

Rio Vista Community Association

November 14 2014

Dear Community Member:

Please be advised that our Association is required to distribute financial information to all members on an annual basis per California Civil Code 5300. This information updates each member on the operating budget for the next fiscal year as well as information on collection procedures, insurance disclosures and documents that are available to each member. We have tried to make this information as comprehensive as possible while presenting it in a format that we hope is easy to understand. If you should have any questions, please feel free to contact Lordon Management for additional information (626) 967-7921.

Enclosed please find a copy of the pro forma budget for the next year. The Board of Directors has reviewed the budget and has attempted to keep the dues as low as possible while still meeting the operating expenses and future reserve requirements for the association. The assessment fees for the 2015 fiscal year will be \$100.00 per month.

It is important for our community to collect assessment fees on a timely basis in order to meet our operating expenses. If a homeowner becomes delinquent in the payment of their assessment fees, the following collection procedure will be used:

1. All payments are due on the 1st of the month.
2. Payments are subject to late and/or interest fees if payment is not received by the 15th of the month.
3. For all late payments, a late fee and/or interest fees will be assessed, as the law allows in the following amount: \$10.00.
4. A demand letter will be sent to the owner notifying them of the impending lien and allowing 30 days to submit payment in full. A demand letter fee of \$40.00 will be added to the owners account.
5. A lien may be placed on the property if an account is not paid within 60 days of the original due date.
6. If a lien is prepared against an account, a lien fee of \$150.00 is assessed against the owner's account.
7. Foreclosure proceedings may begin upon recordation of the lien. All legal/lien processing fees and costs will be billed to the owner's account as part of the legal action. All payments are applied to the oldest amounts first, including late fees.
8. An NSF fee will be assessed against the account for any returned checks.

We thank you for your support of the Rio Vista Community Association. It takes the interest, involvement and cooperation of the association members in order for our association to be successful.

If you should have any questions on any of this information, please feel free to contact Lordon Management for assistance (626) 967-7921.

Rio Vista Community Association

Rio Vista Community
INSURANCE NOTIFICATION

Effective January 1, 1997, the California Civil Code was amended to require that associations prepare and distribute summaries to the general membership of specific insurance policies carried.

This summary of the association's policies of insurance provides only certain information, as required by subdivisions (b)(9) of 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.

The information provided is only a summary of the identified insurance policies. The actual terms and conditions of the policies will control whether the Association has coverage for a particular claim, the limits of available insurance for the claim and who is responsible to pay any deductible or retention.

The Association's property manager and the Association's Board members are not able to provide you with individual advice or recommendations concerning your own insurance needs. If you have questions concerning your current insurance coverage or additional coverage that may be available to you as a member of a homeowners Association, please contact your insurance agent.

Insurance Summary:

Insurance Type	Carrier	Policy Date	Coverage Amount	Deductible \$	Deductible %	Common Area Only
Liability	Truck Ins. Exchange	02/06/14 - 02/06/15	2,000,000		0	Yes
Bond	Truck Ins. Exchange	02/06/14 - 02/06/15	100,000		0	Yes
Directors & Officers	Truck Ins. Exchange	02/06/14 - 02/06/15	2,000,000		0	Yes
Worker's Comp	Farmers	02/06/14 - 02/06/15	1,000,000		0	
Fire & Liability	Truck Ins. Exchange	02/06/14 - 02/06/15	100,000	2,500	0	Yes

***Note: If your Association carries earthquake coverage, you should speak to your agent for coverage relating to real property and earthquake loss assessment coverage.**

RIO VISTA COMMUNITY ASSOCIATION ANNUAL POLICY STATEMENT (Civil Code 5310 & 5320)

OFFICIAL COMMUNICATIONS CONTACT:

The name and address of the person designated to receive official communications to the association per Civil Code section 4035 is Donalea Bauer at Lordon Management at the corporate headquarters at 1275 E. Center Court Drive, Covina, CA 91724.

SECONDARY ADDRESS NOTIFICATION REQUEST:

An owner of the community may submit a written request to have notices sent to up to two different specified addresses, per Civil Code Section 4040.

LOCATION FOR THE POSTING OF GENERAL NOTICE:

In conjunction with Civil Code 4045 (a) the location, if any, designated for posting of a general notice in the community at the mailboxes and on the website.

MEMBERS OPTION TO RECEIVE GENERAL NOTICES:

An owner has the option to receive general notices by individual delivery, per Civil Code 4045 (b).

MEMBERS RIGHT TO RECEIVE COPIES OF MINUTES:

An owner may receive a copy of the monthly board meeting minutes by submitting a written request to Lordon Management. Please note that the association may charge a fee to cover the costs of duplication and mailing. Civil Code 4950 (b)

ASSESSMENT COLLECTION POLICIES:

In conjunction with Civil Code 5730, a copy of the collection policies for the community are provided within this package.

DELINQUENT ASSESSMENT COLLECTIONS:

In conjunction with Civil Code 5850, a copy of the association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments are provided within this package.

