PropertyADVANTAGE
PROFESSIONAL MANAGEMENT PARTNERS

Crest of Calavera Hills Homeowners Association

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Date: November 2020
To: Members of Crest at Calavera Hills Homeowners Association
From: The Board of Directors
Re: Fiscal Year 2021 Annual Budget Report and Annual Policy Statement Summaries

Dear Members:

The Board of Directors has worked diligently this past year to stay within the budget. **This hard work has resulted in no increase to the monthly dues which will remain at $285.00 per month.** Please note, if you are on automatic payment (ACH) with Property Advantage, the dues will continue to be paid directly from your account. If you are not on ACH, a coupon book will be mailed to you soon.

Pursuant to Civil Code section 5320, the Association is providing you with the following summary of the Annual Budget Report and Annual Policy Statement. If you prefer a full copy of the Annual Budget and Policy Reports, please contact your Association Manager, Jill Thelen, Property Advantage, by telephone at 760-585-1762 or by email to jill@propadvantage.com with your request. The full report will then be provided to you at no cost.

The following summary of the Annual Budget Report and Annual policy statement contains the names of all of the reports, statements and summaries the Association is required to provide pursuant to law and/or the governing documents.

For additional information please visit the Crest Website at **www.thecresthoa.com** and enter the password "Crest" for access.

Summary of the Annual Budget Report and Annual Policy Statement

I. Annual Budget Report

1. Pro Forma Operating Budget for fiscal year starting January 1, 2021 to December 31, 2021 prepared on an accrual basis.
   - There will be $285.00 monthly for the 2021 fiscal year.

2. Summary of the Association's Reserves.
   - Based on the Reserve Study conducted pursuant to Civil Code section 5550(a), the Association's reserves are 83.23% funded.

3. Summary of the Board Adopted Reserve Funding Plan.
   - The Board's plan is to continue to maintain the reserves fully funded in order to meet the Association's obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less, not including those components that the Board has determined will not be replaced or repaired.

4. Statement of 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 plans to not defer repairs or replacement of the following major components, see attached reserve study summary.

5. 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 to repair, replace or restore any major components or to provide adequate reserves.

6. Statement of Mechanism of Funding Reserves to Repair or Replace Major Components.
   - The Board of Directors uses the following mechanism or mechanism to fund reserves to repair or replace major components.

7. 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 May of 2020.

8. Statement of Association(s) Outstanding Loans.
   - The Association has a total outstanding indebtedness of $0.

9. 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 with coverage in the amount of $3 million dollars and for the members if persons are injured on the common area with coverage in the amount of $3 million dollars.

