3,710.00          | 4,001.22          | 291.22            | 5,335.00          |
| 08340 - Backflow Inspection & Repair | -                | 133.33           | 133.33          | 767.30            | 1,199.97          | 432.67            | 1,600.00          |
| <b>Total Maintenance</b>             | <b>5,105.84</b>  | <b>5,861.17</b>  | <b>755.33</b>   | <b>54,099.56</b>  | <b>52,750.53</b>  | <b>(1,349.03)</b> | <b>70,334.00</b>  |
| <b>Total Expense</b>                 | <b>14,562.40</b> | <b>15,831.35</b> | <b>1,268.95</b> | <b>149,509.06</b> | <b>142,482.15</b> | <b>(7,026.91)</b> | <b>189,976.00</b> |
| <b>Operating Net Total</b>           | <b>1,309.81</b>  | <b>(.02)</b>     | <b>1,309.83</b> | <b>(7,677.52)</b> | <b>(.18)</b>      | <b>(7,677.34)</b> | <b>-</b>          |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 3/1/2026 - 3/31/2026

|                                   | Current Period  |                 |                 | Year To Date     |                  |                  | Annual Budget    |
|-----------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
|                                   | Actual          | Budget          | Variance        | Actual           | Budget           | Variance         |                  |
| <b>Reserve Income</b>             |                 |                 |                 |                  |                  |                  |                  |
| <b>Revenues</b>                   |                 |                 |                 |                  |                  |                  |                  |
| 05100 - Reserve Assessments       | 5,918.67        | 5,918.67        | -               | 53,268.03        | 53,268.03        | -                | 71,024.00        |
| 05300 - Reserve Fund Interest     | 3,438.71        | 766.67          | 2,672.04        | 19,113.02        | 6,900.03         | 12,212.99        | 9,200.00         |
| <b>Total Revenues</b>             | <b>9,357.38</b> | <b>6,685.34</b> | <b>2,672.04</b> | <b>72,381.05</b> | <b>60,168.06</b> | <b>12,212.99</b> | <b>80,224.00</b> |
| <b>Total Income</b>               | <b>9,357.38</b> | <b>6,685.34</b> | <b>2,672.04</b> | <b>72,381.05</b> | <b>60,168.06</b> | <b>12,212.99</b> | <b>80,224.00</b> |
| <b>Reserve Expense</b>            |                 |                 |                 |                  |                  |                  |                  |
| <b>Expenses</b>                   |                 |                 |                 |                  |                  |                  |                  |
| 05199 - Reserve Fund Contribution | -               | 6,685.33        | 6,685.33        | -                | 60,167.97        | 60,167.97        | 80,224.00        |
| 09500 - Replacement Expense       | 2,010.00        | -               | (2,010.00)      | 5,294.06         | -                | (5,294.06)       | -                |
| <b>Total Expenses</b>             | <b>2,010.00</b> | <b>6,685.33</b> | <b>4,675.33</b> | <b>5,294.06</b>  | <b>60,167.97</b> | <b>54,873.91</b> | <b>80,224.00</b> |
| <b>Total Expense</b>              | <b>2,010.00</b> | <b>6,685.33</b> | <b>4,675.33</b> | <b>5,294.06</b>  | <b>60,167.97</b> | <b>54,873.91</b> | <b>80,224.00</b> |
| <b>Reserve Net Total</b>          | <b>7,347.38</b> | <b>.01</b>      | <b>7,347.37</b> | <b>67,086.99</b> | <b>.09</b>       | <b>67,086.90</b> | <b>-</b>         |
| <b>Net Total</b>                  | <b>8,657.19</b> | <b>(.01)</b>    | <b>8,657.20</b> | <b>59,409.47</b> | <b>(.09)</b>     | <b>59,409.56</b> | <b>-</b>         |

**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION  
EXECUTIVE FINANCIAL SUMMARY  
FOR THE NINE MONTHS ENDED MARCH 31, 2026**

**REVENUES AND EXPENSES**

|   | <u>Reserves</u> | <u>Operating</u> | <u>Total</u>    |
|---|-----------------|------------------|-----------------|
| Revenues                                      | \$72,381        | \$141,832        | \$214,213       |
| Expenses                                      | <u>5,294</u>    | <u>149,509</u>   | <u>154,803</u>  |
| Excess (Deficiency) of revenues over expenses | <u>\$67,087</u> | <u>(\$7,678)</u> | <u>\$59,409</u> |

**CASH AND INVESTMENT BALANCES**

|   | <u>Reserves</u>  | <u>Operating</u> | <u>Total</u>     |
|---|------------------|------------------|------------------|
| First Citizens Checking - Operating                     |                  | \$37,291         | \$37,291         |
| Due to/from Operating                                   |                  | 0                | 0                |
| First Citizens Money Market - Reserve                   | \$267,143        |                  | 267,143          |
| Due to/from Reserves                                    | 0                |                  | 0                |
| FCB CDARS - BOKF, National Association, 3.50%, 08/20/26 | 5,900            |                  | 5,900            |
| FCB CDARS - Western Alliance Bk, 3.50%, 08/20/26        | 86,384           |                  | 86,384           |
| FCB CDARS - BOKF, National Association, 3.50%, 08/27/26 | 5,926            |                  | 5,926            |
| FCB CDARS - Western Alliance Bk, 3.50%, 08/27/26        | 86,763           |                  | 86,763           |
| FCB CDARS - BOKF, National Association, 3.50%, 09/03/26 | 19,503           |                  | 19,503           |
| FCB CDARS - Western Alliance Bk, 3.50%, 09/03/26        | 70,353           |                  | 70,353           |
| FCB CDARS - Liberty Bk & Trust, 3.20% 10/29/26          | 90,816           |                  | 90,816           |
| <b>TOTAL</b>  | <u>\$632,786</u> | <u>\$37,291</u>  | <u>\$670,078</u> |
| <b>Total Assets</b>                                     | <u>\$644,813</u> | <u>\$51,342</u>  | <u>\$696,156</u> |
| Assessments Receivable, Net of Allowance for Bad Debt 0 |                  | <u>\$3,874</u>   |                  |
| FDIC insured coverage                                   |                  | <u>\$250,000</u> |                  |
| End of month total at First Citizens                    |                  | <u>\$304,434</u> |                  |
| Recommended Operating account balance                   |                  |                  |                  |
| Total Operating bank balances                           |                  | \$37,291         |                  |
| Total annual budgeted expenses                          |                  | \$270,200        |                  |
| Cash % of annual op expenses (12.5% to 21% recommended) |                  | 13.8%            |                  |

Solstice South Homeowners Association  
  
Financial Statements

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02/28/2026

Per Civil Code §5500., the Board of Directors is required to perform a monthly financial review. The following should be included in the monthly review: a current reconciliation of the association's operating and reserve accounts, the current year's actual operating revenues and expenses compared to the current year's budget, the latest account statements prepared by the financial institutions where the association has its operating and reserve accounts, an income and expense statement for the association's operating and reserve accounts, a check register, monthly general ledger, and delinquent assessment receivable report. For months with no Board of Directors meetings, a financial committee, appointed by the Board, may review the monthly financial statement and have that review ratified at the following month's meeting.

# Valencia Management Group

Leonard A. McKinley  
Certified Public Accountant  
25106 Avenue Tibbitts, Suite 100  
Valencia, CA 91355  
(661) 964-1521

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To the Board of Directors  
Solstice South Homeowners Association

I have compiled the accompanying balance sheet of Solstice South Homeowners Association as of 02/28/2026, and the related statements of revenues and expenses, and changes in fund balances for the period ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly do not express an opinion or provide any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Solstice South Homeowners Association financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basis financial statements. Solstice South Homeowners Association has not presented this supplementary information.

I am not independent with respect to Solstice South Homeowners Association.



Santa Clarita, California  
March 16, 2026

Member American Institute of Certified Public Accountants

# Solstice South Homeowners Association

Balance Sheet as of 2/28/2026

| <b>Assets</b>                                 | <b>Operating</b>   | <b>Reserve</b>      | <b>Total</b>        |
|---|--------------------|---------------------|---------------------|
| <b>Operating Cash</b>                         |                    |                     |                     |
| 01031 - Due From/(To) Reserves                | (\$11,837.34)      |                     | (\$11,837.34)       |
| 10000 - First Citizens Checking - Operating   | \$46,706.61        |                     | \$46,706.61         |
| <b>Total Operating Cash</b>                   | <b>\$34,869.27</b> |                     | <b>\$34,869.27</b>  |
| <b>Cash in Reserves</b>                       |                    |                     |                     |
| 01099 - Due From/(To) Reserves                |                    | \$11,837.34         | \$11,837.34         |
| 11000 - First Citizens Money Market - Reserve |                    | \$251,385.67        | \$251,385.67        |
| 11400 - First Citizens CDARS - Reserve        |                    | \$362,216.09        | \$362,216.09        |
| <b>Total Cash in Reserves</b>                 |                    | <b>\$625,439.10</b> | <b>\$625,439.10</b> |
| <b>Other Assets</b>                           |                    |                     |                     |
| 01310 - Receivable - Accounts                 | \$3,846.96         |                     | \$3,846.96          |
| 01320 - Accrued Receivable - Interest         |                    | \$10,947.00         | \$10,947.00         |
| 01700 - Prepaid Insurance                     | \$10,424.58        |                     | \$10,424.58         |
| 01710 - Prepaid Income Tax                    | \$3,070.00         | \$1,080.00          | \$4,150.00          |
| 01750 - Prepaid Expenses - Other              | \$204.00           |                     | \$204.00            |
| <b>Total Other Assets</b>                     | <b>\$17,545.54</b> | <b>\$12,027.00</b>  | <b>\$29,572.54</b>  |
| <b>Total Assets</b>                           | <b>\$52,414.81</b> | <b>\$637,466.10</b> | <b>\$689,880.91</b> |
| <b>Liabilities / Equity</b>                   | <b>Operating</b>   | <b>Reserve</b>      | <b>Total</b>        |
| <b>Liabilities</b>                            |                    |                     |                     |
| 02050 - Income Taxes Payable                  | \$3,004.00         |                     | \$3,004.00          |
| 02300 - Accounts payable                      | \$2,581.29         |                     | \$2,581.29          |
| 02305 - Accrued Accounts Payable              | \$402.05           |                     | \$402.05            |
| 02310 - Prepaid Owner Assessments             | \$8,589.64         |                     | \$8,589.64          |
| <b>Total Liabilities</b>                      | <b>\$14,576.98</b> |                     | <b>\$14,576.98</b>  |
| <b>Equity</b>                                 |                    |                     |                     |
| 03000 - Operating Fund                        | \$46,825.16        |                     | \$46,825.16         |
| 03020 - Current Year Net Income/(Loss)        | (\$8,987.33)       | \$59,739.61         | \$50,752.28         |
| 03900 - Replacement Reserve                   |                    | \$577,726.49        | \$577,726.49        |
| <b>Total Equity</b>                           | <b>\$37,837.83</b> | <b>\$637,466.10</b> | <b>\$675,303.93</b> |
| <b>Total Liabilities / Equity</b>             | <b>\$52,414.81</b> | <b>\$637,466.10</b> | <b>\$689,880.91</b> |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 2/1/2026 - 2/28/2026

|                                   | Current Period   |                  |              | Year To Date      |                   |                 | Annual Budget     |
|-----------------------------------|------------------|------------------|--------------|-------------------|-------------------|-----------------|-------------------|
|                                   | Actual           | Budget           | Variance     | Actual            | Budget            | Variance        |                   |
| <b>Operating Income</b>           |                  |                  |              |                   |                   |                 |                   |
| <b>Revenues</b>                   |                  |                  |              |                   |                   |                 |                   |
| 04000 - Regular Assessments       | 15,806.33        | 15,806.33        | -            | 126,450.64        | 126,450.64        | -               | 189,676.00        |
| 04055 - Collection fee            | 20.00            | 16.67            | 3.33         | 160.00            | 133.36            | 26.64           | 200.00            |
| 04070 - CC&R fines                | -                | -                | -            | (1,050.00)        | -                 | (1,050.00)      | -                 |
| 04085 - NSF charges               | -                | -                | -            | 35.00             | -                 | 35.00           | -                 |
| 04120 - Late Charges Income       | 79.00            | -                | 79.00        | 219.00            | -                 | 219.00          | -                 |
| 04130 - Interest Penalties Income | 4.62             | -                | 4.62         | 32.09             | -                 | 32.09           | -                 |
| 04150 - Checking Interest Income  | 1.88             | -                | 1.88         | 12.60             | -                 | 12.60           | -                 |
| 04170 - Key Income                | -                | 8.33             | (8.33)       | 100.00            | 66.64             | 33.36           | 100.00            |
| <b>Total Revenues</b>             | <b>15,911.83</b> | <b>15,831.33</b> | <b>80.50</b> | <b>125,959.33</b> | <b>126,650.64</b> | <b>(691.31)</b> | <b>189,976.00</b> |
| <b>Total Income</b>               | <b>15,911.83</b> | <b>15,831.33</b> | <b>80.50</b> | <b>125,959.33</b> | <b>126,650.64</b> | <b>(691.31)</b> | <b>189,976.00</b> |

## Operating Expense

### Administration

|                                      |                 |                 |                   |                  |                  |                 |                  |
|--------------------------------------|-----------------|-----------------|-------------------|------------------|------------------|-----------------|------------------|
| 06110 - Y/E Review & Tax Preparation | -               | 172.92          | 172.92            | 1,975.00         | 1,383.36         | (591.64)        | 2,075.00         |
| 06120 - Reserve Study                | 1,650.00        | 61.67           | (1,588.33)        | 1,650.00         | 493.36           | (1,156.64)      | 740.00           |
| 06160 - Collection Fees              | 20.00           | 16.67           | (3.33)            | 160.00           | 133.36           | (26.64)         | 200.00           |
| 06210 - Management Contract          | 1,605.26        | 1,613.08        | 7.82              | 12,842.08        | 12,904.64        | 62.56           | 19,357.00        |
| 06220 - Additional Management        | 95.00           | 54.17           | (40.83)           | 477.50           | 433.36           | (44.14)         | 650.00           |
| 06310 - D&O/Fidelity Bond Insurance  | 195.00          | 193.58          | (1.42)            | 1,580.69         | 1,548.64         | (32.05)         | 2,323.00         |
| 06320 - Package Policy Insurance     | 1,310.08        | 1,304.42        | (5.66)            | 10,480.64        | 10,435.36        | (45.28)         | 15,653.00        |
| 06330 - Umbrella Insurance           | 120.98          | 123.83          | 2.85              | 967.84           | 990.64           | 22.80           | 1,486.00         |
| 06340 - Earthquake Insurance         | 1,762.52        | 2,069.42        | 306.90            | 14,100.16        | 16,555.36        | 2,455.20        | 24,833.00        |
| 06350 - Worker's Comp Insurance      | 30.59           | 30.83           | .24               | 244.71           | 246.64           | 1.93            | 370.00           |
| 06410 - Supplies, Printing, Postage  | -               | 40.00           | 40.00             | 10.85            | 320.00           | 309.15          | 480.00           |
| 06420 - Required Mailings            | 50.66           | 83.33           | 32.67             | 440.50           | 666.64           | 226.14          | 1,000.00         |
| 06430 - Newsletter Mailings          | -               | 6.67            | 6.67              | -                | 53.36            | 53.36           | 80.00            |
| 06520 - License Expense              | -               | 37.50           | 37.50             | -                | 300.00           | 300.00          | 450.00           |
| 06870 - Miscellaneous Expense        | -               | 3.75            | 3.75              | 35.00            | 30.00            | (5.00)          | 45.00            |
| <b>Total Administration</b>          | <b>6,840.09</b> | <b>5,811.84</b> | <b>(1,028.25)</b> | <b>44,964.97</b> | <b>46,494.72</b> | <b>1,529.75</b> | <b>69,742.00</b> |

### Utilities

|                        |                 |                 |                 |                  |                  |                   |                  |
|------------------------|-----------------|-----------------|-----------------|------------------|------------------|-------------------|------------------|
| 06910 - Electricity    | 1,167.67        | 1,041.67        | (126.00)        | 8,870.08         | 8,333.36         | (536.72)          | 12,500.00        |
| 06920 - Gas            | 606.43          | 500.00          | (106.43)        | 9,235.52         | 4,000.00         | (5,235.52)        | 6,000.00         |
| 06940 - Water          | 373.02          | 1,016.67        | 643.65          | 6,342.03         | 8,133.36         | 1,791.33          | 12,200.00        |
| 06950 - Trash          | 2,115.28        | 1,600.00        | (515.28)        | 16,540.34        | 12,800.00        | (3,740.34)        | 19,200.00        |
| <b>Total Utilities</b> | <b>4,262.40</b> | <b>4,158.34</b> | <b>(104.06)</b> | <b>40,987.97</b> | <b>33,266.72</b> | <b>(7,721.25)</b> | <b>49,900.00</b> |

### Maintenance

|                            |          |          |      |           |           |          |           |
|----------------------------|----------|----------|------|-----------|-----------|----------|-----------|
| 07010 - Patrol Contract    | 326.72   | 336.50   | 9.78 | 2,940.48  | 2,692.00  | (248.48) | 4,038.00  |
| 07050 - Alarm Monitoring   | 102.00   | 105.42   | 3.42 | 816.00    | 843.36    | 27.36    | 1,265.00  |
| 07110 - Landscape Contract | 2,604.65 | 2,604.67 | .02  | 20,713.17 | 20,837.36 | 124.19   | 31,256.00 |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 2/1/2026 - 2/28/2026

|                                      | Current Period   |                  |                 | Year To Date      |                   |                   | Annual Budget     |
|--------------------------------------|------------------|------------------|-----------------|-------------------|-------------------|-------------------|-------------------|
|                                      | Actual           | Budget           | Variance        | Actual            | Budget            | Variance          |                   |
| <b>Operating Expense</b>             |                  |                  |                 |                   |                   |                   |                   |
| 07120 - Add'l Landscape Maintenance  | 104.00           | 225.00           | 121.00          | 2,175.00          | 1,800.00          | (375.00)          | 2,700.00          |
| 07130 - Landscape Supplies           | 86.48            | 150.00           | 63.52           | 2,596.26          | 1,200.00          | (1,396.26)        | 1,800.00          |
| 07140 - Tree Maintenance             | -                | 300.00           | 300.00          | 3,617.00          | 2,400.00          | (1,217.00)        | 3,600.00          |
| 07310 - Pool Contract                | 328.37           | 392.08           | 63.71           | 2,803.35          | 3,136.64          | 333.29            | 4,705.00          |
| 07320 - Add'l Pool Maintenance       | -                | 141.67           | 141.67          | 967.00            | 1,133.36          | 166.36            | 1,700.00          |
| 07340 - Pool Chemicals               | 105.80           | 370.83           | 265.03          | 3,376.38          | 2,966.64          | (409.74)          | 4,450.00          |
| 07410 - Rec Center Contract          | 170.39           | 221.25           | 50.86           | 1,736.04          | 1,770.00          | 33.96             | 2,655.00          |
| 07420 - Add'l Rec Center Maintenance | -                | 33.33            | 33.33           | 220.00            | 266.64            | 46.64             | 400.00            |
| 07430 - Rec Center Supplies          | 31.55            | 66.67            | 35.12           | 402.39            | 533.36            | 130.97            | 800.00            |
| 07610 - Lighting Contract            | 125.00           | 125.00           | -               | 1,000.00          | 1,000.00          | -                 | 1,500.00          |
| 07620 - Lighting Maintenance         | -                | 20.83            | 20.83           | -                 | 166.64            | 166.64            | 250.00            |
| 07630 - Lighting Supplies            | 16.50            | 62.50            | 46.00           | 572.50            | 500.00            | (72.50)           | 750.00            |
| 07720 - Gate Maintenance             | -                | 16.67            | 16.67           | -                 | 133.36            | 133.36            | 200.00            |
| 07740 - Card Key System              | 35.00            | 40.00            | 5.00            | 280.00            | 320.00            | 40.00             | 480.00            |
| 07750 - Keys & Openers Supplies      | -                | 4.17             | 4.17            | 65.85             | 33.36             | (32.49)           | 50.00             |
| 08310 - Common Area Maintenance      | -                | 66.67            | 66.67           | 640.00            | 533.36            | (106.64)          | 800.00            |
| 08330 - Pest Control                 | 405.00           | 444.58           | 39.58           | 3,305.00          | 3,556.64          | 251.64            | 5,335.00          |
| 08340 - Backflow Inspection & Repair | -                | 133.33           | 133.33          | 767.30            | 1,066.64          | 299.34            | 1,600.00          |
| <b>Total Maintenance</b>             | <b>4,441.46</b>  | <b>5,861.17</b>  | <b>1,419.71</b> | <b>48,993.72</b>  | <b>46,889.36</b>  | <b>(2,104.36)</b> | <b>70,334.00</b>  |
| <b>Total Expense</b>                 | <b>15,543.95</b> | <b>15,831.35</b> | <b>287.40</b>   | <b>134,946.66</b> | <b>126,650.80</b> | <b>(8,295.86)</b> | <b>189,976.00</b> |
| <b>Operating Net Total</b>           | <b>367.88</b>    | <b>(.02)</b>     | <b>367.90</b>   | <b>(8,987.33)</b> | <b>(.16)</b>      | <b>(8,987.17)</b> | <b>-</b>          |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 2/1/2026 - 2/28/2026

|                                   | Current Period  |                 |                 | Year To Date     |                  |                  | Annual Budget    |
|-----------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
|                                   | Actual          | Budget          | Variance        | Actual           | Budget           | Variance         |                  |
| <b>Reserve Income</b>             |                 |                 |                 |                  |                  |                  |                  |
| <b>Revenues</b>                   |                 |                 |                 |                  |                  |                  |                  |
| 05100 - Reserve Assessments       | 5,918.67        | 5,918.67        | -               | 47,349.36        | 47,349.36        | -                | 71,024.00        |
| 05300 - Reserve Fund Interest     | 3,436.01        | 766.67          | 2,669.34        | 15,674.31        | 6,133.36         | 9,540.95         | 9,200.00         |
| <b>Total Revenues</b>             | <b>9,354.68</b> | <b>6,685.34</b> | <b>2,669.34</b> | <b>63,023.67</b> | <b>53,482.72</b> | <b>9,540.95</b>  | <b>80,224.00</b> |
| <b>Total Income</b>               | <b>9,354.68</b> | <b>6,685.34</b> | <b>2,669.34</b> | <b>63,023.67</b> | <b>53,482.72</b> | <b>9,540.95</b>  | <b>80,224.00</b> |
| <b>Reserve Expense</b>            |                 |                 |                 |                  |                  |                  |                  |
| <b>Expenses</b>                   |                 |                 |                 |                  |                  |                  |                  |
| 05199 - Reserve Fund Contribution | -               | 6,685.33        | 6,685.33        | -                | 53,482.64        | 53,482.64        | 80,224.00        |
| 09500 - Replacement Expense       | 2,010.00        | -               | (2,010.00)      | 3,284.06         | -                | (3,284.06)       | -                |
| <b>Total Expenses</b>             | <b>2,010.00</b> | <b>6,685.33</b> | <b>4,675.33</b> | <b>3,284.06</b>  | <b>53,482.64</b> | <b>50,198.58</b> | <b>80,224.00</b> |
| <b>Total Expense</b>              | <b>2,010.00</b> | <b>6,685.33</b> | <b>4,675.33</b> | <b>3,284.06</b>  | <b>53,482.64</b> | <b>50,198.58</b> | <b>80,224.00</b> |
| <b>Reserve Net Total</b>          | <b>7,344.68</b> | <b>.01</b>      | <b>7,344.67</b> | <b>59,739.61</b> | <b>.08</b>       | <b>59,739.53</b> | <b>-</b>         |
| <b>Net Total</b>                  | <b>7,712.56</b> | <b>(.01)</b>    | <b>7,712.57</b> | <b>50,752.28</b> | <b>(.08)</b>     | <b>50,752.36</b> | <b>-</b>         |

**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION  
EXECUTIVE FINANCIAL SUMMARY  
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2026**

**REVENUES AND EXPENSES**

|   | <u>Reserves</u> | <u>Operating</u> | <u>Total</u>    |
|---|-----------------|------------------|-----------------|
| Revenues                                      | \$63,024        | \$125,959        | \$188,983       |
| Expenses                                      | <u>3,284</u>    | <u>134,947</u>   | <u>138,231</u>  |
| Excess (Deficiency) of revenues over expenses | <u>\$59,740</u> | <u>(\$8,987)</u> | <u>\$50,752</u> |

**CASH AND INVESTMENT BALANCES**

|   | <u>Reserves</u>  | <u>Operating</u> | <u>Total</u>     |
|---|------------------|------------------|------------------|
| First Citizens Checking - Operating                     |                  | \$46,707         | \$46,707         |
| Due to/from Operating                                   |                  | (11,837)         | (11,837)         |
| First Citizens Money Market - Reserve                   | \$251,386        |                  | 251,386          |
| Due to/from Reserves                                    | 11,837           |                  | 11,837           |
| FCB CDARS - Farmers Bk & Trust, 3.90%, 03/05/26         | 24,075           |                  | 24,075           |
| FCB CDARS - Western Alliance Bk, 3.90%, 03/05/26        | 62,353           |                  | 62,353           |
| FCB CDARS - BOKF, National Association, 3.50%, 08/20/26 | 5,900            |                  | 5,900            |
| FCB CDARS - Western Alliance Bk, 3.50%, 08/20/26        | 86,384           |                  | 86,384           |
| FCB CDARS - BOKF, National Association, 3.50%, 08/27/26 | 5,926            |                  | 5,926            |
| FCB CDARS - Western Alliance Bk, 3.50%, 08/27/26        | 86,763           |                  | 86,763           |
| FCB CDARS - Liberty Bk & Trust, 3.20% 10/29/26          | 90,816           |                  | 90,816           |
| <b>TOTAL</b>  | <u>\$625,439</u> | <u>\$34,869</u>  | <u>\$660,308</u> |
| Total Assets  | <u>\$637,466</u> | <u>\$52,415</u>  | <u>\$689,881</u> |
| Assessments Receivable, Net of Allowance for Bad Debt 0 |                  | <u>\$3,847</u>   |                  |
| FDIC insured coverage                                   |                  | <u>\$250,000</u> |                  |
| End of month total at First Citizens                    |                  | <u>\$298,092</u> |                  |
| Recommended Operating account balance                   |                  |                  |                  |
| Total Operating bank balances                           |                  | \$34,869         |                  |
| Total annual budgeted expenses                          |                  | \$270,200        |                  |
| Cash % of annual op expenses (12.5% to 21% recommended) |                  | 12.9%            |                  |

Solstice South Homeowners Association  
Financial Statements

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01/31/2026

Per Civil Code §5500., the Board of Directors is required to perform a monthly financial review. The following should be included in the monthly review: a current reconciliation of the association's operating and reserve accounts, the current year's actual operating revenues and expenses compared to the current year's budget, the latest account statements prepared by the financial institutions where the association has its operating and reserve accounts, an income and expense statement for the association's operating and reserve accounts, a check register, monthly general ledger, and delinquent assessment receivable report. For months with no Board of Directors meetings, a financial committee, appointed by the Board, may review the monthly financial statement and have that review ratified at the following month's meeting.

