



Management Solutions

6200 Buena Vista Dr.
Newark, CA 94560
(510) 659-8969
(510) 656-4495 FAX

Villa Paloma Homeowners' Association

2017 Budget Explanation

November 1, 2016

Dear Homeowner,

The attached documents are prepared and forwarded to you in compliance with California Civil Code.

These documents are also required by law to be given to you and to any prospective buyer should you decide to sell your home. It is important that they be kept for reference with the legal documents that were provided to you when you purchased your home.

Following is the summary information for you:

- I. A copy of the fiscal year budget, which has been approved by the Board of Directors.
- II. The total cash reserve is currently \$171,976.69 as of September 30, 2016.
- III. The budget becomes effective January 1, 2017. The dues will increase 8.5% to \$319.00 per unit, per month.
- IV. The Association will update their reserve study in 2017.
- V. The method for calculating reserve allocations requires obtaining estimates of the current cost of repair or replacement of major components. The replacement cost for each component is then divided by the estimate life of that component to obtain the annual reserve cost. Utilizing an expert opinion to estimate the number of years the component should last, attains the estimated life. For the years already used, the appropriate amount of reserves should be set aside, if not, then a deficit exists and the Board of Directors then sets a plan for correction. The annual reserve for each of the existing components is totaled to determine the total annual reserve amount necessary to be collected and set aside.
- VI. Attached is a copy of your Association's Delinquency / Collection Policy.
- VII. Please refer to the Civil Code Notices for 2017 for your rights and notices.

**Management Solutions looks forward to another great year with the
Villa Paloma Homeowners Association.**

2017 ADOPTED BUDGET**VILLA PALOMA HOMEOWNERS ASSOCIATION****EFFECTIVE: JANUARY 1, 2017****30 UNITS**

		Previous Year-2016			Current Year-2017		
		Adopted Monthly Budget	Annual Budget	Per Month/ Per Unit	Adopted Monthly Budget	Annual Budget	Per Month/ Per Unit
4010	Dues	\$ 8,820.00	\$ 105,840.00	\$ 294.00	\$ 9,570.00	\$ 114,840.00	\$ 319.00
4015	Reserve Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4018	Late Fees	\$ 30.00	\$ 360.00	\$ 1.00	\$ 30.00	\$ 360.00	\$ 1.00
4130	Interest Income Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4135	Interest Income Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4145	Late Letter Fees Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4190	Move in/Move Out Fees	\$ 60.00	\$ 720.00	\$ 2.00	\$ 60.00	\$ 720.00	\$ 2.00
4200	Misc Income (Incl violations)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4000	Total Income	\$ 8,910.00	\$ 106,920.00	\$ 297.00	\$ 9,660.00	\$ 115,920.00	\$ 322.00
5020	PG&E	\$ 90.00	\$ 1,080.00	\$ 3.00	\$ 90.00	\$ 1,080.00	\$ 3.00
5040	Garbage	\$ 900.00	\$ 10,800.00	\$ 30.00	\$ 1,500.00	\$ 18,000.00	\$ 50.00
5070	Water	\$ 990.00	\$ 11,880.00	\$ 33.00	\$ 1,140.00	\$ 13,680.00	\$ 38.00
5000	Total Utilities	\$ 1,980.00	\$ 23,760.00	\$ 66.00	\$ 2,730.00	\$ 32,760.00	\$ 91.00
6010	Landscape Maintenance	\$ 930.00	\$ 11,160.00	\$ 31.00	\$ 930.00	\$ 11,160.00	\$ 31.00
6020	Irrigation Repair	\$ 60.00	\$ 720.00	\$ 2.00	\$ 60.00	\$ 720.00	\$ 2.00
6025	Tree Service	\$ 300.00	\$ 3,600.00	\$ 10.00	\$ 300.00	\$ 3,600.00	\$ 10.00
6030	Landscape Other	\$ 90.00	\$ 1,080.00	\$ 3.00	\$ 90.00	\$ 1,080.00	\$ 3.00
6000	Total Landscape	\$ 1,380.00	\$ 16,560.00	\$ 46.00	\$ 1,380.00	\$ 16,560.00	\$ 46.00
7010	Janitorial-Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7045	Minor Repairs	\$ 120.00	\$ 1,440.00	\$ 4.00	\$ 120.00	\$ 1,440.00	\$ 4.00
7120	Pest Control	\$ 120.00	\$ 1,440.00	\$ 4.00	\$ 120.00	\$ 1,440.00	\$ 4.00
7155	Security Phone	\$ 79.50	\$ 954.00	\$ 2.65	\$ 79.50	\$ 954.00	\$ 2.65
7410	Fire Systems Maintenance	\$ 60.00	\$ 720.00	\$ 2.00	\$ 60.00	\$ 720.00	\$ 2.00
7510	Electrical/Lighting	\$ 90.00	\$ 1,080.00	\$ 3.00	\$ 90.00	\$ 1,080.00	\$ 3.00
7530	Plumbing/Sprinkler	\$ 90.00	\$ 1,080.00	\$ 3.00	\$ 90.00	\$ 1,080.00	\$ 3.00
7000	Total Buildings & Grounds	\$ 559.50	\$ 6,714.00	\$ 18.65	\$ 559.50	\$ 6,714.00	\$ 18.65
8010	Management	\$ 630.00	\$ 7,560.00	\$ 21.00	\$ 630.00	\$ 7,560.00	\$ 21.00
8020	License	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8030	Legal Services	\$ 150.00	\$ 1,800.00	\$ 5.00	\$ 150.00	\$ 1,800.00	\$ 5.00
8040	Accounting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8060	Income Tax Preparation	\$ 100.50	\$ 1,206.00	\$ 3.35	\$ 100.50	\$ 1,206.00	\$ 3.35
8070	Taxes-Federal	\$ 60.00	\$ 720.00	\$ 2.00	\$ 60.00	\$ 720.00	\$ 2.00