2021 Budget - Crest HOA

	2020 Annual	Actuals Thru 8/2020	Projected Yearend	2021 Annual	2021 Monthly	2021 Per Unit Per Month
INCOME						
Dues Income	$369,360.00	$246,240.00	$369,360.00	$368,364.04	$30,697.00	$284.23
Late Fee Income	$0.00	$238.00	$357.00	$0.00	$0.00	$0.00
Interest	$6,331.00	$4,122.81	$6,184.22	$1,000.00	$83.33	$0.77
Fines	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Miscellaneous Income	$0.00	$2,487.00	$3,730.50	$0.00	$0.00	$0.00
TOTAL INCOME	**$375,691.00**	**$253,087.81**	**$379,631.72**	**$369,364.04**	**$30,780.34**	$285.00
EXPENSES						
UTILITIES						
Trash	$26,000.00	$16,499.14	$24,748.71	$26,000.00	$2,166.67	$20.06
Electricity and Gas	$21,000.00	$12,151.87	$18,227.81	$21,000.00	$1,750.00	$16.20
Water and Sewer	$44,000.00	$7,817.29	$11,725.94	$40,000.00	$3,333.33	$30.86
TOTAL UTILITIES	**$91,000.00**	**$36,468.30**	**$54,702.45**	**$87,000.00**	**$7,250.00**	**$67.13**
ADMINISTRATIVE EXPENSES						
Management	$19,675.00	$13,116.64	$19,674.96	$20,160.00	$1,680.00	$15.56
Insurance	$5,000.00	$4,444.43	$6,666.65	$6,500.00	$541.67	$5.02
Legal Fees	$750.00	$432.00	$648.00	$750.00	$62.50	$0.58
Audit/Review & Tax Return Preparation	$925.00	$925.00	$1,387.50	$925.00	$77.08	$0.71
Reserve Study	$895.00	$425.00	$425.00	$895.00	$74.58	$0.69
Postage, Storage + 300 R&R Mailing	$1,200.00	$667.82	$1,001.73	$1,200.00	$100.00	$0.93
Permits/Licenses	$450.00	$432.00	$648.00	$405.00	$33.75	$0.31
Taxes	$2,010.00	$10.00	$15.00	$750.00	$62.50	$0.58
TOTAL ADMINISTRATIVE	**$30,905.00**	**$20,452.89**	**$30,466.84**	**$31,585.00**	**$2,632.08**	**$24.37**
MAINTENANCE						
Landscaping						
Landscape Contract - Groomed Look	$71,880.00	$47,920.00	$71,880.00	$75,480.00	$6,290.00	$58.24
Landscape Supplies/Extras	$2,000.00	$2,246.00	$3,369.00	$2,500.00	$208.33	$1.93
Landscape Brush Management	$10,000.00	$0.00	$0.00	$10,000.00	$833.33	$7.72
Irrigation Repairs	$5,000.00	$4,232.00	$6,348.00	$5,000.00	$416.67	$3.86
Total Landscaping	**$88,880.00**	**$54,398.00**	**$81,597.00**	**$92,980.00**	**$7,748.33**	**$71.74**
Repair and Maintenance						
Lighting Maintenance	$1,000.00	$2,055.00	$3,082.50	$1,000.00	$83.33	$0.77
Pool & Spa Maintenance	$5,200.00	$9,481.00	$14,221.50	$9,350.00	$779.17	$7.21
Pool & Spa Extras	$500.00	$113.00	$169.50	$500.00	$41.67	$0.39
Janitorial Maintenance	$3,000.00	$1,452.00	$2,178.00	$3,000.00	$250.00	$2.31
Janitorial Supplies/Extras	$500.00	$68.85	$103.28	$500.00	$41.67	$0.39
Pest Control - Common Area	$4,000.00	$3,055.25	$4,582.88	$4,000.00	$333.33	$3.09
Repair & Maintenance - Structural	$16,000.00	$6,414.00	$9,621.00	$8,310.00	$692.50	$6.41
Contingencies	$3,771.00	$0.00	$0.00	$1,200.00	$100.00	$0.93
Total Repair and Maintenance	**$33,971.00**	**$22,639.10**	**$33,958.65**	**$27,860.00**	**$2,321.67**	**$21.50**
TOTAL OPERATING EXPENSES	**$244,756.00**	**$133,958.29**	**$200,724.94**	**$239,425.00**	**$19,952.08**	**$184.74**
Reserve Allocations	**$124,604.00**	**$72,685.69**	**$124,604.04**	**$128,939.04**	**$10,744.92**	**$99.49**
Interest Reserve Allocation	$6,331.00	$3,693.14	$6,331.10	$1,000.00	$83.33	$0.77
TOTAL HOA EXPENSES	**$375,691.00**	**$210,337.12**	**$331,660.08**	**$369,364.04**	**$30,780.34**	**$285.00**

EXECUTIVE SUMMARY
For the Fiscal Year Ending December 31, 2020

The following information is a condensed summary of the current full reserve study, to be conducted every 3 years (physical inspection necessary) and reviewed annually. It is intended to provide the general information for inclusion with the annual budget information to be distributed to the homeowners, and is prepared in compliance with California Civil Codes 5550-5580. Reference to the complete study provides detailed estimates of individual remaining lives, current costs, and projected future replacement costs.

Summary of Cost of Inventory

Base Identification Component Inventory Groupings	Estimated Remaining Useful Life	Estimated Replacement Costs	Annual Funding Requirement	Accumulated Funding Requirement	Allocation of Fund Balance	Percent of Fund Balance
Paving and Surfacing	4-8	$ 202,800	$ 14,718	$ 149,106	$ 127,086	13.53%
Landscaping & Irrigation	1-22	81,250	23,580	34,723	29,595	3.15%
Fences, Walls and Gates	10-12	43,300	1,235	32,200	27,445	2.92%
Structural and Pest Controls	2-36	867,000	26,400	606,600	517,021	55.06%
Roof & Waterproofing	20	432,000	14,400	172,800	147,282	15.68%
Flooring	3	5,000	167	4,883	4,120	0.44%
Painting and Coverings	1-4	61,730	34,438	26,835	22,872	2.44%
Specialties	2	10,000	333	9,667	8,239	0.88%
Site Facilities, Equip. & Furnishings	3-4	8,000	633	7,033	5,995	0.64%
Aquatic Facilities	1-12	38,172	3,556	21,667	18,467	1.97%
Plumbing, Mechanical, & Utility Sys.	1	6,000	6,000	0	-	0.00%
Electric & Lighting	2-22	22,000	2,350	16,270	13,867	1.48%
Contingency		0	5,000	20,000	17,047	1.82%
Totals		$ 1,777,252	$ 132,810	$ 1,101,733	$ 939,036	100.00%

Summary of Financial Position

Accumulated Deficit:	$ 162,697	Per Unit	$1,506.46
Percentage Funded as of the Year End:		85.23%	
Current Annual Funding (from Budget)		$ 124,604	
Reserve Fund Balance: March 31,2020		$ 880,583	
Anticipated Funding to Year End:		93,453	
Anticipated Expenditures to Year End:		(35,000)	
Reserve Fund Balance: December 31, 2020		$ 939,036	

