

# ***Shoreline Property Management, Inc.***

A division of The Manor Association, Inc.  
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Santa Cruz, California 95062



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**TO: VILLA SANTA CRUZ COOPERATIVE SHAREHOLDERS**

**FROM: SHORELINE PROPERTY MANAGEMENT, A DIVISION OF THE MANOR ASSOCIATION, INC.**

**RE: 2022 BUDGET REPORT & POLICY STATEMENT**

**DATE: NOVEMBER 24, 2021**

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California Civil Code 5300 requires the Board of Directors to approve and distribute an annual budget report and annual policy statement to all members of the Association, 30 to 90 days before the end of its fiscal year.

- Pro Forma Operating Budget including the estimated revenue and expenses on an accrual basis
- Summary of the Association's reserves prepared pursuant to Civil Code Section 5565
- Current amount of the accumulated cash reserves
- Amount of funds received from damage awards or settlements if there were any
- Statement whether the Board of Directors anticipates the levy of a special assessment
- Reserve Disclosure form as required under Civil Code Section 5570
- Summary of the Association insurance policies
- Statement as to whether the Association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired.

Pursuant to California Civil Code 5310 & 5320, the Board of Directors is required to distribute an annual policy statement to the membership:

- Association's approved Assessment Collection Policy
- Alternative Dispute Resolution (ADR) and Internal Dispute Resolution (IDR) policies and procedures
- Architectural Change Procedure
- Enforcement Policy - Schedule of approved fines

## Shoreline Website

[www.ShorelinePropertyManagement.com](http://www.ShorelinePropertyManagement.com)

## Villa Santa Cruz Website

[www.VillaSantaCruz.org](http://www.VillaSantaCruz.org)

# Annual Budget Report

### **2022 OPERATING BUDGET:**

Enclosed please find a copy of the 2022 Budget showing the estimated revenue and expenses on an accrual basis, approved by the Board of Directors. Please note the regular monthly assessment will increase from \$260 to \$270 per space, per month beginning January 1, 2022. Your monthly statement will reflect any changes. Please contact your bank if use on-line banking services with the change to your assessment amount (*excluding ACH clients*).

### **2021 SPECIAL ASSESSMENTS:**

California Civil Code § 5560 requires the disclosure of any pending special assessments in the coming fiscal year. Please be advised that as of November 16, 2021, no special assessments have been approved for 2022. However, if there is unanticipated or premature failure of a reserve component, there is always a possibility of a special assessment to the members.

### **RESERVE STATEMENT:**

Pursuant to California Civil Code § 5550 and § 5570, the Association shall cause to be conducted a reserve study to identify the major components for which the Association is obligated to repair, replace, restore, or maintain having a useful life of less than 30 years. Additionally, at least once every three years the Board of Directors shall cause to be conducted a reasonably competent and diligent visual inspection of these major components and have the reserve study updated. The reserve study estimates the total annual contribution necessary to defray these costs and identifies the reserve funds set aside by the Association as of the date of the study. All Associations are required to distribute a reserve disclosure summary each year.

Associations must advise all members of the estimated amount required in the reserve fund at the end of the current fiscal year based on the reserve study and the projected actual reserve fund cash balance at the end of the current fiscal year. The percent funded must be calculated and any deficits must be represented in total and on a per unit basis. The Association must provide the following information as of the end of the fiscal year for which the Reserve Study is prepared:

- (i) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components.
- (ii) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components.
- (iii) If applicable, the amount of funds received from either a compensatory damage award or settlement to an Association from any person or entity for injuries to property, real or personal, arising out of any construction or design defects, and the expenditure or disposition of funds. This Association has not received any funds this year pertaining to this requirement.

Please refer to the enclosed Reserve Study Executive Summary. If you would like to receive a copy of the Full Study, please contact Shoreline Property Management. Reserve Studies are also available on Pilerá - [www.pilerá.com](http://www.pilerá.com).

#### **ASSESSMENT PAYMENTS:**

Owners will receive a statement monthly to make their payment. Members can sign up to receive the statement via email, which will save the Association the cost of mailing a statement. Please go to [www.shorelinepropertymanagement.com](http://www.shorelinepropertymanagement.com) and click on the “**Signup for eStatements**” link on the homepage.

#### **OPTIONAL PAYMENT METHODS:**

There are several optional payment methods in addition to writing a check; including online banking through your bank, online “e-check” payment through the Association bank, C.I.T., or enrolling in the automatic electronic payment option (ACH). You can sign up for one of these options on our website, [www.shorelinepropertymanagement.com](http://www.shorelinepropertymanagement.com), using your account number. For questions or assistance signing up, please contact Accounts Receivable at (831) 426-8013 x119 or [myaccount@manorinc.com](mailto:myaccount@manorinc.com). **If you are already using one of these programs, it is not necessary for you to sign up again.** If the amount of your assessment is changing, your deduction will automatically be updated if you are enrolled in ACH.

#### **ON-LINE BANKING:**

If you utilize on-line banking to make your assessment payment, please be sure to **include your Association account number** in the payment memo or invoice section for proper credit to your account. If you are unsure of your account number, please contact Accounts Receivable at (831) 426-8013 x119 or [myaccount@manorinc.com](mailto:myaccount@manorinc.com)

#### **INSURANCE DISCLOSURE**

The Association is required to provide a summary of the Association’s Property, General Liability, Earthquake, Flood and Fidelity Insurance coverage. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of deductible, if any. To the extent that any of the required information is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it with the annual budget report. Please see enclosed insurance disclosure.

**This summary of the Association's policies of insurance provides only certain information, as required by Civil Code Section 5300, 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 the 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.

## **Annual Policy Statement**

### **PERSON TO RECEIVE OFFICIAL COMMUNICATIONS ON BEHALF OF ASSOCIATION**

Pursuant to Civil Code Section 4035, the person designated to receive official communications of the Association is:

The Manor Association, Inc.  
c/o Shoreline Property Management  
1800 Gateway Drive #100  
San Mateo, CA 94404

### **POSTING OF GENERAL NOTICES**

Pursuant to paragraph 3 of subdivision (a) of Section 4045 of the Civil Code, the locations designated for posting of general notices during the Covid19 pandemic are; the clubhouse doors, the Villa Voice online newsletter, and in some instances on the Villa Santa Cruz website.

### **RIGHT OF MEMBER'S TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY**

Pursuant to Civil Code Section 4045, if a member requests to receive general notices by individual delivery, all general notices to that member shall be delivered to that member by individual delivery pursuant to Civil Code Section 4040.

### **ASSESSMENT COLLECTION POLICY**

Pursuant to Civil Code Section 5650-5690, the Association is required to advise members annually in regards to the policies and practices in the collection of delinquent assessments and enforcement of lien rights. A copy of this policy which was adopted by the Board of Directors is enclosed for your review. In order to avoid incurring late fees, interest, and other costs of collection; please review the attached delinquency policy carefully. Should you have any questions, please contact the management agent, Shoreline Property Management, Inc., at (831) 426-8013.

### **ALTERNATIVE DISPUTE RESOLUTION**

Pursuant to Civil Code Section 5925, 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 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 or the applicable law."

