

LAURELMONT COMMUNITY ASSOCIATION

DATE: November 18, 2020

TO: THE MEMBERSHIP – LAURELMONT COMMUNITY ASSOCIATION

FROM: THE BOARD OF DIRECTORS

RE: ANNUAL POLICY STATEMENT & BUDGET FOR FISCAL YEAR BEGINNING
JANUARY 1, 2021

In compliance with California Civil Code, attached is the Laurelmont Community Association budget for the fiscal year beginning January 1, 2021. 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 \$22.85 increase in monthly dues from \$457.00 per month to \$479.85 per month to adequately cover the rising operating costs, and to fund the reserve accounts for future repairs and replacements. 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 of the reserve program. Effective January 1, 2021, your new assessment rate will be \$479.85 per month.

Please find the following items as required by state law and your Association's governing documents:

- FHA Certification Mandatory Disclosure Statement
- VA Certification Mandatory Disclosure Statement
- Civil Code § 5300(b) (12) Disclosure
- 2021 Fiscal Year Budget
- Summary Pages of the Reserve Study
- Reserve Assessment and Funding Disclosure Summary
- 5-year Reserve Plan
- Association's current Assessment and Billing Collection Policy
- Notice of Assessments and Foreclosure Policy
- Alternative Dispute Resolution
- Internal Dispute Resolution Procedure
- Architectural Submittal and Appeal Process
- Discipline Policy
- Fine Schedule
- Summary of the Association's Insurance Coverage

LAURELMONT COMMUNITY ASSOCIATION

To assist with the preparation of the budget, the Association retained the services of a professional reserve analyst to review the funding program for the Association and 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. The board has determined that the Association's reserves will be funded in the upcoming fiscal year via regular assessments.

According to the reserve analyst, the Association is currently 81.67% funded to the ideal funding amount. As of the most recent financial statement for the current fiscal year, the Association has \$3,190,385.55 in reserve funds and anticipates that the amount will increase to \$3,306,935.00 at the end of this fiscal year. **If the Association was required to replace all major components at once the cost to do so would be \$4,049,375.34, and the Association is 81.67% funded toward that total cost.** California Civil Code requires this amount to be disclosed to you in boldface type with this budget.

Civil Code also requires the board to disclose any reserve components that have not been completed in accordance with last year's reserve analyst recommendations. The following major components were identified to be repaired or replaced, but the Association did not do so for reasons noted:

<i>Component</i>	<i>Reason for Deferral of Repairs</i>
N/A	N/A

ADDITIONAL DISCLOSURES:

All owners have a right to obtain a copy of minutes of the Regular General Session Board of Directors meetings. Any requests for such meeting minutes must be made in writing to the Laurelmont Community Association c/o Associa PCM, 27051 Towne Centre Drive, Suite 200, Foothill Ranch, CA 92610 and a distribution fee will be charged. Copies of Board meeting minutes are available upon request throughout the year and are available for review on the Association's website at www.townsg.io.

Owners may 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.

Official communication to the Association from any member should be sent to:

Laurelmont Community Association
c/o Associa PCM, 27051 Towne Centre Drive; Suite 200
Foothill Ranch, CA 92610

LAURELMONT COMMUNITY ASSOCIATION

Civil Code allows General Notices to the membership to be posted in a prominent location that has been designated by the Association and that is accessible to all members. As such, please be advised that the Association has designated the bulletin board in the pool area as the location for posting of General Notices.

Please be advised that the Association has also designated it's the bulletin board in the pool area for the location where Pesticide Notifications will be posted for the Association. Please note the posting location is subject to change.

Thank you for your continued support of the Association. If you should have any questions regarding the enclosed information, please contact your Community Manager at Associa PCM 800-369-7260. Thank you.

** Please note that Neither the board, nor management, are reserve study experts and must rely on third parties for information related to reserve funding and these disclosures.*

The Association has an outstanding loan with an original term of more than one year. The payee of the loan is Pacific Premier Bank, the interest rate is 5.58%, the amount outstanding is \$901,167.35, the annual payment is \$150,099.85, and the loan is scheduled to be retired on January 2028.

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FHA Certification Mandatory Disclosure Statement

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is is not (circle one)] a condominium project. As of November 18, 2020, the association of this common interest development [is is not (circle one)] certified by the Federal Housing Administration.

Current status can be checked at <https://entp.hud.gov/idapp/html/condlook.cfm>

California Civil Code requires this be provided to the membership each year and must be on a separate piece of paper.

LAURELMONT COMMUNITY ASSOCIATION

VA Certification Mandatory Disclosure Statement

Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not (circle one)] a condominium project. As of November 18, 2020, the association of this common interest development [is not (circle one)] certified by the federal Department of Veterans Affairs.

Current status can be checked at:

<https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>

California Civil Code requires this be provided to the membership each year and must be on a separate piece of paper.

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Civil Code § 5300(b)(12) Disclosure

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents but shall not be required to purchase ALL of the documents listed on this form.

Property Address:

Owner of Property:

Owner's Mailing Address (If known or different from property address.):

Provider of the Section 4525 Items:

Print Name _____ Position or Title _____ Association or Agent

Date Form Completed:

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section Included	Fee for Document	Not Available (N/A), Not Applicable (N/App), or Directly Provided (DP) by Seller and confirmed in writing by Seller as a current document
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	10.00	
CC&Rs	Section 4525(a)(1)	15.00	
Bylaws	Section 4525(a)(1)	15.00	
Operating Rules	Section 4525(a)(1)	15.00	
Age restrictions, if any	Section 4525(a)(2)	8.00	
Rental restrictions, if any	Section 4525(a)(9)	8.00	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	25.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	20.00	
Financial statement review	Sections 5305 and 4525(a)(3)	25.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	10.00	
Insurance summary	Sections 5300 and 4525(a)(3)	10.00	
Required statement of fees	Section 4525	80.00	
Regular assessment	Section 4525(a)(4)		Included w/required statement of fees
Emergency assessment	Section 4525(a)(4)		Included w/required statement of fees
Special assessment	Section 4525(a)(4)		Included w/required statement of fees
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)		Included w/required statement of fees
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	25.00	

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Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	8.00	
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	8.00	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	8.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	35.00	
Total fees for these documents	Section 4525	325.00	
* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.			