Summary of the Funding Plan

	*Annual	**Current	***Recommended
Dollar Amount Per Unit, Per Month	102.48	96.15	96.15
(All Funding options assume a 1.5% increase per year)			

***Brush abatement and tree services; Painting throughout the property**

***Annual Reserve Account Requirement: Annual Reserve allocations should adequately fund reserves with no deficits.**
****Current Annual Funding: Current Regular Reserve allocations should adequately fund reserves with no deficits.**

This over view summary we have prepared for you is based on our best estimate of anticipated funding and distributions from the reserve funds through the current fiscal year ending December 31, 2020. The related reserve funding projection for the 30-year period goes from YEAR to YEAR. It is based on compilation of information provided by current management and a consultant's most likely estimates at the time of inspection, as described in the physical analysis portion of the report. The Annual Account Requirement is based on the cost of each component divided by its total useful life. The Accumulated Account Requirement is the annual requirement multiplied by the number of expended years. The Difference between the Accumulated Requirement total and the Actual Cash Balance may indicate a deficit or surplus, which would be expressed in the Percentage Funded.

There has not been an audit or review of the accompanying analysis performed. Therefore, no expressed opinion or form of assurance is offered. We assume no responsibility to update this report for events or circumstances occurring after the date of issuance of this report.

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

(1) Regular Assessments –
Assessments to members are $285.00 per unit per month for the year ending December 31, 2020.
*If assessments vary by the size or type of unit, the applicable assessment rates may be found in the Association's Annual Budget and/or can be provided by the Associations/management agency.

(2) Special Assessment –
Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, which have been approved by the Board and/or members.

Date Assessment is Due	Amount Per Unit/ Per Month	Purpose of this Assessment is to Fund or Supplement the Replacement Costs of:
N/A		

(3) Reserve Account Balances –
Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balance be sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 30 years?

Yes __X___ No _____

(4) Additional Assessments –
If the answer to #3 is NO, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board of directors or the members?

(Not applicable, proceed to #5)

(5) Major Components –
All major components are included in the reserve study and are included in its calculations.

(6) Current Funding Comparisons –
As of the current reserve study or update, the balance in the actual cash balance is projected to be $939,036. Based on the method of calculation in paragraph (4) of the subdivision (b) of Section 5570 of the Civil Code, the estimated accumulated account requirement is $1,101,733. The percentage funding is: 85.23%.

(7) Funding over next 5 Budget Years –
Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is projected to be:

$1,067,921 $1,113,421 $1,198,687 $1,278,823 $1,264,563

The projected reserve fund cash balance at the end of each of those years is projected to be, taking into account only assessments already approved and other known revenues, as follows:

	$906,408	$950,651	$1,032,896	$1,108,532	$1,088,128
% Funded	84.88%	85.38%	86.17%	86.68%	86.05%

If the recommended reserve funding plan is approved by the Association and implemented, the projected reserve fund cash balance at the end of each of those years would be:

	$906,408	$950,651	$1,032,896	$1,108,532	$1,088,128
% Funded	84.88%	85.38%	86.17%	86.68%	86.05%

Note: The financial representations set forth in this summary are based on best estimates of the preparer at the time. These estimates are subject to change.

II. Annual Policy Statement

1. Designated Agent for Receipt of Association Mail.

The name and address of the person designated to receive official communications on behalf of the Association is as follows:

Name: Jill Thelen
Title: Associate Community Manager
Company: Property Advantage
Address: 5142 Avenida Encinas, Carlsbad, CA 92008

1. Secondary Addresses for Owners.
    - As provided in Civil Code sections 4040(b) owners have a right to receive (1) annual reports the Association is required to provide to owners and for (2) mailings and notices related to assessment payments, delinquencies and foreclosures at an additional address if they submit a secondary address to the Association. The owner's request must be in writing and must be sent to the Association in the manner provided in Civil Code sections 4035 and 5260.

2. The location designated for posting of a General Notice.
    - Is on the property at the mailboxes. You may also access the website at www.thecresthoa.com.

3. Individual Delivery Notice.
    - Documents designated by the Civil Code as requiring General Delivery or General Notice will be delivered using one of the methods detailed in Civil Code section 4045(a). If a member of the Association wishes to receive these general notice documents by individual delivery, they must make such a request to the Association, and the Association will comply with the request.

4. Availability of Minutes.
    - The minutes or a summary of minutes of a Board meeting, other than an executive session are available to members within 30 days of the meeting. Minutes, proposed minutes, or summary of minutes will be distributed to any member upon request and upon reimbursement of the Association's costs for making that distribution.

