

# **VISTA PARK VILLAS CONDOMINIUM ASSOCIATION**

c/o Transcontinental Management, Inc.  
3355 Mission Avenue, Suite #111  
Oceanside, CA 92058

February 28, 2014

Dear Owner:

Enclosed, please find your copy of the approved 2014 Budget, Collection Policy, Fine Policy, Insurance Coverage Summary, Reserve Summary, Assessment and Reserve Funding Disclosure Summary, Alternative Dispute Resolution, Internal Dispute Resolution, Notice of Assessments and Foreclosure, Miscellaneous Disclosure Statement and the Architectural Design Guidelines and forms.

These enclosed documents are a legal requirement to be disbursed yearly to each member of the Association. After careful review, the Board of Directors has determined that at this time, the monthly assessment will remain at \$345.60 and the late fee at \$34.56, however the Board reserves the right to consider an increase in the upcoming fiscal year due to continued deferred maintenance issues.

For your additional information, meeting notices are posted at all dumpster enclosure locations and on the entry door of the pool meeting room.

If you have any questions with regard to the enclosed documents, please contact Danielle Mancini, our Association Manager at 760/439-8611 x212.

Sincerely,

**THE BOARD OF DIRECTORS**  
Vista Park Villas

VISTA PARK VILLAS		
CONDOMINIUM ASSOC.		
2014/15 APPROVED BUDGET		
	Monthly	Yearly
<b>INCOME: \$345.60 x 92</b>		
ASSOCIATION DUES	31795	381542
KEY INCOME	0	0
LATE FEE INCOME	0	0
VIOLATION FEES	0	0
INTEREST	0	0
MISCELLANEOUS INCOME	0	0
TOTAL INCOME	31795	381542
<b>EXPENSES:</b>		
<b>UTILITIES</b>		
ELECTRIC	625	7500
WATER	6000	72000
TRASH SERVICE	1850	22200
TOTAL UTILITIES	8475	101700
<b>GENERAL MAINTENANCE</b>		
LANDSCAPE MAINT CONTRACT	3315	39780
LANDSCAPE EXTRAS	250	3000
IRRIGATION	750	9000
COMMON AREA MAINTENANCE	750	9000
COMMON AREA SUPPLIES	250	3000
LIGHTING MAINTENANCE	25	300
PEST CONTROL CONTRACT	180	2160
DUMPSTER PICKUPS	150	1800
JANITORIAL EXTRA/SUPPLIES	0	0
PLUMBING REPAIRS	1800	21600
TERMITE CONTROL	0	0
POOL MAINTENANCE	225	2700
POOL EXTRAS	175	2100
FENCING		0
TOTAL GENERAL MAINTENANCE	7870	94440

<b>ADMINISTRATIVE</b>		
MANAGEMENT	1450	17400
INSURANCE	1760	21120
TAXES	1	12
LICENSE FEES & PERMITS	85	1020
POSTAGE & PRINTING	400	4800
MISC ADMIN	375	4500
LEGAL FEES/COLLECTION	400	4800
AUDIT & TAX PREP	100	1200
RESERVE STUDY/PROF SERV	0	0
BAD DEBT EXPENSE	400	4800
LOAN SERVICING	6680	80160
TOTAL ADMINISTRATIVE	<u>11651</u>	<u>139812</u>
TOTAL OPERATING EXPENSES	27996	335952
<b>RESERVE ALLOCATIONS:</b>		
ROOFING/DECKS	850	10200
PAINTING	650	7800
LANDSCAPE/TREES	350	4200
FENCE/WOOD REPAIRS	400	4800
LIGHTING	100	1200
PAVING	500	6000
POOL	300	3600
MECHANICAL/PLUMBING	150	1800
MISCELLANEOUS	350	4200
CONTINGENCY	149	1790
TOTAL RESERVE ADDITIONS	<u>3799</u>	<u>45590</u>
<b>TOTAL EXPENSES &amp; RESERVES</b>	<b>31795</b>	<b>381542</b>

# VISTA PARK VILLAS CONDOMINIUM ASSOCIATION

## POLICY AND PROCEDURES FOR COLLECTING DELINQUENT ASSESSMENTS THIS NOTICE IS REQUIRED BY CIVIL CODE SECTION 1365

Assessments are imposed at the beginning of each fiscal year in an amount anticipated to meet the expenditures of the association for the following year. Assessments are both a personal debt of the owner of the property and a charge against the property.