# Valencia Management Group

Leonard A. McKinley  
Certified Public Accountant  
25106 Avenue Tibbitts, Suite 100  
Valencia, CA 91355  
(661) 964-1521

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To the Board of Directors  
Solstice South Homeowners Association

I have compiled the accompanying balance sheet of Solstice South Homeowners Association as of 01/31/2026, and the related statements of revenues and expenses, and changes in fund balances for the period ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly do not express an opinion or provide any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Solstice South Homeowners Association financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basis financial statements. Solstice South Homeowners Association has not presented this supplementary information.

I am not independent with respect to Solstice South Homeowners Association.



Santa Clarita, California  
March 03, 2026

Member American Institute of Certified Public Accountants

# Solstice South Homeowners Association

Balance Sheet as of 1/31/2026

| <b>Assets</b>                                 | <b>Operating</b>   | <b>Reserve</b>      | <b>Total</b>        |
|---|--------------------|---------------------|---------------------|
| <b>Operating Cash</b>                         |                    |                     |                     |
| 01031 - Due From/(To) Reserves                | (\$11,837.34)      |                     | (\$11,837.34)       |
| 10000 - First Citizens Checking - Operating   | \$44,470.53        |                     | \$44,470.53         |
| <b>Total Operating Cash</b>                   | <b>\$32,633.19</b> |                     | <b>\$32,633.19</b>  |
| <b>Cash in Reserves</b>                       |                    |                     |                     |
| 01099 - Due From/(To) Reserves                |                    | \$11,837.34         | \$11,837.34         |
| 11000 - First Citizens Money Market - Reserve |                    | \$247,467.41        | \$247,467.41        |
| 11400 - First Citizens CDARS - Reserve        |                    | \$358,789.67        | \$358,789.67        |
| <b>Total Cash in Reserves</b>                 |                    | <b>\$618,094.42</b> | <b>\$618,094.42</b> |
| <b>Other Assets</b>                           |                    |                     |                     |
| 01310 - Receivable - Accounts                 | \$3,741.09         |                     | \$3,741.09          |
| 01320 - Accrued Receivable - Interest         |                    | \$10,947.00         | \$10,947.00         |
| 01700 - Prepaid Insurance                     | \$13,843.75        |                     | \$13,843.75         |
| 01710 - Prepaid Income Tax                    | \$3,070.00         | \$1,080.00          | \$4,150.00          |
| 01750 - Prepaid Expenses - Other              | \$66.00            |                     | \$66.00             |
| <b>Total Other Assets</b>                     | <b>\$20,720.84</b> | <b>\$12,027.00</b>  | <b>\$32,747.84</b>  |
| <b>Total Assets</b>                           | <b>\$53,354.03</b> | <b>\$630,121.42</b> | <b>\$683,475.45</b> |
| <b>Liabilities / Equity</b>                   | <b>Operating</b>   | <b>Reserve</b>      | <b>Total</b>        |
| <b>Liabilities</b>                            |                    |                     |                     |
| 02050 - Income Taxes Payable                  | \$3,004.00         |                     | \$3,004.00          |
| 02300 - Accounts payable                      | \$2,890.05         |                     | \$2,890.05          |
| 02305 - Accrued Accounts Payable              | \$236.39           |                     | \$236.39            |
| 02310 - Prepaid Owner Assessments             | \$9,753.64         |                     | \$9,753.64          |
| <b>Total Liabilities</b>                      | <b>\$15,884.08</b> |                     | <b>\$15,884.08</b>  |
| <b>Equity</b>                                 |                    |                     |                     |
| 03000 - Operating Fund                        | \$46,825.16        |                     | \$46,825.16         |
| 03020 - Current Year Net Income/(Loss)        | (\$9,355.21)       | \$52,394.93         | \$43,039.72         |
| 03900 - Replacement Reserve                   |                    | \$577,726.49        | \$577,726.49        |
| <b>Total Equity</b>                           | <b>\$37,469.95</b> | <b>\$630,121.42</b> | <b>\$667,591.37</b> |
| <b>Total Liabilities / Equity</b>             | <b>\$53,354.03</b> | <b>\$630,121.42</b> | <b>\$683,475.45</b> |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 1/1/2026 - 1/31/2026

|                                   | Current Period   |                  |                | Year To Date      |                   |                 | Annual Budget     |
|-----------------------------------|------------------|------------------|----------------|-------------------|-------------------|-----------------|-------------------|
|                                   | Actual           | Budget           | Variance       | Actual            | Budget            | Variance        |                   |
| <b>Operating Income</b>           |                  |                  |                |                   |                   |                 |                   |
| <b>Revenues</b>                   |                  |                  |                |                   |                   |                 |                   |
| 04000 - Regular Assessments       | 15,806.33        | 15,806.33        | -              | 110,644.31        | 110,644.31        | -               | 189,676.00        |
| 04055 - Collection fee            | 20.00            | 16.67            | 3.33           | 140.00            | 116.69            | 23.31           | 200.00            |
| 04070 - CC&R fines                | -                | -                | -              | (1,050.00)        | -                 | (1,050.00)      | -                 |
| 04085 - NSF charges               | -                | -                | -              | 35.00             | -                 | 35.00           | -                 |
| 04120 - Late Charges Income       | (97.00)          | -                | (97.00)        | 140.00            | -                 | 140.00          | -                 |
| 04130 - Interest Penalties Income | 2.19             | -                | 2.19           | 27.47             | -                 | 27.47           | -                 |
| 04150 - Checking Interest Income  | 1.84             | -                | 1.84           | 10.72             | -                 | 10.72           | -                 |
| 04170 - Key Income                | -                | 8.33             | (8.33)         | 100.00            | 58.31             | 41.69           | 100.00            |
| <b>Total Revenues</b>             | <b>15,733.36</b> | <b>15,831.33</b> | <b>(97.97)</b> | <b>110,047.50</b> | <b>110,819.31</b> | <b>(771.81)</b> | <b>189,976.00</b> |
| <b>Total Income</b>               | <b>15,733.36</b> | <b>15,831.33</b> | <b>(97.97)</b> | <b>110,047.50</b> | <b>110,819.31</b> | <b>(771.81)</b> | <b>189,976.00</b> |

## Operating Expense

### Administration

|                                      |                 |                 |               |                  |                  |                 |                  |
|--------------------------------------|-----------------|-----------------|---------------|------------------|------------------|-----------------|------------------|
| 06110 - Y/E Review & Tax Preparation | -               | 172.92          | 172.92        | 1,975.00         | 1,210.44         | (764.56)        | 2,075.00         |
| 06120 - Reserve Study                | -               | 61.67           | 61.67         | -                | 431.69           | 431.69          | 740.00           |
| 06160 - Collection Fees              | 20.00           | 16.67           | (3.33)        | 140.00           | 116.69           | (23.31)         | 200.00           |
| 06210 - Management Contract          | 1,605.26        | 1,613.08        | 7.82          | 11,236.82        | 11,291.56        | 54.74           | 19,357.00        |
| 06220 - Additional Management        | 20.00           | 54.17           | 34.17         | 382.50           | 379.19           | (3.31)          | 650.00           |
| 06310 - D&O/Fidelity Bond Insurance  | 195.00          | 193.58          | (1.42)        | 1,385.69         | 1,355.06         | (30.63)         | 2,323.00         |
| 06320 - Package Policy Insurance     | 1,310.08        | 1,304.42        | (5.66)        | 9,170.56         | 9,130.94         | (39.62)         | 15,653.00        |
| 06330 - Umbrella Insurance           | 120.98          | 123.83          | 2.85          | 846.86           | 866.81           | 19.95           | 1,486.00         |
| 06340 - Earthquake Insurance         | 1,762.52        | 2,069.42        | 306.90        | 12,337.64        | 14,485.94        | 2,148.30        | 24,833.00        |
| 06350 - Worker's Comp Insurance      | 30.59           | 30.83           | .24           | 214.12           | 215.81           | 1.69            | 370.00           |
| 06410 - Supplies, Printing, Postage  | -               | 40.00           | 40.00         | 10.85            | 280.00           | 269.15          | 480.00           |
| 06420 - Required Mailings            | -               | 83.33           | 83.33         | 389.84           | 583.31           | 193.47          | 1,000.00         |
| 06430 - Newsletter Mailings          | -               | 6.67            | 6.67          | -                | 46.69            | 46.69           | 80.00            |
| 06520 - License Expense              | -               | 37.50           | 37.50         | -                | 262.50           | 262.50          | 450.00           |
| 06870 - Miscellaneous Expense        | -               | 3.75            | 3.75          | 35.00            | 26.25            | (8.75)          | 45.00            |
| <b>Total Administration</b>          | <b>5,064.43</b> | <b>5,811.84</b> | <b>747.41</b> | <b>38,124.88</b> | <b>40,682.88</b> | <b>2,558.00</b> | <b>69,742.00</b> |

### Utilities

|                        |                 |                 |                 |                  |                  |                   |                  |
|------------------------|-----------------|-----------------|-----------------|------------------|------------------|-------------------|------------------|
| 06910 - Electricity    | 1,277.59        | 1,041.67        | (235.92)        | 7,702.41         | 7,291.69         | (410.72)          | 12,500.00        |
| 06920 - Gas            | 596.34          | 500.00          | (96.34)         | 8,629.09         | 3,500.00         | (5,129.09)        | 6,000.00         |
| 06940 - Water          | 342.55          | 1,016.67        | 674.12          | 5,969.01         | 7,116.69         | 1,147.68          | 12,200.00        |
| 06950 - Trash          | 2,115.28        | 1,600.00        | (515.28)        | 14,425.06        | 11,200.00        | (3,225.06)        | 19,200.00        |
| <b>Total Utilities</b> | <b>4,331.76</b> | <b>4,158.34</b> | <b>(173.42)</b> | <b>36,725.57</b> | <b>29,108.38</b> | <b>(7,617.19)</b> | <b>49,900.00</b> |

### Maintenance

|                            |          |          |      |           |           |          |           |
|----------------------------|----------|----------|------|-----------|-----------|----------|-----------|
| 07010 - Patrol Contract    | 326.72   | 336.50   | 9.78 | 2,613.76  | 2,355.50  | (258.26) | 4,038.00  |
| 07050 - Alarm Monitoring   | 102.00   | 105.42   | 3.42 | 714.00    | 737.94    | 23.94    | 1,265.00  |
| 07110 - Landscape Contract | 2,604.65 | 2,604.67 | .02  | 18,108.52 | 18,232.69 | 124.17   | 31,256.00 |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 1/1/2026 - 1/31/2026

|                                      | Current Period   |                  |                 | Year To Date      |                   |                   | Annual Budget     |
|--------------------------------------|------------------|------------------|-----------------|-------------------|-------------------|-------------------|-------------------|
|                                      | Actual           | Budget           | Variance        | Actual            | Budget            | Variance          |                   |
| <b>Operating Expense</b>             |                  |                  |                 |                   |                   |                   |                   |
| 07120 - Add'l Landscape Maintenance  | 513.25           | 225.00           | (288.25)        | 2,071.00          | 1,575.00          | (496.00)          | 2,700.00          |
| 07130 - Landscape Supplies           | 248.08           | 150.00           | (98.08)         | 2,509.78          | 1,050.00          | (1,459.78)        | 1,800.00          |
| 07140 - Tree Maintenance             | -                | 300.00           | 300.00          | 3,617.00          | 2,100.00          | (1,517.00)        | 3,600.00          |
| 07310 - Pool Contract                | 328.37           | 392.08           | 63.71           | 2,474.98          | 2,744.56          | 269.58            | 4,705.00          |
| 07320 - Add'l Pool Maintenance       | -                | 141.67           | 141.67          | 967.00            | 991.69            | 24.69             | 1,700.00          |
| 07340 - Pool Chemicals               | 125.70           | 370.83           | 245.13          | 3,270.58          | 2,595.81          | (674.77)          | 4,450.00          |
| 07410 - Rec Center Contract          | 170.39           | 221.25           | 50.86           | 1,565.65          | 1,548.75          | (16.90)           | 2,655.00          |
| 07420 - Add'l Rec Center Maintenance | -                | 33.33            | 33.33           | 220.00            | 233.31            | 13.31             | 400.00            |
| 07430 - Rec Center Supplies          | 69.44            | 66.67            | (2.77)          | 370.84            | 466.69            | 95.85             | 800.00            |
| 07610 - Lighting Contract            | 125.00           | 125.00           | -               | 875.00            | 875.00            | -                 | 1,500.00          |
| 07620 - Lighting Maintenance         | -                | 20.83            | 20.83           | -                 | 145.81            | 145.81            | 250.00            |
| 07630 - Lighting Supplies            | 66.00            | 62.50            | (3.50)          | 556.00            | 437.50            | (118.50)          | 750.00            |
| 07720 - Gate Maintenance             | -                | 16.67            | 16.67           | -                 | 116.69            | 116.69            | 200.00            |
| 07740 - Card Key System              | 35.00            | 40.00            | 5.00            | 245.00            | 280.00            | 35.00             | 480.00            |
| 07750 - Keys & Openers Supplies      | -                | 4.17             | 4.17            | 65.85             | 29.19             | (36.66)           | 50.00             |
| 08310 - Common Area Maintenance      | -                | 66.67            | 66.67           | 640.00            | 466.69            | (173.31)          | 800.00            |
| 08330 - Pest Control                 | 405.00           | 444.58           | 39.58           | 2,900.00          | 3,112.06          | 212.06            | 5,335.00          |
| 08340 - Backflow Inspection & Repair | -                | 133.33           | 133.33          | 767.30            | 933.31            | 166.01            | 1,600.00          |
| <b>Total Maintenance</b>             | <b>5,119.60</b>  | <b>5,861.17</b>  | <b>741.57</b>   | <b>44,552.26</b>  | <b>41,028.19</b>  | <b>(3,524.07)</b> | <b>70,334.00</b>  |
| <b>Total Expense</b>                 | <b>14,515.79</b> | <b>15,831.35</b> | <b>1,315.56</b> | <b>119,402.71</b> | <b>110,819.45</b> | <b>(8,583.26)</b> | <b>189,976.00</b> |
| <b>Operating Net Total</b>           | <b>1,217.57</b>  | <b>(.02)</b>     | <b>1,217.59</b> | <b>(9,355.21)</b> | <b>(.14)</b>      | <b>(9,355.07)</b> | <b>-</b>          |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 1/1/2026 - 1/31/2026

|                                   | Current Period  |                 |                 | Year To Date     |                  |                  | Annual Budget    |
|-----------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
|                                   | Actual          | Budget          | Variance        | Actual           | Budget           | Variance         |                  |
| <b>Reserve Income</b>             |                 |                 |                 |                  |                  |                  |                  |
| <b>Revenues</b>                   |                 |                 |                 |                  |                  |                  |                  |
| 05100 - Reserve Assessments       | 5,918.67        | 5,918.67        | -               | 41,430.69        | 41,430.69        | -                | 71,024.00        |
| 05300 - Reserve Fund Interest     | 10.39           | 766.67          | (756.28)        | 12,238.30        | 5,366.69         | 6,871.61         | 9,200.00         |
| <b>Total Revenues</b>             | <b>5,929.06</b> | <b>6,685.34</b> | <b>(756.28)</b> | <b>53,668.99</b> | <b>46,797.38</b> | <b>6,871.61</b>  | <b>80,224.00</b> |
| <b>Total Income</b>               | <b>5,929.06</b> | <b>6,685.34</b> | <b>(756.28)</b> | <b>53,668.99</b> | <b>46,797.38</b> | <b>6,871.61</b>  | <b>80,224.00</b> |
| <b>Reserve Expense</b>            |                 |                 |                 |                  |                  |                  |                  |
| <b>Expenses</b>                   |                 |                 |                 |                  |                  |                  |                  |
| 05199 - Reserve Fund Contribution | -               | 6,685.33        | 6,685.33        | -                | 46,797.31        | 46,797.31        | 80,224.00        |
| 09500 - Replacement Expense       | -               | -               | -               | 1,274.06         | -                | (1,274.06)       | -                |
| <b>Total Expenses</b>             | <b>-</b>        | <b>6,685.33</b> | <b>6,685.33</b> | <b>1,274.06</b>  | <b>46,797.31</b> | <b>45,523.25</b> | <b>80,224.00</b> |
| <b>Total Expense</b>              | <b>-</b>        | <b>6,685.33</b> | <b>6,685.33</b> | <b>1,274.06</b>  | <b>46,797.31</b> | <b>45,523.25</b> | <b>80,224.00</b> |
| <b>Reserve Net Total</b>          | <b>5,929.06</b> | <b>.01</b>      | <b>5,929.05</b> | <b>52,394.93</b> | <b>.07</b>       | <b>52,394.86</b> | <b>-</b>         |
| <b>Net Total</b>                  | <b>7,146.63</b> | <b>(.01)</b>    | <b>7,146.64</b> | <b>43,039.72</b> | <b>(.07)</b>     | <b>43,039.79</b> | <b>-</b>         |

**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION  
EXECUTIVE FINANCIAL SUMMARY  
FOR THE SEVEN MONTHS ENDED JANUARY 31, 2026**

**REVENUES AND EXPENSES**

|   | <u>Reserves</u> | <u>Operating</u> | <u>Total</u>    |
|---|-----------------|------------------|-----------------|
| Revenues                                      | \$53,669        | \$110,048        | \$163,716       |
| Expenses                                      | <u>1,274</u>    | <u>119,403</u>   | <u>120,677</u>  |
| Excess (Deficiency) of revenues over expenses | <u>\$52,395</u> | <u>(\$9,355)</u> | <u>\$43,040</u> |

**CASH AND INVESTMENT BALANCES**

|   | <u>Reserves</u>  | <u>Operating</u> | <u>Total</u>     |
|---|------------------|------------------|------------------|
| First Citizens Checking - Operating                     |                  | \$44,471         | \$44,471         |
| Due to/from Operating                                   |                  | (11,837)         | (11,837)         |
| First Citizens Money Market - Reserve                   | \$247,467        |                  | 247,467          |
| Due to/from Reserves                                    | 11,837           |                  | 11,837           |
| FCB CDARS - Reserve: Meridian Bk, 3.75% 02/19/26        | 4,190            |                  | 4,190            |
| FCB CDARS - Western Alliance Bk, 3.75%, 02/19/26        | 86,384           |                  | 86,384           |
| FCB CDARS - Flagstar Bank, 3.75%, 02/26/26              | 4,209            |                  | 4,209            |
| FCB CDARS - Western Alliance Bk, 3.75%, 02/26/26        | 86,763           |                  | 86,763           |
| FCB CDARS - Reserve: Farmers Bk & Trust 3.90% 3/5/26    | 24,075           |                  | 24,075           |
| FCB CDARS - Reserve: Western Alliance Bk 3.90% 3/5/26   | 62,353           |                  | 62,353           |
| FCB CDARS - Liberty Bk & Trust, 3.20% 10/29/26          | 90,816           |                  | 90,816           |
| <b>TOTAL</b>  | <u>\$618,094</u> | <u>\$32,633</u>  | <u>\$650,728</u> |
| <b>Total Assets</b>                                     | <u>\$630,121</u> | <u>\$53,354</u>  | <u>\$683,475</u> |
| Assessments Receivable, Net of Allowance for Bad Debt   |                  | <u>\$3,741</u>   |                  |
| FDIC insured coverage                                   |                  | <u>\$250,000</u> |                  |
| End of month total at First Citizens                    |                  | <u>\$291,938</u> |                  |
| Recommended Operating account balance                   |                  |                  |                  |
| Total Operating bank balances                           |                  | \$32,633         |                  |
| Total annual budgeted expenses                          |                  | \$270,200        |                  |
| Cash % of annual op expenses (12.5% to 21% recommended) |                  | 12.1%            |                  |

Solstice South Homeowners Association  
  
Financial Statements

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12/31/2025

Per Civil Code §5500., the Board of Directors is required to perform a monthly financial review. The following should be included in the monthly review: a current reconciliation of the association's operating and reserve accounts, the current year's actual operating revenues and expenses compared to the current year's budget, the latest account statements prepared by the financial institutions where the association has its operating and reserve accounts, an income and expense statement for the association's operating and reserve accounts, a check register, monthly general ledger, and delinquent assessment receivable report. For months with no Board of Directors meetings, a financial committee, appointed by the Board, may review the monthly financial statement and have that review ratified at the following month's meeting.

# Valencia Management Group

Leonard A. McKinley  
Certified Public Accountant  
25106 Avenue Tibbitts, Suite 100  
Valencia, CA 91355  
(661) 964-1521

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To the Board of Directors  
Solstice South Homeowners Association

I have compiled the accompanying balance sheet of Solstice South Homeowners Association as of 12/31/2025, and the related statements of revenues and expenses, and changes in fund balances for the period ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. I have not audited or reviewed the accompanying financial statements and supplemental information and, accordingly do not express an opinion or provide any other form of assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Solstice South Homeowners Association financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be a part of, the basis financial statements. Solstice South Homeowners Association has not presented this supplementary information.

I am not independent with respect to Solstice South Homeowners Association.



