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November 15, 2013

Dear Laurelmont Homeowner:

In compliance with Civil Code §1365, attached is the Laurelmont Community Association budget for the fiscal year ending December 31, 2014. This budget reflects the continuing efforts of the Board of Directors to maintain and enhance the Association's common area and amenities while at the same time keeping expenditures in line. The budget indicates a minimal increase of 3% in order to adequately cover the rising operating costs (such as landscape maintenance, utilities, etc.) for the Association and to fund the reserve accounts for future repairs and replacements (such as streets, painting, wood repairs and replacements, roof repairs and replacements, etc.). **Therefore, effective January 1, 2014 your new assessment rate will be \$370.00 per month.**

With this budget, the Board of Directors does not anticipate that any special assessments will be required to replace, repair or restore any major component to the reserve program

The Association annually evaluates its reserve requirements and has retained the services of a professional reserve analyst to review the funding program and to provide recommendations for future funding of the reserve accounts. A summary of the study is provided for your review and copies of the complete reserve study are available upon request.

In addition to the fiscal year budget and reserve study, please find the following disclosure items:

- Reserve Assessment and Funding Disclosure Summary
- Association's current Assessment and Billing Collection Policy/AB2289
- Summary of the Association's insurance coverage
- Summary of California Civil Code Sections 1363.850 and 1369.590 regarding IDR, Internal Dispute Resolution, and ADR, Alternative Dispute Resolution

California Civil Code §1363 requires the Association to advise all owners of the right to obtain a copy of the minutes of the General Session Board of Directors meetings. Any requests for such meeting minutes must be made in writing to the Board at the address below and a distribution fee will be charged. Minutes are also available on the Association's website.

In addition, California Civil Code §1367.1 (k) requires the Association to advise all owners of the right to submit a secondary address to the association for the purpose of assessment collection, provided that the request is made in writing and mailed to the association in a manner that shall indicate that the association has received it.

Finally, California Civil Code §1378 (c) requires the Association to annually provide its members with any requirements for association approval of physical changes to the

property. A description of the types of changes that require approval, as well as the procedure used to evaluate the applications, has been included in this packet.

Thank you for your continued support of the Association. If you should have any questions regarding the enclosed information, please contact your Community Manager, Lisa Karoub at PCM, lkaroub@pcminternet.com or 949/465-2448. Thank you.

Sincerely,
The Laurelmont Community Association Board of Directors

LAURELMONT COMMUNITY ASOC.
Fiscal Year End - December, 2014
Annual Budget 197 Units

		<u>ANNUAL</u> <u>AMOUNT</u>	<u>MONTHLY</u> <u>AMOUNT</u>	<u>PER UNIT/</u> <u>PER MONTH</u>	
INCOME:					
4010	0000	ASSESSMENTS - OWNERS	874,680	72,890.00	370.00
		TOTAL INCOME	874,680	72,890.00	370.00
GENERAL & ADMINISTRATIVE:					
5002	0000	AUDIT	1,100	91.67	.47
5005	0000	BAD DEBTS	25,000	2,083.33	10.58
5025	0000	EARTHQUAKE INSURANCE	36,000	3,000.00	15.23
5026	0000	INSURANCE EXPENSE	35,000	2,916.67	14.81
5033	0000	LEGAL	6,000	500.00	2.54
5036	0000	LICENSES & FEES	950	79.17	.40
5036	1000	TAXES & LICENSES	350	29.17	.15
5039	0000	MANAGEMENT FEES	35,089	2,924.08	14.84
5041	0000	MISCELLANEOUS	4,000	333.33	1.69
5041	1003	WEBSITE SERVICES	1,500	125.00	.63
5046	1005	PRINTING/MAILING/SUPPLIES	9,000	750.00	3.81
5047	0000	POSTAGE	1,000	83.33	.42
5050	0000	RESERVE ANALYSIS FEES	1,000	83.33	.42
		TOTAL GENERAL & ADMIN. EXPEN	155,989	12,999.08	65.99
LANDSCAPE:					
5200	1000	BACKFLOW INSPECTION	300	25.00	.13
5225	0000	IRRIGATION SYSTEM	3,000	250.00	1.27
5235	0000	LANDSCAPE MAINT. CONTRACT	54,000	4,500.00	22.84
5236	0000	LANDSCAPE EXTRAS	7,500	625.00	3.17
5290	0000	TREE MAINTENANCE	29,000	2,416.67	12.27
		TOTAL LANDSCAPE EXPENSES	93,800	7,816.67	39.68
MAINTENANCE:					
5218	0000	ELECTRICAL MAINTENANCE	1,500	125.00	.63
5231	0000	JANITORIAL SERVICE CONTRACT	1,900	158.33	.80
5244	0000	PLUMBING REPAIRS	20,000	1,666.67	8.46
5249	0000	POOL CONTRACT	5,200	433.33	2.20
5250	0000	POOL REPAIRS	7,000	583.33	2.96
5250	1014	POOL SUPPLIES	1,000	83.33	.42
5251	0000	PEST CONTROL	7,000	583.33	2.96
5251	1001	TERMITE	8,000	666.67	3.38
5253	0000	ROOF MAINTENANCE	25,000	2,083.33	10.58
5255	0000	REPAIRS & MAINTENANCE	25,000	2,083.33	10.58
5264	0000	STREET & SIDEWALK	5,000	416.67	2.12
5275	0000	SUPPLIES - JANITORIAL	500	41.67	.21
5299	1008	GATE REPAIR	2,500	208.33	1.06
5299	1051	WATER DAMAGE REPAIR	30,000	2,500.00	12.69
		TOTAL MAINTENANCE EXPENSES	139,600	11,633.33	59.05