Budget Summary Report
Laurelmont Community Association
Dept: 424 - Laurelmont Community Assoc.
2021 Approved Budget

	2021 Budget
Assessment Income	
4000 - Residential Assessments	1,134,365.40
Total Assessment Income	1,134,365.40
User Fee Income	
4225 - Key Fees	0.00
Total User Fee Income	0.00
Collections Income	
4700 - Collection Processing Fees	0.00
4710 - Late Fees & Interest	0.00
Total Collections Income	0.00
Other Income	
4810 - Compliance Fines	0.00
Total Other Income	0.00
Investment Income	
4910 - Interest Earned - Reserve Accounts	0.00
Total Investment Income	0.00
Total Laurelmont Community Assoc. Income	1,134,365.40
Administrative	
5010 - Bad Debt	2,800.00
5060 - Interest Incurred - Repipe Project	50,000.00
5105 - Reserve Studies	1,275.00
5195 - Other Administrative Services	5,000.00
Total Administrative	59,075.00
Communications	
5210 - Printing & Copying	10,000.00
5215 - Postage	300.00
Total Communications	10,300.00
Insurance	
5400 - Insurance Premiums	47,775.00
5425 - Earthquake Insurance Premiums	14,700.00
Total Insurance	62,475.00
Utilities	
6000 - Electric Service	18,000.00
6005 - Gas Service	6,500.00
6025 - Water Service	37,183.00
Total Utilities	61,683.00
Landscaping	
6100 - Grounds & Landscaping - Contract	149,644.80
6110 - Landscape Repair & Maintenance	5,000.00
6160 - Tree Maintenance	16,965.00
6199 - Landscape Other	5,379.35
6200 - Irrigation Repair & Maintenance	5,000.00
6310 - Backflow Device Inspection	500.00
Total Landscaping	182,489.15

Budget Summary Report
Laurelmont Community Association
Dept: 424 - Laurelmont Community Assoc.
2021 Approved Budget

	2021 Budget
Property Protection	
6440 - Property Protection	8,616.48
Total Property Protection	8,616.48
Operations	
6300 - Permits & Licenses	600.00
Total Operations	600.00
Contracted Services	
6430 - Janitorial Services	5,360.00
6434 - Pest Control	10,680.00
6438 - Pool Management	6,900.00
6495 - Street Sweeping Services	0.00
Total Contracted Services	22,940.00
Repair & Maintenance	
6515 - Building Repair & Maintenance	10,000.00
6530 - Common Areas - Repipe project	100,099.85
6545 - Electrical Supplies/Repair & Maintenance	2,822.00
6595 - Gate & Monument Repair & Maintenance	5,500.00
6600 - General Repair & Maintenance	15,000.00
6635 - Janitorial Supplies & Maintenance	1,500.00
6695 - Plumbing Supplies/Repair & Maintenance	20,276.92
6700 - Pool Supplies/Repair & Maintenance	6,500.00
6702 - Pool Chemicals	1,000.00
6725 - Roof Repair & Maintenance	33,048.00
6795 - Other Supplies/Repair & Maintenance	10,000.00
Total Repair & Maintenance	205,746.77
Professional Services	
7000 - Audit & Tax Services	1,200.00
7030 - Legal Services - General Counsel	6,000.00
7040 - Management Fees	33,240.00
7095 - Other Professional Services	0.00
Total Professional Services	40,440.00
Reserves	
9105 - Reserve Contribution Expense	480,000.00
Total Reserves	480,000.00
Total Laurelmont Community Assoc. Expense	1,134,365.40
Total Laurelmont Community Assoc. Net Income / (Loss)	(0.00)

Budget Summary Report
Laurelmont Community Association
Dept: RESERVE - Reserves
2021 Approved Budget

	2021 Budget
Investment Income	
4905 - Reserve Contribution Income	480,000.00
4910 - Interest Earned - Reserve Accounts	0.00
Total Investment Income	480,000.00
Total Reserves Income	480,000.00
Reserves	
9834 - Contingency Reserve	13,980.60
9844 - Doors Reserve	35,632.08
9852 - Fences, Gates & Walls Reserve	94,725.60
9868 - Gas Lines Reserve	18,537.00
9884 - Irrigation Reserve	4,510.68
9886 - Landscape Reserve	7,771.80
9892 - Lighting Reserve	3,374.64
9902 - Mailbox Reserve	3,575.16
9914 - Painting Reserve	49,675.20
9918 - Pest Control Reserve	11,212.56
9920 - Plumbing Reserve	18,537.00
9924 - Pools & Spas Reserve	17,730.48
9936 - Roof Reserve	123,779.64
9944 - Siding/Wood Replacement Reserve	22,249.20
9946 - Signs Reserve	891.24
9952 - Street Reserve	53,817.12
Total Reserves	480,000.00
Total Reserves Expense	480,000.00
Total Reserves Net Income / (Loss)	(0.00)
Total Association Net Income / (Loss)	(0.00)

Laurelmont Community Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending December 31, 2021
 ("Disclosure Summary")
The notes at the end of this Disclosure Summary should
be read in conjunction with the information provided.

- (1) The regular assessment for the 2021 fiscal year per ownership interest is **\$479.85** 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 association's Board of Directors (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, dated November 17, 2020, 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 X No _____

(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 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. However, the following major assets are excluded from the reserve study calculations for the following reasons:

Major asset:	Reason this major asset was not included:
Street lights	Maintained by another entity

Laurelmont Community Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending December 31, 2021
("Disclosure Summary")

(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 **\$4,049,375**, based in whole or in part on the last reserve study or update prepared by Advanced Reserve Solutions, Inc. as of January 1, 2021. The projected reserve fund cash balance at the end of the current fiscal year is **\$3,306,935**, resulting in reserves being **81%** funded at this date. The current deficiency in the reserve fund represents **\$3,768.73** per ownership interest.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, a reserve funding plan has been developed – see the attached projections. The assumed long-term before-tax interest rate earned on reserve funds is **1.75%** per year and the assumed long-term inflation rate applied to major component repair and replacement costs is **2.5%** per year. Full reserve study available upon request.

NOTES:

(A) The financial representations set forth in this summary are based on the best estimates of the preparer and the Board at that time. The estimates are subject to change. (B) For the purposes of understanding this Disclosure Summary: (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement. (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in the study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary. (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided. (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as 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. This shall not be construed to require the Board to fund reserves in accordance with this calculation. (5) Based on reserve studies or the occurrence of one or more unanticipated events, the Board could increase regular assessments and/or levy special assessments, consistent with the provisions of the CC&Rs and applicable law, to fund additional reserves as it deems necessary. For example, the information contained in this Disclosure Summary includes (i) estimates of replacement value and life expectancies of the components and (ii) assumptions regarding future events. Estimates are projections of a future event based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from this report and summary and the variation may be significant. Additionally, inflation and other economic events may impact this report and summary, particularly over an extended period of time (such as thirty (30) years) and those events could have a significant and negative impact on the accuracy of this Disclosure Summary and, further, the funds available to meet the association's obligation for repair and/or replacement of major components during their estimated useful life.

Laurelmont Community Association

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	3223
Version Number	2
Analysis Date	11/17/2020
Fiscal Year	1/1/2021 to 12/31/2021
Number of Units	197
Phasing	6 of 6

Global Parameters:

Inflation Rate	2.50 %
Annual Contribution Increase	2.50 %
Investment Rate	1.75 %
Taxes on Investments	30.00 %
Contingency	3.00 %

Community Profile:

This community consists of 197 single family homess with private roadways, pool area and landscaped areas.