2017 ADOPTED BUDGET**VILLA PALOMA HOMEOWNERS ASSOCIATION****EFFECTIVE: JANUARY 1, 2017****30 UNITS**

		Adopted Monthly Budget	Annual Budget	Per Month/ Per Unit	Adopted Monthly Budget	Annual Budget	Per Month/ Per Unit
8080	Taxes-State	\$ 30.00	\$ 360.00	\$ 1.00	\$ 30.00	\$ 360.00	\$ 1.00
8085	Bad Debts	\$ 60.00	\$ 720.00	\$ 2.00	\$ 60.00	\$ 720.00	\$ 2.00
8090	Office Expenses	\$ 30.00	\$ 360.00	\$ 1.00	\$ 30.00	\$ 360.00	\$ 1.00
8100	Postage	\$ 30.00	\$ 360.00	\$ 1.00	\$ 30.00	\$ 360.00	\$ 1.00
8110	Printing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8120	Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8140	Bank charges	\$ 30.00	\$ 360.00	\$ 1.00	\$ 30.00	\$ 360.00	\$ 1.00
8150	Insurance	\$ 1,000.00	\$ 12,000.00	\$ 33.33	\$ 1,000.00	\$ 12,000.00	\$ 33.33
8160	Reserve Study	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8170	Misc. G&A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8000	Total General and Admin.	\$ 2,120.50	\$ 25,446.00	\$ 70.68	\$ 2,120.50	\$ 25,446.00	\$ 70.68
9001	Reserves	\$ 2,870.00	\$ 34,440.00	\$ 95.67	\$ 2,870.00	\$ 34,440.00	\$ 95.67

**VILLA PALOMA CONDOMINIUM ASSOCIATION
NOTICES FOR 2017**

**RIGHT TO SUBMIT SECONDARY ADDRESSES
FOR COLLECTION NOTICES
CIVIL CODE § 4040(b)**

Upon receipt of a written request, the Homeowners Association shall send additional copies of collection notices to the secondary address stated in the written request.

**RIGHT TO MINUTES OF BOARD MEETING
CIVIL CODE § 5240(b)**

Members of the Association have the right to have copies of the minutes of the meetings of the Board of Directors by sending a written request specifying the minutes they desire to the offices of Management Solutions, Inc. located at 6200 Buena Vista Drive, Newark, CA 94560.

**RIGHT TO ALTERNATIVE DISPUTE RESOLUTION
CIVIL CODE § 5915**

The Association or member of the Association may not file a lawsuit in Superior Court unless the parties have tried to submit the dispute to Alternative Dispute Resolution pursuant to Civil Code § 5915. However, this procedure only applies to an enforcement action that is solely for declaratory, injunctive or writ relief, or for that relief in conjunction with the claim of monetary damages not in excess of the jurisdictional limits stated in § 116.220 and § 116.221 of the Code of Civil Procedure. These provisions do not apply to a small claims action. Further, except as otherwise provided by law, this Alternative Dispute Resolution process does not apply to an assessment dispute.

The actual statutory procedures for Alternative Dispute Resolution follow.

**RIGHT TO INTERNAL DISPUTE RESOLUTION
CIVIL CODE § 5915**

The actual statutory procedures for Internal Dispute Resolution follow.

**CALIFORNIA CODES
CIVIL CODES
SECTION § 5915.**

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The 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.

(c) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of the common interest development or association.

(2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

(d) A member of the association may not be charged a fee to participate in the process.

**VILLA PALOMA CONDOMINIUM ASSOCIATION
ANNUAL STATEMENT OF COLLECTION PROCEDURE**

EFFECTIVE JANUARY 1, 2017

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 Article 3 (commencing with **Section 5700**) of Chapter 8 of Part 5 of Division 4 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 5700 through 5720** of the Civil Code, inclusive)

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 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)

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DEBT OF OWNER; LATE CHARGES AND INTEREST. Regular or special assessments; late charges (10 percent of the delinquent assessment or \$10 whichever is greater); costs of collection; attorney’s fees and interest (annual interest not to exceed 10% commencing 30 days after the due date), shall be a debt of the owner at the time the assessment or other sums are levied. Owners will be charged \$25 for returned checks.

PRIORITY OF ASSESSMENT PAYMENTS AND OVERNIGHT PAYMENT ADDRESS.

Payments shall first be applied to the assessments owed, and then shall be applied to costs of collection, attorney's fees, late charges, and interest. The mailing address for overnight payments is:

**Management Cost Control
8010 Wayland Lane, #2B
Gilroy, CA 95020**

If your account has been turned over to Fong Association Strategies Group/Fong & Fong, APC, for collection of delinquent assessments the address for overnight payment is:

**Fong Association Strategies Group/
Fong & Fong, APC
2161 Harbor Bay Parkway
Alameda, CA 94502**

Payments may also be made by telephone: (866) 729-5327, option 1 or online at www.FongASG.com

PRE-LIEN NOTICE. At least 30 days prior to recording a lien the association shall notify the owner by certified mail of the following: a description of the collection and lien enforcement procedures, the method of calculation, a statement that the owner has the right to inspect the association records and the notice shall include the mandatory language in **Section 5660** of the Civil Code statement.

PAYMENT PLAN. Owners may submit written requests to meet with the board to discuss payment plans and the association shall provide standards for payment plans if any exist. The board and the owner shall meet in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice. If there is no regularly scheduled board meeting within that period the board may designate a committee of one or more directors to meet with the owner. Additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. Payment plans shall not impede an association's ability to record a lien on the owner's separate interest to secure payment of delinquent assessments. In the event of a default on any payment plan, the association may resume its efforts to collect the delinquent assessments.

PRE-LIEN DISPUTE RESOLUTION. Prior to recording a lien an association shall offer the owner and if requested by the owner shall participate in dispute resolution pursuant to the association's "meet and confer" program as required by the Civil Code.