LAURELMONT COMMUNITY ASOC.
Fiscal Year End - December, 2014
Annual Budget 197 Units

	<u>ANNUAL AMOUNT</u>	<u>MONTHLY AMOUNT</u>	<u>PER UNIT/ PER MONTH</u>
PROPERTY PROTECTION:			
5363 0000 PROPERTY PROTECTION	6,200	516.67	2.62
TOTAL PROPERTY PROTECTION EX	6,200	516.67	2.62
UTILITIES:			
5419 0000 ELECTRICITY	23,690	1,974.17	10.02
5423 0000 GAS	6,994	582.83	2.96
5495 0000 WATER	35,000	2,916.67	14.81
TOTAL UTILITIES	65,684	5,473.67	27.79
RESERVES:			
6001 0000 RESERVES	413,407	34,450.58	174.88
TOTAL RESERVES	413,407	34,450.58	174.88
TOTAL EXPENSES	874,680	72,890.00	370.00
NET PROFIT (LOSS)	0	.00	.00
	=====	=====	=====

Laurelmont Community Association
Aliso Viejo, California
RDA Owner's Summary

Report Date	August 20, 2013	Parameters:	
Version	013	Inflation	2.00%
Account Number	3222	Annual Contribution Increase	2.00%
Budget Year Beginning	1/ 1/14	Investment Yield	1.00%
Ending	12/31/14	Taxes on Yield	30.00%
Total Units Included	197	Contingency	3.00%
Phase Development	6 of 6	Reserve Fund Balance as of	
		1/ 1/14:	\$2,040,725.00

Project Profile & Introduction

For budgeting purposes, unless otherwise indicated in this report, we have used March 1986 as the basis for aging all the original components examined in this analysis.

RDA Field Inspection: August 13, 2013

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$45,932.34
(\$233.16 per unit per month)	
Average Net Monthly Interest Contribution This Year:	732.30
Net Monthly Allocation to Reserves 1/ 1/14 to 12/31/14:	<u>\$46,664.64</u>
(\$236.88 per unit per month)	

RDA Reserve Management Software
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Laurelmont Community Association
RDA Owner's Summary

REPORT DATE: August 20, 2013
VERSION: 013
ACCOUNT NUMBER: 3222

DESCRIPTION	USE	+/-	REM	CURRENT	FULLY FUNDED	ASSIGNED
	LIFE		LIFE	COST	RESERVES	RESERVES
Streets - Asphalt Overlay, Pepper	20	0	17	52,389	7,858	0
Streets - Asphalt Overlay, Prim	20	0	19	157,275	7,864	0
Streets - Asphalt Overlay, Willow	20	0	18	82,272	8,227	0
Streets - Asphalt Repair, Primrose	4	0	3	13,735	3,434	3,434
Streets - Asphalt Repair, Pepperwood	4	0	1	5,107	3,831	3,831
Streets - Asphalt Repair, Willowood	4	0	2	8,088	4,044	4,044
Streets - Asphalt Slurry Seal, Pepp	4	0	1	3,159	2,369	2,369
Streets - Asphalt Slurry Seal, Prim	4	0	3	8,496	850	850
Streets - Asphalt Slurry Seal, Will	4	0	3	5,003	1,251	1,251
Streets - Concrete, Repairs	1	0	0	10,000	10,000	10,000
*** CATEGORY SUMMARY:				345,525	49,728	25,778
Roofs - Composition Shingle	20	0	5	1,429,494	1,072,121	761,157
Roofs - Flat, 2001	14	+1	2	72,387	62,735	62,735
Roofs - Flat, 2005	14	0	5	14,179	9,115	0
*** CATEGORY SUMMARY:				1,516,060	1,143,971	823,892
Paint - Cabana, Interior	8	+2	3	1,213	846	846
Paint - Stucco, Units	8	+3	4	38,240	24,228	24,228
Paint - Woodwork, Units/Pool Area	4	0	0	465,879	465,879	465,879
Paint - Wrought Iron	4	0	0	3,404	3,404	3,404
Paint - Wrought Iron, Pool	4	0	1	2,810	2,061	2,061
*** CATEGORY SUMMARY:				511,546	496,418	496,418
Wood - Siding, Repairs/Replacement	4	0	0	152,536	152,536	152,536
Wood - Trim, Repairs/Replacement	4	0	0	10,000	10,000	10,000
*** CATEGORY SUMMARY:				162,536	162,536	162,536
Fencing - Vinyl, 2003	30	0	19	591,615	216,926	0
Fencing - Vinyl, 2011	30	0	27	36,688	3,669	0
Fencing - Wrought Iron, Gates	25	+9	6	66,192	54,454	0
Fencing - Wrought Iron, Pool	25	+8	5	17,766	15,061	15,061
Fencing - Wrought Iron, Spa Gate	25	0	22	522	58	0
Walls - Block, Repairs	30	+4	6	6,930	5,701	0
*** CATEGORY SUMMARY:				719,713	295,868	15,061
Lighting - Grounds	22	+9	3	6,952	6,276	6,276
Lighting - Pool Area	20	+11	3	2,224	2,008	2,008
Lighting - Pool Area, 2012	20	0	18	4,375	438	0
Lighting - Street	25	0	8	46,605	31,691	0
*** CATEGORY SUMMARY:				60,156	40,412	8,283
Pool - Filters	12	0	5	3,000	1,750	1,750

