

OAKMONT

IN THE VALLEY OF THE MOON

November 18, 2024

Dear Oakmont Village Association (OVA) Member:

The OVA Annual Budget Report (including Pro Forma Operating Budget) and Annual Policy Statement for 2025 are enclosed. Your Board of Directors has approved a 2025 budget that increases regular contributions (“Dues”) by \$4 per month per person (currently at 4630 residents, subject to change), from \$125 to \$128.50, a 2.8% increase over 2024.

Operating Expenses

Personnel	\$39.50
Administrative	24.00
Utilities	9.50
Grounds Common Area	6.50
Custodial and Maintenance	4.00
Recreation Area Expenses	3.00
Community Bus Service	1.75
Patrol and Fire Systems	0.75
Contingency	1.75
Sub Total	\$ 91.00
Less Other Revenue	(1.75)
Net Operating Expenses Before Golf Social Membership	\$89.25
<u>Golf Social Membership</u>	8.50
Net Operating Expenses	\$97.75
Asset Replacement Fund Transfer	16.25
Less ARF Interest Income (after tax)	(1.75)
<u>Capital Improvement Fund Transfer</u>	16.25
Total Operating Fund Transfers	\$30.75

Monthly Operating Expenses and Fund Transfers (Rounded) \$128.50

Fund Structure: The components of the budget include three funds, which are separately accounted for. The purpose and method of establishing each fund follows:

The Operating Fund: This fund is established solely by Member Assessments (“Dues”) and is used for day-to-day expenses, such as utilities, insurance, maintenance, and wages. Any significant changes in 2025’s operating costs are the result of re-examining each component of the operating expenditures.

The Asset Replacement Fund (ARF): The beginning balance for 2025 will be approximately \$4,800,000. Annual contributions to this fund also come from dues. The 2025 contribution to the ARF will be \$900,000, consisting of \$800,000 transfer from dues and an estimated \$100,000 (after tax) income from investments. This fund pays for large repair and replacement expenses, such as painting, replacing roofs, re-plastering, pools, etc., based on the Association’s reserve study.

The Capital Improvement Fund (CIF): We expect to begin 2025 with approximately \$980,000 cash in this fund. This fund pays for major improvements and new capital projects, as well as principal and interest on outstanding financing. Contributions to the Fund also come from Dues. The budgeted 2025 contribution to the CIF is \$900,000.

Outstanding loan: As of October 31, 2024, the outstanding balance of the First-Citizens Bank (formerly CIT Bank) loan was \$4,951,000. The loan, in the original amount of \$7,000,000, was obtained in 2020 to consolidate new borrowings of \$5,400,000 (used for the acquisition of the Oakmont Golf Course) with an earlier, smaller loan of \$1,600,000 from August 2019 that partially covered remodeling of the East Recreation Center. The term of the current loan is 15 years with an interest rate of 4.05%. Monthly financing costs are \$52,092, roughly \$11 per member.

Other Enclosures: In addition to the 2025 Pro Forma Operating Budget, and as required by law, we include the notices listed on the enclosed Table of Contents. Many of the notices are based on sections of the Davis-Stirling Act affecting all common interest developments in California.

Conclusion: Your 2024/2025 OVA Board has adopted the level of Maintenance Assessments (monthly “Dues”) for 2025 in a fiscally responsible way to eliminate surprises and to keep Oakmont’s facilities maintained at the high level you expect. At this time, we do not foresee the need for special assessments or additional financing.

For the OVA Board of Directors,

Heidi Klyn
Heidi Klyn, President
November 18, 2024

C. Tom Kendrick
C. Tom Kendrick, Treasurer
November 18, 2024

Table of Contents

2025 ANNUAL BUDGET REPORT

(Including Pro Forma Operating Budget)

&

ANNUAL POLICY STATEMENT

Page(s)	
1 - 3	Annual Budget Report (Fiscal Year Beginning Jan 1, 2025)
4	2025 Approved Budget Summary
5 - 9	2025 Annual Pro Forma Budget (Fiscal Year Beginning Jan 1, 2025)
10	Capital Improvement Fund Report
11 - 16	Reserve Study Disclosure – Member Distribution Material
17 - 20	Insurance Disclosure Statement
21 - 28	Annual Policy Statement (Fiscal Year Beginning Jan 1, 2025)
29 - 32	Delinquency Assessment Collections Policy
33 - 34	Notice - Assessment & Foreclosure Policy
35 - 36	Hearing Procedure, Enforcement and Fine Policy for Violations of the Governing Documents
37 – 39	Internal & Alternative Dispute Resolutions
40 - 42	Requirements for Approval of Physical Changes

OAKMONT VILLAGE ASSOCIATION

ANNUAL BUDGET REPORT

(FOR FISCAL YEAR BEGINNING JANUARY 1, 2025)

In compliance with the Annual Budget Report requirements of Civil Code §5300 of the Davis-Stirling Common Interest Development Act (the “*Davis-Stirling Act*”), please find below and enclosed the following documents and information:

1. **Pro Forma Operating Budget**

Please see the enclosed pro forma operating budget showing the estimated revenue and expenses for fiscal year 2025 on an accrual basis.

2. **Summary of Reserves**

Please see the enclosed summary of the Association’s reserves, prepared pursuant to Civil Code §5565. This summary is based on the most recent review or study conducted pursuant to Civil Code §5550 and is based only on assets held in cash or cash equivalents.

3. **Summary of Reserve Funding Plan**

Enclosed is a summary of the reserve funding plan adopted by the Board which has been prepared in accordance with Civil Code §5550(b)(5).

Notice: The full reserve study plan is available upon request, and the Association will provide the full reserve plan to any member upon request.

4. **Major Component Deferred Maintenance Statement**

The Board has determined that it will not defer and will undertake repairs or replacement of any major component with a remaining life of 30 years or less.

5. **Special Assessment Statement**

The Board, consistent with the reserve funding plan adopted pursuant to Civil Code §5560, does not anticipate that the levy of any special assessment will be required to repair, replace, or restore any major component or to provide adequate reserves for same. Notwithstanding the foregoing, the Board reserves the right to levy special assessments in accordance with the Davis-Stirling Act.

6. **Reserve Funding Mechanisms Statement**

The mechanism or mechanisms by which the Board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms, is as follows: Assessments and a Bank Loan through First Citizens Bank (formerly CIT Bank).

7. **Calculation of Reserves Statement**

The procedures used for the calculation and establishment of the reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain are as follows: the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

The above procedures include reserve calculations made using the formula described in Civil Code §5570(b)(4), and do not assume a rate of return on cash reserves in excess of two percent (2%) above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

8. **Outstanding Loans**

As of October 31, 2024, the outstanding balance of the First-Citizens Bank loan was \$4,951,000. The loan, in the original amount of \$7,000,000, was obtained in 2020 to consolidate new borrowing of \$5,400,000 (used for the acquisition of the Oakmont Golf Course) with the earlier, smaller loan of \$1,600,000 from August 2019 that partially covered remodeling of the East Recreation Center. The term of the current loan is 15 years with an interest rate of 4.05%. Monthly financing costs are \$52,090, or roughly \$11 per member.

9. **Summary of Association Insurance Policies**

Listed below is a summary of the association's fidelity insurance policy. Attached to the packet are property, general liability, earthquake, flood, and other insurance policies.

Fidelity Insurance	
Name of the insurer:	Hartford Fire Insurance Company
Policy limit:	\$ 5,100,000 per occurrence
Amount of the deductible (if any):	\$ 50,000
Worker's Compensation Insurance	
Name of the insurer:	State Fund Compensation Insurance
Policy limit:	\$ 200,000,000 aggregate
Amount of deductible (if any):	\$ 0

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.

10. Assessment and Reserve Funding Disclosure

The Assessment and Reserve Funding Disclosure Summary, prepared pursuant to Civil Code §5570, is enclosed in accordance with Civil Code §5300(e).

11. Charges for Documents Provided

The Charges for Documents Provided disclosure, prepared pursuant to Civil Code §4528, is enclosed in accordance with Civil Code §5300(b)(12).

Should you have any questions or comments pertaining to the above or enclosed information, please contact Christel Antone, by telephone at (707) 539-1611 or by email at christel@oakmontvillage.com.