DECISION TO LIEN FOR DELINQUENT ASSESSMENTS. Liens shall be recorded at least 30 days after the pre-lien notification. The board, by a majority vote at an open meeting, has duly approved the timeframe for the recordation of delinquent assessment lien.

LIEN SIGNATURE DESIGNATION. The association designates Fong Association Strategies Group/Fong & Fong, APC to sign delinquent assessment liens on behalf of the association.

DELINQUENT ASSESSMENT LIEN. The amount of the assessment, collection costs including late charges, and attorney's fees shall be a lien on the owner's separate interest which shall state the amount of the assessment and other sums imposed, a legal description of the owner's separate interest, the name of the record owner, an itemized statement, the name and address of the trustee authorized by the association to enforce the lien by sale and be signed by the person designated as the signatory. A copy of the recorded notice of delinquent assessment shall be mailed by certified mail to every person whose name is shown as an owner of the separate interest in the association's records, and the notice shall be mailed no later than 10 calendar days after recordation. Assessment liens shall be prior to all other liens recorded subsequent to the assessment lien, unless the declaration provides for the subordination of any other liens and encumbrances.

LIEN ENFORCEMENT GENERALLY. After the expiration of 30 days following the recording of the lien, it may be enforced in any manner permitted by law, including suit for money damages, judicial sale, non-judicial sale or acceptance of a deed in lieu of foreclosure.

DECISION TO FORECLOSE. Prior to initiating foreclosure, the association shall offer and if requested by the owner, shall participate in dispute resolution pursuant to the association's "meet and confer" program, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. The decision to initiate foreclosure shall be made by board approval by a majority vote in executive session. The vote shall be recorded in the minutes of the next meeting of the board open to all members. The confidentiality of the owner(s) shall be maintained by identifying the matter by assessor's parcel number. A board vote to approve foreclosure of a lien shall take place at least 30 days prior to any public sale. Notice to the owner shall be by personal service. If the property is not owner-occupied notice shall be by first class mail at the owner(s)' most current address in the Association's records, if the owner does not have a separate address the association may use the address of the owner's separate property at the association.

FORECLOSURE PROCEDURE. Trustee's sales shall be conducted in accordance with **Sections 2924, 2924b, and 2924c** of the Civil Code. The association shall serve a notice of default on the person named as the owner in the association's records or that person's designated legal representative (the owner may designate a legal representative in a writing that is mailed to the association in a manner that indicates that the association has received it).

RIGHT OF REDEMPTION. A nonjudicial foreclosure for delinquent assessments shall be subject to a 90 day right of redemption.

LIMITATION ON ASSIGNMENTS AND PLEDGES. An association may not voluntarily assign or pledge the association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the association. This provision does not restrict the right or ability of an association to assign any unpaid obligations of a former member to a third party for purposes of collection.

**VILLA PALOMA CONDOMINIUM ASSOCIATION
FINE SCHEDULE AND PROCEDURE FOR VIOLATIONS
OF THE GOVERNING DOCUMENTS**

Members of the association in violation of the Villa Paloma Condominium Association's governing documents [Declaration of Covenants, Conditions & Restrictions (CC&Rs), By Laws, Articles of Incorporation, Rules and Regulations] shall be subject to fines of up to \$_____ per incident, or per day, depending upon the circumstances, and based upon the reasonable business judgment of the Board of Directors.

The first offense shall result in a written warning to the offending member. The warning shall specify the offending nature of the offensive conduct, date and time. It shall also advise the member of the proposed penalty if the violation reoccurs.

If the violation reoccurs the member is sent a (20 day) notice advising them that the Board is proposing to, for example, impose a fine of \$500.00, and the member has a right to appear at the next board meeting to present evidence as to why the penalty should not be imposed for this offense and any subsequent offense. The hearing is held and the board will then notify the member of its decision in writing within 5 days of the hearing.

If the fine is imposed it is added to the members assessment account. If the member refuses to pay the fine, it is turned over to the association's attorney for collection (there is an attorneys fee provision in our CC&Rs that would pass the cost of collection back on to the member who violated the governing documents) at the board's discretion. If violation(s) continue, the association reserves the right to other enforcement actions including but not limited to, injunctive or declarative relief from the Alameda County Superior Court.

VILLA PALOMA CONDOMINIUM ASSOCIATION

CIVIL CODE § 5310 INSURANCE DISCLOSURE

Pursuant to **Civil Code Section 5310**, attached is a summary of the Association's policy of insurance declaration page:

“THIS SUMMARY OF THE ASSOCIATION’S POLICIES OF INSURANCE PROVIDES ONLY CERTAIN INFORMATION, AS REQUIRED BY § 5310(a)(7) 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.”



Donald Murphy, Director

VILLA PALOMA HOMEOWNERS ASSOCIATION

The following information is provided pursuant to AB-596:

FHA

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

This common interest development **is** a condominium project.

The association of this common interest development **is not** certified by the Federal Housing Administration."

VA

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

This common interest development **is** a condominium project.

The association of this common interest development **is** certified by the federal Department of Veterans Affairs.

Villa Paloma Condo Association
Insurance Disclosure from pursuant to Civil Code- Section 5300
Policy Term 10/3/2016 to 10/3/2017

Fidelity Bond

Insurer : Allstate Insurance Company (Policy #648681097)
Policy Limits : \$225,000
Deductible : N/A

General Liability Insurance

Insurer : Allstate Insurance Company (Policy #648681097)
Policy Limits : \$2,000,000/\$4,000,000
D&O Limit : \$2,000,000/\$4,000,000/\$500 Deductible

Building Coverage (Blanket)

Insurer : Allstate Insurance Company (Policy #648681097)
Coverage : \$13,203,890
Deductible : \$10,000

Umbrella Liability

Insurer: Allstate Insurance Company (Policy #648681753)
Coverage: \$1,000,000
Deductible: N/A

Earthquake Insurance

Insurer : None with this Agency
Policy Limits : N/A
Deductibles : N/A

Flood Insurance

Insurer : None with this Agency
Policy Limits : N/A
Deductibles : N/A

Workers' Compensation

Insurer: Pennsylvania Manufacturers Association Insurance (Policy #201601-06-41-33-2Y)
Limits of Liability: \$1,000,000

"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."