Laurelmont Community Association
RDA Owner's Summary

DESCRIPTION	USE	+/-	REM	CURRENT	FULLY	ASSIGNED
	LIFE		LIFE	COST	FUNDED	RESERVES
					RESERVES	RESERVES
Pool - Heater	12	0	5	3,300	1,855	1,855
Pool - Pump/Motor System, 3HP	8	0	3	1,200	750	750
Pool - Replastering & Tile	12	0	12	18,351	0	0
Pool - Spa, Filter	10	0	3	1,500	1,050	1,050
Pool - Spa, Heater	10	0	4	3,300	1,957	1,957
Pool - Spa, Pump/Motor System	8	+3	2	2,600	2,127	2,127
Pool - Spa, Replastering & Tile	10	-3	0	5,461	5,461	5,461
Pool Area - BBQ, Gas Pedestal	10	0	10	2,448	0	0
Pool Area - Ceramic Tile Counter	30	+4	6	1,356	1,116	0
Pool Area - Coping, Pool & Spa	20	0	20	7,745	0	0
Pool Area - Deck Caulking, Pool/Spa	4	0	4	1,100	0	0
Pool Area - Deck, Pavers	20	0	20	14,212	0	0
Pool Area - Furniture, Replace	7	+2	1	5,833	5,147	5,147
Pool Area - Furniture, Umbrellas	7	0	5	2,636	582	582
Pool Area - Key Fob System	8	0	5	1,044	370	370
Pool Area - Pump Room, Re-Plumb	25	0	0	3,227	3,227	3,227
Pool Area - Tables & Benches	12	0	5	5,408	3,155	3,155
Pool Area - Trellis, Wood	25	0	0	6,766	6,766	6,766
*** CATEGORY SUMMARY:				90,488	35,313	34,197
Cabana - Ceramic Tile	30	+4	6	8,014	6,593	0
Cabana - Doors	20	0	13	1,508	528	0
Cabana - Plumbing Fixtures	25	+9	6	4,528	3,725	0
Cabana - Restroom Partitions	15	0	0	1,270	1,270	1,270
Cabana - Water Heater	10	+6	1	1,204	1,129	1,129
*** CATEGORY SUMMARY:				16,524	13,244	2,399
Doors - Utility	20	0	0	50,460	50,460	50,460
*** CATEGORY SUMMARY:				50,460	50,460	50,460
Mailboxes - Pedestal Sets	16	0	11	28,908	8,282	0
Signs - Monument	15	0	14	2,142	86	0
Signs - Traffic	15	0	14	6,324	253	0
*** CATEGORY SUMMARY:				37,374	8,620	0
Irrigation - Backflow Devices	30	+2	4	14,500	12,678	12,678
Irrigation - Controllers, Fair	15	+15	2	17,200	16,047	16,047
Irrigation - Controllers, Good	15	0	4	1,150	840	840
Irrigation - Controllers, New	15	0	14	1,450	97	0
Irrigation - Enclosures	25	0	16	2,250	800	0
*** CATEGORY SUMMARY:				36,550	30,462	29,565
Plumbing Repairs	1	0	0	30,000	30,000	30,000
*** CATEGORY SUMMARY:				30,000	30,000	30,000
Gas Line Repairs	1	0	0	30,000	30,000	30,000

Laurelmont Community Association
RDA Owner's Summary

DESCRIPTION	USE +/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
*** CATEGORY SUMMARY:			30,000	30,000	30,000
Landscape - Tree Trimming	2	0	0	25,000	25,000
*** CATEGORY SUMMARY:			25,000	25,000	25,000
Termite Control - Fumigation	15	0	0	247,698	247,698
*** CATEGORY SUMMARY:			247,698	247,698	247,698
TOTAL ASSET SUMMARY:			3,879,629	2,659,729	1,981,286
CONTINGENCY @ 3.00%:				79,792	59,439
GRAND TOTAL:				2,739,521	2,040,725