The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in the Corporations Code. The summary shall include a description of the Association's internal dispute resolution process. Request for Resolution Forms may be obtained from your attorney or the Association's Managing Agent, Shoreline Property Management, Inc., 1100 Water Street, Suite 1A, Santa Cruz, CA 95062. If you wish to receive a copy please forward a written request to the Managing Agent.

**Use of Low-Cost Mediation.** In developing a procedure pursuant to this article, an Association shall make maximum, reasonable use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.

### **INTERNAL DISPUTE RESOLUTION/MEET AND CONFER**

Pursuant to Civil Code Section 5925, Associations must provide a "fair, reasonable and expeditious" procedure for resolving disputes between the Association and its members without charging a fee to the member participating in the process.

**Default Procedure.** If an Association does not establish its own procedures, then the following procedures automatically apply:

1. Either the Association or the member may request that the other side meet and confer in an effort to resolve the dispute. The request must be in writing. The Association may not refuse such a request, and the member may not be charged a fee to participate in the process.
2. The Association must designate a board member to attend the meet and confer session.
3. The meeting must occur promptly at a mutually convenient time and place. At the meeting, the parties must explain their positions to each other and must confer in good faith in an effort to resolve the dispute.
4. If the parties agree on a resolution of the dispute, the agreement must be put in writing and signed by the parties. The agreement is binding and can be enforced by the courts if: a) it is not in conflict with the law or the governing documents, and b) the Association's representative had the authority to enter into the settlement or the settlement is ratified by the board.

### **ARCHITECTURAL CHANGES**

All members shall comply with the Association Architectural Committee Rules and Regulations and any amendments thereto. Please see enclosed Architectural Request Form.

### **MINUTES OF BOARD OF DIRECTORS MEETINGS**

Pursuant to Civil Code Section 4950, members must be notified annually of their right to receive copies or a draft copy of minutes of meetings within thirty (30) days of the date of the meeting. Copies of the minutes are put into your clubhouse mailbox each month; additional copies are available from the Villa Santa Cruz office.

### **OWNER INFORMATION FORM**

Enclosed please find a blank Owner Information Form. Please complete and return to the Coop's office as soon as possible in the provided envelope. The information provided will be compared to current information on file and updated as necessary. *This information is for the exclusive use of the Association.* In designating your emergency contact, please consider naming someone *outside* of the immediate geographic region, especially in cases of natural disasters such as earthquakes.

### **ELECTRONIC DISTRIBUTION OF DOCUMENTS**

The California legislature approved the distribution of Association documents to members by electronic transmission. The primary benefits are reduced costs to your Association for the duplication and mailing of required documents, faster delivery of documents, and a

small but significant impact on the environment. If you wish to receive documents electronically please complete the enclosed Electronic Request Form and return to the Coop's office as soon as possible in the provided envelope.

### **REVIEW OF FINANCIAL STATEMENT**

Pursuant to Civil Code Section 5305, a review of the financial statement of the Association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross revenue to the Association exceeds seventy-five thousand dollars (\$75,000). A copy of the review of the financial statement shall be distributed within 120 days after the close of each fiscal year.

### **NOTICE OF FINE POLICY**

Pursuant to Civil Code Section 5850, if an Association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any Association member for a violation of the governing documents or rules of the Association, including any monetary penalty relating to the activities of a guest or invitee of a member, the board of directors shall adopt and distribute to each member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents. Please see enclosed Fine Policy.

Villa Santa Cruz Cooperative, Inc.		
Approved Operating Budget		
Jan 1, 2022 - Dec 31, 2022		
	2021	2022 Approved
	Budget	Budget
<b>REVENUE:</b>		
Regular Assessments	374,400	392,040
Space Rent	5,204	0
Move-In Fees	500	500
R.V. Storage	6,600	7,550
Interest On Assessments	100	0
Electricity Reimbursements	78,800	100,100
Gas Reimbursements	65,600	81,400
Domestic Water Recovery	68,300	67,000
Cable TV Fee	288	0
Property Taxes Billed to Members	375,000	423,970
<i>Operating Fund Carryover</i>	0	0
<b>TOTAL REVENUE</b>	<b>974,792</b>	<b>1,072,560</b>
<b>EXPENSES:</b>		
Insurance, Package Policy	27,800	24,500
Workers Compensation Insurance	5,500	5,500
Fidelity Insurance	940	940
Vehicle Insurance	2,200	2,210
Legal and Professional Fees	18,000	18,000
Management Contract: Lmtd Srvc	18,000	18,720
Financial Review/Tax Return Prep	3,900	3,900
Utility Statements (ATA)	1,109	1,109
Reserve Study Update/Annual Disclos	500	500
Board Education and Training	780	780
Filing fees	10	35
Office Supplies	7,420	7,000
Pilera Access	1,080	1,440
Office Equipment Purchases	200	1,000
Telephone Directory	350	350
Telephone	2,400	2,400
Permits, Fees and Licenses	6,000	6,020
Wages, Office Management	35,020	36,421
Wages, Relief	19,000	19,000
Wages, Maint Asst	24,960	38,000
Payroll Taxes	14,360	16,011
Payroll Service Provider Fees	1,900	3,234
Medical Insurance	7,200	9,600
Wages, Maintenance	80,752	74,880
Maintenance Services and Supplies	10,000	12,000

Utility Meter purchases & repairs	500	500
Gardening & Landscape Maintenance	5,000	10,000
Utilities: Electric	78,800	100,100
Utilities: Gas	29,500	36,630
Utilities: Water	61,470	73,700
Utilities: Garbage	1,900	1,550
Pool and Spa maintenance	5,000	8,500
Cable Television	35,280	38,900
Property Taxes	375,000	423,970
Income Taxes	500	1,200
Disaster and Evacuation Planning	1,000	1,000
Miscellaneous/Contingency	221	6,168
<i>Operating Fund Deficit</i>	0	0
<b>TOTAL EXPENSES</b>	<b>883,552</b>	<b>1,005,768</b>
Contribution to Reserves	66,240	66,792
<b>TOTAL RESERVE CONT/EXP</b>	<b>949,792</b>	<b>1,072,560</b>
<b>2022 Approved Assessment: \$270 per unit per month (\$10.00 Increase)</b>		
<b>RV Storage Fees \$56 per month (\$1.00 Increase)</b>		
<i>Approved by Board of Directors: 11/16/2021</i>		
Reserve Disclosure Pursuant to California Civil Code 5570, the estimated amount required in the reserve fund to be fully funded at the end of the current fiscal year is \$656,323; based in whole or in part on the last reserve study prepared by Reserve Study Specialists September 2021. The projected reserve fund cash balance at the end of the current fiscal year is \$714,705; resulting in the reserves being 108.90% funded at this date. There is currently no fund deficiency.		



