

Crest of Calavera Hills Homeowners Association

C/O PropertyADVANTAGE 5142 Avenida Encinas, Carlsbad CA 92008

Ph (760) 585-1700 Fax (760) 438-6886

November 2010

Dear Crest Homeowners;

Enclosed you will find certain documents as required by Civil Code 1365 for the annual budget and related disclosures. These are important documents and I encourage you to review and store them in a safe place. In this mailing, you will find:

1. HOA Budget for Fiscal Year 2011
2. Summary of Insurance Master Policy Coverage
3. Most Recent Reserve Study Summary & Disclosure Summary
4. Crest of Calavera Hills HOA Annual Disclosures-pages 1-7
 - a. Budget Statement
 - b. Assessment & Reserve Funding Summary
 - c. Lien Rights & Other Legal Remedies-Assessment Collection Policy
 - d. Insurance Disclosure Information
 - e. Alternative Dispute Resolution Guide
 - f. Assessment & Foreclosure Guidelines
 - g. Miscellaneous Disclosers-
 - i. Minutes
 - ii. Annual Review
 - iii. Fine Policy
 - iv. Property Improvement Form

The Association's Monthly Dues will be **\$251.00** per month to meet the day-to-day operating expenditures and reserve funding requirements, beginning January 1, 2011, the start of your fiscal year.

Coupon booklets will be mailed shortly. If you are on automatic payment method, the amount deducted will continue at the same rate.

The Board of Directors has thoroughly reviewed all the categories in the operating budget and the reserve funding to keep the dues as low as possible but still preserve the financial health of the Association.

The Reserve Study report indicates a percent funded level of 92% projected for the end of the fiscal year 2010. This is a great improvement over the previous study completed in 2009, which indicated that the reserves were funded at about 41%. The reserve study recommends a minimum funding level of \$66.00 per unit per month in order to maintain the percent funded at an optimum level. The Board has determined that funding the reserves at \$88.00 per unit per month will continue to build the reserve

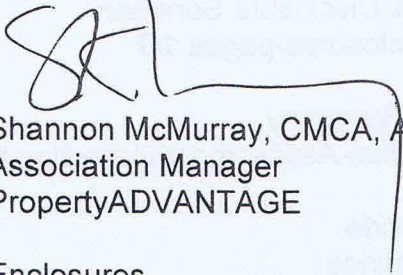
funding and also take into account some of the common area reserve projects in consideration for 2011 such as tree replacements and landscape improvements.

The Board will continue to monitor the expenses and receivables in the coming months while also working to maintain and complete necessary common area reserve projects that have a one year estimated life remaining in order to preserve and enhance the community.

Should you have any questions please contact me at smcmurray@propadvantage.com or at (760) 585-1743.

Regards,

On Behalf of the Board of Directors



Shannon McMurray, CMCA, AMS
Association Manager
PropertyADVANTAGE

Enclosures