    - In order to make a request for a copy of minutes, members should contact Jill Thelen, Community Association Manager at Property Advantage in writing at 5142 Avenida Encinas, Carlsbad, CA 92008 or by email at jill@propadvantage.com.

5. Statement of Address for Overnight Payment of Assessments
    - Company: Property Advantage
      Address: 5142 Avenida Encinas, Carlsbad, CA 92008

6. Summary of Association's Dispute Resolution Procedures (ADR and IDR)

ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

The California Legislature has established a public policy in this state that requires the use of Alternative Dispute Resolution ("ADR") before resorting to litigation to resolve certain conflicts that arise in condominiums, planned developments and other common interest developments. The law requires

every association to distribute a summary of California Civil Code sections 5925 through 5965 to its members annually in its Annual Policy Statement prepared pursuant to Civil Code section 5310.

Rather than attempt to summarize the law, which is lengthy, and may result in omissions or misunderstandings of what the law provides, we are providing a copy of law in its entirety below. PLEASE NOTE, Civil Code section 5965 states:

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

Please note that the section headings below are not a part of the law but are present only to assist you in identifying the contents of each section.

§5925. ADR Definitions As used in this article:

(a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

(1) Enforcement of this act.

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).

(3) Enforcement of the governing documents.

§5930. ADR Required Before Filing Certain Actions

(a) An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

§5935. Initiating ADR by Request for Resolution

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

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

(4) If the party on whom the request is served is the member, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

§5940. Time for Completing ADR Process and Cost Splitting

(a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

§5945. Effect of ADR on Statutes of Limitation

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

(a) The period provided in Section 5935 for response to a Request for Resolution.

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

§5950. Filing ADR Certificate when Filing Court Action

(a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

§5955. Referral to ADR and Stay of Court Action by Stipulation

(a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the

action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

§5960. Refusal to Participate in ADR; Effect on Award of Fees and Costs In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider

whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

§5965. Annual Disclosure of ADR Procedures to Members

(a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:
"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

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

INTERNAL DISPUTE RESOLUTION (IDR) PROCEDURES

Approved October 14, 2014

Pursuant to California Civil Code § 5910 the following procedures taken from Civil Code § 5915 will be used by The Crest of Calavera Hills Homeowners Association to provide a fair, reasonable, and expeditious dispute resolution procedure.

(a) Either party to a dispute within the Association may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.

(3) The Board shall designate a Director to meet and confer or the entire Board may meet and confer at a duly called executive session meeting of the Board.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the association.

(b) An agreement reached under this procedure **binds the parties** and is **judicially enforceable** if **both** of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of The Crest of Calavera Hills Homeowners Association.

(2) The agreement is either consistent with the authority granted by the Board to its designee or the agreement is ratified by the Board

(c) A member may not be charged a fee to participate in the process.

7. Statement of Assessment and Foreclosure Policies under Civil Code section5730.

NOTICE

This notice outlines some of the rights and responsibilities of the owners of the 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.

NOTICE 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, 2007, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars ($1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars ($1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

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

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

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

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who

received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

THE CREST OF CALAVERA HILLS HOMEOWNERS ASSOCIATION

SUMMARY OF POLICIES AND PROCEDURES OF LIEN RIGHTS AND OTHER LEGAL REMEDIES FOR DEFAULT IN PAYMENT OF ASSESSMENTS

1. **Regular and Special Assessments.** Regular assessments are due and payable, in advance, on the first day of each month. If imposed, special assessments shall be due and payable on the due date specified by the Board. Assessments, interest, late charges, collection costs and reasonable attorney's fees, if any are imposed, are the personal obligation of the person who is the Owner of the subdivision interest at the time when the assessment or other charge fell due.

2. **Late Charges.** Regular and special assessments are delinquent fifteen (15) days after they become due. A late charge of ten dollars ($10.00) may be applied if payment in full of any assessment is not received fifteen (15) days after the payment is due.

3. **Interest.** Interest at the annual rate of six percent (6%) may be charged on all sums due that are thirty (30) or more days delinquent.

4. **Additional Charges, Costs and Attorney's Fees.** Pursuant to *Civil Code* § 5650(b), the Association is entitled to recover reasonable collection costs, including reasonable attorney's fees, incurred in connection with collection of delinquent assessments. Costs may include, but are not limited to, publication, recording, posting, service and mailing.

5. **Application of Payments on Delinquent Assessments.** Payments received on delinquent assessment accounts will be applied first to the regular or special assessments owed, and then applied to interest, late charges, collection costs, administration fees, attorney's fees, reimbursement assessments, and any other amount due to the Association in connection with collection of delinquent assessments.