Percent Fully Funded: 74%

Laurelmont Community Association
RDA Standard Projections

REPORT DATE: August 20, 2013
 VERSION: 013
 ACCOUNT NUMBER: 3222

Beginning Accumulated Reserves: \$2,040,725

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'14	3,879,629	551,188	8,788	1,041,701	1,559,000	2,124,852	73%
'15	3,957,222	536,763	12,042	89,876	2,017,929	2,506,532	81%
'16	4,036,366	521,991	14,422	203,164	2,351,178	2,786,594	84%
'17	4,117,094	518,311	17,355	117,075	2,769,769	3,171,273	87%
'18	4,199,436	525,589	15,172	849,826	2,460,704	2,804,334	88%
'19	4,283,424	525,662	6,891	1,720,052	1,273,205	1,525,181	83%
'20	4,369,093	531,358	9,146	214,093	1,599,616	1,813,188	88%
'21	4,456,475	539,551	12,183	111,691	2,039,659	2,224,291	92%
'22	4,545,604	545,872	9,657	914,312	1,680,876	1,810,224	93%
'23	4,636,516	556,447	12,912	96,894	2,153,341	2,256,697	95%
'24	4,729,246	568,470	15,998	135,490	2,602,318	2,681,791	97%
'25	4,823,831	580,480	19,008	161,338	3,040,468	3,098,588	98%
'26	4,920,308	587,435	16,230	998,291	2,645,841	2,655,071	100%
'27	5,018,714	599,438	19,735	110,123	3,154,890	3,146,660	100%
'28	5,119,088	605,273	23,023	153,460	3,629,726	3,613,613	100%
'29	5,221,470	610,147	24,124	473,792	3,790,205	3,764,667	101%
'30	5,325,900	617,121	20,840	1,105,098	3,323,068	3,267,012	102%
'31	5,432,418	608,246	23,695	227,362	3,727,647	3,693,314	101%
'32	5,541,066	630,736	26,276	274,702	4,109,957	4,090,403	100%
'33	5,651,887	654,808	22,102	1,262,329	3,524,538	3,470,069	102%
'34	5,764,925	661,758	18,071	1,254,195	2,950,172	2,858,356	103%
'35	5,880,223	650,266	21,921	126,292	3,496,068	3,432,114	102%
'36	5,997,828	679,901	25,549	169,197	4,032,320	3,985,257	101%
'37	6,117,785	687,743	29,410	159,200	4,590,272	4,573,210	100%
'38	6,240,140	728,901	26,112	1,205,635	4,139,650	4,087,047	101%
'39	6,364,943	709,875	13,754	2,506,052	2,357,226	2,238,724	105%
'40	6,492,242	699,557	17,501	185,368	2,888,916	2,805,600	103%
'41	6,622,087	701,877	20,563	282,050	3,329,306	3,296,578	101%
'42	6,754,528	775,840	16,507	1,333,901	2,787,751	2,706,923	103%
'43	6,889,619	741,375	20,594	194,593	3,355,127	3,317,349	101%

NOTE: In some cases, the projected ending reserves may exceed the fully funded reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.

Laurelmont Community Association

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year January 1, 2014 through December 31, 2014

- (1) The regular assessment per ownership interest is \$370.00 per month.
- (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		
	Total:	

- (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**
- (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	
	Total \$

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$2,739,521 based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of August, 2013. The projected reserve fund cash balance at the end of the current fiscal year is \$2,040,725, resulting in reserves being 74 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$N/A. The current deficiency in reserve funding expressed on a per unit basis is \$3,548.
- (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 (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. (See recommendation below)

Year Ending	Projected Reserve Balance (a)	Estimated Amount Required in Reserves (b)	Percent Fully Funded (c)
2014	1,559,000	2,124,852	73%
2015	2,017,929	2,506,532	81%
2016	2,351,178	2,786,594	84%
2017	2,769,769	3,171,273	87%
2018	2,460,704	2,804,334	88%

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (a), leaving the reserve at (b) percent funding. (See approved budget below)

Year Ending	Projected Reserve Balance (a)	Percent Fully Funded (b)
2014	1,420,769	67%
2015	1,763,263	70%
2016	2,002,538	72%
2017	2,338,817	74%
2018	1,948,363	69%

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 1% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2% per year.

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. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which may become subject in connection of this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or any third party.