Santa Clarita, California  
February 13, 2026

Member American Institute of Certified Public Accountants

# Solstice South Homeowners Association

Balance Sheet as of 12/31/2025

| <b>Assets</b>                                 | <b>Operating</b>   | <b>Reserve</b>      | <b>Total</b>        |
|---|--------------------|---------------------|---------------------|
| <b>Operating Cash</b>                         |                    |                     |                     |
| 01031 - Due From/(To) Reserves                | (\$11,837.34)      |                     | (\$11,837.34)       |
| 10000 - First Citizens Checking - Operating   | \$39,577.00        |                     | \$39,577.00         |
| <b>Total Operating Cash</b>                   | <b>\$27,739.66</b> |                     | <b>\$27,739.66</b>  |
| <b>Cash in Reserves</b>                       |                    |                     |                     |
| 01099 - Due From/(To) Reserves                |                    | \$11,837.34         | \$11,837.34         |
| 11000 - First Citizens Money Market - Reserve |                    | \$241,538.35        | \$241,538.35        |
| 11400 - First Citizens CDARS - Reserve        |                    | \$358,789.67        | \$358,789.67        |
| <b>Total Cash in Reserves</b>                 |                    | <b>\$612,165.36</b> | <b>\$612,165.36</b> |
| <b>Other Assets</b>                           |                    |                     |                     |
| 01310 - Receivable - Accounts                 | \$3,459.34         |                     | \$3,459.34          |
| 01320 - Accrued Receivable - Interest         |                    | \$10,947.00         | \$10,947.00         |
| 01700 - Prepaid Insurance                     | \$17,262.92        |                     | \$17,262.92         |
| 01710 - Prepaid Income Tax                    | \$3,070.00         | \$1,080.00          | \$4,150.00          |
| 01750 - Prepaid Expenses - Other              | \$168.00           |                     | \$168.00            |
| <b>Total Other Assets</b>                     | <b>\$23,960.26</b> | <b>\$12,027.00</b>  | <b>\$35,987.26</b>  |
| <b>Total Assets</b>                           | <b>\$51,699.92</b> | <b>\$624,192.36</b> | <b>\$675,892.28</b> |
| <b>Liabilities / Equity</b>                   | <b>Operating</b>   | <b>Reserve</b>      | <b>Total</b>        |
| <b>Liabilities</b>                            |                    |                     |                     |
| 02050 - Income Taxes Payable                  | \$3,004.00         |                     | \$3,004.00          |
| 02300 - Accounts payable                      | \$3,242.32         |                     | \$3,242.32          |
| 02305 - Accrued Accounts Payable              | \$236.39           |                     | \$236.39            |
| 02310 - Prepaid Owner Assessments             | \$8,964.83         |                     | \$8,964.83          |
| <b>Total Liabilities</b>                      | <b>\$15,447.54</b> |                     | <b>\$15,447.54</b>  |
| <b>Equity</b>                                 |                    |                     |                     |
| 03000 - Operating Fund                        | \$46,825.16        |                     | \$46,825.16         |
| 03020 - Current Year Net Income/(Loss)        | (\$10,572.78)      | \$46,465.87         | \$35,893.09         |
| 03900 - Replacement Reserve                   |                    | \$577,726.49        | \$577,726.49        |
| <b>Total Equity</b>                           | <b>\$36,252.38</b> | <b>\$624,192.36</b> | <b>\$660,444.74</b> |
| <b>Total Liabilities / Equity</b>             | <b>\$51,699.92</b> | <b>\$624,192.36</b> | <b>\$675,892.28</b> |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 12/1/2025 - 12/31/2025

|                                   | Current Period   |                  |                 | Year To Date     |                  |                 | Annual Budget     |
|-----------------------------------|------------------|------------------|-----------------|------------------|------------------|-----------------|-------------------|
|                                   | Actual           | Budget           | Variance        | Actual           | Budget           | Variance        |                   |
| <b>Operating Income</b>           |                  |                  |                 |                  |                  |                 |                   |
| <b>Revenues</b>                   |                  |                  |                 |                  |                  |                 |                   |
| 04000 - Regular Assessments       | 15,806.33        | 15,806.33        | -               | 94,837.98        | 94,837.98        | -               | 189,676.00        |
| 04055 - Collection fee            | 20.00            | 16.67            | 3.33            | 120.00           | 100.02           | 19.98           | 200.00            |
| 04070 - CC&R fines                | (450.00)         | -                | (450.00)        | (1,050.00)       | -                | (1,050.00)      | -                 |
| 04085 - NSF charges               | 35.00            | -                | 35.00           | 35.00            | -                | 35.00           | -                 |
| 04120 - Late Charges Income       | -                | -                | -               | 237.00           | -                | 237.00          | -                 |
| 04130 - Interest Penalties Income | (3.28)           | -                | (3.28)          | 25.28            | -                | 25.28           | -                 |
| 04150 - Checking Interest Income  | 1.59             | -                | 1.59            | 8.88             | -                | 8.88            | -                 |
| 04170 - Key Income                | -                | 8.33             | (8.33)          | 100.00           | 49.98            | 50.02           | 100.00            |
| <b>Total Revenues</b>             | <b>15,409.64</b> | <b>15,831.33</b> | <b>(421.69)</b> | <b>94,314.14</b> | <b>94,987.98</b> | <b>(673.84)</b> | <b>189,976.00</b> |
| <b>Total Income</b>               | <b>15,409.64</b> | <b>15,831.33</b> | <b>(421.69)</b> | <b>94,314.14</b> | <b>94,987.98</b> | <b>(673.84)</b> | <b>189,976.00</b> |

## Operating Expense

### Administration

|                                      |                 |                 |               |                  |                  |                 |                  |
|--------------------------------------|-----------------|-----------------|---------------|------------------|------------------|-----------------|------------------|
| 06110 - Y/E Review & Tax Preparation | -               | 172.92          | 172.92        | 1,975.00         | 1,037.52         | (937.48)        | 2,075.00         |
| 06120 - Reserve Study                | -               | 61.67           | 61.67         | -                | 370.02           | 370.02          | 740.00           |
| 06160 - Collection Fees              | 20.00           | 16.67           | (3.33)        | 120.00           | 100.02           | (19.98)         | 200.00           |
| 06210 - Management Contract          | 1,605.26        | 1,613.08        | 7.82          | 9,631.56         | 9,678.48         | 46.92           | 19,357.00        |
| 06220 - Additional Management        | -               | 54.17           | 54.17         | 362.50           | 325.02           | (37.48)         | 650.00           |
| 06310 - D&O/Fidelity Bond Insurance  | 195.00          | 193.58          | (1.42)        | 1,190.69         | 1,161.48         | (29.21)         | 2,323.00         |
| 06320 - Package Policy Insurance     | 1,310.08        | 1,304.42        | (5.66)        | 7,860.48         | 7,826.52         | (33.96)         | 15,653.00        |
| 06330 - Umbrella Insurance           | 120.98          | 123.83          | 2.85          | 725.88           | 742.98           | 17.10           | 1,486.00         |
| 06340 - Earthquake Insurance         | 1,762.52        | 2,069.42        | 306.90        | 10,575.12        | 12,416.52        | 1,841.40        | 24,833.00        |
| 06350 - Worker's Comp Insurance      | 30.59           | 30.83           | .24           | 183.53           | 184.98           | 1.45            | 370.00           |
| 06410 - Supplies, Printing, Postage  | 10.85           | 40.00           | 29.15         | 10.85            | 240.00           | 229.15          | 480.00           |
| 06420 - Required Mailings            | -               | 83.33           | 83.33         | 389.84           | 499.98           | 110.14          | 1,000.00         |
| 06430 - Newsletter Mailings          | -               | 6.67            | 6.67          | -                | 40.02            | 40.02           | 80.00            |
| 06520 - License Expense              | -               | 37.50           | 37.50         | -                | 225.00           | 225.00          | 450.00           |
| 06870 - Miscellaneous Expense        | 35.00           | 3.75            | (31.25)       | 35.00            | 22.50            | (12.50)         | 45.00            |
| <b>Total Administration</b>          | <b>5,090.28</b> | <b>5,811.84</b> | <b>721.56</b> | <b>33,060.45</b> | <b>34,871.04</b> | <b>1,810.59</b> | <b>69,742.00</b> |

### Utilities

|                        |                 |                 |                 |                  |                  |                   |                  |
|------------------------|-----------------|-----------------|-----------------|------------------|------------------|-------------------|------------------|
| 06910 - Electricity    | 1,298.40        | 1,041.67        | (256.73)        | 6,424.82         | 6,250.02         | (174.80)          | 12,500.00        |
| 06920 - Gas            | 653.10          | 500.00          | (153.10)        | 8,032.75         | 3,000.00         | (5,032.75)        | 6,000.00         |
| 06940 - Water          | 350.86          | 1,016.67        | 665.81          | 5,626.46         | 6,100.02         | 473.56            | 12,200.00        |
| 06950 - Trash          | 2,051.63        | 1,600.00        | (451.63)        | 12,309.78        | 9,600.00         | (2,709.78)        | 19,200.00        |
| <b>Total Utilities</b> | <b>4,353.99</b> | <b>4,158.34</b> | <b>(195.65)</b> | <b>32,393.81</b> | <b>24,950.04</b> | <b>(7,443.77)</b> | <b>49,900.00</b> |

### Maintenance

|                            |          |          |          |           |           |          |           |
|----------------------------|----------|----------|----------|-----------|-----------|----------|-----------|
| 07010 - Patrol Contract    | 326.72   | 336.50   | 9.78     | 2,287.04  | 2,019.00  | (268.04) | 4,038.00  |
| 07050 - Alarm Monitoring   | 342.00   | 105.42   | (236.58) | 612.00    | 632.52    | 20.52    | 1,265.00  |
| 07110 - Landscape Contract | 2,604.65 | 2,604.67 | .02      | 15,503.87 | 15,628.02 | 124.15   | 31,256.00 |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 12/1/2025 - 12/31/2025

|                                      | Current Period   |                  |                 | Year To Date       |                  |                    | Annual Budget     |
|--------------------------------------|------------------|------------------|-----------------|--------------------|------------------|--------------------|-------------------|
|                                      | Actual           | Budget           | Variance        | Actual             | Budget           | Variance           |                   |
| <b>Operating Expense</b>             |                  |                  |                 |                    |                  |                    |                   |
| 07120 - Add'l Landscape Maintenance  | -                | 225.00           | 225.00          | 1,557.75           | 1,350.00         | (207.75)           | 2,700.00          |
| 07130 - Landscape Supplies           | -                | 150.00           | 150.00          | 2,261.70           | 900.00           | (1,361.70)         | 1,800.00          |
| 07140 - Tree Maintenance             | -                | 300.00           | 300.00          | 3,617.00           | 1,800.00         | (1,817.00)         | 3,600.00          |
| 07310 - Pool Contract                | 318.81           | 392.08           | 73.27           | 2,146.61           | 2,352.48         | 205.87             | 4,705.00          |
| 07320 - Add'l Pool Maintenance       | -                | 141.67           | 141.67          | 967.00             | 850.02           | (116.98)           | 1,700.00          |
| 07340 - Pool Chemicals               | 105.80           | 370.83           | 265.03          | 3,144.88           | 2,224.98         | (919.90)           | 4,450.00          |
| 07410 - Rec Center Contract          | 170.39           | 221.25           | 50.86           | 1,395.26           | 1,327.50         | (67.76)            | 2,655.00          |
| 07420 - Add'l Rec Center Maintenance | -                | 33.33            | 33.33           | 220.00             | 199.98           | (20.02)            | 400.00            |
| 07430 - Rec Center Supplies          | 25.25            | 66.67            | 41.42           | 301.40             | 400.02           | 98.62              | 800.00            |
| 07610 - Lighting Contract            | 125.00           | 125.00           | -               | 750.00             | 750.00           | -                  | 1,500.00          |
| 07620 - Lighting Maintenance         | -                | 20.83            | 20.83           | -                  | 124.98           | 124.98             | 250.00            |
| 07630 - Lighting Supplies            | 299.50           | 62.50            | (237.00)        | 490.00             | 375.00           | (115.00)           | 750.00            |
| 07720 - Gate Maintenance             | -                | 16.67            | 16.67           | -                  | 100.02           | 100.02             | 200.00            |
| 07740 - Card Key System              | 35.00            | 40.00            | 5.00            | 210.00             | 240.00           | 30.00              | 480.00            |
| 07750 - Keys & Openers Supplies      | -                | 4.17             | 4.17            | 65.85              | 25.02            | (40.83)            | 50.00             |
| 08310 - Common Area Maintenance      | 275.00           | 66.67            | (208.33)        | 640.00             | 400.02           | (239.98)           | 800.00            |
| 08330 - Pest Control                 | 405.00           | 444.58           | 39.58           | 2,495.00           | 2,667.48         | 172.48             | 5,335.00          |
| 08340 - Backflow Inspection & Repair | -                | 133.33           | 133.33          | 767.30             | 799.98           | 32.68              | 1,600.00          |
| <b>Total Maintenance</b>             | <b>5,033.12</b>  | <b>5,861.17</b>  | <b>828.05</b>   | <b>39,432.66</b>   | <b>35,167.02</b> | <b>(4,265.64)</b>  | <b>70,334.00</b>  |
| <b>Total Expense</b>                 | <b>14,477.39</b> | <b>15,831.35</b> | <b>1,353.96</b> | <b>104,886.92</b>  | <b>94,988.10</b> | <b>(9,898.82)</b>  | <b>189,976.00</b> |
| <b>Operating Net Total</b>           | <b>932.25</b>    | <b>(.02)</b>     | <b>932.27</b>   | <b>(10,572.78)</b> | <b>(.12)</b>     | <b>(10,572.66)</b> | <b>-</b>          |

# Solstice South Homeowners Association

## Statement of Revenues and Expenses 12/1/2025 - 12/31/2025

|                                   | Current Period  |                 |                 | Year To Date     |                  |                  | Annual Budget    |
|-----------------------------------|-----------------|-----------------|-----------------|------------------|------------------|------------------|------------------|
|                                   | Actual          | Budget          | Variance        | Actual           | Budget           | Variance         |                  |
| <b>Reserve Income</b>             |                 |                 |                 |                  |                  |                  |                  |
| <b>Revenues</b>                   |                 |                 |                 |                  |                  |                  |                  |
| 05100 - Reserve Assessments       | 5,918.67        | 5,918.67        | -               | 35,512.02        | 35,512.02        | -                | 71,024.00        |
| 05300 - Reserve Fund Interest     | 10.14           | 766.67          | (756.53)        | 12,227.91        | 4,600.02         | 7,627.89         | 9,200.00         |
| <b>Total Revenues</b>             | <b>5,928.81</b> | <b>6,685.34</b> | <b>(756.53)</b> | <b>47,739.93</b> | <b>40,112.04</b> | <b>7,627.89</b>  | <b>80,224.00</b> |
| <b>Total Income</b>               | <b>5,928.81</b> | <b>6,685.34</b> | <b>(756.53)</b> | <b>47,739.93</b> | <b>40,112.04</b> | <b>7,627.89</b>  | <b>80,224.00</b> |
| <b>Reserve Expense</b>            |                 |                 |                 |                  |                  |                  |                  |
| <b>Expenses</b>                   |                 |                 |                 |                  |                  |                  |                  |
| 05199 - Reserve Fund Contribution | -               | 6,685.33        | 6,685.33        | -                | 40,111.98        | 40,111.98        | 80,224.00        |
| 09500 - Replacement Expense       | -               | -               | -               | 1,274.06         | -                | (1,274.06)       | -                |
| <b>Total Expenses</b>             | <b>-</b>        | <b>6,685.33</b> | <b>6,685.33</b> | <b>1,274.06</b>  | <b>40,111.98</b> | <b>38,837.92</b> | <b>80,224.00</b> |
| <b>Total Expense</b>              | <b>-</b>        | <b>6,685.33</b> | <b>6,685.33</b> | <b>1,274.06</b>  | <b>40,111.98</b> | <b>38,837.92</b> | <b>80,224.00</b> |
| <b>Reserve Net Total</b>          | <b>5,928.81</b> | <b>.01</b>      | <b>5,928.80</b> | <b>46,465.87</b> | <b>.06</b>       | <b>46,465.81</b> | <b>-</b>         |
| <b>Net Total</b>                  | <b>6,861.06</b> | <b>(.01)</b>    | <b>6,861.07</b> | <b>35,893.09</b> | <b>(.06)</b>     | <b>35,893.15</b> | <b>-</b>         |

**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION  
EXECUTIVE FINANCIAL SUMMARY  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2025**

**REVENUES AND EXPENSES**

|   | <u>Reserves</u> | <u>Operating</u>  | <u>Total</u>    |
|---|-----------------|-------------------|-----------------|
| Revenues                                      | \$47,740        | \$94,314          | \$142,054       |
| Expenses                                      | <u>1,274</u>    | <u>104,887</u>    | <u>106,161</u>  |
| Excess (Deficiency) of revenues over expenses | <u>\$46,466</u> | <u>(\$10,573)</u> | <u>\$35,893</u> |

**CASH AND INVESTMENT BALANCES**

|   | <u>Reserves</u>  | <u>Operating</u> | <u>Total</u>     |
|---|------------------|------------------|------------------|
| First Citizens Checking - Operating                     |                  | \$39,577         | \$39,577         |
| Due to/from Operating                                   |                  | (11,837)         | (11,837)         |
| First Citizens Money Market - Reserve                   | \$241,538        |                  | 241,538          |
| Due to/from Reserves                                    | 11,837           |                  | 11,837           |
| FCB CDARS - Reserve: Meridian Bk, 3.75% 02/19/26        | 4,190            |                  | 4,190            |
| FCB CDARS - Western Alliance Bk, 3.75%, 02/19/26        | 86,384           |                  | 86,384           |
| FCB CDARS - Flagstar Bank, 3.75%, 02/26/26              | 4,209            |                  | 4,209            |
| FCB CDARS - Western Alliance Bk, 3.75%, 02/26/26        | 86,763           |                  | 86,763           |
| FCB CDARS - Reserve: Farmers Bk & Trust 3.90% 3/5/26    | 24,075           |                  | 24,075           |
| FCB CDARS - Reserve: Western Alliance Bk 3.90% 3/5/26   | 62,353           |                  | 62,353           |
| FCB CDARS - Liberty Bk & Trust, 3.20% 10/29/26          | 90,816           |                  | 90,816           |
| <b>TOTAL</b>  | <u>\$612,165</u> | <u>\$27,740</u>  | <u>\$639,905</u> |
| Total Assets  | <u>\$624,192</u> | <u>\$51,700</u>  | <u>\$675,892</u> |
| Assessments Receivable, Net of Allowance for Bad Debt   |                  | <u>\$3,459</u>   |                  |
| FDIC insured coverage                                   |                  | <u>\$250,000</u> |                  |
| End of month total at First Citizens                    |                  | <u>\$281,115</u> |                  |
| Recommended Operating account balance                   |                  |                  |                  |
| Total Operating bank balances                           |                  | \$27,740         |                  |
| Total annual budgeted expenses                          |                  | \$270,200        |                  |
| Cash % of annual op expenses (12.5% to 21% recommended) |                  | 10.3%            |                  |

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## Solstice South HOA Proposals

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**From** John Krieger <JKrieger@staygreen.com>  
**Date** Wed 4/8/2026 2:56 PM  
**To** Susan Calhoun <scalhoun@valenciamgmt.com>

 6 attachments (20 MB)

Concrete and Crape Myrtle WO#85964.pdf; Pittosporum WO#86048.pdf; Concrete and Crape Myrtle WO#85964.pdf; Solstic South Parcel map.png; Solstic South Parcel 1.png; Solstic South 2.png;

Hi Sue,  
I hope you are having a good day.

Attached are the proposal you requested on the walk.  
I did some research on the property in the back. According to the parcel map Solstice South was built on 3 parcels and the one in question is part of the parcel. I have attached photos of all 3 parcel for you. If the Board would like I could do a proposal to clear out all the dead material behind the wall and trim the tree. Please let me know if you have any questions.

Best Regards,  
John Krieger  
Account Manager



Office: 800-858-5508 | Cell: (818) 402-2648  
[Jkrieger@staygreen.com](mailto:Jkrieger@staygreen.com)

(1 of 25)

2803-024-070

Current Parcel Number : 2803024070  
 Previous Parcel Number : 2803024070  
 Site Address : 27946 AVALON DRIVE  
 Acreage size (GIS) : 1.88  
 Jurisdiction : CITY  
 City Council District :  
 Zip Code : 91351  
 Minor Intersection : Sierra Highway & American Beauty Drive  
 Major Intersection : Sierra Highway & American Beauty Drive  
 Landuse (per Assessor) : LAX  
 Total Units (per Assessor) : 1  
 Year Built (per Assessor) : 2,010.00  
 Tract Number :  
 House Numbering Map : 264-149  
 Thomas Map Book : 4551-2J  
 Annexation Date : 1987-12-15  
 B&T District : EASTSIDE  
 Water Provider : SANTA CLARITA WATER

[Zoom to](#)



(1 of 41)

**2803-024-042**

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Current Parcel Number : 2803024042  
 Previous Parcel Number : 2803024042  
 Site Address : 27931 AVALON DRIVE  
 Acreage size (GIS) : 1.55  
 Jurisdiction : CITY  
 City Council District :  
 Zip Code : 91351  
 Minor Intersection : Sierra Highway &  
 American Beauty Drive  
 Major Intersection : Sierra Highway &  
 American Beauty Drive  
 Landuse (per Assessor) : LAX  
 Total Units (per Assessor) : 1  
 Year Built (per Assessor) : 2,010.00  
 Tract Number : TR-60536  
 House Numbering Map : 264-149  
 Thomas Map Book : 4551-2J  
 Annexation Date : 1987-12-15  
 B&T District : EASTSIDE  
 Water Purveyor : SANTA CLARITA WATER

[Zoom to](#) \*\*\*

(1 of 14)

**2803-024-036**

Current Parcel Number : 2803024036  
 Previous Parcel Number : 2803024036  
 Site Address : 27941 AVALON DRIVE  
 Acreage size (GIS): 2.06  
 Jurisdiction : CITY  
 City Council District :  
 Zip Code : 91351  
 Minor Intersection : Sierra Highway & American Beauty Drive  
 Major Intersection : Sierra Highway & American Beauty Drive  
 Landuse (per Assessor) : LAX  
 Total Units (per Assessor) : 1  
 Year Built (per Assessor) : 2,010.00  
 Tract Number : TR-60536  
 House Numbering Map : 264-149  
 Thomas Map Book : 4551-2J  
 Annexation Date : 1987-12-15  
 B&T District : EASTSIDE  
 Water Provision : SANTA CLARITA WATER

[Zoom to](#)

Solstice South - Tree Care Proposal 2026



Tree Quantity: 44

Proposal Value: \$3,808

March 19, 2026










Proposal #: 1267286

**Tree Care Service Address/Location**

Solstice South  
Avalon Dr  
Santa Clarita, CA 91352

**Stay Green, Inc.**

Wayne Farnsworth  
WFarnsworth@staygreen.com  
tel:661-741-2173

|   | Species  | Qty | Service      | Price          |
|---|--|-----|--------------|----------------|
|    | Evergreen Pear<br><i>Pyrus kawakamii</i>         | 19  | Crown Thin   | \$1,520        |
|    | Oak Species<br><i>Quercus spp.</i>               | 11  | Crown Thin   | \$1,480        |
|    | Podocarpus                                       | 4   | Crown Thin   | \$320          |
|    | Pear Species<br><i>Pyrus spp.</i>                | 3   | Crown Thin   | \$164          |
|    | California Sycamore<br><i>Platanus racemosa</i>  | 1   | Crown Thin   | \$80           |
|   | Locust Species<br><i>Robinia spp.</i>            | 1   | Crown Thin   | \$80           |
|  | Chinese Pistache<br><i>Pistacia chinensis</i>    | 3   | Crown Thin   | \$72           |
|  | Camphor Tree<br><i>Cinnamomum camphora</i>       | 1   | Crown Thin   | \$60           |
|  | Chinese Photinia<br><i>Photinia serratifolia</i> | 1   | Crown Thin   | \$32           |
|   |  |     | <b>Total</b> | <b>\$3,808</b> |

## Solstice South



### Legend (44)

- Evergreen Pear (19)
- Oak Species (11)
- Podocarpus (4)
- Pear Species (3)
- Chinese Pistache (3)
- Locust Species (1)
- Chinese Photinia (1)
- Camphor Tree (1)
- California Sycam... (1)

Google

Map data © 2026 Imagery © 2026 Airbus, Maxar Technologies Report a map error

## Solstice South

Solstice South - Tree Care Proposal 2026



August 10, 2020

Podocarpus ID# 1  
Podocarpus



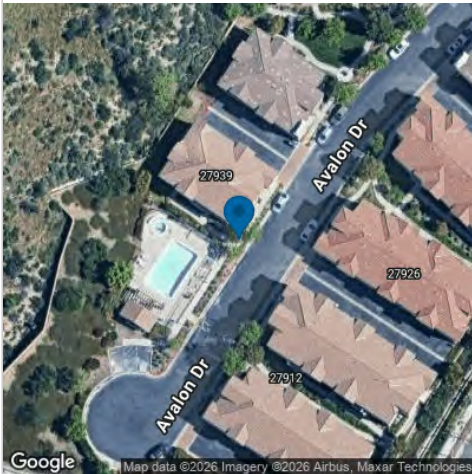
August 10, 2020

Podocarpus ID# 2  
Podocarpus



August 10, 2020

Podocarpus ID# 4  
Podocarpus



Crown Thin  
Concrete not lifting



Crown Thin  
Concrete lifting



Crown Thin  
Concrete lifting

## Solstice South

Solstice South - Tree Care Proposal 2026



August 10, 2020

Podocarpus  
Podocarpus

ID# 5



Crown Thin

Concrete not lifting

# Terms and Conditions for Tree Care Services

**1. Performance by Company:**

Work crews shall arrive at the job site unannounced unless otherwise noted herein. The Company shall attempt to meet all performance dates, but shall not be liable for damages due to delays from inclement weather or other causes beyond our control.

**2. Workmanship:**

All work will be performed in a professional manner by experienced personnel outfitted with the appropriate tools and equipment to complete the job properly. Unless otherwise indicated herein, The Company will remove wood, brush and debris incidental to the work.

**3. Insurance:**

The Company is insured for liability resulting from injury to persons or property, and all its employees are covered by Workers Compensation Insurance.

**4. Ownership:**

The customer warrants that all trees, plant material and property upon which work is to be performed are either owned by him/her or that permission for the work has been obtained from the owner.

The Company is to be held harmless from all claims for damages resulting from the customer's failure to obtain such permission.

**5. Limitations:**

The customer must identify all non- public utilities. The Company assumes no responsibility for the location of or damage to underground utilities not clearly marked by the customer prior to commencement of site services. Stump grinding and removals as proposed will occur where public utilities allow.

**6. Terms of Payment:**

All accounts are net payable upon receipt of invoice. A service charge of 1.5% will be added to accounts not fully paid 30 days subsequent to the invoice date. If outside assistance is used to collect the account, the customer is responsible for all costs associated with the collection, including, but not limited to, attorney fees and court costs.

## Customer

March 19, 2026

Signature

Date

March 19, 2026

Printed Name

Date

## Tree Care Service Provider

*Wayne Farnsworth*

March 19, 2026

Signature

Date

Wayne Farnsworth

March 19, 2026

Printed Name

Date

# Solstice South

## Work Orders

Records: 3 Created At: 2/9/2026 to Present Community: Solstice South

### A First Contact Notice has been generated for backflow devices for the following contact: Solstice south

| Work Order #             | Created  | Status         | Issued By                   | Vendor                            |
|--------------------------|----------|----------------|-----------------------------|-----------------------------------|
| 179936                   | 4/6/2026 | Sent To Vendor | Kennedy Hinson              | Backflow Prevention Device Tester |
| <b>Homeowner Contact</b> |          |                | <b>Requested Completion</b> | <b>Actual Completion</b>          |
|                          |          |                | 5/31/2026                   |                                   |

#### Work Authorized:

Please address as needed

#### Location:

27905 1/2 Avalon  
Canyon Country, CA 91351

### Leaking backflow

| Work Order #             | Created   | Status | Issued By                   | Vendor                            |
|--------------------------|-----------|--------|-----------------------------|-----------------------------------|
| 179791                   | 3/27/2026 | Closed | Kennedy Hinson              | Backflow Prevention Device Tester |
| <b>Homeowner Contact</b> |           |        | <b>Requested Completion</b> | <b>Actual Completion</b>          |
|                          |           |        | 4/3/2026                    | 3/31/2026                         |

#### Report Received:

I hope you are having a good Friday. When I meet with the crew we walked over everything they need to do. They will clean the webs off the plant each time they are onsite however the webs will probable be back the next morning.