- Payments:** The annual maintenance assessment is payable in twelve equal installments.- One installment is due on the first day of each month. Assessments are due whether or not you receive an invoice. Any special assessment is due, in one or more installments, as determined by the Board in the notice announcing the special assessment.
- Late Charge:** A Late Charge of ten dollars or ten percent (10%) of the delinquent installment due, whichever is greater, or the sum specified in the CC&Rs, if any, shall be due with respect to any assessment payment not received within 15 days after the date due.
- Interest:** All delinquent sums shall bear interest at the rate of twelve percent (12%) per annum commencing 30 days after the due date.
- Returned checks:** A \$10.00 handling fee, plus any bank-charges, shall be imposed with respect to all returned checks.
- Delinquent Accounts:** Not less than 15 days after an account first becomes delinquent, a letter will be sent by the association advising the owner that his or her account is delinquent. Not less than 60 days after the initial delinquency, the matter may be turned over to the association's attorney for collection. The delinquent owner shall be liable for all attorney fees and costs with respect to acts taken by the attorney to collect the delinquent sums due pursuant to California Civil Code §1366(d)(1) and the CC&Rs. Upon the matter being turned over to the attorney, the attorney shall write to the owner by certified mail to advise of the fee and penalty procedures of the association and that a Notice of Delinquent Assessment (Lien) will be filed if payment is not received within ten (10) calendar days of the attorney's letter. If payment is not received by the attorney within the ten day period, the attorney shall file with the County Recorder a Notice of Delinquent Assessment (.Notice.) and shall thereafter mail a copy of the recorded Notice to the owner(s) as provided in Civil Code §1367(b). Not less than thirty (30) days following the recording of the Notice, if the account has not been brought current, the attorney shall take action to institute foreclosure proceedings and/or file a lawsuit to collect the delinquent sums due. Prior to the release of any Lien, all assessments, late charges, interest and costs of collection must be paid in full. The Board, for good cause, may shorten or lengthen any of the above time periods, except where such time periods are mandated by law.
- Publishing of Delinquency List:** The association may publish a list in the association newsletter and/or in the monthly board minutes of the names of all owners whose assessment payments are delinquent more than sixty (60) days.
- Suspension of Rights:** After notice and a hearing, an owner who is delinquent in the payment of any assessment may have his or her voting rights and/or rights to use the common facilities suspended until such delinquency is cured.
- Addresses:** All owners are responsible for keeping the association and the association's property manager advised of their current mailing address.
- Minutes, Financials, and Reserve Study:** Available upon request from the Management Company.

KEEP THIS NOTICE FOR YOUR RECORDS

Adopted at a duly held meeting of  
The Board of Directors  
April 26, 2012

# VISTA PARK VILLAS CONDOMINIUM ASSOCIATION

As approved by the Board of Directors at a duly held meeting on July 25, 2013

## **Enforcement and Fine Schedule:**

The Association may levy fines and/or suspend membership rights or voting rights against an owner for violations of the governing documents, which include the CC&Rs, Bylaws and Rules and Regulations.

When an owner and/or tenants/guests violate the governing documents a warning letter will be sent, with either an immediate cease and desist or depending on the violation up to 30 days to comply.

If, after the given compliance time, the violation remains uncorrected, the owner will be sent a second letter requesting them to appear before the Board for a hearing on the matter. This hearing letter shall provide no less than two weeks (14 days) notice prior to the date of the hearing.

The owner may come to the hearing and speak in person or submit a written statement if received 5 days prior to the hearing.

The owner will be informed of the Association's decision by mail within 10 days.

If fines are assessed, failure to pay them will lead to legal action being taken to collect.

First Warning Violation letter – No fine  
Second Letter – Sets Hearing Date

If fined as a result of the hearing:

First Fine - \$150.00 plus a \$15.00 Administration fee for each violation

Second Fine for same violation - \$300.00 plus a \$15.00 Administration fee with an additional \$300.00 assessed for every month the violation is not corrected.

Intentional damage to the common area will be fined \$150.00 plus the cost of the repair.

**FARMERS INSURANCE EXCHANGE**

**Members Of The Farmers Insurance Group Of Companies**  
**Home Office: 4680 Wilshire Blvd., Los Angeles, California 90010**

**Policy Declarations**

1. **CONDOMINIUM - PRIMARY**

Named : VISTA PARK VILLAS HOA	<u>G686158</u>	
Insured : C/O TRANSCONTINENTAL MGMT	Acct. No.	Prod. Count
Mailing : 3355 MISSION AVE STE 111		
Address : OCEANSIDE CA 92058-1327	<u>99-51-344</u>	<u>60141-67-89</u>
	Agent No.	Policy Number

The named insured is an individual unless otherwise stated:

☐ Partnership ☐ Corporation ☐ Joint Venture ☐ Organization (Any other)

Type of Business CONDOMINIUM

2. Policy Period from 10/15/13 (not prior to time applied for) to 10/15/14 12:01 a.m. Standard Time  
 If this policy replaces other coverage that ends at noon standard time of the same day this policy begins, this policy will not take effect until the other coverage ends. This policy will continue for successive policy periods as follows: If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period subject to our premiums, rules and forms then in effect.

3. Insured location same as mailing address unless otherwise stated:

001 1166 MADERA LN VISTA CA 920843442

4. We provide insurance only for those coverages described below and for which a specific limit of insurance is shown.

Property	
Coverages And Limits Of Insurance	
COVERAGES	PREMISE NO. 001
BUILDINGS	\$14,553,500
BUILDING ORDINANCE AND LAW	COV 1 COVERED
	COV 2 \$49,000
	COV 3 \$19,500
SPECIFIED PROPERTY	\$122,000
ASSOCIATION FEE AND	\$100,000
EXTRA EXPENSE	
AUTOMATIC BUILDING INCREASE	8%
PROPERTY DEDUCTIBLE	\$10,000
Additional Coverages	
Coverage	All Premises
MASTER KEY	\$100/\$5,000
NON-OWNED AUTO LIABILITY	\$2,000,000



**Coverage Extensions - Optional Higher Limits of Insurance Per Occurrence**

Coverage	All Premises
ACCOUNTS RECEIVABLE	\$5,000
VALUABLE PAPERS	\$5,000
EDP	\$5,000
NEWLY ACQ PROP OR CONST BLDG	\$250,000
PERS PROP AT NEWLY ACQ PREMISE	\$100,000