DISCIPLINE POLICY:

In conjunction with Civil Code 5850 a copy of the Discipline policy, if any, including any reimbursement or fine penalties are included within this package.

DISPUTE RESOLUTION:

In conjunction with Civil Code 5920 and 5965, a summary of the dispute resolution procedures are included within this package

Civil Code 4615 deals with the enforcement of the governing documents for the association. The association or a member of the association can file a lawsuit for Declaratory Relief or Injunctive Relief, either exclusively or in conjunction with a claim for Monetary Damages not to exceed \$5,000 (other than for Association assessments), the parties shall endeavor to submit the matter to Alternative Dispute Resolution prior to the filing of a lawsuit. There are certain conditions in this code that must be met. Please note that failure to comply with the prefiling requirements of Section 4615 may result in the loss of your rights to sue the association or a member of the association regarding the enforcement of the governing documents. You may contact Lordon Management for additional information pertaining to this code.

ARCHITECTURAL MODIFICATION REQUEST:

In conjunction with Civil Code 4765, a summary of the physical change to property is included within this package.

MAILING ADDRESS FOR OVERNIGHT PAYMENTS:

In conjunction with Civil Code 5655, the mailing address for overnight payment of assessments is 1275 E. Center Court Drive, Covina, CA 91724.

ANNUAL FINANCIAL REPORT:

The association will perform an annual review or audit each year. A copy of this information will be submitted to each owner approximately 120 days after the end of the fiscal year.

ANNUAL BUDGET REPORT (Civil Code Section 5300)

PRO FORMA OPERATING BUDGET:

In conjunction with the Civil Code requirements, please find a copy of the pro forma operating budget included within this package.

SUMMARY OF THE RESERVES:

In conjunction with Civil Code 5565 please find a summary of the association's reserves included within this package.

SUMMARY OF RESERVE FUNDING PLAN:

In conjunction with Civil Code 5550 and 5570 please find a copy of the reserve funding plan or the summary form within this package.

DEFERRED MAINTENANCE:

In conjunction with the Civil Code, the Board of Directors has no plans to defer maintenance within the community.

SPECIAL ASSESSMENT:

In conjunction with the Civil Code, the Board of Directors has not determined, nor anticipates any special assessments for the purpose of funding the repairs, replacement or restoration of any major component. In the event an emergency or unforeseen event occurs, a special assessment may be required.

RESERVE FUNDING:

The association typically relies primarily on funding for the reserves from monthly assessment fees. From time to time, events may occur that cause the association to consider a special assessment and/or a loan to deal with emergency situations.

RESERVE CALCULATIONS:

In conjunction with Civil Code 5570, you will find included in this package reserve study report calculations utilized to create the reserve funding projections.

LOAN:

In conjunction with the Civil Code, there are no existing loans at this time.

INSURANCE DISCLOSURE:

In conjunction with the Civil Code, please find enclosed within this package a summary of the insurance policies that are currently in effect for the association.

Rio Vista Community Association

ACCEPTED BUDGET

Budget Period: 01/01/2015 - 12/31/2015

Units: 44

Account Name	GL Number	Current Monthly Budget	Accepted Monthly Budget	Accepted Annual Budget
INCOME				
INCOME - ASSESSMENT INCOME				
Regular assessments	50100	5,280.00	4,400.00	52,800.00
Late charge assessments	50400	0.00	50.00	600.00
Lien assessments	50500	0.00	110.00	1,320.00
Legal assessments	50600	0.00	350.00	4,200.00
TOTAL INCOME - ASSESSMENT INCOME		5,280.00	4,910.00	58,920.00
INCOME - OTHER INCOME				
Violation / Fine	51200	0.00	45.00	540.00
Interest income	51300	0.00	15.00	180.00
Miscellaneous	52000	0.00	325.00	3,900.00
Cost sharing reimbursement	52200	1,032.00	825.00	9,900.00
TOTAL INCOME - OTHER INCOME		1,032.00	1,210.00	14,520.00
TOTAL INCOME		6,312.00	6,120.00	73,440.00
EXPENSES				
EXPENSES - ADMINISTRATIVE				
Audit & bookkeeping	60100	100.00	130.00	1,560.00
Reserve study	60101	80.00	85.00	1,020.00
Office/bank charges	60200	50.00	50.00	600.00
Secretarial services-minutes	60204	55.00	75.00	900.00
Legal,liens	60300	350.00	550.00	6,600.00
Management services	60600	836.00	880.00	10,560.00
Printing & postage	60800	200.00	150.00	1,800.00
Meeting room expense	62200	0.00	40.00	480.00
Website Maint.	62600	20.00	30.00	360.00
TOTAL EXPENSES - ADMINISTRATIVE		1,691.00	1,990.00	23,880.00
EXPENSES - UTILITIES				
Utility-electric	65100	120.00	120.00	1,440.00
Utility water	65500	400.00	400.00	4,800.00
TOTAL EXPENSES - UTILITIES		520.00	520.00	6,240.00
EXPENSES - INSURANCE				
Insurance master policy	70300	172.00	120.00	1,440.00
Worker's compensation	70400	45.00	50.00	600.00
TOTAL EXPENSES - INSURANCE		217.00	170.00	2,040.00
EXPENSES - TAXES				
State & federal taxes	75400	10.00	10.00	120.00
TOTAL EXPENSES - TAXES		10.00	10.00	120.00
EXPENSES - CONTRACTED SERVICES				