6. **Pay or Lien Letter.** Any Owner who is more than thirty (30) days delinquent in the payment of his or her assessments may be referred to the Association's management company or the Association's attorney for collection and will receive a pay-or-lien demand letter, via certified mail. The letter will be sent at least thirty (30) days prior to a Notice of Delinquent Assessment Lien ("Lien") being recorded against the delinquent Owner's property, and will notify the Owner of record in writing of the following pursuant to *Civil Code* § 5660(a)-(f):

   (a) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount.

   (b) An itemized statement of the amounts owed, including delinquent assessments, fees and reasonable costs of collection, reasonable attorney's fees, late charges, and interest charges, if any.

   (c) The Owner's right to inspect the Association's records to verify the debt.

   (d) The Owner's right to request a meeting with the Board of Directors, 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 its meet and confer program (known as Internal Dispute Resolution or IDR) pursuant to *Civil Code* § 5910.

(g) The Owner's right to request Alternative Dispute Resolution (ADR) with a neutral third party pursuant to *Civil Code* § 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 *Civil Code* §§ 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, to participate in dispute resolution pursuant to the Association's meet and confer program (known as Internal Dispute Resolution or IDR) pursuant to *Civil Code* § 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 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 Claim s Action. In addition to pursuing dispute resolution pursuant to *Civil Code* §§ 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's 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 their account current within thirty (30) days of the pay-or-lien demand 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 agent or the Association's legal counsel, shall sign the Lien. The Lien shall include an itemized statement of the charges included in the amount of the Lien including the delinquent assessments and all other sum owed, such as late charges, costs and reasonable attorney's fees, a legal description of the property, the name of the record Owner, and the name and address of the trustee

authorized to enforce the Lien by sale. A copy of the itemized statement of charges shall be recorded with the Lien.

A copy of such Lien will be mailed to every person whose name is shown as an Owner of the separate interest in the Association's records within 10 days of the date the Lien is recorded. Upon receipt of a written request by an Owner (mailed in a manner indicating the Association has received the same such as by certified mail) identifying a secondary address to which the Owner wishes collection notices to be sent, the Association shall also send additional copies of any required collection notices to such secondary address. The Lien is subject to non-judicial foreclosure, and the property may ultimately be foreclosed upon and sold without court action to satisfy the debt owed. Reasonable collection costs incurred in connection with preparing and recording the Lien may be included in the amount of the Lien.

9. Dispute of Charges After Lien. Prior to initiating foreclosure for delinquent assessments, the Association shall offer the Owner and, if so requested by the Owner, shall participate in the Association's "meet and confer" program (known as Internal Dispute Resolution or IDR) pursuant to *Civil Code* § 5910 or Alternative Dispute Resolution (ADR) with a neutral third party pursuant to *Civil Code* § 5935. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the Owner (binding arbitration not available if the Association pursues judicial foreclosure.)

10. Foreclosure. If the delinquent Owner does not bring their account current after the Lien has been recorded, and after the foregoing offers of dispute resolution have been presented, a majority of the Board may vote to initiate foreclosure on the Lien in an executive session meeting of the Board. The Board may only authorize foreclosure on a Lien for those regular or special assessments which are of an amount equal to or exceeding one thousand eight hundred dollars ($1,800) exclusive of late charges, fees, costs of collection, attorney's fees and interest, or which are more than twelve (12) months delinquent. The Board shall record the vote in the minutes of the next meeting of the Board open to all members. Confidentiality shall be maintained by identifying the property by parcel number in those minutes.

The Board shall also vote to approve foreclosure on a Lien which vote shall occur at least thirty (30) days prior to any public sale of the Owner's separate interest property. The Board shall deliver notice of the decision to foreclose by personal service on the Owner or the Owner's legal representative, and by first class mail, postage pre-paid to non-occupant Owners at the most current address shown on the association's books. These limits do not apply to timeshares or assessments owed by developers.

Non-judicial foreclosure will then be commenced by the Association's law firm pursuant to the CC&Rs, and *Civil Code §§* 5700(a), 5710(a), 5735, and 5710(c)(1)-(2), and 2924, *et seq.* as follows:

(a) "Initiate Foreclosure"-Notice of Default and Election to Sell (ANOD@). A Notice of Default and Election to Sell (NOD) will be recorded with the County Recorder's Office which puts the property into foreclosure. The Association cannot continue with the non-judicial foreclosure on the property for ninety (90) days from the date the NOD is recorded. The 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 (NOS). 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 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. Payments After Lien. Once a delinquent account has been turned over to the law firm, THE ASSOCIATION WILL NOT ACCEPT ANY ASSESSMENT PAYMENTS. ANY SUCH PAYMENTS WILL BE FORWARDED TO THE LAW FIRM AND WILL BE RETURNED TO THE OWNER UNLESS THEY ARE PAYMENT IN FULL OF ALL OUTSTANDING AMOUNTS, OR ARE PAYMENTS REMITTED PURSUANT TO WRITTEN FORBEARANCE AGREEMENT.

