

CROWN COLONY

HOMEOWNERS ASSOCIATION

379 IMPERIAL WAY, DALY CITY, CA 94015-2503 • (650)756-8220 • FAX: (650)756-4323

May 14, 2021

Dear Crown Colony Homeowner,

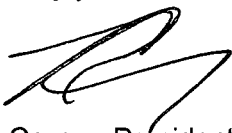
At its April 21, 2021 meeting, the Board approved the 2021/22 Budget prepared by the Management Company and the Reserve Expenditures and Funding Update Schedule prepared by John D. Beatty & Co. The budget reflects an average increase of 5% and you can find what the new dues will be for your unit on the Schedule of Individual Assessments located in this packet. A majority of this rise in your dues is because of increases in the cost of utilities and insurance.

Pursuant to the requirements of Civil Code Section 5300 the following are enclosed:

- 2021/22 Operating Budget;
- Schedule of Individual Assessments
- Reserve Study and Funding Schedule;
- Assessment and Reserve Funding Disclosure Summary;
- Budget Report and Policy Statement;
- Insurance Coverage Summary prepared by Risk Strategies Company;
- Dispute Resolution Policy;
- Notice of Collection Rights and Obligations,
- Association Assessment Collection Policy
- Association's Fine Policy and Schedule of Fines;
- How to Pay My Assessment Notice and Union Bank Authorization Form;
- FHA and VA Certification Disclosures;
- Request for Annual Notice of Address, Representative and Rental Status as per Civil Code 4041;
- Notice of Charges for Documents Provided as Required by Civil Code 4525;
- Request for Delivery of Association Documents by Email;
- Election Rules;
- Architectural Rules and Improvement Application

The Board has provided you a complete information package to help you understand how your monthly dues are spent and where your money will be spent during the next fiscal year. The Reserve Funding Schedule shows where your monthly dues have been spent and where it will be spent over the next several years for replacement of and repairs to major components. It is imperative we have a properly-funded plan in place to allow us to continue these replacements and repairs. The enclosed reserves schedule reflects expenditures through 2028-2029 and a funding plan through year 2048-2049. If you would like a copy of the expenditures through year 2048-2049, you may obtain a copy from the HOA office or the Crown Colony Homeowners Association website at crowncolonyhoa.com. Members may obtain minutes of a Board meeting from the Association Office 30 days after the meeting's date. The Crown Colony Homeowners Association Rules, Regulations & Information booklet is given to all residents when they move in and is available in the HOA Office and on the Crown Colony Homeowners Association Website. If you have any questions, please call the Association Office at (650) 756-8220.

Very truly yours,



Rick Crump, President
Crown Colony Homeowners Association

Copies mailed to all Owners of Record as of May 4, 2021

2021/2022 Crown Colony Budget

ACCT#	CATEGORY	/UNIT /MONTH	MONTHLY TOTAL	ANNUAL TOTAL
ADMINISTRATIVE				
5001	Accounting	4.40	4,050	48,600
5002	Audit & Tax Prep.	0.44	404	4,850
5020	Insurance	44.14	40,608	487,300
5025	Legal Expense	0.63	583	7,000
5030	Management Fees	18.87	17,364	208,362
5035	Newsletter Expense	0.36	333	4,000
5040	Office Expense	1.36	1,250	15,000
5050	Permits & Fees	0.77	708	8,500
5055	Postage	0.40	367	4,400
5060	Printing	0.72	667	8,000
5061	Recruitment	0.00	0	0
5080	Telephone	3.62	3,333	40,000
<u>Total Administrative</u>				836,012
OP EXP CONTRACTS				
5100	Burglar Alarm	0.03	25	300
5110	Elevator	1.37	1,260	15,120
5115	Elevator Extras	3.62	3,333	40,000
5120	Fire Alarm	1.30	1,200	14,400
5130	Heating & A/C	0.33	300	3,600
5140	Landscaping	9.92	9,129	109,548
5145	Landscape Extras	1.27	1,167	14,000
5150	Office Machines	0.14	125	1,500
5160	Pest Control	0.76	700	8,400
5170	Pools & Spas	1.30	1,200	14,400
5175	Pool/Spa Extras	2.26	2,083	25,000
5180	Window Washing	0.72	667	8,000
5190	Carpet Cleaning	3.62	3,333	40,000
5191	Security	46.67	42,933	515,200
5192	Custodial	16.90	15,550	186,600
5195	HydroFlush/Jettering	1.36	1,250	15,000
<u>Total Op. Expenses</u>				1,011,068
SALARIES				
5210	Groundskeepers	10.06	9,254	111,049
5220	Maintenance	18.40	16,931	203,176
5240	Recreation	8.91	8,195	98,342
<u>Total Salaries</u>				412,567
OTHER EXPENSES				
5300	Cleaning Supplies	0.54	500	6,000
5315	Damage Repairs	4.53	4,167	50,000
5325	Electrical Repairs	0.45	417	5,000
5335	Fire Equipment	0.63	583	7,000
5360	Lightbulbs, Fixtures	0.54	500	6,000
5365	Boiler Maintenance	0.59	542	6,500
5370	Misc. Maintenance	3.62	3,333	40,000
5371	Locksmith	0.82	750	9,000
5375	Bus Maintenance	11.23	10,333	124,000
5380	Painting Supplies	0.32	292	3,500
5385	Plumbing	3.35	3,083	37,000
5390	Drainage	0.36	333	4,000
5391	Recreation Expense	0.36	333	4,000
5394	Vehicle Maintenance	1.09	1,000	12,000
<u>Total Other Expenses</u>				26,167
UTILITIES				
5400	Electricity	16.76	15,417	185,000
5410	Gas	22.64	20,833	250,000
5420	Refuse & Trash	29.44	27,083	325,000
5430	Water	34.42	31,667	380,000
<u>Total Utilities</u>				95,000
RESTRICTED FUNDS				
9340	Reserves	123.84	113,932	1,367,187
9450	Contingency	3.62	3,333	40,000
<u>Total Restricted</u>				117,266
<u>TOTAL EXPENSES</u>				426,736
<u>TOTAL BUDGET</u>				4,857,383
INCOME				
4210	Interest	0.09	83	1,000
4220	HOA Late Fees/Interest	0.45	417	5,000
4230	Laundry	19.64	18,067	216,801
4240	Other Income	1.36	1,250	15,000
4250	Recreation	0.01	13	150
4260	Resale Office	0.36	333	4,000
4270	Transfer/Demand Fees	0.63	583	7,000
4280	Move-In Fees	1.31	1,208	14,500
<u>Total Income</u>				21,954
<u>TOTAL BUDGET</u>				4,857,383

CROWN COLONY HOMEOWNERS' ASSOCIATION

Schedule of Individual Assessments

July 1, 2021 through June 30, 2022

Unit Name	Unit Type	Sq. Ft.	Previous Dues	Incr/(Decr)	NEW DUES
A- Bristol	Studio	483	\$376.47	\$17.23	\$393.70
B- Collingwood	1Bd /1Ba	717	\$402.51	\$19.11	\$421.62
C- Essex	1Bd /1Ba - Townhome	788	\$410.41	\$19.68	\$430.09
D- Monarch	1Bd /1Ba/Den	817	\$413.64	\$19.91	\$433.55
Dc-Vanguard	2Bd/2Ba	847	\$416.97	\$20.16	\$437.13
E- Devonshire	2Bd/1 1/2Ba - Townhome	1049	\$439.46	\$21.78	\$461.24
F- Argyle	2Bd/2Ba	1065	\$441.24	\$21.91	\$463.15
Fc-Sapphire	2Bd/2Ba	1150	\$450.69	\$22.60	\$473.29
G- Commonwealth	2Bd/2Ba/Den	1131	\$448.58	\$22.44	\$471.02
Gc-Trafalgar	2Bd/2Ba/Den	1128	\$448.24	\$22.42	\$470.66
H- Penthouse	3Bd/2Ba	2415	\$591.45	\$32.78	\$624.23

Adjustments to budget include increases/decreases which affect all units equally as well as certain costs which are based on square footage. These variable items include insurance, natural gas, and replacement reserves for painting and roofs.

The dues reflect an average increase of 5% over last year's budget.

Approved at the April 21, 2021 Board of Directors' Meeting.

Reserve Study Summary

This report documents the results of an Update with Site-Visit/On-Site Review performed by John D. Beatty & Company for the following Condominium Community:

Crown Colony Homeowners Association

Daly City, California

It provides an analysis of the repair and replacement requirements for the association's major components and recommends a funding plan to meet those obligations. This study was performed in compliance with California Civil Code sections 4178, 5300, 5550, 5560 & 5565. The intent of this legislation is to insure that the association maintains a plan to meet all future obligations for major component maintenance. The essential elements of this legislation are:

- 1 . Identification of the major components which the association is obligated to maintain
- 2 . Current estimate of the useful life of each component
- 3 . Current estimate of the remaining life of each component
- 4 . Current estimate of the replacement cost of each component
- 5 . Current estimate of the total annual contribution necessary to maintain the major components
- 6 . Current estimate of the amount of cash reserves necessary to maintain the major components
- 7 . Disclosure of the current amount of accumulated cash reserves actually funded
- 8 . Disclosure of the percentage of reserves actually funded
- 9 . Disclosure of any determined or anticipated special assessments
- 10 . A general statement of methodology

SCOPE

This study is aligned with the association's fiscal year and establishes July 1, 2021 through June 30, 2031 as the period of time for which reserve expenditures and reserve fund balances are projected.

METHODOLOGY

A cash flow methodology was used to determine the annual reserve contribution. The underlying premise of this reserve funding approach is to establish a contribution level that will allow the association to maintain a positive balance in the reserve fund while meeting all anticipated maintenance obligations. The cash flow method allows the association to achieve this goal without the unnecessary overfunding of reserves. Also, as the interest earned on the reserve fund will not totally offset inflation, projections were made using the current inflation factor and an average interest rate on fully insured certificates of deposit.

In preparing this study, a comprehensive list of major components was developed and information was compiled on the type, number, age and cost of each of these components. In gathering this data, certain assumptions were made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material. All life expectancies were based on reasonable industry experience for equipment and material and, unless specifically noted, all components were in a reasonable and ordinary condition.

No inspection was conducted of the major components. Information utilized to update the reserve study was obtained from management and the association's records. Prior quantities delineated on the previous reserve study with inspection are assumed to be accurate. The condition of components in the previous reserve study with inspection was based on a reasonable sample. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

For a component to be included in this study, the following criteria must be met:

- 1 . The maintenance of the component is the responsibility of the association;
- 2 . The maintenance of the component is not included in the annual operating budget;
- 3 . The estimated useful life of the component is greater than one year; and
- 4 . The estimated remaining life of the component is less than 30 years.

This study is intended to reflect the estimated replacement cost of the components and is not intended to project the actual cost of the work when performed. This limitation is necessary, as it is virtually impossible to predict with any degree of certainty the myriad factors that will impact costs at a future date. Because of this qualification, it is necessary for the results of this study to be reviewed annually to reflect any meaningful changes in use or significant increases in labor and/or materials costs.

The funding for this study has a threshold margin of 10%. This means that the projected ending balance for each fiscal year is at least 10% of the projected expenditures for the same year. This margin provides a contingency for any unforeseen or out of the ordinary repair or replacement expense. Additionally, it can be used in subsequent years as a source of funds for reallocation of the life cycles should the aging of any components be abnormally accelerated.

FINDINGS

The findings of this study indicate that it will be necessary to adjust the annual reserve contribution as indicated on pages 7-9 of this report in order to meet projected expenditures and keep pace with inflation. These findings are based on the following:

- 1 . Projected reserve fund balance as of July 1, 2021 \$ 1,446,141
- 2 . Reserve contribution for fiscal year 2020-2021..... \$ 1,339,591
- 3 . Reserve contribution for fiscal year 2021-2022..... \$ 1,367,187
- 4 . Assumed annual inflation rate 2.5%
- 5 . All "after tax" interest earned on reserve fund investments will be retained in the reserve fund.

DISCLOSURES

ALL information in this study has been provided by the Board of Directors.

This plan provides adequate funds to meet projected expenditures without relying on a special assessments or increases in regular assessments that require a vote of the membership. Based on the assumption that the association will fund reserves in accordance with this plan, which includes those increases indicated above, the percent funded was calculated in the following manner:

<u>Accumulated Cash Reserves (Numerator)</u>	
Projected reserve fund balance as of July 1, 2021	\$ 1,446,141
<u>Accrued Liability (Denominator)</u>	
Estimate of the amount of cash necessary to repair, replace, restore or maintain the association's major components as of July 1, 2021	\$ 3,607,573
Percent Funded	39%

This Reserve Study was reviewed and approved by the Association's Board of Directors.