For budgeting purposes, unless otherwise indicated, we have used March 1986 as the placed-in-service date for aging the original components included in this analysis.

ARS site visit: None.

Adequacy of Reserves as of January 1, 2021:

Anticipated Reserve Balance	\$3,306,935.00
Fully Funded Reserve Balance	\$4,049,375.34
Percent Funded	81.67%

Recommended Funding for the 2021 Fiscal Year:	Annual	Monthly	Per Unit
			Per Month
Member Contribution	\$480,000	\$40,000.00	\$203.05
Interest Contribution	\$36,737	\$3,061.40	\$15.54
Total Contribution	\$516,737	\$43,061.40	\$218.59

Laurelmont Community Association

Membership Disclosure Summary

Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
010 Streets	\$398,923	\$32,515	1-12	3-20
020 Roofing	\$2,766,087	\$2,432,652	3	19-25
030 Painting	\$388,403	\$360,333	0-5	4-11
040 Fencing, Gates & Walls	\$835,851	\$7,054	5-20	25-50
050 Lighting	\$13,850	\$9,051	5-15	20-40
060 Pool Area	\$138,203	\$59,483	0-23	4-40
070 Grounds	\$43,389	\$22,985	6-7	15-18
080 Landscape	\$23,068	\$11,720	2-9	15-37
090 Miscellaenous	\$448,768	\$274,824	0-9	1-34
Contingency	n.a.	\$96,318	n.a.	n.a.
Total	\$5,056,541	\$3,306,935	0-23	1-50

Laurelmont Community Association

Projections

Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2021	\$3,306,935	\$480,000	\$36,737	\$544,326	\$3,279,345	\$3,935,093	83%
2022	\$3,279,345	\$463,300	\$42,093	\$74,298	\$3,710,441	\$4,346,654	85%
2023	\$3,710,441	\$474,883	\$47,236	\$93,240	\$4,139,319	\$4,758,926	87%
2024	\$4,139,319	\$486,755	\$15,323	\$3,118,109	\$1,523,288	\$2,036,681	75%
2025	\$1,523,288	\$498,923	\$20,664	\$74,086	\$1,968,789	\$2,471,375	80%
2026	\$1,968,789	\$511,397	\$16,646	\$851,420	\$1,645,411	\$2,110,689	78%
2027	\$1,645,411	\$524,181	\$21,860	\$110,645	\$2,080,808	\$2,534,893	82%
2028	\$2,080,808	\$537,286	\$26,757	\$154,493	\$2,490,357	\$2,935,592	85%
2029	\$2,490,357	\$550,718	\$32,774	\$81,777	\$2,992,073	\$3,435,589	87%
2030	\$2,992,073	\$564,486	\$36,376	\$297,388	\$3,295,547	\$3,732,644	88%
2031	\$3,295,547	\$578,598	\$33,603	\$832,450	\$3,075,298	\$3,485,360	88%
2032	\$3,075,298	\$593,063	\$37,752	\$281,986	\$3,424,127	\$3,826,504	89%
2033	\$3,424,127	\$607,890	\$29,719	\$1,289,717	\$2,772,018	\$3,126,057	89%
2034	\$2,772,018	\$623,087	\$35,841	\$147,549	\$3,283,397	\$3,628,080	90%
2035	\$3,283,397	\$638,664	\$42,835	\$98,332	\$3,866,565	\$4,209,107	92%
2036	\$3,866,565	\$654,631	\$37,505	\$1,121,478	\$3,437,222	\$3,742,236	92%
2037	\$3,437,222	\$670,997	\$44,896	\$99,637	\$4,053,477	\$4,357,800	93%
2038	\$4,053,477	\$687,771	\$50,115	\$299,911	\$4,491,453	\$4,792,994	94%
2039	\$4,491,453	\$704,966	\$58,038	\$102,629	\$5,151,827	\$5,463,420	94%
2040	\$5,151,827	\$722,590	\$64,761	\$225,251	\$5,713,928	\$6,037,611	95%
2041	\$5,713,928	\$740,655	\$61,777	\$1,037,884	\$5,478,475	\$5,785,104	95%
2042	\$5,478,475	\$759,171	\$70,292	\$119,709	\$6,188,229	\$6,512,956	95%
2043	\$6,188,229	\$778,150	\$79,018	\$129,746	\$6,915,652	\$7,266,147	95%
2044	\$6,915,652	\$797,604	\$28,888	\$4,935,432	\$2,806,712	\$2,982,749	94%
2045	\$2,806,712	\$817,544	\$33,187	\$486,601	\$3,170,842	\$3,307,757	96%
2046	\$3,170,842	\$837,983	\$28,066	\$1,275,827	\$2,761,064	\$2,826,770	98%
2047	\$2,761,064	\$858,932	\$36,922	\$156,718	\$3,500,200	\$3,534,839	99%
2048	\$3,500,200	\$880,406	\$45,219	\$232,158	\$4,193,666	\$4,201,035	100%
2049	\$4,193,666	\$902,416	\$55,095	\$134,001	\$5,017,176	\$5,008,089	100%
2050	\$5,017,176	\$924,976	\$64,528	\$202,073	\$5,804,608	\$5,784,539	100%

NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Laurelmont
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 herein 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 California Civil Code, 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 each 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(s) of the property at the time the assessment or other sums are levied, per Civil Code Sections 5650(a) & 5660.pas
3. Assessments not received within 15 days of the stated due date are delinquent and shall be subject to a late charge of ten dollars (\$10.00) or ten percent (10%) whichever is greater for each delinquent assessment per unit. 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.
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(s) and the Association enter into an agreement providing for payments to be applied in a different manner.
5. 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(s) as required by Civil Code Sections 5650(a) & 5660, by certified and first-class mail, to the mailing address of record advising of the delinquent status of the account and impending collection action. The owner(s) will be charged a one hundred dollars (\$100.00) fee for the pre-lien letter. Additional pre-lien letters, if needed, will result in a fifty-dollar (\$50.00) fee. In addition, the owner(s) will also be charged a fifty dollars (\$50.00) fee for each title check necessary to process the delinquency and a fifty dollars (\$50.00) fee for a Resolution to Lien action taken by the Board of Directors.
6. If any owner(s) fail(s) 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 property. The owner(s) will be charged three hundred forty-five dollars (\$345.00) 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 as noted in Civil Code Sections 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.