For additional information regarding your insurance coverages, please contact our agent at:

Confidence Plus Insurance Services
6852 N Pacific Avenue, Stockton, CA 95207
(800) 573-0606



CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
8/11/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

PRODUCER CONFIDENCE PLUS INS SERVICES 6852 Pacific Ave Suite B Stockton, CA 95207	CONTACT NAME:		
	PHONE (A/C No. Ext): (209)473-4403	FAX (A/C No.): (209)473-3758	
	E-MAIL ADDRESS: deanshibler@allstate.com		
	PRODUCER CUSTOMER ID:		
INSURED Villa Paloma Condo Association Management Solutions 6200 Buena Vista Drive Newark, Ca 94560 (925)606-9500	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Allstate Insurance Company		
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
...Tawny Terrace,...Vintage Terrace,...Alder Terrace, Fremont, CA 94536
30 Units Total in the Association

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
A	<input checked="" type="checkbox"/> PROPERTY	648681097	10/3/2016	10/3/2017	BUILDING	\$
	CAUSES OF LOSS				PERSONAL PROPERTY	\$
	<input type="checkbox"/> BASIC				BUSINESS INCOME	\$
	<input type="checkbox"/> BROAD				EXTRA EXPENSE	\$
	<input checked="" type="checkbox"/> SPECIAL				RENTAL VALUE	\$
	EARTHQUAKE				<input checked="" type="checkbox"/> BLANKET BUILDING	\$ 13,203,890
	WIND				BLANKET PERS PROP	\$
	FLOOD				BLANKET BLDG & PP	\$
	<input checked="" type="checkbox"/> RC				Bldg. Ord.	\$
	<input checked="" type="checkbox"/> AV				<input checked="" type="checkbox"/> Cov B&C	\$ 1,318,382
	<input type="checkbox"/> INLAND MARINE	TYPE OF POLICY				\$
	CAUSES OF LOSS					\$
	<input type="checkbox"/> NAMED PERILS	POLICY NUMBER				\$
						\$
	<input checked="" type="checkbox"/> CRIME	648681097	10/3/2016	10/3/2017	Limit	\$ 225,000
	TYPE OF POLICY				<input checked="" type="checkbox"/> Deductible	\$ 0
	Fidelity Bond					
	<input type="checkbox"/> BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$
						\$
						\$

SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

CANCELLATION

For Informational Purposes Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/11/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CONFIDENCE PLUS INS SERVICES 6852 Pacific Ave Suite B Stockton, CA 95207	CONTACT NAME:		
	PHONE (A/C, No, Ext): (209)473-4403	FAX (A/C, No): (209)473-3758	
	E-MAIL ADDRESS: deanshibler@allstate.com		
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Villa Paloma Condo Association Management Solutions 6200 Buena Vista Drive Newark, Ca 94560 (925)606-9500	INSURER A: Allstate Insurance Company		
	INSURER B: Pennsylvania Manufacturers Association Insurance		
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY			648681097	10/3/2016	10/3/2017	EACH OCCURRENCE	\$ 2,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR		DAMAGE TO RENTED PREMISES (Ea occurrence)				\$ 100,000	
			MED EXP (Any one person)				\$ 10,000	
			PERSONAL & ADV INJURY				\$ 2,000,000	
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$ 4,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG	\$ 2,000,000
	OTHER:							\$
A	AUTOMOBILE LIABILITY			648681097	10/3/2016	10/3/2017	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000
	<input type="checkbox"/> ANY AUTO		BODILY INJURY (Per person)				\$	
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS	BODILY INJURY (Per accident)				\$	
	<input checked="" type="checkbox"/> HIRED AUTOS	<input checked="" type="checkbox"/> NON-OWNED AUTOS	PROPERTY DAMAGE (Per accident)				\$	
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			648681753	10/3/2016	10/3/2017	EACH OCCURRENCE	\$ 1,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE		AGGREGATE				\$ 1,000,000	
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0						\$	
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			201601-06-41-33-2Y	10/3/2016	10/3/2017	PER STATUTE	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	OTH-ER					
	If yes, describe under DESCRIPTION OF OPERATIONS below	N/A	E.L. EACH ACCIDENT				\$ 1,000,000	
			E.L. DISEASE - EA EMPLOYEE				\$ 1,000,000	
A	D&O Liability			648681097	10/3/2016	10/3/2017	E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
			Limit: \$2,000,000					
							Aggregate: \$4,000,000	
							Deductible: \$500	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
...Tawny Terrace,...Vintage Terrace,...Alder Terrace, Fremont, CA 94536
30 Units Total in the Association

CERTIFICATE HOLDER

CANCELLATION

For Informational Purposes Only

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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August 23, 2016

Dear Villa Paloma Condo Association,

Our agency is pleased to announce that we have partnered with **EOI Direct** for the delivery of our condominium certificates of insurance. Beginning July 1st, 2014, those in need of a certificate of insurance can obtain it immediately by visiting www.eoidirect.com or by calling EOI Direct's toll-free helpdesk at **(877) 456-EOID [3643]** Monday through Friday between the hours of 9AM and 8PM (EST).

EOI Direct is an online utility designed to provide state-of-the-art, round-the-clock access to condominium certificates of insurance so our agency can now meet the demands of certificates of insurance 24x7. They have a responsive help desk that can accommodate those who do not have internet access and those who do not want to go online to obtain this information.