Projected Expenditures

Assumed Annual Inflation Rate..... 2.5%

	Repair %	Current Repr/Repl Cost	Estimated Usfl Life	Rmng Life	Fiscal Year		Actuals		Proj/Actuals		(1) 2021	(2) 2022	(3) 2023	(4) 2024	(5) 2025	(6) 2026	(7) 2027	(8) 2028	(9) 2029
					Jul 1	Jun 30	2019	2020	2020	2021									
RESERVE COMPONENTS																			
COMMUTER SERVICES:																			
9901 - Bus Repair		4,530	1	1			8,531	5,000	5,125						5,000	5,125	5,253		5,384
9902 - Bus Replacement		93,520	15	3															
ELEVATORS:																			
9903 - System Upgrade		370,568	30	11															
9904 - Cab Enhancement		3,655	12	2			37,301												
9904 - Cab Enhancement		3,655	12	3															
9904 - Cab Enhancement		3,655	12	4									31,399						
9904 - Cab Enhancement		3,655	12	5										40,363					
9905 - Component Replacement		82,705	30	29			32,950	25,000	25,625	26,266	26,922	27,595	28,285	28,992	29,717	30,460			
9906 - 5 year Load Test		9,750	5	5				9,750					14,632						
FENCING:																			
9907 - Wooden		2,138	1	1			1,320	2,085	2,138	2,191	2,246	2,302	2,360	2,419	2,479	2,541			
9908 - Iron Railings	10%	13,895	1	1			350	13,558	13,895	14,242	14,598	14,963	15,337	15,721	16,114	16,516			
9909 - Cyclone	10%	6,300	1	1				6,150	6,300	6,458	6,619	6,785	6,958	7,132	7,306	7,489			
LANDSCAPING:																			
9910 - Stream Pumps		10,219	1	1			6,508	9,970	10,219	10,475	10,737	11,005	11,280	11,562	11,851	12,148			
9911 - Stream Resurface/Repair	33%	53,152	10	1				53,152											
9911 - Stream Resurface	33%	53,152	10	2						54,481									
9911 - Stream Resurface	33%	53,152	10	3						55,843									
9912 - Irrigation Controllers		5,657	1	1				5,519	5,657	5,798	5,943	6,092	6,244	6,400	6,560	6,724			
9913 - Irrigation Valves		8,916	1	1			4,478	8,698	8,916	9,138	9,367	9,601	9,841	10,087	10,339	10,598			
9913 - Irrigation Repairs		18,276	1	1				17,830	18,276	18,733	19,201	19,681	20,173	20,677	21,194	21,724			
9914 - Tree Care		52,531	1	1				96,480	51,250	52,531	53,845	55,191	56,570	57,985	59,434	60,920	62,443		
9915 - Replace Plants		27,179	1	1			278,616	207,102	242,839	248,910	255,133	261,511	30,000	30,750	31,519	32,307			
LIGHTING:																			
9916 - Wall Mounted Exterior		2,626	1	1				20,500	21,013	21,538	22,076	2,899	1,775	1,775					
9917 - Exterior Lighting/Repairs		22,914	15	6			1,072	3,588											
9918 - Interior		80,960	12	12				1,664											
9918 - Interior		64,063	12	13															
9918 - Interior		64,063	12	14															
9918 - Interior		80,609	12	15															
9919 - Exit		23,944	50	36															
9920 - Garage		3,198	1	1															
9921 - Tennis Court/Carport		10,136	20	5											11,188				
MECHANICAL SYSTEMS:																			
9922 - Boilers Repair		36,947	1	1			13,065	36,047	36,947	37,871	38,818	39,788	40,783	41,803	42,848	43,919			
9923 - Boiler Replacement		30,183	25	14															
9924 - Fan Motors		5,517	1	1															
9924 - Fan/Vent Maintenance		15,233	10	2									15,614						
PAVED SURFACES:																			
9925 - Repair/Seal/Stripe (Drives)		85,218	5	4															91,771
9926 - Petromat (Drives)		182,457	24	1					181,654										
9927 - Seal Coat/Repair Garage Floors		31,490	10	5															34,759
9928 - Concrete Walkways Repair		7,189	1	1				9,855											

Projected Expenditures

Assumed Annual Inflation Rate..... 2.5%

RESERVE COMPONENTS	Repair %	Current Repr/Repl Cost	Estimated Usfl Life	Rmng Life	Fiscal Year Jul 1 Jun 30	Actuals Proj/Actuals		(1) 2021	(2) 2022	(3) 2023	(4) 2024	(5) 2025	(6) 2026	(7) 2027	(8) 2028	(8) 2029
						2019	2020									
PAINTING EXTERIOR:																
9929 - Townhomes		124,297	5	1				124,297					140,580			
9930 - Corridor Buildings/Vent Cleaning		151,222	5	2					155,003						175,245	
9930 - Corridor Buildings/Vent Cleaning		170,364	5	3						178,989						202,363
9930 - Corridor Buildings/Vent Cleaning		169,623	5	4							182,666					
9930 - Corridor Buildings/Vent Cleaning		169,074	5	5								182,939				
9931 - Carpets/Rec/Gaz/Guard/Maint/		73,250	5	1				73,250							82,846	
PAINTING INTERIOR:																
9932 - Corridor Bldgs/Lby/Doors		85,366	10	2					87,500							
9932 - Corridor Bldgs/Lby/Doors		66,627	10	3						70,000						
9932 - Corridor Bldgs/Lby/Doors		66,627	10	4							71,750					
9932 - Corridor Bldgs/Lby/Doors		85,375	10	5								94,238				
9933 - Garages/Lockers/Striping #'s	20%	43,496	10	2					10,097	41,400	42,413	10,603				
RECREATION CENTER:																
9934 - Carpet		13,124	10	4												
9934 - Flooring		15,956	12	11												
9935 - Repair Allowance		5,294	2	1												
9936 - Furniture		13,121	10	9												
9937 - Exercise Equipment Replace/Repair		3,103	2	1												
9938 - Appliances/Cabinets/TV		16,764	15	14												
9939 - Mechanical System Repairs		3,499	2	1												
9940 - Billiard Tables		11,251	25	3						11,821						
9941 - Lighting		10,588	10	9								4,834				
9942 - Interior Stain/Paint		37,762	10	9												
9943 - Rest Room/Locker Room		88,994	20	19												
9944 - Saunas		8,883	5	4												
RETAINING WALLS:																
9945 - Masonry		2,824	5	4												
9945 - Wood		28,269	10	9												
ROOFING TOWNHOMES:																
9946 - Shingles/Repairs		133,250	22	1												
9947 - Gutters/Downspouts Clean/Repair		17,674	1	1												
9948 - Built-up Roof (BUR)		71,887	20	11												
9948 - Built-up Roof (BUR)		116,215	20	12												
9948 - Built-up Roof (BUR)		53,088	20	13												
9948 - Built-up Roof (BUR)		40,489	20	14												
9948 - Built-up Roof (BUR)		26,512	20	15												
ROOFING CORRIDOR/REC BLDGS:																
9949 - Shingles/Repairs		93,910	22	1												
9950 - Built-up Roof (BUR)		403,729	20	11												
9950 - Built-up Roof (BUR)		82,220	20	12												
9950 - Built-up Roof (BUR)		481,201	20	13												
9950 - Built-up Roof (BUR)		525,510	20	14												
9950 - Built-up Roof (BUR)		307,697	20	15												
SECURITY SYSTEMS																
9951 - Telephone Intercom System		3,716	2	1						3,904						

Projected Expenditures

Assumed Annual Inflation Rate..... 2.5%

RESERVE COMPONENTS	Repair %	Current Repr/Repl Cost	Estimated Usfl Life	Rmng Life	Fiscal Year		Actuals Proj/Actuals		(1) 2021	(2) 2022	(3) 2023	(4) 2024	(5) 2025	(6) 2026	(7) 2027	(8) 2028	(8) 2029
					Jul 1	Jun 30	2019	2020									
SEWER LINE/WATER VALVES:																	
9952 - Clean Out/lettering		30,750	1	1		30,750	30,000	39,811	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	
9953 - Plumbing Pipe Breaks/Repairs		13,149	1	1		13,149	12,828	30,611	13,149	13,477	13,814	14,160	14,514	14,876	15,248	15,630	
9954 - Water Valves		8,271	20	7			5,650								9,592		
SPAS:																	
9955 - Plaster/Tile/Coping		9,225	10	8								15,218	15,225				
9956 - Pumps/Filters/Mechanical		5,384	1	1			5,253	14,178	5,384	5,519	5,657	5,798	5,943	6,092	6,244	6,400	
9957 - Heater		7,804	8	1				7,804						8,826			
SWIMMING POOLS:																	
9958 - Plaster/Tile		35,883	12	4								20,787					
9959 - Pumps/Filters/Mechanical		1,025	1	1			1,000	4,884	1,025	1,051	1,077	1,104	1,131	1,160	1,189	1,218	
9960 - Heater		7,270	5	1				7,270						8,222			
9961 - Coping/Decking		20,258	12	4								21,815					
9962 - Furniture		16,796	20	5									18,539				
TENNIS/BASKETBALL COURTS:																	
9963 - Resurface/Repair																	
9963 - Color Coat (1 Tennis, 1 Basketball)																	
9963 - Waterproof (Two Unused Tennis)																	
9964 - Windscreen																	
AUTOMATIC SYSTEMS:																	
9965 - Gate Operators/Fobs		11,837	10	2						12,133							
9965 - Fobs		3,232	2	2			3,153			3,313		3,480		3,658		3,842	
OTHER:																	
9966 - Corridor Carpets		293,761	12	2						301,105							
9966 - Corridor Carpets		24,230	12	3						25,457							
9966 - Corridor Carpets		24,154	12	4						26,011							
9966 - Corridor Carpets		30,291	12	5						33,436							
9966 - Corridor Flooring		41,688	12	2						42,730							
9966 - Corridor Flooring		33,509	12	3						35,205							
9966 - Corridor Flooring		33,235	12	4						35,790							
9966 - Corridor Flooring		41,889	12	5						46,238							
9967 - Corridor Wallcovering		28,899	12	2						29,621							
9967 - Corridor Wallcovering		23,229	12	3						24,405							
9967 - Corridor Wallcovering		23,155	12	4						24,935							
9967 - Corridor Wallcovering		29,038	12	5						32,053							
9968 - Signage and Accessories		451	1	1			440	941	451	462	474	485	498	510	523	536	
9969 - Master Lock System		76,299	40	26													
9971 - Utility/Access Doors		1,734	1	1			1,692	1,734	1,734	1,777	1,821	1,867	1,913	1,961	2,010	2,061	
9972 - Fire Alarm System Repairs		6,461	1	1			6,304	3,098	6,461	6,623	3,394	3,394	5,843	6,139			
9973 - Fire Hoses/Valves/Equipment		27,298	5	3						28,680							
9974 - Standpipe Certification		7,694	5	3						8,760							
9975 - Mailboxes		89,866	20	2						92,129							
9976 - Computer/Fax/Office Equipment		13,432	5	4						7,500							
9977 - Storage Lockers		1,025	1	1			1,000	170	1,025	1,051	1,077	1,104	1,131	1,160	1,189	1,218	
9978 - CCR's Revision		26,242	20	15													

Projected Expenditures

Assumed Annual Inflation Rate..... 2.5%

RESERVE COMPONENTS	Repair %	Current Repr/Repl Cost	Estimated Usfl Life	Rmng Life	Fiscal Year		Actuals		Proj/Actuals		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
					Jul 1	Jun 30	2019	2020	2020	2021								
OTHER (continued):																		
9980 - Maintenance Equipment		12,364	10	3						12,990								
9981 - Maintenance Vehicle		9,185	5	2					9,414									10,651
9981 - Maintenance Vehicle		9,185	5	3					9,650									10,918
9981 - Maintenance Vehicle		9,185	5	1				8,961						10,138				
9982 - Construction Damage Repair		17,395	1	1				16,971	17,830	18,276	18,733	19,201	19,681	20,173	20,678	21,173	21,678	22,183
9983 - Reserve Study Update		2,093	1	1				1,900	2,145	2,097	2,254	2,310	2,368	2,427	2,488	2,547	2,606	2,665
9984 - Reserve Study Update Inspection		1,555	3	3				1,517		1,634					1,759			
9985 - HVAC Replace		216,275	40	39														
BUILDING EXTERIOR:																		
9701 - Siding Faces Townhome Repr		8,481	1	1				8,274	8,693	8,910	9,133	9,361	9,595	9,835	10,081	10,327	10,573	10,819
9702 - Siding Faces Townhome Repl		57,736	5	1				57,736							66,916			
9703 - Siding Corridor Replace		7,337	1	1				18,975	48,962	3,014	34,326	56,747	38,907	3,494				
9704 - Carport Structural/Roof		75,043	20	18														
9705 - Tennis Structural/Garage		100,000	50	1				100,000										
9707 - Exterior Deck Stacks		262,656	1	1				31,214	256,250	269,223	275,953	282,852	289,923	297,171	304,601	312,216	319,765	327,314
9709 - Fire Stair Repairs								5,260										
9710 - Pole Bases/Pole Tops		10,000	10	1				10,000										
9711 - Concrete Deck Repairs/Entry Landings		8,796	1	1				875	8,581	8,796	9,016	9,241	9,472	9,709	9,952	10,201	10,456	
9712 - Fire Stair Door Area																		
9716 - Corridor Building End Siding		346,316	25	4														411,731
9717 - Courtyard Waterproofing		230,211	40	28				1,120										
9718 - Solar Power		85,006	30	19														
9719 - Soft Story																		
9720 - Drain and Stemwall Repair		42,389	30	17														
9721 - Clubhouse Roofing/Repairs		41,664	30	18														
9722 - Architectural Fees		32,796	1	1				13,761	31,996	33,616	27,595	28,285	28,992	29,706	30,460	31,222	31,984	32,746
9723 - Ext. Deck Inspection/Architect		15,888	9	1				16,603	82,581	82,911	83,243	83,576	83,909	84,246	84,583	84,921	85,261	85,601
UNSCHEDULED.....	5%	61,398	1	1				840,753	1,347,311	1,795,050	1,842,502	1,512,837	1,582,665	1,363,287	1,095,687	1,035,522	1,490,988	1,430,936
TOTAL EXPENDITURES		8,159,377																