## EXECUTIVE SUMMARY

## VILLA SANTA CRUZ

Association Name: VILLA SANTA CRUZ  
Address: 2435 Felt Street, # 1-122, Santa Cruz, CA, 95060

Association Type:	Mobile Home Park	Current Fiscal Year:	2021
Number of Units:	121	Current Year End Fully Funded Reserves:	\$656,323
Year Built:	1974	Current Year Annual Liability:	\$93,044
Fiscal Year Begins:	Jan 01	Current Year End Percent Funded:	108.90%
Starting Fiscal Year:	2022	Average Reserve Deficit (Surplus)/Unit:	(\$482.49)
Current Monthly Dues:	\$260.00		
End of Current Year Projected Reserves:	\$714,705		
Current Annual Reserve Contribution:	\$66,240		
Reserve Account Interest Rate %:	0.25		
Annual Inflation Rate %:	2.00		
Reserve Account Interest Tax Rate %:	25.00		
Minimum Reserve Balance:	\$0		
Contingency %:	5.00		
Reserve Study Type:	Update, without site inspection		
Site Inspection Date:	Sep 08, 2020 by RSS		
Reserve Study Date:	Sep 27, 2021		

### RECOMMENDED RESERVE CONTRIBUTION INCREASES

2022	Reserve contribution increase by 0.83%
2023	Reserve contribution increase by 21.74%
2024	Reserve contribution increase by 17.86%
2025-2051	Reserve contribution increase by 3.11%

For full details see recommended 30-year reserve funding plan

**Note: As of Jan 01, 2022, Regular monthly dues will increase to \$270.00/ownership**

### RECOMMENDED FUNDING PLAN, SIX-YEAR SUMMARY

Year	2022	2023	2024	2025	2026	2027
Special assessments:	\$0	\$0	\$0	\$0	\$0	\$0
Recommended annual reserve contribution:	\$66,792	\$81,312	\$95,832	\$98,812	\$101,885	\$105,054
Contribution per unit/month:	\$46.00	\$56.00	\$66.00	\$68.05	\$70.17	\$72.35
Contribution increase on the year before per unit/month:	\$0.38	\$10.00	\$10.00	\$2.05	\$2.12	\$2.18
Recommended reserve contribution increase %:	0.83%	21.74%	17.86%	3.11%	3.11%	3.11%
Annual expenses:	\$284,183	\$44,291	\$87,385	\$35,119	\$101,016	\$125,794
End of year balance:	\$498,716	\$536,749	\$546,291	\$611,102	\$613,213	\$593,722
Accrued liability:	\$467,936	\$534,647	\$561,630	\$643,493	\$663,211	\$660,703
Percent funded:	106.58%	100.39%	97.27%	94.97%	92.46%	89.86%
Deficiency/(Surplus) per unit:	(\$254)	(\$17)	\$127	\$268	\$413	\$554

# RESERVE COMPONENTS

# VILLA SANTA CRUZ

Inflation Rate	%	2	Current											
Fiscal Year End Dec 31		Repair	Replace	Forecast										
	%	Repair	Total Rem											
Reserve Components		Cost	Life	Life	Quantity	Unit	Cost	Description						
<b>ASPHALT SURFACES</b>														
1- Asphalt Sealcoat & Striping		25126	6	6	142960 sq ft		0.18	Asphalt, drives & RV lot, sealcoat & striping budget every 6 years						
2- Asphalt Cut & Patch, Crack Fill	2.5	18227	6	6	142960 sq ft		5.10	Asphalt, drives & RV lot, cut & patch, minor repair, at 2.5% every 6 years						
3- Asphalt Remove & Replace, RV Lot	60	23354	35	24	9540 sq ft		4.08	Asphalt, RV lot, remove & replace at 60% or 100% overlay every 35 years						
4- Asphalt Remove & Replace, Drives	60	326612	35	12	133420 sq ft		4.08	Asphalt, drives, remove & replace at 60% or 100% overlay every 35 years						
<b>ROOFING</b>														
5- Roof Repair	5	3963	5	0	7770 sq ft		10.20	Tile roof, clubhouse, pool & RV lot buildings, repair at 5% every 5 years						
6- Gutters & Downspouts		4774	30	25	390 ft		12.24	Gutters & downspouts, all buildings, replacement every 30 years						
7- Tile Roofs		79254	30	25	7770 sq ft		10.20	Tile roofs, tile, underlay & flashing repair/replace budget every 30 years						
<b>PAINTING</b>														
8- Gutters & Downspouts Paint		1094	10	5	390 ft		2.81	Gutters & downspouts, all buildings, paint budget every 10 years						
9- Stucco Repair & Paint		9477	10	5	4890 sq ft		1.94	Stucco, all buildings, repair & paint budget every 10 years						
10- Wood Trim & Arbor Paint		3190	5	0	1390 sq ft		2.29	Wood trim & arbor paint budget every 5 years						
11- Wood Trim & Arbor Repair	10	3899	5	0	1390 sq ft		28.05	Wood trim & arbor repair/replace budget at 10% of total every 5 years						
12- Clubhouse Acoustic Ceiling Paint		1790	12	1	1300 sq ft		1.38	Clubhouse acoustic ceiling repair & paint budget every 12 years						
13- Clubhouse Interior Walls Paint		5457	12	1	4280 sq ft		1.28	Clubhouse interior walls repair & paint budget every 12 years						
14- Spa Equipment Building Paint		2040	12	1	1600 sq ft		1.28	Spa equipment building walls & ceilings repair&paint budget every 12 years						
<b>FENCES, RAILS &amp; WALLS</b>														
15- Chain Link Fences	25	16142	8	2	2110 ft		30.60	Chain link fences, perimeters & RV lot, replace at 25% every 8 years						
16- Chain Link Fences Privacy Slats		1642	8	2	1610 sq ft		1.02	Chain link fences privacy slats, RV lot, replace as needed every 8 years						
17- Wood Fences, Clbhs & Grounds	50	6633	10	10	289 ft		45.90	Wood fences, clubhouse & grounds, replace at 50% every 10 years						
18- Wood Fences, South Perimeter		34609	20	7	754 ft		45.90	Wood fences, south perimeter, replacement budget every 20 years						
19- Wrought Iron Fences, Pool Area		3346	45	16	41 ft		81.61	Wrought iron fences, pool area, replacement budget every 45 years						
20- Retaining Walls		10200	5	0	100 ft		102.00	Retaining walls repair/replace at 100 ft of total every 5 years						
21- Wrought Iron Grille		1724	45	16	52 ft		33.15	Wrought iron grille, spa building, replacement budget every 45 years						
22- Stairs Railing		6120	45	16	100 ft		61.20	Stairs pipe railing replacement budget every 45 years						
23- Wrought Iron Railing		4896	45	16	96 ft		51.00	Wrought iron 4 ft railing replacement budget every 45 years						
<b>FLOOR COVERING</b>														
24- Ceramic Tiles, Interior		13240	25	1	472 sq ft		28.05	Restrooms ceramic tile flooring replace/upgrade budget every 25 years						
25- Ceramic Tiles, Exterior		1851	25	12	66 sq ft		28.05	Clubhouse entry tile flooring replace/upgrade budget every 25 years						
26- Vinyl/Carpet Flooring		11424	15	1	1400 sq ft		8.16	Vinyl/carpet flooring, office, laundry, clubhouse, replace every 15 years						