**Optional Coverages: We provide insurance for those Optional Coverages described below.**

Coverage	All Premises
OUTDOOR SIGNS	\$2,500 \$500 DEDUCTIBLE
EMPLOYEE DISHONESTY	\$200,000 \$10,000 DEDUCTIBLE
MONEY AND SECURITIES	\$5,000 \$500 DEDUCTIBLE
OUTDOOR PROPERTY	\$2,500
DIRECTORS & OFFICERS LIABILITY	\$2,000,000EACH CLAIM \$2,000,000ANNUAL AGGREGATE

**Liability And Medical Payments - Except for Fire Legal Liability, each paid claim for the following coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Paragraph D.4. of the Liability Coverage Form.**

Coverage	Limits Of Insurance
LIABILITY	\$2,000,000 PER OCC/ \$4,000,000 GEN AGG
MEDICAL EXPENSES	\$5,000 PER PERSON
TENANTS LIABILITY	\$100,000 PER OCCURRENCE

**Mortgage Holders:**

Premises No.	Mortgage Holder Name, Address
001	UNION BANK OF CALIFORNIA NA COMMERICAL SERVICE CENTER INSURANCE 1-001-3 PO BOX 45011 SAN FRANCISCO CA 94145 1ST) LOAN NO. 9511397283

Countersigned \_\_\_\_\_ By \_\_\_\_\_  
(Date) (Authorized Representative)

Policy Number: 60141-67-89

Effective Date: 10/15/13

Policy Forms and Endorsements attached at inception:

Number	Title
E3425-ED2	LOSS PAYABLE PROVISIONS
25-2110	WORK COMP EXCLUSION
25-2614	INVESTIGATIVE PRACTICES
E3024-ED3	CONDOMINIUM COMMON CONDITIONS
E3314-ED3	CONDOMINIUM LIABILITY COVG FORM
E3422-ED3	CONDOMINIUM PROPERTY COVG FORM
E3015-ED2	CALCULATION OF PREMIUM
E0125-ED1	LEAD POISONING & CONTAMINATION EXCL
E0147-ED1	WAR LIABILITY EXCLUSION
E4009-ED4	MOLD & MICROORGANISM EXCLUSION
E0104-ED1	BUSINESS LIAB COV-TENANTS LIAB
S9936-ED1	ASBESTOS & SILICA EXCLUSION END
E3327-ED2	ADDL INSD-DESIGNATED PERSON OR ORG
56-5166ED5	ADDITIONAL CONDITIONS
E3037-ED1	NO COVG-CERTAIN COMPUTER RELATED LOSSES
J6316-ED1	EXCL OF LOSS DUE TO VIRUS OR BACT
J6347-ED1	EXCL-VIOLATION OF STATUTES
J6350-ED1	EMPLOYEE DISHONESTY-PROPERTY MGR
J6353-ED1	CHANGE TO LIMITS OF INSURANCE
E3331-ED3	LIMIT OF COVG TO DESIG PREM OR PROJ
J6739-ED1	TWO OR MORE COVERAGE FORMS
J6829-ED1	LTD COVG FOR FUNGI, WET/DRY ROT
E6097-ED4	EXTENDED REPLACEMENT COST
25-2984ED2	CALIF DEPT OF INS
S9943-ED2	CALIFORNIA CHANGES
E6288-ED2	EXCL-BUILDING CONVERSIONS
E0139-ED1	EXCL OF CERT/OTHER ACTS OF TERR-FIRE/LIA
J6849-ED1	DEDUCTIBLE PROVISIONS
25-8932	P/H LETTER-CYBER LIAB
S9939-ED1	HIRED & NON-OWNED AUTO LIAB
E9122-ED6	D & O LIAB COVG FORM
J6857-ED1	AMENDMENT OF D&O LIAB COVG
W1191-ED1	CALIFORNIA AMENDATORY ENDORSEMENT
56-5931	CYBER LIABILITY DEC
J6610-ED1	CYBER LIABILITY & DATA BREACH

Countersigned \_\_\_\_\_ By \_\_\_\_\_  
 (Date) (Authorized Representative)

# Executive Summary

Association Name: **Vista Park Villas Condominium Association**  
 Location: **1100 Madera Lane, Vista, CA**  
 No. of Units: **92** Built: **1973** Fiscal Year Ending: **March 31, 2014**  
 Level of Study: **Level II: Update with On-Site Inspection** Date of Physical Inspection: **December 20, 2013**

## SUMMARY OF RESERVE COMPONENTS

(See Reserve Analysis Worksheet, pg. 5, for breakdown of all components individual lives, current costs, and projected future replacement costs)