Sincerely,

THE BOARD OF DIRECTORS OF OAKMONT VILLAGE ASSOCIATION

**Oakmont Village Association
2025 Budget Summary**

4630 Members

Personnel	\$	2,189,000
Administration	\$	1,335,300
Utilities	\$	533,000
Grounds Common Areas	\$	365,000
Custodial & Maintenance	\$	227,000
Recreation Area Expenses	\$	166,500
Community Bus Service	\$	100,000
Patrol and Fire Systems	\$	45,000
Contingency	\$	100,000
<hr/>		
Subtotal	\$	5,060,800
Less Other Revenue	\$	(91,000)
Net Operating Expense Before Golf	\$	4,969,800
Golf Social Membership	\$	472,260
<hr/>		
Net Operating Expenses	\$	5,442,060
Asset Replacement Fund Transfer	\$	900,000
Less ARF Interest Income (after tax)	\$	(100,000)
Capital Improvement Fund Transfer	\$	900,000
Total Fund Transfers	\$	1,700,000
<hr/>		
Net Operating Expense and Fund Transfers	\$	7,142,060

OAKMONT VILLAGE ASSOCIATION
FISCAL YEAR END DECEMBER 31, 2025
PROPOSED ANNUAL BUDGET
Member # 4630

	2023 ACTUAL	2024 BUDGET	Approved 2025 BUDGET
INCOME			
ASSESSMENTS & BANKING			
41010 - Owners' Assessments	\$ 6,336,657.56	\$ 7,020,720.00	\$ 7,142,060.00
41011 - (Waived Fire Assessments)	\$ (1,900.00)	\$ -	\$ -
41020 - Late Charges Billed	\$ 7,968.16	\$ -	\$ -
41040 - Interest Billed	\$ 1,362.74	\$ -	\$ -
41060 - Operations Interest Earned	\$ 3,996.92	\$ -	\$ -
SUBTOTAL	\$ 6,348,085.38	\$ 7,020,720.00	\$ 7,142,060.00
MISCELLANEOUS			
43920 - New Member Fees	\$ 58,000.00	\$ 66,000.00	\$ 60,000.00
43925 - Owner Facility Use Cards	\$ 9,800.00	\$ 12,000.00	\$ 9,000.00
43926 - Guest Facility Use Cards	\$ 1,650.00	\$ 2,000.00	\$ 2,000.00
43927 - Ball Court Keys	\$ 124.00	\$ 140.00	\$ -
43930 - Ticketed Social Events		\$ -	\$ -
43940 - Facility Rental Fees	\$ 6,125.00	\$ -	\$ -
43942 - Piano Tuning		\$ -	\$ -
43946 - Gas Shutoff Wrenches	\$ 111.00	\$ -	\$ -
43949 - Utility Credits	\$ 76.78	\$ -	\$ -
43950 - Locker Rental	\$ 1,065.00	\$ -	\$ -
43955 - Credit Card Transactions	\$ 2,462.00	\$ -	\$ -
43960 - Event Ticket Sales	\$ 23,723.00	\$ -	\$ 20,000.00
43980 - Newsletter Revenue	\$ 1,800.00	\$ -	\$ -
43990 - Miscellaneous Revenues	\$ 125.00	\$ -	\$ -
44000 - Other Miscellaneous Revenue	\$ 424.00	\$ -	\$ -
SUBTOTAL	\$ 105,485.78	\$ 80,140.00	\$ 91,000.00
TRANSFER TO RESERVES			
49010 - (CIF Funding)	\$ (1,000,008.00)	\$ (1,000,000.00)	\$ (900,000.00)
49030 - (ARF Funding)	\$ (900,000.00)	\$ (800,000.00)	\$ (900,000.00)
Interest Income from Reserve Investments			\$ 100,000.00
SUBTOTAL	\$ (1,900,008.00)	\$ (1,800,000.00)	\$ (1,700,000.00)
NET OPERATING REVENUE	\$4,553,563.16	\$ 5,300,860.00	\$5,533,060.00

EXPENSE**ADMINISTRATION**

50000 - Fiduciary Policy	\$	477.00	\$	500.00	\$	600.00
50004 - Volunteer Policy	\$	310.50	\$	300.00	\$	300.00
50005 - Vehicle Policy			\$	3,000.00		
50006 - EQ Policy	\$	102,457.74	\$	118,000.00	\$	130,000.00
50007 - D&O Policy	\$	34,050.00	\$	34,000.00	\$	36,000.00
50008 - Fidelity Policy	\$	7,651.81	\$	8,500.00	\$	10,000.00
50009 - Umbrella Policy	\$	59,602.94	\$	68,000.00	\$	75,000.00
50010 - Commercial Property Policy	\$	434,529.41	\$	651,000.00	\$	300,000.00
50001 - Equipment					\$	2,000.00
50002 - General Liability					\$	53,000.00
50011 - Cyber Policy	\$	1,679.43	\$	1,600.00	\$	2,000.00
50012 - Postage & Shipping	\$	27,578.08	\$	30,000.00	\$	40,000.00
50014 - Copies & Printing	\$	31,983.33	\$	35,000.00	\$	40,000.00
50016 - Office Supplies & Services	\$	14,244.56	\$	16,000.00	\$	16,000.00
50018 - Office Furnishings & Equipment	\$	13,760.20	\$	10,000.00	\$	10,000.00
50021 - Banking, Late & Service Fees	\$	1,857.87	\$	1,500.00	\$	2,500.00
50022 - CPA Services	\$	8,545.00	\$	20,000.00	\$	15,000.00
50024 - Permits, Certifications & Fees	\$	13,897.25	\$	13,000.00	\$	15,000.00
50025 - Movie & Music Licensing	\$	8,479.38	\$	9,000.00	\$	10,000.00
50030 - Financial Management Contract	\$	57,954.65	\$	60,000.00	\$	60,000.00
50034 - Misc. Financial Services	\$	1,875.00	\$	2,700.00	\$	2,700.00
50036 - IT Services & Software	\$	47,929.05	\$	52,000.00	\$	52,000.00
50037 - Meetings & BOD Supplies	\$	4,588.97	\$	4,000.00	\$	5,000.00
50038 - Professional Services	\$	66,633.73	\$	200,000.00	\$	150,000.00
50039 - Scheduling Software	\$	2,351.81	\$	3,200.00	\$	-
50040 - Legal Services - General	\$	30,215.51	\$	75,000.00	\$	150,000.00
50042 - Memberships & Publications	\$	3,496.53	\$	3,000.00	\$	3,000.00
50043 - Budget & Reserve Studies	\$	500.00	\$	1,000.00	\$	2,000.00
50044 - Oakmont 2030	\$	3,771.19	\$	-	\$	-
50047 - Front Entrance Land Lease	\$	2,807.09	\$	3,200.00	\$	3,200.00
50048 - Office Rent	\$	85,961.60	\$	89,000.00	\$	90,000.00
50049 - Storage Rentals	\$	5,208.00	\$	4,500.00	\$	4,000.00
50060 - Collections	\$	300.00				
50062 - Mileage & Relocations	\$	1,427.04	\$	3,000.00	\$	3,000.00
50064 - Staff Education & Certs	\$	828.17	\$	4,000.00	\$	4,000.00
50070 - Employee Screenings	\$	2,559.00	\$	4,000.00	\$	4,000.00
50090 - Administrative Incidentals	\$	6,026.42	\$	2,000.00	\$	3,000.00
50099 - Community Social Activities	\$	29,226.98	\$	25,000.00	\$	27,000.00
50110 - Marketing & Publicity	\$	-	\$	-	\$	5,000.00
50120 - Website Services	\$	7,996.73	\$	5,000.00	\$	10,000.00
SUBTOTAL	\$	1,122,761.97	\$	1,560,000.00	\$	1,335,300.00

PAYROLL

50200 - Salaries - Administrative	\$ 633,780.27	\$ 738,000.00	\$ 807,000.00
50211 - W/C Insurance - Admin.	\$ 1,761.46	\$ 4,000.00	\$ 5,000.00
50212 - Employee Benefits - Admin.	\$ 111,893.59	\$ 135,000.00	\$ 135,000.00
50213 - Pension Plan - Admin.	\$ 19,892.53	\$ 27,000.00	\$ 30,000.00
50220 - Salaries - Maintenance	\$ 524,356.02	\$ 702,000.00	\$ 843,000.00
50231 - W/C Insurance - Maint.	\$ 15,143.16	\$ 18,000.00	\$ 24,000.00
50232 - Employee Benefits - Maint.	\$ 98,390.19	\$ 141,000.00	\$ 135,000.00
50233 - Pension Plan - Maint.	\$ 11,064.77	\$ 16,000.00	\$ 30,000.00
50242 - Salaries - Temp. Maint.	\$ 43,220.32		\$ -
50250 - Employer Payroll Taxes	\$ 95,107.92	\$ 110,000.00	\$ 117,000.00
50260 - Payroll Processing	\$ 6,524.65	\$ 7,000.00	\$ 8,000.00
50270 - Work Apparel & Safety Gear	\$ 11,898.33	\$ 15,000.00	\$ 15,000.00
50280 - Service Appreciation	\$ 27,692.48	\$ 35,000.00	\$ 40,000.00
SUBTOTAL	\$ 1,600,725.69	\$ 1,948,000.00	\$ 2,189,000.00