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 attorneys fee 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 by 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:

If Account is being handled by Management:

Mailing Address:

The Crest of Calavera Hills
Homeowners Association
c/o Property Advantage Attn:
Accounts Receivable 5142
Avenida EncinasCarlsbad, CA
92008
(760)585-1700

If Account is being handled by Attorney:

The Crest of Calavera Hills
Homeowners Association
c/o

HOA PAYMENT OPTIONS

The following are the payment options currently offered by Property Advantage

1. You may send in a check or money order to our processing center lockbox, the mailing address is as follow:

Crest of Calavera Hills HOA
c/o Property Advantage
P.O Box 52148
Phoenix, AZ 85072-2148

Please make sure to include your account number on your check/money order. All payments are due on the first of the month with a 15 day grace period. Any payment received after the 15th of the month will be considered late and a late fee of $10.00 will be assessed to the account. Please allow 5-7 business days for the payment to be received, process and posted to your account.

2. If you want to set up a bill payer through your bank, here is the following information you will need:

Payee:	Crest of Calavera Hills HOA
Mail to:	P.O Box 52148 Phoenix, AZ 85072-2148
Acct#:	410– (10 digit account number can be found on coupons)
Amount:	$285.00

Please note that when setting up a bill payer, you will need to contact your bank for any updates needed to be done on the bill payer (examples: fee increase, cancellation of payments, etc.). Please allow 5-7 business days for the payments to be received, process and posted to your account.

3. You may also pay online through a third party company we work with named Paylease. You would need to create an online account through their website portal at www.paylease.com using your 10 digit account number. This will be your option if you want to pay with a credit/debit card online or over the phone (1866-729-5327). However, they are a third party company and charge processing fees for their services.

4. Lastly, we offer an in house recurring ACH debit (auto-pay) which we run once a month between the 7th -10th . This is free of charge but it is only done through a checking or savings account and not a credit or debit card. If you are interested, please filled out the ACH form and send back with a voided check to our Carlsbad office location (see address below) or you may email to amontelongo@propadvantage.com. Please note that we will automatically increase the debit amount if the monthly fee increases. If you have to make an update on your bank account you will need to resubmit an ACH form with new information.

Property Advantage 5142 Avenida Encinas, Carlsbad, CA 92008
Ph: 760-585-1700 Fax: 760-438-6886 Email: yflores@propadvantage.com

7. VIOLATION OF RULES AND FINING POLICY

Approved October 14, 2014

All members of The Crest of Calavera Hills Homeowners Association are subject to all the Association's "governing documents" as defined by *Civil Code* Section 4150 including the DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS and these RULES AND REGULATIONS Pursuant to its authority and this Fining Policy, the Board may impose discipline including, but not limited to the suspension of privileges and the levy of fines against an Owner for any violation of the Association's governing documents by the Owner, his or her family, tenants, guests and invitees, as set forth below.

REPORT OF VIOLATION:
Any resident wishing to report an alleged violation of the Association's governing documents must do so in writing and transmitted to the Property Manager in care of the property management company. The written notice must include (1) the name and or address of the individual committing the violation, (2) the date of the violation, and (3) the nature of the alleged violation. The individual reporting the alleged violation must include their name and contact information so the Property Manager can obtain clarification or details of the alleged violation if needed. A VIOLATION NOTICE WILL ONLY BE SENT BY THE MANAGEMENT COMPANY AFTER RECEIPT OF A FORMAL WRITTEN COMPLAINT CONTAINING THE INFORMATION IDENTIFIED ABOVE.

VIOLATION NOTICE:
The Violation Notice will include the nature of the alleged violation with a reference to the provision of the governing documents the recipient is alleged to be in violation of, the date of the alleged violation, a demand that the alleged violation be cured and the consequences of non-compliance. The Violation Notice will be mailed to the Owner via first-class mail. A copy of the Violation Notice will also be mailed to the Owner's tenant, if any

DUE PROCESS:
If the violation has not been corrected within the period specified in the Violation Notice, a **Notice of Hearing** ("Notice") will be issued to the Owner. The Notice will afford the Owner "notice and an opportunity to be heard" either in person or by written response at a meeting of the Board held to consider imposing discipline on the Owner. **The Notice shall be sent to the Owner not less than 10 days prior to the date of the hearing.** It is the Owner's responsibility to contact the Property Manager to confirm their attendance at the Hearing. The Board's decision and the form of discipline imposed, if any, shall be mailed to the Owner within 15 days of the date of the Hearing.

