

THE LAKES COMMUNITY ASSOCIATION
2026–2027 Budget Letter to the Membership

Dear Members,

The Board of Directors of The Lakes Community Association would like to provide an overview of the Association's approved 2026–2027 operating budget, which begins July 1, 2026.

The Association's monthly assessment has remained unchanged at \$257.99 per home since the 2024–2025 fiscal year. During that same period, the Association continued to experience increased operating costs due to inflation, higher utility rates, insurance increases, vendor pricing adjustments, rising maintenance expenses, and increasing operational costs throughout California.

Over the past two fiscal years, the Board worked to absorb and manage increasing operational expenses without increasing regular assessments. However, continued increases across utilities, insurance, contracted services, maintenance, legal compliance, and reserve funding made an adjustment necessary for the upcoming fiscal year.

The approved monthly assessment for the 2026–2027 fiscal year is \$270.70 per home, which reflects an increase of 4.9%, or \$12.71 per month. The Board understands that assessment increases impact every homeowner and approached this budget process carefully with the goal of balancing fiscal responsibility while continuing to maintain the community's infrastructure, amenities, and services.

The Lakes Community Association is a California nonprofit mutual benefit corporation. Assessments collected from homeowners are used solely for the operation, maintenance, repair, and preservation of the community in accordance with California Civil Code and the Association's governing documents.

WHAT THE HOA BUDGET FUNDS

- Landscaping and irrigation throughout the community
- Lake maintenance and water quality treatment
- Pool, spa, splash pad, and waterslide maintenance
- Patrol and pool monitor services
- Clubhouse operations and janitorial services

As a result, the Board continues to prioritize reserve contributions within the annual budget to help improve the Association's long-term financial position, reduce the likelihood of future special assessments, and responsibly plan for the repair and replacement of major common area components.

KEY BUDGET CHANGES

- Electric Service increased from \$203,000 to \$240,000 due to higher utility rates and operational demand throughout the community.
- Water Service increased from \$75,000 to \$122,000 due to increasing water rates and irrigation demands.
- Grounds & Landscaping Contract increased from \$414,540 to \$470,616 due to labor and material cost increases.
- Gate Services increased from \$22,000 to \$30,977 related to the servicing and maintenance of the Association's extensive gate infrastructure.
- Insurance Premiums increased as insurance markets throughout California continue to experience substantial pricing increases.
- Reserve Contributions increased from \$923,205 during the 2024–2025 fiscal year to \$975,505 in the approved 2026–2027 budget.

AREAS WHERE COSTS WERE REDUCED

- Management Fees decreased from \$85,995 during the 2025–2026 fiscal year to \$64,500 in the approved 2026–2027 budget, resulting in an annual reduction of \$21,495. Under the Association's current management agreement structure, the management fees will remain at this tier for the next 3 years.
- Payroll & Salaries decreased from \$287,000 to \$219,539, resulting in a reduction of \$67,461 compared to the prior fiscal year budget.
- Irrigation Repair & Maintenance decreased from \$60,000 to \$25,000 following review of projected operational needs and anticipated expenditures.
- Pool Management Services decreased from \$39,552 to \$29,100.
- Lighting Services decreased from \$15,000 to \$9,000.
- Gas Service decreased from \$50,000 to \$32,910 due to revised operational projections and usage estimates.
- Several additional operational categories and line items were either maintained flat or reduced year-over-year where possible as part of the Board's effort to minimize the impact of rising costs in other operational areas.

The Board's goal throughout the budget process was to responsibly balance long-term financial planning, reserve obligations, operational needs, and community service

CLOSING

The Board of Directors remains committed to maintaining the quality, appearance, functionality, and long-term stability of The Lakes Community Association while operating within the requirements of California Civil Code and the Association's governing documents.

The Board appreciates the continued support, involvement, and understanding of the membership as the Association works to responsibly manage the community's financial and operational needs.

Sincerely,

The Lakes Community Association
Board of Directors

Nick Carter, Jillianne Hayes, Joshua Bigelow, Roxanne Moon, & Elizabeth Hooper



- c) Statement of Board Deferral/Decision to Not Undertake Repair/Replacement of Major Component(s)
In accordance with Civil Code section 5300(b)(4) and as of the date of this letter, the Board of Directors has no plans to defer repairs or replacement of any major components.
- d) Statement of Anticipated Special Assessment(s)
As of the date of this letter, the Board of Directors *does not* anticipate that a special assessment will be required in fiscal year 2026/2027 to repair, replace or restore any major components or to provide adequate reserves.
- e) Statement of Mechanism of Funding Reserves to Repair or Replace Major Components
The mechanism or mechanisms used by the Board of Directors to fund reserves to repair or replace major components is explained in detail in the enclosed Reserve Disclosures.
- f) Statement Addressing Procedures Used to Calculate and Establish Reserves
Reserves are calculated pursuant to Civil Code section 5550(a), and the Board had a Reserve Study last conducted on April 19, 2026.
- g) Assessment and Reserve Funding Disclosure
The Assessment and Reserve Funding Disclosure Form is enclosed in accordance with the requirements set forth in Civil Code section 5570.
3. Statement of Association(s) Outstanding Loans:
The Association has no outstanding loans.
4. Insurance Disclosure Information
The Association currently meets the minimum Civil Code requirements for insurance to provide the statutory limitations from liability for officers and directors and for the members if persons are injured on the common area. A summary of coverage and deductibles is enclosed.
5. Charges for Escrow Documents Provided Disclosure: As required by Civil Code §4528, an itemized "Charges for Documents Provided" disclosure is included.