EOI Direct is a national company that specializes in immediate condominium certificate deliveries which reduce the certificate phone calls that often begin with management companies and self-managed associations. The standardization among agencies using EOI's service means that your office will field fewer requests for certificates and our agency will be able to accommodate the most stringent of certificate turnaround requirements whether it is requested day, night, weekends or holidays. Should you receive a request for a condominium certificate of insurance, please refer the individual to EOI Direct's website and toll-free help desk below:

- Website: www.eoidirect.com
- Help desk: **(877) 456-EOID [3643]**

Our agency will continue monitoring the progress of this new program intended to streamline and automate this process for the benefit of all parties. We welcome your feedback and suggestions.

Sincerely,

Michelle DeMaranville Neeley

Encl: Homeowner Renewal Guide

Assessment and Reserve Funding Disclosure Summary

Villa Paloma Homeowners Association

For Fiscal Year Beginning: 1/1/2017

of Units: 30

1) Budgeted Amounts:	Total	Average Per unit*
Reserve Contributions:	\$2,870.00	\$95.67
Total Assessment Income:	\$9,570.00	\$319.00

per: Month

- 2) Additional 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 Due	Total Amount Per Unit*	Purpose
N/A		
N/A		

Total: \$0.00

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*
N/A	
N/A	
N/A	
N/A	

Total: \$0

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2017
Fully Funded Balance (based on formula defined in 5570(b)4):	\$213,306.00
Projected Reserve Fund Balance:	\$176,853.00
Percent Funded:	82.9%
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$1,215.10

From the 9/11/2014 Reserve Study by Pollard Construction Management and any minor changes since that

* If assessments vary by the size or type of unit, allocate per unit per the attached.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Management Solutions

Date: 11/1/2016

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year.

Villa Paloma Condominium Association
ARA-LLC • Current Assessment Funding Model Summary

		<i>Report Parameters</i>	
Report Date	April 17, 2008	Inflation	4.00%
Account Number	9258	Annual Assessment Increase	4.00%
Version	3.0	Interest Rate on Reserve Deposit	3.00%
Budget Year Beginning	January 01, 2009	Tax Rate on Interest	30.00%
Budget Year Ending	December 31, 2009	Contingency	3.00%
Total Units	30	2009 Beginning Balance	
Phase Development	1 of 1		

Current Assessment Funding Model

- For budgeting purposes, unless otherwise indicated, we have used January 1995 as the placed-in-service date to begin aging the original components examined in this reserve study.
- This 30 unit condominium association is located at the intersection of Fremont Blvd and Alder Ave, in the City of Fremont, California.
- The last Applied Reserve Analysis, LLC field inspection was completed on April 2, 2008.
- NOTE: This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. A reserve analysis, to remain accurate, should be updated on an annual basis to reflect such changes as shifts in economic parameters, the addition of assets or phases, or the expenditure of reserve funds.

AFM Model Summary of Calculations

Required Monthly Contribution	\$1,628.41
<i>\$54.28 per unit monthly</i>	
Average Net Monthly Interest Earned	\$18.64
Total Monthly Allocation to Reserves	\$1,647.05
<i>\$54.90 per unit monthly</i>	

Villa Paloma Condominium Association
ARA-LLC • Current Assessment Funding Model Projection

Report Date April 17, 2008
Beginning Fiscal Year January 01, 2009
Account Number 9258

Version Number 3.0

Beginning Balance: \$0							
Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Reserves	Percent Funded
2009	327,746	19,541	224		19,765	203,413	9%
2010	340,856	20,323	524	6,014	34,597	231,244	14%
2011	354,490	21,136	976		56,708	267,677	21%
2012	368,669	21,981	849	28,556	50,982	276,065	18%
2013	383,416	22,860	1,027	14,875	59,994	300,613	19%
2014	398,753	23,775	1,544		85,313	343,255	24%
2015	414,703	24,726		121,254	-11,214	258,940	-4%
2016	431,291	25,715	57		14,556	302,413	4%
2017	448,543	26,743		126,628	-85,328	213,306	-40%
2018	466,484	27,813		108,681	-166,196	141,919	-117%
2019	485,144	28,925			-137,271	185,556	-73%
2020	504,550	30,082		33,003	-140,191	197,105	-71%
2021	524,731	31,286			-108,905	246,047	-44%
2022	545,721	32,537		51,899	-128,267	242,995	-52%
2023	567,550	33,839		13,388	-107,816	282,782	-38%
2024	590,252	35,192			-72,624	340,278	-21%
2025	613,862	36,600		57,740	-93,764	340,070	-27%
2026	638,416	38,064			-55,700	403,626	-13%
2027	663,953	39,586		151,037	-167,151	309,932	-53%
2028	690,511	41,170		22,187	-148,168	352,591	-42%
2029	718,131	42,817			-105,351	422,886	-24%
2030	746,857	44,529			-60,822	498,239	-12%
2031	776,731	46,311		5,176	-19,687	573,400	-3%
2032	807,800	48,163		62,570	-34,094	592,518	-5%
2033	840,112	50,090		19,817	-3,822	660,726	0%
2034	873,716	52,093	188	15,417	33,042	739,006	4%
2035	908,665	54,177		265,682	-178,462	555,066	-32%
2036	945,012	56,344			-122,118	651,212	-18%
2037	982,812	58,598		223,571	-287,092	514,672	-55%
2038	1,022,125	60,942		238,134	-464,284	360,146	-128%

**Villa Paloma Condominium Association
ARA-LLC • Threshold Funding Model Summary**

		<i>Report Parameters</i>	
Report Date	April 17, 2008	Inflation	4.00%
Account Number	9258	Annual Assessment Increase	4.00%
Version	3.0	Interest Rate on Reserve Deposit	3.00%
Budget Year Beginning	January 01, 2009	Tax Rate on Interest	30.00%
Budget Year Ending	December 31, 2009	Contingency	3.00%
Total Units	30	2009 Beginning Balance	
Phase Development	1 of 1		

Threshold Funding Model

- For budgeting purposes, unless otherwise indicated, we have used January 1995 as the placed-in-service date to begin aging the original components examined in this reserve study.
- This 30 unit condominium association is located at the intersection of Fremont Blvd and Alder Ave, in the City of Fremont, California.
- The last Applied Reserve Analysis, LLC field inspection was completed on April 2, 2008.
- NOTE: This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. A reserve analysis, to remain accurate, should be updated on an annual basis to reflect such changes as shifts in economic parameters, the addition of assets or phases, or the expenditure of reserve funds.