7. 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(s) will be charged three hundred dollars (\$300.00) for preparing the matter to be sent to counsel.
8. Any owner(s) who reach the lien stage may be subject to the violation hearing process wherein membership rights including, but not limited to, common area access, voting, and/or facility use privileges may be revoked.
9. Any owner(s) who rents the property in question to a third party may be subject to the "assignment of rents" process through the judicial system wherein the Association collects the rents until the debt is repaid.
10. If there is a failure to bring the account current within the parameters specified in California Civil Code, the Board of Directors may resolve to foreclose on the property via the judicial or non-judicial foreclosure process. The fee to process a foreclosure package is two hundred seventy-five dollars (\$275.00), not including attorney fees, court costs, or other ancillary fees.
11. All owners are entitled to inspect the Association's accounting books and records to verify the amounts owed on their property pursuant to Corporations Code Section 8333.
12. In the event it is determined that the owner(s) paid the assessments on time, the owner(s) will not be liable to pay the charges, interest, and costs of collection associated with the collection of those assessments.
13. Owner(s) unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. Owner(s) 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. If the Board agrees to accept a payment plan, a \$25.00 per month fee will be charged to the owner(s) to administer and monitor the payment plan.
14. 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.
15. 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. The fee to execute a lien release is \$100.00.
16. The delinquent owner(s) 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).

17. All charges listed herein are subject to change without notice.
18. 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), per Civil Code Section 5658.

Additional Provisions to Conform to Law

Prior to the recording of a lien, owners that are delinquent will be sent a "pre-lien" letter. The pre-lien letter will include an offer by the association to engage in internal 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 general 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 internal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such internal 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 following general minutes of the Association using the assessor's parcel number.

All completed 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
Notice of Past Due Assessment & Support	N/A
Pre-Lien Letter	\$100.00
Additional Pre-Lien Letters	\$50.00 each
Title Check Fee	\$50.00 each
Resolution to Record Lien	\$50.00
Lien Fee	\$270.00
California Government Code §27388.1 State Mandated Recording Fee	\$75.00
Additional Lien mailings	\$50.00 each
Lien Release	\$100.00
Payment Plan Admin. Fee	\$25.00 monthly
Attorney Package Preparation & Monthly Monitoring	\$300.00
Returned Check Fee	\$25.00
Foreclosure Processing Fee	\$275.00

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(s) will be responsible for any attorneys' fees and costs incurred by such action.

The mailing address for overnight payment of assessments is:
Pro Branch Delinquency Department
27051 Towne Centre Drive, Suite 200
Foothill Ranch, CA 92610

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. All owners are entitled to inspect the Association's accounting books and records to verify their amounts owed pursuant to Corporations Code Section 8333.
2. In the event it is determined that an 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:

Pro Branch Delinquency Department
27051 TOWNE CENTRE DRIVE, SUITE 200
FOOTHILL RANCH, CA 92610

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

"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.

INTERNAL DISPUTE RESOLUTION [CIVIL CODE § 5915]

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.

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.

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

ALTERNATIVE DISPUTE RESOLUTION PREREQUISITE TO CIVIL ACTION [5925 - 5965]

5925. As used in this article:

- (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial 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.

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
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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
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To be completed by Architectural Control Committee

Approved: _____ Conditions: _____

Denied: _____ Explanation: _____

By: Architectural Committee Member: _____

Laurelmont Community Association

Homeowner Handbook

Rules & Regulations

July 1995

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GENERAL POLICY STATEMENT

Dear Homeowner:

WELCOME TO LAURELMONT COMMUNITY ASSOCIATION.

To assist you in acclimating yourself to townhome living and in understanding what your community responsibilities are, the following information is provided:

The Association CC&R's (Covenants, Conditions and Restrictions) are the basic rules for community living. The CC&R's are developed by experienced professionals in the field, carefully examined and approved by the California Department of Real Estate. The CC&R's for the Laurelmont Community are designed for the protection, maintenance and improvement of the Laurelmont Community property. The Rules and Regulations for Laurelmont are based upon the CC&R's which remain the primary governing document for the community and association property.

BOARD OF DIRECTORS: The members of the Laurelmont Community Association elect annually a Board of Directors composed of five persons. It is the responsibility of the Board to govern the affairs and business of the Association in accordance with the CC&R's, establish and enforce rules and regulations as deemed necessary.

MANAGEMENT COMPANY: The Board of Directors will select a property management company to act as agent and to perform duties and services as contracted and authorized by the Board of Directors, on behalf of the Association. One function of the property management company is to interface with the community homeowners (members of the Association). The homeowner should contact the property management company primarily to inform them of maintenance problems or concerns (see Section I, Subsections D, & E), inquiries concerning assessment billings (see Section VIII), or if a problem arises. The property management company will respond to any questions or concerns expressed by the homeowner.

ASSOCIATION MAINTENANCE RESPONSIBILITIES: The Association is responsible for painting, maintaining, repairing and replacing, if necessary, common area property within the community. Common area property is defined as landscaping, streets, exterior lights (excludes individual unit porch lights), building exteriors, and walkways. All maintenance is under the supervision of the property management company.

ARCHITECTURAL COMMITTEE: Any homeowner contemplating making any improvement, alteration or addition to the occupied unit requires submission in writing, on the required form, to the property management company plans for any improvement, alteration or addition. The property management company will submit the written form and plans to the board appointed Architectural Committee for its review and approval. Work cannot be commenced until the homeowner making the request has received written approval. (see Section VI).

ASSOCIATION ASSESSMENTS: The Association Assessments are due and payable the first of each month. Any assessment not paid and/or received by the

property management company by the tenth calendar day of the month will be assessed a delinquent charge plus interest. The property management company as a courtesy will mail invoices monthly but are not required to do so. If you change your mailing address different from your Laurelmont address, notify the property management company immediately and avoid any potential complications and delinquency charges. (See Section VII, and Section VIII).

INSURANCE: Information regarding the Association's Master Blanket policy may be obtained from the property management company. The Association Master Blanket policy **DOES NOT PROVIDE COVERAGE FOR PERSONAL PROPERTY OR PERSONAL LIABILITY OF THE INDIVIDUAL HOMEOWNER/UNIT.** Homeowners need to protect furnishings, clothing, additions/upgrades to premises by purchasing a condominium homeowner's policy, including protection against homeowner premises liability.

TRASH REMOVAL: Trash removal is not provided by the Association. It is the responsibility of the individual homeowner. Trash containers must be placed in front of the homeowner unit for pickup. Storage of trash must be inside and out of sight of neighbors until scheduled pickup. Trash may not be put curbside until evening preceding schedule pickup and all trash containers must be removed from curbside no later than the evening of pickup. Refer to schedule of pickup provided by trash disposal company.

When using the recycling containers, avoid newspapers from flying from bins by placing bin on bottom of bins at curbside. Don't overstack the glass bin to avoid glass breakage prior to or during pickup. (see Section I, A.).

Please remember cooperation with your Association's Board of Directors and your neighbors, and prompt communication with the designated property management company regarding any problems or concerns will make living at Laurelmont a more enjoyable experience.

We hope you will become an active participant in your Association and look forward to meeting and working with you.

Sincerely,
BOARD OF DIRECTORS
LAURELMONT COMMUNITY ASSOCIATION

I. GENERAL INFORMATION:

The following information is provided as a condensed version of the CC&R's and other rules adopted by the Board of Directors from the Laurelmont Community from time to time. Refer to the master CC&R document if you have any specific questions, or contact the property management company.