II. Annual Policy Statement

1. Statement of Name and Address of Person Designated to Receive Official Communications on behalf of the Association:
Name: Lee Jeffrey
Title: General Manager
Company: The Prescott Companies
Address: 30416 Laguna Vista Dr.
Menifee, CA 92584
2. Statement of Members' Ability to Have Notices Sent to an Additional Address
Owners have a right to submit a secondary address to the association for the purpose of receiving (1) annual reports the Association is required to provide to owners and for (2) mailings and notices related to assessment payments, delinquencies, and foreclosures.
3. Statement of the Posting Location for General Notices
The location designated for posting of a General Notice is:
Town Square at www.townsq.io or the Community Message Board
4. Notice of Members' Rights to Receive General Notices by Individual Delivery
Upon request, Members may receive general notices by individual delivery. If a homeowner requests Individual Delivery, the document shall be delivered by one of the following methods:
(1) First-class mail, postage prepaid, registered, or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the association, (2) E-

- B. Disclosure of Senior Community Status: The Lakes Community Association is not a Senior Community.
 - C. Asbestos Disclosure: This disclosure is not applicable to The Lakes Community Association.
 - D. Disclosure and Accounting of Reserves Borrowed for Litigation: Villages of Avalon Homeowners Association did not require the borrowing of funds from reserves for the purpose of litigation.
13. Optional Disclosures Applicable to The Lakes Community Association
- A. Owners are strongly urged to have operational smoke detectors and carbon monoxide detectors installed. Please note that it is common for many detectors to last no longer than 10 years, so please test your detectors regularly, follow the manufacturer's instructions about replacement and replace them whenever their useful life ends. If you have tenants, there are battery-operated detectors that have tamper-resistant features to prevent removal of batteries.
 - B. The Board is contracted with a third-party vendor for patrol services of the Lakes Community Association Bay Club Facilities and Common Areas. It is important that residents understand that such services are for crime and vandalism deterrence and reporting only and are in no way intended to guarantee the safety and/or security of the residents, their guests, or their property. *Residents should always contact law enforcement should they witness a crime in progress or to report criminal or suspicious behavior.*



Budget Summary Report
The Lakes
Dept: 780692 - Operating
2026-2027 Approved Budget - MGMT - 1021 units

	2026 Budget	2027 Budget	2027 Monthly Budget	Monthly Budget Per Unit
Landscaping				
6145 - Mulch	41,000.00	41,000.00	3,416.67	3.35
6199 - Landscape Other	40,000.00	40,000.00	3,333.33	3.26
Total Landscaping	495,540.00	551,616.00	45,968.00	45.02
Irrigation				
6200 - Irrigation Repair & Maintenance	60,000.00	25,000.00	2,083.33	2.04
Total Irrigation	60,000.00	25,000.00	2,083.33	2.04
Operations				
6300 - Permits & Licenses	3,500.00	3,500.00	291.67	0.29
6310 - Backflow Device Inspection	400.00	400.00	33.33	0.03
Total Operations	3,900.00	3,900.00	325.00	0.32
Contracted Services				
5318 - Pool Monitor/Life Guard Services	80,000.00	80,000.00	6,666.67	6.53
6414 - Fire Prevention & Protection	600.00	600.00	50.00	0.05
6418 - Fountains/Ponds/Lakes Services	59,000.00	61,437.60	5,119.80	5.01
6422 - Gate Services	22,000.00	30,977.00	2,581.42	2.53
6430 - Janitorial Services	6,500.00	80,000.00	6,666.67	6.53
6434 - Pest Control	9,240.00	9,240.00	770.00	0.75
6438 - Pool Management	39,552.00	29,100.00	2,425.00	2.38
6440 - Patrol	136,000.00	136,000.00	11,333.33	11.10
6444 - Well Services	4,200.00	4,200.00	350.00	0.34
6545 - Lighting Services	15,000.00	9,000.00	750.00	0.73
6570 - Fitness Center Services	1,848.00	1,848.00	154.00	0.15
6760 - Street sweeping	12,000.00	12,000.00	1,000.00	0.98
Total Contracted Services	385,940.00	454,402.60	37,866.89	37.08
Repair & Maintenance				
6410 - Lake Vaults	1,600.00	1,600.00	133.33	0.13
6530 - Common Areas Repair & Maintenance	10,000.00	10,000.00	833.33	0.82
6585 - Fish Stocking	6,000.00	6,000.00	500.00	0.49
6600 - Vehicular Gate Maintenance	17,000.00	17,000.00	1,416.67	1.39
6625 - HVAC Supplies/Repair & Maintenance	2,000.00	2,000.00	166.67	0.16
6635 - Janitorial Supplies & Maintenance	8,000.00	10,824.00	902.00	0.88
6640 - Lighting Supplies/Repair & Maintenance	30,000.00	30,000.00	2,500.00	2.45
6690 - Pest Control Supply/Repair & Maintenance	1,000.00	1,000.00	83.33	0.08
6695 - Plumbing Supplies/Repair & Maintenance	2,500.00	2,500.00	208.33	0.20
6700 - Pool Supplies/Repair & Maintenance	4,800.00	8,500.00	708.33	0.69
6702 - Pool Chemicals	50,000.00	50,000.00	4,166.67	4.08
9111 - Pedestrian Gate Maintenance	5,000.00	5,000.00	416.67	0.41
9112 - Waterslide Maintenance	2,000.00	2,000.00	166.67	0.16
9113 - Backflow Device Repairs	350.00	600.00	50.00	0.05
9118 - Ring Cameras	2,000.00	2,000.00	166.67	0.16
Total Repair & Maintenance	142,250.00	149,024.00	12,418.67	12.15
Professional Services				
6645 - Digital ID Badges	7,500.00	7,500.00	625.00	0.61

Budget Summary Report
The Lakes
Dept: RESERVE - Reserves
2026-2027 Approved Budget - MGMT - 1021 units