TFM Model Summary of Calculations

Required Monthly Contribution	\$3,041.30
<i>\$101.37 per unit monthly</i>	
Average Net Monthly Interest Earned	<u>\$34.81</u>
Total Monthly Allocation to Reserves	\$3,076.12
<i>\$102.53 per unit monthly</i>	

Villa Paloma Condominium Association
ARA-LLC • Threshold Funding Model Projection

Report Date April 17, 2008
 Beginning Fiscal Year January 01, 2009
 Account Number 9258

Version Number 3.0

Beginning Balance: \$0

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Reserves	Percent Funded
2009	327,746	36,496	418		36,913	203,413	18%
2010	340,856	37,955	1,090	6,014	69,944	231,244	30%
2011	354,490	39,474	1,935		111,353	267,677	41%
2012	368,669	41,053	2,226	28,556	126,075	276,065	45%
2013	383,416	42,695	2,847	14,875	156,742	300,613	52%
2014	398,753	44,403	3,832		204,976	343,255	59%
2015	414,703	46,179	2,304	121,254	132,205	258,940	51%
2016	431,291	48,026	3,353		183,583	302,413	60%
2017	448,543	49,947	1,779	126,628	108,682	213,306	50%
2018	466,484	36,009	412	108,681	36,421	141,919	25%
2019	485,144	37,449	1,201		75,072	185,556	40%
2020	504,550	38,947	1,338	33,003	82,354	197,105	41%
2021	524,731	40,505	2,210		125,069	246,047	50%
2022	545,721	42,125	2,034	51,899	117,329	242,995	48%
2023	567,550	43,810	2,705	13,388	150,457	282,782	53%
2024	590,252	45,563	3,712		199,731	340,278	58%
2025	613,862	47,385	3,553	57,740	192,929	340,070	56%
2026	638,416	49,281	4,655		246,865	403,626	61%
2027	663,953	51,252	2,619	151,037	149,699	309,932	48%
2028	690,511	53,302	3,314	22,187	184,127	352,591	52%
2029	718,131	55,434	4,539		244,100	422,886	57%
2030	746,857	57,651	5,836		307,587	498,239	61%
2031	776,731	59,957	7,099	5,176	369,467	573,400	64%
2032	807,800	62,356	7,221	62,570	376,474	592,518	63%
2033	840,112	64,850	8,305	19,817	429,812	660,726	65%
2034	873,716	67,444	9,559	15,417	491,398	739,006	66%
2035	908,665	70,142	5,589	265,682	301,447	555,066	54%
2036	945,012	72,947	7,227		381,621	651,212	58%
2037	982,812	75,865	4,220	223,571	238,135	514,672	46%
2038	1,022,125	78,900	903	238,134	79,804	360,146	22%

Villa Paloma Condominium Association
ARA-LLC • Component Funding Model Summary

		<i>Report Parameters</i>	
Report Date	April 17, 2008	Inflation	4.00%
Account Number	9258	Annual Assessment Increase	3.00%
Version	3.0	Interest Rate on Reserve Deposit	3.00%
Budget Year Beginning	January 01, 2009	Tax Rate on Interest	30.00%
Budget Year Ending	December 31, 2009	Contingency	3.00%
Total Units	30	2009 Beginning Balance	
Phase Development	1 of 1		

Component Funding Model

- For budgeting purposes, unless otherwise indicated, we have used January 1995 as the placed-in-service date to begin aging the original components examined in this reserve study.
- This 30 unit condominium association is located at the intersection of Fremont Blvd and Alder Ave, in the City of Fremont, California.
- The last Applied Reserve Analysis, LLC field inspection was completed on April 2, 2008.
- NOTE: This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. A reserve analysis, to remain accurate, should be updated on an annual basis to reflect such changes as shifts in economic parameters, the addition of assets or phases, or the expenditure of reserve funds.

CFM Model Summary of Calculations

Required Monthly Contribution	\$4,516.32
<i>\$150.54 per unit monthly</i>	
Average Net Monthly Interest Earned	<u>\$51.70</u>
Total Monthly Allocation to Reserves	\$4,568.02
<i>\$152.26 per unit monthly</i>	

Villa Paloma Condominium Association
ARA-LLC • Component Funding Model Projection

Report Date April 17, 2008
Beginning Fiscal Year January 01, 2009
Account Number 9258

Version Number 3.0

Beginning Balance: \$0

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Reserves	Percent Funded
2009	327,746	54,196	620		54,816	203,413	26%
2010	340,856	47,934	1,584	6,014	98,320	231,244	42%
2011	354,490	47,390	2,627		148,337	267,677	55%
2012	368,669	47,037	3,078	28,556	169,896	276,065	61%
2013	383,416	47,717	3,833	14,875	206,571	300,613	68%
2014	398,753	48,496	4,935		260,002	343,255	75%
2015	414,703	51,968	3,537	121,254	194,252	258,940	75%
2016	431,291	47,473	4,662		246,387	302,413	81%
2017	448,543	46,270	3,069	126,628	169,098	213,306	79%
2018	466,484	45,580	1,803	108,681	107,799	141,919	75%
2019	485,144	44,946	2,800		155,546	185,556	83%
2020	504,550	46,542	3,131	33,003	172,216	197,105	87%
2021	524,731	47,401	4,194		223,811	246,047	90%
2022	545,721	49,108	4,207	51,899	225,228	242,995	92%
2023	567,550	50,306	5,068	13,388	267,214	282,782	94%
2024	590,252	51,525	6,256		324,995	340,278	95%
2025	613,862	53,832	6,283	57,740	327,370	340,070	96%
2026	638,416	55,061	7,572		390,003	403,626	96%
2027	663,953	58,426	5,736	151,037	303,128	309,932	97%
2028	690,511	59,896	6,643	22,187	347,478	352,591	98%
2029	718,131	61,445	8,071		416,995	422,886	98%
2030	746,857	63,189	9,565		489,749	498,239	98%
2031	776,731	65,195	11,021	5,176	560,789	573,400	97%
2032	807,800	67,965	11,342	62,570	577,526	592,518	97%
2033	840,112	70,258	12,630	19,817	640,596	660,726	96%
2034	873,716	72,876	14,090	15,417	712,146	739,006	96%
2035	908,665	80,071	10,383	265,682	536,918	555,066	96%
2036	945,012	80,837	12,310		630,065	651,212	96%
2037	982,812	85,756	9,601	223,571	501,851	514,672	97%
2038	1,022,125	91,523	6,639	238,134	361,878	360,146	100%