Reserve Component Groups	Estimated Useful Life	Estimated Remaining Life	Estimated Replacement Cost	Annual Funding Requirement	Accumulated Funding Requirement	Allocation of Fund Balance	Percent of Fund Balance
ROOFING & DECKS	5 - 35	1 - 22	\$ 617,110	\$ 28,671	\$ 90,538	\$ 16,262	9.8%
PAINTING/REPAIRS	3 - 30	1 - 25	402,982	28,859	332,250	59,678	35.9%
FENCE/SECURITY	15 - 30	1 - 25	162,375	6,290	98,700	17,728	10.7%
PAVED SURFACES	4 - 15	1 - 12	275,846	21,899	246,197	44,222	26.6%
POOL	3 - 20	1 - 9	24,026	1,644	17,519	3,147	1.9%
MECHANICAL/PLUMBING	25 - 25	9 - 9	14,725	589	9,424	1,693	1.0%
LANDSCAPING/IRRIGATION	1 - 25	1 - 9	55,877	7,192	44,215	7,942	4.8%
LIGHTING/ELECTRICAL	10 - 20	6 - 8	21,200	1,090	12,600	2,263	1.4%
MISCELLANEOUS	1 - 15	1 - 14	66,279	6,919	30,720	5,518	3.3%
CONTINGENCY (5%)			82,021	5,158	44,108	7,923	4.8%
<b>TOTALS</b>			<b>\$ 1,722,441</b>	<b>\$ 108,310</b>	<b>\$ 926,271</b>	<b>\$ 166,376</b>	

The Reserve Fund is a lump sum available for all reserve components for funding and transfers, regardless of budgeted allocations, with no payback requirements.

Reserve Funding Options For the Fiscal Year Ending:	2015	per unit per month	per year
Annual Requirement Funding:		\$ 101	\$ 111,559
Current Budgeted Funding:		59	64,952
Recommended Funding:		69	75,672
Special Assessment/s Recommended?			YES
For funding option details please see Reserve Study Summary page 2			

## FISCAL YEAR RESERVE FUNDS

Current Budgeted Annual Reserve Allocation	\$ 63,060
Reserve Fund Balance as of: November 30, 2013	\$ 145,356
Anticipated Funding to Year End	21,020
Anticipated Expenditures to Year End	-
Cash Projected at Year End March 31, 2014	\$ 166,376
Accumulated Funding Requirement (Fully Funded)	\$ 926,271
Percentage Funded at the end of this Fiscal Year	18.0%
Accumulated Deficiency for Current Fiscal Year	\$ 759,895
Deferred repair/replacement of any major component with a remaining life of 30 years or less?	Per Unit \$ 8,260 NO

We present this summary of the repair and replacement funding program of the Association as of March 31, 2014, and the related reserve funding projection for the 30-year period from 2014 to 2044, based on information provided by management and based upon the consultant's estimates of the most probable reserve component replacement costs, conditions, and lives. The annual requirement is based on the cost of each component divided by its total useful life. The accumulated requirement is the annual requirement multiplied by the number of years each component has been in service. The difference between accumulated requirement total and the actual cash balance may indicate a deficit which would be expressed in the percentage funded.

The above information is a condensed summary of the reserve study, in compliance with CA Civil Codes 5300, 550, and 5600, and is intended to be included in the annual year end budget package. CACC 5550 requires an on-site inspection every 3 years, and the study to be reviewed annually. Assumptions have been made about costs, conditions, and future events that may occur. Some of these assumptions may not materialize; and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and lives may vary from this report and the variations may be material.

The compilation of this reserve funding analysis and projection is based on representations of management and the consultant's estimates. We have not audited or reviewed the accompanying analysis and projections and, accordingly, do not express an opinion or any other form of assurance on them. We assume no responsibility to update this report for events occurring after the date of issuance of this report.

*Ronald C. Sonnenberg*

**Inflation and Interest Earned on Reserves:**

As an industry standard, provision has been made in the funding projections for inflation, computed at three percent (3%), and an assumed 1% net interest on the reserve balance has been added to the reserve funds. As costs increase in the future, the annual reserve reports should be revised accordingly.

**Reserve Calculations:**

Based on estimated current replacement costs of \$1,722,441 and estimated normal and remaining useful lives as determined by the independent consultant, the annual funding requirement is calculated to be \$108,310.

The accumulated funding requirement is calculated to be \$926,271.

As of March 31, 2014, the Association may have \$166,376 in accounts designated as reserve funds.

Therefore, a deficit of \$759,895 has been calculated, with a funding percentage of 18.0%. A portion of the annual reserve requirement may be provided for in the operating budget.

**Industry Standard Measure of Funding Strength:**

**0% - 30% = WEAK** At this level of funding, Special Assessments and deferred maintenance are likely.

**31% - 70% = FAIR** At this level of funding Special Assessment and deferred maintenance are less likely, but could still pose a concern. Efforts should be taken to increase to a healthier level of funding.

**>70% = STRONG** At this level of funding the Association should be well covered, with hopefully no need for deferred maintenance or Special Assessments.

**Funding Calculations:**

There are a variety of methods by which the Association can approach the desired level of funding. The Board is responsible for determining the optimum funding program. We have calculated three options:

**Option 1: Annual Requirement Funding:** This option assumes that the Association will maintain the annual funding requirement as calculated on page 5, without regard to any funding deficiency.

Currently the annual allocation is \$111,559 or \$101 per unit per month (based on annual funding requirement, plus 3% inflation increase) beginning next fiscal year.

**Deficits could occur beginning FY 2014/15.**

**Option 2: Current Funding:** The current budgeted funding level is projected over the 30-year period, including three percent (3%) annual increase, as compared to option 1 and 3.

Currently, with the 3% increase, \$64,952 or \$59 per unit per month will be allocated to reserves next fiscal year.

