



• 3795 Eastwood Circle
 • Santa Clara, CA 95054
 • Phone: 408-321-8920

*For all your Homeowner Association Management
 and Building Maintenance needs, always call on*

Cityscape Property Management

2018-2019 Annual Disclosure for Camino Del Prado Homeowners Association

Dear Homeowner,

This letter summarizes important information and documentation regarding how your homeowners association operates. Please review the information. This information is often needed when you refinance your loan or sell your home so please file it with your important records for reference when needed.

Member Contact Information

- ✓ An owner of a separate interest shall, on an annual basis, provide written notice to the association of all of the following:
 - (1) The address or addresses to which notices from the association are to be delivered.
 - (2) An alternate or secondary address to which notices from the association are to be delivered.
 - (3) The name and address of his or her legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the owner's extended absence from the separate interest.
 - (4) Whether the separate interest is owner-occupied, is rented out, if the parcel is developed but vacant, or if the parcel is undeveloped land.

Note: If an owner fails to provide the information identified above, the property address shall be deemed to be the address to which notices are to be delivered.

Civil Code § 4041

Designated Recipient to Receive Official Communications

- ✓ If a document is to be delivered to the association, the document shall be delivered to:
 Camino Del Prado HOA
 C/O Cityscape Property Management
 3795 Eastwood Circle
 Santa Clara, CA 95054
 Attention: Larry Day

Civil Code § 4035

General Notice Location

- ✓ The Association posts general notices at the community clubhouse, either on the bulletin board or in the window by the front door.
- ✓ Members have the option to receive general notices by individual delivery. Simply notify Cityscape Property Management.

Civil Code § 4045

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Pro Forma Operating Budget, Reserve Funding Mechanism, Plan, and Summary

- ✓ The association distributes the Pro Forma Operating Budget annually to the membership.
- ✓ The complete budget is attached for your review.
- ✓ The association's mechanism for funding the reserve fund is through the collection of dues.
- ✓ Based upon the most recent reserve study and other information available to the Board of Directors, the currently projected reserve account is **72.1% funded** which represents a **Low Special Assessment Risk status**. Balances should 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, as long as the Board of Directors stay with Reserve Study summary recommendations by Association Reserves.
- ✓ A copy of the Assessment and Reserve Fund Disclosure is attached.

Civil Code § 5300
Civil Code § 5320
Civil Code § 5550(b)
Civil Code § 5565
Civil Code § 5570

Dues Increases

- ✓ Notice of an assessment increase or special assessment is provided by first-class mail to members.
 - There are **no** special assessments for the year beginning July 1, 2018.
- ✓ The Board has worked diligently to keep the dues as low as possible while maintaining the services provided throughout the community. For the fiscal year July 1, 2018 - June 30, 2019, the Board has approved the budget with about a **9.7% increase** in the monthly dues, so the monthly dues will be **\$395.00 starting July 1, 2018**. The dues increase provides funding to keep the reserve balance above 70% and maintain the **Low Special Assessment Risk status** for upcoming capital expenditures.
 - The Board's decision to increase the monthly dues was a challenging one and it was a majority vs. unanimous vote for approval. Proponents believe a monthly increase to be preferable to a special assessment. Opponents believe a special assessment to be preferable to a monthly dues increase.

Civil Code § 5615

Outstanding Loans

- ✓ The association has no loans.

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Schedule of Monetary Penalties

- ✓ Associations which impose fines on members for violating governing documents or association rules must distribute a schedule of the monetary penalties via first class mail or hand delivery when the schedule is adopted or revised.
- ✓ The Board of Director’s intent is to resolve problems as “Good Neighbors” whenever possible. However, if that is not effective, the CC&Rs have a fine system to encourage resolution. The Association’s Rules and related schedule of monetary penalties is attached

Civil Code § 5850

Arbitration/Mediation of CC&R Disputes

- ✓ The association’s Rules and Regulation include a Procedure for Informal Resolution of Disputes.
- ✓ 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.
- ✓ Members are encouraged to use arbitration or mediation prior to litigating an action to enforce the governing documents, in seeking injunctive or declaratory relief, or injunctive or declaratory relief plus damages of up to \$5,000;
- ✓ Parties receiving a Request for Resolution have thirty days in which they may accept or reject "alternative dispute resolution."
- ✓ The purpose of these statutes is to promote a speedy and cost effective resolution of such disputes, to better preserve community cohesiveness and to channel CC&R disputes away from the court system.