# RESERVE COMPONENTS

# VILLA SANTA CRUZ

Inflation Rate	%	2	Current									
Fiscal Year End Dec 31		Repair	Replace	Forecast								
	%	Repair	Total Rem		Quantity	Unit	Cost		Description			
Reserve Components		Cost	Life	Life								
<b>CLUBHOUSE</b>												
27- Appliances, Double Oven		1785	20	7	1	each	1785.00		Clubhouse kitchen double oven replacement budget every 20 years			
28- Appliances, Microwave		816	15	2	1	each	816.00		Clubhouse kitchen microwave replacement budget every 15 years			
29- Appliances, Range/Oven		5610	20	6	1	each	5610.00		Clubhouse kitchen range/oven replacement budget every 20 years			
30- Appliances, Refrigerator		2295	15	3	1	each	2295.00		Clubhouse kitchen refrigerator replacement budget every 15 years			
31- Kitchen Cabinets & Fixtures		12164	20	7	53	ft	229.51		Clubhouse kitchen cabinets refinish/replace budget every 20 years			
32- Counter Top Tiles		4325	30	2	53	ft	81.60		Clubhouse kitchen counter top tiles replace/upgrade budget every 30 years			
33- Room Folding Partition		5801	25	4	175	ft	33.15		Room folding partition replacement budget every 25 years			
34- Furniture, Stacking Chairs		4488	20	1	80	each	56.10		Stacking chairs replace/upgrade budget every 20 years			
35- Furniture, Main Room		5100	15	1	1	budget	5100.00		Clubhouse main room furniture replace/upgrade budget every 15 years			
36- Window Treatments		6630	15	2	1	budget	6630.00		Window covers & drapes replace/upgrade budget every 15 years			
37- TV		1530	12	1	1	each	1530.00		Clubhouse TV replacement budget every 12 years			
38- Office Furniture		4590	15	1	1	budget	4590.00		Office desks, cabinets, chairs, replace/upgrade budget every 15 years			
39- Office Equipment		2805	5	1	1	budget	2805.00		Office computer & printer/fax replace/upgrade budget every 5 years			
<b>LIGHTING</b>												
40- Exterior Lights		2754	25	2	12	each	229.50		Clubhouse & RV building ext light fixtures replacement every 25 years			
41- Pagoda & Flood Lights	50	1515	8	0	18	each	168.33		Pagoda & flood light fixtures replace at 50% of total every 8 years			
42- Pole & Lantern Lights		32895	20	15	43	each	765.00		Pole & lantern light fixtures replacement every 20 years			
43- Fluorescent Lights		2448	25	13	16	each	153.00		Interior fluorescent light fixtures replacement every 25 years			
44- Emergency Lights		663	20	8	2	each	331.50		Emergency exit light fixtures replacement every 20 years			
45- Interior Lights		4080	25	13	32	each	127.50		Clubhouse interior light fixtures & fans replacement every 25 years			
46- Exterior & Interior Lights Partial		3060	5	0	1	budget	3060.00		Exterior & interior light fixtures repair/replace as needed every 5 years			
<b>DOORS</b>												
47- Garage Door		1683	25	0	1	each	1683.00		RV lot maintenance building garage door replace budget every 25 years			
48- Wood Doors		3570	30	6	5	each	714.00		Wood doors, clubhouse & pool equipment room replace every 30 years			
49- Wood Doors Painted		5304	30	6	8	each	663.00		Painted wood doors, clubhouse, office, laundry replace every 30 years			
<b>EQUIPMENT</b>												
50- HVAC, Clubhouse		3570	18	3	1	each	3570.00		Clubhouse forced air furnace, HVAC, replacement budget every 18 years			
51- Grass Mower		3315	12	0	1	each	3315.00		Riding grass mower replacement budget every 12 years			
52- Pick-Up Truck		7650	7	3	1	each	7650.00		Pick-up truck replacement budget every 7 years			
<b>INFRASTRUCTURE</b>												
53- Infrastructure Repairs		58650	2	1	1	budget	58650.00		Water, sewer, gas, electric/meters & telephone lines repair/replace 2 years			
54- Transformers	33.33	86700	12	0	3	each	86700.00		Transformers replacement budget at 1 out of 3 units every 12 years			

# RESERVE COMPONENTS

# VILLA SANTA CRUZ

Inflation Rate	%	2	Current							
Fiscal Year End Dec 31		Repair	Replace	Forecast						
	%	Repair	Total Rem						Unit	
Reserve Components		Cost	Life	Life	Quantity	Unit	Cost	Description		
<b>POOL &amp; SPA</b>										
55- Pool & Spa Chlorinators		1000	6	6	2 each		500.00	Pool & spa chlorinators replace budget every 6 years		
56- Pool & Spa Deck Caulking		1371	5	0	168 ft		8.16	Pool deck caulking budget every 5 years		
57- Pool Filter		2397	15	14	1 each		2397.00	Pool filter replacement every 15 years		
58- Pool Furniture		8670	8	0	26 each		333.46	Pool area furniture replace/upgrade budget every 8 years		
59- Pool Replaster		12138	12	4	1700 sq ft		7.14	Pool replaster/fiberglass budget every 12 years		
60- Pool Tile & Coping		8323	24	4	136 ft		61.20	Pool tile & coping replacement budget every 24 years		
61- Pool Heater		4590	12	11	1 each		4590.00	Pool heater replacement every 12 years		
62- Spa Heater		4335	12	10	1 each		4335.00	Spa heater replacement every 12 years		
63- Pool & Spa Pump & Motors	25	1958	3	3	4 each		1958.00	Pool & spa pump & motors replace budget at 1 out of 4 unit every 3 years		
64- Spa Filter		2193	15	0	1 each		2193.00	Spa filter replacement budget every 15 years		
65- Spa Replaster		6630	10	6	260 sq ft		25.50	Spa replaster budget every 10 years		
66- Spa Tile & Coping		1958	20	6	32 ft		61.19	Spa tile & coping replacement budget every 20 years		
67- Passive Solar System		12240	12	7	1 budget		12240.00	Passive solar system, pool & spa heating, replace/upgrade every 12 years		
68- Pool Deck Repair/Resurface		19380	10	0	1 budget		19380.00	Pool deck repair/resurface budget every 10 years		
<b>SAUNA</b>										
69- Sauna Heaters		2754	25	6	2 each		1377.00	Sauna heaters replacement budget every 25 years		
70- Sauna Remodel		6424	25	6	70 sq ft		91.77	Sauna wood replacement/remodel budget every 25 years		
<b>PLUMBING</b>										
71- Restroom Fixtures Partial Replace		4080	10	2	1 budget		4080.00	Restrooms partial fixtures replacement budget every 10 years		
72- Restrooms Fixtures, Clubhouse		10200	25	1	2 each		5100.00	Restrooms, clubhouse, fixtures remodel budget every 25 years		
73- Restrooms Remodel, Spa Building		56100	25	15	1 budget		56100.00	Spa building, restrooms, showers & fixtures remodel every 25 years		
74- Water Heaters		3570	12	3	2 each		1785.00	Water heaters, tankless, replacement budget every 12 years		
<b>LANDSCAPING</b>										
75- Irrigation Equipment		4590	12	12	1 budget		4590.00	Irrigation timers, valves & backflow replacement budget every 12 years		
76- Landscaping & Trees		8000	5	5	1 budget		8000.00	Landscaping upgrade & tree maintenance budget every 5 years		
<b>OTHERS</b>										
77- Flag Pole		6120	40	5	1 budget		6120.00	Flag pole replacement budget every 40 years		
78- Signs	50	3506	6	0	25 each		280.48	Traffic & other signs replacement budget at 50% of total every 6 years		
79- Monument		1530	15	2	1 each		1530.00	Monument sign replace/upgrade budget every 15 years		
80- Storage Sheds	40	1530	10	4	5 each		765.00	Storage sheds replace/upgrade budget at 2 out of 5 every 10 years		
81- Maintenance Equipment		3500	5	5	1 budget		3500.00	Maintenance equipment replace/upgrade as needed budget every 5 years		
82- Unplanned Project Fund	5	4652	1	1	1 budget		4652.18	5% of Annual liability for unplanned or emergency projects		