CUSTODIAL & MAINTENANCE

51011 - Custodial Supplies & Services	\$ 30,535.88	\$ 31,000.00	\$ 31,000.00
51012 - OEPC Equipment	\$ 2,547.35	\$ 5,000.00	\$ 5,000.00
51014 - Golf Parcel Maintenance	\$ 31,213.63	\$ -	\$ 50,000.00
51015 - Common Area Maintenance	\$ 28,973.73	\$ 58,000.00	\$ 60,000.00
51016 - Lighting & Electrical Maint.	\$ 24,492.77	\$ 12,000.00	\$ 12,000.00
51017 - Pest Control	\$ 4,250.00	\$ 6,000.00	\$ 6,000.00
51018 - Floors, Upholstery & Blinds	\$ 1,542.91	\$ 4,000.00	\$ 4,000.00
51020-01 - HVAC Contract - BRG	\$ 1,864.00	\$ 2,000.00	\$ 2,000.00
51020-02 - HVAC Contract - CAC	\$ 1,864.00	\$ 2,000.00	\$ 2,000.00
51020-03 - HVAC Contract - WRC	\$ 1,864.00	\$ 2,000.00	\$ 2,000.00
51020-04 - HVAC Contract - ERC	\$ 1,864.00	\$ 2,000.00	\$ 2,000.00
51021-01 - HVAC Repairs - BRG	\$ 1,507.26	\$ 5,000.00	\$ 5,000.00
51021-02 - HVAC Repairs - CAC	\$ 1,090.25	\$ 5,000.00	\$ 5,000.00
51021-03 - HVAC Repairs - WRC	\$ 1,090.25	\$ 2,000.00	\$ 2,000.00
51021-04 - HVAC Repairs - ERC	\$ 4,690.83	\$ 2,000.00	\$ 2,000.00
51022 - Plumbing Maintenance	\$ 5,218.57	\$ 5,000.00	\$ 5,000.00
51030 - A/V Equipment	\$ 12,524.37	\$ 5,000.00	\$ 5,000.00
51040 - Access Control - Gates & Doors	\$ 10,966.44	\$ 10,000.00	\$ 10,000.00
51050 - Leak Mitigation & Repair	\$ 1,295.00	\$ 2,000.00	\$ 2,000.00
51090 - Gasoline & Vehicle Maintenance	\$ 4,437.02	\$ 7,000.00	\$ 7,000.00
51091 - Generator Maintenance	\$ 4,953.98	\$ 8,000.00	\$ 8,000.00
SUBTOTAL	\$ 178,786.24	\$ 175,000.00	\$ 227,000.00

GROUNDS COMMON AREAS

51210 - Landscape Maintenance	\$ 51,330.42	\$ 90,000.00	\$ 100,000.00
51212 - Misc. Landscape & Greenery	\$ 106,996.73	\$ 20,000.00	\$ 20,000.00
51214 - Irrigation Maintenance	\$ 18,653.88	\$ 15,000.00	\$ 15,000.00
51218 - Tree Maintenance	\$ 57,627.19	\$ 80,000.00	\$ 150,000.00
51220 - Fire Danger Mitigation	\$ 95,512.06	\$ 100,000.00	\$ 80,000.00
SUBTOTAL	\$ 330,120.28	\$ 305,000.00	\$ 365,000.00

RECREATION

53020 - Pool & Spa Supplies	\$ 10,300.80	\$ 30,000.00	\$ 10,000.00
53020-02 - Misc. Pool & Spa Repairs - CAC	\$ 29,011.07	\$ 5,000.00	\$ 20,000.00
53020-03 - Misc. Pool & Spa Repairs - WRC	\$ 15,566.11	\$ 5,000.00	\$ 20,000.00
53020-04 - Misc. Pool & Spa Repairs - ERC	\$ 19,847.56	\$ 5,000.00	\$ 20,000.00
53030 - Pond Maintenance	\$ 11,518.70	\$ 10,000.00	\$ 20,000.00
53040 - Fitness Maintenance	\$ 9,403.31	\$ 20,000.00	\$ 15,000.00
53042 - Facility & Recreation Equip.	\$ 9,785.68	\$ 10,000.00	\$ 15,000.00
53050 - Bowling Green Maintenance	\$ 33,632.97	\$ 35,000.00	\$ 35,000.00
53060 - Bocce Court Maintenance	\$ -	\$ 1,000.00	\$ 3,000.00
53070 - Ball Court Maintenance	\$ 3,245.00	\$ 5,000.00	\$ 5,000.00
53080 - Library & Learning Center	\$ 364.93	\$ 1,500.00	\$ 1,500.00
53085 - Piano Maintenance	\$ 1,450.00	\$ 2,000.00	\$ 2,000.00
SUBTOTAL	\$ 144,126.13	\$ 129,500.00	\$ 166,500.00

COMMUNITY BUS

53500 - Community Bus Service	\$ 90,635.00	\$ 95,000.00	\$ 100,000.00
SUBTOTAL	\$ 90,635.00	\$ 95,000.00	\$ 100,000.00

PATROL & FIRE SYSTEMS

54010 - Patrol Service	\$ 18,014.00	\$ 20,000.00	\$ 20,000.00
54030 - Fire System Maint. & Inspect.	\$ 10,628.11	\$ 8,000.00	\$ 10,000.00
54040 - Fire & Commercial Monitoring	\$ 3,993.86	\$ 4,000.00	\$ 6,000.00
54050 - Fire Extinguisher / AED Maint.	\$ 10,834.66	\$ 5,000.00	\$ 6,000.00
54060 - Community Fire Safety	\$ 1,127.71	\$ 5,000.00	\$ 3,000.00
SUBTOTAL	\$ 44,598.34	\$ 42,000.00	\$ 45,000.00

UTILITIES

55010-02 - Gas - CAC	\$ 61,655.89	\$ 72,000.00	\$ 65,000.00
55010-03 - Gas - WRC	\$ 31,388.85	\$ 29,000.00	\$ 33,000.00
55010-04 - Gas - ERC	\$ 44,565.61	\$ 45,000.00	\$ 48,000.00
55010-05 - Gas - OFF	\$ 2,333.79	\$ 3,000.00	\$ 3,000.00
55011-02 - Solar - CAC	\$ 53,365.62	\$ 67,000.00	\$ 65,000.00
55011-03 - Solar - WRC	\$ 23,899.38	\$ 31,000.00	\$ 30,000.00
55011-04 - Solar - ERC	\$ 19,616.00	\$ 27,000.00	\$ 25,000.00
55012-02 - Electricity - CAC	\$ 17,865.42	\$ 21,000.00	\$ 41,000.00
55012-03 - Electricity - WRC	\$ 1,068.69	\$ 5,000.00	\$ 11,000.00
55012-04 - Electricity - ERC	\$ 9,596.66	\$ 14,000.00	\$ 15,000.00
55012-05 - Electricity - OFF	\$ 9,751.60	\$ 8,000.00	\$ 13,000.00

55012-07 - Electricity - C/A	\$ 596.66	\$ 1,000.00	\$ 1,000.00
55014-01 - Water - BRG	\$ 17,534.12	\$ 17,000.00	\$ 21,000.00
55014-02 - Water - CAC	\$ 32,717.09	\$ 23,000.00	\$ 34,000.00
55014-03 - Water - WRC	\$ 14,282.12	\$ 15,000.00	\$ 16,000.00
55014-04 - Water - ERC	\$ 25,219.11	\$ 18,000.00	\$ 29,000.00
55014-07 - Water - C/A	\$ 4,923.84	\$ 3,000.00	\$ 5,000.00
55016 - Garbage	\$ 21,574.76	\$ 22,000.00	\$ 24,000.00
55018-01 - Communication Lines - BRG	\$ 8,547.22	\$ 8,000.00	\$ 12,000.00
55018-02 - Communication Lines - CAC	\$ 10,893.68	\$ 11,000.00	\$ 10,000.00
55018-03 - Communication Lines - WRC	\$ 8,329.57	\$ 7,000.00	\$ 8,000.00
55018-04 - Communication Lines - ERC	\$ 8,787.89	\$ 10,000.00	\$ 9,000.00
55018-05 - Communication Lines - OFF	\$ 11,838.75	\$ 9,000.00	\$ 12,000.00
55018-06 - Communication Lines - MNT	\$ 1,659.72	\$ 3,000.00	\$ 3,000.00
SUBTOTAL	\$ 442,012.04	\$ 469,000.00	\$ 533,000.00
GOLF COURSE			
55085 - Golf Social Membership	\$ 478,380.00	\$ 477,360.00	\$ 472,260.00
SUBTOTAL	\$ 478,380.00	\$ 477,360.00	\$ 472,260.00
CONTINGENCY			
55099 - Contingency	\$ -	\$ 100,000.00	\$ 100,000.00
SUBTOTAL	\$ -	\$ 100,000.00	\$ 100,000.00
TOTAL EXPENSES	\$ 4,432,145.69	\$ 5,300,860.00	\$ 5,533,060.00
NET INCOME (LOSS) BEFORE TAXES	\$121,417.47	\$0.00	\$0.00

OAKMONT VILLAGE ASSOCIATION

Projected CIF Activity
Fiscal Year Ending 12/31/2025

CIF Funds

2025 Projected Beginning Balance	\$1,200,000
2025 Projected Assessment (Dues) Income	\$900,000
Projected Fund Balance Available	\$2,100,000

2025 Projected CIF Expenditures

Principal & Interest on total \$7 mil. debt	\$625,100
High Weed Mower/Trailer, Parking Lot Lighting at Berger and CAC, Card Access System at East and West Rec Buildings, Security Cameras and Sprinkler System at Berger	\$250,000
Other	\$75,000
2025 Projected Expenditures Total	\$950,100

2025 Projected Ending Balance**\$1,150,000**

Note:

- Any Operating Fund surplus from 2024 will be transferred to the CIF after completion of the annual audit.