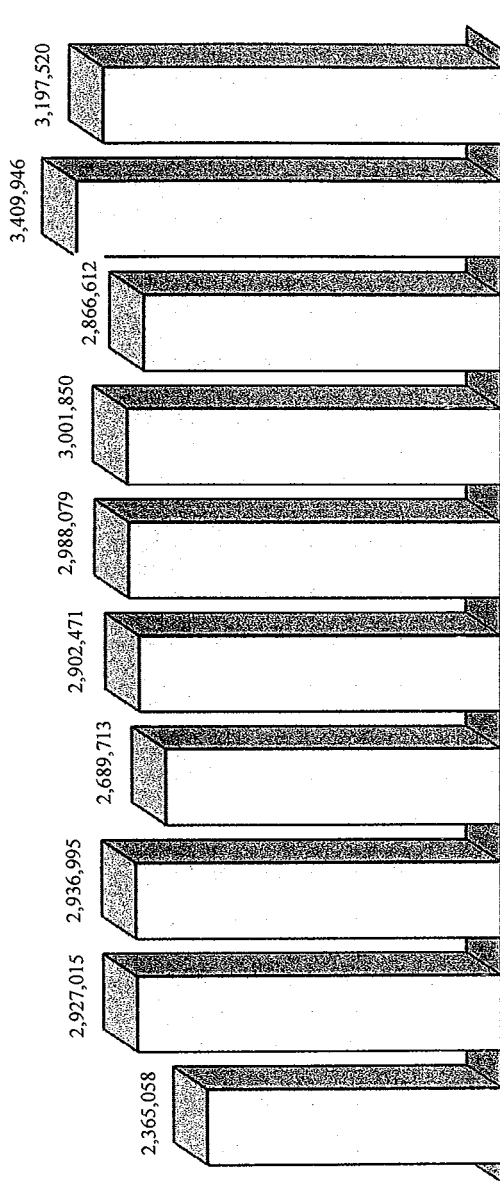
Funding Plan

Projected Cash Balance

Fiscal Year	Actuals		Proj/Actuals		(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)	
	2019	2020	2020	2021	2021	2022	2022	2023	2023	2024	2024	2025	2025	2026	2026	2027	2027	2028	2028	2029
Jul 1	1,408,055	1,806,999	1,823,906	1,823,906	1,425,992	1,001,813	914,746	778,500	873,697	1,251,380	1,710,252	1,928,608								
Jun 30	840,753	1,347,311	1,795,050	1,367,187	1,380,858	1,512,837	1,582,665	1,436,786	1,363,287	1,035,522	1,465,665	1,675,549								
BEGINNING BALANCE																				
EXPENDITURES (inflated \$)	2.5%																			
RESERVE CONTRIBUTION																				
Per Unit Per Month (920 units)	111.23	121.34	123.84	123.84	125.08	126.33	128.86	130.14	131.45	132.76	131.45	151.77								
Percentage Increase to Reserves	8.0	(0.8)	2.1	2.1	1.0	1.0	2.0	1.0	1.0	1.0	1.0	14.3								
RECLASS	0	0	0	0	0	0	0	0	0	0	0	0								
INTEREST AFTER TAX	11,734	24,627	29,950	29,950	37,464	31,103	23,858	21,699	22,216	28,728	28,728	33,796								
ENDING BALANCE	1,806,999	1,823,906	1,425,992	1,425,992	1,001,813	914,746	778,500	873,697	1,251,380	1,710,252	1,928,608									

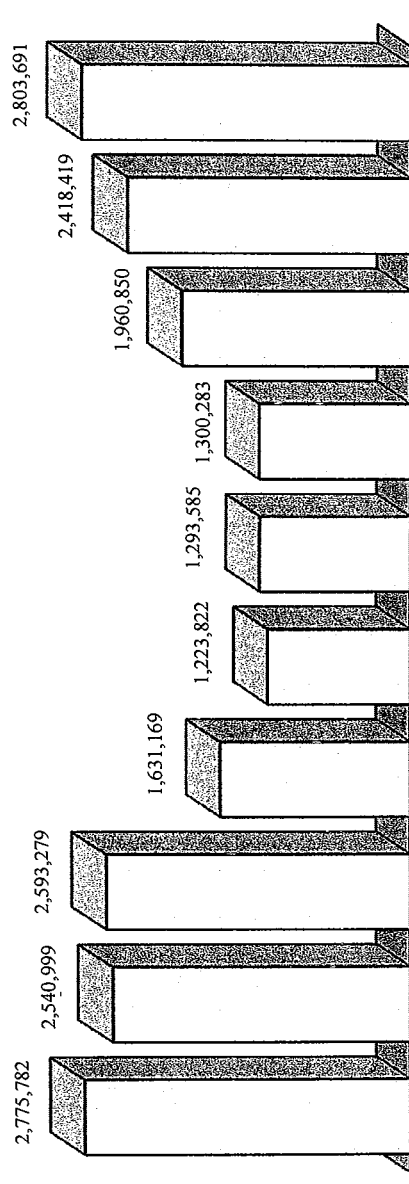
Funding Plan

Projected Cash Balance



	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Fiscal Year										
Jul 1	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Jun 30	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
BEGINNING BALANCE	1,928,608	2,365,058	2,927,015	2,936,995	2,689,713	2,902,471	2,988,079	3,001,850	2,866,612	3,409,946
EXPENDITURES (inflated \$)	1,294,161	1,229,759	1,804,752	2,116,600	1,669,520	1,812,904	1,897,595	2,054,056	1,390,084	2,167,835
RESERVE CONTRIBUTION	1,692,304	1,747,473	1,764,948	1,820,191	1,838,393	1,856,777	1,875,344	1,894,098	1,913,039	1,932,169
Per Unit Per Month (920 units)	153.29	158.29	159.87	164.87	166.52	168.19	169.87	171.57	173.28	175.02
Percentage Increase to Reserves	1.0	3.3	1.0	3.1	1.0	1.0	1.0	1.0	1.0	1.0
RECLASS	0	0	0	0	0	0	0	0	0	0
INTEREST AFTER TAX	38,307	44,243	49,784	49,127	43,886	41,735	36,021	24,721	20,379	23,240
ENDING BALANCE	2,365,058	2,927,015	2,936,995	2,689,713	2,902,471	2,988,079	3,001,850	2,866,612	3,409,946	3,197,520

Funding Plan



Projected Cash Balance

	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Fiscal Year	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Jul 1	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049
Jun 30										
BEGINNING BALANCE	3,197,520	2,775,782	2,540,999	2,593,279	1,631,169	1,223,822	1,293,585	1,300,283	1,960,850	2,418,419
EXPENDITURES (inflated \$)	2,406,959	2,240,364	1,973,699	3,008,092	2,473,435	2,016,632	2,100,208	1,467,054	1,690,975	1,784,404
RESERVE CONTRIBUTION	1,951,491	1,971,006	1,990,716	2,010,623	2,030,729	2,051,037	2,071,547	2,092,262	2,113,185	2,134,317
Per Unit Per Month (920 units)	176.77	178.53	180.32	182.12	183.94	185.78	187.64	189.52	191.41	193.33
Percentage Increase to Reserves	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
RECLASS	0	0	0	0	0	0	0	0	0	0
INTEREST AFTER TAX	33,730	34,575	35,262	35,359	35,359	35,359	35,359	35,359	35,359	35,359
ENDING BALANCE	2,775,782	2,540,999	2,593,279	1,631,169	1,223,822	1,293,585	1,300,283	1,960,850	2,418,419	2,803,691

Assessment and Reserve Funding Disclosure Summary For Fiscal Year July 1, 2021 - June 30, 2022

This Summary contains information about the Association's assessments and the status of the reserve fund. The Association may periodically update or supplement the information in this Summary. Please contact the Association to determine if a more recently prepared Summary or supplement is available.

- (1) The current **regular** assessment per ownership interest is **Variable** per month.

NOTE: If assessments vary by the size or type of ownership interest, the assessment applicable to this unit may be found on the Variable Assessment Report (provided by an association representative.)

- (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 (if assessments are variable, see note immediately below):	Purpose of the assessment:

NOTE: If assessments vary by the size or type of ownership interest, the assessment applicable to this unit may be found on the Variable Assessment Report (provided by an association representative.)

- (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 If the Special Assessment in Note (2) is collected No

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

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) or subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$4,037,730**, based in whole or in part on the the last reserve study or update, prepared by John D. Beatty & Company. The projected reserve fund cash balance at the end of the current fiscal year is **\$1,806,999**, resulting in reserves being **45%** funded at this date (and an average per-unit deficit of **\$2,425**.) If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is **\$1,806,999** (which is based on the projected ending balance figure(s) provided by the association representative. See "Methodology" on Page 1.)

- (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 **(listed in the table below)**, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is **(listed in the table below)**, leaving the reserve at **(listed in the table below)** 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 **(listed in the table below)**, leaving the reserves at **(listed in the table below)** percent funded.

Assessment and Reserve Funding Disclosure Summary For Fiscal Year July 1, 2021 - June 30, 2022

Year	Estimated amount required in the reserve fund	Projected reserve fund cash balance	Percent Funded
2	\$ 3,993,101	\$ 1,823,906	46%
3	\$ 3,533,300	\$ 1,425,992	40%
4	\$ 3,059,429	\$ 1,001,813	33%
5	\$ 2,949,438	\$ 914,746	31%
6	\$ 2,804,690	\$ 778,500	28%

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

This Summary was authorized by the Association based on the information available in the Association's most recent reserve study or annual update dated as of **March 17, 2021**. This summary supercedes all earlier issued versions.

NOTE: The remainder of Civil Code Section 5570 is not part of the required Assessment and Reserve Funding Disclosure Summary Form, but is included here because the information is needed to properly complete the form.



John D. Beatty
President

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 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (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.

Crown Colony Homeowners Association

2021 - 2022 Budget Report & Policy Statement

Association Information

The Crown Colony Homeowners Association is a nonprofit mutual benefit corporation formed to operate and manage the Association's affairs.

The Association consists of 920 separate interests plus common areas. It is governed by a volunteer Board of Directors elected by the membership. The fiscal year commences July 1 and ends on June 30 of each year.

Management Company Information

The Association, through the Board, has engaged a professional management company to assist in carrying out its legal responsibilities. Our management company is Common Interest Management Services located at 1720 South Amphlett Blvd. #130, San Mateo, Ca 94402. Our manager is Rita Nicolas, and she can be reached at 650-756-8220, or by e-mail at cchoa@crowncolonyhoa.com. Office hours are Monday through Friday, 9:00AM to 6:00 PM.

Pro-forma Operating Budget

Each fiscal year, the Association is required to prepare a pro-forma operating budget showing the estimated revenue and expenses on an accrual basis for the upcoming year. This budget is used to determine the per unit assessments that are collected from each property owner. The Board of Directors has reviewed and approved this budget, and has determined that the monthly assessments per unit will increase.

Variable Assessment Schedule

The Association's governing documents stipulate that per unit assessments are allocated on a variable basis depending on unit size. A variable assessment schedule is attached to the pro-forma operating budget. Please refer to that schedule to determine the specific assessment amount for your unit.

Reserve Study Summary

The Annual Budget Report includes a Reserve Study that was prepared by an independent professional organization which the Board believes is reasonably competent. A full study (with site inspection) is prepared every three years, reviewed and adopted by the Board of Directors, and updated annually as needed. The Study includes the current estimated cost, estimated remaining life and estimated useful life of major common area components; the current estimate of the total annual reserve contribution necessary to repair, replace, restore or maintain these components; and the current amount of reserves actually set aside for this purpose. The Study also shows the percentage difference between the estimated cost to repair, replace, restore or maintain major components and the actual amount of

reserves set aside, as well as the current deficiency (if any) in reserve funding expressed on a per unit basis.