They trimmed the walkway around the tree today.

The only plants they could split would be the Daylilies and agapanthus.

I looked to see what could be done about the snakes but most of the plants are ground cover and thinning them out will not look good. The shrub we can cut them up off the ground a few inches.

I knottiest the fire line backflow was leaking. There are also to areas the tree roots are lifting the concrete.

Please let me know if you have any questions.

#### Work Authorized:

Please inspect and repair as needed

#### Location:

27905 1/2 Avalon  
Canyon Country, CA 91351

### Many squirrels in the community

| Work Order #                                 | Created  | Status | Issued By                   | Vendor                   |
|--|----------|--------|-----------------------------|--------------------------|
| 179167                                       | 2/9/2026 | Closed | Kennedy Hinson              | Club Pest Control        |
| <b>Homeowner Contact</b>                     |          |        | <b>Requested Completion</b> | <b>Actual Completion</b> |
| Lora Molon<br>27918 Avalon<br>(818) 471-8500 |          |        | 2/20/2026                   | 2/11/2026                |

#### Report Received:

h/o reported many squirrels in the community and they are eating her screen door

#### Work Authorized:

Please advise if many treatment can be doen for squirrels

#### Location:

27918 Avalon

**Actions & Notes**

|      |                 |  |
|------|-----------------|--|
| 2/11 | Vendor Response | <p>Hi Sue &amp; Kennedy.</p> <p>While our tech was doing the regular service today 2/11, he noted this:</p> <p>“Didn’t see any squirrels near unit 27918 Avalon solstice south but found possible gophers near those units”</p> <p>He also mentioned he didn’t see any visible signs of any bird feeders, residents feeding wildlife and that he cannot see the screen off of this unit.</p> |
| 2/9  | Emailed         | <p>Yes, please have them inspect on the regular service day and report any findings.</p> <p>Thank you!</p>   |
| 2/9  | Vendor Response | <p>Hi.</p> <p>We can do an inspection to see what is going on at the HOA &amp; see what type of squirrel activity is happening especially if there are residents feeding the wildlife, if there is a nest nearby, etc. The regular pest service is this week and we can have the tech inspect while he is there. Please let us know.</p>   |

**SUMMARY**  
**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

**ASSUMPTIONS:**

|  |          |         |           |
|--|----------|---------|-----------|
| (A) FISCAL (12 MONTH) PERIOD RESERVE STUDY IS TO COVER:                    | 7/1/2026 | through | 6/30/2027 |
| (B) INFLATION FACTOR (30 year average CPI per Bureau of Labor Statistics): |          |         | 2.53%     |
| (C) INTEREST % ON RESERVE FUNDS (unless provided, assumed to be 3%):       |          |         | 3.0000%   |
| (D) BEGINNING RESERVE BALANCE PER ASSOCIATION AS OF:                       | 7/1/2026 |         | \$643,657 |
| (E) NUMBER OF UNITS:   |          |         | 55        |

| ANALYSIS OF MONTHLY RESERVE TRANSFER                                | PERIOD   |         |           | TOTAL             | PER UNIT <sup>1</sup> |
|---|----------|---------|-----------|-------------------|-----------------------|
| (F) CURRENTLY BUDGETED PER ASSOCIATION:                             | 7/1/2025 | through | 6/30/2026 | \$5,918.67        | \$107.61              |
| <b>(G) RECOMMENDED TO BUDGET (see Funding Plan #3<sup>2</sup>):</b> | 7/1/2026 | through | 6/30/2027 | <b>\$6,563.81</b> | <b>\$119.34</b>       |
| (H) DOLLAR INCREASE / (DECREASE) ("G" less "F"):                    | 7/1/2026 | through | 6/30/2027 | \$645.14          | \$11.73               |
| (I) FUTURE ANNUAL % INCREASES / (DECREASES):                        | 7/1/2027 | through | 6/30/2029 | 10.90%            | 10.90%                |
|   | 7/1/2029 | through | 6/30/2056 | 3.00%             | 3.00%                 |

| SPECIAL ASSESSMENT                                     | PERIOD   |         |           | TOTAL  | PER UNIT <sup>1</sup> |
|--|----------|---------|-----------|--------|-----------------------|
| (J) SPECIAL ASSESSMENT (ONE-TIME/ IN ADDITION TO "G"): | 7/1/2026 | through | 6/30/2027 | \$0.00 | \$0.00                |

| ANALYSIS OF MONTHLY ASSESSMENT ("DUES"):   | PERIOD   |         |           | TOTAL       | PER UNIT <sup>1</sup> |
|--|----------|---------|-----------|-------------|-----------------------|
| (K) CURRENTLY BUDGETED PER ASSOCIATION:  | 7/1/2025 | through | 6/30/2026 | \$21,725.00 | \$395.00              |
| (L) RESERVE TRANSFER % (item "F" divided by "K"):  | 7/1/2025 | through | 6/30/2026 | 27.24%      | 27.24%                |
| (M) % CHANGE IN ASSESSMENT ("H" divided by "K")<br>(if recommended reserve transfer implemented) | 7/1/2026 | through | 6/30/2027 | 2.97%       | 2.97%                 |

| ACCUMULATED DEPRECIATION:  | PERIOD   |         |           | TOTAL     | PER UNIT <sup>1</sup> |
|--|----------|---------|-----------|-----------|-----------------------|
| ("ideal reserve balance" / funds in reserve accounts necessary to achieve 100% funding for the current year) | 7/1/2026 | through | 6/30/2027 | \$852,177 | \$15,494              |

| ANNUAL DEPRECIATION:  | PERIOD   |  |           | TOTAL    | PER UNIT <sup>1</sup> |
|---|----------|--|-----------|----------|-----------------------|
| The current cost of all components divided by their respective typical life expectancies. | 7/1/2026 |  | 6/30/2027 | \$89,677 | \$1,630               |

| OVERAGE / (DEFICIT):                           | PERIOD   |         |           | TOTAL       | PER UNIT <sup>1</sup> |
|--|----------|---------|-----------|-------------|-----------------------|
| (between "actual" and "ideal" reserve balance) | 7/1/2026 | through | 6/30/2027 | (\$208,519) | (\$3,791.26)          |

| PERCENT FUNDED <sup>3</sup> |           |  |   |  |               |
|-----------------------------|-----------|--|---|--|---------------|
| as of                       | 7/1/2026  |  |   |  | <b>75.53%</b> |
| as of                       | 6/30/2027 |  | (if Funding Plan #3 <sup>2</sup> recommended above is followed) |  | <b>70.85%</b> |

**FOOTNOTES:**

1. Per Unit amounts reflect "Total" amounts divided by units - no adjustments made for variable rate assessments.
2. Funding Plan #3 reflects minimum funding and may only marginally cover total annual expenditures in some years.
3. Actual reserve balance (item "D") divided by accumulated depreciation (per schedule).

# FINANCIAL ANALYSIS

This **Financial Analysis** illustrates the financial ramifications over a 30-year projection resulting from the Condition Assessment, and consists of the following schedules:

- 1) **COMPONENT INVENTORY** - Lists all the components compiled from the Condition Assessment, including their quantity, typical useful lives, estimated remaining lives and average costs. Also provided for each component is an allocation of the annual depreciation.
- 2) **FUNDING PLANS / ILLUSTRATIONS** - Three funding plans / illustrations are provided to illustrate the effects of various levels of reserve transfers versus anticipated reserve expenditures. They include 30 years of activity, are detailed on an annual basis, and include interest income earned on reserve funds (net of taxes), which can offset the amount of transfers required.
- 3) **FUNDING ILLUSTRATION #1** - This illustration assumes that the current reserve transfer will remain the same throughout the 30-year projection. In most cases this will not be sufficient to cover future reserve expenditures over the 30-year period. **This is not a recommended funding plan.**
- 4) **FUNDING ILLUSTRATION #2** - This illustration also assumes that the current reserve transfer will remain the same throughout the 30-year projection. However, special assessments are generated for any year that the reserve balance would otherwise drop below \$0.00. **This is not a recommended funding plan.**
- 5) **FUNDING PLAN #3** - This plan increases (or sometimes decreases) current reserve transfers as necessary to cover all future expenditures and achieve 100% funding at least by the end of the 30-year projection. It most fairly matches the depreciation of the common components and the enjoyment of the benefits. **This is a recommended funding plan** as it is the most equitable and it fulfills the requirement of the California Civil Code with respect to distribution of a full funding plan for HOAs.
- 6) **COMPARISON OF FUNDING PLANS / ILLUSTRATIONS** - Details of the 3 funding plans / illustrations on an annual basis, including the cash receipts (reserve transfers, special assessments, interest income) + the beginning reserve balance, as well as the percent funded, for each year.
- 7) **GRAPH 1: FUNDING PLANS / ILLUSTRATIONS 1-3 vs. RESERVE EXPENDITURES** - Shows the cash receipts (reserve transfers, special assessments, interest income) + the beginning reserve balance, versus reserve expenditures, for each year.
- 8) **GRAPH 2: PERCENT FUNDED OVER TIME - CURRENT FUNDING vs RECOMMENDED FUNDING** – for each year.
- 9) **RESERVE EXPENDITURES BY YEAR** – Details the component expenditures for each year they are anticipated to come due.

**COMPONENT INVENTORY** component threshold = \$1,000  
**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

AS OF: 7/1/2026

| CATEGORY / COMPONENT                  | ID#  | APPROXIMATE QUANTITY | LIFE IN YRS |        | CURRENT COST         | ANNUAL DEP | RESERVES |           |                    | MONTHLY CONTRIBUTION |           |
|---------------------------------------|------|----------------------|-------------|--------|----------------------|------------|----------|-----------|--------------------|----------------------|-----------|
|                                       |      |                      | USEFUL      | REMAIN |                      |            | ACTUAL   | ACCUM DEP | SURPLUS/ (DEFICIT) | CURRENT              | RECOMMEND |
|                                       |      |                      |             |        |                      |            |          |           |                    |                      |           |
| <b>ROOF/DECKS</b>                     |      |                      |             |        |                      |            |          |           |                    |                      |           |
| concrete tile roof                    | 0101 | 65,250 sq ft         | 35          | 18     | 500,300 <sup>1</sup> | 14,294     | 183,543  | 243,003   | (59,460)           | 1,687.74             | 1,871.71  |
| exterior elevated elements inspection | 0102 | 1 inspection         | 9           | 6      | 14,950 <sup>2</sup>  | 1,661      | 3,764    | 4,983     | (1,219)            | 34.61                | 38.38     |
| membrane decks-resurface              | 0103 | 2,200 sq ft          | 15          | 7      | 24,050 <sup>1</sup>  | 1,603      | 9,688    | 12,827    | (3,139)            | 89.09                | 98.80     |
| membrane decks-coating                | 0104 | 2,200 sq ft          | 5           | 2      | 14,250 <sup>2</sup>  | 2,850      | 6,458    | 8,550     | (2,092)            | 59.38                | 65.86     |
| gutters & downspouts                  | 0105 | 6,400 lin ft         | 35          | 18     | 47,800 <sup>1</sup>  | 1,366      | 17,536   | 23,217    | (5,681)            | 161.25               | 178.83    |
| <b>STRUCTURE</b>                      |      |                      |             |        |                      |            |          |           |                    |                      |           |
| foundations/structural frame          | 0201 | 13 buildings         | 30+         | 30+    | 0                    | 0          | 0        | 0         | 0                  | 0.00                 | 0.00      |
| fumigation                            | 0202 | 1,088,700 cu ft      | 15          | 0      | 69,250 <sup>1</sup>  | 4,617      | 52,305   | 69,250    | (16,945)           | 480.97               | 533.39    |
| wood arbors                           | 0203 | 2 totaling 350 sq ft | 20          | 5      | 8,400 <sup>1</sup>   | 420        | 4,758    | 6,300     | (1,542)            | 43.76                | 48.53     |
| shutters                              | 0204 | operating budget     | n/a         | n/a    | 0                    | 0          | 0        | 0         | 0                  | 0.00                 | 0.00      |
| stone veneer                          | 0205 | placeholder          | n/a         | n/a    | 0                    | 0          | 0        | 0         | 0                  | 0.00                 | 0.00      |
| windows & frames                      | 0206 | placeholder          | n/a         | n/a    | 0                    | 0          | 0        | 0         | 0                  | 0.00                 | 0.00      |
| <b>PAINT</b>                          |      |                      |             |        |                      |            |          |           |                    |                      |           |
| stucco                                | 0301 | 73,400 sq ft         | 12          | 0      | 82,400 <sup>1</sup>  | 6,867      | 62,238   | 82,400    | (20,162)           | 572.30               | 634.68    |
| trim                                  | 0302 | 1,550 sq ft          | 5           | 0      | 16,050 <sup>2</sup>  | 3,210      | 12,123   | 16,050    | (3,927)            | 111.47               | 123.62    |
| doors                                 | 0303 | 107 sides            | 6           | 3      | 7,050 <sup>2</sup>   | 1,175      | 2,662    | 3,525     | (863)              | 24.48                | 27.15     |
| interior flatwork                     | 0304 | 350 sq ft            | 8           | 4      | 900 <sup>1</sup>     | 113        | 340      | 450       | (110)              | 3.13                 | 3.47      |
| ironwork                              | 0305 | 9,400 sq ft          | 5           | 4      | 33,350 <sup>2</sup>  | 6,670      | 5,038    | 6,670     | (1,632)            | 46.33                | 51.38     |
| parking stripes                       | 0306 | 20 spaces            | 5           | 4      | 10,600 <sup>2</sup>  | 2,120      | 1,601    | 2,120     | (519)              | 14.72                | 16.33     |
| curbs                                 | 0307 | 800 lin ft           | 10          | 3      | 5,100 <sup>2</sup>   | 510        | 2,696    | 3,570     | (874)              | 24.79                | 27.50     |
| <b>PLUMBING</b>                       |      |                      |             |        |                      |            |          |           |                    |                      |           |
| distribution piping                   | 0401 | 55 units             | 40          | 23     | 424,900 <sup>1</sup> | 10,623     | 136,396  | 180,583   | (44,187)           | 1,254.21             | 1,390.92  |
| drainage/sewer piping                 | 0402 | allowance            | 2           | 1      | 1,250 <sup>1</sup>   | 625        | 472      | 625       | (153)              | 4.34                 | 4.81      |
| water heaters                         | 0403 | 2 @ 2.4 kw           | 10          | 0      | 1,950 <sup>1</sup>   | 195        | 1,473    | 1,950     | (477)              | 13.54                | 15.02     |
| fire sprinklers                       | 0404 | placeholder          | n/a         | n/a    | 0                    | 0          | 0        | 0         | 0                  | 0.00                 | 0.00      |
| natural gas system                    | 0405 | placeholder          | n/a         | n/a    | 0                    | 0          | 0        | 0         | 0                  | 0.00                 | 0.00      |

**COMPONENT INVENTORY** component threshold = \$1,000  
**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

AS OF: 7/1/2026

| CATEGORY / COMPONENT       | ID#  | APPROXIMATE QUANTITY          | LIFE IN YRS |        | CURRENT COST        | ANNUAL DEPRE | RESERVES |             |                    | MONTHLY CONTRIBUTION |           |
|----------------------------|------|-------------------------------|-------------|--------|---------------------|--------------|----------|-------------|--------------------|----------------------|-----------|
|                            |      |                               | USEFUL      | REMAIN |                     |              | ACTUAL   | ACCUM DEPRE | SURPLUS/ (DEFICIT) | CURRENT              | RECOMMEND |
|                            |      |                               |             |        |                     |              |          |             |                    |                      |           |
| <b>ELECTRICAL</b>          |      |                               |             |        |                     |              |          |             |                    |                      |           |
| lighting-building exterior | 0501 | 179 fixtures                  | 20          | 5      | 20,900 <sup>1</sup> | 1,045        | 11,839   | 15,675      | (3,836)            | 108.87               | 120.74    |
| lighting-number signs      | 0502 | 55 fixtures                   | 20          | 5      | 5,300 <sup>1</sup>  | 265          | 3,002    | 3,975       | (973)              | 27.61                | 30.62     |
| lighting-pool area         | 0503 | 7 fixtures                    | 20          | 5      | 6,450 <sup>2</sup>  | 323          | 3,654    | 4,838       | (1,184)            | 33.60                | 37.26     |
| lighting-street            | 0504 | 9 fixtures                    | 25          | 8      | 11,450 <sup>1</sup> | 458          | 5,881    | 7,786       | (1,905)            | 54.08                | 59.97     |
| pool entry system          | 0505 | 1 system                      | 20          | 6      | 5,950 <sup>2</sup>  | 298          | 3,146    | 4,165       | (1,019)            | 28.93                | 32.08     |
| fire annunciator system    | 0506 | 1 system                      | 20          | 5      | 1,600 <sup>1</sup>  | 80           | 906      | 1,200       | (294)              | 8.33                 | 9.24      |
| electrical system          | 0507 | placeholder                   | n/a         | n/a    | 0                   | 0            | 0        | 0           | 0                  | 0.00                 | 0.00      |
| <b>POOL/ SPA</b>           |      |                               |             |        |                     |              |          |             |                    |                      |           |
| plaster-pool               | 0601 | 1,300 sq ft                   | 10          | 7      | 10,300 <sup>1</sup> | 1,030        | 2,334    | 3,090       | (756)              | 21.46                | 23.80     |
| plaster-spa                | 0602 | 250 sq ft                     | 5           | 2      | 6,700 <sup>2</sup>  | 1,340        | 3,036    | 4,020       | (984)              | 27.92                | 30.96     |
| coping joint               | 0603 | 150 lin ft                    | 8           | 5      | 1,100 <sup>2</sup>  | 138          | 312      | 413         | (101)              | 2.87                 | 3.18      |
| coping/tile                | 0604 | 150 lin ft                    | 20          | 17     | 8,050 <sup>1</sup>  | 403          | 912      | 1,208       | (296)              | 8.39                 | 9.30      |
| heaters                    | 0605 | 1 @ 199,500 & 1 @400,000 btu  | 10          | 1      | 9,000 <sup>2</sup>  | 900          | 6,118    | 8,100       | (1,982)            | 56.26                | 62.39     |
| filters                    | 0606 | 1 @ 420 sq ft & 1 @ 520 sq ft | 10          | 0      | 3,600 <sup>1</sup>  | 360          | 2,719    | 3,600       | (881)              | 25.00                | 27.73     |
| pump/ motor set            | 0607 | 4 sets                        | 15          | 2      | 7,950 <sup>1</sup>  | 530          | 5,204    | 6,890       | (1,686)            | 47.85                | 53.07     |
| chlorinators               | 0608 | 2 chlorinators                | 5           | 0      | 1,650 <sup>2</sup>  | 330          | 1,246    | 1,650       | (404)              | 11.46                | 12.71     |
| furniture                  | 0609 | 36 pieces                     | 10          | 0      | 8,900 <sup>1</sup>  | 890          | 6,722    | 8,900       | (2,178)            | 61.81                | 68.55     |
| skimmer-spa                | 0612 | 1 skimmer                     | 5           | 0      | 2,400 <sup>2</sup>  | 480          | 1,813    | 2,400       | (587)              | 16.67                | 18.49     |
| concrete decks             | 0613 | placeholder                   | n/a         | n/a    | 0                   | 0            | 0        | 0           | 0                  | 0.00                 | 0.00      |
| lights-pool/spa            | 0614 | allowance                     | 20          | 16     | 2,500 <sup>2</sup>  | 125          | 378      | 500         | (122)              | 3.47                 | 3.85      |

**COMPONENT INVENTORY** component threshold = \$1,000  
**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

AS OF: 7/1/2026

| CATEGORY / COMPONENT         | ID#  | APPROXIMATE QUANTITY  | LIFE IN YRS |        | CURRENT COST        | ANNUAL DEP    | RESERVES       |                |                    | MONTHLY CONTRIBUTION |              |  |
|------------------------------|------|---|-------------|--------|---------------------|---------------|----------------|----------------|--------------------|----------------------|--------------|--|
|                              |      |   | USEFUL      | REMAIN |                     |               | ACTUAL         | ACCUM DEP      | SURPLUS/ (DEFICIT) | CURRENT              | RECOMMEND    |  |
|                              |      |   |             |        |                     |               |                |                |                    |                      |              |  |
| <b>LANDSCAPE/ HARDSCAPE</b>  |      |   |             |        |                     |               |                |                |                    |                      |              |  |
| asphalt seal coat            | 0701 | 41,500 sq ft  | 5           | 3      | 10,750 <sup>1</sup> | 2,150         | 3,248          | 4,300          | (1,052)            | 29.87                | 33.12        |  |
| asphalt overlay              | 0702 | 23,500 sq ft  | 20          | 8      | 39,000 <sup>1</sup> | 1,950         | 17,674         | 23,400         | (5,726)            | 162.52               | 180.24       |  |
| asphalt replacement          | 0703 | 18,000 sq ft  | 40          | 28     | 59,600 <sup>1</sup> | 1,490         | 13,505         | 17,880         | (4,375)            | 124.18               | 137.72       |  |
| driveway swales              | 0704 | 750 lin ft @ 2' width   | 40          | 28     | 14,950 <sup>1</sup> | 374           | 3,388          | 4,485          | (1,097)            | 31.15                | 34.55        |  |
| concrete block walls         | 0705 | 2,500 lin ft  | 2           | 1      | 650 <sup>1</sup>    | 325           | 245            | 325            | (80)               | 2.26                 | 2.50         |  |
| concrete flatwork            | 0706 | operating budget  | 30+         | 30+    | 0                   | 0             | 0              | 0              | 0                  | 0.00                 | 0.00         |  |
| concrete pavers              | 0707 | 1,200 sq ft   | 20          | 5      | 13,900 <sup>1</sup> | 695           | 7,874          | 10,425         | (2,551)            | 72.41                | 80.30        |  |
| irrigation controllers       | 0708 | 3 controllers   | 10          | 0      | 7,250 <sup>1</sup>  | 725           | 5,476          | 7,250          | (1,774)            | 50.35                | 55.84        |  |
| back flow preventers         | 0710 | 2 @ 2 inches  | 15          | 8      | 3,000 <sup>2</sup>  | 200           | 1,057          | 1,400          | (343)              | 9.72                 | 10.78        |  |
| irrigation piping            | 0711 | placeholder   | n/a         | n/a    | 0                   | 0             | 0              | 0              | 0                  | 0.00                 | 0.00         |  |
| landscape remodel            | 0712 | allowance   | 10          | 7      | 11,450 <sup>2</sup> | 1,145         | 2,594          | 3,435          | (841)              | 23.86                | 26.46        |  |
| wrought iron                 | 0713 | 10% of 2,050 lin ft   | 15          | 10     | 10,900 <sup>1</sup> | 727           | 2,744          | 3,633          | (889)              | 25.23                | 27.98        |  |
| <b>RECREATION FACILITIES</b> |      |   |             |        |                     |               |                |                |                    |                      |              |  |
| restrooms                    | 0801 | 2 restrooms   | 20          | 5      | 17,750 <sup>1</sup> | 888           | 10,055         | 13,313         | (3,258)            | 92.46                | 102.54       |  |
| <b>MISCELLANEOUS</b>         |      |   |             |        |                     |               |                |                |                    |                      |              |  |
| mailboxes                    | 0901 | 68 mailboxes  | 15          | 3      | 6,500 <sup>1</sup>  | 433           | 3,928          | 5,200          | (1,272)            | 36.12                | 40.05        |  |
| signs                        | 0902 | 4 buildings   | 5           | 3      | 4,550 <sup>2</sup>  | 910           | 1,375          | 1,820          | (445)              | 12.64                | 14.02        |  |
| pet waste dispensers         | 0903 | 2 dispensers  | 20          | 6      | 1,650 <sup>1</sup>  | 83            | 872            | 1,155          | (283)              | 8.02                 | 8.90         |  |
| <b>CONTINGENCY RESERVE</b>   | 1001 | 5% of total annual expenditures - see "Reserve Expenditures by Year" schedule for details |             |        | <u>9,673</u>        | <u>9,673</u>  | <u>7,306</u>   | <u>9,673</u>   | <u>(2,367)</u>     | <u>67</u>            | <u>75</u>    |  |
| <b>TOTALS</b>                |      |   |             |        | <u>1,587,923</u>    | <u>89,677</u> | <u>643,657</u> | <u>852,177</u> | <u>(208,519)</u>   | <u>5,919</u>         | <u>6,564</u> |  |

**COST SOURCES**

- 1) In-house database or national cost guide (National Construction Estimator, R.S. Means, LSI, etc.).
- 2) Based on contractor proposal or actual cost of recent repair, replacement, or restoration of component - information provided by client.
- 3) Per Contractor Evaluation.
- 4) Per information in previous non-RSI study.