RESERVE STUDY

Member Distribution Materials

Oakmont Village Association

Update w/ Site Visit Review

Final

Published - November 01, 2024

Prepared for the 2025 Fiscal Year

<i>Section</i>	<i>Report</i>	<i>Page</i>
<i>California:</i>	Member Summary	1
	Assessment and Reserve Funding Disclosure Summary	<i>[Civil Code §5570]</i> 3
<i>Section III:</i>	30 Year Reserve Funding Plan	<i>Cash Flow Method {c}</i> 5



November 01, 2024

This is a summary of the Reserve Study that has been performed for Oakmont Village Association, (the "Association") which is a Planned Development with a total of 4,700 Members. This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group, LLC prepared this Update w/ Site Visit Review for the January 1, 2025 - December 31, 2025 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was Zero% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements. Although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2024 Fully Funded Balance	2025 Fully Funded Balance	2025 Line Item Contribution based on Cash Flow Method
01000 - Paving	1,335,410	5-25	1-23	855,122	957,847	70,908
02000 - Concrete	585,553	5-30	2-25	379,238	414,323	23,769
03000 - Painting: Exterior	171,103	5-10	0-5	120,733	139,041	19,554
03500 - Painting: Interior	137,297	8-10	2-8	59,243	75,943	12,881
04000 - Structural Repairs	1,124,380	5-40	1-28	661,589	743,116	58,748
04500 - Decking/Balconies	242,925	15-40	13-35	27,388	37,899	8,554
05000 - Roofing	587,017	20-30	2-25	342,766	373,024	21,808
08000 - Rehab	1,659,818	5-30	3-25	817,480	924,662	83,265
11000 - Gate Equipment	51,119	8-30	2-17	29,795	34,691	3,524
12000 - Pool	1,059,520	1-30	0-25	556,633	541,350	89,953
13000 - Spa	296,424	1-20	0-15	202,548	176,691	40,060
14000 - Recreation	211,634	5-30	3-18	85,606	107,879	17,638
17000 - Tennis Court	282,628	2-30	0-24	172,471	195,826	37,540
18000 - Landscaping	417,460	5-25	0-20	230,445	266,978	40,643
18500 - Lakes / Ponds	65,774	10-20	0-7	50,668	44,158	4,011
19000 - Fencing	279,366	10-35	0-22	131,890	134,804	13,249
19500 - Retaining Wall	47,499	10-30	3-10	29,482	33,138	2,541
20000 - Lighting	617,489	15-30	0-25	304,111	330,529	29,667
21000 - Signage	79,353	10-30	1-18	64,821	70,393	3,241
22000 - Office Equipment	77,195	5-10	0-9	36,483	40,606	9,714
23000 - Mechanical Equipment	1,215,879	6-20	0-15	920,508	992,584	76,582
24000 - Furnishings	903,905	10-30	2-22	605,656	675,848	47,092
24500 - Audio / Visual	397,173	5-30	0-7	248,037	246,159	39,116
24600 - Safety / Access	528,859	8-30	1-25	344,776	381,485	25,060
25000 - Flooring	579,759	10-25	1-20	210,768	252,249	35,166
25500 - Wallcoverings	54,284	20-20	5-6	39,530	43,300	2,362
26000 - Outdoor Equipment	308,673	7-25	0-14	208,389	204,124	16,334
27000 - Appliances	125,547	5-20	3-20	41,416	52,770	9,696
29000 - Infrastructure	706,908	15-50	7-41	144,445	168,300	17,485
30000 - Miscellaneous	604,604	5-20	0-16	208,261	214,113	39,840
Totals	\$14,754,553			\$8,130,300	\$8,873,828	\$900,000
Estimated Ending Balance				\$5,018,333	\$3,927,833	\$15.96
Percent Funded				61.7%	44.3%	/Member/month @ 4700



California Assessment and Reserve Funding Disclosure For the Fiscal Year Ending 2025

Final

November 1, 2024

(1) The regular assessment per ownership interest is \$128.50 per month for the fiscal year beginning January 1, 2025.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ___ of the attached summary.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
N/A	\$0.00	N/A
Total:	\$0.00	

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ___ of the attached report.

(3) 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

This disclosure has been prepared by Browning Reserve Group, LLC and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.

(4) 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 or the members

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	N/A

(5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

(6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$8,130,300, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, LLC as of November, 2024. The projected reserve fund cash balance at the end of the current fiscal year is \$5,018,333 resulting in reserves being 61.7% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

(7) 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 presented in column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2025	\$8,873,828	\$3,927,833	44.3%
2026	\$8,117,242	\$3,863,702	47.6%
2027	\$8,376,033	\$3,102,003	37.0%
2028	\$7,907,092	\$3,812,453	48.2%
2029	\$8,914,635	\$3,310,598	37.1%

If the reserve funding plan approved by the association is implemented, the projected fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, 2.50% per year was the assumed long-term inflation rate, and Zero% per year was the assumed long-term interest rate.

Additional Disclosures

§5565(d) The current deficiency in reserve funding as of December 31, 2025 is \$1,052 per ownership interest (average).

This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.

$$\text{Deficiency} = \frac{\text{2025 Fully Funded Balance} - \text{2025 Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

§5300(b)(4) The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years, unless noted below:

Major Component:	Justification for Deferral:
N/A	N/A

§5300(b)(5) The board of directors as of the date of the study does not anticipate the levy of a special assessment for the repair, replacement, or restoration of the major components.

30 Year Reserve Funding Plan Cash Flow Method

Final

Prepared for the 2025 Fiscal Year

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Balance	4,600,000	5,018,333	3,927,833	3,863,702	3,102,003	3,812,453	3,310,598	2,059,902	2,161,441	2,770,962
Inflated Expenditures @ 2.5%	481,667	1,990,499	1,007,331	1,750,172	325,471	1,587,500	2,388,451	1,090,829	640,081	582,766
Reserve Contribution	900,000	900,000	943,200	988,474	1,035,921	1,085,645	1,137,756	1,192,368	1,249,602	1,309,583
<i>Members/month @ 4700</i>	15.96	15.96	16.72	17.53	18.37	19.25	20.17	21.14	22.16	23.22
<i>Percentage Increase</i>		0.0%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Special Assessments / Other	0 ¹	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	5,018,333	3,927,833	3,863,702	3,102,003	3,812,453	3,310,598	2,059,902	2,161,441	2,770,962	3,497,779

1) Per Association. Interest is retained in the operating fund.

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Beginning Balance	3,497,779	4,116,871	4,223,989	4,972,576	4,695,110	5,804,278	4,414,780	5,215,353	5,936,086	5,546,735
Inflated Expenditures @ 2.5%	753,351	1,331,201	758,773	1,857,177	546,371	3,124,501	1,017,712	1,183,010	2,382,570	987,684
Reserve Contribution	1,372,443	1,438,320	1,507,359	1,579,712	1,655,538	1,735,004	1,818,284	1,903,743	1,993,219	2,086,900
<i>Members/month @ 4700</i>	24.33	25.50	26.73	28.01	29.35	30.76	32.24	33.75	35.34	37.00
<i>Percentage Increase</i>	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.7%	4.7%	4.7%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	4,116,871	4,223,989	4,972,576	4,695,110	5,804,278	4,414,780	5,215,353	5,936,086	5,546,735	6,645,951

	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning Balance	6,645,951	8,042,519	8,362,379	9,505,986	10,999,409	12,923,568	10,114,496	9,614,412	10,830,545	11,366,671
Inflated Expenditures @ 2.5%	788,416	1,967,818	1,251,592	1,014,350	701,479	5,558,115	3,378,332	1,797,393	2,619,035	966,525
Reserve Contribution	2,184,984	2,287,678	2,395,199	2,507,773	2,625,638	2,749,043	2,878,248	3,013,526	3,155,162	3,303,455
<i>Members/month @ 4700</i>	38.74	40.56	42.47	44.46	46.55	48.74	51.03	53.43	55.94	58.57
<i>Percentage Increase</i>	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%	4.7%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	8,042,519	8,362,379	9,505,986	10,999,409	12,923,568	10,114,496	9,614,412	10,830,545	11,366,671	13,703,601

OAKMONT VILLAGE ASSOCIATION

INSURANCE DISCLOSURE STATEMENT

California Civil Code Section §5300 requires that the Association send insurance disclosure statements to each of its members. Accordingly, we are providing you the following information in compliance with the Civil Code. The following is a summary of the association's insurance coverages for current policy term.