Reserve Funding Plan

The Reserve Study includes a Reserve Funding Plan adopted by the Board of Directors that indicates how the Association plans to fund the contributions necessary for the repair and replacement of all major common area components with an expected remaining life of 30 years or less.

Procedures for Calculating Reserves

The Reserve Study includes a statement of the procedures used for the calculation and establishment of the reserves needed to pay for the future repair and replacement of those components that the Association is obligated to maintain. Calculation of the amount of reserves needed to be accumulated for a component at a given time is based on the current cost of the replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

Assessment and Reserve Funding Disclosure Summary

The Annual Budget Report includes a copy of the current Assessment and Reserve Funding Disclosure Summary as completed by the Reserve Study preparer pursuant to Civil Code Section 5570.

Deferral of Component Repairs

If the Board of Directors decides to defer or not undertake the repair or replacement of any major common area component with an expected remaining life of 30 years or less, the Board must disclose the justification for such a decision. As of the date of this report, the Board has not made any formal decisions to defer or not undertake the repair or replacement of any major common area components.

Special Assessments

If the Board of Directors has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, restore or maintain major common area components or to provide adequate reserves to fund such items, the Association must distribute a statement including the estimated amount, commencement date and duration of the special assessment. As of the date of this report, the Board does not anticipate that a special assessment will be required.

Outstanding Loans

If the Association has any outstanding loans with an original term of more than one year, the Association must distribute a statement including the payee, interest rate, amount outstanding, annual payment and when the loan is scheduled to be retired. As of the date of this report, there are no outstanding loans for this Association.

Insurance Disclosure Summary

The Annual Budget Report includes a current Insurance Disclosure Summary of the Association's property, general liability and fidelity insurance (and/or earthquake, flood or workers compensation insurance if applicable). This Disclosure Summary includes the name of the insurer, the type of insurance, the policy limit and the amount of the deductible.

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. 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 brokers or agent for appropriate additional coverage.

Association's Designated Recipient

The Association has designated Common Interest Management Services to receive official communications to the Association pursuant to Civil Code Section 4035. Members may submit official communications to the Association by personal delivery (including U.S. Mail) and/or e-mail to Crown Colony HOA at the mailing address and/or email address listed under Crown Colony Homeowners Association.

Right of Notice to Two Addresses

Members of the Association may submit a request to have general notices sent to up to two different specified addresses pursuant to Civil Code Section 4040(b). Note that billing statements and election ballots will only be sent to the member's primary address.

General Notice Location

The Association posts notices of a general nature at the following locations: Bulletin boards near mailboxes and bulletin board in clubhouse.

General Notice Distribution

The Association also distributes such notices as follows: Association's newsletter and website.

General Notice - Individual Delivery

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

Board of Directors Meetings

Board of Directors Meetings are held on the third Wednesday of every month in the clubhouse at 5:45PM for the Pre-Board Session, 6:15PM for Executive Session, 6:30PM for Open Forum and 6:45PM for the Regular Meeting. Due to Covid 19, the meetings have been held at 12:30pm for Executive Session and 1:00pm for the Open Meeting and may remain this way until further notice. All Association members are welcome to attend.

Right to Receive Board Minutes

The minutes proposed for adoption that are marked to indicated draft status, or a summary of the minutes, of any meeting of the Board of Directors, other than an executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes or summary minutes shall be distributed to any member of the Association upon request and upon reimbursement of the Association's costs for making that distribution, pursuant to Civil Code Section 4950. Members may submit a written request for copies of minutes to Crown Colony HOA at 379 Imperial Way, Daly City, Ca 94015 or through email at cchoa@crowncolonyhoa.com.

Meeting minutes are also posted at the following location: Crown Colony HOA website at www.crowncolonyhoa.com.

Notice of Assessments/Foreclosure

The Annual Policy Statement includes a Notice of Assessments and Foreclosure pursuant to Civil Code Section 5310. This Notice outlines some of the rights and responsibilities of owners in common interest developments and the associations that manage them.

Assessment Collection Policy

The Annual Policy Statement includes a copy of the Association's Assessment Collection Policy, which describes the policies and practices in enforcing the Association's lien rights or other legal remedies for default in the payment of assessments.

Enforcement of Governing Documents and Monetary Policy Schedule

All members, residents and guests are obligated to abide by the Governing Documents. The Association encourages each member to review the CC&Rs, Bylaws, Articles and all Rules and to attend board or committee meetings to learn more about the requirements of the Governing Documents. The Association's goal is to assist members, residents and

guests in complying with the Governing Documents to promote an enjoyable, safe community and benefit to all.

In the event of a perceived violation of the Governing Documents, the Association will investigate and determine whether and what type of action is warranted (if any). Association action includes scheduling a hearing to consider imposing fines and/or penalties. At least 10 days' prior notice of a hearing (at which fines and/or penalties will be considered) shall be given to a Member, who may attend and respond to the notice and potential fine and/or penalty as set forth more specifically in the Governing Documents. A fine and/or penalty may be imposed regardless of whether the Member attends the hearing.

In addition to fines and other penalties, the Board may, following a hearing, impose a "special purpose" assessment to recover the cost of performing or enforcing any responsibility which would otherwise be the responsibility of a Member to perform under the Governing Documents.

Fines and special purpose assessments may be recovered in any matter permitted by law.

Fine Policy

The Annual Policy Statement includes a copy of the Association's Fine Policy which includes a schedule of monetary penalties for violations of the Governing Documents pursuant to Civil Code Section 5850.

Dispute Resolution Procedures

California law provides a means by which Members and the Association can engage in mediation, arbitration or other forms of dispute resolution with respect to disputes arising under the Nonprofit Mutual Benefit Corporation Law (Part 3 commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), enforcement of the Governing Documents and the Davis-Stirling Common Interest Development Act. Generally, Civil Code Section 5965 requires parties to request mediation or arbitration before filing a lawsuit to enforce the governing documents with certain exceptions. Mediation, arbitration and other techniques other than litigation intended to resolve disputes are referred to alternative dispute resolution ("ADR"). ADR involves use of a neutral party to assist the parties in reaching a dispute without litigation. If litigation results, the prevailing party is entitled to an award of reasonable attorney fees and costs.

California law requires a common interest development to make the following disclosure:

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.

Civil Code Section 5920 also requires a common interest development to describe its internal dispute resolution procedure. That procedure, unless another is adopted, is as follows:

(a) Fair, reasonable, and expeditious

(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.

Overnight Payment of Assessments

The Annual Policy Statement includes a "How to Pay My Assessment" flyer which provides the mailing address for overnight payment of assessments pursuant to Civil Code Section 5655.

Architectural Guidelines & Procedures

The Annual Policy Statement includes a summary of the Association's requirements for approval of a physical change to property, describing the types of changes that require Association approval and including a copy of the procedure used to review and approve (or disapprove) a proposed change. An Architectural Application is also attached.



(B) 5300 INSURANCE DISCLOSURE SUMMARY

Crown Colony Homeowners Association

Effective: September 27, 2020 – September 27, 2021

- A. **PROPERTY INSURANCE:** The master policy includes building coverage written on a 'special form perils' basis. Building coverage is provided on a replacement cost basis with no-coinsurance penalty. The definition of 'building' may not include everything that is permanently attached to your unit. The CC&R's will govern coverage for interior fixtures. Your personal property and personal liability are NOT covered under the Homeowner's Association Master Policy. An HO-6 (Unit Owners Policy) is required to cover these items. Please consult your personal insurance agent to make sure your HO-6 policy includes appropriate coverage based on the CC&R requirements.
- Name of Insurer: Travelers Property Casualty Company of America
 - Property Insurance Limits: \$181,972,876 Business Personal Property Limits: \$100,000
 - Building Ordinance Coverage A: \$181,972,876 Coverage B & C \$20,000,000 Sublimit
 - Property Deductible: \$10,000
- B. **GENERAL LIABILITY INSURANCE:** The master policy provides coverage for the Association for 'bodily injury' and 'property damage' liability in the common areas of the association. *NOTE: This liability coverage does not extend to the interiors of the units whether owner or tenant occupied.*
- Name of Insurer: Travelers Property Casualty Company of America
 - Limit of Liability: \$1,000,000 occurrence \$2,000,000 aggregate
- C. **UMBRELLA INSURANCE:** The umbrella provides additional liability protection for the association.
- Name of the Insurer: Great American Insurance Company
 - Limit of Liability: \$10,000,000
- D. **DIRECTORS & OFFICERS LIABILITY INSURANCE:** This is a liability coverage that protects the Directors & Officers from liability claims arising out of alleged errors in judgment, breaches of duty, and wrongful acts related to their HOA activities.
- Name of Insurer: United States Liability Insurance Group
 - Limit of Liability: \$5,000,000 Retained limit: \$5,000
- E. **FIDELITY BOND:** This is a surety coverage that will reimburse the homeowners association for loss due to the dishonest acts of a covered employee including board members, directors or trustees, and property management.
- Name of Insurer: Continental Casualty Co./CNA
 - Limit: \$3,000,000 Deductible: \$15,000
- F. **EARTHQUAKE INSURANCE:** None with our agency
- G. **FLOOD INSURANCE:**
- Name of Insurer: Philadelphia Indemnity Insurance Company
 - Limit: \$50,000
 - Deductible: \$1,000
- H. **WORKERS COMPENSATION INSURANCE:** (June 30, 2020 – June 30, 2021)
- Name of Insurer: State Compensation Insurance Fund
 - Limit: Statutory

This summary of the association's policies of insurance provides only certain information, as required by subdivision (b) of Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

FOR CERTIFICATE REQUESTS: www.icerts.com or send to: CertRequest@risk-strategies.com or fax (650) 762-0490

700 Airport Blvd., Suite 300, Burlingame CA 94010 Phone: 650.762.0400 Fax: 650.762.0490

SUMMARY OF CALIFORNIA CIVIL CODE SECTION 5930
ENFORCEMENT OF GOVERNING DOCUMENTS AND
SPECIFIED STATE LAWS FOR COMMUNITY ASSOCIATIONS
THROUGH ALTERNATIVE DISPUTE RESOLUTION

PLEASE TAKE NOTICE: *California Civil Code section 5930 addresses your rights to sue the association or another member of the association regarding the enforcement of the governing documents and/or specified state laws. The following is a summary of Civil Code section 5930.*

In general, Civil Code §5930 provides that an association or an owner may not file a lawsuit to enforce the governing documents or to enforce certain laws that govern community associations, unless the parties **first** try to submit their dispute to alternative dispute resolution ("ADR"). Recognized forms of ADR include conciliation, mediation, or arbitration. The ADR law for common interest developments applies to enforcement of most provisions of the governing documents as well as to provisions of the Davis-Stirling Common Interest Development Act (Civil Code §§ 4000 through 6150) and the Nonprofit Mutual Benefit Corporation Law (Corporations Code §§ 7110 et seq.).

The intent of the ADR law is to promote speedy and cost-effective resolution of disputes, to better preserve community cohesiveness, and to channel CC&R and compliance disputes away from our state's court system.

The form of alternative dispute resolution may be binding or non-binding, and costs will be borne as agreed to by the parties involved. The ADR law does not generally apply to assessment disputes or to disputes that can be resolved in small claims court.

Any party to a covered dispute may initiate the ADR process by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (3) a notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the Request will be deemed rejected.

If the Request is accepted, the ADR must be completed within 90 days of receipt of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to an owner must include a copy of the ADR law in its entirety. If an applicable statute of limitations will expire, serving the Request will extend the statutory period for 30 days and, if ADR is accepted, also for the 90-day period of time allowed to complete the process and any agreed-upon extension of time.

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

Should the association or an individual member wish to file a lawsuit for enforcement of the governing documents or a specified statute, the law requires the association or the individual to file a certificate with the court **prior** to the filing of the suit, stating: (1) that ADR has been completed, (2) that one of the other parties did not accept the terms offered for ADR, or (3) that urgent orders of the court were necessary. Failure to file this certificate can be grounds for dismissing the lawsuit.

In any lawsuit to enforce the governing documents, Civil Code section 5975 provides that the prevailing party shall be awarded attorneys' fees and costs. Section 5960 provides that if any party has refused to participate in ADR prior to the lawsuit being filed, the court may consider whether that refusal was reasonable when it determines how large or small the award should be.

"MEET AND CONFER" PROGRAM
(CIVIL CODE § 5905)

PLEASE TAKE NOTICE: Pursuant to California Civil Code section 5905, the Association provides an informal, internal dispute resolution program whose goal is to reach early resolution of disputes over enforcement of the governing documents and/or specified state laws. The Association's "meet and confer" program supplements and does not replace the requirement for more formal alternative dispute resolution (ADR) prior to filing an enforcement lawsuit.

California law requires community associations to establish a fast, fair and reasonable internal program for early resolution of disputes that sometimes arise between associations and their members over compliance with the governing documents or applicable state law. This internal program is intended to be an informal meeting process, one that supplements and does not replace more formal mediation or arbitration procedures or litigation but that hopefully makes such steps unnecessary.