SCHEDULE OF FINES:

Having provided the Owner with a Due Process Violation Hearing, the Board may assess fines against the Owner's account as follows:

FIRST NOTICE OF VIOLATION	FRIENDLY REMINDER
SECOND NOTICE OF VIOLATION	$ 50.00 FINE
THIRD AND SUBSEQUENT VIOLATION	$100.00 FINE

INTENTIONAL DAMAGE TO COMMON AREAS $100.00 FINE - PLUS
COST TO REPAIR OR REPLACE DAMAGED AREA

IF THERE IS NO COMPLIANCE WITHIN 15 DAYS FROM THE THIRD NOTICE, FINES WILL INCREASE DAILY IN $50.00 INCREMENTS. FINES SHALL BE COLLECTED THROUGH A LAWSUIT FILED IN SMALL CLAIMS OR SUPERIOR COURT. RECURRENCE OF THE VIOLATION WITHIN SIX-MONTHS OF THE INITIAL COMPLAINT MAY RESULT IN AN IMMEDIATE NOTICE OF HEARING BEING ISSUED.

THE ASSOCIATION MAY, BUT IS NOT OBLIGATED TO ASSESS FINES FOR VIOLATIONS OF THE GOVERNING DOCUMENTS AND THE BOARD SHALL HAVE DISCRETION AS TO WHAT REMEDIES ARE EMPLOYED TO CURE A VIOLATION OF THE GOVERNING DOCUMENTS DEPENDING ON THE NATURE AND SERIOUSNESS OF THE VIOLATION.

8. Preparation of Year End Review of Financials

The year-end review is being prepared by a certified public accountant after the close of the fiscal year. The document any information required by Corporations Code Section 321 should be available to you within 120 days after the close of the fiscal year.

9. Rental Restrictions

F1. Each Owner has the right to lease all of his or her Lot. Subleasing is not permitted. Any lease agreement must be in writing and must provide that the lease is subject in all respects to the provisions of the Association's governing documents including the CC&Rs, Bylaws and these Rules and Regulations. All Owners must submit a rental information form to the management company as soon as their unit is rented. **See Appendix "F".** Any breach or violation of the Association's governing documents by a tenant and/or their family members, guests or invitees shall constitute a default under the lease agreement (CC&Rs Article VI, Sec.19).

F2. Owners shall not lease their separate interest for a period of less than thirty (30) consecutive days. Timeshares or use of an Owner's separate interest for transitory use typically associated with hotels is prohibited.

F3. Owners shall provide tenants with a copy of the Association's governing documents and shall advise tenants that a breach or violation of those governing documents constitutes a default under the lease agreement.

F4. Owners who lease their separate interest in the Association shall not be entitled to use the common area pool/spa for the term of the lease. Owners shall be responsible for providing their tenants with a Pool Area Key Card. Pool Area Key Cards and Restroom Keys must be signed for upon receipt from the property management company by the owner or their designated agent which designation shall be in writing.

10. Summary of Association's Insurance Policies

"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."

Please note that the Association will, as soon as reasonably practical, notify you, as members, by first class mail, if any of the above mentioned policies have lapsed, been canceled, been non-renewed, have not been renewed or replaced, or if there has been any significant changes or reductions or limitations on the above mentioned policies. Also, if the Association receives notice of non-renewal of any of the above policies, it shall immediately notify the members of the Association if replacement coverage will not be in effect by the date that the existing coverage will lapse.

THECR-9 OP ID: NMF

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 03/19/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER 800-698-0711 LaBarre/Oksnee Insurance License # 0C84283 30 Enterprise #180 Aliso Viejo, CA 92656 LaBarre/Oksnee Insurance	CONTACT NAME: LaBarre/Oksnee Insurance PHONE (A/C, No, Ext): 800-698-0711 FAX (A/C, No): 949-588-1275 E-MAIL ADDRESS:
INSURED The Crest of Calavera Hills c/o Property Advantage 5142 Avenida Encinas Carlsbad, CA 92008	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : American Alternative Insurance — 19720 INSURER B : PMA Insurance Group — 12262 INSURER C : Great American Insurance Co. — 16691 INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT. TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS. EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$ 3,000,000
	CLAIMS-MADE X OCCUR	X		CAU508504-3	03/27/2020	03/27/2021	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
A	X D&O($1,000,000)			CAU508504-3	03/27/2020	03/27/2021	MED EXP (Any one person)	$ 5,000
	No D&O ded			CLAIMS-MADE			PERSONAL & ADV INJURY	$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ Unlimited
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 3,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 3,000,000
	ANY AUTO			CAU508504-3	03/27/2020	03/27/2021	BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$
	DED RETENTION $							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						X PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) N / A	N/A		2020010545459Y	03/27/2020	03/27/2021	E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
A	Property *			CAU508504-3	03/27/2020	03/27/2021	2,500 ded	405,000
B	&C Fidelity Bond**	X		4120010545459Y/SEE BELOW	03/27/2020	03/27/2021	10,000ded	2,000,000

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

Association has 108 units. Common areas only; common elements insured to 100% Replacement Cost, Special Form. *Incldes a $50,000 sublimit for trees & shrubs. Includes Guaranteed Replacement Cost, Building Ordinance or Law Coverage, and Severability of Interest. Property Management is Additional Insured on GL, D&O, and Fidelity Bond. **Computer/Funds Transfer Fraud incl.