Rio Vista Community Association

ACCEPTED BUDGET

Budget Period: 01/01/2015 - 12/31/2015

Units: 44

Account Name	GL Number	Current Monthly Budget	Accepted Monthly Budget	Accepted Annual Budget
Contracted drive sweeping ser	80101	120.00	120.00	1,440.00
Contracted gardening service	80301	750.00	750.00	9,000.00
Sprinkler repairs	80302	50.00	60.00	720.00
Gardening extras/supplies	80303	160.00	250.00	3,000.00
TOTAL EXPENSES - CONTRACTED SERVICES		1,080.00	1,180.00	14,160.00
EXPENSES - MAINTENANCE				
Drive,walk,street repairs	85700	25.00	25.00	300.00
Fireworks-social	86102	75.00	0.00	0.00
General maintenance	86300	101.00	100.00	1,200.00
Cost sharing	86317	600.00	710.00	8,520.00
Street lighting maintenance	86505	38.00	41.00	492.00
Storm drain cleanout	88301	84.00	84.00	1,008.00
TOTAL EXPENSES - MAINTENANCE		923.00	960.00	11,520.00
TOTAL EXPENSES BEFORE RESERVES		4,441.00	4,830.00	57,960.00
EXPENSES - PROVISION FOR RESERVES				
Asphalt overlay	95100	1,085.00	1,105.00	13,260.00
General operating	95800	337.00	0.00	0.00
Landscape upgrade	96101	264.00	0.00	0.00
Pole lights	96300	185.00	185.00	2,220.00
TOTAL EXPENSES - PROVISION FOR RESERVES		1,871.00	1,290.00	15,480.00
TOTAL EXPENSES		6,312.00	6,120.00	73,440.00
BUDGET SURPLUS / (DEFICIT)			0.00	

Rio Vista Community Association

STATUS OF RESERVES

01/01/2015 Through 12/31/2015

Revision Date: 11/11/2014

GL No	Account Name	Current Budget	Estimated Year End	Funded Current	Replacement Cost	Method	Total Life	Remain. Life	Proposed Budget	Requested Budget	Accepted Budget	Funded New
40100	Asphalt overlay	1,085.00	67,392.00	21%	\$320,583.00	1		228	1,105.00	1,105.00	1,105.00	100%
40110	Concrete repairs	0.00	1,440.00	144%	\$1,000.00	1		228	0.00	0.00		144%
40200	Asphalt reseal/strip/repair	0.00	17,571.00	112%	\$15,706.00	1		12	0.00	0.00		112%
40319	Electrical meter enclosures	0.00	2,715.00	181%	\$1,500.00	1		228				181%
40800	General operating	337.00	41,934.00	53%	\$79,000.00	1		0	337.00	0.00	0.00	53%
41101	Landscape upgrade	264.00	18,177.14	364%	\$5,000.00	1		60	0.00	0.00	0.00	364%
41108	Backflow devices	0.00	1,874.00	156%	\$1,200.00	1		60	0.00	0.00		156%
41300	Pole Lights	185.00	7,442.00	15%	\$50,777.00	1		228	190.00	185.00	185.00	98%
43001	Mailboxes	0.00	8,346.00	155%	\$5,400.00	1		132	0.00	0.00		155%
43810	Entry monument	0.00	0.00	0%	\$6,611.00	1		60	0.00	0.00		0%
44201	Irrigation timers clocks	0.00	2,058.00	206%	\$1,000.00	1		0	0.00	0.00		206%
44205	Irrigation timer enclosures	0.00	2,916.00	73%	\$4,000.00	1		228	0.00	0.00		73%

Method 1 - Based on the estimated replacement cost and remaining life.

Method 2 - Value based on the DRE reserve guidelines.

Method 3 - Flat rate.

Method 4 - Flat amount requested by the board of directors.

NOTICE

ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 5720 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5650, 5740, and 5720 of the Civil Code)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 5650 and 5655 of the Civil Code)

The association must comply with the requirements of Section 5650 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 (a) 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 5650 of the Civil Code)

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

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 5925) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 4925) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5740 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 (a) of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 (b) of the Civil Code)

**ALTERNATIVE DISPUTE RESOLUTION (ADR) RIGHTS
(SUMMARY)**

California Civil Code section 5925 *et seq.* requires that the Association and owners endeavor to submit certain types of dispute to ADR prior to initiating a lawsuit. This notice merely provides a summary of the statute. If there is a dispute which may require ADR pursuant to Civil Code section 5925 *et seq.*, please review all of the provisions of the statute or seek your own independent legal counsel.