Crown Colony Homeowners Association offers a "meet and confer" program by which members who have disputes with the Association involving their rights, duties, or liabilities under the governing documents or specified provisions of state law can explain their positions to the board or to a board representative and attempt to resolve their concerns informally. The "meet and confer" program also applies when the board has a dispute with an owner and would like to talk it over. Here's how it works:

- Either party can ask the other to participate in this program. If the member asks the Association, the Association is required to participate. If the Association asks the owner, the owner may choose whether or not to attend.
- Either party can initiate the program by sending the other a written request. Such requests may be personally delivered, mailed, faxed or sent by electronic transmission.
- Any costs associated with the meet and confer program will be borne by the Association.
- The Association may be represented at the meeting by the board or by one or more representatives of the board, and the community manager. Either party may ask other persons to attend, if doing so is reasonably likely to aid in explaining or resolving the dispute. For example, if the issue involves architectural control, the board may ask a member of the Architectural Committee to join the meeting. If the issue involves assessment collection, the board may ask the Association's treasurer to attend.
- Although not precluded, attorney participation in the meeting is discouraged, in order to foster direct discussions between the parties and to maintain the goal of speedy and inexpensive early resolution. If either party wishes his/her/its attorney to attend the meeting, that party shall give the other at least five (5) business days' notice.
- The parties shall meet 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.
- If the Association initiates the "meet and confer" program and its dispute with the member, if left unresolved, is such that the board could consider discipline against the member, the request to the member shall additionally indicate whether the board intends to consider such discipline following the conclusion of the meeting and, if so, what discipline might be considered. Only meetings attended by at least a majority of the board may result in disciplinary action.

The Association's "meet and confer" program is intended to resolve differences informally, in a fast, fair, and reasonable manner. However, where the circumstances of a dispute reasonably call for the assistance of a neutral third party, the meet and confer program makes maximum use of local dispute resolution services, including low-cost mediation services such as those listed on the Internet Web Sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development. If such services are used, they are paid for entirely by the Association.

ALTERNATIVE DISPUTE RESOLUTION STATUTES FOR COMMUNITY ASSOCIATIONS

PLEASE NOTE: A copy of these statutes must accompany
any Request for Resolution served on a member by the association.

CIVIL CODE §§ 5925 through 5965
Effective January 1, 2005

§5925 Definitions

As used in this article"

(a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral third party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

- (1) Enforcement of this title.
- (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
- (3) Enforcement of the governing documents of a common interest development.

§5930 Litigation Pre-Filing Requirements

(a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of five thousand dollars (\$5,000).

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

§5935 Initiating the Process; Request for Resolution

(a) Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

- (1) A brief description of the dispute between the parties.
- (2) A request for alternative dispute resolution.
- (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
- (4) If the party on whom the request is served is the owner of a separate interest, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

§5940 Completing the Process; Costs

(a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

§5945 Statutes of Limitation

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

§5950 Certificate; Commencement of Action

(a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

(a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision © of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

§5960 Refusal to Participate in Pre-Filing Alternative Dispute Resolution

In an enforcement action in which fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

§5965 Annual Disclosure

(a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

(b) The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

CROWN COLONY HOMEOWNERS ASSOCIATION
NOTICE OF COLLECTION RIGHTS AND OBLIGATIONS

The following Notice is provided to the Members of Crown Colony Homeowners Association, in accordance with California Civil Code section 5730 amended effective January 1, 2014.

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 or 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 areas 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, he or she may request a receipt, and the Association is required to provide it. On the receipt, the Association must indicate the date of payment and the person who received it. The Association must inform owners of a mailing address for overnight payments. (Section 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 timeshare 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 exist. (Section 5665 of the Civil Code)

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

An Association distributing the notice required by this section to an owner of an interest that is described in 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.

CROWN COLONY HOMEOWNERS ASSOCIATION
ASSESSMENT COLLECTION POLICY

This document sets forth the Crown Colony Homeowners Association's policy regarding the collection of assessments pursuant to the Association's governing documents and California Civil Code sections 5600 through 5740.

1. **Assessments in General.** The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and California law. The Regular Assessment is levied annually and is payable during the year in equal monthly installments or at such other intervals as the Board of Directors shall in writing designate.
2. **Obligation to Pay Assessments.** Each assessment is an obligation of the owner at the time it is levied. Each assessment is also a lien on the owner's unit from and after the time the Association causes a Notice of Delinquent Assessment (lien) to be recorded with the County Recorder's Office.
3. **Notice of Assessments.** Not less than thirty (30) days nor more than sixty (60) days before any increase in the Regular Assessment or any Special Assessment becomes due, the Association will give the owners notice of the assessment. Thereafter, the Board of Directors may elect to provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the owners of the obligation to pay assessments.
4. **Designation of Agent.** The Board of Directors may designate an agent or agents to collect assessment payments and administer this Assessment Collection Policy. Such designated agent may be an officer of the Association, manager, banking institution, law firm or other appropriate agent.
5. **Due Date/Delinquency Date of Assessments.** Unless otherwise specified in writing by the Board, the Regular Assessment is due and payable in installments on the first day of each month during the year. Special Assessments shall be due and payable on the due date specified by the Board. Any assessment is delinquent if not received as directed by the Board or its designated agent fifteen (15) days after it becomes due.
6. **Late Charges/Interest.** An assessment, or any portion thereof, that is delinquent shall incur a late charge of ten percent (10%) of the delinquent assessment or ten dollars (\$10), whichever is greater. Beginning thirty (30) days after the assessment becomes due, the entire unpaid balance of an assessment account shall bear interest at an annual percentage rate not to exceed ten percent (10%).
7. **Collection Expenses.** Any costs and fees incurred in processing and collecting delinquent amounts, including, without limitation, late and interest charges, charges for preparation of delinquency notices or referral for collection, postage and copies, and attorney's fees and costs, shall become an additional charge against the owner and the owner's unit and shall be subject to collection action pursuant to this Policy.
8. **Application of Payments.** Payments shall be applied first to principal owed, then to interest and collection charges.
9. **Notice of Intent to Lien.** If an assessment account remains unpaid for forty five (45) days after it is due, the Association or its agent shall notify the owner by certified mail that a lien will be recorded unless the entire balance of the account is paid within thirty (30) days after the date of the notice of intent to lien (pre-lien notice). The pre-lien notice shall include a general statement of the collection and lien enforcement procedures of the Association, an itemized statement of the charges owed as of the date of the notice, including the costs of preparing the pre-lien notice, and other disclosures required by law. Payment may be required in certified funds. Notwithstanding the time periods specified in this Paragraph, a pre-lien notice may be sent to a delinquent owner at any time during an open escrow involving the owner's unit.

10. **Owner's Right to Meet with the Board.** An owner may submit a written request to meet with the Board to discuss the debt noticed in the pre-lien notice described in Paragraph 9. The Board shall meet with the owner in executive session within forty five (45) days of the postmark of the owner's request if the request is mailed within fifteen (15) days of the postmark date on the pre-lien notice, unless there is no regularly scheduled board meeting within that period, in which case the Board may designate a committee of one or more members to meet with the owner. As provided in Paragraph 17 below, the Board of Directors, in its sole discretion, may enter into an agreement with an owner for repayment of the amounts due the Association.

11. **Dispute of Charges.** An owner may dispute the amount demanded by the Association by submitting to the Board a written explanation of the reasons for disputing the amount. A telephone call will not reserve any rights. State law also permits owners with assessment disputes to request participation in the Association's "meet and confer" program or alternative dispute resolution. The Owner should provide the following information regarding any dispute:

- a. The Owner's name, mailing address, and account number.
- b. The exact dollar amount claimed to be in dispute or in error.
- c. For each charge or payment in dispute, an explanation of the reasons the owner believes there is an error, with sufficient detail such as dates, names and check numbers, so that the dispute may be investigated efficiently and effectively. If the owner does not know how the error was made, that statement may be made.
- d. Copies of checks, letters or other documents referred to or claimed should accompany the written explanation.

12. **Recordation of Lien.** Before a lien is recorded against an owner's unit, the Board shall decide in an open meeting to record a lien and the Board's decision shall be reflected in the minutes of that meeting. Upon such decision of the Board, a lien shall be recorded against the owner's unit, without further notice to the owner, if the owner fails to pay the entire balance of the account within the time period specified in the pre-lien notice.

13. **Acceleration of Assessments Due.** Upon the recording of a lien, the Association may, at its option, declare due and payable the entire balance of all sums then due or to become due from the owner, including the balance of the Regular Assessment and any Special Assessment. This total sum may be included in any foreclosure proceeding or collection action.

14. **Foreclosure of Lien.** After the lien is recorded and at least thirty (30) days have elapsed, foreclosure proceedings may commence when assessment principal either exceeds the amount, or remains unpaid for the time period, specified in state law. The Board's decision to initiate foreclosure shall be made in executive session and reflected in the minutes of the Board's next open meeting by reference to the parcel number of the unit rather than the name of the owner in order to maintain the confidentiality of the owner.

IMPORTANT NOTICE: IF AN OWNER'S UNIT IS PLACED IN FORECLOSURE BECAUSE THE OWNER IS BEHIND IN PAYMENT OF ASSESSMENTS, THE UNIT MAY BE SOLD WITHOUT COURT ACTION.

15. **Dishonored Checks.** At any time that the Association or its agent receives a check dishonored by the bank for any reason, a charge of twenty-five dollars (\$25) shall be imposed. The Association may also seek damages in accordance with California Civil Code section 1719.

16. **Receipts.** Owners may request and receive a receipt upon making an assessment payment. The receipt will indicate the date the payment was received and the name of the person who received it.

17. **Payment Agreements.** The Association or its agent may accept partial payments on an assessment account. The Board of Directors, in its sole discretion, may enter into a written payment agreement with an

owner for periodic partial payments on the balance of the assessment account, in amounts and on a payment schedule agreed to by the Board. The agreement shall include payment of accruing assessments, and late charges shall not accrue so long as the owner is complying with the terms of the agreement. The Association has no obligation to enter into such an agreement, and any agreement entered into with the owner shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interests of the Association are served. The payment agreement shall be in writing and a provision shall be included that failure to meet any term of the agreement shall give the Board the right to immediately continue the collection process without further notice to the owner.

18. **Release of Lien.** A Release of Lien will not be recorded until the entire balance of the owner's account is paid. All charges incurred in recording the Release, including reasonable attorney's fees, will be charged to the owner's account. Upon satisfaction in full of the entire balance owing, the Association shall within twenty-one (21) days record or cause to be recorded a Release of Lien.

19. **Other Remedies.** The Association reserves the right to avail itself of any other remedy permitted by law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action in Small Claims or Superior Court. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

20. **Secondary Addresses.** Owners may submit a secondary address to the Association for purposes of collection notices. Such information must be submitted in writing, signed by the owner, and mailed to the Association in a manner that confirms the Association has received it. After an owner identifies a secondary address, the Association will send copies of any collection notices to the secondary address provided, in addition to the owner's primary address shown in the Association's records. An owner may identify or change a secondary address at any time. If a secondary address is identified or changed during any collection process, the Association will only be required to send notices to the designated secondary address from the point that the Association receives the request.

21. **Address of the Association and the Board of Directors.** Owners should respond in writing or make payments to the address directed by the designated agent. If no address is given, correspondence and requests should be mailed to the Association at the following address:

Board of Directors
Crown Colony Homeowners' Association
379 Imperial Way
Daly City, Ca 94015

Unless another address is given by the Association or its designated agent, the address noted above may be used for overnight payments.

22. **Void Provisions.** If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

Adopted by Resolution of the Board of Directors

April 19, 2006

Date

Crown Colony Homeowner Association

Violation and Fining Policy

(Including Schedule of Fines)

This document sets forth Crown Colony Homeowner Association's policy for imposing disciplinary actions (including a Schedule of Fines) for violations of the Association's governing documents, pursuant to Civil Code section 5850 and the Association's Amended Bylaws ("Bylaws") and Amended & Restated Declaration of Covenants, Conditions & Restrictions (CC&Rs).

1. Authority of the Association's Board of Directors. The Board of Directors (Board), has the authority to adopt and establish rules, regulations and policies (collectively, "Rules") governing the use of Common Area and facilities within Crown Colony, the personal conduct of Members, tenants and guests, and to take steps as it deems necessary for the enforcement of such Rules and the Association's Governing Documents (which in addition to the Rules, includes the Bylaws and CC&Rs).
2. Member Responsibility. Each Unit Owner is a Member of the Association and is responsible for complying with the Governing Documents. Owners are required to give their tenants, if any, copies of the Governing Documents and of amendments and new Rules as they are adopted. Owners are also responsible for ensuring that their tenants, invitees, guests, and Unit occupants comply with the Governing Documents. In the case of violations by tenants, invitees, guests and Unit occupants who are not Members of the Association, the Association will notify the Unit Owner. Any fines for non-compliance or Reimbursement Assessments will be imposed against the Owner.
3. Notice. At least ten (10) days before the meeting at which the Board will determine whether to impose a fine or other sanction, such as suspending any rights or privileges or levying a Reimbursement Assessment, the Board will notify the Member in writing. The notification shall:
 - Identify the governing document provision that has been violated;
 - Describe the nature of the violation;
 - Identify the date, time and place of the meeting;
 - Describe the corrective action to be taken by the Member and the time within which it must be done (if applicable);
 - Describe intended or possible sanction(s); and
 - Give the Member the opportunity to attend the meeting and to address the Board regarding the alleged violation.