### 30 YEAR RESERVE FUNDING PLAN (RECOMMENDED)

### VILLA SANTA CRUZ

Calendar Year	Starting	Total	Annual	Reserve	Reserve	Contribution				End of	Fully	Deficiency	
	Reserve	Annual	Reserve	Per Unit	Increase	Per Unit	Special	Interest	Tax on	Year	Funded	Percent	Surplus ( )
	Balance	Expenditure	Contribution	Per Month	%	Per Month	Assessment	Received	Interest	Balance	Balance	Funded	Per Unit
2022	\$714,705	\$284,183	\$66,792	\$46.00	0.83	\$0.38	\$0	\$1,870	\$468	\$498,716	\$467,936	106.58%	(\$254)
2023	\$498,716	\$44,291	\$81,312	\$56.00	21.74	\$10.00	\$0	\$1,348	\$337	\$536,749	\$534,647	100.39%	(\$17)
2024	\$536,749	\$87,385	\$95,832	\$66.00	17.86	\$10.00	\$0	\$1,462	\$365	\$546,291	\$561,630	97.27%	\$127
2025	\$546,291	\$35,119	\$98,812	\$68.05	3.11	\$2.05	\$0	\$1,489	\$372	\$611,102	\$643,493	94.97%	\$268
2026	\$611,102	\$101,016	\$101,885	\$70.17	3.11	\$2.12	\$0	\$1,655	\$414	\$613,213	\$663,211	92.46%	\$413
2027	\$613,213	\$125,794	\$105,054	\$72.35	3.11	\$2.18	\$0	\$1,664	\$416	\$593,722	\$660,703	89.86%	\$554
2028	\$593,722	\$146,579	\$108,321	\$74.60	3.11	\$2.25	\$0	\$1,620	\$405	\$556,678	\$639,559	87.04%	\$685
2029	\$556,678	\$6,228	\$111,690	\$76.92	3.11	\$2.32	\$0	\$1,531	\$383	\$663,289	\$760,589	87.21%	\$804
2030	\$663,289	\$90,164	\$115,164	\$79.31	3.11	\$2.39	\$0	\$1,802	\$451	\$689,641	\$802,392	85.95%	\$932
2031	\$689,641	\$64,063	\$118,745	\$81.78	3.11	\$2.47	\$0	\$1,873	\$468	\$745,727	\$873,467	85.38%	\$1,056
2032	\$745,727	\$143,933	\$122,438	\$84.32	3.11	\$2.54	\$0	\$2,017	\$504	\$725,745	\$868,476	83.57%	\$1,180
2033	\$725,745	\$492,200	\$126,246	\$86.95	3.11	\$2.62	\$0	\$1,972	\$493	\$361,270	\$517,548	69.80%	\$1,292
2034	\$361,270	\$225,305	\$130,172	\$89.65	3.11	\$2.70	\$0	\$1,066	\$266	\$266,937	\$428,973	62.23%	\$1,339
2035	\$266,937	\$11,320	\$134,221	\$92.44	3.11	\$2.79	\$0	\$835	\$209	\$390,464	\$555,140	70.34%	\$1,361
2036	\$390,464	\$242,117	\$138,395	\$95.31	3.11	\$2.87	\$0	\$1,149	\$287	\$287,604	\$455,612	63.12%	\$1,388
2037	\$287,604	\$125,337	\$142,699	\$98.28	3.11	\$2.96	\$0	\$897	\$224	\$305,639	\$473,503	64.55%	\$1,387
2038	\$305,639	\$126,180	\$147,137	\$101.33	3.11	\$3.06	\$0	\$948	\$237	\$327,307	\$493,590	66.31%	\$1,374
2039	\$327,307	\$101,466	\$151,713	\$104.49	3.11	\$3.15	\$0	\$1,008	\$252	\$378,310	\$541,530	69.86%	\$1,349
2040	\$378,310	\$115,158	\$156,431	\$107.73	3.11	\$3.25	\$0	\$1,141	\$285	\$420,438	\$579,526	72.55%	\$1,315
2041	\$420,438	\$33,858	\$161,296	\$111.09	3.11	\$3.35	\$0	\$1,253	\$313	\$548,817	\$702,430	78.13%	\$1,270
2042	\$548,817	\$183,678	\$166,312	\$114.54	3.11	\$3.45	\$0	\$1,580	\$395	\$532,636	\$680,875	78.23%	\$1,225
2043	\$532,636	\$20,202	\$171,485	\$118.10	3.11	\$3.56	\$0	\$1,546	\$386	\$685,079	\$825,327	83.01%	\$1,159
2044	\$685,079	\$107,059	\$176,818	\$121.78	3.11	\$3.67	\$0	\$1,934	\$483	\$756,288	\$888,831	85.09%	\$1,095
2045	\$756,288	\$141,683	\$182,317	\$125.56	3.11	\$3.79	\$0	\$2,119	\$530	\$798,511	\$922,062	86.60%	\$1,021
2046	\$798,511	\$465,808	\$187,987	\$129.47	3.11	\$3.90	\$0	\$2,231	\$558	\$522,364	\$634,976	82.27%	\$931
2047	\$522,364	\$151,018	\$193,833	\$133.49	3.11	\$4.03	\$0	\$1,548	\$387	\$566,340	\$660,143	85.79%	\$775
2048	\$566,340	\$205,069	\$199,862	\$137.65	3.11	\$4.15	\$0	\$1,666	\$416	\$562,382	\$635,033	88.56%	\$600
2049	\$562,382	\$44,877	\$206,077	\$141.93	3.11	\$4.28	\$0	\$1,664	\$416	\$724,830	\$772,947	93.77%	\$398
2050	\$724,830	\$126,973	\$212,486	\$146.34	3.11	\$4.41	\$0	\$2,078	\$519	\$811,902	\$834,925	97.24%	\$190
2051	\$811,902	\$125,158	\$219,095	\$150.89	3.11	\$4.55	\$0	\$2,304	\$576	\$907,566	\$903,428	100.46%	(\$34)