PARTIES BOUND BY THE STATUTE

The parties required to comply with the new statute are the Association (through the Board of Directors) and any owners of record.

DISPUTES SUBJECT TO THE STATUTE (QUALIFYING DISPUTES)

Section 5930 provides that the Association or owners may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to ADR. An "enforcement action" is defined as a civil action or other proceeding for any of the following purposes:

1. Enforcement of the Davis-Stirling Common Interest Development Act (Civil Code section 4000 *et seq.*);
2. Enforcement of the California Nonprofit Mutual Benefit Corporation law, commencing with Corporations Code section 7110.
3. Enforcement of the Association's governing documents.

Where, however, an owner has a private dispute with another owner or a tenant, or the Board has a dispute with a third party such as a landscaper, such a dispute is not within the confines of the statute.

DISPUTES SPECIFICALLY EXCLUDED FROM THE STATUTE

The ADR statute 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 \$5,000. The following types of disputes are specifically excluded from being required to resort to ADR.

1. A Small Claims action;
2. Assessment collection, except as provided for in Civil Code section 5600;
3. Claims for money damages in excess of \$5,000.00 in conjunction with a claim for declaratory, injunctive or writ relief;
4. Actions for preliminary or temporary injunctive relief; and
5. The filing of a cross-complaint in response to a complaint already filed.

COMPLIANCE PROCEDURES

- A. **INITIATING PARTY.** The party pursuing the dispute, prior to filing any lawsuit, must serve on the other party "Request for Resolution" including the following information and language:
1. A brief description of the dispute;
 2. A request that the matter be submitted to ADR;
 3. A notice that the party receiving the Request for Resolution (the "Responding Party") is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected.
 4. If the party on whom the Request is served is an owner, a copy of the Civil Code section 5925 *et seq.*
- B. **SERVICE.** A Request for Resolution may be served by personal delivery, first-class mail, express mail, facsimile transmission or other means reasonably calculated to provide the Responding Party actual notice of the Request.
- C. **RESPONDING PARTY'S OBLIGATION.** Upon receipt of the Request for Resolution the Responding Party, whether the Association or an owner, has thirty (30) days in which to either accept or reject the Request. In the event no such response is received, the Request is deemed "rejected".
- D. **TIME FOR COMPLETION OF ADR.** Where the Request is accepted, the parties must complete the ADR within ninety (90) days of receipt of the acceptance. However, the parties can stipulate in writing to extend the period.
- E. **COST OF ADR.** The cost of ADR shall be borne by the parties.
- F. **TOLLING OF STATUTE OF LIMITATIONS.** If a Request for Resolution is served before the end of the applicable statute of limitations, the time limitation is tolled for certain periods specified in the Civil Code section 5945.
- G. **CERTIFICATE.** In the event that a lawsuit is eventually commenced, the party filing must file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with 5925 *et seq.*; (2) One of the parties to the dispute did not accept the terms offered for alternative dispute resolution; or (3) preliminary or injunctive relief is necessary.

CONSEQUENCES FOR FAILURE TO COMPLY WITH THE ADR LAW

The failure to file the aforementioned certificate with the Court is grounds for a demurrer or motion to strike unless the Court finds that dismissal of the action for failure to comply would result in substantial prejudice to one of the parties. Additionally, in awarding attorney's fees and costs, a court may consider whether a party's refusal to participate in ADR before commencement of the enforcement action was reasonable. As a result, it is important to seek independent counsel in the event that you, as an owner, have further questions.

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 YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING THE ENFORCEMENT OF THE GOVERNING DOCUMENT OR THE APPLICABLE LAW.

This summary is provided in accordance with Civil Code sections 5930.

INTERNAL DISPUTE RESOLUTION (IDR) RIGHTS (SUMMARY)

Pursuant to Civil Code section 5900 *et seq.*, the following internal dispute resolution process is to be followed by the Association and owners in connection with disputes relating to the enforcement of the Association's governing documents, the Davis-Stirling Common Interest Development Act (Civil Code section 4000 *et seq.*) and section 7110 *et seq.* of the Nonprofit Mutual Benefit Corporation Code (collectively, the "Disputes").

Either party to a Dispute 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. An owner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
3. The Association's Board of Directors shall designate a member of the Board to meet and confer.
4. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
5. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
6. The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied: (a) The agreement is not in conflict with the law or governing documents of the common interest development or association; and (b) The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.

A member of the association may not be charged a fee to participate in the process

This summary has been provided in accordance with Civil Code section 5920.

**Rio Vista Community Association
Assessment and Reserve Funding Disclosure Summary
For Fiscal Year Ended December 31st, 2015**

1) The current assessment per unit is 100.00 per month average per unit.

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

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

Date assessment will be due:	Amount per ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the assessment:
	Total:	

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

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

Yes _____ No xxx

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 by the that have not been approved by the Board or the members?