1. COMMERCIAL PROPERTY

- (A) Insurance carrier: Multifamily Risk Management Group (MRMG) program via Starr Surplus Lines Ins. Co. (Lead Carrier; see MRMG Schedule)
- (B) The type of insurance: Special Form (OVA Property only)
- (C) The policy limits of the insurance: Leased Entry Parcels – \$100,000
Central Rec – \$13,333,280
East Rec – \$3,852,380
West Rec – \$3,879,040
- (D) The deductible amount, if any: Leased Entry Parcels – \$25,000
Central Rec – \$25,000 except \$50,000 Water Damage
East Rec – \$100,000 except 5% Wildfire/ Wildfire Smoke
West Rec – \$100,000 except 5% Wildfire/ Wildfire Smoke
- (E) The policy term is: May 15, 2024 – May 15, 2025

2. COMMERCIAL GENERAL LIABILITY

- (A) Insurance carrier: Philadelphia Indemnity Ins. Co.
- (B) The type of insurance: Commercial General Liability
- (C) The policy limits of the insurance: \$1,000,000 Each Occurrence
\$2,000,000 General Aggregate
- (D) The deductible amount, if any: None
- (E) The policy term is: January 1, 2024 - January 1, 2025

3. COMMERCIAL AUTO

- (A) Insurance carrier: Philadelphia Indemnity Ins. Co.
- (B) The type of insurance: Scheduled, Hired & Non-Owned Autos (Symbols 7, 8, 9)
- (C) The policy limits of the insurance: \$1,000,000 Combined Single Limit (Liability)
- (D) The deductible amount, if any: Liability – N/A
Comprehensive – \$500
Collision – \$1,000
- (E) The policy term is: January 1, 2024 - January 1, 2025

Continued Next Page...

4. EQUIPMENT BREAKDOWN/ BOILER & MACHINERY

- (A) Insurance carrier: Travelers Property Casualty Co. of America
- (B) The type of insurance: Equipment Breakdown (OVA Property only)
- (C) The policy limits of the insurance: \$20,070,430
- (D) The deductible amount, if any: \$10,000 Property Damage/ 24 hours Extra Expense
- (E) The policy term is: January 1, 2024 - January 1, 2025

5. DIRECTORS & OFFICERS (D&O) AND EMPLOYMENT PRACTICES LIABILITY (EPLI)

- (A) Insurance carrier: RSUI Indemnity Co.
- (B) The type of insurance: D&O including EPLI
- (C) The policy limits of the insurance: \$1,000,000 Each Claim/ Aggregate
- (D) The deductible amount, if any: \$100,000 D&O/ \$75,000 EPLI
- (E) The policy term is: January 1, 2024 - January 1, 2025

6. COMMERCIAL UMBRELLA/ EXCESS LIABILITY

- (A) Insurance carrier: Philadelphia Indemnity Ins. Co. (\$2M Lead Umbrella)
James River Ins. Co. (\$5M excess of \$2M)
StarStone Specialty Insurance Co. (\$5M Excess \$7M)
Landmark American Insurance Co. (\$3M Excess \$12M)
- (B) The type of insurance: Excess liability limits over the underlying Commercial General Liability and Commercial Auto Liability coverage(s)
- (C) The policy limits of the insurance: \$15,000,000 Total (Combined)
- (D) The deductible amount, if any: None
- (E) The policy term is: January 1, 2024 - January 1, 2025

7. FIDELITY/ CRIME

OVA's Fidelity/ Crime coverage is not currently written through our agency.

8. FIDUCIARY LIABILITY

- (A) Insurance carrier: Travelers Casualty & Surety Co. of America
- (B) The type of insurance: Fiduciary Liability
- (C) The policy limits of the insurance: \$1,000,000 Each Claim/ Aggregate
- (D) The deductible amount, if any: None
- (E) The policy term is: January 1, 2022 - January 1, 2025 (3-year policy term)

9. WORKERS COMPENSATION

OVA's Workers Compensation coverage is not currently written through our agency.

Continued Next Page...

10. COMMERCIAL EARTHQUAKE

- (A) Insurance carrier: QBE Specialty Insurance Co. (55.58%)
Palomar Excess and Surplus Ins. Co. (34.42%)
General Security Indemnity Co. of Arizona (10.00%)
- (B) The type of insurance: Earthquake & Flood
- (C) The policy limits of the insurance: \$29,050,000
- (D) The deductible amount, if any: 15% of the values at risk per Location, subject to \$50,000
Minimum Total EQ Deductible per occurrence
- (E) The policy term is: January 1, 2024 - January 1, 2025

11. COMMERCIAL FLOOD

- (A) Insurance carrier: QBE Specialty Insurance Co. (55.58%)
Palomar Excess and Surplus Ins. Co. (34.42%)
General Security Indemnity Co. of Arizona (10.00%)
- (B) The type of insurance: Earthquake & Flood
- (C) The policy limits of the insurance: \$29,050,000
- (D) The deductible amount, if any: \$50,000 per occurrence
- (E) The policy term is: January 1, 2024 - January 1, 2025

12. CYBER LIABILITY & DATA BREACH INSURANCE

- (A) Insurance carrier: Arch Specialty Ins. Co. (30%)
Fortegra Specialty Ins. Co. (30%)
Ascot Specialty Ins. Co. (20%)
Fireman's Fund Indemnity Corp. (20%)
- (B) The type of insurance: Cyber Liability/ Data Breach
- (C) The policy limits of the insurance: \$100,000 Network & Information Security Liability
\$100,000 Regulatory Defense & Penalties
\$100,000 Multimedia Content Liability
\$100,000 PCI Fines & Assessments
\$100,000 Breach Response Costs
\$100,000 Crisis Management & Public Relations
\$100,000 Cyber Extortion
\$100,000 Business Interruption & Extra Expenses
\$100,000 Digital Asset Restoration
- (D) The deductible amount, if any: \$2,500
- (E) The policy term is: January 1, 2024 - January 1, 2025

INSURANCE BROKER:

Cline Agency Insurance Brokers | CA License No. 0C10844
 12400 Wilshire Blvd., Suite 280, Los Angeles, CA 90025
 P (310) 260-2900 | F (310) 260-2905
info@clineagency.com | www.clineagency.com

Continued Next Page...

This summary of the association's policies of insurance provides only certain information, as required by Section §5300 of the California 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.

OAKMONT VILLAGE ASSOCIATION

ANNUAL POLICY STATEMENT

(FOR FISCAL YEAR BEGINNING January 1, 2025)

In compliance with the Annual Policy Statement requirements of Civil Code §5310 of the Davis-Stirling Common Interest Development Act (the “*Davis-Stirling Act*”), please find below and enclosed the following documents and information:

1. Person Designated to Receive Official Communications to the Association

Pursuant to Civil Code §4035, any document to be delivered to the Association by a homeowner pursuant to the Davis-Stirling Act must be delivered to:

Oakmont Village Association
Christel Antone, General Manager
6637 Oakmont Drive, Suite A
Santa Rosa CA 95409-5956

In addition to other means of delivery provided for in the Davis-Stirling Act, the Association will accept documents by the following means:

Email to christel@oakmontvillage.com
Personal delivery to the address noted above

2. Right to Receive Association Notices to Two Addresses

Pursuant to Civil Code §4040(b), a homeowner may submit a request to have certain notices sent to up to two (2) different specified addresses. That written request should be delivered to the person identified above to receive official communications to the Association.

Upon receipt of a written request by a homeowner to add a second address for delivery of individual notices of the following types, the Association will deliver an additional copy of those notices to the secondary address identified in the request:

- (1) The annual reports to be delivered to the homeowner pursuant to Civil Codes §5300 through §5320, including this Annual Policy Statement and the Association’s Annual Budget Report.
- (2) The assessment payment and delinquency notices to be delivered to the homeowner pursuant to Civil Codes §5650 through §5690, and the notice of default to be delivered to the homeowner pursuant to Civil Code §5650.

A homeowner may add, change, or remove a secondary address at any time, provided, however, that the Association will only be required to send notices to a secondary address as of and from the date that the Association receives a written request to do so.

3. Location for the Posting of General Notices

Pursuant to Civil Code §4045(a)(5), any general notices to the Association's homeowners, including notices of meetings of the Association's Board of Directors, will be posted in a prominent location accessible to all members on the website maintained by the Association for the purpose of distributing information on Association business to its members. The Association's website for posting general notices is located at: www.oakmontvillage.com

4. Right to General Notices by Individual Delivery

Pursuant to Civil Code §4045(b), a homeowner may request to receive general notices by individual delivery. That written request should be delivered to the person identified above to receive official communications to the Association. Upon the Association's receipt of such written request from a homeowner, all general notices to that homeowner given pursuant to Civil Code §4045 shall be delivered to the homeowner by individual delivery in accordance with Civil Code §4040. A homeowner may cancel a prior request for individual delivery of general notices at any time.