	<u>2026 Budget</u>	<u>2027 Budget</u>	<u>2027 Monthly Budget</u>	<u>Monthly Budget Per Unit</u>
Investment Income				
4905 - Reserve Contribution Income	0.00	975,505.00	81,292.08	79.62
Total Investment Income	0.00	975,505.00	81,292.08	79.62
Total Reserves Income	0.00	975,505.00	81,292.08	79.62
Total Reserves Net Income / (Loss)	0.00	975,505.00	81,292.08	79.62
Total Association Net Income / (Loss)	0.00	975,505.00	81,292.07	79.65



The Lakes Community Association

Executive Summary

Directed Cash Flow Method

Client Information

Account Number	41392
Version Number	1
Analysis Date	4/19/2026
Fiscal Year	7/1/2026 to 6/30/2027
Number of Units	1021

Global Parameters

Inflation Rate	3.00%
2026 Contribution Increase	3.00%
Investment Rate	1.75%
Taxes on Investments	30.00%
Contingency	3.00%

Community Profile

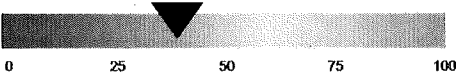
For budgeting purposes, unless otherwise indicated, we have used the actual placed-in-service dates for aging the original components included in this analysis.

Most of the components in this analysis have been repaired, replaced or otherwise maintained since original installation. When known, the date of the last repair, replacement or other maintenance has been used as the placed-in-service date for aging each component; when this date is unknown, it has been estimated based on the component's condition at our most recent site visit.

Level of service: Level 2 - update report with site visit.

Most recent ARS site visit: March, 2026.

Adequacy of Reserves as of July 1, 2026

Anticipated Reserve Balance		\$2,237,137.93
Fully Funded Reserve Balance		\$5,791,687.58
Percent Funded		38.63%
Deficit per Unit		\$3,481.44

Funding for the 2026-27 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	\$975,505	\$81,292.08	\$79.62
Interest Contribution	\$20,780	\$1,731.65	\$1.70
Total Contribution	\$996,285	\$83,023.73	\$81.32

The Lakes Community Association
Projections
Directed Cash Flow Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2026-27	\$2,237,138	\$975,505	\$20,780	\$996,447	\$2,236,975	\$5,722,112	39%
2027-28	\$2,236,975	\$1,004,770	\$29,099	\$334,326	\$2,936,519	\$6,394,133	46%
2028-29	\$2,936,519	\$1,034,913	\$35,567	\$522,669	\$3,484,330	\$6,911,382	50%
2029-30	\$3,484,330	\$1,065,961	\$43,674	\$426,573	\$4,167,391	\$7,569,430	55%
2030-31	\$4,167,391	\$1,097,939	\$52,370	\$418,361	\$4,899,339	\$8,282,440	59%
2031-32	\$4,899,339	\$1,130,878	\$50,453	\$1,320,999	\$4,759,671	\$8,087,125	59%
2032-33	\$4,759,671	\$1,164,804	\$60,330	\$395,061	\$5,589,743	\$8,896,971	63%
2033-34	\$5,589,743	\$1,199,748	\$28,225	\$3,847,234	\$2,970,483	\$6,098,048	49%
2034-35	\$2,970,483	\$1,235,741	\$29,923	\$1,106,594	\$3,129,553	\$6,157,047	51%
2035-36	\$3,129,553	\$1,272,813	\$40,749	\$403,819	\$4,039,295	\$6,994,858	58%
2036-37	\$4,039,295	\$1,310,997	\$43,134	\$1,137,429	\$4,255,997	\$7,111,901	60%
2037-38	\$4,255,997	\$1,350,327	\$54,477	\$451,336	\$5,209,466	\$7,993,748	65%
2038-39	\$5,209,466	\$1,390,837	\$56,246	\$1,279,700	\$5,376,849	\$8,057,658	67%
2039-40	\$5,376,849	\$1,432,562	\$62,217	\$981,521	\$5,890,107	\$8,475,113	69%
2040-41	\$5,890,107	\$1,475,539	\$73,111	\$630,126	\$6,808,630	\$9,313,724	73%
2041-42	\$6,808,630	\$1,519,805	\$72,951	\$1,581,886	\$6,819,500	\$9,205,352	74%
2042-43	\$6,819,500	\$1,565,399	\$85,055	\$631,035	\$7,838,919	\$10,141,198	77%
2043-44	\$7,838,919	\$1,612,361	\$95,705	\$807,391	\$8,739,594	\$10,957,899	80%
2044-45	\$8,739,594	\$1,660,732	\$98,120	\$1,534,131	\$8,964,315	\$11,069,173	81%
2045-46	\$8,964,315	\$1,710,554	\$106,783	\$1,078,441	\$9,703,211	\$11,709,522	83%
2046-47	\$9,703,211	\$1,761,871	\$103,373	\$2,117,628	\$9,450,826	\$11,310,180	84%
2047-48	\$9,450,826	\$1,814,727	\$119,394	\$588,867	\$10,796,080	\$12,565,599	86%
2048-49	\$10,796,080	\$1,869,168	\$133,033	\$851,905	\$11,946,376	\$13,625,848	88%
2049-50	\$11,946,376	\$1,925,244	\$142,047	\$1,296,084	\$12,717,583	\$14,294,179	89%
2050-51	\$12,717,583	\$1,983,001	\$161,953	\$477,890	\$14,384,647	\$15,899,619	90%
2051-52	\$14,384,647	\$2,042,491	\$167,863	\$1,692,397	\$14,902,604	\$16,315,260	91%
2052-53	\$14,902,604	\$2,103,766	\$126,025	\$5,634,601	\$11,497,793	\$12,436,141	92%
2053-54	\$11,497,793	\$2,166,879	\$146,273	\$615,019	\$13,195,924	\$13,814,199	96%
2054-55	\$13,195,924	\$2,231,885	\$146,397	\$2,332,792	\$13,241,414	\$13,460,937	98%
2055-56	\$13,241,414	\$2,298,841	\$167,073	\$730,476	\$14,976,853	\$14,848,188	101%