Laurelmont Community Association

Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year January 1, 2014 through December 31, 2014

- (1) The regular assessment per ownership interest is \$370.00 per month.
- (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		
	Total:	

- (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**
- (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	
	Total \$

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$2,739,521 based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of August, 2013. The projected reserve fund cash balance at the end of the current fiscal year is \$2,040,725, resulting in reserves being 74 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$N/A. The current deficiency in reserve funding expressed on a per unit basis is \$3,548.
- (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 (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. *(See recommendation below)*

Year Ending	Projected Reserve Balance (a)	Estimated Amount Required in Reserves (b)	Percent Fully Funded (c)
2014	1,559,000	2,124,852	73%
2015	2,017,929	2,506,532	81%
2016	2,351,178	2,786,594	84%
2017	2,769,769	3,171,273	87%
2018	2,460,704	2,804,334	88%

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (a), leaving the reserve at (b) percent funding. *(See approved budget below)*

Year Ending	Projected Reserve Balance (a)	Percent Fully Funded (b)
2014	1,420,769	67%
2015	1,763,263	70%
2016	2,002,538	72%
2017	2,338,817	74%
2018	1,948,363	69%

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 1% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2% per year.

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. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which may become subject in connection of this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or any third party.

LAURELMONT COMMUNITY ASSOCIATION
Assessment and Billing Collection Policy

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and *Civil Code Section § 5320*, the following are the Association's assessment practices and policies:

1. ***Assessments are billed monthly and are due and payable on the "first day of the month."*** A courtesy billing statement is sent monthly to the *"billing address on record"* with the Association. **However, it is the Owner of Record's responsibility to pay each assessment in full each month regardless of the receipt of a statement.** 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 special assessment.
2. Assessments, late charges, interest and collection costs, including any attorney 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) & 5660*.
3. Assessments not received within ***fifteen (15) days*** of the stated due date are delinquent and shall be subject to a late charge of ***Ten dollars (\$10.00)*** for each delinquent assessment per unit.
4. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorney's fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
5. A first ***"Notice of Past due Assessment"*** will be prepared and mailed on assessments not received within ***thirty (30) days*** of the stated due date. A ***Twenty-five dollar (\$25.00)*** charge for the late letter will be made against the delinquent member's account. Additionally, an ***Interest charge at the rate of 12% per annum*** will be assessed against any outstanding balance including delinquent assessments, late charges, and cost of collection, which may include attorney fees. Such interest charges shall continue to be assessed each month until the account is brought current.
6. If an assessment is not received within ***forty-five (45) days of the "stated due date"***, the Association will send a ***"Pre-lien" letter*** to the owner as required by *Civil Code Section §§ 5650(a) & 5660*, by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a ***One-hundred dollar (\$100.00) fee for the Pre-lien letter. In addition, the owner will also be charged a Forty dollar (\$40.00) fee for each Title check requested and a Fifty-dollar (\$50.00) fee for a Resolution to Lien.***
7. If an owner fails to pay the amounts set forth in the pre-lien letter within ***thirty (30) days*** of the date of that letter, a ***"Lien"*** for the amount of any delinquent assessments, late charges, interest and/or costs of collection including attorneys' fees may be assessed against the owner's property. The owner will be charged a ***Two Hundred dollar (\$200.00) fee for the preparation and recordation of the Lien.*** After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in

any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure *Civil Code Section §§§§ 5725 (b), 5735(a),(b), 5700(a), 5710(a),(c)*, subject to the limitations set forth below under “Additional Provisions to Conform to Law” and as otherwise provided by law.

8. If the balance due is not paid within *thirty (30) days of recordation of the Lien, the matter may be turned over to an Attorney for ‘legal action’, including an action to “Foreclose” the assessment lien and/or for a money judgment. The owner will be charged three hundred dollars (\$300.00) for preparing the matter to be sent to counsel.*
9. An owner is entitled to inspect the Association’s accounting books and records to verify the amounts owed pursuant to *Corporations Code Section § 8333*.
10. 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, interest, and costs of collection associated with the collection of those assessments.
11. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
12. Nothing herein limits or otherwise affects the Association’s rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.
13. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association.
14. The delinquent owner will be responsible for all costs of collection, including attorneys’ fees, incurred by the Association to collect any delinquent sums *Civil Code Section § 5650(b)*.
15. All charges listed herein are subject to change without notice.
16. If an owner pays under protest, the owner can **at the same time** pursue dispute resolution AND commence an action in small claims court (amount at issue must not exceed jurisdictional monetary limit) *Civil Code Section § 5658*.

Additional Provisions to Conform to Law

Prior to the recording of a lien, homeowners that are delinquent will be sent a “Pre-lien” letter. The pre-lien letter will include an offer by the association to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the pre-lien letter, pursuant to the association’s meet and confer program required by *Civil Code Section § 5900, et seq.*

Prior to recording of a lien, the Board of Directors will approve the recording of the lien in open session at a regular or special board meeting.

The association may not foreclose unless delinquent assessments are greater than \$1,800 or greater than one year in arrears.

Prior to commencing Foreclosure, the association will offer to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such informal dispute resolution, pursuant to the association's meet and confer program required by *Civil Code Section § 5900*, et seq. and will also offer to engage in formal alternative dispute resolution with a neutral third party pursuant to *Civil Code section § 5925*, et seq.

Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in executive session and note the approval in the regular minutes of the association without identification of the name of the individual.