5. Notice of Voting by Electronic Secret Ballots

If the Association amends or adopts Election Rules to allow for voting by electronic secret ballots, members will be provided an opportunity to opt into voting by electronic secret ballots or opt out of voting by electronic secret ballots as follows:

1. *Opt Into:* Members must notify the Association, through the person designated in this annual policy statement to receive official communications by the deadline established by the Association (which shall be no less than ninety (90) days before the election) indicating their desire to obtain an electronic secret ballot. Members must provide a valid email address for where the electronic secret ballot should be sent. If members do not indicate their intent to opt into voting by electronic secret ballot, do not provide their email address or a valid email address, then the ballot will be mailed to the mailing address in the Association's records.
2. *Opt Out:* At least thirty (30) days before the deadline to opt out, the Association will provide individual notice to all members that the election will be held electronically and will include certain information, including the deadline by which members will be required to opt out of voting by electronic secret ballot. Members desiring to opt out of voting by electronic secret ballot must notify the Association of their desire to opt out. Such notification must be provided to the person designated in this annual policy statement to receive official communications by the stated deadline. If members do not indicate their intent to opt out of voting by electronic secret ballot by the stated deadline, then they will be sent an electronic secret ballot.

6. **Right to Receive Copies of Meeting Minutes**

Pursuant to Civil Codes §4950(b), the minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes of any meeting of the Association's Board of Directors, other than for an executive session meeting, shall be available to all homeowners within thirty (30) days of the meeting. The minutes, proposed minutes, or summary minutes prepared during the current fiscal year, shall be distributed to any homeowner upon request, within ten (10) business days written request (pursuant to Civil Code §5210(b)) and upon reimbursement to the Association of the Association's costs for making that distribution. The minutes, proposed minutes, or summary minutes prepared in prior fiscal years, shall be distributed to any homeowner upon request, within thirty (30) calendar days written request (pursuant to Civil Code §5210(b)) and upon reimbursement to the Association of the Association's costs for making that distribution.

In addition to obtaining copies of Board meeting minutes, excluding executive session minutes, homeowners may inspect Board meeting minutes, excluding executive session minutes, at any reasonable time at the address noted in Section 1 above. To request copies of Board meeting minutes, or schedule an appointment to inspect Board meeting minutes, members should contact the person designated to receive official communications to the Association, as identified above.

7. **Statement of Assessment Collection Policies**

Please see the enclosed notice prepared in accordance with Civil Code §5730.

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months

delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

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

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

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

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, 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 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)

8. **Policies and practices relating to Delinquent Assessments**

Please see the enclosed document titled “Delinquent Assessment Collection Policy”, which describes the Association’s policies and practices in enforcing lien rights and other legal remedies for default in the payment of assessments. This document describes the steps the Association will take if a homeowner does not pay assessments on time and in accordance with the provisions of the Association’s governing documents.

9. **Discipline Policy and Schedule of Fines**

The Association’s Board of Directors has the right and authority to enforce the provisions of the Association’s governing documents when a homeowner, or the homeowner’s family members, guests, or tenants, violate the governing documents. The Board may, after proper notice and an opportunity to be heard before the Board, impose disciplinary measures against a homeowner, as described in the Association’s governing documents and subject to applicable law. Please see the enclosed document titled “Hearing Procedure, Enforcement and Fine Policy for Violations of the Governing Documents”, which describes the Association’s discipline policy for violations of the Association’s governing documents, including the schedule of monetary penalties that may be assessed against a homeowner for those violations, in accordance with Civil Code §5850.

10. **Dispute Resolution Procedures**

The Davis-Stirling Act provides two procedures for dispute resolution. The purpose of these procedures is to encourage homeowners and the Association to resolve disputes involving violations, or alleged violations, of the Association's governing documents and/or certain laws without incurring the time and expense involved in a lawsuit.

The first dispute resolution process is Internal Dispute Resolution, also known as IDR. This process is an informal process (often referred to as a "meet and confer") to resolve disputes between a homeowner and the Association. The Association has not adopted an Internal Dispute Resolution Policy but will conduct Internal Dispute Resolution in accordance with the Association's governing documents and Civil Code §5915, attached.

The second dispute resolution process is Alternative Dispute Resolution, also known as ADR. This process is a more formal process to resolve disputes between a homeowner and the Association, or between two or more homeowners, and includes mediation, arbitration, conciliation, and other non-judicial procedures that involve a neutral third party. The form of dispute resolution chosen may be binding or nonbinding, with the voluntary consent of the parties. The Alternative Dispute resolution process is commenced by the service of a "Request for Resolution", as described in Civil Code §5935. Enclosed for your review and reference is a copy of Civil Code §5925 through §5965 (Article 3 of Chapter 10 of Part 5 of the Civil Code) which shall serve as a summary of the provisions of this Article.

Please note the following: Failure of a member of the Association to comply with the alternative dispute resolution requirements section 5930 the of 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.

11. **Requirements for Association Approval of Physical Changes**

The Association's governing documents, specifically the Association's Protective Restrictions (often referred to as CC&R's), require that homeowners obtain approval from the Association before making certain physical changes to the common area and/or to their separate interests. A summary of the types of changes that require Association approval and the procedure used to review and approve or disapprove a proposed change are described in the attached document titled "Requirements for Association Approval of Physical Changes", prepared in accordance with Civil Code §4765.

12. **Homeowner Duty to Provide Addresses**

Pursuant to Civil Code §4041(b), the Association requests each homeowner provide written notice to the person to receive official communications to the Association, as identified in this Annual Policy Statement, of all the following information: (a) any addresses to which notices from the Association are to be delivered; (b) any secondary addresses to which notices from the Association are to be delivered as explained in this Annual Policy Statement; (c) the name and address of any legal representative, including any person with power of attorney, who can be contacted in the

event of the homeowner's extended absence; and (d) whether the homeowner's separate interest is owner-occupied, rented out, developed but vacant, or undeveloped land. If you do not provide the addresses described in items (a) and (b) in this paragraph, the last mailing address provided in writing or, in none, the property address shall be deemed to be the address to which notices are to be delivered.

13. Mailing Address for Overnight Payment of Assessments

The mailing address for overnight payment of assessments, noticed pursuant to Civil Code §5655, is:

**Oakmont Village Association
c/o Condominium Financial Mgt, Inc.
60 Mayhew Way
Walnut Creek CA 94597-2029**

14. Other Information

- (1) Regular meetings of the Association's Board of Directors are generally held on the 3rd Tuesday of each month at 1:00 PM at the Central (Berger) Auditorium, 6633 Oakmont Dr., Santa Rosa CA 95409 (or virtually necessitated by circumstances). Homeowners are welcome to attend the open session meetings of the Board and may address the Board during the homeowner forum held either at the beginning or end of each open session Board meeting. Notice of and agendas for each Board meeting will be posted at the location noted above for the posting of general notices.
- (2) When the term "homeowner" is used in this Annual Policy Statement, it shall mean and include owners of separate interests in the Association's development who are members of the Association.
- (3) The references to the "Civil Code" and other laws in this Annual Policy Statement shall mean and refer to the California Civil Code and other California laws.
- (4) **Security and Privacy Disclaimer.** The Association does not undertake to provide security or privacy for the Association's development, the homeowners, the residents, any invitees, or any persons or property located within the development, nor does the Association make any representations or warranties concerning the security, privacy and/or safety of the development, the homeowners, the residents, any invitees, or any persons or property located within the development, irrespective of whether there are any access control devices installed and operated in the common area of the development or access control personnel employed or engaged by the Association.
- (5) **League of Oakmont Maintained Area Associations (LOMAA) Disclaimer.** The LOMAA is not affiliated with, governed by, or endorsed by the Association, and the Association makes no representations or warranties concerning the activities of the

LOMAA as it relates to the Association's development, all subdivisions within the development, the Association's homeowners, residents, invitees, or any persons or property located within the development, irrespective of whether any LOMAA activities may be conducted by members of the Association and/or within the Association's development. Any member that relies on LOMAA and its activities assumes sole responsibility for same.

Should you have any questions or comments pertaining to the above or enclosed information, please contact Christel Antone, by telephone at (707) 549-1611 or by email at christel@oakmontvillage.com.