The Lakes Community Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending June 30, 2027
 ("Disclosure Summary")

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

Major asset:	Reason this major asset was not included:
Bridges	Indeterminate life and cost
Pest Control	Funded by annual operating budget
Slopes	Indeterminate life and cost

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$5,791,687.58**, based in whole or in part on the last reserve analysis or update prepared by Advanced Reserve Solutions, Inc. as of April 19, 2026. The projected reserve fund cash balance at the end of the current fiscal year is **\$2,237,137.93**, resulting in reserves being **38.63%** funded at this date. The current deficiency in the reserve fund represents **\$3,481.44** per ownership interest.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, a 5-year reserve funding plan has been developed – see the attached Projections. The assumed long-term before-tax interest rate earned on reserve funds is **1.75%** per year and the assumed long-term inflation rate applied to major component repair and replacement costs is **3.00%** per year. Full reserve analysis is available upon request.

NOTES:

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

The Lakes Community Association INSURANCE SUMMARY DISCLOSURE

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

I. GENERAL LIABILITY INSURANCE

A. Name of insurer:	Philadelphia Indemnity Ins. Co
B. Policy limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
C. Amount of deductible (if any):	\$0
D. Umbrella coverage, if applicable:	\$5,000,000
E. Umbrella carrier:	Philadelphia Indemnity Ins. Co
F. Policy dates:	3/14/2026 - 3/14/2027

II. PROPERTY INSURANCE

A. Name of insurer:	Lexington Insurance Company
B. Policy limits:	\$10,997,000
C. Amount of deductible:	\$25,000
D. Policy dates:	3/14/2026 - 3/14/2027

III. EARTHQUAKE INSURANCE

A. Name of insurer:	None
B. Policy limits:	
C. Amount of deductible:	
D. Policy dates:	

IV. FLOOD INSURANCE

A. Name of insurer:	None
B. Policy limits:	
C. Amount of deductible:	
D. Policy dates:	

V. FIDELITY BOND INSURANCE

A. Name of insurer:	PMA Insurance Group & Westchester Fire Insurance Co
B. Policy limits:	\$6,000,000
C. Amount of deductible:	\$10,000
D. Policy dates:	3/14/2026 - 3/14/2027

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

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

- (d) The Owner's right to request a meeting with the Board, as set forth below;
- (e) That the Owner will not be liable for late charges, interest and costs of collection if it is determined that the assessment was paid on time to the Association.
- (f) The Owner's right to dispute the debt by submitting a written request for dispute resolution to the Association pursuant to the Association's meet and confer program (known as Internal Dispute Resolution or "IDR") pursuant to California *Civil Code* section 5910;
- (g) The Owner's right to request Alternative Dispute Resolution (hereinafter "ADR") with a neutral third party pursuant to California *Civil Code* section 5935 before the Association may initiate foreclosure against the Owner;

7. Owner's Dispute of Debt/Request for Meeting with Board Prior to Lien/Commencement of Small Claims Lawsuit. Pursuant to California *Civil Code* sections 5660 (a)-(f) and 5658, the Owner has the following rights:

- (a) Meet and Confer. Prior to recording a lien, the Association shall offer and, if so requested by the Owner, participate in dispute resolution pursuant to the Association's IDR program and California *Civil Code* section 5910;
- (b) Request to Meet with Board to Discuss Payment Plan. The Owner may submit a written request to meet with the Board to discuss a payment plan for the debt owed. The Association will provide any standards it has adopted regarding payment plans to Owners. The Board will meet with the Owner in executive session in conjunction with a regularly scheduled Board meeting, within 45 days of the postmark of the request, if such was mailed no later than 15 days after the postmark of the pay-or-lien demand letter. If there is no regularly scheduled Board meeting within that period, the Board may designate a committee of one or more members to meet with the Owner.
- (c) Payment Under Protest and Commencement of Small Claims Action. In addition to pursuing dispute resolution pursuant to California *Civil Code* sections 5910 and 5658, the Owner may pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney fees, late charges, and interest, if any, and may thereafter commence an action in Small Claims Court provided the amount in dispute does not exceed the jurisdictional limits of that Court.

8. Lien/Notice of Delinquent Assessment. If the delinquent Owner does not bring the account current within thirty (30) days of the Intent to Lien letter, and unless a dispute over such debt has been resolved or a payment plan has been entered into as set forth above, a Lien will be recorded against the Owner's property upon a majority of the Board voting to approve recording the Lien in an open meeting. The Board shall record the vote in the minutes of that meeting. Confidentiality shall be maintained by identifying the property by parcel number in those minutes. The President or other person designated by the Association, including the Association's managing

delinquent Owner is responsible for all fees and costs incurred to initiate foreclosure in addition to the delinquent assessments, late charges and interest.

- (b) “Approve Foreclosure”- Notice of Sale. If the delinquency is not cured within ninety (90) days of the NOD being recorded, and upon receipt of approval and authorization of the action by the Board pursuant to a vote, the attorney will proceed by recording, publishing and posting a Notice of Sale (hereinafter “NOS”). The delinquent Owner is responsible for all fees and costs incurred to prepare, record, publish and post the NOS, in addition to the delinquent assessments, late charges and interest.