All foreclosures shall be subject to a ninety (90) day right of redemption.

Fee and Penalty Procedures

The following charges may be assessed in accordance with the Association's Assessment and Billing Collection Policy:

Late Charge	\$10.00
Late Letter Fee	\$25.00
Pre-Lien Letter	\$100.00
Additional Pre-Lien Letters	\$50.00 each
Title Check Fee	\$40.00 each
Resolution to Record Lien	\$50.00
Lien Fee	\$200.00
Additional Lien mailings	\$50.00 each
Lien Release	\$100.00
Payment Plan Admin. Fee	\$25.00 monthly
Attorney Package Preparation	\$300.00
Returned Check Fee	\$25.00

In addition to the above, if a matter is sent to counsel for legal action, or to a collection service for foreclosure or other action, the owner will be responsible for any attorneys' fees and costs incurred by such action.

**The mailing address for overnight payment of assessments is:
C/O PCM
23726 Birtcher Dr.
Lake Forest, Ca 92630**

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.

1. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section § 8333.
2. 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, interest and costs of collection associated with collection of those assessments.
3. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also make a written request to meet with the Board in executive session to discuss a payment plan. If the owner requests to meet with the Board to discuss a payment plan within fifteen (15) days of receiving the pre-lien letter, then the Board shall meet with the owner within forty-five days of the postmark on the owner's 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 members to meet with the owner. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
4. An owner is entitled to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10.
5. Prior to initiating foreclosure against the owner's separate interest, the owner is entitled to submit a written request for alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.
6. Statements will be mailed from Management as a courtesy **AND MAY NOT REFLECT** the collection costs, attorneys' fees or other charges, or payments received by the collection service.
7. 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.
8. All charges listed herein are subject to change upon thirty (30) days' prior written notice.
9. The mailing address for payments of assessments by overnight delivery is:

PCM 23726 BIRTCHE DRIVE, LAKE FOREST CA 92630.

Please note that should an account be referred to a (collection service, the collection service will provide the new address for overnight payments.

EXHIBIT "A"

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 Section 5705 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 §§§ §§§ 5600, 5605, 5650, 5660; 5700 and 5705 of the Civil Code)

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. (Sections §§ 5600 and 5650 of the Civil Code)

The association must comply with the requirements of Sections §§§ 5650, 5673, 5675 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 § 5650 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 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 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 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 timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section § 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 to the payment plan standards of the association, if they exist. (Section § 5665 of the Civil Code)*

*Citations to Code Sections are verbatim from Civil Code effective as of 1/1/2014

LAURELMONT COMMUNITY Insurance Disclosure Form

State law requires that community associations disclose to the individual owners the extent of liability coverage carried by the Association. Our Association carries the following coverages:

Property Insurance:

Name of Insurer: Allied	
Policy Limits: \$37,073,100	Amount of Deductible: \$5,000
Date Policy Begins: 03/31/2013	Date Policy Ends: 03/31/2014

General Liability Insurance:

Name of Insurer: ALLIED	
Policy Limits: \$1,000,000	Amount of Deductible: None
Date Policy Begins: 03/01/2013	Date Policy Ends: 03/01/2014

Earthquake and/or Flood Insurance:

Name of Insurer: EQ: Lloyds of London Flood: None	
Policy Limit: EQ: \$5,000,000 Flood:	Amount of Deductible: EQ: 10% Flood:
Date Policy Begins: EQ: 03/31/2013 Flood:	Date Policy Ends: EQ 03/31/2014 Flood:

Fidelity Insurance:

Name of Insurer: Liberty Mutual	
Policy Limits: \$3,000,000	Amount of Deductible: \$10,000
Date Policy Begins: 03/01/2013	Date Policy Ends: 03/01/2014

Individual Liability Policies & Loss Assessment Coverage:

It is very important that you explore your own risks with a knowledgeable insurance agent and purchase coverage to protect you from any liability of an accident occurring in your own unit, the common area and/or any exclusive use common area (such as patios, garages, carports, balconies), and to protect you from any liability or insurance gaps in coverage between the Association's coverage and your own. We strongly recommend that you also inquire about Loss Assessment Coverage. The cost of an endorsement for loss assessment is very minimal and provides protection to individual unit owners for any extraordinary special assessments, such as excess liability over the Association's insurance proceeds or an extraordinary expense incurred by the Association and allocated to the owners, through a special assessment (such as a special assessment to pay for rebuilding costs which exceed insurance proceeds from an earthquake or fire loss). Individual homeowners are encouraged to obtain Loss Assessment Coverage for earthquake damage, particularly in light of policies which are now available by participating insurance carriers which have joined the California Earthquake Authority.

Statutory Disclosure

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (f) of Section 1365 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.