A. BOARD OF DIRECTOR MEETINGS:

The Board of Directors meetings are held the 3rd Monday of each month with exceptions as required for national/state holidays, as noticed. The location and time for the meetings will be posted on the Community Bulletin Board and/or noticed to homeowners on assessment billing statements.

Board meetings commence at 5:30 p.m., at the office of the property management company with homeowner forum commencing at 7:00 p.m. Homeowners are invited to attend the board meeting and are not just limited to the forum time. The Board meetings are devoted to the directors conducting business of the Association. Homeowner forums are devoted to concerns, questions, issued raised by homeowners.

B. ANNUAL MEETING:

The Annual Meeting of the Association is held the first Monday of December, with exception for state/national holiday. Notice of the election, ballots, proxies and any other pertinent related material for the elections is noticed to the membership on the monthly assessment invoice. The

primary purpose of the annual meeting is the election of new members to the Board of Directors. The Board's purpose and responsibility is the management of the Association business with delegation of day to day management to the designated property management company.

C. ASSOCIATION BUDGET:

The Board of Directors annually review the costs and expenses including reserve requirements pursuant to the CC&R's for the continued maintenance and improvement of the Laurelmont Community Association, including all property of the Association.

The Association fiscal year ends 12/30 of each year. Homeowners shall receive a notice of the proposed annual budget including proposed monthly assessment for the Association not less than forty-five (45) days preceding the close of the current fiscal year.

D. PROPERTY MANAGEMENT COMPANY:

The Board of Directors hires a property management company to manage the day to day and general maintenance of the Association's property and to work with homeowners for resolution of problems affecting the community, under the direction of the Board.

E. PROPERTY MANAGEMENT COMPANY:

Refer to Community Resources for Property Management Company information.

F. PROPERTY MAINTENANCE:

The Association is responsible for the maintenance of the common areas, including, the painting of the exterior of all units, exterior face of all fences, maintenance of common area landscaping, streets, exterior street and common area lights (excludes individual porch lights, garage doors, door jams, window sills, patio doors and front entry doors), building and fence exteriors and walkways, refer to CC&R's for specific definition hereof. All maintenance is under the supervision of the property management company.

G. INSURANCE (CC&R SEC. 9):

The Association maintains a blanket insurance policy on the buildings and common area grounds. The policy insures against fire, earthquake, and public liability, subject to policy terms, conditions and exclusions.

As a homeowner of your unit, it is your responsibility to carry insurance to cover your personal property, unit interior including upgrades and additions, as well as personal liability. You may wish to consider additional options made available under certain Condominium Homeowner Insurance such as earthquake special assessment coverage, blanket policy deductible coverage of \$1,000.

June 1, 1992, the Board of Directors adopted a policy for responsibility of Association and/or unit owner under the Master Policy deductible for loss.

If the primary cause of a loss is an item maintained by the Association, the

Association will be responsible for payment of the deductible on the Association's Master Policy.

If the primary cause of loss is an item maintained by the respective unit owner, or if the unit owner causes the loss, the unit owner is responsible for payment of the deductible on the Association's Master Policy.

Example #1: A pipe bursts in the slab causing water damage to the unit interior. The Association maintains the slab; therefore, the Association pays the deductible for the loss under the Association's Master Policy.

Example #2: A windstorm causes a partial removal of the roof. The Association maintains the roof; therefore, the Association pays the deductible under the Association's Master Policy.

Example #3: A unit owner starts a grease fire in the kitchen damaging the interior of the unit. The Association will hold the unit owner responsible for paying the deductible under the Association's Master Policy.

Example #4: A toilet overflows causing water damage to the interior. The unit owner maintains the interior plumbing fixtures; therefore the Association will hold the unit owner responsible for paying the deductible under the Association's Master Policy.

Contact the Property Management Company if you have any questions regarding this policy.

II. HOMEOWNER UNIT
RULES/RESTRICTIONS:

A. Trash Collection:

Refer to pickup schedule notices published by trash collection company for regular and holiday collection.

Trash must be placed in sealed containers or designated recycle containers curb side in front of unit no earlier than the evening preceding trash pickup and removed no later than the end of the trash pick up day.

Trash containers must be stored in garage, out of sight of neighbors until designated trash day.

Avoid newspapers flying out of recycle bins on trash day by weighing down or placing newspaper bin at bottom of stackable bins at curb side. Avoid glass breakage from glass bin by not overloading. In event of glass breakage, or papers strewn about, remove/pick up immediately following trash pickup.

B. Holiday Decorations:

Holiday decorations may be put up with removal as follows:

Easter - 3 weeks preceding, removal no later than 2 weeks from holiday

Halloween -3 weeks preceding, removal no later than 2 weeks from holiday

Thanksgiving - 3 weeks preceding, removal no later than 2 weeks from holiday

Christmas/New Years - may be put up weekend immediately following Thanksgiving with removal within 2 weeks following New Years.

Decorations are not to be placed in or on common area landscape which would interfere or cause injury to gardeners. Decorations are not permitted to be installed on any roof. Walking on roofs to install decorations is prohibited.

C. Homeowner Posted Notices:

For Sale/For Rent Signs shall be limited to one sign, to be placed inside the unit in a window. Posting of signs on the exterior of any unit is expressly prohibited.

Posting of any notices of any kind on the U.S. Mail Boxes located throughout the community is expressly prohibited.

D. Ham Radio/CB Transmission (CC&R Sec. 8.05):

Amateur radio and/or CB transmission are not permitted at any time in or on Association property including residential residences. Any transmission affects T.V. and radio reception of the homeowners residing in the community.

Construction, use or operation of external radio, television, or other electric antenna (i.e., satellite dish) are prohibited.

E. Noise (CC&R Section 8.03):

Be considerate of your neighbors. *Please* - No Excessive Noise (whatever the source) or other disturbances.

F. Use Restrictions (CC&R Section 8.06):

Not Permitted:

► Mirrored or foil coverings as window coverings

- ▶ Clothing, Rugs, etc. hung on any portion of property visible outside which may be obtrusive to neighbors.
- ▶ Climbing on walls, trees, fences, roofs.
- ▶ Toys, hoses, debris left in entries, on sidewalks, driveways or in streets
- ▶ Skateboarding/rollerblading on any common area property.

Damage to common area property by homeowner, including tenants and/or guests of homeowner shall be the responsibility of the homeowner.

G. Yards (Restricted Common Areas [Sec 8.15 CC&R's]):

Yards within fenced area of each unit are defined as restricted common area and shall be landscaped within ninety (90) days of close of escrow. Refer to Section VIII.

H. Garage/Rummage Sales:

Prior approval from the property management company must be obtained for any garage/rummage sale to be held by a homeowner, or group of homeowners.