11. Partial Payments: Any assessment payments received from a delinquent homeowner will be applied to that homeowner's account. However, absent receipt of payment in full of all amounts due, the Association will proceed with any collection action initiated against the homeowner's separate interest or the delinquent homeowner personally pursuant to and consistent with the requirements of California statutory and case law unless the payments are remitted pursuant to a written payment plan approved by the Board.

12. Redemption. An Owner may redeem the property foreclosed upon by the Association by paying all amounts due and owing within ninety (90) days of the date of the foreclosure sale.

13. Lawsuit. The Association may, at any time, determine to file a personal lawsuit against the delinquent Owner to recover all delinquent charges pursuant to relevant law. All costs and attorney fees in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Owner.

14. Release of Liens Upon Payment. Within twenty-one (21) days of payment in full of all delinquent assessments and charges, or if it is determined that a Lien previously recorded was recorded in error, the attorney will prepare a Release of Lien which will be recorded with the County Recorder's Office, and will provide Owner with a copy of such release or notice that the delinquent assessment has been satisfied.

15. Right to Receipt. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide same which shall indicate the date of payment and person who received such payment.

16. Overnight Payments. Payments may be made by overnight mail to the following address:

<u>If Account is being handled by Management:</u>	<u>If Account is being handled by Attorney:</u>
The Lakes Community Association c/o The Prescott Companies Attn: Accounting Department 1921 Palomar Oaks Way Ste. 205 Carlsbad, CA 92584 Telephone: 760-634-4700	The Lakes Community Association c/o Delphi Law Group, LLP Attn: Collections Department 5868 Owens Ave, Ste. 200 Carlsbad, California 92008 Telephone: 844-433-5744 Facsimile: 760-820-2696
<i>Revised 12/12/2025</i>	

THE LAKES COMMUNITY ASSOCIATION
VA CERTIFICATION DISCLOSURE

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

This common interest development is not a condominium project. The association of this common interest development [is/is not (circle one)] certified by the federal Department of Veterans Affairs.

VA status can be checked at the department of Veterans Affairs website at <https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>.



NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

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

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

THE LAKES COMMUNITY ASSOCIATION
ENFORCEMENT PROCEDURE AND FINE SCHEDULE

The Community Association has the right to enforce the Community Declaration, Rules and Regulations, Bylaws, and other Governing Documents of the Community Association. After the Community Board receives a written complaint that a rule, restriction or covenant has been violated or the Community Board independently discovers a violation, the Community Board will investigate the allegation and may take action against the offending Owner/resident, including but not limited to, fining or specially assessing (if appropriate), suspending rights and privileges, or instituting legal action. The Community Board, in making this decision, will consider the costs and benefits of taking such action. However, nothing herein obligates or requires the Community Board to take any action against an Owner/resident.

DUE PROCESS:

Prior to the Community Board imposing any fine, individual special assessment, or suspension of rights and privileges against an Owner, the Owner will be given notice at least ten (10) days prior to the violation hearing and an opportunity to appear before the Community Board or submit a statement in writing to the Community Board or appropriate committee pursuant to *Civil Code* Section 5855 or any successor statute. The notice shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which the Owner may be disciplined or the nature of the damage to Common Area and facilities for which a monetary charge may be imposed, and a statement that the Owner has a right to attend and may address the Community Board at the meeting.

Prior to being disciplined for a violation (e.g., fined), the Owner shall have an opportunity to cure the violation. An Owner may avoid discipline being imposed by providing evidence that the violation has been cured prior to the noticed meeting, or by signing a formal, written document outlining how and when the violation will be cured with a cure period not to exceed a time frame determined by the Community Association. If curing the violation will take longer than the time between the hearing notice and the hearing on the violation, no discipline shall be imposed so long as the agreement signed by the Owner includes a financial commitment to cure the violation. The Community Association reserves the right to determine what adequately constitutes "financial commitment to cure the violation" and such determination shall be reasonable under the circumstances.

To demonstrate that the violation has been cured, the Owner may submit photographs, receipts, contractor statements, written explanations, or other documentation confirming that the violation has been resolved. To demonstrate a financial commitment to cure, the Owner may provide signed contracts, payment receipts, deposit confirmations, or other written evidence showing that steps have been taken to complete the cure. All such materials should be submitted to the Community Association in advance of the meeting so that the Community Board may consider them when determining whether to impose discipline.

An Owner shall be given written notice of any discipline imposed by the Community Board within **fourteen (14) days** of the hearing.

ENFORCEMENT MEASURES/REMEDIES:

To promote compliance with the Community Association's Governing Documents, the Community Association may employ a range of enforcement measures and remedies. These may include, but are not limited to, issuing a warning or notice of violation, providing notice of a disciplinary hearing, imposing a fine of \$100 per violation (or greater as noted below), imposing an individual special assessment (e.g., to reimburse the Community Association for costs incurred in bringing the Owner's Lot/Unit into compliance with the Governing Documents, including without limitation, administrative fees, attorneys' fees, and costs), suspending rights and privileges, offering Internal Dispute Resolution (IDR) and/or Alternative Dispute Resolution (ADR), filing a lawsuit, and/or employing any other remedy or measure available under the Governing Documents and/or applicable law. The

- b. Institute Internal Dispute Resolution ("IDR") and/or Alternative Dispute Resolution ("ADR");
- c. Submit the matter to the Community Association's legal counsel for further action, which may include, but is not limited to requesting ADR and/or filing a lawsuit;
- d. Levy an individual special assessment to reimburse the Community Association for costs incurred;
- e. Levy a fine/monetary penalty; and/or
- f. Take any other action that the Board deems appropriate, as allowed by the Governing Documents and the law.

The Community Association reserves the right to impose and/or use any of the above-referenced enforcement measures/remedies regardless of whether it is a first violation, second violation, etc. Depending on the severity and frequency of the violation and violator, the choice of the enforcement measure/remedy utilized may vary.