**SUMMARY REQUIRED BY CIVIL CODE SECTION 1363.850 - INTERNAL DISPUTE RESOLUTION
AND
SUMMARY REQUIRED BY CIVIL CODE SECTION 1369.590 (a) -ALTERNATIVE DISPUTE RESOLUTION**

Pursuant to the requirements of California *Civil Code* Section 1363.850, the Association hereby provides you with notice and a summary of the following Internal Dispute Resolution (“IDR”) and Alternative Dispute Resolution (“ADR”) procedures, as stated in California *Civil Code* Section 1363.840 as follows:

INTERNAL DISPUTE RESOLUTION:

Either party to a dispute within the scope of *Civil Code* Section 1363.810-1363.850 may invoke the following procedure:

1. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
2. A member of the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
3. The Association’s board of directors shall designate a member of the board to meet and confer.
4. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
5. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the Association.

An agreement reached under those sections binds the parties and is judicially enforceable if both of the following conditions are satisfied:

1. The agreement is not in conflict with law or the governing documents of the Association.
2. The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

A member of the Association may not be charged a fee to participate in the IDR process.

ALTERNATIVE DISPUTE RESOLUTION:

Under certain circumstances, all California community associations and their individual members are to offer to participate in some form of Alternative Dispute Resolution (“ADR”) prior to initiating certain types of lawsuits pursuant to California *Civil Code* Section 1363.590.

Please be advised that *Civil Code* Sections 1363.840 and 1363.590 could be subject to different interpretations, as the statutory language has not yet been interpreted by any court. Each homeowner should consult with his/her own attorney regarding appropriate compliance with the statute.

I. SCOPE OF STATUTE:

Civil Code Section 1369.510 (a) defines “Alternative Dispute Resolution” as mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of ADR chosen may be binding or non-binding with the voluntary consent of the parties. *Civil Code* Section 1369.510 (b) defines “Enforcement Action” as a civil action or proceeding, other than a cross-complaint, filed by either individual homeowners or community associations, for any of the following purposes:

- A. Enforcement of the Davis-Stirling Common Interest Development Act, *Civil Code* Section 1350, *et seq.*
- B. Enforcement of the California Nonprofit Mutual Benefit Corporation Law (commencing with Section 7110 of the *Corporations Code*).
- C. Enforcement of the governing documents of the common interest development.

The Association or an owner or member of the Association may not file an Enforcement Action in the superior court unless the parties have endeavored to submit their dispute to ADR pursuant to Civil Code Section 1369.510.

Civil Code Section 1369.510 only applies to an Enforcement Action that is solely for declaratory relief, injunctive relief, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of five thousand dollars (\$5,000). This section does not apply to a small claims action and except as otherwise provided by law, this section does not apply to an assessment dispute.

II. COMPLIANCE PROCEDURES:

The ADR process is initiated by one party serving all other parties with a “Request for Resolution,” which shall include all of the following:

- A. A brief description of the dispute between the parties.
- B. A request for alternative dispute resolution.
- C. 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.
- D. If the party on whom the request is served is the owner of a separate interest, a copy of *Civil Code* Sections 1369.510-1369.590.

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.

The party on whom a Request for Resolution is served has 30 days following service to accept or reject the Request. If the party does not accept the Request within that period, the Request is deemed rejected by that party. If the party, on whom a Request for Resolution is served, accepts the Request, the parties shall complete the ADR within 90 days after the party initiating the Request received the acceptance, unless this time period is extended by written stipulation signed by both parties. The costs of the Alternative Dispute Resolution shall be borne by the parties.

Statements, negotiations and documents made or created at, or in connection with, ADR (except for arbitration) are confidential.

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 *Civil Code* Section 1369.530 for response to a Request for Resolution.
- B. If the Request for Resolution is accepted, the period provided by *Civil Code* Section 1369.540 for completion of ADR, including any extension of time stipulated to by the parties pursuant to Section 1369.540.

Pursuant to *Civil Code* Section 1369.560 (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 is satisfied:

- A. ADR has been completed in compliance with this *Civil Code* Section 1369.510, *et seq.*
- B. One of the other parties to the dispute did not accept the terms offered for ADR.
- C. Preliminary or temporary injunctive relief is necessary.

Failure to file a certificate pursuant to *Civil Code* Section 1369.560 (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.

Civil Code Section 1369.570 (a) provides that after an Enforcement Action is commenced, on written stipulation of the parties, the matter may be referred to ADR. 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*.

III. FAILURE TO PARTICIPATE IN SOME FORM OF ADR:

In an Enforcement Action, in which fees and costs may be awarded pursuant to *Civil Code* Section 1354(c), the court, in determining the amount of an award of attorneys fees and costs, may consider whether a party's refusal to participate in ADR before commencement of the action was reasonable.

In accordance with California *Civil Code* Section 1369.590, the Board of Directors of the Association hereby advises you of the following:

Failure by a member of the Association to comply with the alternative dispute resolution requirements of Section 1369.520 of the *Civil Code* may result in the loss of your right to sue the Association or another member of the Association regarding enforcement of the governing documents of the applicable law.