I. Trade or Business (CC&R Sec. 8.09):

Except as permitted under Section 8.09 of the CC&R's, no trade or business shall be conducted from within any unit.

J. Rental of Unit (CC&R Section 8.01):

No unit shall be rented for a period of less than thirty (30) consecutive days.

K. Garage Capacity (CC&R Section 8.02):

Garages must accommodate at least one passenger vehicle at all times.

III. POOL RULES/REGULATIONS:

A. Pool Hours:

Sunday - Thursday 8:00 a.m. to 10:00 p.m.
Friday - Saturday 8:00 a.m. to 11:00 p.m.

B. Gate Access:

Pool gates must be kept locked at all times. Access to pool restricted to owners (including guests) / tenants of Association. No lending of key or opening of gate to non-residents, propping gate open, climbing on gates and/or fences for access permitted.

C. Lifeguard:

No lifeguard on duty at any time. Use of pool/spa area is at the risk of user.

REMEMBER: POOL SAFETY EQUIPMENT IS IN PLACE IN EVENT OF EMERGENCY. DO NOT REMOVE FROM THE POOL AREA FOR ANY USE OTHER THAN INTENDED.

D. Minors:

Children under the age of 14 must be accompanied at all times by adult (parent or guardian over the age of 18).

E. Permitted at Pool/Spa:

Inflatable child size inner tubes, plastic beach balls permitted for use in pool/spa, but only under the supervision and responsibility of adult/guardian.

Toy wagons, strollers, or any other wheeled means of transportation used by members/guests to/from the pool/spa area should be parked outside, out of the

walkway or entrance to avoid harm and/or injury to other guests/members. Any toy wagons, strollers or other wheeled means of transportation (except wheelchairs) shall be parked outside pool/spa area at the sole responsibility of member/guest, and Association shall not be liable for any injury, or loss arising, including but not limited to theft.

F. Not Permitted At Any Time at the Pool/Spa:

- ▶ Surfboards, boogie-boards, rollerskates, rollerblades, bicycles, tricycles, toy wagons, strollers.
- ▶ Tire inner tubes, adult sized rafts, and sports equipment including balls (except for plastic beach balls).
- ▶ Placement of Pool Furniture in the Pool/Spa
- ▶ Removal of Furniture Outside Pool/Spa
- ▶ Glass in Pool Area
- ▶ Pets
- ▶ Diving, Running, Pushing
- ▶ Loud Noises including playful screaming
- ▶ Radios without headphones
- ▶ Nudity
- ▶ Climbing Pool Fences/Gates
- ▶ Infants without plastic/rubber pants over diapers

G. Lost Pool Key(s):

Contact the property management company for a replacement key, at a cost of \$25.00 per key replacement. Keys are not duplicative by homeowner and/or tenant to

prevent unauthorized entry and potential vandalism.

H. Pool Reservations:

The pool area may be reserved by contacting the property management company. A reservation does not restrict homeowners from using the pool/spa area or facilities. A reservation will ensure that there will not be multiple parties scheduled for the same time which could possibly exceed the county's requirement for pool capacity.

1. The pool/spa area may not be reserved if the use is for monetary gain.
2. Fifty (\$50.00) refundable deposit required.
3. Individual reserving pool area responsible for cleaning the area after use including the parking area immediately outside the pool. All trash must be removed from pool area.
4. Regular pool rules shall apply to all guests of party reserving pool.
5. Regular pool hours must be observed.
6. A reservation is required for all groups of four (4) or more non-residents. Maximum number in a group is thirty (30) except on holiday weekends (not including the actual holiday) when the limit shall be twenty (20).
7. No reservations will be accepted for any holiday due to the increased number of homeowners and guests using the pool facilities.

8. Be considerate of homeowners who live near the pool area. Keep noise to reasonable noise level. No radios, amplification equipment, or live bands are permitted.
9. Nails, tacks, or any material to hang decorations not permitted. All decorations shall be removed immediately following any party or gathering.

COURTESY TO FELLOW MEMBERS AND GUESTS INCLUDES REPLACING CHAIRS BACK TO ORIGINAL PLACEMENT WHEN DEPARTING FROM THE POOL, INCLUDING REMOVAL OF TRASH.

IV. PETS:

1. No more than two (2) pets per home.
2. All pets shall be licensed pursuant to county requirements.
3. All dogs shall be restrained on a leash held by a person capable of controlling the dog(s) while walking in the common area.
4. All pet owners are responsible for "clean up" of pet wastes in common area and restricted common areas (yard areas).
5. All pet owners are personally liable for personal injury or damage to common area property caused by or the result of pets owned.
6. Pets are not permitted at any time in the pool/spa area or facilities.

V. PARKING:

1. Speed Limit within the community is 15 mph at all times.
2. No parking on the common area streets permitted at any time.
3. No commercial vehicles may be parked, stored, or kept any where on association or common area property. Commercial vehicles include, but are not limited to, dump truck(s), trash truck(s), cement truck(s), oil or gas truck(s), delivery truck(s), flatbed truck(s), moving van(s), etc.
4. No off-road vehicles may be parked, stored, or kept on association or common area property including driveways of each unit.
5. Restoration or repairing of vehicles permitted within the confines of the individual garage of each unit, so long as the restoration and/or repair does not constitute nuisance to neighbors, does not constitute any safety hazard or potential risk of harm or injury, and does not constitute commercial business activity. No commercial business of restoration and/or repair of any type of motorized vehicle shall be conducted at any time including within the confines of a garage.
6. No RV, camper, motorhome, bus, bus trailer, bus coach, camping trailer, boat, aircraft, mobile home or inoperable motorized vehicles may be parked, stored, or kept anywhere on association common area including parking stalls in the association common area.

Excluded are camper trucks, pickup trucks, and vans up to 3/4 ton in weight when used for daily transportation to and from Laurelmont.

7. The Board of Directors has the authority to determine when a vehicle is being stored.
8. Vehicles failing to conform to the restrictions stated in Section V, Subsection 1-6 will be towed at the expense of Owner. Owner(s) shall be held liable for any damage to any association property including parking areas and streets caused by vehicles of owner(s).

VI. ARCHITECTURAL & MAINTENANCE (CC&R Sec. 8.06):

Any improvements on or to your property including exterior/interior of the unit and landscaping will require written approval by the Architectural Committee prior to the commencement of any work. Improvements, changes, alterations, modifications include but are not limited to:

- ▶ Fences, walkways
- ▶ Patios, patio covers
- ▶ Pools, spas
- ▶ Alterations, changes, modifications to lot grade and/or drainage
- ▶ Any alteration, modification, change, addition to any exterior
- ▶ Installation of Gutters
- ▶ Installation of Screen Doors
- ▶ Trees, vegetation

Written approval from the Architectural Committee shall be obtained using the required authorization submission form available from the property management company or a committee member.