**Reserves are currently at the Weak level of funding.**

**Deficits could occur beginning FY 2014/15.**

**Option 3: Recommended Funding:** This option is intended to calculate the amount of funding that would be the most sufficient for the Association over the next 30 years. The Current Budgeted Funding, and the Annual Requirement Funding are both taken into consideration while creating a Recommended Funding that is hopefully achievable by the Association.

Recommended funding is, \$75,672 or \$69 per unit per month.

**To avoid deficits, and to bring reserves into an adequate level of funding, Regular Reserve allocation could be increased 20% annually in FY's 2014/15 through 2018/19, along with Special Assessments in FY's 2014/15, 2018/19, 2033/34, and 2034/35.**

**Regular Reserve allocation could be decreased in FY 2021/22 to equal the Annual Requirement Funding.**

**Reserves could reach the Fair level of funding beginning FY 2018/19, and the Strong level of funding beginning FY 2025/26.**

***Recommended Special Assessment details can be seen in the Assessment and Reserve Funding Disclosure Summary on page 4.***

**Vista Park Villas Condominium Association**  
**Assessment and Reserve Funding Disclosure Summary**  
 March 31, 2014

**(1) Regular Assessments -**

Assessments to members are averaged at \$346 per unit per month for the year ending March 31, 2014.

\* If assessments vary by the size or type of unit, the applicable assessment rates may be found in the Association's accompanying Annual Budget and/or can be provided by the Association/management agent.

**(2) Special Assessments -** 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/ unit/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 balances be sufficient at the end of each year to meet the Association's obligation for repair/and or replacement of major components during the next 30 years?

Yes \_\_\_\_\_ No   X  

**(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?

**Recommended Funding:** To avoid deficits, and to bring reserves into an adequate level of funding, Regular Reserve allocation could be increased 20% annually in FY's 2014/15 through 2018/19, along with Special Assessments in FY's 2014/15, 2018/19, 2033/34, and 2034/35. Regular Reserve allocation could be decreased in FY 2021/22 to equal the Annual Requirement Funding. Reserves could reach the Fair level of funding beginning FY 2018/19, and the Strong level of funding beginning FY 2025/26.

Projected Date due:	Amount/ unit/month	Total Assessment
March 31, 2015	\$ 253.62	\$ 280,000.00
March 31, 2019	113.22	125,000.00
March 31, 2034	63.41	70,000.00
March 31, 2035	63.41	70,000.00
Total:	\$ 493.66	\$ 545,000.00

**(5) Major Components -**

All major components are included in the reserve study and are included in its calculations.

**(6) Current Funding Comparison -**

As of the current reserve study or update, the balance in the reserve fund is projected to be \$166,376.

Based on the method of calculation in paragraph 4 of subdivision (b) of Section 5570 the estimated accumulated funding requirement is \$926,271. The percentage funded is: 18.0%

**(7) Funding over next 5 Budget Years -**

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 each of the next five budget years is projected to be:

\$526,714    \$625,697    \$664,411    \$728,294    \$516,762

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:

-\$274,875    -\$220,552    -\$227,739    -\$210,939    -\$470,674

% Funded    -52.2%    -35.2%    -34.3%    -29.0%    -91.1%

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:

\$15,845    \$94,233    \$128,048    \$205,915    \$157,049

% Funded    3.0%    15.1%    19.3%    28.3%    30.4%

The law does not require the Association to fund reserves in accordance with these calculations.

The financial representations set forth in this summary are based on best estimates of the preparer at the time. These estimates regarding costs, lives and conditions are subject to change.

An assumed long-term inflation rate to be applied to major component repair and replacement costs was 3% per year.

An assumed long-term net interest rate earned on reserve funds is 1% per year.

**The Board has adopted this study as the funding plan, in accordance with CCC 5550**

January 20, 2014

To: All Owners

Re: Alternative Dispute Resolution

Dear Homeowner:

Effective January 1, 1994 the California State Legislature has amended California Civil Code Section 1354. The purpose of this letter is to provide you with a brief summary of the provisions of this section.

This section as amended states that before either the Association or a member can file a lawsuit pertaining to the governing documents for a claim not to exceed \$5,000.00 the parties must first try to settle the dispute using Alternative Dispute Resolution (ADR).

ADR is submitting the case to either mediation or arbitration. These methods attempt to settle the dispute by having a third party try to get both sides to reach a compromise. The settlement reached is not necessarily binding although both parties can agree to make it binding.

To submit a dispute to ADR the claimant must serve the other party with a Request for Resolution, which briefly describes the dispute, requests that the dispute be submitted to ADR, and notifies the other party that they must respond within 30 days of receipt of the request or it will be deemed rejected. The parties then agree which form of Resolution the parties will select and whether it will be binding or nonbinding. The action must then be completed within 90 days unless the parties agree to an extension. The costs of the ADR are shared by the parties.

Anything said in the course of ADR, or any documents prepared for, or admissions made in the course of ADR are inadmissible in any civil action in which testimony can be compelled unless consented to by both parties.

The section also requires that if a lawsuit is filed a certificate must also be filed certifying that ADR has been completed or that an exception to the requirement for ADR has been met. Failure to file the certificate would make the lawsuit subject to dismissal.