CERTIFICATE HOLDER

Property Advantage
5142 Avenida Encinas
Carlsbad, CA 92008

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
LaBarre/Oksnee Insurance

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APPLICATION FOR PROPERTY IMPROVEMENT

Approved October 14, 2014

Complete this request form, attach two (2) copies of the proposed improvement plan and send to:

The Crest of Calavera Hills Homeowners Association
c/o Property Advantage
5142 Avenida Encinas
Carlsbad, CA 92008

HOMEOWNER DATA:

Name: _____ Date: _____

Address: _____

City: _____ State: _____ Zip: _____

Home Phone: _____ Work Phone: _____

Description of Proposed Improvements - Please include sketch/drawing of improvements when applicable, and give full details of improvement

For all improvements requiring Carlsbad City Approval, please attach a copy of the City Permit Application that would authorize construction. If no City approval and/or permits are required for the proposed improvements, please submit a statement stating that the Owner has contacted the City and has been advised that no City approval or permit is required for the improvement which statement shall be signed by the Owner.

Please attach the following forms: (a) Homeowner's Statement of Responsibility
(b) Neighborhood Awareness.

Upon completion of the project submit the following form: (1) Notice of Completion

Estimated Start Date_____ Estimated Completion Date_____

THE CREST OF CALAVERA HILLS HOMEOWNERS ASSOCIATION

APPLICATION FOR PROPERTY IMPROVEMENT
HOMEOWNER'S STATEMENT OF RESPONSIBILITY

Approved October 14, 2014

I UNDERSTAND AND AGREE THAT:

1. No work described in the application shall commence until written approval of the Architectural Review Committee has been received.

2. Depending on the nature of the improvement being applied for, including any improvement which may encompass any portion of the common area or any area the Association is obligated to maintain and repair, I may be required to execute a Maintenance and Indemnification Agreement which will be recorded against my separate interest and I shall be responsible for the cost to prepare and record that agreement..

3. All improvements approved by the ARC must be completed within the time specified by the ARC standards. Failure to complete the work within the specified period of time may result in the approval being rescinded and may require resubmittal of plans Requests for reasonable extensions of the specified completion deadline shall be submitted to the ARC for consideration.

4. The above and all attached information is complete and accurate to the best of my knowledge.

5. Owner and/or his or her successors-in-interest shall be responsible for any costs, including maintenance and repair costs, incurred or arising out of the Owner's installation of any improvement.

6. My proposed improvement may require a permit from the City or County Building Department. It is my responsibility to assure compliance of all regulations pertaining to permits before starting any project. If a permit from the City or County is required, I will submit a copy of the completed permit application to the ARC with my HOA Application for Property Improvement.

_____ _____

Homeowners Signature Date

_____ _____

Homeowners Signature Date

THE CREST OF CALAVERA HILLS HOMEOWNERS ASSOCIATION

APPLICATION FOR PROPERTY IMPROVEMENT
NEIGHBORHOOD AWARENESS

Approved 14 October 2014

NOTE: The intent is to provide notice to adjacent Owners of your proposed improvements. Adjacent property Owner cannot approve or disapprove your application. The authority to do so lies solely with the ARC and/or the Board of Directors.

NEIGHBOR'S NAME: _____

NEIGHBOR'S ADDRESS: _____

SIGNATURE: _____ DATE: _____

COMMENTS: _____
_____
_____

NEIGHBOR'S NAME _____

NEIGHBOR'S ADDRESS: _____

SIGNATURE: _____ DATE: _____

COMMENTS _____
_____
_____

NEIGHBOR'S NAME _____

NEIGHBOR'S ADDRESS: _____

SIGNATURE: _____ DATE: _____

COMMENTS _____
_____
_____

CREST OF CALAVERA HILLS HOMEOWNERS ASSOCIATION
c/o PropertyADVANTAGE 5142 Avenida Encinas, Carlsbad CA 92008
Ph (760) 585-1700 Fax (760) 438-6962 www.propadvantage.com

THE CREST OF CALAVERA HILLS HOMEOWNERS ASSOCIATION

APPLICATION FOR PROPERTY IMPROVEMENT
NOTICE OF COMPLETION

Approved October 14, 2014

Notice is hereby given that:

The undersigned is the owner(s) of the property located at

_____(Street & Number)

_____(City, State & Zip Code)

The work of improvement on the described property was COMPLETED on_____
_____day of_____, 20___, in accordance with the Architectural Review Committee's written approval dated _____through the above Owner's plans and submittal package.

Signature of Owner: _____

Date: _____