### 30 YEAR RESERVE FUNDING PLAN (WITH NO INCREASE IN CONTRIBUTION)

### VILLA SANTA CRUZ

Calendar Year	Starting	Total	Annual	Reserve	Reserve	Contribution				End of	Fully	Deficiency	
	Reserve	Annual	Reserve	Contribution	Contribution	Increase	Special	Interest	Tax on	Year	Funded	Percent	Surplus ( )
	Balance	Expenditure	Contribution	Per Unit	Increase	Per Unit	Assessment	Received	Interest	Balance	Balance	Funded	Per Unit
2022	\$714,705	\$284,183	\$66,240	\$45.62	0.00	\$0	\$0	\$1,870	\$467	\$498,164	\$467,936	106.46%	(\$250)
2023	\$498,164	\$44,291	\$66,240	\$45.62	0.00	\$0	\$0	\$1,328	\$332	\$521,109	\$534,647	97.47%	\$112
2024	\$521,109	\$87,385	\$66,240	\$45.62	0.00	\$0	\$0	\$1,386	\$346	\$501,003	\$561,630	89.21%	\$501
2025	\$501,003	\$35,119	\$66,240	\$45.62	0.00	\$0	\$0	\$1,335	\$334	\$533,126	\$643,493	82.85%	\$912
2026	\$533,126	\$101,016	\$66,240	\$45.62	0.00	\$0	\$0	\$1,416	\$354	\$499,411	\$663,211	75.30%	\$1,354
2027	\$499,411	\$125,794	\$66,240	\$45.62	0.00	\$0	\$0	\$1,331	\$333	\$440,856	\$660,703	66.73%	\$1,817
2028	\$440,856	\$146,579	\$66,240	\$45.62	0.00	\$0	\$0	\$1,185	\$296	\$361,406	\$639,559	56.51%	\$2,299
2029	\$361,406	\$6,228	\$66,240	\$45.62	0.00	\$0	\$0	\$986	\$247	\$422,158	\$760,589	55.50%	\$2,797
2030	\$422,158	\$90,164	\$66,240	\$45.62	0.00	\$0	\$0	\$1,138	\$285	\$399,087	\$802,392	49.74%	\$3,333
2031	\$399,087	\$64,063	\$66,240	\$45.62	0.00	\$0	\$0	\$1,081	\$270	\$402,074	\$873,467	46.03%	\$3,896
2032	\$402,074	\$143,933	\$66,240	\$45.62	0.00	\$0	\$0	\$1,088	\$272	\$325,197	\$868,476	37.44%	\$4,490
2033	\$325,197	\$492,200	\$66,240	\$45.62	0.00	\$0	\$0	\$896	\$224	(\$100,091)	\$517,548	-19.34%	\$5,104
2034	(\$100,091)	\$225,305	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$259,156)	\$428,973	-60.41%	\$5,687
2035	(\$259,156)	\$11,320	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$204,236)	\$555,140	-36.79%	\$6,276
2036	(\$204,236)	\$242,117	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$380,112)	\$455,612	-83.43%	\$6,907
2037	(\$380,112)	\$125,337	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$439,209)	\$473,503	-92.76%	\$7,543
2038	(\$439,209)	\$126,180	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$499,150)	\$493,590	-101.13%	\$8,204
2039	(\$499,150)	\$101,466	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$534,375)	\$541,530	-98.68%	\$8,892
2040	(\$534,375)	\$115,158	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$583,294)	\$579,526	-100.65%	\$9,610
2041	(\$583,294)	\$33,858	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$550,911)	\$702,430	-78.43%	\$10,358
2042	(\$550,911)	\$183,678	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$668,349)	\$680,875	-98.16%	\$11,151
2043	(\$668,349)	\$20,202	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$622,311)	\$825,327	-75.40%	\$11,964
2044	(\$622,311)	\$107,059	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$663,130)	\$888,831	-74.61%	\$12,826
2045	(\$663,130)	\$141,683	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$738,572)	\$922,062	-80.10%	\$13,724
2046	(\$738,572)	\$465,808	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$1,138,140)	\$634,976	-179.24%	\$14,654
2047	(\$1,138,140)	\$151,018	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$1,222,918)	\$660,143	-185.25%	\$15,562
2048	(\$1,222,918)	\$205,069	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$1,361,747)	\$635,033	-214.44%	\$16,502
2049	(\$1,361,747)	\$44,877	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$1,340,384)	\$772,947	-173.41%	\$17,466
2050	(\$1,340,384)	\$126,973	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$1,401,117)	\$834,925	-167.81%	\$18,480
2051	(\$1,401,117)	\$125,158	\$66,240	\$45.62	0.00	\$0	\$0	\$0	\$0	(\$1,460,035)	\$903,428	-161.61%	\$19,533

# ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY<sup>1</sup>

**VILLA SANTA CRUZ COOPERATIVE    Sep 27, 2021,    For the Fiscal Year Ending Dec 31, 2021**

(1) The regular assessment per ownership interest is           \$260.00           per           month            
 Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page \_\_\_\_\_ of the attached summary.

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

<b>Date assessment will be Due:</b>	<b>Amount per Ownership Interest per Month</b> <small>(If Assessments are variable, see note immediately below):</small>	<b>Purpose of the Assessment</b>
Jan 01, 2022	Regular monthly dues will increase to	Operating Budget & Reserves
	<b>\$270.00</b>	
	Total: \$10.00	

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

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

**Yes**       X                            **No**                     

**NOTE: If the association does not adopt the recommended 30-year funding plan in this reserve study the answer to the question #3 could be 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 yet been approved by the board or the members?

<b>Approximate Date Assessment will be Due:</b>	<b>Amount per Ownership Interest per Month:</b>
	Total:

<sup>1</sup> Civil Code. Section 5570 effective January 1, 2014

## ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

**VILLA SANTA CRUZ COOPERATIVE    Sep 27, 2021,    For the Fiscal Year Ending Dec 31, 2021**

- (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 \$656,323, based in whole or in part on the last reserve study or update prepared by Reserve Study Specialists as of Sep 27, 2021. The projected reserve fund cash balance at the end of current fiscal year is \$714,705, resulting in reserves being 108.90% percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$714,705. (See attached explanation)
- (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 (SEE ATTACHED 30 YEAR FUNDING PLAN) and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (SEE ATTACHED 30 YEAR FUNDING PLAN) leaving the reserve at (SEE ATTACHED 30 YEAR FUNDING PLAN) percent funding. If the Reserve Funding Plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (SEE ATTACHED 30 YEAR FUNDING PLAN), leaving the reserve at (SEE ATTACHED 30 YEAR FUNDING PLAN) percent funding.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 0.25 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.00 percent per year.

- (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 55530 [sic; s/b 5550]. Components with an estimated remaining useful life of more than 30 years may be included in a 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.

[Civil Code Section 5570 (b)(4) referred to paragraphs (6) and (7) provides : "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 in accordance with this calculation."]

**DISCLAIMER:** The information contained in this disclosure is a PROJECTION ONLY. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.