The legislature has also provided that each year the Association must send a summary of the law with the following excerpt specifically included:

**Failure by any member of the Association to comply with the pre-filing requirements of Section 1354 of the Civil Code may result in the loss of rights to sue the Association or another member of the Association regarding the enforcement of the governing documents.**

As you can see, the failure to comply with this law may prejudice your rights. We strongly urge each of you to carefully consider this section prior to starting legal action. Copies of the entire section are available from Transcontinental Management.

To: All Owners

Re: Internal Dispute Resolution

Effective January 1, 2005 the California State Legislature has put into effect new California Civil Codes, (See Attached), to assist the association and the homeowner in disputes. This is **Internal Dispute Resolution, IDR**. It is a "meet and confer" procedure in hopes to resolve disputes between an association and an owner to avoid further action. This procedure will take place prior to formal Alternative Dispute Resolution procedures, ADR. The attached is a summary of the California Civil Code that pertains to this. If the board adopts separate procedures, those procedures will be distributed to the homeowners at that time.

If you have any questions regarding this, please contact your Association Manager at Transcontinental Management, Inc.

#### **California Civil Code §1363.810 – Application of Article**

- (a) This article applies to a dispute between an association and a member involving their rights, duties, or liabilities under this title, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the common interest development or association.
- (b) This article supplements, and does not replace, Article 2 (commencing with Section 1369.510) of Chapter 7, relating to alternative dispute resolution as a prerequisite to an enforcement action.

#### **California Civil Code §1363.820 – Development of Fair, Reasonable and Expeditious Procedure**

- (a) An association shall provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article.
- (b) In developing a procedure pursuant to this article, an association shall make maximum, reasonable use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.
- (c) If an association does not provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article, the procedure provided in Section 1363.840 applies and satisfies the requirement of subdivision (a).

#### **California Civil Code §1363.830 – Requirements for Procedure**

A Fair, reasonable and expeditious dispute procedure shall at a minimum satisfy all of the following requirements:

- (a) The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.
- (b) The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the association to act on a request invoking the procedure.
- (c) If the procedure is invoked by a member, the association shall participate in the procedure.
- (d) If the procedure is invoked by the association, the member may elect not to participate in the procedure. If the member participates but the dispute is resolved other than by agreement of the member, the member shall have a right of appeal to the association's board of directors.
- (e) A resolution of a dispute pursuant to the procedure, that is not in conflict with the law or the governing documents, binds the association and is judicially enforceable. An agreement reached pursuant to the procedure, that is not in conflict with the law or the governing documents, binds the parties and is judicially enforceable.

(f) The procedure shall provide a means by which the member and the association may explain their positions.

(g) A member of the association shall not be charged a fee to participate in the process.

**California Civil Code § 1363.840 – Procedure Provided for Association Not Otherwise Providing One of their Own**

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article 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 an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The association's board of directors shall designate a member of the board to meet and confer.

(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 and written and signed by the parties, including the board designee on behalf of the association.

(c) 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 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 of directors.

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

**California Civil Code § 1363.850 – Notice to Include Description of Process**

The notice provided pursuant to Section 1369.590 shall include a description of the internal dispute resolution process provided pursuant to this article

## **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 Section 1367.4 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 1366, 1367.1, and 1367.4 of the Civil Code).

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 areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code).

The association must comply with the requirements of Section 1367.1 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 1367.1 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 1367.1 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 1367.1 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.

## **NOTICE ASSESSMENTS AND FORECLOSURE (Continued)**

### **PAYMENTS**

When an owner makes a payment, he or she 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 1367.1 of the Civil Code).

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 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 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 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 1367.1 of the Civil Code).

### **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a timeshare 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 exist. (Section 1367.1 of the Civil Code).

The board of directors 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 1367.1 of the Civil Code).

## MISCELLANEOUS DISCLOSURES

### California Civil Code 5310, Section 4950

"The approved minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the board of directors of an association, other than executive session, shall be available to members within 30 days of the meeting. The approved minutes, proposed minutes, or summary minutes shall be distributed to any member of the association upon request and upon reimbursement of the association's costs for making that distribution."

### California Civil Code 5320

A copy of the full reserve study is available upon request and upon reimbursement of the association's cost for complying with such request.

### California Civil Code 4040, Section 5260

"A member of an association may provide written notice by facsimile transmission or United States mail to the association of a secondary address. If a secondary address is provided, the association shall send any and all correspondence and legal notices required pursuant to this article to both the primary and secondary address."

### California Civil Code 5310, Section 4045

A member has an option to receive general notices by individual delivery.

### California Civil Code 5310, Section 5655

The mailing address for overnight payment of assessments is as follows:

Transcontinental Management, Inc.  
3355 Mission Avenue, Suite 111  
Oceanside, CA 92058

### California Civil Code 5310, Section 4035

The person designated to receive official communications on behalf of the Association is Mr. Jerry Herriott, President and CEO of Transcontinental Management, Inc.