Approximate Date Assessment Will Be Due:	Amount Per Unit Per Month:
Progressive increases in the monthly assessment fees in conjunction with the projections in the reserve study report.	
	Total:

5) All major components are included in the reserve study and are included in this calculation.

6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the estimated required amount in the reserve fund is \$90,631, based in whole or in part on the last reserve study or update prepared by Barrera and Company as of June 18th, 2014. The projected reserve fund cash balance at the end of the current fiscal year is \$182,843, resulting in the reserve being 202% funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$. (See attached explanation)

Rio Vista Community Association
 Assessment and Reserve Funding Summary
 For Fiscal Year Ended December 31, 2017

7.) Based upon the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$ and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$, leaving the reserve at % percent funded. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$, leaving the reserve at % percent funded.

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 tax interest rate earned on reserve funds was .5% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement cost was 3% per year.

For the purpose of preparing this 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 1365.5 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 Summary.
- (3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. 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 by the useful life of the component. This shall not be construed to require the Board to fund reserves in accordance with this calculation.

Component	Estimated Remaining Useful Life (Years)	Current Cost of Replacement or Repair	Number of Years in Service	Reserve Needed

(5) The major components included in the reserve study are those components that are included in the reserve study. The reserve study is 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 tax interest rate earned on reserve funds was .5% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement cost was 3% per year.

Financial Information - As of 2014-Dec-31

Projected Reserve Fund Balance: **\$182,843**
 Projected Fully Funded Reserve: **\$90,631**
 Percentage Funded: **202%**
 Current Replacement Cost: **\$244,753**

Inflation, Interest & Contribution Rates

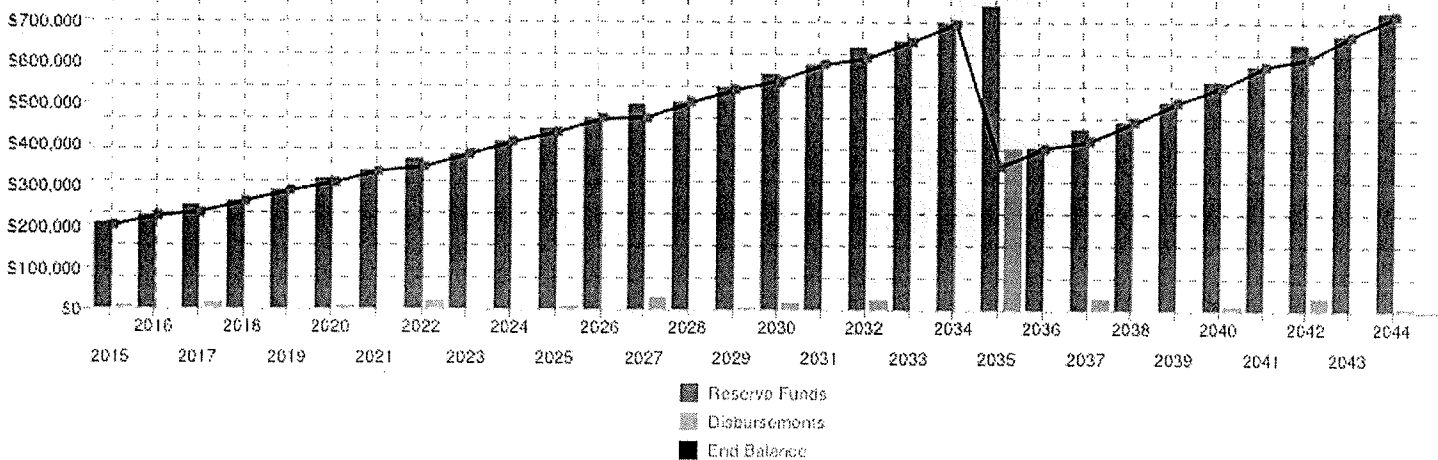
Funding and disbursement projections presented have been computed with a Time Value of Money approach. Inflation was applied to the projected disbursements, and average interest to the ending cash balance values.

Assumed Annual Inflation Rate: **3.00%**
 Assumed Annual Interest Rate: **0.50%**
 Assumed Annual Contribution Rate: **3.00%**

5-Year Current Funding Plan

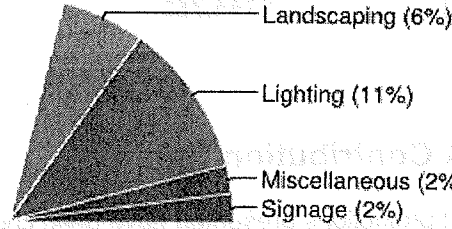
Year	Annual Funding Amount	Average Monthly Fee Per Unit	Projected Annual Disbursements	Year-End Balance	Fully Funded Reserve	Percent Funded
2015	\$22,452.00	\$42.52	\$6,390	\$199,859	\$99,007	202%
2016	\$23,125.56	\$43.80	\$0	\$224,042	\$114,583	196%
2017	\$23,819.33	\$45.11	\$15,630	\$233,372	\$114,906	203%
2018	\$24,533.91	\$46.47	\$0	\$259,134	\$131,725	197%
2019	\$25,269.92	\$47.86	\$0	\$285,763	\$149,452	191%