If the Member's failure to correct a violation results in the expenditure of funds by the Association to correct the violation, the notice shall also state that the Board may vote to levy a Reimbursement Assessment if the Board finds that a violation has occurred.

The notice shall either be given personally to such Member or sent by first-class or certified mail to the last address for the Member shown on the Association's records.

4. Hearing. The hearing shall be conducted by the Board. The Member is entitled to attend the hearing and to address the Board. The President shall read the charges against the Member. The Member is allowed to present evidence and testimony on his or her behalf and shall have the right to question the witnesses against him or her and examine all evidence presented. The Board is entitled to question all witnesses. The Board shall have the exclusive power and authority to impose disciplinary action.
5. Imposing Disciplinary Action. The Board may impose one or more sanctions if it determines at the meeting that a Member or his or her tenant, invitee, guest or Unit occupant has committed a violation of a particular governing document provision. This action may be imposed even if the Member does not appear at the hearing when scheduled or does not submit a written explanation to the Board at or before the time scheduled for the hearing. As provided in CC&Rs Section 14.8, disciplinary action may include loss of good standing, suspension of other rights, and/or monetary penalties (i.e., fines) as follows:
 - Loss of Good Standing. Suspension of the Member's Good Standing status for so long as the Member remains in default of any payment or until the violation is remedied. The impact of suspension of the Member's Good Standing status is that his or her Association voting rights are

suspended and he or she is disqualified from serving on the Board.

Suspension of Other Rights. Suspension of the Member's or Resident's right to use Common Area recreational facilities for so long as the Member remains in default of any payment or for such period as may be specified by the Board if the violation involves misbehavior related to Common Area recreational facilities.

Monetary Penalties i.e. Fines. Imposition of fines in accordance with the Association's current Schedule of Fines.

In the case of continuing violations, such as architectural violations, the Board may impose additional disciplinary action once every thirty (30) days until the violation is remedied, provided that procedural requirements are followed. Repeated or habitual violations within a 30-day period, such as parking violations, shall not constitute a continuing violation but shall be a separate violation for each occurrence, and disciplinary action may be imposed for each and every separate violation.

6. Notice of Board's Decision; Effective Date of Sanction. The Board shall notify the Member of its decision, in writing, within fifteen (15) days after the hearing. Failure to notify the Member within such 15-day period shall invalidate the Board's action. A fine or Reimbursement Assessment shall become effective no sooner than five (5) days after the date of the hearing.
7. Grievance Committee. The Board-appointed "Grievance Committee," as authorized and directed by the Board, has the authority to investigate alleged violations and meet with the alleged violator and complaining parties (if any). The Grievance Committee also makes findings (as to whether a violation has occurred) and provides recommendations to the Board concerning sanctions. However, the final determination on whether a violation has occurred and the decision to impose sanctions (including the type of sanction(s) that will be imposed, if any) shall be ultimately made by the Board.
8. Payment of Fines. Fines (also known as "monetary penalties" or "Enforcement Assessments") are due when imposed and are deemed delinquent if not paid within fifteen (15) days after they are due. All sums payable hereunder by a Member shall bear interest at the maximum rate permitted by law commencing on the date the said sums become delinquent. The Association may commence a lawsuit to compel payment of delinquent fines and to recover attorney's fees and costs of enforcement.
9. Schedule of Fines. The Schedule of Fines adopted by the Board is attached to this Policy.
10. Additional Corrective Measures; Reimbursement Assessment. The imposition of fines and suspension of voting and use rights are in addition to the requirement that Members comply with the governing documents. Compliance may include, but is not limited to, correcting, repairing or replacing non-complying conditions, all at the Member's expense by, for example, levy of a Reimbursement Assessment against such Member and his or her Unit (see CC&Rs, section 7.8).
11. Other Remedies. The Association reserves the right to avail itself of any other remedy permitted by law and the governing documents to enforce the provisions of the Association's Governing Documents (including Rules). These remedies include, but are not limited to, requesting internal dispute resolution, requesting that the matter be submitted to some form of alternative dispute resolution such as mediation or arbitration, right of entry to correct a violation, or bringing an action in court. Such remedies may be taken in addition to or in lieu of any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.
12. CC&R Provisions Also Apply. The CC&Rs, in particular, Article 14, also addresses and applies to the holding of hearings and imposition of fines and other sanctions against Members.
13. Liens. The Association may secure recovery of any fines imposed and the costs of enforcement by recordation of a lien or liens to the extent not prohibited by law. As of the date of adoption of this Policy, liens that are recorded to secure fines may not be enforced by non-judicial foreclosure.
14. Association's Duty of Enforcement. Failure by the Association to enforce any provision of the governing documents shall in no event be deemed a waiver of the right to do so thereafter.
15. Amendment of Policy. As provided in Civil Code section 4355, the Board may amend this Policy without providing advance notice to the Owners if an amendment is required by law or needed to conform a

particular provision or provisions of this Policy to changes in applicable California statutory law that are nondiscretionary in nature.

Crown Colony Homeowners Association Schedule of Fines

To ensure compliance with the Governing Documents of Crown Colony Homeowners Association, Members may be fined for violations. The Association's Board of Directors has adopted this Schedule of Fines, which will be in effect until changed by action of the Board of Directors. Any violation of the Governing Documents either by a Member or a Member's tenant, invitee, guest or Unit occupant shall be subject to the following fines:

Violation	1st Violation	2nd Violation	3rd + Subsequent
Architectural	\$50	\$100	\$200
Automobile(including Parking Sticker Violations)	\$50	\$100	\$200
Decks, Patios, Parking Spaces	\$50	\$100	\$200
Excessive Noise	\$50	\$100	\$200
Misuse of Common Area or Facilities	\$50	\$100	\$200
Pets	\$50	\$100	\$200
Vandalism	\$100	\$200	\$300
Serious Personal Endangerment or Serious Health Hazard	\$100	\$200	\$300

The following policy was adopted by the Crown Colony Board of Directors at its August 20, 2008 meeting. The Policy became effective September 1, 2008. It was revised to bring it into conformity with the Association's Amended Bylaws and Amended Declaration of Covenants, Conditions and Restrictions ("CC&Rs").

HOW DO I PAY MY MONTHLY ASSESSMENT?

MAILING PAYMENTS:

You may mail a check to Union Bank. Please use the enclosed envelope that comes with your monthly statement and mail your check with the remittance stub. Include your account number which is listed on your statement and make the check payable to CROWN COLONY HOA.

Please mail payments to:
UNION BANK
P.O. BOX 15021
VALLEJO, CA 94591-1921

ACH –AUTOMATED CLEARING HOUSE OR ELECTRONIC FUND TRANSFER

You may enroll with Union Bank to have your monthly assessments be electronically debited from your bank account on or about the 10th of each month. Use the attached form or contact Bautista & Co. to obtain an ACH Authorization Form. Send the completed form with a cancelled check to Bautista & Co. (address can be found on the form).

UNION BANK ONE TIME PAYMENT

You can make a one- time payment thru www.hoabankservices.com. Under the **Online Payments for Homeowners** section select the red **Make Payment** button. Choose **Make a One-Time Payment** to initiate a payment. Select your association and follow instructions on the screen.

YOUR BANK'S ONLINE BILL PAY

If you use online Bill Pay with your bank to pay your monthly assessments, your bank must note your HOA account number on the bill pay check. This account number is listed on your statement. You will need to update the amount paid annually according to any changes in assessments. The online banking payment is not an electronic transfer of funds. Please allow a minimum of 5 days for mailing. **Your check should be made payable to Crown Colony.**

CREDIT CARD PAYMENTS ARE ACCEPTED FOR A FEE

You can make a one-time payment using Visa, MasterCard, American Express or Discover. Log in to www.hoabankservices.com. Under the **Online Payments for Homeowners** select the red **Make Payment** button. Choose **Make a One-Time Payment** to initiate payment. Select your association and follow the instructions on the screen.

Please contact the Accounting firm of Bautista & Co. at 650-697-7907 with any additional questions or concerns.



**HOA SERVICES PLATFORM
 AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS
 (ACH DEBITS)**

NOTE: A VOIDED CHECK MUST BE ATTACHED TO THIS FORM TO BE PROCESSED PROPERLY

I (we) hereby authorize Bautista and Co. hereinafter called "Company," to initiate debit entries to my (our) Checking Account or Savings Account (select one) indicated below at the depository financial institution named below, hereinafter called "Depository," and to debit the same to such account for the purpose of collecting assessments for my community association. I (we) understand that this debit will occur on or about the 10th of each month in which assessment payments are due. I (we) acknowledge that the origination of ACH transactions to my (our) account must comply with the provisions of United States law.

Depository Name: _____ Branch: _____
 City: _____ State: _____ Zip: _____
 Routing Number (9 digits): _____ Account Number: _____

This authorization is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time, and in such manner, as to afford Company and Depository a reasonable opportunity to act on it.

My association is: _____

Name(s): _____
(Please print)

E-Mail: _____ **Phone No.** _____

Signature(s): _____

Date: _____ **Property Address:** _____

Account ID: _____

NOTE: A VOIDED CHECK MUST BE ATTACHED TO THIS FORM TO BE PROCESSED PROPERLY

PLEASE RETURN FORM AND VOIDED CHECK TO:

BAUTISTA & CO.
 214 BROADWAY
 MILLBRAE, CA. 94030

Management Company Use Only: _____

Homeowner Account Number: _____

Date entered: _____

FHA Certification Disclosure

California law (Civil Code Section 5300(b)) requires the following statement describing the status of the common interest development as a Federal Housing Administration (FHA)-approved condominium project pursuant to FHA guidelines, including whether the common interest development is an FHA-approved condominium project. The statement shall be in at least 10-point font on a separate piece of paper and in the following form:

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 current information on whether or not a common interest development is certified by the Federal Housing Administration, please visit the following website:

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

VA Certification Disclosure

California law (Civil Code Section 5300(b)) requires the following statement describing the status of the common interest development as a federal Department of Veterans Affairs (VA)-approved condominium project pursuant to VA guidelines, including whether the common interest development is a VA-approved condominium project. The statement shall be in at least 10-point font on a separate piece of paper and in the following form:

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 not certified by the federal Department of Veterans Affairs.

For current information on whether or not a common interest development is certified by the federal Department of Veterans Affairs, please visit the following website:

<https://vip.vba.va.gov/portal/VBAH/Home>

CROWN COLONY

HOMEOWNERS ASSOCIATION

379 IMPERIAL WAY, DALY CITY, CA 94015-2503 • (650)756-8220 • FAX: (650)756-4323
e-mail: cchoa@crowncolonyhoa.com

REQUEST FOR ANNUAL NOTICE OF ADDRESS, REPRESENTATIVE AND RENTAL STATUS

Civil Code 4041 requires each homeowner to provide the Association with the following information on an annual basis. Please complete this form and return it to the Association at the address above within 30 days. If an owner fails to provide the information requested in paragraphs 1 and 2 below, or if there has been no change in your mailing address, the mailing address the Association has on file shall be deemed to be the address to which notices are to be delivered.

Re Unit: Address _____ Unit # _____

1. The full name(s) and address(es) to which notices from the Association are to be delivered:

2. Optional: An alternate or secondary mailing address:

3. The name and address of your legal representative, if any, including any person with power of attorney, or other person who can be contacted in the event of your extended absence:

4. Is the separate interest that you own (check one):

- Owner-Occupied?
 Rented Out?
 Vacant?

The seller may, in accordance with section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents but shall not be required to purchase all of the documents listed on this form.