4. Post-Hearing Notice of Decision: If the Community Board determines to impose discipline (such as suspending rights or privileges), impose an individual special assessment, and/or impose a fine or monetary penalty against the Owner, within 14 days after the meeting at which the Community Board takes such action the Community Board will send the Owner written notice of its decision.

REPORTING VIOLATIONS:

Except in those cases where a violation can be verified visually (e.g., storage of trash cans, unauthorized architectural improvements, recreational vehicle storage in driveways), **Owners wishing to report a violation must do so in writing and the complaint must be signed by the complaining Owner. Anonymous letters or complaints will not be acted upon, unless the violation can be verified by way of an inspection of the property. Additionally, while the Community Board will not routinely provide the identity of the Owner alleging the violation, it does not guarantee that the same will remain anonymous or that it has any duty to protect the privacy of such complainant or the content of the complaint.**

In the case of such complaints that may be difficult to verify, the Owner(s) alleging the complaint should be prepared to come before the Community Board to discuss their claims, if the matter should come into dispute.

III. Failure to Participate in Some Form of ADR Prior to Enforcement Action:

Should a party unreasonably refuse to participate in ADR before the lawsuit is filed, the court may, in its discretion, take this refusal into consideration in determining the amount of attorney's fees and costs ultimately awarded at trial. In accordance with the disclosure requirement of California *Civil Code* Section 5965, please be advised that:

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

IV. Association's Policy of Early Dispute Resolution:

In accordance with the California *Civil Code*, a fair, reasonable, and expeditious procedure exists for resolving disputes between Association and an owner involving their rights, duties or liabilities under the Davis Stirling Common Interest Development Act, the Nonprofit Mutual Benefit Corporation Law, or the Association's governing documents. The procedure supplements, but does not replace the ADR process summarized above. The procedure follows:

- A. Either party may request the other, in writing, to meet and confer. While a homeowner may refuse a request to meet and confer, the Association may not.
- B. The Board shall designate a member of the Board to meet and confer with the owner.
- C. The parties shall meet promptly at a mutually convenient time and place to explain their positions and confer in good faith in an effort to resolve the dispute.
- D. A resolution of the dispute shall be memorialized in writing and signed by the parties.
- E. An agreement reached using this procedure binds the parties and is judicially enforceable if it is not in conflict with the law or the governing documents and the agreement is either consistent with the authority granted by the Board of Directors to the Board member who met with the owner, or if the agreement is ratified by the Board.
- F. An owner may not be charged a fee to participate in the process.

V. Internal Dispute Resolution:

California *Civil Code* Sections 5900 through 5920 require community associations and their homeowners to participate in some form of Internal Dispute Resolution (“IDR”) prior to initiating certain types of disputes in superior court. This summary of the IDR procedure is being distributed as required by California *Civil Code* Section 5920. The below applies in an Association that does not otherwise provide a fair, reasonable, and expeditious IDR procedure meeting the minimum requirements described in California *Civil Code* 5910.

- A. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be made in writing.
- B. A member of an Association may refuse a request to meet and confer. An Association may not refuse a request to meet and confer.
- C. The Association's Board of Directors shall designate a member of the Board to meet and confer.
- D. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- E. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
- F. An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:
 - 1. The agreement is not in conflict with the law or the governing documents of the common interest development or Association.
 - 2. The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board.
- G. A member of the Association may not be charged a fee to participate in the process.

Design Guidelines:

The Design Guidelines, which will be administered by the ARC and are not limited to the foregoing, may include restrictions, limitations and/or requirements upon the Owners which:

- 1) Establish time limitations for the completion of the improvements for which approval is required pursuant to the ARC;
- 2) Require conformity of completed improvements to plans and specifications approved by the ARC;
- 3) Restrict or regulate the placement, kind, shape, color, height, materials, species and location of any improvement;
- 4) Describe improvements which, if completed in conformity with the Design Guidelines, do not require the approval of the ARC;
- 5) Assess a reasonable fee as appropriate for the type and nature of the improvement, to cover the cost of inspections that may be necessary to insure compliance and in connection with the review of plans and specifications for proposed improvements, including without limitation, a procedure for approval of preliminary plans and drawings, as well as final approval, the number of sets of plans to be submitted, and may require such detail as it deems proper, including without limitation, floor plans, site plans, elevation drawings, and descriptions or samples of exterior material and colors.

THE DESIGN GUIDELINES ARE INTENDED TO WORK IN CONCERT WITH THE CITY OF MENIFEE'S (hereafter referred to as the "City") GOVERNING CODES, REGULATIONS AND ORDINANCES AND WHICHEVER IS THE MORE RESTRICTIVE SHOULD BE FOLLOWED AND IMPLEMENTED.

Functions of the Architectural Control Committee:

No improvements shall be made upon the Covered Property except in compliance with plans and specifications, which have been submitted to and approved by the ARC, except as may otherwise be provided in the Design Guidelines or in any Supplementary Declaration. It shall be the duty of the ARC to consider and act upon proposals or plans submitted pursuant to the terms of this Declaration or the Design Guidelines, and to perform such other duties delegated to it by the Board. The ARC may delegate its plan review responsibilities to one or more members of the ARC and/or the association's management company and/or an outside consultant. Upon such delegation, the recommended action by the delegate shall be reviewed and the approval or disapproval of plans and specifications shall be made by the ARC and/or Board. The ARC (a) may determine that an improvement cannot be approved because of its effect on existing drainage, utility or other easements, and or the ARC's design review standards; (b) may require submission of additional plans and specifications or other information or materials prior to approving or disapproving plans and specifications submitted; or (c) may condition its approval of plans and specifications for any improvement on such changes therein as it deems appropriate such as, and without limitation, the approval of such improvement by a holder of an easement which may be impaired thereby or upon approval of any such improvement by the appropriate Public Agency.