30-Year Current Funding Chart



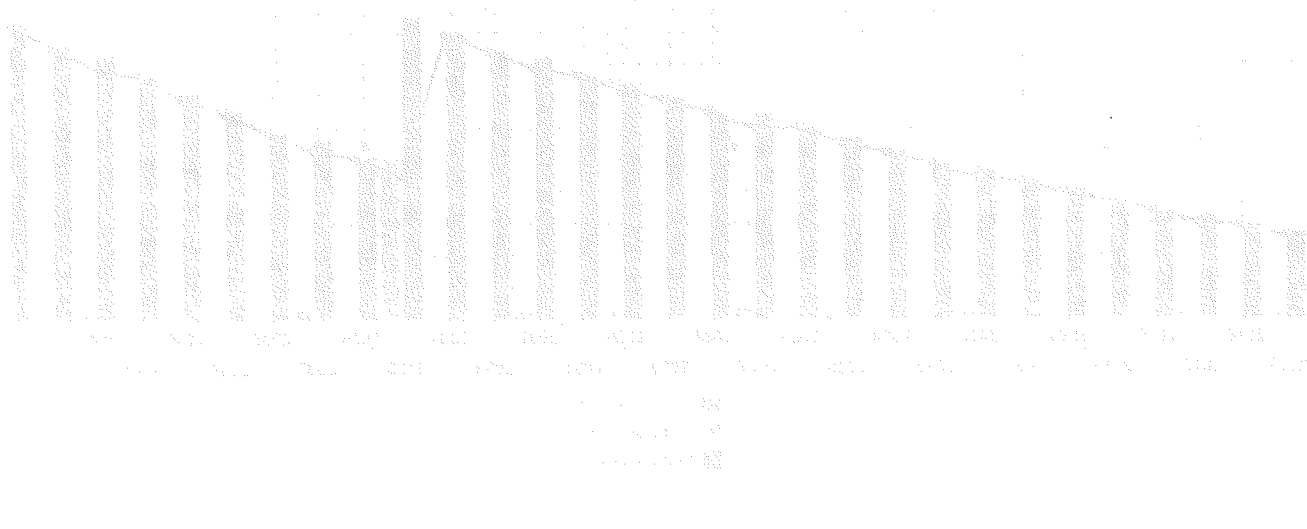
Category Summary

Expenses by Category (Percentage)



Asphalt and Concrete Surfaces (78%)

Category	UL	RL	Current Replacement Cost	Projected Reserve Balance	Required Reserve Funding	Projected Fully Funded Reserve	Current Funding Allocation (Year 1)
Asphalt & Concrete Surfaces	5-30	0-20	\$191,923	\$138,403	\$9,028	\$68,603	\$17,059
Landscaping	5-30	0-20	\$14,995	\$17,041	\$1,496	\$8,447	\$2,827
Lighting	30	20	\$27,950	\$18,797	\$932	\$9,317	\$1,760
Miscellaneous	22	12	\$5,685	\$5,213	\$258	\$2,584	\$488
Signage	25	15	\$4,200	\$3,389	\$168	\$1,680	\$317
Totals			\$244,753	\$182,843	\$11,882	\$90,631	\$22,452