# Villa Santa Cruz Cooperative

To all Villa Santa Cruz Cooperative members:

California Civil Code Section 5300 requires that your Association provide annual notice of the following information regarding the Association's insurance coverage, as well as the disclosure below:

## **General Liability: 06/30/2021 to 06/30/2022**

*Insurance Company:* Kinsale Insurance Co

*Policy Limits:* \$1,000,000 per occurrence, \$2,000,000 Aggregate

*Deductible:* \$5,000 per occurrence

## **Excess Umbrella Liability: 06/30/2021 to 06/30/2022**

*Insurance Company:* Kinsale Insurance Co

*Policy Limits:* \$3,000,000 per occurrence, \$3,000,000 Aggregate

*Deductible:* None

## **Property: 06/30/2021 to 06/30/2022**

*Insurance Company:* California Fair Plan Association

*Policy Limits:* \$1,300,000 Buildings / \$150,000 Association Property

*Deductible:* \$5,000 per occurrence

## **Commercial Auto Liability: 06/30/2021 to 06/30/2022**

*Insurance Company:* Farmers Insurance Exchange

*Policy Limits:* \$1,000,000

*Deductible:* \$250 Comprehensive (No Collision Coverage)

## **Directors and Officers Liability: 06/30/2021 to 06/30/2022**

*Insurance Company:* Continental Casualty Company

*Policy Limits:* \$2,000,000

*Retention:* \$2,500

## **Fidelity (Crime) Coverage: 09/01/2021 to 09/01/2022**

*Insurance Company:* The Hartford

*Policy Limit:* \$900,000

*Deductible:* \$5,000

## **Workers Compensation: 7/1/2021 to 7/1/2022**

*Insurance Company:* Employers

*Policy Limits:* \$1,000,000 Statutory

*Deductible:* None

## **Earthquake & Flood Insurance:**

*Insurance Company:* Not covered through this agency

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.

# **VILLA SANTA CRUZ COOPERATIVE, INC.**

## **ASSESSMENT COLLECTION POLICY**

**Notice to Members:** This document sets forth the Association's policy regarding the collection of assessments pursuant to the Association's Governing Documents.

### **Assessments in General.**

The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents. The Association shall also bill for reimbursements including property taxes and utilities. The amount of the assessment is determined annually during the 60-day period immediately preceding the beginning of the Association's fiscal year.

### **Obligation to Pay Assessments.**

A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied.

### **Notice of Assessments.**

Not less than 30 days or more than 60 days before an increase in the regular assessment or any special assessment becomes due; the Association will give the owners notice of the assessment. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice. The Association can deliver notice of change of assessments via e-mail, if the owner has agreed in writing to accept Association documents via e-mail. The Board of Directors may elect from time to time to provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the owners of the obligation to pay assessments.

### **Due Date/ Delinquency Date of Assessments.**

Unless otherwise specified by the Board or the governing documents, an assessment is due on the first of each month. An assessment, or any portion thereof, is delinquent if it has not been received as directed by the Board or its designated agent 15 days after it is due.

### **Late Charges and Interest on Delinquent Amounts.**

Delinquent accounts are subject to late fees, interest and costs of collection including reasonable attorney's fees. A late charge of \$10 or 10% of the delinquent assessment, whichever is *greater* and interest on all sums (including the delinquent assessment, collection fees and costs, and reasonable attorney's fees) at an annual interest rate not to exceed 12.00% commencing 30 days after the assessment becomes due; whether or not charged prior to collection.

### **Collection Charges.**

Any costs and fees incurred in setting up, processing and collecting delinquent amounts, including, without limitation, late charges, statement charges, monthly administrative charges, charges for preparation of delinquency notices or forward to collection charges, or request for a payment plan as well as the recordation of a lien or initiation of foreclosure proceedings, postage, copies, envelopes, labels, filing and recordation charges, delivery charges, and attorney's fees and costs, title searches, bankruptcy searches, pulling copies of grant deeds or property ownership history, address and or phone number verification searches, in addition to any other charges necessary to collect a delinquent assessment shall become an additional charge against the owner and the owner's property and shall be subject to collection action pursuant to this Policy.

**Payment Plan.**

An owner may submit a written request to meet with the Board of Directors, in executive session, to discuss a payment plan agreement to allow the owner to make periodic partial payments on the entire balance of the assessment account in addition to assessments that will accrue during the payment plan period. The Association has no obligation to enter into such a payment agreement. If the Association accepts an agreement with the owner it shall be reasonable, as determined by the Board in its sole discretion. The payment agreement shall be in writing

**Returned Payments.**

Payments returned for insufficient funds, closed account, stop payment or for any other reason will be charged back to the owners account in addition to any administrative fee, bank fee, late fee or collection fees and costs incurred to handle the returned payment. Personal checks will not be accepted if two payments are "Returned" by the bank for any reason within a 12-month period.

**Monetary Charge for Reimbursement to Association for Damage to Common Areas and Facilities.**

A monetary charge may be imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the member or the member's guests were responsible.

**Effect of Non-payment of assessments.**

The Occupancy Agreement may be terminated for nonpayment of assessments or other amounts due to the Association.

**Owner's Change of Address.**

Owner is required to notify the Association of any change in the owner's name or mailing address. Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the Association shall send additional copies of any notices required by this section to the secondary address provided. The owner's request shall be in writing and shall be mailed to the Association.

Updated 10/1/20

## VILLA SANTA CRUZ COOPERATIVE, INC ARCHITECTURAL CHANGE/IMPROVEMENT APPLICATION

All improvements, additions & alterations to the outside must first be approved before same can be erected, installed or altered, including fences, porches, garden structures, screened rooms, awnings, carport enclosures, changes in paint color and landscaping.

Permits are required by the State of California, Department of Housing and Community Development (HCD), for many of these changes. Plans must first be submitted to and approved by Villa Santa Cruz. All permits that are required must be supplied by the contractor and submitted to the office prior to the start of work.

- [ ] HCD permit required
- [ ] Utility locator required

Resident \_\_\_\_\_ Phone \_\_\_\_\_

Space # \_\_\_\_\_ Contractor \_\_\_\_\_ Phone# \_\_\_\_\_

Contractor License # \_\_\_\_\_ Address \_\_\_\_\_

Estimated Starting Date \_\_\_\_\_ Estimated Completion Date \_\_\_\_\_

**Give a written description of work to be done, type of materials to be used, colors, measurements, etc. Include a drawing showing dimensions, if applicable. Use the back of this form or attach extra sheets as needed.**

.....

Residents Signature \_\_\_\_\_ Date \_\_\_\_\_

**Approval is conditional upon all required permits from HCD being on file in our office. No work is to commence until this requirements is met. Any modifications require a new permit.**

Approved \_\_\_\_\_ Date \_\_\_\_\_  
Signature/Title

Approved \_\_\_\_\_ Date \_\_\_\_\_  
Signature/Title

**ARTICLE XIII  
POLICY CONCERNING FINES,  
PENALTIES AND SUSPENSION OF PRIVILEGES**

**13.1. Monetary Fines.** The Board may impose a monetary fine upon a Resident for any violation of the Governing Documents or applicable laws and regulations according to the following schedule of fines:

First infraction: \$0 – written warning notice issued

Second infraction: \$50

Third infraction: \$75

Subsequent infractions  
within 1 year after the  
previous infraction: \$100 per subsequent infraction

Ongoing infractions: \$100 per day

Unapproved guests: \$100 per day

Police called to residence occupied by a Tenant: Up to \$500 fine; may double with each subsequent violation.