The Architectural Committee has the responsibility to review all plans submitted, make recommendations or suggestions for those areas that may not conform to the CC&R's and submit the final plans to the Board of Directors for approval.

Certain exterior/interior changes may require a building permit. Approval by the Architectural Committee of the application is a prerequisite to obtaining a building permit. The County will not issue building permits without the required written approval by the Architectural Committee.

Submission of architectural and/or landscape plans must include an estimate of costs for the improvements to be made, in compliance with the written directive of the master association, Aliso Viejo Community Association, issued 4/16/91.

A. General Architectural Rules:

1. Patio cover posts shall be three feet (3') from the fence and/or adjoining buildings. Patio cover overhangs must be at least eighteen inches (18") from fences and/or adjoining buildings.
2. Patio covers, any yard equipment above fence line shall be painted white or color of fence, as approved by the Architectural Committee. Contact the property management company for the color code and resource for the paint required prior to submitting your

- application to the Architectural Committee.
3. Dirt must be kept under the fence level. No building, fence, stucco, or siding may be used to retain dirt.
 4. Rain gutters must be white. Gutters should be installed in a manner to avoid and preclude drainage in to flower beds or planters resulting in dirt overflow on sidewalks and/or driveways.
 5. Planters must retain dirt at least three inches (3") from fence or gate.
 6. No landscaping may be attached to any fence or building. Exceptions: Vines planted by the developer and maintained by the Association.
 7. Screens and doors shall be maintained in good repair. Screens frames including doors shall only be white.
 8. Yards (front courtyards and rear yards) must be landscaped within ninety (90) days of close of escrow. Yards shall at all times be maintained, free of weeds, debris, trash and waste of any nature, and shall meet standards of construction in accordance with the original approved Architectural plan, or original construction plans.
 9. Driveways shall be maintained in a clean manner, free of oil, grease and/or rust stains.
 10. Security signs placed by homeowner shall be limited to the front courtyard, size not to exceed 8" x 10".
 11. Any decorative plaques or signs such as "Welcome" signs may not be attached to the exterior of any building or visible from the window of any unit without the advance written approval of the Architectural Committee.
 12. Planters/Pots - Wooden Planters displayed on exterior of units require advance written approval of the Architectural Committee. Clay pots cannot be displayed on front courtyard fences. All pots visible from the common area must be the same white, blue or gray as the units, and shall require saucers.
 13. Air Conditioners - Screening of unit must be white or fence color, and shall not be higher than the existing fence. For installations and/or future relocation of the A/C equipment the homeowners on both sides of the home must approve, in writing, the proposed location prior to submittal to the Architectural Committee.
 14. Spa screening must be painted white or the color of the fence and cannot be higher than the existing fence. Location of the spa and equipment shall require written consent of the homeowners on both sides of the unit, and architectural committee prior to commencement of any installation.
 15. Prior written approval is required from neighbors and the Architectural Committee prior to any alterations, modifications, changes or installation of plants, trees or vegetation in the restricted common area (your enclosed rear yard or courtyard entry).

16. Trees in the restricted common area shall have a height limitation of thirty feet (30') and shall comply with CC&R Sec. 8.08.
17. No tree or vegetation of any kind may attach itself to, or cause damage to any building, or common area property. Exceptions are vines installed by developer and maintained by the Association.
18. Wrought iron fencing shall be white square tubular, of same like, kind and quality as the pool wrought iron without spikes or any other device that may cause risk of injury or harm.

VII. ENFORCEMENT:

June 1, 1992, the Board of Directors adopted the following policy for the enforcement of the applicable rules and regulations including assessments to be applied for noticed violations.

If a resident observes any infraction of the rules, the resident may either point out the infraction to the person involved, or may inform the Board of Directors in writing, of the facts surrounding the infraction. Mailing of any such notice shall be in care of the designated property management company.

No such written notification shall be considered unless the person writing identifies himself/herself by signature of the letter.

A. Enforcement Policy:

The purpose of this policy is to inform the homeowners of the procedures the Board of Directors has adopted in accordance with the Association's governing documents.

1. Notice of Violation:

Upon determination violation exists, written notice shall be mailed to the homeowner, including date and description of violation incurred.

A minor offense will result in a "Community Reminder" letter sent. If the offense is not resolved, or if the issue is of a more serious nature, a "Violation Notice and Opportunity for Hearing" will be sent to the homeowner. The homeowner will be given a reasonable period of time to resolve the violation or request a scheduled hearing before the Board of Directors.

If the homeowner fails to resolve the violation within a reasonable period of time, or appear at their scheduled hearing, an automatic penalty assessment may be imposed. In addition, if the violation continues without resolution by the homeowner, at the discretion of the Board of Directors, the matter may continue to accrue additional fines or may be submitted to legal counsel for all appropriate action.

Should the matter be submitted to legal counsel at the direction of the Board of Directors, all legal costs including but not limited to court costs, legal fees, assessment and enforcement costs shall be

the responsibility of the homeowner incurring the violation.

Notice Sent	Fine
Community Reminder	\$ 0.00
Violation & Opportunity for Hearing	\$ 0.00
First Fine	\$25.00
Second Fine	\$50.00
Third and Subsequent	*

*Fine amount will continue to double with each occurrence and will be assessed to the violating homeowner.

Note: Any and all costs, including attorney fees incurred by the Association in an effort to bring the homeowner in to compliance will be recovered from the violating homeowner.

VIII. ASSESSMENT DELINQUENCY POLICY:

July, 1992, the Board of Directors adopted a policy for collection of assessments which become delinquent at thirty (30) days from the assessment due date.

On the first day of the month following the due date assessments are due, a late charge of \$10.00 will be assessed and added to the homeowner's account. A first notice of delinquency shall be mailed to the homeowner by the designated property management company.

Unless the homeowner makes payment in full including late charge(s) as applied on the delinquency notice, any partial payment made by the homeowner shall be

returned by the property management company with notice as required. Partial payments for past due assessments will not be accepted. Payment must be received by the last working day of the grace period during regular business hours.

On the forty-fifth (45th) day after the initial due date of the assessment, a second notice of delinquency will be mailed to the homeowner by the designated property management company. The second notice will include notification to the homeowner lien filing against the property will occur and the account submitted to legal counsel for collection if the payment for all past due assessments, including all late charges, is not received in full by the sixtieth (60th) day from the first assessment determined to be delinquent. All expenses incurred for the collection of the account, should the account become 60 days past due, shall be added to the owner's assessment.

At sixty (60) days, the homeowner file and account information will be submitted to legal counsel, for all actions deemed required for collection of delinquent assessments, including but not limited to foreclosure. Costs for submission of homeowner file, account records, lien preparation, fees and costs incurred to this point will be approximately \$175.00, this amount will be charged to the homeowner.

It shall become the sole responsibility of the homeowner for any and all legal costs, including but not limited to attorney fees incurred by the Association for the collection of any and all assessments, and penalties due the Association by the homeowner.