IV. NO EFFECT ON VOLUNTARY PARTICIPATION IN ADR:

The parties may still agree, in writing, to refer any dispute involving enforcement of the Association's Governing Documents, California *Corporations Code* Section 7110, *et seq.*, or the Davis-Stirling Common Interest Development Act, *Civil Code* Section 1350, *et seq.* to some form of IDR/ADR, even in those disputes which may be technically outside of the IDR/ADR statutes.

Architectural Violations

In the case of **Homeowners** who have installed exterior improvements (e.g., windows, solar panels, patio covers, hardscape, landscape, satellite, etc.) without having first submitted plans for **Architectural Review Committee Approval**, the first notice will be sent at the first sighting of the violation requiring that any unapproved work cease and desist, and will request that plans be submitted within 30 days of the date of the notice. Depending on the severity or potential damage resulting from the unauthorized installation, the Board may require the installation to be immediately removed at owner's expense. If the plans are not received within the time frame, the **Homeowner** will receive a second notice asking that they attend a hearing. If the **Homeowner** still fails to submit plans by the hearing date or fails to attend the hearing, the **Homeowner's** account may be fined in accordance with the Fine Schedule and/or be directed to remove the improvement/installation.

In the case of improvements installed without prior written approval, the Board of Directors may, at its discretion, accept photographs of the improvements for review and decision in lieu of plans and specifications. The **Homeowner's** account may be fined in accordance with the Fine Schedule. If the violation continues past the hearing and first fine stage, additional hearings will be scheduled with the **Homeowner** and the fines may be doubled with each hearing. Any fine not paid may result in legal action in accordance with California law.

The Board may determine to use alternative dispute resolution, commence legal action or cause correction of the violation to effect a cure and the **Homeowner** may be responsible for legal fees and/or reimbursement of costs to the **Association**. Alternative dispute resolution or legal action may be commenced without issuance of a warning letter or a hearing letter depending upon the circumstances and severity of the violation.

Special Assessment Violations

Should a violation occur that imposes financial obligation of the **Association**, then the party responsible for the violation shall incur a Special Assessment to reimburse the **Association** for the financial obligation.

Delinquency

As members of the association, all members are required to make monthly payments to the association by the due date as set forth in the Assessment and Billing Collection Policy which is mailed to all members each year as part of the budget package.

Please refer to the duly adopted Assessment and Collection Policy which is published each year with the operating budget for further information on assessment payments and delinquent account facilitation.

LAURELMONT COMMUNITY ASSOCIATION
REQUEST FOR ARCHITECTURAL APPROVAL

Homeowner Name: _____ Date: _____

Address: _____

Home Phone No.: _____ Work Phone No.: _____

Description of Improvement: _____

BY SUBMITTING THIS REQUEST, HOMEOWNER WARRANTS THAT HOMEOWNER HAS AND WILL COMPLY WITH ALL REQUIRED LAWS AND REGULATIONS INCLUDING BUT NOT LIMITED TO OBTAINING BUILDING PERMITS AND INSURANCE AS RELATED TO THE ABOVE IMPROVEMENT. ARCHITECTURAL APPROVAL IS NOT INTENDED TO BE, NOR SHALL IT BE CONSIDERED TO BE, A SUBSTITUTE FOR CITY APPROVAL.

FURTHERMORE, HOMEOWNER INDEMNIFIES AND HOLDS THE LAURELMONT COMMUNITY ASSOCIATION AND ITS AGENTS HARMLESS FROM ALL CLAIMS AND LITIGATION RESULTING FROM CONSTRUCTION, INSTALLATION, MAINTENANCE OR USE OF THE ABOVE DESCRIBED IMPROVEMENT. HOMEOWNER WILL BE RESPONSIBLE FOR THE FUTURE MAINTENANCE AND REPAIR OF, AND FOR ALL DAMAGES (INCIDENTAL OR OTHERWISE) RESULTING FROM, ANY CLAIMS OR LITIGATION RELATED TO THE ABOVE IMPROVEMENT.

NO CONSTRUCTION WILL BEGIN UNTIL THE WRITTEN APPROVAL OF THE ASSOCIATION HAS BEEN RECEIVED PURSUANT TO THE ASSOCIATION'S CC&R'S. ALL CONSTRUCTION WILL BE IN COMPLIANCE WITH THE APPROVED PLAN.

Print Owner's Name

Owner's Signature

Date

Attachments:

_____ 3 copies of Architectural diagram (e.g. project details, photos or brochures of proposed products, dimensions of property line, grading & drainage).

_____ 3 copies of this form completed by homeowner.

Neighbor Awareness: The neighbors' approval is not a condition for your plans being approved by the Architectural Review Committee. The intent is to advise the adjacent neighbors of the proposed improvement.

Neighbor's Address

Neighbor's Signature

Neighbor's Address

Neighbor's Signature

Neighbor's Address

Neighbor's Signature

To be completed by Architectural Control Committee

Approved: _____ Conditions: _____

Denied: _____ Explanation: _____

By: Architectural Committee Member: _____