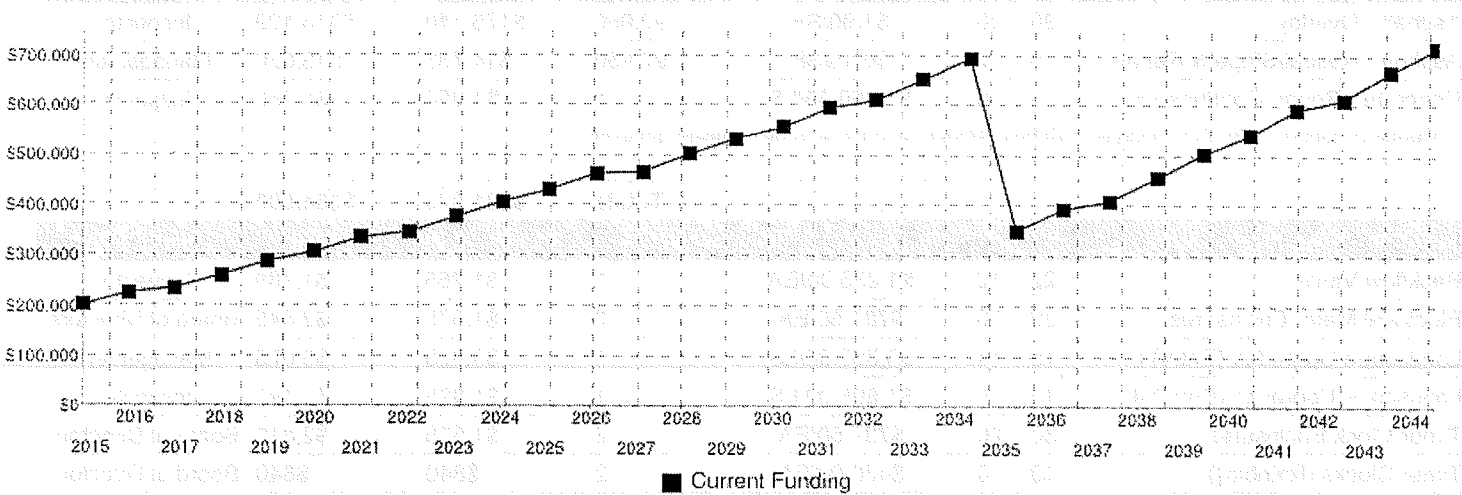


Current Replacement Cost: \$244,753

Component	UL	RL	Cost Per Unit	Qty	Current Cost	Future Cost	Source
Asphalt & Concrete Surfaces							
Asphalt - Overlay	30	20	\$1.90/SF	92,950	\$176,140	\$318,129	Inspector
Asphalt - Reseal/Stripe & Repair	5	2	\$0.16/SF	92,950	\$14,733	\$15,630	Management
Concrete - Repair Contingency	5	0	\$1,050.00/LS	1	\$1,050	\$1,050	Inspector
Repair contingency for the concrete surfaces. Amount and cycle to be reviewed annually.							
Totals					\$191,923	\$334,809	
Landscaping							
Backflow Valve	22	12	\$1,255.00/EA	1	\$1,255	\$1,789	Inspector
Electrical Meter Enclosures	30	20	\$787.50/EA	2	\$1,575	\$2,845	Board of Directors
Landscape Upgrades (Entry) I	15	14	\$3,355.00/LS	1	\$3,355	\$5,075	Management
Landscape Upgrades (Entry) II	15	5	\$1,895.00/LS	1	\$1,895	\$2,197	Inspector
Timer Clock Enclosures	30	20	\$787.50/EA	2	\$1,575	\$2,845	Board of Directors
Timer Clocks (Rainbird)	10	0	\$420.00/EA	2	\$840	\$840	Board of Directors
Tree Removal/Replacement	5	0	\$4,500.00/Total	1	\$4,500	\$4,500	Bid
Totals					\$14,995	\$20,090	
Lighting							
Pole Lights	30	20	\$2,795.00/EA	10	\$27,950	\$50,481	Inspector
Totals					\$27,950	\$50,481	
Miscellaneous							
General Operating Reserve	Other						Board of Directors
Mailboxes	22	12	\$1,895.00/EA	3	\$5,685	\$8,105	Inspector
Totals					\$5,685	\$8,105	
Signage							
Entry Monuments - Refurbish	25	15	\$2,100.00/EA	2	\$4,200	\$6,543	Inspector
Totals					\$4,200	\$6,543	

Measure key: Bldg = Building(s), EA = Each, LF = Linear Feet, LS = Lump Sum, Unit = Unit(s), SF = Square Feet, SY = Square Yard(s), SQ = Squares, Total = Total, Place(s) = Place(s)

Current Funding: This option projects the Reserve Fund over the next 30 years based on a funding level equal to the Association's current assessments for reserve assets. If continued, this option should be reviewed annually and adjusted accordingly to ensure all future funding requirements will be met.