|  |               |
|--|---------------|
| <b>Percent Funded: ratio of the actual reserve balance to the component accumulated depreciation</b> | <b>75.53%</b> |
|--|---------------|

**COMPONENT INVENTORY ADDENDUM  
SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

| CATEGORY / COMPONENT                           | ID#  | APPROXIMATE<br>QUANTITY     | LIFE IN YRS |        | CURRENT<br>COST |
|--|------|-----------------------------|-------------|--------|-----------------|
|  |      |                             | USEFUL      | REMAIN |                 |
| <b>COMPONENTS WITH 0 YEARS REMAINING LIFE:</b> |      |                             |             |        |                 |
| fumigation                                     | 0202 | 1,088,700 cu ft             | 15          | 0      | 69,250          |
| stucco   | 0301 | 73,400 sq ft                | 12          | 0      | 82,400          |
| trim   | 0302 | 1,550 sq ft                 | 5           | 0      | 16,050          |
| water heaters                                  | 0403 | 2 @ 2.4 kw                  | 10          | 0      | 1,950           |
| filters  | 0606 | @ 420 sq ft & 1 @ 520 sq ft | 10          | 0      | 3,600           |
| chlorinators                                   | 0608 | 2 chlorinators              | 5           | 0      | 1,650           |
| furniture                                      | 0609 | 36 pieces                   | 10          | 0      | 8,900           |
| skimmer-spa                                    | 0612 | 1 skimmer                   | 5           | 0      | 2,400           |
| irrigation controllers                         | 0708 | 3 controllers               | 10          | 0      | 7,250           |
| <b>TOTAL</b>                                   |      |                             |             |        | <b>193,450</b>  |

| CATEGORY / COMPONENT                          | ID#  | APPROXIMATE<br>QUANTITY  | LIFE IN YRS |        | CURRENT<br>COST |
|---|------|--------------------------|-------------|--------|-----------------|
|   |      |                          | USEFUL      | REMAIN |                 |
| <b>COMPONENTS WITH 1 YEAR REMAINING LIFE:</b> |      |                          |             |        |                 |
| drainage/sewer piping                         | 0402 | allowance                | 2           | 1      | 1,250           |
| heaters                                       | 0605 | 199,500 & 1 @400,000 btu | 10          | 1      | 9,000           |
| concrete block walls                          | 0705 | 2,500 lin ft             | 2           | 1      | 650             |
| <b>TOTAL</b>                                  |      |                          |             |        | <b>10,900</b>   |

| CATEGORY / COMPONENT                           | ID#  | APPROXIMATE<br>QUANTITY | LIFE IN YRS |        | CURRENT<br>COST |
|--|------|-------------------------|-------------|--------|-----------------|
|  |      |                         | USEFUL      | REMAIN |                 |
| <b>COMPONENTS WITH 2 YEARS REMAINING LIFE:</b> |      |                         |             |        |                 |
| membrane decks-coating                         | 0104 | 2,200 sq ft             | 5           | 2      | 14,250          |
| plaster-spa                                    | 0602 | 250 sq ft               | 5           | 2      | 6,700           |
| pump / motor set                               | 0607 | 4 sets                  | 15          | 2      | 7,950           |
| <b>TOTAL</b>                                   |      |                         |             |        | <b>28,900</b>   |

| CATEGORY   | COMPONENT                             | ID   | QUANTITY        | TL | RL | COST    | CC | OBSERVATIONS   | PROTECT  |
|------------|---------------------------------------|------|-----------------|----|----|---------|----|--|--|
| ROOF/DECKS | CONCRETE TILE ROOF                    | 0101 | 65,250 sq ft    | 35 | 18 | 500,300 | 1  | This component addresses the concrete tile roofing (sloped). We were informed of repairs done in 2024, and it generally appeared to be in an average condition. Although the tile itself has a life expectancy of more than 35 years, replacement typically becomes necessary because of degradation of the underlayment. The remaining life expectancy is based upon the estimated age of the roofing, as the underlayment was not visible.   | Replace broken tiles as necessary. Reseal flashings as necessary and clear valley flashings of debris to avoid damming and associated leakage. A maintenance contract with a qualified contractor is recommended.  |
| ROOF/DECKS | EXTERIOR ELEVATED ELEMENTS INSPECTION | 0102 | 1 inspection    | 9  | 6  | 14,950  | 2  | This component provides a rough allowance for the structural inspections that must be done for the exterior elevated elements per California Civil Code § 5551, which states, in part; (b) (1) At least once every nine years, the board of an association of a condominium project shall cause a reasonably competent and diligent visual inspection to be conducted by a licensed structural or civil engineer or licensed architect of a random and statistically significant sample of exterior elevated elements for which the association has maintenance or repair responsibility. (2) The inspection shall determine whether the exterior elevated elements are in a generally safe condition and perform in accordance with applicable standards. (f) The report issued pursuant to subdivision (e) shall be stamped or signed by the inspector, presented to the board, and incorporated into the study required by Section 5550. (i) The first inspection shall be completed by January 1, 2025, and then every nine years thereafter in coordination with the Reserve Study inspection pursuant to Section 5550. All written reports shall be maintained for two inspection cycles as records of the association. We were informed that it was done in 2024; however, we were not provided with a report. We recommend consulting with the preparer for further information and/or questions regarding the report. | N/A.   |
| ROOF/DECKS | MEMBRANE DECKS-RESURFACE              | 0103 | 2,200 sq ft     | 15 | 7  | 24,050  | 1  | This component addresses the membrane deck surfaces of the individual unit balconies. They were inaccessible for inspection (unit access required); therefore, for purposes of reporting the remaining life has been estimated. Resurfacing these areas is critical to prevent internal damage to the structural elements and possible leakage into areas adjacent to, or beneath these decks. The average component cost does not provide for any possible repairs/replacement of substrate damage that is sometimes discovered upon future removal of the deck surfacing.  | Repair cracks and deterioration and reseal the surface every 3-5 years. Carpeting or tile should be discouraged as they can impair the waterproofing and change drainage patterns. Patio furniture feet should be protected and potted plants should be elevated on suitable drained platforms.  |
| ROOF/DECKS | MEMBRANE DECKS-COATING                | 0104 | 2,200 sq ft     | 15 | 2  | 14,250  | 2  | This component addresses the coating for the deck surfaces. It was inaccessible for inspection (unit access required); however, we were previously informed that it was applied in 2024. Therefore, for purposes of reporting the remaining life has been estimated.   | Repair cracks and deterioration and reseal the surface every 3-5 years. Carpeting or tile should be discouraged as they can impair the waterproofing and change drainage patterns. Patio furniture feet should be protected and potted plants should be elevated on suitable drained platforms.  |
| ROOF/DECKS | GUTTERS & DOWNSPOUTS                  | 0105 | 6,400 lin ft    | 35 | 18 | 47,800  | 1  | This component addresses the gutters and downspouts. They appeared to be in an average condition. The importance of a properly functioning water removal system lies in the fact that other components can be affected considerably (i.e. integrity of the roof, siding, paint, termite infestation, etc.). Therefore, proper maintenance is imperative.   | Clean, level and re-secure if necessary. Seal joints as required. Drainage should be directed away from the structure.   |
| STRUCTURE  | FOUNDATION S/STRUCTURAL FRAME         | 0201 | 13 buildings    | 30 | 30 | 0       | 0  | This component addresses the foundations and structural frame, along with the internal weather-shell components and essential structure elements of the common area property. Provided there are no major catastrophes, the proper drainage principles are maintained and that structural pest control procedures are adhered to, the structures themselves and associated infrastructure would be considered lifetime components. Additionally, there would be infrastructure within structures, such as water piping systems, electrical panels, service lines, outlets, and switches. And, in some instances, natural gas piping systems, heating, air-conditioning, and ventilation ducting systems would be included. Components that have predictable life expectancy and a remaining life expectancy of less than 30 years will be outlined elsewhere in this report.   | Maintained grade levels 4-6 inches below the lowest edge of the structural frame. Grading should be sloped away from the structures for drainage, and downspouts should be discharged onto hardscape areas or splash blocks and directed away from the structures. Annual inspections of the buildings and the essential systems by qualified maintenance personnel are recommended.   |
| STRUCTURE  | FUMIGATION                            | 0202 | 1,088,700 cu ft | 15 | 0  | 69,250  | 1  | This component addresses the potential fumigation of the buildings. Prudent property maintenance suggests that annual inspections be performed to discover any infestation in its early stages before it becomes a serious problem. The frequency for fumigation tends to be greater in ocean environments, while decreasing further inland, especially in desert environments. Further evaluation and recommendations should be obtained from a licensed pest control operator.   | A maintenance contract with a qualified pest control contractor is recommended, which can minimize the necessity for fumigation. Repair loose or cracked siding or stucco, peeling paint and gaps at trim around windows and doors to prevent moisture getting into the framing leading to termite infestation, fungus, and/or mold. Low foundation walls, cracks in foundation walls, leaking pipes, over-watered landscape surrounding the structure, and damaged or nonexistent gutters and downspouts that discharge near the perimeter of |

|           |                       |      |                      |     |     |         |   |  |  |   |
|-----------|-----------------------|------|----------------------|-----|-----|---------|---|--|--|---|
|           |                       |      |                      |     |     |         |   |  |  | the structures should be monitored and repaired as necessary. |
| STRUCTURE | WOOD ARBORS           | 0203 | 2 totaling 350 sq ft | 20  | 5   | 8,400   | 1 | This component addresses the wood arbors, comprised of one at the pool building and one at buildings #27931-27935. They appeared to be in an average condition for their age.  | Damaged / decayed areas and loose boards should be repaired as necessary. Re-painting/staining is advocated for longevity of this component.   |   |
| STRUCTURE | SHUTTERS              | 0204 | operating budget     | N/A | N/A | 0       | 0 | This component addresses the wood shutters. They appeared to be in an average condition. It has been assumed that any maintenance is done on an as needed basis and funded from the operating account.   | Damaged / decayed areas and loose boards should be repaired as necessary. Re-painting/staining is advocated for longevity of this component.   |   |
| STRUCTURE | STONE VENEER          | 0205 | placeholder          | N/A | N/A | 0       | 0 | This component provides a placeholder for the refurbishment of the stone veneer.   | Repair cracks or deterioration of the mortar ("tuck-point").   |   |
| STRUCTURE | WINDOWS & FRAMES      | 0206 | placeholder          | N/A | N/A | 0       | 0 | This component provides a placeholder for the refurbishment of the windows and frames in the restrooms.  | Repair cracks and splits to prevent moisture intrusion. The frames should be regularly painted.  |   |
| PAINT     | STUCCO                | 0301 | 73,400 sq ft         | 12  | 0   | 82,400  | 1 | This component addresses the painted surfaces of the stucco on the exteriors of the buildings. They appeared to be in an aged condition.   | Clean / touch-up painted surfaces for protection of the underlying component as well as prevention of termite infestation. Peeling paint should be sanded / scraped and bare areas primed prior to painting. Splits / cracks should be sealed, and openings of windows and doors should be re-caulked if required. |   |
| PAINT     | TRIM                  | 0302 | 1,550 sq ft          | 5   | 0   | 16,050  | 2 | This component addresses the painted surfaces of the wood arbors, decorative shutters, and miscellaneous wood trim. They appeared to be in an aged condition.  | Clean / touch-up painted surfaces for protection of the underlying component as well as prevention of termite infestation. Peeling paint should be sanded / scraped and bare areas primed prior to painting. Splits / cracks should be sealed, and openings of windows and doors should be re-caulked if required. |   |
| PAINT     | DOORS                 | 0303 | 107 sides            | 6   | 3   | 7,050   | 2 | This component addresses the painted surfaces of the exteriors of the individual unit doors, as well as both sides of the common area doors. They appeared to be in an average condition for their age.  | Clean / touch-up painted surfaces for protection of the underlying component as well as prevention of termite infestation. Peeling paint should be sanded / scraped and bare areas primed prior to painting. Splits / cracks should be sealed, and openings of windows and doors should be re-caulked if required. |   |
| PAINT     | INTERIOR FLATWORK     | 0304 | 350 sq ft            | 8   | 4   | 900     | 1 | This component addresses the painted interior surfaces of the restrooms at the pool building. They appeared to be in an average condition for their age.   | Clean / touch-up painted surfaces for protection of the underlying component as well as prevention of termite infestation. Peeling paint should be sanded / scraped and bare areas primed prior to painting. Splits / cracks should be sealed, and openings of windows and doors should be re-caulked if required. |   |
| PAINT     | IRONWORK              | 0305 | 9,400 sq ft          | 5   | 4   | 33,350  | 3 | This component addresses the painted surfaces of the wrought iron, steel fencing, and rails at the exteriors of the buildings. We were informed that the pool fencing was painted in 2025, and for purposes of reporting the remaining life has been averaged.   | Clean / touch-up painted surfaces for protection of the underlying component. Peeling paint should be sanded / scraped and bare areas primed prior to painting.  |   |
| PAINT     | PARKING STRIPES       | 0306 | 20 spaces            | 5   | 4   | 10,600  | 2 | This component addresses the painted parking stripes that delineate the individual parking spaces. They appeared to be in an average condition.  | Clean / touch-up painted surfaces for protection of the underlying component. Peeling paint should be sanded / scraped and bare areas primed prior to painting.  |   |
| PAINT     | CURBS                 | 0307 | 800 lin ft           | 10  | 3   | 5,100   | 2 | This component addresses the painted red curbs throughout the development. They appeared to be in an average condition for their age.  | Clean / touch-up painted surfaces for protection of the underlying component. Peeling paint should be sanded / scraped and bare areas primed prior to painting.  |   |
| PLUMBING  | DISTRIBUTION PIPING   | 0401 | 55 units             | 40  | 23  | 424,900 | 1 | This component addresses the copper distribution piping. It was inaccessible for inspection (encased); therefore, for purposes of reporting, the remaining life has been estimated. The typical useful life is approximately 40 years; however, it can fail as early as 15 years after installation. This is suspected to be primarily caused by changes in the chemical makeup of potable water. A cost estimate, based on the number of units, has been provided. It is recommended that further evaluations be obtained from a licensed plumbing consultant / contractor. | Little by way of maintenance is needed other than examination for leaking, especially in the garage area. Leaks should be repaired upon discovery, as wood or soil kept constantly moist provides ideal conditions for termites.   |   |
| PLUMBING  | DRAINAGE/SEWER PIPING | 0402 | allowance            | 2   | 1   | 1,250   | 1 | This component addresses the sewer and drainage piping. The visible portions appeared to be in average condition, and no problems were observed or reported. No amount has been provided for complete replacement as the piping would typically have a life well beyond the scope of this projection.  | Occasional routing should be performed to ensure that the drainage system is freely flowing.   |   |
| PLUMBING  | WATER HEATERS         | 0403 | 2 @ 2.4 kw           | 10  | 0   | 1,950   | 1 | This component addresses the "Eemax" point-of-use water heaters, dated 2010, which provide hot water for the common area restrooms. They appeared to be in functional condition; however, past their anticipated lifespan.   | A regular safety check-up by the local utility company (if available) or licensed plumbing contractor is also suggested.   |   |

|            |                            |      |                         |     |     |        |   |   |   |
|------------|----------------------------|------|-------------------------|-----|-----|--------|---|---|---|
| PLUMBING   | FIRE SPRINKLERS            | 0404 | placeholder             | N/A | N/A | 0      | 0 | This component addresses the fire sprinklers throughout the buildings. They appeared to be in average condition and would typically be a lifetime component.  | Periodic inspection and maintenance should be performed by a State Fire Marshall approved company.  |
| PLUMBING   | NATURAL GAS SYSTEM         | 0405 | placeholder             | N/A | N/A | 0      | 0 | This component addresses the natural gas iron distribution piping system. No amount has been provided for complete replacement as the system would typically have a life expectancy well beyond the scope of this report.   | Little by way of maintenance can be performed for this component.   |
| ELECTRICAL | LIGHTING-BUILDING EXTERIOR | 0501 | 179 fixtures            | 20  | 5   | 20,900 | 1 | This component addresses the wall mounted coach type light fixtures at the exteriors of the buildings. They appeared to be in an average condition for their age.   | Ensure the fixtures are secure.   |
| ELECTRICAL | LIGHTING-NUMBER SIGNS      | 0502 | 55 fixtures             | 20  | 5   | 5,300  | 1 | This component addresses the lighted number signs at the residential buildings. They appeared to be in an average condition for their age.  | Ensure the fixtures are secure.   |
| ELECTRICAL | LIGHTING-POOL AREA         | 0503 | 7 fixtures              | 20  | 5   | 6,450  | 2 | This component addresses the pagoda-style light fixtures on concrete bases at the pool area. They appeared to be in an average condition for their age.   | Ensure the fixtures are secure.   |
| ELECTRICAL | LIGHTING-STREET            | 0504 | 9 fixtures              | 25  | 8   | 11,450 | 1 | This component addresses the lamppost-style light fixtures along the streets. They appeared to be in an average condition.  | Ensure the fixtures are secure.   |
| ELECTRICAL | POOL ENTRY SYSTEM          | 0505 | 1 system                | 20  | 6   | 5,950  | 2 | This component addresses the pool entry system at the pool gates. It appeared to be in an average condition for its age.  | Little by way of maintenance can be performed for this component, although minor operational issues are typically encountered.  |
| ELECTRICAL | FIRE ANNUNCIATOR SYSTEM    | 0506 | 1 system                | 20  | 5   | 1,600  | 1 | This component addresses a "DMP" fire annunciator system (panel) in the electrical cabinet. It appeared to be in an average condition for its age.  | Little by way of maintenance can be performed for this component. However, it should be professionally inspected on a regular (suggested annual) basis.   |
| ELECTRICAL | ELECTRICAL SYSTEM          | 0507 | placeholder             | N/A | N/A | 0      | 0 | This component addresses the electrical system, including the main service panel, meter bays, sub-panels, transformers, and distribution lines. No amount has been provided for complete replacement as the systems would typically have a life expectancy well beyond the scope of this report.                  | Little by way of maintenance can be performed for this component.   |
| POOL/SPA   | PLASTER-POOL               | 0601 | 1,300 sq ft             | 10  | 7   | 10,300 | 1 | This component addresses the plaster lining of the pool. We were informed that it was applied in 2024, and it appeared to be in good condition. Coarseness of the plaster, which occurs over time, is conducive to algae growth and can be injurious to users of the pool (potential association liability).      | Maintenance of a clean surface and proper chemical balance is essential for the longevity of the plaster lining.  |
| POOL/SPA   | PLASTER-SPA                | 0602 | 250 sq ft               | 5   | 2   | 6,700  | 2 | This component addresses the plaster lining of the spa. We were informed that it was applied in 2024, and it appeared to be in an average condition. Coarseness of the plaster, which occurs over time, is conducive to algae growth and can be injurious to users of the pool (potential association liability). | Maintenance of a clean surface and proper chemical balance is essential for the longevity of the plaster lining.  |
| POOL/SPA   | COPING JOINT               | 0603 | 150 lin ft              | 8   | 5   | 1,100  | 2 | This component addresses the caulking for the control joint (gap) between the pool and spa decking and the coping. We were informed that it was installed in 2024, and it appeared to be in good condition.   | Maintenance of a well-sealed joint will reduce the potential for cracking and settlement of the pool decks. Prior to subsequent re-caulking of the coping joint, the existing caulk should be removed first. Otherwise, little by way of maintenance can be performed for this component. |
| POOL/SPA   | COPING/TILE                | 0604 | 150 lin ft              | 20  | 17  | 8,050  | 1 | This component addresses the coping and tile around the perimeter of the pool and spa. We were informed that it was installed in 2024, and it appeared to be in good condition. It is suggested that replacement be coordinated with alternate re-plastering cycles.  | Little by way of maintenance can be performed for the coping and tile other than regular cleaning.  |
| POOL/SPA   | HEATERS                    | 0605 | 1 @ 199 & 1 @ 400 mbtu  | 10  | 1   | 9,000  | 2 | This component addresses the "Raypak and Pentair" heaters for the pool and spa. We were previously informed that the pool heater was installed in 2019. They appeared to be in various conditions, and for purposes of reporting the remaining life has been averaged.  | The heaters should be professionally cleaned and serviced on an annual basis.   |
| POOL/SPA   | FILTERS                    | 0606 | 1 @ 420 sf & 1 @ 520 sf | 10  | 0   | 3,600  | 1 | This component addresses the "Pentair" cartridge filters for the pool and spa. They appeared to be in functional condition, however, past their anticipated lifespan.   | The filters should be regularly cleaned and the media re-charged or replaced (backwashed).  |
| POOL/SPA   | PUMP / MOTOR SETS          | 0607 | 4 sets                  | 15  | 2   | 7,950  | 1 | This component addresses the pump/motor sets for the pool and spa. They appeared to be in an aging condition.   | The pumps should be regularly examined, lubricated and serviced as necessary.   |
| POOL/SPA   | CHLORINATORS               | 0608 | 25 chlorinators         | 5   | 0   | 1,650  | 2 | This component addresses the tablet erosion type chlorinators, which automatically add chlorine to the pool and spa water on a continuous basis. They appeared to be in functional condition; however, past their anticipated lifespan.   | Little by way of maintenance can be performed for this component.   |
| POOL/SPA   | FURNITURE                  | 0609 | 36 pieces               | 10  | 0   | 8,900  | 1 | This component provides for the replacement of the furniture around the pool and spa, comprised of large and small tables, sling type chairs and chaises, concrete trash container and umbrellas. It appeared to be in an aged condition.   | Cleansers, undiluted bleach, scouring agents, solvents, and gasoline should never be used.  |
| POOL/SPA   | SKIMMER-SPA                | 0612 | 1 skimmer               | 5   | 0   | 2,400  | 2 | This component addresses the skimmer at the spa. It appeared to be in functional condition; however, past its anticipated lifespan.   | Little by way of maintenance can be performed for this component.   |
| POOL/SPA   | CONCRETE                   | 0613 | placeholder             | N/A | N/A | 0      | 0 | This component addresses a placeholder for the refurbishment of the concrete deck   | Repair vertical displacement. Emphasis should be placed on  |

|                     |                                |      |                       |    |    |        |   |   |  |
|---------------------|--------------------------------|------|-----------------------|----|----|--------|---|---|--|
|                     | DECKS                          |      |                       | A  | A  |        |   | surfaces at the pool area. They appeared to be in functional condition, and no significant issues were observed or reported. Decks near water features are subject to additional deterioration due to added moisture, chemicals, and pedestrian traffic, and are therefore prone to discoloration, pitting, and scaling.  | areas adjacent to trees, as their roots are often the culprits of such damage.   |
| POOL/SPA            | LIGHTS-POOL/SPA                | 0614 | allowance             | 20 | 16 | 2,500  | 2 | This component addresses the pool and spa lights. They appeared to be in good condition.  | Little by way of maintenance can be performed for this component.  |
| LANDSCAPE/HARDSCAPE | ASPHALT SEAL COAT              | 0701 | 41,500 sq ft          | 5  | 3  | 10,750 | 1 | This component addresses the seal coat for the asphalt surfaces of Avalon Drive and the driveways. We were informed that it was applied in 2025, and it appeared to be in an average condition. Service or replacement should be anticipated at any time. It serves to enhance the longevity of the underlying asphalt as well as its appearance by replenishing the oil and fine aggregates of the underlying asphalt. It is important that this procedure be undertaken within 6 months of any overlay or resurfacing and performed thereafter on a 3 – 5-year cycle (typically a warranty requirement).  | Cracks exceeding ¼ inch should be repaired with a rubberized sealant compound. Irrigation run-off can accelerate degradation and should be prevented / diverted. |
| LANDSCAPE/HARDSCAPE | ASPHALT OVERLAY                | 0702 | 23,500 sq ft          | 20 | 8  | 39,000 | 1 | This component provides for resurfacing (overlay) of the asphalt surfaces of Avalon Drive. The surfaces generally appeared to be in an average condition for their age. Aging, oxidation, erosion, and vehicle traffic eventually cause cracking, surface wear, and delamination of the seal coat. Resurfacing entails grinding down the asphalt to concrete transitions and overlaying the prepared pavement with new asphalt (typically 1½ inches). In some cases, complete removal and replacement of the pavement may be required. Installation of paving fabric should also be considered in conjunction with the overlay, to retard reflection of cracks through the new pavement and for provision of a water retardant barrier. In conjunction with resurfacing, seal coat should be applied within 6 months and then at 3 – 5-year intervals thereafter. | Cracks exceeding ¼ inch should be repaired with a rubberized sealant compound. Irrigation run-off can accelerate degradation and should be prevented / diverted. |
| LANDSCAPE/HARDSCAPE | ASPHALT REPLACEMENT            | 0703 | 18,000 sq ft          | 40 | 28 | 59,600 | 1 | This component provides for replacement of the asphalt surfaces of the driveways. The surfaces appeared to be in good condition. Aging, oxidation, erosion, and vehicle traffic eventually cause cracking, surface wear, and delamination of the seal coat. Replacement entails removal of the existing asphalt, grading and compaction of the aggregate base material, and the installation of hot asphalt. It is recommended that engineering be obtained prior to replacement. In conjunction with replacement, seal coat should be performed within 6 months and then at 3 – 5-year intervals thereafter.   | Cracks exceeding ¼ inch should be repaired with a rubberized sealant compound. Irrigation run-off can accelerate degradation and should be prevented / diverted. |
| LANDSCAPE/HARDSCAPE | DRIVEWAY SWALES                | 0704 | 750 lin ft @ 2' width | 40 | 28 | 14,950 | 1 | This component addresses the concrete "V" drains (swales) that run down the center of the asphalt driveways. They appeared to be in good condition. However, cracks and poor drainage can result in water undermining both the swales and asphalt with associated failures. It is recommended that replacement be coordinated with replacement of the asphalt.  | Repair/seal cracks.  |
| LANDSCAPE/HARDSCAPE | CONCRETE BLOCK WALLS           | 0705 | 2,500 lin ft          | 2  | 1  | 650    | 1 | This component provides an allowance for the inevitable repairs that typically become necessary to the concrete block perimeter, crib, and retaining walls throughout the property. They appeared to be in an average condition for their age.  | Maintenance would entail monitoring for cracks on a periodic basis. Any necessary repairs should be made accordingly.  |
| LANDSCAPE/HARDSCAPE | CONCRETE FLATWORK              | 0706 | operating budget+     | 30 | 30 | 0      | 0 | This component addresses the concrete walkways and paths throughout the development. Although the concrete flatwork appeared to be in an average condition, it should be regularly monitored for cracking and vertical displacement, which can create potential trip hazards (and liability for the association). It has been assumed that any maintenance is done on an as needed basis and funded from the operating account.   | Repair/seal cracks.  |
| LANDSCAPE/HARDSCAPE | CONCRETE PAVERS                | 0707 | 1,200 sq ft           | 20 | 5  | 13,900 | 1 | This component addresses the concrete pavers at the driveway aprons. Although they appeared to be in an average condition for their age, and they should be regularly monitored for cracking and vertical displacement, which can create potential trip hazards (and liability for the association).  | Repair/seal cracks.  |
| LANDSCAPE/HARDSCAPE | IRRIGATION CONTROLLERS         | 0708 | 3 controllers         | 10 | 0  | 7,250  | 1 | This component addresses the irrigation controllers at the north and south ends of the property. They appeared to be in functional condition, however, past their anticipated lifespan.   | Prevent overspray and water accumulations adjacent to the structures. Remove and clean clogged sprinkler heads.  |
| LANDSCAPE/HARDSCAPE | IRRIGATION CONTROLLER CABINETS | 0709 | 2 cabinets            | 15 | 6  | 13,800 | 2 | This component address the irrigation controller enclosures. They generally appeared to be in an average condition.   | N/A.   |
| LANDSCAPE/HARDSCAPE | BACK FLOW PREVENTERS           | 0710 | 2 @ 2 inches          | 15 | 8  | 3,000  | 2 | This component addresses the back-flow preventers, which are part of the irrigation system. We were informed that 1 was installed in 2025. The actual performance life would be difficult to determine. However, a rough time frame has been provided for budgeting purposes.   | N/A.   |
| LANDSCAPE/HARDSCAPE | IRRIGATION                     | 0711 | placeholder           | N/ | N/ | 0      | 0 | This component addresses a placeholder for the refurbishment of the irrigation  | N/A.   |