Appeals:

If the ARC disapproves anyone's plans and/or specifications, the person that submitted the plans and/or specifications may appeal in writing to the Board of the Community. The Board must receive the written appeal no more than thirty (30) calendar days following the decision of the ARC.

Inspections:

The ARC and/or its designated representative(s) has the right but not the obligation to make an "on-site" inspection at the ARC's discretion of any work or improvements under construction or the completed improvements once the owner has notified the ARC that the improvements have been completed. The notification to the ARC is to be made within thirty (30) days of the completion of the approved improvements. Failure to obtain the inspection approval may constitute a violation of the CC&Rs and may require disciplinary action under the governing documents.

City/County Approvals:

Please be aware that approval of the ARC is for aesthetic purposes only and that all necessary City building permits must be obtained and that all City, County, State and Federal regulations must be adhered to at all times. After the ARC has approved the plans for aesthetic purposes, the local regulatory agencies must be contacted, and processed if required, to ensure that the plans are in compliance with all building, zoning, health and other applicable regulations currently in force.

GENERAL SUBMISSION PROCEDURES & REQUIREMENTS

The approval of any improvement by the ARC does not waive the necessity of obtaining the required City and/or County permits. Obtaining a City or County permit does not waive the need for ARC approval.

Application Submittal:

All applications are to be made to the Association's Management Company. All requests for ARC approval must be made on the standard The Lakes Community Association ARC Application forms. Homeowners may contact the Management Company to obtain application forms. Applications submitted to ARC members will not be accepted and are therefore invalid. Unless all of the requirements of the Design Guidelines have been complied with, plans and specifications for any improvements shall be deemed not submitted.

Required Copies:

Each application must include three (3) complete sets of plans, showing all of the items requested in Section IV of these Guidelines and that apply to the appropriate housing type.

Construction Drawings:

Plans must be prepared in accordance with all applicable building codes and ordinances and with clarity and completeness. It is requested that any work involving major improvements or requiring variances, be submitted at the preliminary drawing stage for review by both the ARC and the City and be clearly stated as such on the plans and application.

Review and Appeal Fees:

The following items must be submitted with EVERY application, as noted:

- a. Three (3) copies of the Submittal Checklist filled out with the appropriate boxes checked (only required for the \$100.00 and \$150.00 requests)
- b. Check for either \$100.00 or \$150.00 depending on the type of Improvements made payable to the The Lakes Community Association.
- c. Three (3) copies of the Neighbor Notification Form (only required for the \$100.00 or \$150.00 requests)

The Board may assess a fee to cover any and all associated costs with the plan review and/or appeal that are in addition to the initial fee amount. The ARC and/or Board of Directors may amend all review and appeal fees from time to time as the cost of professional consultants change and may differ or forgive any appeal fees as it deems reasonable and appropriate.

Incomplete Submittals:

To avoid unnecessary delays and expenses, the Management Company is unable to accept incomplete submittals for consideration. Incomplete submittals shall be returned to the applicant noting the area of deficiency and could result in a denial. Should the Management Company and/or ARC accept an incomplete submittal either by exception or error, the "acceptance" does not deem the submittal complete. The ARC may proceed with the review and deny the submission until a complete package is submitted. The ARC may deem an application both unacceptable and incomplete.

Non-Liability:

Plans and specifications are not approved for (a) engineering design, (b) compliance with zoning and building ordinances, and other applicable statutes, ordinances or government rules or regulations, (c) compliance with the requirements of any public utility, (d) any easement or other agreement, (e) preservation of any view and/or privacy, or (f) proper drainage designs. By approving or not approving such plans and specifications neither the ARC, the members thereof, the Association, the Owners, the Board, nor any of its consultants assume liability or responsibility therefore, or for any defect in any improvement constructed from such plans and specifications or for any obstruction or impairment of view and/or privacy caused or created as the result of any improvements approved by the ARC.

Disposition:

Upon approval, disapproval, or in the event the ARC requests clarification or additional information, all submissions shall be distributed as follows:

- 1) The ARC shall retain one plan, as its working copy.
- 2) One plan shall be placed in the Association files for the residence.
- 3) One plan shall be returned to the owner.

The owner shall be required to maintain the approved copy at the work site during the course of construction until such time as the Notice of Completion has been approved by the ARC or its designated representative.

Disapproved plans or those requiring clarification or additional information shall be returned to the Owner. Said plans shall be included in subsequent submittals.

Statement as to any such Separate Interest, the ARC shall provide a Compliance Statement, upon request, after the corrective work has been satisfactorily completed which shall then evidence that the improvements upon such Separate Interest comply with the provisions of the Design Guidelines and other Association Management Documents. The Association shall be entitled to collect a fee to cover the cost of inspections and other costs in connection with the issuance of any Compliance Statements and Noncompliance Statements in accordance with the provisions of the CC&Rs.

Appeals:

In the event plans and specifications submitted to the ARC are disapproved thereby, the party or parties making such submission may appeal in writing to the Board. The appellant should check with the Management Company for appeal forms. The Board must receive the written request not more than thirty (30) calendar days following the final decision of the ARC. The Board shall submit such request to the ARC for review, whose recommendation and supporting materials will be submitted to the Board within forty five (45) calendar days following receipt of the request for appeal, the Board shall render its written decision. The failure of the Board to render a decision within said forty-five (45) calendar day period shall be deemed a decision in favor of the appellant.