# **VISTA PARK VILLAS CONDOMINIUM ASSOCIATION**

## **Outstanding Loan Information Disclosure**

Per Civil Code 5300 the following loan disclosure information as required by law is as follows:

1. The Association has a Business Loan with Pacific Western Bank in the amount of \$620, 000.00.
2. Present outstanding balance is \$58,600.00
3. Interest rate presently, during the interest only period is 4.75% variable
4. Interest rate when converted to the 10-year term is 5.25% fixed
5. The monthly payment when converted on 11/30/14 to the 10-year term is \$6,675.43
6. The maturity date is 10/4/24

## ARTICLE 7 - ARCHITECTURAL AND DESIGN CONTROL

7.1 *General.* Any change or improvement to the exterior of a Unit, or to the interior which affects the exterior of Unit, or any mechanical or service systems (HVAC systems, gas, water or electrical pipes or wires, etc.), or the structural integrity of any building, shall be governed by this Article. Changes or improvements to the Common Area by the Association do not need to comply with the requirements of this Article. The powers and duties set forth in this Article shall be vested in, and exercised by, the Board. The Board may establish an architectural committee as provided herein to assist the Board in reviewing architectural submittals, and to provide recommendations to the Board with regard to approval or disapproval of any submittal. The foregoing notwithstanding, the Board shall be solely responsible for approving or rejecting any architectural submittal.

7.2 *General Changes Requiring Prior Approval.* Nothing may be erected, placed or planted on the exterior of any Unit, or on the Common Area by any Owner, including any building, fence, wall, pool, spa, obstruction, outside or exterior wiring, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, trellis, tree, grass, shrub or other landscaping, any improvement or structure of any kind without the prior written approval of the Board. Modifications to the interior of Units which have the potential to affect the Common Area walls, roofs or other areas also shall require prior approval. Additionally, and except as provided in Section 7.3 below, prior written Board approval shall be required for any alteration, modification, painting or other change or addition to any existing improvement or landscaping.

7.3 *Specific Changes.* Subject to other applicable restrictions contained in the Governing Documents, Owners may modify their Units subject to the following:

7.3.1 Modifications or alterations of the exterior of any Unit must have the prior written consent of the Board or duly appointed architectural committee, including any modifications to facilitate handicapped access as provided by Section 1360 of the California Civil Code. Any approval of such handicapped access modification may be conditioned on such modification's removal, by the Owner at his or her sole expense, once the handicapped access is no longer necessary for the Unit.

7.3.2 In deciding upon floor coverings, Owners shall take all reasonable measures to choose floor coverings that mitigate sound transfer between Units.

7.3.3 No Owner may install any shutter, screen, blind, curtain, drape or other appurtenance in or on any window or door except those items which are in conformance with standards established by the Board.

7.3.4 No Owner may cover his or her Unit's patio or deck without the prior written consent of the Board, provided, however, that no Owner may enclose his or her patio or deck.

7.3.5 Except as provided by the Governing Documents, Owners shall not have the right to paint, decorate, remodel or alter any Exclusive Use Common Area or the Common Area without the prior written consent of the Board.

7.4 *Changes Not Requiring Prior Approval.* Notwithstanding Section 7.2 above, no permission or approval shall be required to repaint in accordance with the original color scheme or as previously approved by the Board, or to rebuild or replace in accordance with plans and specifications previously approved by the Board. Nothing contained herein shall be construed to limit the right of an Owner to paint the interior of his or her Unit any color desired, or to improve or alter any improvements within the interior of the Unit, provided such improvement or alteration does not impair or alter the Common Area, any utilities, or other systems servicing the Common Area or other Units.

7.5 *Architectural Rules.* The Board may, from time to time and in its sole discretion, adopt, amend and repeal, by unanimous vote, rules and regulations to be known as "Architectural Rules." Said Architectural Rules shall set forth the standards and procedures for review by the Board and guidelines for architectural design, placement of improvements, landscaping, color schemes, exterior finishes and materials and similar features which are recommended for use in the Project, provided, however, that said Architectural Rules shall not be in derogation of the standards required by this Restated Declaration.

7.6 *Liability.* Neither the Board, any member thereof nor the architectural committee shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective, (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications, (c) the development of any property within the neighborhood, or (d) the execution and filing of an estoppel certificate whether or not the facts therein are correct, provided, however, that such member has acted in good faith on the basis of such information as may be possessed by him or her.

7.7 *Non-Compliance with Laws.* Neither the Association, the Board nor the architectural committee shall be responsible for any non-compliance with any governmental law, rule or regulation of any building, improvement or other structure erected, constructed, installed, placed, altered modified or maintained in accordance with or pursuant to any plans and specifications approved by the Board or any defect in any conditions or requirements they may have imposed with respect thereto.

7.8 *Approval by City.* Prior to commencing any alteration or improvements approved by the Board, the Owner shall comply with all appropriate governmental laws and regulations. Approval by the Board shall not be considered to satisfy the appropriate approvals that may be required by any governmental entity with appropriate jurisdiction. The Association shall not be obligated to enforce the provisions of this Section. An Owner's failure to obtain such governmental approval may subject such Owner to certain penalties imposed by the governmental entity, notwithstanding the approval of the Board, which penalties shall be the responsibility of such Owner.

# VISTA PARK VILLAS CONDOMINIUM ASSOCIATION

## BOARD GUIDELINES AND DESIGN APPROVALS

**PATIO COVERS** – The Board of Directors has approved a new patio cover design, effective this year, 2012. It was prepared by Catspaw Construction, who presently is replacing our patio fencing, as needed. He will be installing the first cover at 1110 Madera Lane. Plans needed to present to the City for a permit are being kept at Transcontinental Management. All patio covers from this year and on, must be of this design which is to current City code.