Year	Annual Funding Amount	Avg. Monthly Fee Per Unit	Beginning Cash	Interest Earned	Reserve Funds	Projected Annual Disbursements	End Balance	Fully Funded Reserve	Percent Funded
2015	\$22,452	\$42.52	\$182,843	\$954	\$206,249	\$6,390	\$199,859	\$99,007	202%
2016	\$23,126	\$43.80	\$199,859	\$1,057	\$224,042	\$0	\$224,042	\$114,583	196%
2017	\$23,819	\$45.11	\$224,042	\$1,141	\$249,002	\$15,630	\$233,372	\$114,906	203%
2018	\$24,534	\$46.47	\$233,372	\$1,228	\$259,134	\$0	\$259,134	\$131,725	197%
2019	\$25,270	\$47.86	\$259,134	\$1,359	\$285,763	\$0	\$285,763	\$149,452	191%
2020	\$26,028	\$49.30	\$285,763	\$1,472	\$313,263	\$8,631	\$304,633	\$159,234	191%
2021	\$26,809	\$50.77	\$304,633	\$1,590	\$333,032	\$0	\$333,032	\$178,626	186%
2022	\$27,613	\$52.30	\$333,032	\$1,689	\$362,334	\$18,119	\$344,215	\$180,372	191%
2023	\$28,442	\$53.87	\$344,215	\$1,792	\$374,448	\$0	\$374,448	\$201,286	186%
2024	\$29,295	\$55.48	\$374,448	\$1,945	\$405,688	\$0	\$405,688	\$223,294	182%
2025	\$30,174	\$57.15	\$405,688	\$2,082	\$437,944	\$8,588	\$429,357	\$237,595	181%
2026	\$31,079	\$58.86	\$429,357	\$2,224	\$462,660	\$0	\$462,660	\$261,663	177%
2027	\$32,011	\$60.63	\$462,660	\$2,316	\$496,987	\$30,900	\$466,088	\$255,132	183%
2028	\$32,972	\$62.45	\$466,088	\$2,413	\$501,472	\$0	\$501,472	\$280,763	179%
2029	\$33,961	\$64.32	\$501,472	\$2,580	\$538,012	\$5,075	\$532,937	\$302,469	176%
2030	\$34,979	\$66.25	\$532,937	\$2,714	\$570,631	\$15,190	\$555,441	\$314,963	176%
2031	\$36,029	\$68.24	\$555,441	\$2,867	\$594,337	\$0	\$594,337	\$344,052	173%
2032	\$37,110	\$70.28	\$594,337	\$3,004	\$634,450	\$24,351	\$610,100	\$349,523	175%
2033	\$38,223	\$72.39	\$610,100	\$3,146	\$651,469	\$0	\$651,469	\$380,842	171%
2034	\$39,370	\$74.56	\$651,469	\$3,356	\$694,194	\$0	\$694,194	\$413,728	168%
2035	\$40,551	\$76.80	\$694,194	\$2,599	\$737,344	\$389,263	\$348,082	\$47,302	736%
2036	\$41,767	\$79.10	\$348,082	\$1,845	\$391,694	\$0	\$391,694	\$71,487	548%
2037	\$43,020	\$81.48	\$391,694	\$1,995	\$436,710	\$28,229	\$408,480	\$68,007	601%
2038	\$44,311	\$83.92	\$408,480	\$2,153	\$454,945	\$0	\$454,945	\$94,203	483%
2039	\$45,640	\$86.44	\$454,945	\$2,389	\$502,974	\$0	\$502,974	\$121,906	413%
2040	\$47,010	\$89.03	\$502,974	\$2,603	\$552,587	\$11,620	\$540,966	\$139,217	389%
2041	\$48,420	\$91.70	\$540,966	\$2,826	\$592,212	\$0	\$592,212	\$169,787	349%
2042	\$49,872	\$94.46	\$592,212	\$3,004	\$645,088	\$32,725	\$612,363	\$168,358	364%
2043	\$51,369	\$97.29	\$612,363	\$3,190	\$666,922	\$0	\$666,922	\$201,410	331%
2044	\$52,910	\$100.21	\$666,922	\$3,447	\$723,278	\$7,906	\$715,372	\$228,150	314%

Inflation Rate: 3.00%

Interest Rate: 0.50%

Reserve Contribution Increase: 3.00%

**RIO VISTA HOMEOWNERS ASSOCIATION
DISCLOSURE REGARDING APPROVAL NEEDED
TO MAKE PHYSICAL CHANGES TO PROPERTY**

Architectural Disclosure

According to the Association's governing documents, all changes to the common area, and /or to the exterior of any unit/lot by an owner require the prior written approval of the Association's Board of Directors (and in some cases a certain percentage of the owners must approve such as change).

Owners must submit a written application identifying the proposed change(s) to the Board. The Board in its sole discretion will approve or disapprove of the owner's application, in writing, within 60 days subject to appropriate conditions required by the Board, pursuant to the Association's governing documents.

Rio Vista Community Association Violation and Fine Procedure

1. The Board of Directors shall direct a notice to the homeowner advising them of the nature of the violation and the time limit to rectify the violation.
2. Failure to comply with the request to rectify the violation may result in a "Notice of Hearing" and shall request appearance on a specified date to be heard by the Board of Directors.
3. If the Board determines at the hearing the violation has not been corrected, the Board of Directors may impose a fine and/or seek legal relief.
4. The fine schedule is as follows:

Minor Violations:

First violation:	\$100.00
Second violation (same infraction)	\$200.00
Third violation (same infraction)	\$300.00

Major Violations:

\$100.00 per occurrence

i.e. Failure to obtain architectural (ARC) approval prior to making an exterior modification, negligent damage to Association property, life threatening or safety violations, etc.

*Please note: Special Assessments may be imposed for specific violations outline in the Association's Governing Documents.

Reporting Violations:

Except in those cases where a violation is easily visually verified (i.e. storage of trash cans, unauthorized architectural improvements, recreation vehicle storage in driveways, etc.), homeowners wishing to report a violation must do so in writing and the complaint must be signed by a minimum of two (2) different Lot Owners.

Anonymous letters or complaints will not be acted upon, unless the violation can be visually verified by way of an inspection of the property. Additionally, while the Board of Directors will not routinely provide the identity of the homeowners alleging the violation, it does not guarantee the name remain anonymous or have any duty to protect the privacy of such complaints.

In the case of such complaints that may be difficult to verify, the homeowners alleging the complaint should be prepared to come before the Board of Directors to discuss their claims, should the matter come into dispute.

Finally, the Board may determine the violation to be a neighbor to neighbor in compliance with the neighbor-to-neighbor dispute resolution policy.