Sincerely,

THE BOARD OF DIRECTORS OF OAKMONT VILLAGE ASSOCIATION

Oakmont Village Association

Delinquent Assessment Collection Policy (Adopted October 20, 2015)

Prompt payment of assessments by all owners is critical to the financial health of the Oakmont Village Association (“Association”) and to the enhancement of the property values of all properties within Oakmont. Your Board of Directors (“Board”) takes its obligations very seriously under the Association’s governing documents including, but not limited to the Bylaws, Protective Restrictions and the California Civil Code (“Civil Code”) to enforce the members’ obligation to pay assessments. Pursuant to the Association’s Protective Restrictions, Bylaws and the Civil Code, the following assessment practices and policies outlined below have been adopted by the Board and shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board.

1. Assessments, late charges, interest and collection costs, including any attorneys’ fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (Civil Code Section 5650(a))
2. Regular monthly assessments are due and payable on the first (1st) day of each month. **It is the owner of record's responsibility to pay each assessment in full each month regardless of whether a courtesy statement or courtesy late letter is received.**
3. All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of Notice of the Assessment.
4. 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 provided the amount in dispute does not exceed the California jurisdictional limits of the small claims court. By doing so, the owner may in addition to pursuing dispute resolution pursuant to Civil Code Sections 5925-5965, commence an action in small claims court.
5. Until all assessments are paid in full, any payments made by an owner will first be applied to assessments owed. Only after all assessments are paid in full will payments be applied to collection fees and costs, attorney’s fees, late charges or interest. (Civil Code Section 5655(a)) The Association may, in its discretion, enter into an agreement with an owner providing for payments to be applied in a different manner, such agreement shall be controlling.
6. Regular assessments are delinquent thirty (30) days after they come due.
7. All other assessments, including, but not limited to, special assessments, are delinquent thirty (30) days after they come due.
8. Delinquent assessments are subject to a late charge in the amount of ten dollars (\$10.00) or ten percent (10%), whichever is greater.

9. Interest on all sums imposed, including delinquent assessments, collection fees and costs, and attorney's fees shall be at an annual rate of seven percent (7%) and shall commence thirty (30) days after an assessment becomes due.
10. If a special assessment is payable in installments and an installment payment for that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated, and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to late fees and interest as provided herein.
11. The Association or the Association's managing agent may send to the owner a late letter once an assessment becomes delinquent. A charge (if any) for the late letter will be added to the owner's delinquent account.
12. If an assessment is delinquent, the Association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the owner as required by Civil Code Section 5660 by certified mail, to the owner's mailing address of record advising of the delinquent status of the account, impending collection action and the owner's right to request that the Association participate in internal dispute resolution ("IDR"). The owner will be charged collection fees and costs for the pre-lien letter. Notwithstanding the provisions of this paragraph, the Association may (i) send a pre-lien letter to a delinquent owner at any time when there is an open escrow involving the owner's separate interest, and/or (ii) issue a pre-lien letter immediately if any special assessment becomes delinquent even if the owner is current in paying their regular assessments.
13. If an owner fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within thirty (30) days of the date of the pre-lien letter, the Board, by majority vote in an open meeting, shall authorize the recordation of a lien for the amount of any delinquent assessments, late charges, interest and/or collection fees and costs, including attorneys' fees, against the owner's property. The owner will be charged collection fees and costs for preparation and recordation of the lien. The lien may be enforced in any manner permitted by law, including, judicial or non-judicial foreclosure. See Civil Code Sections 5700-5720.
14. The lien may be enforced by non-judicial foreclosure sale when either (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more than twelve (12) months. A delinquent owner could lose ownership of the property if a foreclosure action is completed. The delinquent owner will be responsible for significant additional collection fees and costs for enforcement of the lien against the property.
15. The decision to foreclose against a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by the parcel number of the owner's property, rather than the name of the owner(s). Prior to initiating the foreclosure sale against a recorded lien, the Association shall offer delinquent homeowners the option of participating in IDR or Alternative Dispute Resolution ("ADR").

16. Upon an Owner's written demand, the Association shall make specified Association records available for inspection and copying pursuant to Civil Code Sections 5200-5240.
17. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection.
18. The owner has the right to request a meeting with the Board of Directors as provided by Civil Code Section 5665.
19. An owner has the right to dispute the debt by submitting a written request for dispute resolution pursuant to the Association's "meet and confer" program pursuant to Civil Code Sections 5900-5920.
20. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5925-5965, before the Association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.
21. An owner may submit a written request to discuss a payment plan for the debt to the Association's Board. The Board is not required to meet with an owner unless the request is mailed within fifteen (15) days of the date of the postmark of the pre-lien letter, in which case the Board shall meet with the owner in Executive Session within forty-five (45) days of the postmark of the request unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate a committee of one or more directors to meet with the owner.
22. The Association shall provide the owner the standards for payment plans, if any exist. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plans. Payment plans shall not interfere with the Association's ability to record a lien against an owner's separate interest to secure payment for the owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time prior to entering into the payment plan.
23. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
24. Subject to Paragraph 17 above, prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and collection fees and costs, including attorneys' fees, must be paid in full to the Association.
25. There is no right of offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.

26. The Association shall charge the owner a Twenty-Five Dollar (\$25.00) fee for the first check tendered to the Association that is returned unpaid by the owner's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, the Association may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.
27. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. The owner's request shall be in writing and shall be mailed to the Association in a way that shall indicate that the Association has received it. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.
28. All charges listed herein are subject to change upon thirty (30) days prior written notice.
29. Until the owner has paid all amounts due, including delinquent assessments, late charges, interest and fees and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's right to vote, and suspend the owner's right to use the Association's recreational facilities after providing the owner with notice of a duly noticed hearing before the Board. No suspension imposed may prevent the delinquent owner from the use, benefit and pleasure of the owner's separate interest.
30. The mailing address for overnight payment of assessments, noticed pursuant to Civil Code §5655, is:

Oakmont Village Association
c/o Condominium Financial Mgmt, Inc.
60 Mayhew Way
Walnut Creek, CA 94597-2029

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 non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial 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 non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 division 4 of the Civil Code. When using judicial or non-judicial 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 non-judicial foreclosure, the Association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The Association may not use non-judicial 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. (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, 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 5655 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 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 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 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 5665 of the Civil Code)

Approved by Board of Directors: August 15, 2006; Amended March 2, 2010 administratively for typos; Amended November 17, 2015 for Civil Code Updates

Oakmont Village Association
(Adopted Oct 21, 2014)

Hearing Procedure, Enforcement and Fine Policy for Violations of the Governing Documents

1. **Notice and Hearing Procedures.** This Hearing Procedure, Enforcement and Fine Policy (this “Policy”) will be followed whenever the Board meets to consider an alleged governing document violation which could result in disciplinary action against a Member.
 - a. **Notice of Violation.** Upon report of a violation of the Association’s governing documents to the Board, the violating Member shall be given a written Notice of Violation. The Notice of Violation shall contain, at a minimum, the following: (i) a description of the violation; (ii) notice that the violation may result in a hearing and possibly a fine or other enforcement measures including without limitation suspension of voting rights and use of common areas; and (iii) instructions for the Member to dispute, if applicable, the report of violation (record of which, if and when received by the Association, shall be attached to the Notice of Violation and made a part thereof).
 - b. **Notice of Hearing.** Should the Board determine to hold a disciplinary hearing regarding the violation described in the Notice of Violation, a written Notice of Hearing will be sent to the Member at least ten (10) days prior to the hearing and will be given either personally or by first-class mail to the Member’s most recent address shown in the Association’s records. The Notice of Hearing shall contain, at a minimum, the following: (i) the date, time and place of the hearing; (ii) the nature of the alleged violation for which the Member may be disciplined (including the references to the specific provisions of the governing documents which are alleged to have been violated; (iii) a statement that the Member has a right to attend and may address the Board at the hearing; and (iv) a list of disciplinary measures which may be imposed as a result of the hearing.
 - c. **Opportunity to Be Heard.** The Member shall have the right to send a letter, send a representative, or appear in person with or without a representative to present evidence as to why he/she should not be disciplined and/or did not commit the alleged violation. The hearing will be held during an executive session meeting of the Board, unless the Member requests in writing to the Board prior to the hearing that the hearing be held during an open session Board meeting.
 - d. **Rescheduled Meetings.** In the event the Member fails to appear for a hearing, the Board will review the evidence presented to date and make its decision accordingly. Upon timely, written request and for worthy cause, the accused Member may be granted a continuance to a new hearing date. The Board is under no obligation to reschedule a hearing to accommodate a Member’s schedule.
 - e. **Correction of Violation.** In the event the violation is corrected prior to the hearing date, the Board may, if appropriate and in its sole discretion, discontinue the disciplinary proceedings.
 - f. **Notice of Decision.** Within fifteen (15) days after the hearing, the Member will be given written notice by personal delivery or first-class mail of the Board’s decision whether to impose disciplinary measures against the Member, and, if so, what disciplinary measures will be imposed, when, and, if applicable, for how long. Notwithstanding the foregoing, no disciplinary action against the Member arising from the alleged violation may be effective earlier than five (5) days after the hearing.
 - g. **Record of Decision.** A copy of the Notice of Hearing, along with a statement of the date and manner of delivery of the Notice of Hearing entered by the Association representative delivering the Notice of Hearing, along with the Notice of Decision, shall be filed with the minutes of the hearing.
 - h. **Conflicts of Interest.** If a member of the Board has a conflict of interest in a disciplinary matter (i.e., the Board member filed the complaint, or the complaint was filed against the Board member), that Board member may not deliberate or vote on the Board’s decision whether to impose disciplinary measures with respect to that matter.