|                       |                      |      |                     |     |     |          |   |  |   |   |
|-----------------------|----------------------|------|---------------------|-----|-----|----------|---|--|---|---|
| HARDSCAPE/PIPING      |                      |      |                     | A   | A   |          |   |  | pipng.  |   |
| LANDSCAPE/HARDSCAPE   | LANDSCAPE/REMODEL    | 0712 | allowance           | 10  | 7   | 11,450   | 2 |  | This component addresses an allowance for updating and remodeling the landscaping throughout the development. We were informed of landscape modernization done in 2024.   | N/A.  |
| LANDSCAPE/HARDSCAPE   | WROUGHT IRON         | 0713 | 10% of 2,050 lin ft | 15  | 10  | 10,900   | 1 |  | This component addresses the wrought iron fencing at the pool area and at the perimeter of the property. We were informed of pool gate repairs done in 2024, as well as the installation of a new strike clutch in 2025. The wrought iron appeared to be in an average condition for its age. Provided that it is regularly painted and exposure to moisture kept to a minimum, most of the wrought iron should have a life well beyond 30 years. However, based upon our opinion and prior experience, repair, and replacement of approximately 10% of the wrought iron should be anticipated due to inevitable corrosion from exposure of some sections to constant sprinkler spray as well as proximity to the ground. | Inspect at least once per year, emphasizing welds where they meet the spacers or walls. Painting is necessary to ensure the maximum life potential. Wrought iron can deteriorate from the inside out, thus it is recommended to bend or squeeze the metal and repair or replace if it gives. Where possible, direct exposure to the ground and sprinkler spray should be minimized. |
| RECREATION FACILITIES | RESTROOMS            | 0801 | 2 restrooms         | 20  | 5   | 17,750   | 1 |  | This component addresses the remodeling of the restrooms at the pool building, comprised of sinks, toilets, a urinal, towel dispensers, soap dispensers, a shower, and ceramic wall tile. They appeared to be in an average condition for their age.  | The restroom should be maintained in a sanitized condition.   |
| MISCELLANEOUS         | MAILBOXES            | 0901 | 68 mailboxes        | 15  | 3   | 6,500    | 1 |  | This component addresses the pedestals of individual aluminum mailboxes on Avalon Drive at the center of complex. They appeared to be in an average condition for their age.  | Lubricate the locks. Clean and protect the finishes.  |
| MISCELLANEOUS         | SIGNS                | 0902 | 4 buildings         | 5   | 3   | 4,550    | 2 |  | This component addresses the metal signs at the buildings. They appeared to be in an average condition for their age.   | Little by way of maintenance can be performed for this component.   |
| MISCELLANEOUS         | PET WASTE DISPENSERS | 0903 | 220 dispensers      | 20  | 6   | 1,650    | 1 |  | This component addresses the pet waste dispensers. They appeared to be in an average condition.   | Little by way of maintenance can be performed for this component.   |
| CONTINGENCY RESERVE   | GENERAL-5%           | 1001 |                     | N/A | N/A | SEE PG 4 |   |  | It is difficult to anticipate <u>every</u> expense / replacement as well as accurately predict the cost of some items that <u>are</u> anticipated, due to unforeseen circumstances with respect to removal/installation, replacement with a different material than originally budgeted for, economic factors, etc. The Department of Real Estate (DRE) suggests a contingency equal to 3% of the annual budget (5% for a conversion from an apartment complex and 10% for a high-rise building over 70 feet). It is our opinion that a 5% contingency factor would be appropriate.   | N/A.  |

**COMPARISON OF FUNDING PLANS / ILLUSTRATIONS  
SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

| <b>FUNDING ILLUSTRATION #1</b><br>(current transfer remains constant) |                          |                 |                |
|---|--------------------------|-----------------|----------------|
| YEAR  | MONTHLY RESERVE TRANSFER | ANNUAL % CHANGE | PERCENT FUNDED |
| 7/1/2026  | 5,919                    | 0.00%           | 75.53%         |
| 7/1/2027  | 5,919                    | 0.00%           | 69.80%         |
| 7/1/2028  | 5,919                    | 0.00%           | 70.38%         |
| 7/1/2029  | 5,919                    | 0.00%           | 69.98%         |
| 7/1/2030  | 5,919                    | 0.00%           | 69.15%         |
| 7/1/2031  | 5,919                    | 0.00%           | 67.71%         |
| 7/1/2032  | 5,919                    | 0.00%           | 64.54%         |
| 7/1/2033  | 5,919                    | 0.00%           | 63.95%         |
| 7/1/2034  | 5,919                    | 0.00%           | 61.54%         |
| 7/1/2035  | 5,919                    | 0.00%           | 59.09%         |
| 7/1/2036  | 5,919                    | 0.00%           | 57.24%         |
| 7/1/2037  | 5,919                    | 0.00%           | 55.48%         |
| 7/1/2038  | 5,919                    | 0.00%           | 55.21%         |
| 7/1/2039  | 5,919                    | 0.00%           | 51.14%         |
| 7/1/2040  | 5,919                    | 0.00%           | 50.53%         |
| 7/1/2041  | 5,919                    | 0.00%           | 48.85%         |
| 7/1/2042  | 5,919                    | 0.00%           | 44.15%         |
| 7/1/2043  | 5,919                    | 0.00%           | 44.59%         |
| 7/1/2044  | 5,919                    | 0.00%           | 41.40%         |
| 7/1/2045  | 5,919                    | 0.00%           | -2.63%         |
| 7/1/2046  | 5,919                    | 0.00%           | -2.95%         |
| 7/1/2047  | 5,919                    | 0.00%           | -2.95%         |
| 7/1/2048  | 5,919                    | 0.00%           | -0.27%         |
| 7/1/2049  | 5,919                    | 0.00%           | -0.89%         |
| 7/1/2050  | 5,919                    | 0.00%           | -76.67%        |
| 7/1/2051  | 5,919                    | 0.00%           | -105.65%       |
| 7/1/2052  | 5,919                    | 0.00%           | -125.75%       |
| 7/1/2053  | 5,919                    | 0.00%           | -100.47%       |
| 7/1/2054  | 5,919                    | 0.00%           | -95.55%        |
| 7/1/2055  | 5,919                    | 0.00%           | -121.84%       |

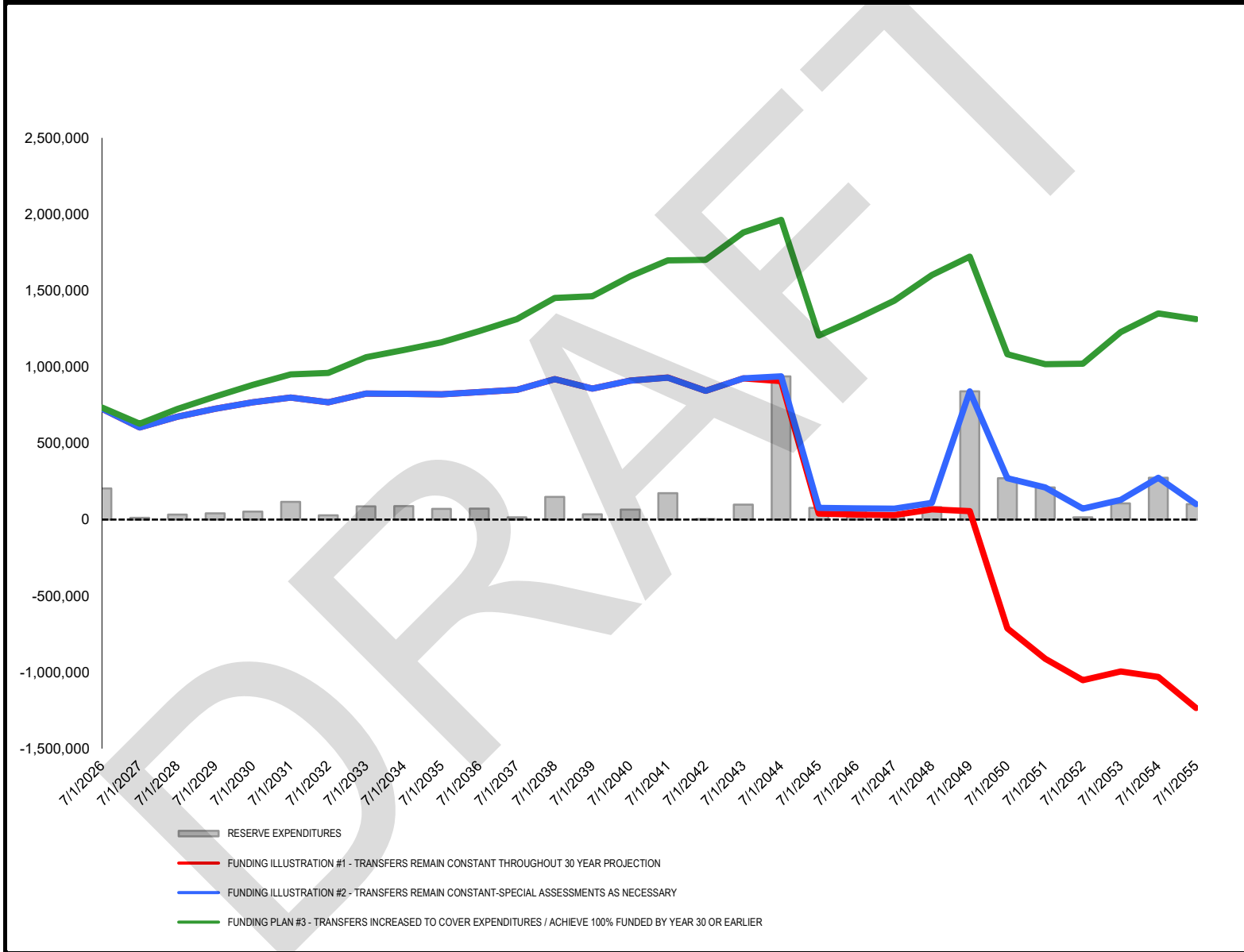
| <b>FUNDING ILLUSTRATION #2</b><br>(current transfer constant - special assess as necessary) |                          |                               |                |
|---|--------------------------|-------------------------------|----------------|
| YEAR  | MONTHLY RESERVE TRANSFER | SPECIAL ASSESSMENT (ONE-TIME) | PERCENT FUNDED |
| 7/1/2026  | 5,919                    | 0                             | 75.53%         |
| 7/1/2027  | 5,919                    | 0                             | 69.80%         |
| 7/1/2028  | 5,919                    | 0                             | 70.38%         |
| 7/1/2029  | 5,919                    | 0                             | 69.98%         |
| 7/1/2030  | 5,919                    | 0                             | 69.15%         |
| 7/1/2031  | 5,919                    | 0                             | 67.71%         |
| 7/1/2032  | 5,919                    | 0                             | 64.54%         |
| 7/1/2033  | 5,919                    | 0                             | 63.95%         |
| 7/1/2034  | 5,919                    | 0                             | 61.54%         |
| 7/1/2035  | 5,919                    | 0                             | 59.09%         |
| 7/1/2036  | 5,919                    | 0                             | 57.24%         |
| 7/1/2037  | 5,919                    | 0                             | 55.48%         |
| 7/1/2038  | 5,919                    | 0                             | 55.21%         |
| 7/1/2039  | 5,919                    | 0                             | 51.14%         |
| 7/1/2040  | 5,919                    | 0                             | 50.53%         |
| 7/1/2041  | 5,919                    | 0                             | 48.85%         |
| 7/1/2042  | 5,919                    | 0                             | 44.15%         |
| 7/1/2043  | 5,919                    | 0                             | 44.59%         |
| 7/1/2044  | 5,919                    | 31,900                        | 41.40%         |
| 7/1/2045  | 5,919                    | 6,400                         | 0.00%          |
| 7/1/2046  | 5,919                    | 2,900                         | 0.01%          |
| 7/1/2047  | 5,919                    | 0                             | 0.01%          |
| 7/1/2048  | 5,919                    | 0                             | 2.44%          |
| 7/1/2049  | 5,919                    | 741,200                       | 1.63%          |
| 7/1/2050  | 5,919                    | 199,200                       | 0.01%          |
| 7/1/2051  | 5,919                    | 139,200                       | 0.01%          |
| 7/1/2052  | 5,919                    | 0                             | 0.01%          |
| 7/1/2053  | 5,919                    | 0                             | 5.31%          |
| 7/1/2054  | 5,919                    | 181,500                       | 1.87%          |
| 7/1/2055  | 5,919                    | 30,700                        | 0.00%          |

| <b>FUNDING PLAN #3 (RECOMMENDED)</b><br>(current transfer increased to achieve 100% funded by year 30) |                          |                 |                |
|--|--------------------------|-----------------|----------------|
| YEAR   | MONTHLY RESERVE TRANSFER | ANNUAL % CHANGE | PERCENT FUNDED |
| 7/1/2026   | 6,564                    | 10.90%          | 75.53%         |
| 7/1/2027   | 7,279                    | 10.90%          | 70.85%         |
| 7/1/2028   | 8,073                    | 10.90%          | 73.28%         |
| 7/1/2029   | 8,315                    | 3.00%           | 75.53%         |
| 7/1/2030   | 8,564                    | 3.00%           | 77.32%         |
| 7/1/2031   | 8,821                    | 3.00%           | 78.53%         |
| 7/1/2032   | 9,086                    | 3.00%           | 78.85%         |
| 7/1/2033   | 9,358                    | 3.00%           | 80.61%         |
| 7/1/2034   | 9,639                    | 3.00%           | 81.36%         |
| 7/1/2035   | 9,928                    | 3.00%           | 82.19%         |
| 7/1/2036   | 10,226                   | 3.00%           | 83.28%         |
| 7/1/2037   | 10,533                   | 3.00%           | 84.51%         |
| 7/1/2038   | 10,849                   | 3.00%           | 85.84%         |
| 7/1/2039   | 11,175                   | 3.00%           | 86.29%         |
| 7/1/2040   | 11,510                   | 3.00%           | 87.61%         |
| 7/1/2041   | 11,855                   | 3.00%           | 88.36%         |
| 7/1/2042   | 12,211                   | 3.00%           | 88.91%         |
| 7/1/2043   | 12,577                   | 3.00%           | 90.19%         |
| 7/1/2044   | 12,954                   | 3.00%           | 89.13%         |
| 7/1/2045   | 13,343                   | 3.00%           | 83.98%         |
| 7/1/2046   | 13,743                   | 3.00%           | 86.22%         |
| 7/1/2047   | 14,156                   | 3.00%           | 88.46%         |
| 7/1/2048   | 14,580                   | 3.00%           | 90.61%         |
| 7/1/2049   | 15,018                   | 3.00%           | 90.33%         |
| 7/1/2050   | 15,468                   | 3.00%           | 86.25%         |
| 7/1/2051   | 15,932                   | 3.00%           | 87.32%         |
| 7/1/2052   | 16,410                   | 3.00%           | 90.56%         |
| 7/1/2053   | 16,902                   | 3.00%           | 94.81%         |
| 7/1/2054   | 17,410                   | 3.00%           | 97.29%         |
| 7/1/2055   | 17,932                   | 3.00%           | 100.51%        |

FOOTNOTES: (1) If there are special assessments, they are prorated on a monthly basis

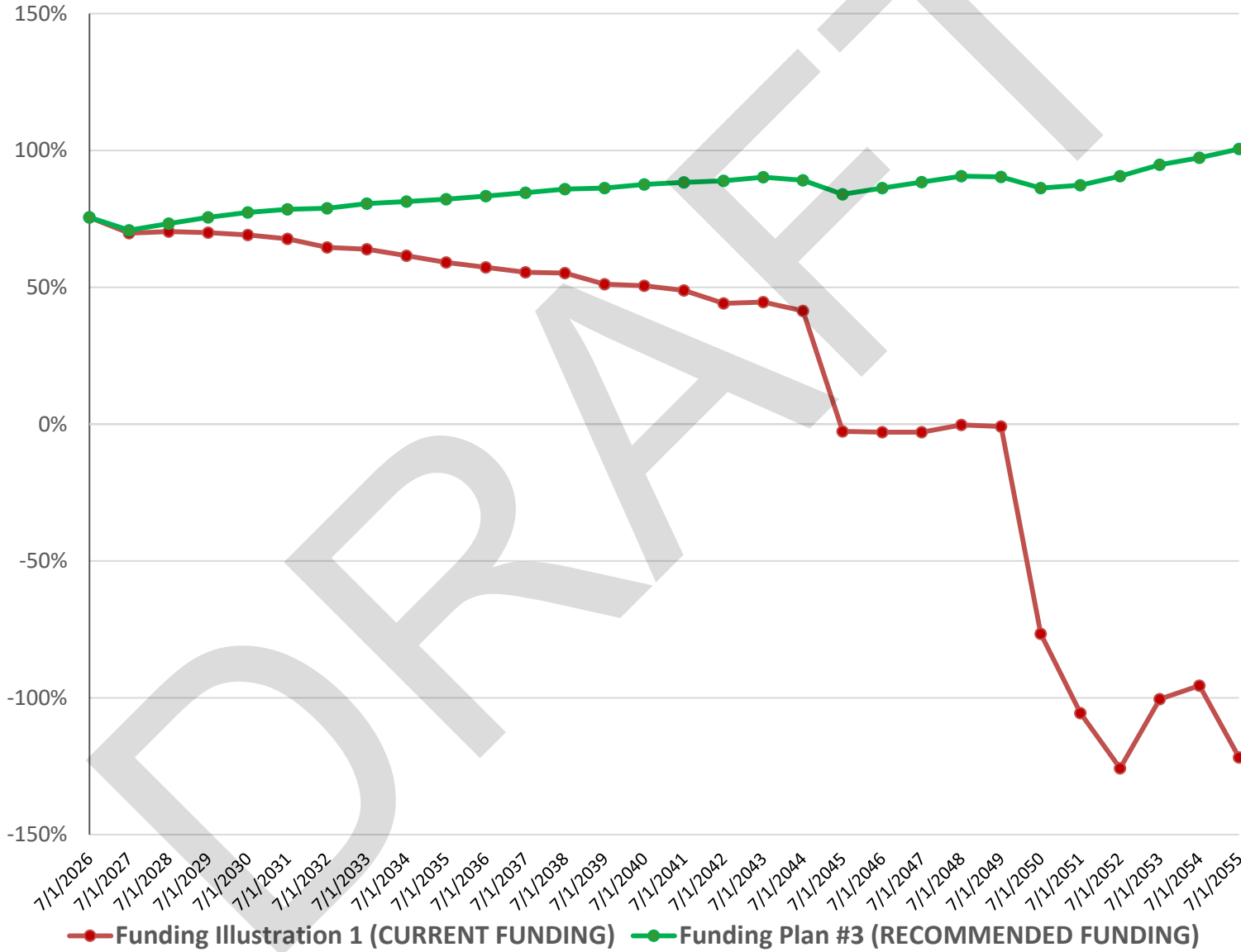
# SOLSTICE SOUTH HOMEOWNERS ASSOCIATION

GRAPH 1: FUNDING PLAN / ILLUSTRATIONS 1-3 vs RESERVE EXPENDITURES



# SOLSTICE SOUTH HOMEOWNERS ASSOCIATION

## GRAPH 2: PERCENT FUNDED OVER TIME - CURRENT FUNDING vs RECOMMENDED FUNDING



**FUNDING ILLUSTRATION #1** (assumption: current reserve transfer remains constant throughout 30 year projection) **ILLUSTRATION ONLY / NOT RECOMMENDED**  
**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION** **ANNUAL BASIS**

| DESCRIPTION                            | 7/1/2026  | 7/1/2027  | 7/1/2028  | 7/1/2029  | 7/1/2030  | 7/1/2031  | 7/1/2032  | 7/1/2033  | 7/1/2034  | 7/1/2035  | 7/1/2036  | 7/1/2037  | 7/1/2038  | 7/1/2039  | 7/1/2040  |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| RESERVE TRANSFER                       | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    |
| SPECIAL ASSESSMENT                     | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| INTEREST INCOME (a)                    | 10,598    | 10,124    | 11,213    | 12,057    | 12,732    | 12,728    | 12,949    | 13,450    | 13,403    | 13,506    | 13,767    | 14,533    | 14,609    | 14,513    | 15,170    |
| COMPONENT COSTS (b)                    | (203,123) | (11,735)  | (31,901)  | (40,571)  | (52,042)  | (115,879) | (27,508)  | (85,862)  | (88,160)  | (69,549)  | (71,042)  | (15,066)  | (147,734) | (34,006)  | (65,472)  |
| NET RECEIPTS/(DISBURSE)                | (121,501) | 69,414    | 50,336    | 42,510    | 31,714    | (32,127)  | 56,465    | (1,388)   | (3,733)   | 14,981    | 13,749    | 70,490    | (62,101)  | 51,531    | 20,722    |
| CASH BALANCE: begin year               | 643,657   | 522,157   | 591,571   | 641,907   | 684,417   | 716,130   | 684,003   | 740,469   | 739,081   | 735,349   | 750,330   | 764,079   | 834,569   | 772,468   | 823,998   |
| CASH BALANCE: end year                 | 522,157   | 591,571   | 641,907   | 684,417   | 716,130   | 684,003   | 740,469   | 739,081   | 735,349   | 750,330   | 764,079   | 834,569   | 772,468   | 823,998   | 844,720   |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 852,177   | 748,062   | 840,578   | 917,305   | 989,810   | 1,057,659 | 1,059,862 | 1,157,854 | 1,201,024 | 1,244,508 | 1,310,781 | 1,377,133 | 1,511,542 | 1,510,640 | 1,630,625 |
| less: beginning cash balance           | 643,657   | 522,157   | 591,571   | 641,907   | 684,417   | 716,130   | 684,003   | 740,469   | 739,081   | 735,349   | 750,330   | 764,079   | 834,569   | 772,468   | 823,998   |
| over/(under) funded-total              | (208,519) | (225,905) | (249,008) | (275,398) | (305,393) | (341,529) | (375,858) | (417,385) | (461,943) | (509,159) | (560,451) | (613,055) | (676,973) | (738,173) | (806,626) |
| " " " per unit                         | (3,791)   | (4,107)   | (4,527)   | (5,007)   | (5,553)   | (6,210)   | (6,834)   | (7,589)   | (8,399)   | (9,257)   | (10,190)  | (11,146)  | (12,309)  | (13,421)  | (14,666)  |

| DESCRIPTION                            | 7/1/2041  | 7/1/2042  | 7/1/2043    | 7/1/2044    | 7/1/2045    | 7/1/2046    | 7/1/2047    | 7/1/2048    | 7/1/2049    | 7/1/2050    | 7/1/2051    | 7/1/2052    | 7/1/2053    | 7/1/2054    | 7/1/2055    |
|--|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| RESERVE TRANSFER                       | 71,024    | 71,024    | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      |
| SPECIAL ASSESSMENT                     | 0         | 0         | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| INTEREST INCOME (a)                    | 14,564    | 14,511    | 15,152      | 7,233       | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           |
| COMPONENT COSTS (b)                    | (172,983) | (3,912)   | (97,316)    | (938,217)   | (77,392)    | (73,903)    | (33,809)    | (81,872)    | (839,789)   | (270,241)   | (210,223)   | (15,278)    | (106,488)   | (274,240)   | (101,749)   |
| NET RECEIPTS/(DISBURSE)                | (87,396)  | 81,623    | (11,140)    | (859,960)   | (6,368)     | (2,879)     | 37,215      | (10,848)    | (768,765)   | (199,217)   | (139,199)   | 55,747      | (35,464)    | (203,216)   | (30,725)    |
| CASH BALANCE: begin year               | 844,720   | 757,325   | 838,947     | 827,807     | (32,153)    | (38,521)    | (41,400)    | (4,185)     | (15,033)    | (783,798)   | (983,014)   | (1,122,213) | (1,066,466) | (1,101,930) | (1,305,146) |
| CASH BALANCE: end year                 | 757,325   | 838,947   | 827,807     | (32,153)    | (38,521)    | (41,400)    | (4,185)     | (15,033)    | (783,798)   | (983,014)   | (1,122,213) | (1,066,466) | (1,101,930) | (1,305,146) | (1,335,871) |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 1,729,372 | 1,715,278 | 1,881,644   | 1,999,588   | 1,220,523   | 1,307,443   | 1,401,561   | 1,544,883   | 1,682,146   | 1,022,270   | 930,484     | 892,407     | 1,061,471   | 1,153,246   | 1,071,211   |
| less: beginning cash balance           | 844,720   | 757,325   | 838,947     | 827,807     | (32,153)    | (38,521)    | (41,400)    | (4,185)     | (15,033)    | (783,798)   | (983,014)   | (1,122,213) | (1,066,466) | (1,101,930) | (1,305,146) |
| over/(under) funded-total              | (884,652) | (957,954) | (1,042,697) | (1,171,781) | (1,252,676) | (1,345,964) | (1,442,961) | (1,549,068) | (1,697,179) | (1,806,067) | (1,913,498) | (2,014,619) | (2,127,937) | (2,255,176) | (2,376,357) |
| " " " per unit                         | (16,085)  | (17,417)  | (18,958)    | (21,305)    | (22,776)    | (24,472)    | (26,236)    | (28,165)    | (30,858)    | (32,838)    | (34,791)    | (36,629)    | (38,690)    | (41,003)    | (43,206)    |