Property Address: _____

Current Owner of Property: _____

Contact info for Person Requesting Document(s): _____

Provider of the Section 4525 items:

Rita Nicolas, Project Coordinator - Crown Colony Homeowners Association - 650-756-8220

Please Check Applicable Column or Columns Below of Items Being Requested:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) Not Applicable (N/App)
CC&R's, Bylaws, Articles Of Incorporation	Section 4525(a)(1)	\$150.00	Included in Cert. Package
Operating Rules	Section 4525(a)(1)		Included in Cert. Package
Age Restrictions, if any	Section 4525(a)(2)		N/App
Rental Restrictions, if any	Section 4525(a)(9)		No less than 30 days
Annual Budget Report (or summary, including Reserve Study)	Sections 5300 and 4525(a)(3)		Included in Cert. Package
Assessment and Reserve Funding Disclosure Summary	Sections 5300 and 4525(a)(4)		Included in Annual Budget and Cert. Package
Annual Financial Statement Review or Audit	Sections 5305 and 4525(a)(3)		Included in Cert. Package
Assessment Enforcement Policy	Sections 5310 and 4525(a)(4)		Included in Annual Budget Package and Cert. Package
Insurance Summary	Sections 5300 and 4525(a)(3)		Included in Cert. Package
Regular Assessment	Section 4525(a)(4)		Included on HOA Cert Form
Special Assessment	Section 4525(a)(4)		Included on HOA Cert Form
Emergency Assessment	Section 4525(a)(4)		Refer to Demand
Other unpaid Obligations of Seller	Section 5675 and 4525(a)(4)		Refer to Demand
Approved Changes to Assessments	Sections 5300 and 4525(a)(4),(8)		Included in Annual Budget Package and Cert Package
Settlement Notice Regarding Common Area Defects	Sections 4525(a)(6),(7) and 6100		Included in Cert. Package

Preliminary List of Defects	Sections 4525(a)(6), 6000 and 6100		N/App
Notice(s) of Violations	Sections 5855 and 4525(a)(5)		Refer to Demand
Required Statement of Fees (Escrow Demand) Transfer Fee	Section 4525	\$150 to HOA and \$150 to Bautista & Co.	Refer to Demand
Minutes of Regular Board Meetings (conducted over the previous 12 months, if requested)	Section 4525(a)(10)	\$25.00	Included in Cert Package
Lender's Cert Form		\$200.00	
Cert. Package Preparation Fee		\$50.00	
Total Fees for Certification Package including Lender's Cert. Form and CC&R's, Bylaws and Articles of Incorporation		\$425.00	
Total for Both Transfer Fees		\$300.00	Refer to Demand
TOTAL FEES FOR DOCUMENTS		\$725.00	

*The Information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.

This is the minimum document offering required to meet CA Statute 4525. You may opt to acquire additional documents including, but not limited to Meeting Minutes, Reserve Studies, Insurance Declaration Pages, and/or property inspections not mandated by law, but helpful to the prospective buyer(s) and/or their agents to make a more informed decision regarding the subject property.

Please note: Other fees including, but not limited to, Capital Contributions, Collection Fees, Etc. May be assessed to Each property and will be disclosed on the Statement of Fees (Demand) and are not included within estimated charges within this form. Please contact Bautista & Co. for all Demands.

The buyer and seller may negotiate who pays document and disclosure fees.

PACKAGES OR CERTIFICATION FORMS ARE PROCESSED ON FRIDAYS ONLY. REQUESTS AND PAYMENT MUST BE PROVIDED TO OUR OFFICE NO LATER THAN THURSDAY AT 5:00PM TO BE AVAILABLE FOR PICK UP AFTER 11:00AM ON FRIDAY.

ADDITIONAL FEE IS REQUIRED FOR A RUSH FOR ANY FORMS OR PACKAGES NEEDED PRIOR TO 12:00NOON ON FRIDAY.

CROWN COLONY

HOMEOWNERS ASSOCIATION

Request for Delivery of Association Documents by E-mail

The undersigned hereby certify/certifies that he/she/they is/are the record owner(s) (if one, or more than one, collectively the "Owner") of the unit identified below located within the Crown Colony Homeowners Association. Owner hereby requests that the Crown Colony Homeowners Association distribute to Owner via electronic transmission all Association documents to the extent permitted under the law then in effect including but not limited to any of the following Association documents (collectively, "Association Documents"):

- Operating Budget and Reserve Funding Schedule;
- Assessment and Reserve Funding Disclosure Summary;
- Budget Disclosures and Important Information
- Insurance Coverage Summary prepared by Risk Strategies Company;
- Policy Statements and Important Information
- Association Assessment Collection Policy;
- Notice of Collection Rights and Obligations;
- Association's Fine Policy;
- How to Pay My Assessment Notice and Bank
- Election Rules
- Architectural Do's and Don'ts and Improvement Application
- Secondary Address Notification Request
- Charges for Documents
- Annual Audit
- Newsletters & Surveys

The Owner(s) request that the Association transmit the Association Documents to the following email address(es). If there is more than one record owner for any lot, all such record owners consent to the Association's transmission of all Association Documents to the email address(es) listed below and acknowledge and agree that such transmission(s) shall be adequate and satisfactory electronic transmission(s) of all Association Documents to all record owners for such lot. Only one email address per recorded Owner is allowed.

1st Owner of Record (please print): _____

Email Address: _____ Address: _____

Signature: _____ Date: _____

Phone Number: _____

2nd Owner of Record (please print): _____

Email Address: _____ Address: _____

Signature: _____ Date: _____

Phone Number _____

Please see the instructions and further information **on the back side of this page**. Those instructions and further information are specifically incorporated into this request by this reference. If you have already submitted this form to the HOA Office, please disregard.

CROWN COLONY

HOMEOWNERS ASSOCIATION

Instructions and Further Information for Delivery of Association Documents by Email

- Where there is more than one record owner, each record owner should complete and sign this Request.
- If fewer than all record owners complete this Request, the Association will deem this re-request incomplete.
- Upon written request to the Association, Owner shall have the right to "hard copies" of any Association Documents that are delivered via-email.
- This request shall be forwarded to Crown Colony Homeowners Association in one of the following manners: (i) by mail or personal delivery to Crown Colony Homeowners Association at 379 Imperial Way, Daly City CA 94015 (ii) by facsimile transmission to 650-756-4323, or (iii) as an attachment to an e-mail transmitted to the HOA at cchoa@crowncolonyhoa.com.
- **CHANGE OF E-MAIL ADDRESS:** Owner is responsible for notifying the Association of any change in e-mail address. Owner may change the e-mail address for delivery of Association Documents by sending a written notice of change of address, signed by all record owners, to the Association. Such notice shall also identify the unit/lot address, and be forwarded to the Association in one of the following manners: (i) by mail or personal delivery to Crown Colony Homeowners Association at 379 Imperial Way, Daly City, CA 94015 (ii) by facsimile transmission to 650 756-4323, or (iii) as an attachment to an e-mail transmitted to the HOA at cchoa@crowncolonyhoa.com.
- **REVOCAION BY OWNER:** Owner has the right to revoke this request and receive "hard copies" of the Association Documents via personal or mail delivery by sending a written revocation, signed by the Owner, to the Association. Such revocation shall also identify the unit/lot address, and be forwarded to the Association in one of the following manners: (i) by mail or personal delivery to Crown Colony Homeowners Association at 379 Imperial Way, Daly City, CA 94015 (ii) by facsimile transmission to 650 756-4323, or (iii) as an attachment to an e-mail transmitted to the HOA at cchoa@crowncolonyhoa.com. Revocation by one record owner shall be considered as revocation for all record owners of that lot.
- **AUTOMATIC TERMINATION:** This request will automatically terminate and Association Documents will cease to be transmitted to the e-mail address listed above upon receipt by the Association of information from any source deemed reputable by the Association that Owner is no longer the record owner of the unit/lot identified above.

Crown Colony Homeowners Association Election Rules

These Election Rules apply to all member votes undertaken by CROWN COLONY HOMEOWNERS ASSOCIATION ("Association"). These Election Rules shall be effective on the date of adoption, shall supersede any other rules of the Association affecting voting or elections, and shall remain in effect until modified by the Board of Directors (the "Board").

ARTICLE 1 MEMBER VOTING RIGHTS

1.1 Member Voting Rights. Notwithstanding anything to the contrary in the Association's governing documents, all Members shall be entitled to vote and no Member shall be denied a ballot for any reason other than not being a Member. "Member" means a person who holds legal title to the property (i.e., is named in the recorded deed for the separate interest property). The "separate interest" property means the condominium unit or lot owned by a Member.

1.1.1 Entity Owners. In the case of a Member that is not a natural person (such as a trust, corporation or other entity), the vote of such Member may be cast by any authorized representative of the Member designated by written notice to the Association.

1.1.2 General Power of Attorney. A person with general power of attorney for a Member, who has provided satisfactory evidence thereof, shall not be denied a ballot and said ballot shall be counted if returned by the deadline for voting.

1.2 Voter List. The Association shall maintain a "Voter List" which shall include for each separate interest: the Member's name; voting power; and, unless the Member has "opted out" of the public distribution of their address, the physical address of the Member's separate interest, or the parcel number, or both, and the mailing address of the Member if it is different than the physical address of the separate interest (or if the parcel number is used). Upon request, the Association shall permit Members to verify the accuracy of their individual information on the Voter List at least 30 days before the ballots are mailed. The Member shall report any errors to the Inspector of Elections who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspector of Elections. The Voter List shall be retained as "association election materials" as required by law.

1.3 Voting Power of Each Membership. On each matter before the Members, only one (1) vote shall be cast for each separate interest. Once a ballot is received by the Inspector of Elections, it may not be rescinded. Votes on behalf of a separate interest owned by more than one person or entity shall be treated as a single member for voting purposes. The vote for such separate interest shall be exercised as the owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any separate interest. If the joint owners of a separate interest are unable to agree among themselves as to how their vote is to be cast, they shall lose their right to vote on the matter in question. If any joint owner of a separate interest casts a vote representing the separate interest, it will thereafter be conclusively presumed for all purposes that such owner was acting with the authority and consent of the other owners of that separate interest.

1.4 Cumulative Voting. Cumulative voting is not permitted in the election of directors.

1.5 Proxies. Use of proxies in connection with membership votes or membership meetings is expressly prohibited. "Proxy" shall mean a written authorization signed by a Member or a

Member's attorney-in-fact giving another person or persons power to vote for such Member, as defined in Corporations Code section 5069.

1.6 General Power of Attorney. A Member may delegate their voting rights to a third party by use of a general power of attorney that conforms to the laws of the state in which the power is conveyed. The power of attorney must be returned to the Association at or before the casting of the ballot for which voting rights have been delegated.

ARTICLE 2 VOTING PROCEDURE

2.1 Notice of Election Information. At least thirty (30) days before the ballots are distributed, the Association shall provide general notice of all of the following: (i) the date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector of Elections; (ii) the date, time, and location of the meeting at which ballots will be counted; and (iii) the Candidate Registration List.

2.2 Distribution of Ballots. All voting by the Members shall be conducted by secret ballot using a "double envelope system" as described in *Civil Code* section 5115(a). Ballots and two envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered to all Members in such vote or election. For a vote on any of the matters specified in *Civil Code* section 5100(a), ballots shall be distributed a minimum of thirty (30) days prior to the deadline for voting. These matters are: (i) elections regarding assessments legally requiring a Member vote, (ii) election and removal of directors, (iii) amendments to the governing documents, and (iv) grants of exclusive use of common area property pursuant to *Civil Code* section 4600. For votes on any other matter, ballots may be distributed a reasonable time (which may be less than thirty (30) days) prior to the deadline for voting.

2.3 Election by Acclamation. If, as of the published deadline for receiving nominations, the number of qualified candidates for election to the Board is not more than the number of directors to be elected, then the qualified candidates shall be declared elected and shall take office at the first Board meeting following the deadline for nominations or, if later and an annual meeting is held, then at the first Board meeting after the annual meeting. Written notice of the election shall be given to the Members. Election by acclamation shall not be permitted where Directors are being elected for differing terms of office.

2.4 Frequency of Director Elections. The Association shall hold an election for a seat on the Board at the expiration of the corresponding director's term and at least once every four years, or sooner if required by the Bylaws.

2.5 Extension of Voting. The Board shall be entitled to extend the deadline for the return of ballots one or more times due to the lack of a quorum or for such other reason(s) as the Board deems reasonable and prudent.

2.6 Tabulation and Observation. The Inspector of Elections shall open all ballots and tabulate the votes at a properly noticed open meeting of the Board or Members in a manner that allows the Members to view the opening and tabulation. The Inspector of Elections may appoint additional persons to assist in the opening of ballots and tabulation of votes. Observers must remain at least five (5) feet from the area of opening and tabulation and not communicate, harass, or otherwise interfere with the Inspector of Elections and/or those assisting the Inspector of Elections in any manner whatsoever. The Inspector of Election or the Board shall have the power and authority to cause the removal of any person who interferes with or disrupts the voting, opening or tabulating process. The Inspector of Elections may suspend the opening and tabulation process if anyone causes interference with or disrupts the process.

2.7 Reporting Election Results. The tabulated results of the election shall be promptly reported to the Board and shall be recorded in the minutes if reported at a meeting of the Board or recorded in the minutes of the next meeting of the Board if reported at a Member meeting. Within fifteen (15) days of the election, the Board shall give the Members general notice of the tabulated results of the election.

2.8 Retention of Association Election Materials. "Association election materials" shall mean the returned ballots, signed voter envelopes, the Voter List, proxies, and the Candidate Registration List. The association election materials shall at all times be in the custody of the Inspector of Elections or at a location designated by the Inspector of Elections for a period of one (1) year after the Inspector of Elections notifies the Board and Members of the election results, at which time custody shall be transferred to the Association. The Association shall retain the association election materials for the current fiscal year and prior two (2) fiscal years. At the expiration of the retention period all association election materials may be destroyed.

