



November, 2015

Dear Member:

Enclosed are **Annual Disclosures, Annual Budget Report** [[Civil Code §5300](#)] and **Annual Policy Statement** [[Civil Code §5310](#)]. Anytime this document says that further information is available on the Association's website, www.605.calcal.org the information can also be sent, upon request, by printed copy at no cost to you. To access documents on the website's Minutes page enter the Username **p35571415-50** as shown on that web page; then enter the following password: **6056052**

❖ The **2016 Budget** for Arbor Woods Homeowners Association may be found on the Association's website. No increase in Regular Assessments is budgeted. The Special Assessment of \$83.00 per unit for 24 months was approved during the Membership Meeting held on June 29th, 2015 due to the resurfacing of the courtyard. The Special Assessment will continue to be billed through October 2017 [[Civil Code §5300\(b\) \(5\)](#)].

❖ **Reserve Study** information from the latest studies and updates is available on the Association's website. [[Civil Code §§5300\(b\)\(3\)](#), [5300\(b\)\(4\)](#), [5300\(b\)\(6\)](#) & [5550\(b\)\(5\)](#)]. The **Summary** of the latest study is attached. The Board-adopted Plan for funding the Reserves and/or funding major repairs/replacements can be found www.605.calcal.org. The Board has determined to defer or not undertake repairs or replacement of Arbor Woods Homeowners Association. Procedures used to calculate Reserves are contained within the Reserve Study itself. The Association has no loans outstanding.

❖ Members have a right to obtain copies of **Minutes** or draft minutes within 30 days upon request [[CC§4950](#)]. The minutes are routinely posted on the Association's website, but are available in hard copy for those without web access. **Board of Directors Meetings** must be held at least once per quarter to document compliance with [Civil Code §5500](#).

❖ Members have a right to an **Annual Report** [[CorpC §8321](#) & [CC§5305](#)].

❖ Modifications to Units require **Architectural Approval**. The forms for this approval may be found on the Association's website and must be submitted to Management for processing. Any modification to flooring, walls or ceilings of a Unit must be approved and additional requirements are listed in the Association's Governing Documents which may be found on the Association's web site [[Civil Code §4035](#)].

❖ Official communications to the Association may be delivered by mail to the PO Box shown at the bottom of this notice. Delivery to management's physical address may be sent to: **Arbor Woods Homeowners Association, c/o ceosd.net, 3737 5th Avenue, Suite 204, San Diego, CA 92103-4217**, [CC §§[4035](#) & [5655](#)(c)]. Use of the PO Box or email correspondence is preferred for routine communications.

❖ **ADR (Alternative Dispute Resolution):** A Member, or the Association, must first offer arbitration, mediation or conciliation prior to litigating an action to enforce the Governing Documents, in seeking injunctive or declaratory relief or in seeking damages up to \$5,000 (other than assessments). Pursuant to CC §§[5920](#) & [5965](#): ***"Failure of a member of the association to comply with the alternative dispute resolution requirements of [Section 5930](#) of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."***

❖ **Insurance Summary** A copy of the Declarations Pages from the current master insurance policy is on the Association's website in lieu of an Insurance Summary. Members of the Association should note the following details:

The Master Policy has a property damage deductible of \$5000.

There is no earthquake or flood coverage;

The master policy generally does not extend to the interior of units and Members are encouraged to provide their own insurance coverage for their personal property and for personal liability coverage. Should fixtures in your unit fail (e.g. tub overflow, ice maker line leak, stopped up toilet overflow) you may be liable if water damages the common area or another unit. This is another important reason to ensure you have your own insurance for your unit as this insurance will provide you with some liability coverage. The following Notice is required by Civil Code [§5300\(b\)\(8\)](#): **"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."**

❖ The Association's **Collection Policy + Lien Policy** [[CC§5730](#)] + **Discipline Policy and Schedule of Penalties** [[CC§5850](#)] is on the Governing Documents page of the Association's website. A notice re **Assessment and Foreclosure** is attached in accordance with [CC§5730](#).

❖ **SECURITY DISCLAIMER and SAFETY REMINDERS.** The Association's property can never be completely safe and secure. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their own neighbors, for guests of residents to commit crimes, and for vendors to commit crimes. As a result, the association is not and can never be free of crime and we cannot guarantee your safety or security. Accordingly, you should NOT rely on the association to protect you from loss or harm. Instead, you should provide for your own security by taking common sense precautions

such as carrying insurance against loss; keeping your doors locked; refusing to open your door to strangers; asking workmen for identification; installing a security system; locking your car; etc. Please use this reminder to familiarize yourself with the location of fire extinguishers in the building. The apparent existence of video cameras does not offer security; and cameras, if any, are not monitored, may not work, and may, in fact, be non-operable "dummy" cameras. If cameras work, they may invade on your privacy in the areas where they are positioned; there should be no expectation of privacy in the common areas. Owners are required by law to have operational smoke detectors and carbon monoxide detectors. It is common for detectors to last no longer than 10 years, so test them regularly and replace them when their useful life ends.

- ✦ Members have the ability to have notices sent to two different addresses per [CC§4040](#).
- ✦ General Notices are posted on-site Arbor Woods Homeowners Association [CC§4045](#) but Members also have a right to individual delivery of such notices.

For the Board of Directors,

Jenna Barrientez, Association Manager

The following notice is required to be a part of the Annual Policy Statement pursuant to [CC§5730](#):

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections [5700](#) through [5720](#) of the Civil Code, inclusive)

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

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

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

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. ([Section 5685](#) of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. ([Section 5655](#) of the Civil Code)

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

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with [Section 5900](#)) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with [Section 5925](#)) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. ([Section 5685](#) of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. ([Section 5665](#) of the Civil Code)

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