FOOTNOTES: (a) Interest income calculated on average balance less Federal & State income taxes of 39.3% Rate: 3.0000%  
(b) See "Reserve Expenditures By Year Schedule"  
(c) See "Component Accumulated Depreciation Analysis"

**FUNDING ILLUSTRATION #2** (assumption: current reserve transfer constant - special assess as necessary) **ILLUSTRATION ONLY / NOT RECOMMENDED**  
**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

ANNUAL BASIS

| DESCRIPTION                            | 7/1/2026  | 7/1/2027  | 7/1/2028  | 7/1/2029  | 7/1/2030  | 7/1/2031  | 7/1/2032  | 7/1/2033  | 7/1/2034  | 7/1/2035  | 7/1/2036  | 7/1/2037  | 7/1/2038  | 7/1/2039  | 7/1/2040  |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| RESERVE TRANSFER                       | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    | 71,024    |
| SPECIAL ASSESSMENT                     | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| INTEREST INCOME (a)                    | 10,598    | 10,124    | 11,213    | 12,057    | 12,732    | 12,728    | 12,949    | 13,450    | 13,403    | 13,506    | 13,767    | 14,533    | 14,609    | 14,513    | 15,170    |
| COMPONENT COSTS (b)                    | (203,123) | (11,735)  | (31,901)  | (40,571)  | (52,042)  | (115,879) | (27,508)  | (85,862)  | (88,160)  | (69,549)  | (71,042)  | (15,066)  | (147,734) | (34,006)  | (65,472)  |
| NET RECEIPTS/(DISBURSE)                | (121,501) | 69,414    | 50,336    | 42,510    | 31,714    | (32,127)  | 56,465    | (1,388)   | (3,733)   | 14,981    | 13,749    | 70,490    | (62,101)  | 51,531    | 20,722    |
| CASH BALANCE: begin year               | 643,657   | 522,157   | 591,571   | 641,907   | 684,417   | 716,130   | 684,003   | 740,469   | 739,081   | 735,349   | 750,330   | 764,079   | 834,569   | 772,468   | 823,998   |
| CASH BALANCE: end year                 | 522,157   | 591,571   | 641,907   | 684,417   | 716,130   | 684,003   | 740,469   | 739,081   | 735,349   | 750,330   | 764,079   | 834,569   | 772,468   | 823,998   | 844,720   |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 852,177   | 748,062   | 840,578   | 917,305   | 989,810   | 1,057,659 | 1,059,862 | 1,157,854 | 1,201,024 | 1,244,508 | 1,310,781 | 1,377,133 | 1,511,542 | 1,510,640 | 1,630,625 |
| less: beginning cash balance           | 643,657   | 522,157   | 591,571   | 641,907   | 684,417   | 716,130   | 684,003   | 740,469   | 739,081   | 735,349   | 750,330   | 764,079   | 834,569   | 772,468   | 823,998   |
| over/(under) funded-total              | (208,519) | (225,905) | (249,008) | (275,398) | (305,393) | (341,529) | (375,858) | (417,385) | (461,943) | (509,159) | (560,451) | (613,055) | (676,973) | (738,173) | (806,626) |
| " " " per unit                         | (3,791)   | (4,107)   | (4,527)   | (5,007)   | (5,553)   | (6,210)   | (6,834)   | (7,589)   | (8,399)   | (9,257)   | (10,190)  | (11,146)  | (12,309)  | (13,421)  | (14,666)  |

| DESCRIPTION                            | 7/1/2041  | 7/1/2042  | 7/1/2043    | 7/1/2044    | 7/1/2045    | 7/1/2046    | 7/1/2047    | 7/1/2048    | 7/1/2049    | 7/1/2050    | 7/1/2051  | 7/1/2052  | 7/1/2053    | 7/1/2054    | 7/1/2055    |
|--|-----------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------|-----------|-------------|-------------|-------------|
| RESERVE TRANSFER                       | 71,024    | 71,024    | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024      | 71,024    | 71,024    | 71,024      | 71,024      | 71,024      |
| SPECIAL ASSESSMENT                     | 0         | 0         | 0           | 31,900      | 6,400       | 2,900       | 0           | 0           | 741,200     | 199,200     | 139,200   | 0         | 0           | 181,500     | 30,700      |
| INTEREST INCOME (a)                    | 14,564    | 14,511    | 15,152      | 7,526       | 1           | 2           | 343         | 591         | 250         | 1           | 1         | 513       | 708         | 197         | 1           |
| COMPONENT COSTS (b)                    | (172,983) | (3,912)   | (97,316)    | (938,217)   | (77,392)    | (73,903)    | (33,809)    | (81,872)    | (839,789)   | (270,241)   | (210,223) | (15,278)  | (106,488)   | (274,240)   | (101,749)   |
| NET RECEIPTS/(DISBURSE)                | (87,396)  | 81,623    | (11,140)    | (827,767)   | 33          | 22          | 37,558      | (10,256)    | (27,315)    | (15)        | 3         | 56,259    | (34,756)    | (21,519)    | (24)        |
| CASH BALANCE: begin year               | 844,720   | 757,325   | 838,947     | 827,807     | 40          | 73          | 95          | 37,653      | 27,397      | 82          | 67        | 69        | 56,329      | 21,573      | 53          |
| CASH BALANCE: end year                 | 757,325   | 838,947   | 827,807     | 40          | 73          | 95          | 37,653      | 27,397      | 82          | 67          | 69        | 56,329    | 21,573      | 53          | 29          |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 1,729,372 | 1,715,278 | 1,881,644   | 1,999,588   | 1,220,523   | 1,307,443   | 1,401,561   | 1,544,883   | 1,682,146   | 1,022,270   | 930,484   | 892,407   | 1,061,471   | 1,153,246   | 1,071,211   |
| less: beginning cash balance           | 844,720   | 757,325   | 838,947     | 827,807     | 40          | 73          | 95          | 37,653      | 27,397      | 82          | 67        | 69        | 56,329      | 21,573      | 53          |
| over/(under) funded-total              | (884,652) | (957,954) | (1,042,697) | (1,171,781) | (1,220,483) | (1,307,371) | (1,401,466) | (1,507,229) | (1,654,749) | (1,022,188) | (930,417) | (892,337) | (1,005,142) | (1,131,673) | (1,071,158) |
| " " " per unit                         | (16,085)  | (17,417)  | (18,958)    | (21,305)    | (22,191)    | (23,770)    | (25,481)    | (27,404)    | (30,086)    | (18,585)    | (16,917)  | (16,224)  | (18,275)    | (20,576)    | (19,476)    |

FOOTNOTES: (a) Interest income calculated on average balance less Federal & State income taxes of 39.3% Rate: 3.0000%  
 (b) See "Reserve Expenditures By Year Schedule"  
 (c) See "Component Accumulated Depreciation Analysis"

**FUNDING PLAN #3** (assumption: current reserve transfer adjusted as necessary to cover all expenditures)  
**SOLSTICE SOUTH HOMEOWNERS ASSOCIATION**

**RECOMMENDED TO BE ADOPTED**

**ANNUAL BASIS**

| DESCRIPTION                            | 7/1/2026  | 7/1/2027  | 7/1/2028  | 7/1/2029  | 7/1/2030  | 7/1/2031  | 7/1/2032  | 7/1/2033  | 7/1/2034  | 7/1/2035  | 7/1/2036  | 7/1/2037  | 7/1/2038  | 7/1/2039  | 7/1/2040  |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| RESERVE TRANSFER                       | 78,766    | 87,351    | 96,872    | 99,779    | 102,772   | 105,855   | 109,031   | 112,302   | 115,671   | 119,141   | 122,715   | 126,396   | 130,188   | 134,094   | 138,117   |
| SPECIAL ASSESSMENT                     | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| INTEREST INCOME (a)                    | 10,669    | 10,418    | 11,898    | 13,256    | 14,508    | 15,147    | 16,081    | 17,367    | 18,180    | 19,221    | 20,503    | 22,375    | 23,645    | 24,837    | 26,877    |
| COMPONENT COSTS (b)                    | (203,123) | (11,735)  | (31,901)  | (40,571)  | (52,042)  | (115,879) | (27,508)  | (85,862)  | (88,160)  | (69,549)  | (71,042)  | (15,066)  | (147,734) | (34,006)  | (65,472)  |
| NET RECEIPTS/(DISBURSE)                | (113,688) | 86,034    | 76,870    | 72,464    | 65,238    | 5,123     | 97,604    | 43,807    | 45,691    | 68,813    | 72,176    | 133,705   | 6,100     | 124,924   | 99,522    |
| CASH BALANCE: begin year               | 643,657   | 529,970   | 616,003   | 692,873   | 765,337   | 830,574   | 835,698   | 933,302   | 977,109   | 1,022,800 | 1,091,613 | 1,163,789 | 1,297,494 | 1,303,593 | 1,428,518 |
| CASH BALANCE: end year                 | 529,970   | 616,003   | 692,873   | 765,337   | 830,574   | 835,698   | 933,302   | 977,109   | 1,022,800 | 1,091,613 | 1,163,789 | 1,297,494 | 1,303,593 | 1,428,518 | 1,528,040 |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 852,177   | 748,062   | 840,578   | 917,305   | 989,810   | 1,057,659 | 1,059,862 | 1,157,854 | 1,201,024 | 1,244,508 | 1,310,781 | 1,377,133 | 1,511,542 | 1,510,640 | 1,630,625 |
| less: beginning cash balance           | 643,657   | 529,970   | 616,003   | 692,873   | 765,337   | 830,574   | 835,698   | 933,302   | 977,109   | 1,022,800 | 1,091,613 | 1,163,789 | 1,297,494 | 1,303,593 | 1,428,518 |
| over/(under) funded-total              | (208,519) | (218,092) | (224,575) | (224,432) | (224,473) | (227,085) | (224,164) | (224,552) | (223,915) | (221,708) | (219,168) | (213,345) | (214,048) | (207,047) | (202,107) |
| " " " per unit                         | (3,791)   | (3,965)   | (4,083)   | (4,081)   | (4,081)   | (4,129)   | (4,076)   | (4,083)   | (4,071)   | (4,031)   | (3,985)   | (3,879)   | (3,892)   | (3,764)   | (3,675)   |

| DESCRIPTION                            | 7/1/2041  | 7/1/2042  | 7/1/2043  | 7/1/2044  | 7/1/2045  | 7/1/2046  | 7/1/2047  | 7/1/2048  | 7/1/2049  | 7/1/2050  | 7/1/2051  | 7/1/2052  | 7/1/2053  | 7/1/2054  | 7/1/2055  |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| RESERVE TRANSFER                       | 142,260   | 146,528   | 150,924   | 155,452   | 160,115   | 164,919   | 169,866   | 174,962   | 180,211   | 185,618   | 191,186   | 196,922   | 202,829   | 208,914   | 215,182   |
| SPECIAL ASSESSMENT                     | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0         |
| INTEREST INCOME (a)                    | 27,755    | 29,290    | 31,628    | 25,519    | 19,565    | 21,518    | 23,996    | 26,538    | 21,828    | 15,401    | 14,733    | 16,495    | 19,348    | 19,988    | 20,796    |
| COMPONENT COSTS (b)                    | (172,983) | (3,912)   | (97,316)  | (938,217) | (77,392)  | (73,903)  | (33,809)  | (81,872)  | (839,789) | (270,241) | (210,223) | (15,278)  | (106,488) | (274,240) | (101,749) |
| NET RECEIPTS/(DISBURSE)                | (2,968)   | 171,906   | 85,236    | (757,246) | 102,288   | 112,533   | 160,053   | 119,629   | (637,749) | (69,222)  | (4,303)   | 198,139   | 115,690   | (45,338)  | 134,228   |
| CASH BALANCE: begin year               | 1,528,040 | 1,525,071 | 1,696,978 | 1,782,213 | 1,024,967 | 1,127,255 | 1,239,789 | 1,399,842 | 1,519,471 | 881,721   | 812,500   | 808,196   | 1,006,335 | 1,122,025 | 1,076,687 |
| CASH BALANCE: end year                 | 1,525,071 | 1,696,978 | 1,782,213 | 1,024,967 | 1,127,255 | 1,239,789 | 1,399,842 | 1,519,471 | 881,721   | 812,500   | 808,196   | 1,006,335 | 1,122,025 | 1,076,687 | 1,210,915 |
| COMPONENT ACCUMULATED DEPRECIATION (c) | 1,729,372 | 1,715,278 | 1,881,644 | 1,999,588 | 1,220,523 | 1,307,443 | 1,401,561 | 1,544,883 | 1,682,146 | 1,022,270 | 930,484   | 892,407   | 1,061,471 | 1,153,246 | 1,071,211 |
| less: beginning cash balance           | 1,528,040 | 1,525,071 | 1,696,978 | 1,782,213 | 1,024,967 | 1,127,255 | 1,239,789 | 1,399,842 | 1,519,471 | 881,721   | 812,500   | 808,196   | 1,006,335 | 1,122,025 | 1,076,687 |
| over/(under) funded-total              | (201,333) | (190,207) | (184,666) | (217,375) | (195,556) | (180,188) | (161,772) | (145,041) | (162,675) | (140,548) | (117,984) | (84,210)  | (55,135)  | (31,221)  | 5,476     |
| " " " per unit                         | (3,661)   | (3,458)   | (3,358)   | (3,952)   | (3,556)   | (3,276)   | (2,941)   | (2,637)   | (2,958)   | (2,555)   | (2,145)   | (1,531)   | (1,002)   | (568)     | 100       |

FOOTNOTES:

(a) Interest income calculated on average balance less Federal & State income taxes of 39.3%

Rate: 3.0000%

(b) See "Reserve Expenditures By Year Schedule"

(c) See "Component Accumulated Depreciation Analysis"

RESERVE EXPENDITURES BY YEAR  
SOLSTICE SOUTH HOMEOWNERS ASSOCIATION

7/1/2026 through 7/1/2040

| EXPENDITURES                          | 7/1/2026 | 7/1/2027 | 7/1/2028 | 7/1/2029 | 7/1/2030 | 7/1/2031 | 7/1/2032 | 7/1/2033 | 7/1/2034 | 7/1/2035 | 7/1/2036 | 7/1/2037 | 7/1/2038 | 7/1/2039 | 7/1/2040 |
|---------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>ROOF/DECKS</b>                     |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| concrete tile roof                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| exterior elevated elements inspection | 0        | 0        | 0        | 0        | 0        | 0        | 17,369   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| membrane decks-resurface              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 28,646   | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| membrane decks-coating                | 0        | 0        | 14,981   | 0        | 0        | 0        | 0        | 16,975   | 0        | 0        | 0        | 0        | 19,233   | 0        | 0        |
| gutters & downspouts                  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>STRUCTURE</b>                      |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| foundations/structural frame          | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| fumigation                            | 69,250   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| wood arbors                           | 0        | 0        | 0        | 0        | 0        | 9,518    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| shutters                              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| stone veneer                          | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| windows & frames                      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>PAINT</b>                          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| stucco                                | 82,400   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 111,208  | 0        | 0        |
| trim                                  | 16,050   | 0        | 0        | 0        | 0        | 18,186   | 0        | 0        | 0        | 0        | 20,606   | 0        | 0        | 0        | 0        |
| doors                                 | 0        | 0        | 0        | 7,598    | 0        | 0        | 0        | 0        | 0        | 8,826    | 0        | 0        | 0        | 0        | 0        |
| interior flatwork                     | 0        | 0        | 0        | 0        | 995      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 1,215    | 0        | 0        |
| ironwork                              | 0        | 0        | 0        | 0        | 36,855   | 0        | 0        | 0        | 0        | 41,758   | 0        | 0        | 0        | 0        | 47,315   |
| parking stripes                       | 0        | 0        | 0        | 0        | 11,714   | 0        | 0        | 0        | 0        | 13,273   | 0        | 0        | 0        | 0        | 15,039   |
| curbs                                 | 0        | 0        | 0        | 5,497    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 7,059    | 0        |
| <b>PLUMBING</b>                       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| distribution piping                   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| drainage/sewer piping                 | 0        | 1,282    | 0        | 1,347    | 0        | 1,416    | 0        | 1,489    | 0        | 1,566    | 0        | 1,647    | 0        | 1,732    | 0        |
| water heaters                         | 1,950    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 2,504    | 0        | 0        | 0        | 0        |
| fire sprinklers                       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| natural gas system                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>ELECTRICAL</b>                     |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| lighting-building exterior            | 0        | 0        | 0        | 0        | 0        | 23,681   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| lighting-number signs                 | 0        | 0        | 0        | 0        | 0        | 6,005    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| lighting-pool area                    | 0        | 0        | 0        | 0        | 0        | 7,308    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| lighting-street                       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 13,984   | 0        | 0        | 0        | 0        | 0        | 0        |
| pool entry system                     | 0        | 0        | 0        | 0        | 0        | 0        | 6,912    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| fire annunciator system               | 0        | 0        | 0        | 0        | 0        | 1,813    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| electrical system                     | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |

RESERVE EXPENDITURES BY YEAR  
SOLSTICE SOUTH HOMEOWNERS ASSOCIATION

7/1/2026 through 7/1/2040

| EXPENDITURES                       | 7/1/2026       | 7/1/2027      | 7/1/2028      | 7/1/2029      | 7/1/2030      | 7/1/2031       | 7/1/2032      | 7/1/2033      | 7/1/2034      | 7/1/2035      | 7/1/2036      | 7/1/2037      | 7/1/2038       | 7/1/2039      | 7/1/2040      |
|------------------------------------|----------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|
| <b>POOL/ SPA</b>                   |                |               |               |               |               |                |               |               |               |               |               |               |                |               |               |
| plaster-pool                       | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 12,269        | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| plaster-spa                        | 0              | 0             | 7,044         | 0             | 0             | 0              | 0             | 7,981         | 0             | 0             | 0             | 0             | 9,043          | 0             | 0             |
| coping joint                       | 0              | 0             | 0             | 0             | 0             | 1,247          | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 1,524         | 0             |
| coping/tile                        | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| heaters                            | 0              | 9,228         | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 11,846        | 0              | 0             | 0             |
| filters                            | 3,600          | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 4,621         | 0             | 0              | 0             | 0             |
| pump/ motor set                    | 0              | 0             | 8,357         | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| chlorinators                       | 1,650          | 0             | 0             | 0             | 0             | 1,870          | 0             | 0             | 0             | 0             | 2,119         | 0             | 0              | 0             | 0             |
| furniture                          | 8,900          | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 11,427        | 0             | 0              | 0             | 0             |
| skimmer-spa                        | 2,400          | 0             | 0             | 0             | 0             | 2,719          | 0             | 0             | 0             | 0             | 3,081         | 0             | 0              | 0             | 0             |
| concrete decks                     | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| lights-pool/spa                    | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| <b>LANDSCAPE/ HARDSCAPE</b>        |                |               |               |               |               |                |               |               |               |               |               |               |                |               |               |
| asphalt seal coat                  | 0              | 0             | 0             | 11,587        | 0             | 0              | 0             | 0             | 13,129        | 0             | 0             | 0             | 0              | 14,876        | 0             |
| asphalt overlay                    | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 47,629        | 0             | 0             | 0             | 0              | 0             | 0             |
| asphalt replacement                | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| driveway swales                    | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| concrete block walls               | 0              | 666           | 0             | 700           | 0             | 736            | 0             | 774           | 0             | 814           | 0             | 856           | 0              | 900           | 0             |
| concrete flatwork                  | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| concrete pavers                    | 0              | 0             | 0             | 0             | 0             | 15,751         | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| irrigation controllers             | 7,250          | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 9,308         | 0             | 0              | 0             | 0             |
| back flow preventers               | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 3,664         | 0             | 0             | 0             | 0              | 0             | 0             |
| irrigation piping                  | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| landscape remodel                  | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 13,639        | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| wrought iron                       | 0              | 0             | 0             | 0             | 0             | 0              | 0             | 0             | 0             | 0             | 13,993        | 0             | 0              | 0             | 0             |
| <b>RECREATION FACILITIES</b>       |                |               |               |               |               |                |               |               |               |               |               |               |                |               |               |
| restrooms                          | 0              | 0             | 0             | 0             | 0             | 20,111         | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| <b>MISCELLANEOUS</b>               |                |               |               |               |               |                |               |               |               |               |               |               |                |               |               |
| mailboxes                          | 0              | 0             | 0             | 7,006         | 0             | 0              | 0             | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| signs                              | 0              | 0             | 0             | 4,904         | 0             | 0              | 0             | 0             | 5,556         | 0             | 0             | 0             | 0              | 6,296         | 0             |
| pet waste dispensers               | 0              | 0             | 0             | 0             | 0             | 0              | 1,917         | 0             | 0             | 0             | 0             | 0             | 0              | 0             | 0             |
| <b>CONTINGENCY RESERVE</b>         | <b>9,673</b>   | <b>559</b>    | <b>1,519</b>  | <b>1,932</b>  | <b>2,478</b>  | <b>5,518</b>   | <b>1,310</b>  | <b>4,089</b>  | <b>4,198</b>  | <b>3,312</b>  | <b>3,383</b>  | <b>717</b>    | <b>7,035</b>   | <b>1,619</b>  | <b>3,118</b>  |
| (5% / year of annual expenditures) |                |               |               |               |               |                |               |               |               |               |               |               |                |               |               |
| <b>TOTAL</b>                       | <b>203,123</b> | <b>11,735</b> | <b>31,901</b> | <b>40,571</b> | <b>52,042</b> | <b>115,879</b> | <b>27,508</b> | <b>85,862</b> | <b>88,160</b> | <b>69,549</b> | <b>71,042</b> | <b>15,066</b> | <b>147,734</b> | <b>34,006</b> | <b>65,472</b> |