ARTICLE 3 CANDIDATES FOR THE BOARD AND NOMINATION PROCEDURES

3.1 Qualification of Candidates. Candidates for the Board must be Members at the time of their nomination and (i) must meet any other qualifications or restrictions set forth in these Election Rules and (ii) must meet any other qualifications or restrictions set forth in the Bylaws so long as they do not conflict with these Election Rules. In the case of a Member that is not a natural person (such as a corporation or other entity), the entity Member shall have the power to appoint a natural person as the "Member" for purposes of director elections. The Association shall disqualify a nominee for the Board for any of the following reason:

- 3.1.1 If the nominee, if elected, would be serving on the Board at the same time as another owner of the same separate interest and the other person is either properly nominated for the current election or is an incumbent director.
- 3.1.2 If the nominee, at the time of nomination, is delinquent in the payment of regular and/or special assessments. A nominee shall not be considered "delinquent" if the delinquency relates to the payment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party and/or if the nominee: (a) has paid the regular or special assessment under protest; (b) has entered into a payment plan for repayment of the delinquent assessments and is not delinquent in payments due under the plan; or (c) the nominee has requested and has not been provided an opportunity to engage in internal dispute resolution.
- 3.1.3 If the nominee has been a member of the Association for less than one year.
- 3.1.4 If the nominee has been found by a court of competent jurisdiction to be of unsound mind.
- 3.1.5 If the nominee discloses, or if the Association is aware or becomes aware of, a past criminal conviction that would, if the Member was elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code section 5806 or terminate the Association's existing fidelity bond coverage.

3.2 Nominations.

- 3.2.1 Solicitation of Candidates. At least thirty (30) days before the deadline for submitting a nomination, the Association shall provide general notice of the procedure and deadline for submitting a nomination for the Board. Any Member who satisfies the qualifications and is not otherwise prohibited from running for

the Board may place their name in nomination for the Board by submitting the nomination before the published deadline for receiving nominations. In addition, the Board may recruit qualified candidates and/or may appoint a nominating committee to nominate qualified candidates.

3.2.2 No "write-in" candidates shall be permitted on the ballots in the election of directors.

3.3 Candidate Registration List. The "Candidate Registration List" shall mean the list of candidates who will appear on the ballot. Upon request, the Association shall permit Members to verify the accuracy of their individual information on the Candidate Registration List at least thirty (30) days before the ballots are mailed. The Member shall report any errors to the Inspector of Elections who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspector of Elections. The Candidate Registration List shall be retained as "association election materials" as required by law.

3.4 Notice of Known Candidates. The names of all persons on the Candidate Registration List shall be set forth on the ballot.

3.5 Candidacy Statements. Any candidate who wishes to submit a candidacy statement may only do so using the Association's authorized form. The content of any candidate statement shall be limited to a statement of the candidate's qualifications to serve as a director.

3.6 Declaration of Vacancy for Delinquency. Any Member serving on the Board shall be current in the payment of regular and special assessments or the delinquent director's seat may be declared vacant by the Board following notice to the director and an opportunity to meet with the Board in executive session to explain why the director should not be disqualified. A director shall not be considered "delinquent" in the payment of assessments if the delinquency relates to the payment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party and/or if the director: (a) has paid the regular or special assessment under protest; (b) has entered into a payment plan for repayment of the delinquent assessments and is not delinquent in payments due under the plan; or (c) has requested and has not been provided an opportunity to engage in internal dispute resolution.

ARTICLE 4 USE OF ASSOCIATION MEDIA AND CAMPAIGNING

4.1 Access to Association Media – Candidates for the Board. The Board may, but is not required to, make Association media (e.g., newsletter, notice board, website, or other notices provided to the Members) available to qualified candidates running for election to the Board for purposes that are reasonably related to the election in which that candidate is running. If the Board allows any candidate access to Association media, then all qualified candidates shall be allowed equal access to the same media.

4.2 Access to Association Media – Other Matters. If the Board utilizes Association media to advocate a point of view on any matter (other than election of directors) that requires Member approval or allows any Member access to Association media for that purpose, then all Members advocating a different point of view shall be allowed equal access to the same media. The Board shall not be required to allow access to more than one Member advocating the same point of view.

4.3 "Equal Access". "Equal access" shall mean publication of written statements not to exceed a predetermined length as determined by the Board. The Board shall not edit or redact any statement but shall not be required to publish any statement that exceeds the predetermined length restrictions. Modifications to formatting may be made so as to allow for space and/or media restrictions. If any formatting modifications should become necessary, they

shall be applied equally to all submissions and at no time shall any formatting be applied that may signify a preference or partiality.

4.4 Responsibility for Content. All statements published in Association media pursuant to the "equal access" rules must identify the author or proponent. No anonymous statements will be permitted. The author and/or proponent of any statement or point of view shall be solely responsible and liable for the content of their statements. The Association shall not be responsible or liable for the content of any statement published pursuant to the "equal access" rules.

4.5 Campaigning. No Association funds shall be expended for the purposes of campaigning in connection with any vote or election other than those funds specifically required to distribute required correspondences, notices, or forms that may contain the names of candidates or necessary information on the issues being voted upon, or as is otherwise deemed by the Board to be necessary or appropriate for the fair and reasonable conduct of a vote or election, or to the extent necessary to comply with duties of the Association imposed the law. Specifically excluded is the expenditure of Association funds for the purposes of expressly advocating approval, election, or defeat of any matter or candidate.

ARTICLE 5 USE OF COMMON AREA MEETING SPACE

5.1 Access to Common Area Meeting Space – Campaigning by Candidates for the Board. The Board shall ensure that during a campaign all qualified candidates for election to the Board are given access to common area meeting space (if any) upon request, at no cost, for purposes reasonably related to their campaigns.

5.2 Access to Common Area Meeting Space – Other Matters. Whenever the Board places a matter before the Members which requires Member approval, the Board shall ensure that Members advocating a point of view on the matter are given access to common area meeting space (if any) upon request, at no cost, for purposes reasonably related to advocating their point of view, whether or not they agree with the point of view advocated by the Board on the matter at issue.

5.3 All Access. Any use of the common area facilities for the purposes described above shall be regulated by any existing rules and regulations for such use. The Board, in its sole discretion, may reasonably limit a candidate's or Member's access to common area facilities in order to facilitate equal access for other candidates and Members, and so as not to unreasonably interfere with other Members' rights to use such facilities.

ARTICLE 6 INSPECTOR OF ELECTIONS

6.1 Appointment of Inspector of Elections. Whenever there is a membership vote or election, the Board shall appoint one (1) or three (3) Inspectors of Elections, hereinafter individually or collectively referred to as the "Inspector of Elections," whose powers and duties shall be as set forth in such statute. The Board shall have the power to remove an Inspector of Elections who ceases to meet the required qualifications, is unable or unwilling to perform their duties, or for other good reason, and to appoint a new Inspector of Elections in their place.

6.2 Qualification of Inspector of Elections. The Inspector of Elections may be any persons the Board reasonably believes to be independent with respect to the matter or matters being voted on and may include Members of the Association, but may not be (i) a member of the Board or a candidate for election to the Board or a family member of a current member of the Board or of a candidate or (ii) the Association's manager, accountant, legal counsel, or any other person, business entity, or subdivision of a business entity that is employed by or under

contract with the Association to provide compensable services to it at and/or after commencement of the election process.

6.3 Payment to Inspector of Elections. The Board may authorize payment of Association funds to any third party appointed to serve as Inspector of Elections; however, no payment may be authorized for any Association Member appointed to serve as the Inspector of Elections.

6.4 Duties of the Inspector of Elections. The Inspector of Elections shall be responsible to perform their duties as follows:


- 6.4.1 Perform those tasks enumerated in Civil Code section 5110(c); and
- 6.4.2 Perform all duties impartially, in good faith, to the best of the Inspector of Election's ability, as expeditiously as is practical, and in a manner that protects the interest of all Members of the Association; and
- 6.4.3 Make any necessary corrections to the Candidate Registration List or the Voter List within two business days of being informed of an error by a Member or by the Association; and
- 6.4.4 Deliver (or cause to be delivered) the following documents to the members at least thirty (30) days before an election: (a) the ballot(s) by first-class mail and (b) a copy of these Election Rules by (i) individual delivery or (ii) by posting the internet website address where these Election Rules may be accessed on the ballot together with the phrase in at least 12-point font, "The rules governing this election may be found here: [insert internet website address]"; and
- 6.4.5 Retain the association election materials as provided herein.

6.5 Indemnification of Inspector of Elections; Liability Insurance. The Association may, at the Board's sole discretion, indemnify the Inspector of Elections to the fullest extent provided by law. The Association shall have the power to purchase and maintain insurance to protect it and/or the Inspector of Elections against any liability asserted against the Association and/or against the Inspector of Elections arising out of the Inspector of Elections' acts and/or omissions relating to any Association vote or election.

ARTICLE 7 AMENDMENTS

The Board may amend these Election Rules from time to time except that these Election Rules may not be amended less than ninety (90) days prior to an election unless that amendment is merely to conform to non-discretionary changes in the law.

I, Alaina Bevis, am the Secretary of the CROWN COLONY HOMEOWNERS ASSOCIATION and certify that these Election Rules were duly adopted by the Board of Directors of the Association and came into effect on the 20 day of December, 2020.



Secretary
December 20, 2020

Date

ARCHITECTURAL RULES

Decks & Patios

- YES** Standard patio or deck furniture, barbecues, planters, pots and approved storage containers. Only **propane fueled barbecues** are allowed on decks and patios.
All pots, planters and storage containers located on any deck or patio must be non-reflective and earth-tone in color and elevated off the deck or patio surface.
Extra spindles are allowed. They must **not** extend above the railing and must be painted the existing spindles color.
- NO** No storage of other items without prior written consent of the Architectural Review Committee or the Board.
No bicycles or children's toys
No planter or pots on ledges or rails.
No alterations, carpets, covering, enclosures or site screens without prior written consent of the Architectural Review Committee or the Board.

Front Door & Entry

- YES** Leave exterior unaltered
- NO** No alteration of unit number or exterior color.
No doormat or personal property left in hallway.
No nameplates or signs.

Parking Space

- YES** Park your car, motorbike or pick-up truck.
- YES** Residents may park no more than 2 adult bicycles under the storage locker of their Unit's deeded parking space. No Children's bicycles will be allowed. Residents do so at their own risk.
- NO** No parking boats, campers, inoperable vehicles, trailers, trucks or any other commercial or recreational vehicles.
No oil pans or other items in parking spaces.

Storage Containers, Planters & Pots

- YES** Storage containers (not to exceed 24x24x24 inches in size), planters and pots must be constructed of wood or other non-reflective, earth-tone colored material. If planters are attached to spindles, they must be hung with galvanized sheet metal brackets. When attached by brackets, the Association Office will have its maintenance supervisor inspect the work. The owner will be furnished with a copy of the inspection report.
- NO** No planters shall be placed on top of railings.

Storage Lockers

- YES** Provide a padlock.
- NO** No storage of flammable liquids or storage on top of lockers.
No modification to the outside of the locker.
Locker storage is limited 100 lbs total.

Unit Interiors

- YES** Change the color and materials of the flooring and wall finishes, finish hardware and light fixtures.
- NO** Changes to the following must first be approved by the Architectural Review Committee or the Board:
Electrical - Conduit or wiring; Mechanical - Air conditioning, heating, plumbing or ventilating systems;
Structural - Ceiling, floor, roof or walls.
- Policy: The Board neither approves nor disapproves of owners changing their original flooring to hard surface materials (wood/tile/marble, etc.); however, should a noise or other issue result due to a change in flooring, the owner and/or any subsequent owner/s is/are responsible to mitigate the issue.

Windows / Sliding Doors

- YES** Window coverings must reflect a white/off-white exterior view.
New windows and sliding glass doors may be installed after an application, which is available from the Association Office, is filled out and approved and your contractor is selected from the approved contractors list. The application's specifications must be followed exactly.
- NO** No glass tinting or reflective treatment.

CROWN COLONY HOMEOWNERS ASSOCIATION
ARCHITECTURAL IMPROVEMENT APPLICATION

OWNER _____ HOME PHONE _____

UNIT ADDRESS _____ WORK PHONE _____

DESCRIPTION OF PROPOSED IMPROVEMENTS:

OWNERS _____ OWNER _____ DATE _____

For Committee Use Only

COMMITTEE MEMBER _____ PHONE _____

DATE SUBMITTED TO COMMITTEE _____ RECEIVED BY _____

FEE _____ DATE RECEIVED _____

ADDITIONAL INFORMATION REQUESTED

DATE ACCEPTED _____ RECEIVED _____

DISPOSITION:

BY _____ DATE _____

This approval is not intended to be acceptance of violations of any higher codes, statutes, or civil law.