Villa Paloma Condominium Association
ARA-LLC • Component Funding Model Assessment & Category Summary

Report Date April 17, 2008
 Beginning Fiscal Year January 01, 2009
 Account Number 9258

Version Number 3.0

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Streets/Asphalt							
Streets - Asphalt Overlay	2018	20	3	9	68,627	0	41,773
Streets - Asphalt Repairs	2013	5	0	4	4,091	0	818
Streets - Asphalt Sealing	2013	5	0	4	3,640	0	728
Streets/Asphalt - Total					\$76,358		\$43,319
Roofing							
Roofs - Tile, Repairs	2012	5	0	3	3,994	0	1,598
Roofing - Total					\$3,994		\$1,598
Gutters and Downspouts							
Gutters & Downspouts - Replace	2015	20	0	6	27,831	0	19,481
Gutters and Downspouts - Total					\$27,831		\$19,481
Painting							
Paint - Concrete Walls	2017	10	0	8	7,938	0	1,588
Paint - Doors, Metal, Garage & Unit Entry	2017	10	0	8	6,750	0	1,350
Paint - Stucco	2017	10	0	8	34,482	0	6,896
Paint - Woodwork/Trim	2012	5	0	3	18,145	0	7,258
Paint - Wrought Iron	2012	5	0	3	3,247	0	1,299
Painting - Total					\$70,562		\$18,391
Fencing							
Fencing - Wood, Patio, Replace	2025	18	0	16	28,468	0	3,163
Gates - Wrought Iron, Replace	2025	18	0	16	2,360	0	262
Railing - Wrought Iron, Replace	2020	25	0	11	12,674	0	7,097
Walls - Concrete, Repairs	2020	25	0	11	8,764	0	4,908
Fencing - Total					\$52,266		\$15,431
Lighting							
Lighting - Ext, Buildings, Replace	2015	20	0	6	15,320	0	10,724
Lighting - Ext, Grounds, Replace	2015	20	0	6	16,154	0	11,308
Lighting - Total					\$31,474		\$22,032

Villa Paloma Condominium Association
ARA-LLC • Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserves	Fully Funded
Decks							
Decks - Wood, Replace	2015	20	0	6	<u>32,784</u>	0	<u>22,949</u>
Decks - Total					\$32,784		\$22,949
Doors							
Doors - Utility, Replace	2017	22	0	8	<u>17,970</u>	0	<u>11,435</u>
Doors - Total					\$17,970		\$11,435
Fire Equipment							
Fire Protection - Control Panel	2015	20	0	6	<u>3,740</u>	0	<u>2,618</u>
Fire Equipment - Total					\$3,740		\$2,618
Mailboxes							
Mailboxes - Pedestal Sets, Replace	2013	15	3	4	<u>2,800</u>	0	<u>2,178</u>
Mailboxes - Total					\$2,800		\$2,178
Signs							
Signs - Traffic, Replace	2013	18	0	4	<u>2,184</u>	0	<u>1,699</u>
Signs - Total					\$2,184		\$1,699
Irrigation							
Irrigation Controllers - Replace	2010	12	3	1	<u>5,783</u>	0	<u>5,397</u>
Irrigation - Total					\$5,783		\$5,397
Contingency							
Concrete - Driveways/Walkways	unfunded						
Doors - Garage, Metal, Replace	unfunded						
Doors - Unit Entry, Metal, Replace	unfunded						
	Total Asset Summary				<u>\$327,746</u>		<u>\$166,528</u>
	Contingency at 3.00%						<u>\$5,150</u>
	Summary Total						<u>\$171,678</u>

Villa Paloma Condominium Association
ARA-LLC • Distribution of Accumulated Reserves

Report Date April 17, 2008
 Beginning Fiscal Year January 01, 2009
 Account Number 9258

Version Number 3.0

Description	Remaining Life	Replacement Year	Assigned Reserves	Fully Funded Reserves
Irrigation Controllers - Replace	1	2010		5,397
Paint - Woodwork/Trim	3	2012		7,258
Paint - Wrought Iron	3	2012		1,299
Roofs - Tile, Repairs	3	2012		1,598
Mailboxes - Pedestal Sets, Replace	4	2013		2,178
Signs - Traffic, Replace	4	2013		1,699
Streets - Asphalt Repairs	4	2013		818
Streets - Asphalt Sealing	4	2013		728
Decks - Wood, Replace	6	2015		22,949
Fire Protection - Control Panel	6	2015		2,618
Gutters & Downspouts - Replace	6	2015		19,481
Lighting - Ext, Buildings, Replace	6	2015		10,724
Lighting - Ext, Grounds, Replace	6	2015		11,308
Doors - Utility, Replace	8	2017		11,435
Paint - Concrete Walls	8	2017		1,588
Paint - Doors, Metal, Garage & Unit Entry	8	2017		1,350
Paint - Stucco	8	2017		6,896
Streets - Asphalt Overlay	9	2018		41,773
Railing - Wrought Iron, Replace	11	2020		7,097
Walls - Concrete, Repairs	11	2020		4,908
Fencing - Wood, Patio, Replace	16	2025		3,163
Gates - Wrought Iron, Replace	16	2025		262
Concrete - Driveways/Walkways		unfunded		
Doors - Garage, Metal, Replace		unfunded		
Doors - Unit Entry, Metal, Replace		unfunded		