RESERVE EXPENDITURES BY YEAR  
SOLSTICE SOUTH HOMEOWNERS ASSOCIATION

7/1/2041 through 7/1/2055

| EXPENDITURES                          | 7/1/2041 | 7/1/2042 | 7/1/2043 | 7/1/2044 | 7/1/2045 | 7/1/2046 | 7/1/2047 | 7/1/2048 | 7/1/2049 | 7/1/2050 | 7/1/2051 | 7/1/2052 | 7/1/2053 | 7/1/2054 | 7/1/2055 | TOTAL   |
|---------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|---------|
| <b>ROOF/DECKS</b>                     |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |         |
| concrete tile roof                    | 0        | 0        | 0        | 784,418  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 784,418 |
| exterior elevated elements inspection | 21,750   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 27,232   | 0        | 0        | 0        | 0        | 0        | 66,351  |
| membrane decks-resurface              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 41,669   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 70,315  |
| membrane decks-coating                | 0        | 0        | 21,793   | 0        | 0        | 0        | 0        | 24,692   | 0        | 0        | 0        | 0        | 27,978   | 0        | 0        | 125,652 |
| gutters & downspouts                  | 0        | 0        | 0        | 74,943   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 74,943  |
| <b>STRUCTURE</b>                      |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |         |
| foundations/structural frame          | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
| fumigation                            | 100,735  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 169,985 |
| wood arbors                           | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 15,689   | 0        | 0        | 0        | 0        | 25,207  |
| shutters                              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
| stone veneer                          | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
| windows & frames                      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
| <b>PAINT</b>                          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |         |
| stucco                                | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 150,090  | 0        | 0        | 0        | 0        | 0        | 343,698 |
| trim                                  | 23,348   | 0        | 0        | 0        | 0        | 26,456   | 0        | 0        | 0        | 0        | 29,976   | 0        | 0        | 0        | 0        | 134,622 |
| doors                                 | 10,254   | 0        | 0        | 0        | 0        | 0        | 11,913   | 0        | 0        | 0        | 0        | 0        | 13,839   | 0        | 0        | 52,430  |
| interior flatwork                     | 0        | 0        | 0        | 0        | 0        | 1,485    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 1,817    | 0        | 5,512   |
| ironwork                              | 0        | 0        | 0        | 0        | 53,610   | 0        | 0        | 0        | 0        | 60,744   | 0        | 0        | 0        | 0        | 0        | 309,109 |
| parking stripes                       | 0        | 0        | 0        | 0        | 17,039   | 0        | 0        | 0        | 0        | 19,306   | 0        | 0        | 0        | 0        | 21,874   | 98,245  |
| curbs                                 | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 9,063    | 0        | 0        | 0        | 0        | 0        | 0        | 21,619  |
| <b>PLUMBING</b>                       |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |         |
| distribution piping                   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 754,848  | 0        | 0        | 0        | 0        | 0        | 0        | 754,848 |
| drainage/sewer piping                 | 1,821    | 0        | 1,914    | 0        | 2,012    | 0        | 2,115    | 0        | 2,224    | 0        | 2,338    | 0        | 2,458    | 0        | 2,584    | 27,945  |
| water heaters                         | 0        | 0        | 0        | 0        | 0        | 3,214    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 7,668   |
| fire sprinklers                       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
| natural gas system                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0       |
| <b>ELECTRICAL</b>                     |          |          |          |          |          |          |          |          |          |          |          |          |          |          |          |         |
| lighting-building exterior            | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 39,033   | 0        | 0        | 0        | 0        | 62,714  |
| lighting-number signs                 | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 9,899    | 0        | 0        | 0        | 0        | 15,904  |
| lighting-pool area                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 12,043   | 0        | 0        | 0        | 0        | 19,351  |
| lighting-street                       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 13,984  |
| pool entry system                     | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 11,390   | 0        | 0        | 0        | 18,302  |
| fire annunciator system               | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 2,987    | 0        | 0        | 0        | 0        | 4,800   |
| electrical system                     | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0       |

RESERVE EXPENDITURES BY YEAR  
SOLSTICE SOUTH HOMEOWNERS ASSOCIATION

7/1/2041 through 7/1/2055

| EXPENDITURES                       | 7/1/2041       | 7/1/2042     | 7/1/2043      | 7/1/2044       | 7/1/2045      | 7/1/2046      | 7/1/2047      | 7/1/2048      | 7/1/2049       | 7/1/2050       | 7/1/2051       | 7/1/2052      | 7/1/2053       | 7/1/2054       | 7/1/2055       | TOTAL            |
|------------------------------------|----------------|--------------|---------------|----------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|------------------|
| <b>POOL/ SPA</b>                   |                |              |               |                |               |               |               |               |                |                |                |               |                |                |                |                  |
| plaster-pool                       | 0              | 0            | 15,752        | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 20,225         | 0              | 0              | 48,246           |
| plaster-spa                        | 0              | 0            | 10,248        | 0              | 0             | 0             | 0             | 11,612        | 0              | 0              | 0              | 0             | 13,158         | 0              | 0              | 59,086           |
| coping joint                       | 0              | 0            | 0             | 0              | 0             | 0             | 1,864         | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 2,276          | 6,911            |
| coping/tile                        | 0              | 0            | 12,313        | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 12,313           |
| heaters                            | 0              | 0            | 0             | 0              | 0             | 0             | 15,208        | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 36,282           |
| filters                            | 0              | 0            | 0             | 0              | 0             | 5,932         | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 14,153           |
| pump/ motor set                    | 0              | 0            | 12,157        | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 20,514           |
| chlorinators                       | 2,401          | 0            | 0             | 0              | 0             | 2,720         | 0             | 0             | 0              | 0              | 3,082          | 0             | 0              | 0              | 0              | 13,842           |
| furniture                          | 0              | 0            | 0             | 0              | 0             | 14,670        | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 34,997           |
| skimmer-spa                        | 3,491          | 0            | 0             | 0              | 0             | 3,956         | 0             | 0             | 0              | 0              | 4,483          | 0             | 0              | 0              | 0              | 20,130           |
| concrete decks                     | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 0                |
| lights-pool/spa                    | 0              | 3,726        | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 3,726            |
| <b>LANDSCAPE/ HARDSCAPE</b>        |                |              |               |                |               |               |               |               |                |                |                |               |                |                |                |                  |
| asphalt seal coat                  | 0              | 0            | 0             | 16,856         | 0             | 0             | 0             | 0             | 19,098         | 0              | 0              | 0             | 0              | 21,639         | 0              | 97,185           |
| asphalt overlay                    | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 78,504         | 0              | 126,133          |
| asphalt replacement                | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 119,970        | 0              | 119,970          |
| driveway swales                    | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 30,094         | 0              | 30,094           |
| concrete block walls               | 946            | 0            | 995           | 0              | 1,046         | 0             | 1,099         | 0             | 1,156          | 0              | 1,215          | 0             | 1,278          | 0              | 1,343          | 14,524           |
| concrete flatwork                  | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 0                |
| concrete pavers                    | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 25,965         | 0             | 0              | 0              | 0              | 41,716           |
| irrigation controllers             | 0              | 0            | 0             | 0              | 0             | 11,951        | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 28,509           |
| back flow preventers               | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 5,328          | 0              | 0              | 0             | 0              | 0              | 0              | 8,992            |
| irrigation piping                  | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 0                |
| landscape remodel                  | 0              | 0            | 17,510        | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 22,481         | 0              | 0              | 53,630           |
| wrought iron                       | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 20,354         | 0             | 0              | 0              | 0              | 34,347           |
| <b>RECREATION FACILITIES</b>       |                |              |               |                |               |               |               |               |                |                |                |               |                |                |                |                  |
| restrooms                          | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 33,148         | 0             | 0              | 0              | 0              | 53,259           |
| <b>MISCELLANEOUS</b>               |                |              |               |                |               |               |               |               |                |                |                |               |                |                |                |                  |
| mailboxes                          | 0              | 0            | 0             | 10,190         | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 0             | 0              | 0              | 0              | 17,196           |
| signs                              | 0              | 0            | 0             | 7,133          | 0             | 0             | 0             | 0             | 8,082          | 0              | 0              | 0             | 0              | 9,157          | 0              | 41,128           |
| pet waste dispensers               | 0              | 0            | 0             | 0              | 0             | 0             | 0             | 0             | 0              | 0              | 0              | 3,160         | 0              | 0              | 0              | 5,077            |
| <b>CONTINGENCY RESERVE</b>         | <b>8,237</b>   | <b>186</b>   | <b>4,634</b>  | <b>44,677</b>  | <b>3,685</b>  | <b>3,519</b>  | <b>1,610</b>  | <b>3,899</b>  | <b>39,990</b>  | <b>12,869</b>  | <b>10,011</b>  | <b>728</b>    | <b>5,071</b>   | <b>13,059</b>  | <b>4,845</b>   | <b>207,479</b>   |
| (5% / year of annual expenditures) |                |              |               |                |               |               |               |               |                |                |                |               |                |                |                |                  |
| <b>TOTAL</b>                       | <b>172,983</b> | <b>3,912</b> | <b>97,316</b> | <b>938,217</b> | <b>77,392</b> | <b>73,903</b> | <b>33,809</b> | <b>81,872</b> | <b>839,789</b> | <b>270,241</b> | <b>210,223</b> | <b>15,278</b> | <b>106,488</b> | <b>274,240</b> | <b>101,749</b> | <b>4,357,061</b> |

# GLOSSARY

|                            |  |
|----------------------------|--|
| ACCUMULATED DEPRECIATION   | Amount of each component that has been used up at a point in time. The total accumulated depreciation amount equates to a “fully funded balance” (per CAI Standards definition).   |
| ANNUAL DEPRECIATION        | The current cost of a component divided by its typical life expectancy.  |
| CASH FLOW METHOD           | A method of developing a reserve funding plan where transfers to the reserve fund are designed to offset the variable annual expenditures. Different reserve funding illustrations / plans are tested against the anticipated reserve expenses to achieve a desired funding goal.  |
| CASH RESERVES              | Funds available for major repair, restoration, replacement, or maintenance of the common components.   |
| CC&R's                     | The Covenants, Conditions and Restrictions, which govern the day to day operations of a facility.  |
| COMPONENTS                 | The common area assets that require major repair, restoration, replacement, or maintenance. Typically: 1) Association responsibility, 2) with limited useful life expectancies, 3) predictable remaining useful life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.   |
| COMPONENT INVENTORY        | A list of components subject to degradation at a somewhat predictable rate within the projection period.   |
| CONDITION ASSESSMENT       | The evaluation of the current condition of the components based on observed or reported characteristics.   |
| CONTINGENCY RESERVE        | Additional funds set aside to allow for unforeseeable situations or variations. It is a percentage based on total expenditures anticipated each year.  |
| CU FT                      | Measured in cubic feet.  |
| CURRENT COST               | Average cost for major repair, restoration, replacement, or maintenance of a component.  |
| CURRENT RESERVE BALANCE    | Amount of funds in reserve accounts estimated as of the beginning of the Reserve Study.  |
| DEFICIT                    | The amount that the fully funded reserve balance exceeds the actual (or projected) reserve balance.  |
| EXCLUSIVE USE COMMON AREA  | That part of a common area that has been designated for the individual use by a single interest.   |
| FINANCIAL ANALYSIS         | The portion of a Reserve Study (one of two parts) where current status of the reserves (measured as cash or Percent Funded) and a recommended reserve transfer rate (reserve funding plan) are derived, and the projected reserve income and expenditures over time are presented. It should illustrate the financial ability to fund future major repair or replacement of those common components that are subject to degradation within a specified period. |
| FISCAL YEAR                | The twelve-month financial reporting period, which may not necessarily be a calendar year. Example: July 1, 2025 through June 30, 2026.  |
| INFLATION FACTOR           | An allowance for anticipated price increases based upon a 30-year average of the Consumer Price Index published by the U.S. Department of Labor. It is set at the beginning of each calendar year.   |
| INTEREST RATE ASSUMPTIONS  | Average interest rate currently being earned from financial institutions where reserve funds are held.   |
| LIFE CYCLE                 | The normal lifetime of a component, assuming it is properly installed / constructed and maintained.  |
| LIFETIME COMPONENT         | An element with a life expectancy that extends beyond the projection period of the study.  |
| LIN FT                     | Measured in linear feet.   |
| PERCENT FUNDED             | The ratio, at a point of time (typically the beginning of the fiscal year), of the actual (or projected) reserve balance to the accumulated depreciation of all the components (i.e. amount that ideally should be in reserves), expressed as a percentage.  |
| PHYSICAL INSPECTION        | A visual examination of accessible common components subject to degradation within the projection period.  |
| PRO FORMA OPERATING BUDGET | A projection of <u>operating</u> expenditures for the year.  |
| PROJECTION PERIOD          | The span (in years) over which the study forecasts potential reserve expenditures and liabilities.   |
| REGULAR ASSESSMENT         | Budgeted amounts assessed to all owners (oftentimes referred to as “Dues”), including the reserve transfer – typically assessed monthly, quarterly, or annually.   |
| REMAINING LIFE             | The number of remaining years of a components’ anticipated life expectancy based upon current condition and degradation factors.   |
| REPLACEMENT CYCLE          | See “Life Cycle” (i.e., frequency of repair/replacement within forecast).  |
| RESERVE TRANSFER           | That portion of the “regular” assessment allocated to the reserve fund.  |
| RESERVE STATUS             | The ability to fund future major repair or replacement of the common components at a point in time.  |
| SPECIAL ASSESSMENT         | An assessment levied in addition to <u>regular</u> assessments, often regulated by governing documents or local statute.   |
| SQ FT                      | Measured in square feet.   |
| SURPLUS                    | An actual (or projected) reserve balance greater than the fully funded balance.  |
| USEFUL LIFE (UL)           | The estimated time in years that a component is expected to serve its intended function if properly constructed in its present application or installation.  |

**Solstice South Homeowners Association  
Proposed Budget July 1, 2026 - June 30, 2027**

|                                    | 2024-2025         | 2025-26           | 2025-26           | 2025-26           | 2026-27           | Percent     | \$            |   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|---------------|---|
|                                    | Actual Year End   | 9 Months Actual   | Projected         | Approved          | Proposed          | Inc/        | Inc/          | Notes   |
|                                    | June 30, 2025     | 03/31/26          | Year End          | Budget            | Budget            | (Dec)       | (Dec)         |   |
| <b>OPERATING</b>                   |                   |                   |                   |                   |                   |             |               |   |
| <b>Revenues</b>                    |                   |                   |                   |                   |                   |             |               |   |
| Regular Assessments                | \$ 181,678        | \$ 142,257        | \$ 181,678        | \$ 189,676        | \$ 234,074        | 29%         | 67.27         | \$474.00 per home each mo   |
| Collection Fees Income             | 240               | 180               | 200               | 200               | 200               |             |               | Offset below  |
| CC&R Fine Income                   | 1,050             | (1,050)           | (1,050)           | -                 | -                 |             |               | 1 Repeat offender   |
| NSF Charges                        | -                 | 35                | 35                | -                 | -                 |             |               |   |
| Late Charges                       | 418               | 259               | 304               | -                 | -                 |             |               |   |
| Interest Penalties                 | 42                | 37                | 40                | -                 | -                 |             |               |   |
| Checking Interest Income           | 20                | 14                | 17                | -                 | -                 |             |               |   |
| Key Income                         | 25                | 100               | 100               | 100               | -                 |             |               |   |
| Special Insurance Assessment       |                   |                   |                   |                   | 125,065           |             |               | \$189.49 per home per month increase  |
| Reserve Assessments                | 69,122            | 53,268            | 69,122            | 71,024            | 78,766            | 14%         | 11.73         | Recommended plan #3 contribution from Reserve Study   |
| Reserve Interest                   | 2,920             | 19,113            | 25,484            | 9,200             | 13,000            | -49%        | 5.76          | 72% funded, CDARS 3.9%-4.75% int (decr)   |
| Excess revenue carryover           | -                 | -                 | -                 | -                 | -                 |             |               |   |
| <b>TOTAL REVENUES</b>              | <b>\$ 255,515</b> | <b>\$ 214,213</b> | <b>\$ 275,930</b> | <b>\$ 270,200</b> | <b>\$ 451,105</b> | <b>111%</b> |               |   |
| <b>Administration</b>              |                   |                   |                   |                   |                   |             |               |   |
| Y/E Review & Tax Prep              | \$ 1,975          | \$ 1,975          | \$ 1,975          | \$ 2,075          | \$ 2,075          | 5%          | 0.00          | Griffin Group   |
| Reserve Study                      | 720               | 1,650             | 1,650             | 740               | 740               |             |               | 2026-27 update reserve study without site visit   |
| Collection Fees                    | 240               | 180               | 200               | 200               | 200               |             |               | Offset above  |
| Management Contract                | 18,792            | 14,447            | 19,357            | 19,357            | 20,035            |             | 1.03          | 3.5 % increase  |
| Add'l Management                   | -                 | 525               | 1,025             | 650               | 871               |             | 0.33          | mailing labor and 1 extra meeting, gate fob access  |
| D&O/Fidelity Bond                  | 1,741             | 1,776             | 2,180             | 2,323             | 2,000             | -8%         | (0.49)        | new policy renewed on 4.30.26 at \$1,347  |
| Package Policy                     | 15,289            | 11,791            | 33,659            | 15,653            | 169,000           | 402%        |               | new policy renewed on 4.30.26 at \$121,350, \$205 increase per home per month   |
| Umbrella                           | 1,367             | 1,089             | 1,544             | 1,486             | 2,200             | 42%         |               | new policy renewed on 4.30.26 at \$2,000  |
| Earthquake                         | 23,538            | 15,863            | 20,791            | 24,833            | 20,500            | -1%         | (6.57)        | 2026/27 Per Jose from Tim Cline Insurance, market is flat or slightly down, he estimated \$19,000.                            |
| Worker's Compensation              | 387               | 275               | 368               | 370               | 368               |             |               | new policy renewed on 4.30.26at \$368   |
| Supplies, Printing, Postage        | 623               | 11                | 500               | 480               | 600               |             |               | Parking Stickers/Guest Pads/ Annual Parking Permit Registration, labor  |
| Required Mailings                  | 1,095             | 441               | 950               | 1,000             | 1,000             |             |               | Yr- end Review, Budget, Ann. Mtg/Election, Annual Address   |
| Newsletter Mailings                | 100               | 37                | 80                | 80                | 80                |             |               | 2 Newsletters   |
| License                            | 712               | -                 | 733               | 450               | 755               |             |               | Pool License  |
| Income Tax                         | -                 | -                 | -                 | -                 | -                 |             | 0.00          | 39% tax on interest income to be paid from the reserve account 25-26  |
| Miscellaneous                      | 355               | 245               | 245               | 45                | 380               |             |               |   |
| Bad Debt                           | -                 | -                 | -                 | -                 | -                 |             |               | Only one owner is dlq and on payment plan   |
| <b>Total Administration</b>        | <b>66,934</b>     | <b>50,305</b>     | <b>85,257</b>     | <b>69,742</b>     | <b>220,804</b>    | <b>159%</b> | <b>228.88</b> |   |
| <b>Utilities</b>                   |                   |                   |                   |                   |                   |             |               |   |
| Electricity                        | 11,291            | 9,976             | 13,301            | 12,500            | 13,900            | 5%          | 2.12          |   |
| Gas                                | 6,390             | 9,662             | 12,235            | 6,000             | 13,000            | 6%          |               | Due to popular demand, the spa is being heated year-round again and the pool will be heated in 26-27 during summer.           |
| Water                              | 10,235            | 6,812             | 9,000             | 12,200            | 11,000            | 22%         | (1.82)        |   |
| Trash                              | 18,722            | 18,656            | 25,001            | 19,200            | 27,000            | 8%          |               |   |
| <b>Total Utilities</b>             | <b>46,638</b>     | <b>45,106</b>     | <b>59,537</b>     | <b>49,900</b>     | <b>64,900</b>     | <b>9%</b>   |               |   |
| <b>Maintenance</b>                 |                   |                   |                   |                   |                   |             |               |   |
| Security Contract                  | 3,594             | 3,267             | 3,921             | 4,038             | 4,038             | 3%          |               | Per Ryan at SCV Security, 3% inc.   |
| Alarm Monitoring                   | 1,224             | 918               | 1,224             | 1,265             | 1,265             | 3%          |               | 3%  |
| Landscape Contract                 | 29,649            | 23,318            | 31,132            | 31,256            | 32,115            | 3%          | 1.30          | 8/1/26 is \$2,682.79 per month  |
| Add'l Landscape Maintenance        | 3,158             | 2,260             | 2,900             | 2,700             | 3,200             | 10%         | 0.76          | Irrigation repairs now coded here   |
| Landscape Supplies                 | 3,201             | 2,653             | 2,800             | 1,800             | 2,900             | 4%          | 1.67          |   |
| Tree Maintenance                   | 1,810             | 3,617             | 3,617             | 3,600             | 3,808             | 5%          | 0.32          | Per SG Tree Trimming 25-26  |
| Pool Contract                      | 4,568             | 3,132             | 4,475             | 4,705             | 4,609             | 3%          |               | 6 winter (Nov-March) and 6 summer (Apr-Oct) begins every Jan  |
| Add'l Pool Maintenance             | 2,260             | 1,167             | 1,700             | 1,700             | 1,900             | 12%         |               | annual pool draining, quarterly spa draining, 1 emergency call, combined filter cleanings, bulbs pump seals, safety equipment |
| Pool Chemicals                     | 4,308             | 3,989             | 4,450             | 4,450             | 4,800             |             |               | chlorine tablets, conditioner, muriatic acid, costs have skyrocketed due to a chlorine shortage                               |
| Rec Center Contract                | 2,626             | 1,912             | 2,660             | 2,655             | 2,740             | 3%          |               |   |
| Add'l Rec Center Maintenance       | 200               | 220               | 400               | 400               | 400               |             |               | Rec. Center minor repairs and restroom plumbing   |
| Rec Center Supplies                | 987               | 434               | 550               | 800               | 600               | 9%          |               | Bathroom and cleaning supplies  |
| Lighting Contract                  | 1,500             | 1,125             | 1,500             | 1,500             | 1,560             |             |               | No increase last year, expect inc this year   |
| Lighting Maintenance               | -                 | -                 | -                 | 250               | -                 |             |               |   |
| Lighting Supplies                  | 698               | 591               | 700               | 750               | 750               | 7%          |               |   |
| Gate Maintenance                   | -                 | -                 | -                 | 200               | -                 |             |               |   |
| Card Key System                    | 420               | 315               | 420               | 480               | 480               | 14%         |               | Est Oak's Security increase from \$35 - \$40 monthly fee  |
| Keys & Openers Supplies            | -                 | 66                | 100               | 50                | 100               |             |               | key fobs and restroom keys  |
| Common Area Maintenance            | 883               | 640               | 915               | 800               | 1,000             | 9%          |               | Doggie bags, small building repairs   |
| Pest Control                       | 4,841             | 3,710             | 4,925             | 5,335             | 5,370             | 9%          |               | Contract increase est 3% + 1 ant control+ 1 bee removal   |
| Backflow Inspection & Repair       | 1,889             | 767               | 1,000             | 1,600             | 2,000             | 100%        | 0.61          | 5 inspections per year are required and may need repairs  |
| <b>Total Maintenance</b>           | <b>67,816</b>     | <b>54,101</b>     | <b>69,389</b>     | <b>70,334</b>     | <b>73,635</b>     | <b>6%</b>   | <b>5.00</b>   |   |
| <b>Reserves</b>                    |                   |                   |                   |                   |                   |             |               |   |
| Reserve Contribution with Interest | 72,042            | 72,381            | 94,606            | 80,224            | 91,766            | -3%         | 17.49         | includes interest   |
| Additional Reserve Contribution    | -                 | -                 | -                 | -                 | -                 |             |               |   |
| <b>Total Reserves</b>              | <b>72,042</b>     | <b>72,381</b>     | <b>94,606</b>     | <b>80,224</b>     | <b>91,766</b>     |             | <b>17.49</b>  |   |
| <b>TOTAL EXPENSES</b>              | <b>\$ 253,430</b> | <b>\$ 221,893</b> | <b>\$ 308,789</b> | <b>\$ 270,200</b> | <b>\$ 451,105</b> | <b>46%</b>  |               |   |
| Revenues in excess of expenses     | 2,085             | (7,680)           | (32,859)          | -                 | -                 |             |               |   |


## Communication Details



### Short Description

Insurance

### Contact

Javier Zamora Jr  
27912 Avalon  
zamorajavier2495@gmail.com  
Solstice South 

### Additional Information

Hello,

I recently received a notice from my homeowners insurance carrier following an inspection of my property at 27912 Avalon Dr. The report indicates that in order to maintain my wildfire hardening discounts, the property must meet California defensible space requirements, including:

- 5-foot ember-resistant zone around the home
- Defensible space compliance within 30 feet (vegetation clearance, trimming, removal of combustible materials, etc.)

Some of the areas referenced in the report appear to fall within HOA-maintained landscaping and common areas adjacent to my property.

Could you please confirm:

Whether the HOA is responsible for maintaining defensible space compliance in those areas, and

If there is a timeline for any planned vegetation clearing or wildfire mitigation work?

My insurance carrier requires photo documentation once the property meets compliance standards, so I want to ensure we address this promptly to avoid losing the wildfire hardening discounts at renewal.

Happy to share the full inspection letter if helpful.

Thank you in advance for your help.

Best,

Javier Zamora  
27912 Avalon Dr  
Santa Clarita, CA 91351  
818-691-8106

**Called At**

**Category**

**Type**

**Assignee**

**Status**

3/2 12:43 PM

Insurance

Email

Kennedy

✓ Closed

### ☰ Timeline

+ Actions 4

📎 Attachments 0

| Date            | Type    |   | User    |   |
|-----------------|---------|---|---------|---|
| 3/3<br>9:38 AM  | Closed  | <p>Hello,</p> <p>Here is the annual notice form!</p>  | Kennedy | + |
| 3/3<br>9:38 AM  | Emailed | <p>Regarding the previous email, I will speak with the Association Manager about it and will determine the next steps.</p> <p>Thank you,</p>                                      | Kennedy | ↓ |
| 3/3<br>9:37 AM  | Created | <p>Hello,</p> <p>This is Javier again from 27912 Avalon Dr - can you please forward me a request for annual notice to the association homeowner and tenant information sheet?</p> | Kennedy |   |
| 3/2<br>12:53 PM | Emailed | <p>Want to make sure I fill it out for your team as soon as possible.</p> <p>Javier</p>   | Kennedy | ↓ |

Needs



↶ Reopen