Nonconformity:

In the event an improvement was commenced without the required approval of the ARC, or, if such improvement was not completed within the time limitation established for such improvement in the Design Guidelines or in substantial conformance with the approved plans and specifications, the Board shall have the right and power to correct the violation or take other appropriate action in accordance with the procedure described in the CC&Rs applicable at the time of the approval of the submittal indicating the improvement.

Enforcement:

Failure to obtain the necessary approval from the Association will constitute a violation of the CC&Rs and may require modifications or removal of work at the expense of the Owner.

Violations:

All residents have the right and responsibility to bring to the attention of the ARC any violations of any of the provisions or guidelines. Such comments, observations or complaints must be presented in writing with a homeowner's signature. Anonymous letters or verbal comments in person or over the phone will not be deemed properly submitted and are not acceptable to be acted upon.

Variances:

The ARC may authorize a variance from compliance with the design controls set forth in this Article when circumstances such as topography, natural obstructions, hardship, aesthetic, or environmental consideration may require; provided, however, that no variance from the use restrictions contained in the CC&Rs entitled "Use Restrictions" may be granted. Written evidence of such variance must be delivered to such Owner and a copy of the resolution of the Board authorizing such variance must be retained in the permanent records of the Association. If such variances are granted, no violation of the CC&Rs contained in the Association Management Documents shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such a variance shall not operate to waive any of the terms or provisions of the Association Management Documents for any purpose except as to

Construction Equipment:

The owner of the residence who is making and/or contracting for the improvements shall be responsible for ensuring that construction equipment such as trucks, concrete mixers, trailers, trash bins, and compressors shall not be parked or placed on the streets or limit the use of any other resident's property and/or a common area amenity. Additionally, all construction equipment is strictly prohibited from all other common areas. Should the owner or his agents or contractors violate the foregoing regulations, the Board has the right to levy Compliance and/or Reimbursement Assessments against him as a disciplinary measure and/or for reimbursement of any costs incurred for repair of damage to said areas.

Disposal of Construction Materials and Debris:

The owner of the residence who is making and/or contracting for the improvements shall be responsible for ensuring that any and all construction debris, demolition, spoils, dirt, spills and unused materials are cleared from the job site and common areas and disposed of in a manner which meets all governing codes and ordinances relating to waste disposal. At no time will it be acceptable for the owner and/or their contractor to store or dispose of any and all construction debris, demolition, spoils, dirt, spills and unused materials in any Association common area and/or any form of waste container, bin or other device which is contracted for by the Association. Any such failure to follow this guideline may result in a fine, penalty and/or cost to rectify as deemed reasonable by the ARC and Association Board. Wherever and whenever possible, the owner and/or contractor are encouraged to recycle any waste, debris or materials.

Drainage:

DO NOT CHANGE AND/OR ALTER THE GRADING AND DRAINAGE NEXT TO THE ADJACENT RESIDENTIAL UNIT WITHIN THREE (3) FEET OF THE FOUNDATION.

- 1) Do not interfere with the rain gutters, downspouts, or other drainage systems (whether surface or subterranean) currently existing, or any other interference with the established drainage pattern over any lot or common areas, unless an adequate provision, previously approved in writing by the ARC, is made for proper drainage.
- 2) Do not change the grade at the base of existing fences and/or walls and do not retain or raise the grade against them as they are not designed to accommodate this structural load.
- 3) All paved and planting areas are to drain at a minimum of 1% or one foot of fall in 100 feet of run or 1/8th inch of fall in one foot of run.
- 4) It is preferred that plant beds drain at a minimum of 2% or two feet of fall in 100 feet of run or 1/4 inch of fall in one foot of run.
- 5) All drain pipes must have a slope of a minimum of 1/2% or six inches of fall in 100 feet of run or 1/16th inch of fall in one foot of run with a slope of 1% preferred.
- 6) All grades in plant beds must be held a minimum of six (6) inches below the adjacent finish floor or a minimum of six (6) inches below the stucco screed line, whichever is greater.
- 7) All grades in plant beds must be held a minimum of six (6) inches below the top of adjacent planter or retaining walls.
- 8) All finish surfaces of paving are to be held below the adjacent metal stucco house screed.
- 9) All plant beds and paving areas are to slope away from the dwelling unit.
- 10) Utilize domed grates on catch basins in plant bed or bark or ground cover areas.
- 11) Approval of plans by the ARC does not relieve applicant of responsibility for the drainage or for any damages as a result of drainage modification.
- 12) Individual homeowners are responsible for repair as necessary of any storm lines the

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

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

Property Address:

Owner of Property:

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

Provider of the Section 4525 Items:

Print Name

Position/Title

Association or Agent

Date Form Completed

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section Included	Fee for Document	Not Available (N/A), Not Applicable (N/App), Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation	Section 4525(a)(1)	15.00	
CC&Rs	Section 4525(a)(1)	25.00	
Bylaws	Section 4525(a)(1)	15.00	
Operating Rules	Section 4525(a)(1)	15.00	
Age restrictions, if any	Section 4525(a)(2)	15.00	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	25.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	25.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	15.00	
Financial statement review	Sections 5305 and 4525(a)(3)	25.00	
Insurance summary	Sections 5300 and 4525(a)(3)	10.00	
Statement of Account/Fees Regular, special and emergency assessments, as well as any other unpaid obligations of the seller	Section 4525(a)(4) Section 5675	100.00	
Notice(s) of violation	Section 4525(a)(5) and 5855	10.00	
Builder Defects Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	10.00	
Settlement Notice Notice regarding common area defects	Sections 4525(a)(6), (7) and 6100	10.00	
Pending Assessment Increases Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	25.00	
Rental Restrictions, if any	Section 4525(a)(9)	10.00	
Meeting Minutes For regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	35.00	
TOTAL FEES FOR THESE DOCUMENTS	Section 4525	385.00	

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