2. Remedies for Enforcement. To enforce the Association’s governing documents, the Board may impose one (1) or more of the remedies described below, as the Board deems appropriate and in its sole discretion. The selection of one (1) of the following remedies does not preclude the Association from pursuing other remedies permitted under this Policy, the Association’s governing documents, at law and/or in equity.

Possible Remedies / Disciplinary Measures:

- a. Warning letters
- b. Monetary penalties
- c. Suspension of the right to use common area recreational facilities and amenities
- d. Suspension of voting rights
- e. Imposition of a reimbursement assessment for (i) damage to the common area or (ii) costs incurred by the Association to bring the owner and his or her separate interest or exclusive use common area into compliance
- f. Internal dispute resolution (“IDR”) or alternative dispute resolution (“ADR”)
- g. Litigation

Suspension of membership privileges, as may be applicable, may be imposed for a period of up to thirty (30) days for a single non-continuing violation. For a continuing violation including, without limitation, delinquencies in the payment of assessments, membership privileges may be suspended for so long as the continuing violation exists and remains uncured.

Failure by a Member to pay any monetary penalty or reimbursement assessment imposed within thirty (30) days of the due date thereof may result in legal action against the Member by the Association to collect such amount. If the Association is forced to retain an attorney to ensure compliance, or collect a monetary penalty or a reimbursement assessment, the Member shall be liable for those attorney fees and costs and all related expenses, in addition to the amount of the monetary penalty or reimbursement assessment.

3. Fine Schedule. Violation of the Association's governing documents may result in the imposition of a monetary penalty, as the Board may determine to be appropriate to the situation and as provided for in the fine schedule below. In addition to or instead of imposing monetary penalties, the Board may pursue other remedies for enforcement described in this Policy.

- 1st violation: ----- fine up to \$100
- 2nd violation, same offense: ----- fine up to \$300
- 3rd violation, same offense: ----- fine up to \$500
- Additional violations, same offense: -- fine up to \$500

- Health and safety violations: ----- fine up to \$1,500
- Continuing violations: ----- fines up to \$500 per day may accrue until the violation is cured

4. Selection of Remedies. The Association may pursue one (1) or more enforcement remedies simultaneously. The selection of one (1) enforcement remedy does not preclude the Association’s right to pursue any other remedies.

5. Architectural Approval Requirement. As required by the Association’s Governing documents, members must submit and receive approval from the Architectural Committee prior to making any changes to the outside of their homes, their landscaping or any structural change to or within their garages. Failure to do so will result in a penalty of \$100.00 in addition to any subsequent penalty imposed as a result of enforcement proceedings. Failure to do so is also considered a Violation and is subject to the remedies in the fine schedule described above.

INTERNAL DISPUTE RESOLUTION

California Civil Code Section 5915

(a) This section applies to 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 board shall designate a director 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. The parties may be assisted by an attorney or another person at their own cost when conferring.

(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.

(c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and 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 to its designee or the agreement is ratified by the board.

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

ALTERNATIVE DISPUTE RESOLUTION

California Civil Code Sections 5925-5965

5925.

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.

(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.

(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.

(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.

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.

(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.

(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.

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.

(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.

OAKMONT VILLAGE ASSOCIATION
REQUIREMENTS FOR
APPROVAL OF PHYSICAL CHANGES
 [Civil Codes §§5310(a) (10), 4765]

This notice is intended to comply with Civil Code Civil Codes §§5310(a) (10), 4765, which states: “An association shall annually provide its members with notice of any requirements for association approval of physical changes to property. The notice shall describe the types of changes that require association approval and shall include a copy of the procedures used to review and approve or disapprove a proposed change.”

This information comes from sections of the Architectural Committee Guidelines and Standards as noted. Application forms are available from the OVA Architectural Committee department of the OVA Office.

1. GENERAL

Written approval from the Architectural Committee is required prior to the start of work on additions or modifications to any Oakmont residential property.

This includes: ⁽¹⁾

- All exterior structures attached or detached, and roofing: additions, changes, repairs, replacements and painting.
- All mechanical equipment: air conditioners, external electrical generators, spas/pool, solar equipment, etc.
- All fences and screens: include plantings that serve as a fence or screen
- All landscaping projects (This includes front, back, and side yards) and the staining/coloring of driveways and sidewalks.)
- Anything that changes the exterior appearance of a residence (e.g. window/door replacement).
- Structural alterations of garage interiors.

The Architectural Committee acts **only** upon written applications for approvals of proposed architectural applications. In **all** cases, statements and material lists provided in writing with the application and on accompanying documents, plans, contractor bids, etc. will be the **only** basis for acceptability and approval of an application. **No assumptions will be made.** No verbal requests or comments will be considered. Only those items specifically labeled and defined on a drawing, plan or similar document will be considered by the Architectural committee for approval.

Failure to obtain the necessary approvals prior to performing a modification of an Oakmont residential property constitutes a violation of the CC&Rs and the Guidelines and Standards and **may require modification or removal of the unauthorized work at the sole expense of the homeowner and may result in any disciplinary action available to the Board of Directors of Oakmont.** In addition, homeowners should be aware that construction permits, or other similar approvals may be required to be obtained from the City of Santa Rosa Building Division, Public Works, or other governmental agencies. The obligation to obtain such permits or governmental approvals is the sole responsibility of the homeowner, and the approval of any application may be revoked or rescinded

¹ Page 6 of Architectural Committee Guidelines & Standards; Edition 8: August 18, 2015

if it is determined that the proper permits or governmental approvals were not obtained by the homeowner. Notwithstanding the obligation, as applicable, to obtain building permits and/or governmental approvals, obtaining such building permit(s) and/or governmental approvals does not mean that the Architectural Committee approves of same.

II. APPROVAL PROCEDURE –

REVIEW PROCEDURE FOR APPROVAL AND DISAPPROVAL

1. RECEIPT OF APPLICATIONS

The Architectural Committee will receive, and date stamp each application submitted by an Oakmont homeowner or individual association board of governors. The Architectural Committee will review the application for use of the correct forms(s), completeness of required information, usage of pre-approved materials (paint, roofing, fence design, etc.) and accuracy/consistency of the request as compared to the contents of the homeowner's property file. If the application is **incomplete**, the applicant will be contacted by telephone, or notified by mail (or email if consented to by the owner or association) as soon as possible.

2. APPROVAL PROCESS:

The standard procedure for processing an application begins with a thorough review of the request to determine compliance with the CC&Rs and the Guidelines and Standards. In order to clarify questions, it may be necessary for members, or designated representatives, of the Architectural Committee to make a site visit and/or discuss the proposed project with the applicant(s). Complex projects (i.e. extensive remodeling/landscaping) may require the involvement of experts. Determination by the Architectural Committee will be made within (30) business days of receipt of a **COMPLETE** architectural application from the applicant; provided, however if no approval is given within such thirty (30) day period, the request or application will be deemed disapproved. (Business days refer to days during which the Architectural Office is open for business.)

Notwithstanding the foregoing and in accordance with state statute, if an application for the installation and use of an electric vehicle charging station or a solar energy system is not denied in writing within forty-five (45) days from the date of receipt of the application by the Architectural Committee, the application shall be deemed approved, unless that delay is the result of a reasonable request by the Architectural Committee for additional information from the applicant.

Any decision of the Architectural Committee shall be in writing and shall include both an explanation of why the proposed change was disapproved, if applicable, and a description of the procedure for reconsideration by the Architectural Committee and the Oakmont Board of Directors.

PROCEDURE IN THE EVENT OF DISAPPROVAL

HEARINGS

If the Architectural Committee denies an application or states that it will approve the application upon certain conditions, and you do not agree with the Architectural Committee's decision, you may request, in writing within fourteen (14) days of the written decision notice, an Architectural Committee Work Review Meeting. The Work Review Meeting will be scheduled for the next available Architectural Committee meeting date. The procedure is available in the Architectural Committee Office.

APPEALS

Following the Work Review Meeting with the Architectural Committee, the applicant, if not satisfied with the Architectural Committee's final decision, may request, in writing within thirty (30) days of the Architectural Committee's final decision, an appeal to Oakmont's Board of Directors for reconsideration by the Board of Directors. The appeal procedure is available in the Architectural Committee Office and online at Oakmont's website. The appeal will be heard in an open meeting by the Oakmont Board of Directors at its next regularly held Board meeting. The appeal/reconsideration decision by the Oakmont Board of Directors shall be final and binding.

/END