Please contact the property management company if you would like a copy of the Delinquency Policy adopted by the Board of Directors and published to all homeowners July, 1992, and November 1994.

IX. NON RESIDENT HOMEOWNER:

A. No unit may be rented for a period of less than thirty (30) consecutive days.

B. Non-resident homeowners are responsible for providing to tenants a copy of all rules, regulations, CC&R's, including but not limited to notices provided from time to time to all residents of the community.

C. Non-resident homeowners are responsible to ensure tenants/guests of tenant adhere and comply to the CC&R's, rules and regulations, including but not limited to published notices. Notices of violations will be issued to non-resident homeowners for tenants/guests. Non-resident homeowners shall bear all responsibility including fines assessed for violations issued.

X. DISPUTE RESOLUTION, CIVIL CODE SECTION 1354:

The following is a summary of Civil Code Section 1354.

Effective January 1, 1994, pursuant to California Civil Code Section 1354, neither a Member of a Homeowners Association or the Association may file a civil action to enforce the governing documents for (i) solely declaratory relief or injunctive relief,

or (ii) declarator relief or injunctive relief and monetary damages not to exceed Five Thousand Dollars (\$5,000.00) (other than association assessments) without first attempting to submit the dispute to a form of Alternative Dispute Resolution (ADR). This law applies to all such civil actions unless the statute of limitations would run in 120 days. It does not apply to cross complaints.

To submit a dispute to ADR the claimant must serve the other party in the subject dispute with a "Request for Resolution" which (i) briefly describes the dispute, (ii) requests that the dispute be submitted to ADR, and (iii) notifies the other party that they must respond within thirty (30) days of receipt of the Request for Resolution, or it will be deemed rejected.

If the Request for Resolution is accepted by the other party, the parties may mutually decide which form of ADR (mediation or arbitration) they wish to submit the dispute to and whether the form of ADR will be binding or non-binding. If accepted, the ADR must be completed within ninety (90) days of receipt of acceptance of the Request for Resolution, unless extended by the parties. The parties bear the cost of ADR.

If a complaint to enforce the governing documents as described above is filed in court, the plaintiff must file a certificate with the complaint which evidences completion of a form of ADR, unless one of the following exceptions applies:

1. The statute of limitations for bringing the civil action would run with 120 days (thus barring the civil action);

2. The other party who received the Request for Resolution refused to submit the dispute to ADR prior to the filing of the complaint;
3. The court finds the dismissal of the civil action for failure to file the certificate would result in substantial prejudice to one of the parties; or
4. The court finds that preliminary or temporary injunctive relief is necessary.

FAILURE BY ANY MEMBER OF THE ASSOCIATION TO COMPLY WITH THE PRE-FILING REQUIREMENTS OF SECTION 1354 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHTS TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS.

Anything said in the court of ADR, or any documents prepared for or admissions made in the court of ADR are inadmissible in any civil action in which testimony can be compelled unless consented to by both parties. The court may stay a pending civil action and refer it to ADR upon stipulation of the parties.

The prevailing party in any civil action for declaratory or injunctive relief relating to enforcement of the governing documents is entitled to an award of attorney fees and costs. However, the court may consider any refusal to submit the dispute to ADR in its award thereof.

The Association is required by law, commencing on January 1, 1994, to

distribute a summary, of the California Civil Code Section 1354 to the Members annually.

XI. COMMUNITY RESOURCES:

F. LAURELMONT COMMUNITY ASSOCIATION

A. TRASH SERVICE

Solag Disposal
P. O. Box 1100
San Juan Capistrano, CA 92693-1100
Tel: (714) 240-0446

B. ELECTRIC SERVICE

San Diego Gas & Electric
From Orange County: (714) 495-6181
Emergencies: (619) 234-6242
Nearest Local Office: San Clemente

C. GAS SERVICE

Southern California Edison
P. O. Box C
Monterey Park, CA 91756
24 Hour Service: 1-800-004-4502

D. WATER/SEWER SERVICE

Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92656-3489

Customer Service: (714) 831-2500
Billing Inquiry: (714) 448-4050

**E. ALISO VIEJO COMMUNITY
(Master Association)**

c/o P.C.M. of California
23726 Birtcher Drive
Lake Forest, CA 92630
Billing: (714) 768-7261
(Mon - Fri 1-4 p.m.)
Management/Emergencies:
(714) 362-5890

LAURELMONT HOA Fine Schedule

Violation Type	1st Violation Letter	2nd Uncured Violation Letter	Subsequent Uncured Violation Letters
Rules or CC&R's Violation(s)	Warning	Call to Hearing with possible \$250.00 fine per violation	All of the following: 1. \$500.00 fine per violation. 2. All costs and expenses incurred by the Association to cure violation. 3. Any and all legal fees incurred by the Association to enforce cure.
Common Area damage caused by Homeowners, Residents, Tenants or their Guests	All of the following: 1. \$250.00 fine per violation. 2. All costs and expenses incurred by the Association to cure violation. 3. Any and all legal fees incurred by the Association to enforce cure.	All of the following: 1. \$500.00 fine per violation. 2. All costs and expenses incurred by the Association to cure violation. 3. Any and all legal fees incurred by the Association to enforce cure.	Legal Action

Note: Fine amounts will continue to double with each occurrence and will be assessed to the violating **Homeowner**.

Laurelmont Community Association

27051 Towne Centre Drive Suite 200
Foothill Ranch, CA 92610

(800) 369-7260
Fax: (949) 859-3729

INSURANCE DISCLOSURE SUMMARY

In accordance with Amended California Civil Code, Section 5300, the following is a summary of the terms, policy limits and applicable deductible for: Laurelmont Community Association. The agent is: Kirk Miller Insurance Agency (858) 400-4504.

Association Insurance is as follows:

<u>Coverage Type</u>	<u>Limit</u>	<u>Deductible</u>	<u>Policy Term</u>
Property	\$49,043,781	\$5,000	03/31/2020 – 03/31/2021
General Liability	\$1,000,000	No Deductible	03/31/2020 – 03/31/2021
Directors & Officers	\$1,000,000	No Deductible	03/31/2020 – 03/31/2021
Fidelity/Crime	\$4,500,000	\$10,000	03/31/2020 – 03/31/2021
Workers Comp	\$1,000,000	No Deductible	03/31/2020 – 03/31/2021
Umbrella	\$15,000,000	No Deductible	03/31/2020 – 03/31/2021

Please check the Associations CC&R's. Homeowners are solely responsible for insuring any improvements or upgrades within their unit, personal belongings, contents, and personal liability.

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.

CLAIMS & SERVICE: Claims should be filed through your property management firm, Associa Professional Community Management.

FOR CERTIFICATES OF INSURANCE REQUESTS: If your Mortgage Company requires a Certificate of Insurance be issued for Fire and Hazard Insurance naming them as the Certificate holder, you must contact the insurance agent listed above or have your Mortgage Company fax their request to them.