Total Asset Summary	\$166,528
Contingency at 3.00%	\$5,150
Summary Total	\$171,678

Fully Funded Level	0%
Current Average Liability per Unit (Total Units: 30)	-\$5,722

Villa Paloma Condominium Association
ARA-LLC • Annual Expenditure Detail

Report Date April 17, 2008
Beginning Fiscal Year January 01, 2009
Account Number 9258

Version Number 3.0

Description	Expenditures
<i>No Replacement in 2009</i>	
Replacement Year 2010	
Irrigation Controllers - Replace	6,014
Total for 2010	\$6,014
<i>No Replacement in 2011</i>	
Replacement Year 2012	
Paint - Woodwork/Trim	20,411
Paint - Wrought Iron	3,653
Roofs - Tile, Repairs	4,493
Total for 2012	\$28,556
Replacement Year 2013	
Mailboxes - Pedestal Sets, Replace	3,276
Signs - Traffic, Replace	2,555
Streets - Asphalt Repairs	4,786
Streets - Asphalt Sealing	4,258
Total for 2013	\$14,875
<i>No Replacement in 2014</i>	
Replacement Year 2015	
Decks - Wood, Replace	41,482
Fire Protection - Control Panel	4,732
Gutters & Downspouts - Replace	35,215
Lighting - Ext, Buildings, Replace	19,385
Lighting - Ext, Grounds, Replace	20,440
Total for 2015	\$121,254
<i>No Replacement in 2016</i>	
Replacement Year 2017	
Doors - Utility, Replace	24,593
Paint - Concrete Walls	10,864
Paint - Doors, Metal, Garage & Unit Entry	9,238

**Villa Paloma Condominium Association
ARA-LLC • Annual Expenditure Detail**

Description	Expenditures
<i>Replacement Year 2017 continued...</i>	
Paint - Stucco	47,191
Paint - Woodwork/Trim	24,833
Paint - Wrought Iron	4,444
Roofs - Tile, Repairs	<u>5,466</u>
Total for 2017	\$126,628
 Replacement Year 2018	
Streets - Asphalt Overlay	97,678
Streets - Asphalt Repairs	5,823
Streets - Asphalt Sealing	<u>5,181</u>
Total for 2018	\$108,681
 <i>No Replacement in 2019</i>	
Replacement Year 2020	
Railing - Wrought Iron, Replace	19,511
Walls - Concrete, Repairs	<u>13,492</u>
Total for 2020	\$33,003
 <i>No Replacement in 2021</i>	
Replacement Year 2022	
Irrigation Controllers - Replace	9,629
Paint - Woodwork/Trim	30,213
Paint - Wrought Iron	5,407
Roofs - Tile, Repairs	<u>6,650</u>
Total for 2022	\$51,899
 Replacement Year 2023	
Streets - Asphalt Repairs	7,084
Streets - Asphalt Sealing	<u>6,303</u>
Total for 2023	\$13,388
 <i>No Replacement in 2024</i>	
Replacement Year 2025	
Fencing - Wood, Patio, Replace	53,320
Gates - Wrought Iron, Replace	<u>4,420</u>
Total for 2025	\$57,740

**Villa Paloma Condominium Association
ARA-LLC • Annual Expenditure Detail**

Description	Expenditures
<i>No Replacement in 2026</i>	
Replacement Year 2027	
Paint - Concrete Walls	16,081
Paint - Doors, Metal, Garage & Unit Entry	13,674
Paint - Stucco	69,854
Paint - Woodwork/Trim	36,759
Paint - Wrought Iron	6,578
Roofs - Tile, Repairs	<u>8,091</u>
Total for 2027	\$151,037
Replacement Year 2028	
Mailboxes - Pedestal Sets, Replace	5,899
Streets - Asphalt Repairs	8,619
Streets - Asphalt Sealing	<u>7,669</u>
Total for 2028	\$22,187
<i>No Replacement in 2029</i>	
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Signs - Traffic, Replace	<u>5,176</u>
Total for 2031	\$5,176
Replacement Year 2032	
Paint - Woodwork/Trim	44,723
Paint - Wrought Iron	8,003
Roofs - Tile, Repairs	<u>9,844</u>
Total for 2032	\$62,570
Replacement Year 2033	
Streets - Asphalt Repairs	10,487
Streets - Asphalt Sealing	<u>9,330</u>
Total for 2033	\$19,817
Replacement Year 2034	
Irrigation Controllers - Replace	<u>15,417</u>
Total for 2034	\$15,417

**Villa Paloma Condominium Association
ARA-LLC • Annual Expenditure Detail**

Description	Expenditures
Replacement Year 2035	
Decks - Wood, Replace	90,893
Fire Protection - Control Panel	10,369
Gutters & Downspouts - Replace	77,160
Lighting - Ext, Buildings, Replace	42,474
Lighting - Ext, Grounds, Replace	<u>44,786</u>
Total for 2035	\$265,682
<i>No Replacement in 2036</i>	
Replacement Year 2037	
Paint - Concrete Walls	23,804
Paint - Doors, Metal, Garage & Unit Entry	20,241
Paint - Stucco	103,400
Paint - Woodwork/Trim	54,412
Paint - Wrought Iron	9,737
Roofs - Tile, Repairs	<u>11,976</u>
Total for 2037	\$223,571
Replacement Year 2038	
Streets - Asphalt Overlay	214,024
Streets - Asphalt Repairs	12,759
Streets - Asphalt Sealing	<u>11,352</u>
Total for 2038	\$238,134