Civil Code § 5920

Civil Code § 5965

Notice of Right to Minutes of Board Meetings

- ✓ Members have the right to receive approved minutes, an unapproved draft, or a summary of the minutes, of any board meeting, other than an executive session, within thirty (30) days of a Board meeting upon member's request and upon reimbursement of association's costs to distribute minutes.
- ✓ To obtain a copy of the minutes, contact Cityscape Property Management.

Civil Code § 4950

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Security Disclaimer

The association should never be assumed to be crime-free. 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 employees to commit crimes.

As a result, the association cannot guarantee your security. You should NOT rely on the association to protect you from loss or harm. You should provide for your own security by keeping your doors locked; refusing to open your door to strangers; asking workmen for identification; installing a security system; carrying insurance; etc.

Insurance Coverage

- ✓ The association distributes annually to the members summaries of its insurance policies such as property, general liability, and flood insurance policies.
- ✓ 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.
- ✓ To file a claim, contact Cityscape Property Management at 408-321-8920.

It is very important that you explore your own risks with a knowledgeable insurance agent. Policies to consider include coverage to protect the contents of your home, and coverage to protect you from the liability for covering the difference between the association’s coverage and your own, either through a common area accident or an accident in your own home.

Civil Code § 5300(a)(b)

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Architectural Guidelines and Procedures

- ✓ Architectural Committee Approval. No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties or any portion thereof, nor shall any exterior addition to or change or structural alteration of the Common Area or Exclusive Use Common Area be made until a written application for approval of the proposed work, supported by plans and specifications showing the nature, color, kind, shape, height, material, and location of the same, has been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors or its designated Architectural committee (which shall be composed of three (3) or more representatives appointed by the Board). Said plans and specifications shall be submitted to the Board by personal delivery or certified mail to the Secretary of the Association or the Chairman of the Architectural Committee. Members of the Board of Directors shall be eligible to serve as members of the Architectural Committee.
- ✓ Additional Information. The Board or Committee shall have the right to request additional information regarding the work of improvement if the request is delivered to the applicant in writing within thirty (30) days following the date the initial application was filed. The Board also may determine if there is opposition to the application by one or more neighbors in which case the Board may request written comment from the affected neighbor(s). If appointed, the Board or Committee shall make its determinations and recommendations to the board within forty-five (45) days after such additional information is received. If the Board or Committee fails to disapprove an application within forty-five (45) days of the completion of the application the same shall be deemed to be unconditionally approved.
- ✓ Architectural Standards. The Board may, from time to time, adopt and promulgate Architectural Standards which may include, among other things, limitations and restrictions regulating the placement, kind, shape, height, materials, species and location of any improvement; a description of the improvements which, if completed in conform with the Architectural Standards, do not require a recommendation of the Architectural Committee; and time limitations for the completion of improvements for which approval is required pursuant to the Architectural Standards.
- ✓ Owner Responsibility. By approving plans and specifications, the Board and the Architectural Committee, do not assume any liability or responsibility for compliance with building or zoning ordinances, which compliance shall be the sole responsibility of the applicant. Neither the Architectural Committee, nor a member thereof, nor the Board of Directors shall be liable to the Association or to any Owner for any damage, loss or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings and specifications; (c) the development of any portion of the properties. The owner whose plans are approved shall defend, indemnify and hold the committee and the Board, and the Members thereof, harmless from any and all liability arising out of such approval. No Owner may make or cause any alteration which would adversely affect the structural integrity of any building or which would impair the effectiveness of sound control between Condominiums.