In addition to the foregoing fines, a Resident's privileges to use the Park's facilities may be suspended and he/she may be charged the actual cost of any expense that the Cooperative incurs in remedying an infraction or securing compliance with the Rules.

**13.2. Monetary Fines for Violation of Rental Rules.** In addition to the fines and disciplinary measures above, the Board may impose a monetary fine on a Landlord or a Tenant for any violation of the Governing Documents or applicable laws and regulations according to the following schedule of fines:

(a) A fine of up to \$500 a day for each a day a Landlord allows a person to occupy his/her Property in violation of the Rental Rules, the Governing Documents or applicable law. The fine may double for intentional violations, profit-driven violations or continuing violations.

(b) A fine of up to \$500 a day for each a day a Tenant occupies the Property in violation of the Rental Rules, the Governing Documents or applicable law. The fine may double for intentional violations, profit-driven violations or continuing violations.

In addition to the fines and disciplinary measures above, the Board may take action the following action in response to a violation of the rental provisions in the Governing Documents: revocation of the Landlord's right to rent or lease his/her Property; removal from the Rental Authorization List; suspension of a Tenant's right to use Common Facilities; an order requiring that the Lease be terminated and other remedies as provided in the Governing Documents.

In addition to the foregoing fines, the Landlord may be charged the actual cost of any expense that the Cooperative incurs in remedying a violation of, or securing compliance with, the Rental Rules in the Governing Documents or

**13.3. Continuing Violations.** Fines may be imposed on a per day, per week or per month basis for continuing violations. Fines may be imposed concurrently with other action by the Board to address a violation if it is necessary.

**13.4. Attempt to Cure.** The Board may endeavor to work with a defaulting Resident to encourage him/her to voluntarily cure violations.

**13.5. Policy Distribution.** The Board will distribute the Rules at a minimum on a one-time basis. It will then remain in effect until modified by the Board. At any time in the future when the Rules are modified, they will be redistributed to the Shareholders. Shareholders must provide a copy of the Rules, as may be amended from time to time, to their Tenants.

**13.6. Disciplinary Measures.** A Shareholder may submit a signed written complaint to the Board regarding another Resident's alleged violation of these Rules. The Board or its designee shall have authority to issue written notice of infractions to a Resident or guest who violates these Rules.

**13.7. Notice and Hearing - Due Process.**

(a) Before imposition of a fine or penalty or suspending privileges, the affected party shall be entitled to a notice and hearing.

(b) The person accused of violating the rules must be given written notice of the violation and hearing by personal delivery or first-class mail, at least 10 days prior to the meeting at which monetary penalties are imposed. (Civil Code Section 5855). The notice must contain the following:

- 1) The date, time, and place of the hearing,
- 2) The nature of the alleged violation for which a member may be disciplined, and
- 3) A statement that the member has a right to attend the hearing and present evidence in his/her defense. (Civil Code Section 5855(b)).

(c) The Board shall meet in executive session if requested by the Resident being disciplined. If the Board imposes discipline on a Shareholder, the Board shall provide the Resident with a written notification of the disciplinary action, by either personal delivery or first-class mail, within fifteen (15) days following the action. A disciplinary action shall not be effective unless the Board fulfills the requirements of this section.

**FORMS NOT COMPLETED AND RETURNED BY JANUARY 31, 2022 ARE  
SUBJECT TO A FINE**

**Villa Santa Cruz Cooperative, Inc.  
2022 Resident Information Form**

Space Number \_\_\_\_\_

All Residents: Name \_\_\_\_\_ DOB \_\_\_\_\_

Name \_\_\_\_\_ DOB \_\_\_\_\_

**MAILING ADDRESS** (if different from Space Number) \_\_\_\_\_

HOME TELEPHONE NO. \_\_\_\_\_

ALTERNATE or CELL TELEPHONE NO. \_\_\_\_\_

Email Address \_\_\_\_\_ Fax No. \_\_\_\_\_  
(Email address will not be made public)

**PETS:**

Feline: Name: \_\_\_\_\_

Canine: Name: \_\_\_\_\_

**VEHICLE INFORMATION:** (List all vehicles that will be parked in the Park, including the RV Lot)

(1) Year/Make \_\_\_\_\_ Color \_\_\_\_\_ Lic. # \_\_\_\_\_

(2) Year/Make \_\_\_\_\_ Color \_\_\_\_\_ Lic. # \_\_\_\_\_

(3) Year/Make \_\_\_\_\_ Color \_\_\_\_\_ Lic. # \_\_\_\_\_

**Person to contact in case of emergency: (Do not list yourself or spouse)**

In the event of a local disaster, we request that you provide information below that includes at least one contact that lives out of the immediate area.

Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Relationship: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Relationship: \_\_\_\_\_

Name: \_\_\_\_\_ Phone: \_\_\_\_\_ Relationship: \_\_\_\_\_

**YOU MUST COMPLETE OTHER SIDE** 

**CONSENT FOR ELECTRONIC TRANSMISSION OF DOCUMENTS AND ELECTRONIC MESSAGES**

Check the appropriate box and write your initials for either A, B or C of the below choices.

1. Consent

I/We \_\_\_\_\_ Space # \_\_\_\_\_  
Print Name[s]

A. I/we want to receive the **Villa Voice Newsletter** electronically. This newsletter is ONLY provided electronically. \_\_\_\_\_  
Initials

B. I/we agree to receive all communication from the Association electronically \_\_\_\_\_  
Initials

**OR**

C. I/we consent to the electronic transmission of the following documents only (These are the documents that are currently being delivered each November): \_\_\_\_\_  
Initials \_\_\_\_\_

- A. Assessment and Reserve Funding Disclosure summary;
- B. Pro Forma Operating Budget or Pro Forma Operating Summary;
- C. Assessment Collection Policy;
- D. Notice of Assessments and Foreclosure;
- E. Insurance coverage Summary;
- F. Right to Receive Board Minutes;
- G. Alternative Dispute Resolution Rights;
- H. Internal Dispute Resolution Rights;
- I. Architectural Changes Notice;
- J. Secondary Address Notification Request;
- K. Monetary Penalties Schedule;
- L. Reserve Funding Plan Summary;
- M. Review of Financial Statement; and
- N. Annual Update of Reserve Study.

Right to Documents in Non-electronic Form

I/We have the right upon written notice to the Association to receive the above listed documents as well as messages from the Association in paper or non-electronic form.

2. Withdrawal of Consent

I/We may withdraw my/our consent for electronic delivery at any time by informing the Association in writing.

3. Compliance

This consent conforms to Civil Code §1350.7 and Corporation Code §20.

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