All patio covers that are currently installed may remain. They are covered by the "Grandfather Clause" as they were erected to City code at the time and with previous board approval.

Owners are responsible for the maintenance of the patio cover, meaning it must be kept in good repair, it must be water-proofed with a sealant, and treated for termites if and when needed.

Owners are responsible to obtain any permits, approvals, clearances that may be required by the City of Vista.

Owners are responsible for the structural soundness of the cover.

Owners who install patio covers must agree to sign a Maintenance and Indemnity Agreement that must be recorded with the County Recorder's office. This document provides the patio cover to become part of the condominium and that all future owners will be on notice that the cover is their responsibility to maintain.

**Upper Deck Patio Covers** – At no time can the cover penetrate the waterproof membrane deck surface. If the deck membrane is penetrated by the cover, the owner becomes responsible for the deck repair, as well as any other damage the penetration causes.

Owners understand that if they fail to maintain the cover, the Association has the right to ask them to remove the cover at their expense. The Association will also have the right to remove the cover if owner fails to do so, and assess the owner for the costs incurred.

Owners are responsible to inform any subsequent owner of their architectural responsibilities for the cover or the cover must be removed prior to selling their unit.

**GARAGE DOORS** – The approved metal roll up garage door is a Sequoia, short panel, white, no windows door. Many companies carry this type of door. In the past, many have used San Diego Garage Door Company at 760/945-3778.

**WINDOW AIR CONDITIONING UNITS** - Once approved for installation by the Board, must have a piece of clear Plexiglas above the unit. Nothing else is allowed.

**NEW VINYL WINDOWS** – Approval will be given only for undivided light glass with white or aluminum colored frames. Stationary frame windows may be replaced with single hung, casement or slider type windows in white or aluminum colored frames.

**SATELLITE DISHES** – Approval will be given only if Dishes are free standing and not attached to the roof, building or fences.

**PERSONAL LANDSCAPING** – Approval will be based on type of plants to be used. Once approved, owners will be responsible for the maintenance of their plantings.

Owners understand that if they fail to maintain these plants, the Association has the right to remove the plants and assess the owner for the costs incurred.

Owners are responsible to inform any subsequent owner of their architectural responsibilities to maintain the personal plantings they installed prior to selling their unit.

**SCREEN DOORS & SECURITY SCREEN DOORS** - The doors must be metal and either white, bronze or black in color.

# VISTA PARK VILLAS CONDOMINIUM ASSOCIATION

## ARCHITECTURAL REQUEST FORM

(MUST BE SUBMITTED FOR APPROVAL BEFORE ANY WORK CAN BEGIN)

OWNERS NAME: \_\_\_\_\_ LOT #: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE #: (\_\_\_\_) \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_  
HOME WORK/FAX

### **DESCRIPTION OF PROPOSED IMPROVEMENT:**

---

---

---

---

**PROPOSED:** START DATE \_\_\_\_\_ COMPLETION DATE \_\_\_\_\_

Please enclose sketches and/or detailed plans/specifications that provide the following information:

1. Complete measurements/dimensions of proposed improvement.
2. Materials to be used & color if applicable
3. Drawing(s) showing affected elevations (patio covers, gates, etc.).

Any City Ordinances and/or Building Code requirements regarding this architectural request is strictly between the homeowner and these regulating bodies. Approval of this request **does not** imply that the Association's acceptance is based upon the above mentioned regulations. It is your responsibility to contact these regulating bodies before any work can begin.

Your request must be reviewed by the Architectural Committee, as well as, the Board of Directors. You will be given a decision within **thirty (30)** days from receiving this application, along with all plans, specifications and any other data required by the Committee/Board.

1. OWNER understands that ASSOCIATION shall NOT provide insurance coverage with respect to the approved alteration, and OWNER agrees to provide for all the necessary coverages.
2. OWNER, agrees to hold the ASSOCIATION harmless from any loss incurred in connection with the construction or maintenance of the herein-approved alteration.
3. Construction of the herein-approved alteration shall be pursued diligently and completed no more than ninety (90) days from the date the work begins.
4. OWNER agrees to be responsible for and to pay for any damage and/or leaks that are caused by the installation of the modification/alteration.
5. OWNER agrees to be responsible for any and all damage resulting to common area and/or drainage from installation of the modification/alteration.
6. OWNER agrees to hold ASSOCIATION harmless from any and all claims arising from the modification/alteration.

Date \_\_\_\_\_ Applicant Signature \_\_\_\_\_

Co-Applicant Signature \_\_\_\_\_

**REQUIRED SIGNATURES, If Applicable**

ADJACENT/AFFECTED NEIGHBORS: \_\_\_\_\_

ADJACENT/AFFECTED NEIGHBORS: \_\_\_\_\_

ADJACENT/AFFECTED NEIGHBORS: \_\_\_\_\_

\*\*\*\*\*

**Architectural Committee Recommendation**

☐ **Unconditional Approval**

☐ **Conditional Approval** (as follows):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

☐ **Disapproval** (for the following reasons):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Committee Chair

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

Board Member

\*\*\*\*\*

**RETURN TO:**

**Vista Park Villas HOA  
c/o Transcontinental Management, Inc.  
Attention: Danielle Mancini, Association Mgr.  
3355 Mission Avenue, Suite 111  
Oceanside, CA 92058**

**760/439-8611 x212  
FAX 760/439-7942**