Civil Code § 4765

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Assessment Collection Policy

- ✓ The Board of Directors of the Association, in accordance with its fiduciary responsibilities, has adopted a collection policy. A copy of the Collection Policy is attached.
- ✓ Members have the right to submit a secondary address for collection notice. To do this, simply contact Cityscape Property Management.
- ✓ Overnight payments of assessments may be sent to:
 - Camino Del Prado HOA
 - C/O James Ernst Accounting
 - 110 Stony Point Road Suite 100
 - Santa Rose, CA 95401-4118
 - Attention: Accounts Receivable

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)

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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.

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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)

Civil Code § 4040
Civil Code § 5655
Civil Code § 5730

If you have any questions or concerns regarding this document, please contact Cityscape Property Management.

Sincerely,
Cityscape Property Management, Inc.

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Camino Del Prado Homeowners Association			
Budget for the Year July 1, 2018 to June 31, 2019			
The monthly dues per unit is effective starting 1 July 2018			
Operating Expenses			
	Audit/Review and Tax Return	1,490.00	
	Insurance	52,812.61	
	Legal	2,000.00	
	Management - Contract	21,660.00	
	Management - Extras/Misc	4,000.00	
	Taxes - State	2,166.00	
	Taxes - Federal	4,390.00	
	Taxes - Corporate Filing Fees	-	
	Total Admin Expenses	\$ 88,518.61	
	Landscape - Contract	27,000.00	
	Landscape - Extras	5,000.00	
	Landscape - Irrigation	4,000.00	
	Total Landscape	\$ 36,000.00	
	Maintenance - General/Common Area	7,001.39	
	Maintenance - Gutter Cleaning	2,100.00	
	Maintenance - Fire System	160.00	
	Janitorial - Contract	2,470.00	
	Janitorial - Supplies/Extra	1,000.00	
	Plumbing and Sewer Repair	4,000.00	
	Pest Control - Contract	2,500.00	
	Roof & Gutter Repairs	2,100.00	
	Maintenance - Lighting	1,000.00	
	Total General Maintenance	\$ 22,331.39	
	Pool - Contract	3,110.00	
	Pool - License, Supplies, Misc	2,000.00	
	Pool - Extras/Repairs	500.00	
	Total Pool	\$ 5,610.00	
	Utilities - Gas & Electric	11,000.00	
	Utilities - Water	37,000.00	
	Total Utilities	\$ 48,000.00	
	Operating Expenses	\$ 200,460.00	49%
Reserve Expenses	Reserve Allocation	\$ 211,920.00	51%
	Total Operating and Reserves Expenses	412,380.00	100%
	Annual Budget	\$ 412,380.00	
	Monthly Dues per unit	\$ 395.00	

Assessment and Reserve Funding Disclosure Summary
 For the Fiscal Year Ending 2018-2019
 Civil Code § 5570

(1) The regular assessment per ownership interest is \$395 per month as of July 1, 2018.

(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:	

(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

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:
	Total:

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$1,544,472, based in whole or in part on the last reserve study or update prepared by Association Reserves as of December, 2014. The projected reserve fund cash balance at the end of the current fiscal year is \$1,113,828, resulting in reserves being 72.1 percent funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$1,513,744, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$1,201,169, leaving the reserve at 62.7 percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$1,188,688, leaving the reserve at 74.8 percent funding.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change.

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 55530. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

Federal Housing Administration (FHA) Disclosure
As of May 23, 2018
Civil Code § 5300(b) (10)-(11)

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.

For the current status, we recommend you check FHA website at:

<https://entp.hud.gov/idapp/html/condlook.cfm>

Veterans Administration (VA) Disclosure
As of May 23, 2018
Civil Code § 5300(b) (10)-(11)

Certification by the Veterans 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 Veterans Administration.

For the current status, we recommend you check VA website at:
<https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>