

November 29, 2011

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Dear Park Paseo Homeowner:

In compliance with Civil Code §1365, attached is the budget for the Park Paseo Homeowners Association's fiscal year ending December 31, 2012. This budget reflects the continuing efforts of the Board of Directors to maintain and enhance the Association's common areas. The budget indicates an increase of 2.41% in order to adequately cover the rising operating costs for the Association and to fund the reserve accounts for future repairs and replacements. Therefore, effective January 1, 2012 your new assessment rate will be \$85.00 per month. The Board was able to save money in administrative costs by hiring a professional management company to manage the affairs of the Association; however, it had to increase other operating line items, such as "concrete" and "repairs and maintenance" in order to maintain the common area components. In addition, it increased the contribution to reserves in order to raise the reserve funding level.

The Board of Directors is constantly evaluating the Association funds regarding special assessments that may be necessary to replace, repair or restore any major component to the reserve program. A special assessment is not planned at this time.

The Association annually evaluates its reserve requirements and has retained the services of a professional reserve analyst to review the funding program and to provide recommendations for future funding of the reserve accounts. A summary of the study is provided for your review and copies of the complete reserve study are available upon request.

In addition to the fiscal year budget and reserve study, please find the following disclosure items:

- Reserve Assessment and Funding Disclosure Summary
- Association's Assessment and Billing Collection Policy/AB2289
- Summary of the Association's insurance coverage
- Summary of California Civil Code Sections 1363.850 and 1369.590 regarding IDR, Internal Dispute Resolution, and ADR, Alternative Dispute Resolution
- Architectural Guidelines

California Civil Code §1363 requires the Association to advise all owners of the right to obtain a copy of the minutes of the General Session Board of Directors meetings. Any requests for such meeting minutes must be made in writing to the Board at the address below and a distribution fee will be charged. Minutes are also available on the Association's website.

In addition, California Civil Code §1367.1 (k) requires the Association to advise all owners of the right to submit a secondary address to the association for the purpose of assessment collection, provided that the request is made in writing and mailed to the association in a manner that shall indicate that the association has received it.

Thank you for your continued support of the Association. If you should have any questions regarding the enclosed information, please contact your Community Manager, Dana Davidson at PCM, (949) 465 - 2266. Thank you.

Sincerely,
BOARD OF DIRECTORS
PARK PASEO HOMEOWNERS ASSOCIATION

**Park Paseo Homeowners Association
Irvine, California
RDA Owner's Summary**

Report Date	November 17, 2011	Parameters:	
Version	028	Inflation	3.00%
Account Number	1393	Annual Contribution Increase	3.00%
Budget Year Beginning	1/ 1/12	Investment Yield	1.00%
Ending	12/31/12	Taxes on Yield	30.00%
Total Units Included	625	Contingency	3.00%
Phase Development	1 of 1	Reserve Fund Balance as of	
		1/ 1/12:	\$647,730.00

Project Profile & Introduction

For budgeting purposes, unless otherwise indicated, we have used the following placed-in-service dates for aging all of the original components throughout these areas:

Clubhouse/Main Pool.....January 1977
Prosa Pool.....January 1982

RDA field inspections:September 17, 2010

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$12,127.47
(\$19.40 per unit per month)	
Average Net Monthly Interest Contribution This Year:	260.40
Net Monthly Allocation to Reserves 1/ 1/12 to 12/31/12:	\$12,387.87
(\$19.82 per unit per month)	

RDA Reserve Management Software
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Park Paseo Homeowners Association
RDA Owner's Summary

REPORT DATE: November 17, 2011
VERSION: 028
ACCOUNT NUMBER: 1393

DESCRIPTION	USE LIFE	+/-	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Parking Lot - Asphalt Overlay	20	+1	6	11,455	8,102	0
Parking Lot - Asphalt Repairs	3	0	0	2,432	2,432	2,432
Parking Lot - Asphalt Slurry Seal	3	0	0	2,511	2,511	2,511
*** CATEGORY SUMMARY:				16,398	13,045	4,943
Roofs - Composition Roll, Clubhouse	18	0	11	1,248	471	0
Roofs - DaVinci Roof - Prosa	50	0	49	10,696	214	0
Roofs - Tile, Clubhouse, Replace	50	0	34	24,929	7,949	0
*** CATEGORY SUMMARY:				36,873	8,634	0
Painting - Aluminum, Pools	10	+5	13	9,709	1,295	0
Painting - Int Restrooms, Clubhouse	8	0	5	4,029	1,511	0
Painting - Int Restrooms, Prosa	8	0	7	1,500	115	0
Painting - Main Spa, Equipment Room	5	0	4	2,618	333	0
Painting - Stucco	10	0	9	3,000	158	0
Painting - Woodwork, Clubhouse	5	0	4	11,244	1,431	0
Painting - Woodwork, Prosa	5	0	4	3,082	392	0
Painting - Wrought Iron, Streets	3	0	2	154	51	51
*** CATEGORY SUMMARY:				35,336	5,287	51
Fencing - Aluminum, Main Pool	30	0	28	132,841	7,814	0
Fencing - Aluminum, Prosa Pool	25	0	23	47,648	3,812	0
Fencing - W/I, Alba West/Entrada	20	0	19	882	19	0
Fencing - W/I, Delamesa/Campanero	20	0	19	6,190	310	0
Walls - Stucco Repairs	20	0	19	2,500	74	0
*** CATEGORY SUMMARY:				190,062	12,029	0
Lighting - Exterior, Main Pool/Club	10	+11	1	12,826	12,203	12,203
Lighting - Exterior, Prosa, 1992	10	+11	1	2,478	2,358	2,358
Lighting - Interior, Clubhouse	25	+13	3	14,697	13,537	13,537
Lighting - Interior, Prosa Cabana	25	+7	2	1,638	1,536	1,536
Lighting - Parking Lot, 2000	22	0	10	1,335	707	0
Lighting - Parking Lot, Original	22	+15	2	6,675	6,314	6,314
Lighting - Walkway	15	0	0	87,380	87,380	87,380
*** CATEGORY SUMMARY:				127,029	124,034	123,327
Main Pool - Filter	12	+5	1	6,168	5,805	5,805
Main Pool - Heater	12	+2	2	21,588	18,409	18,409
Main Pool - Motor	8	+4	1	1,491	1,367	1,367
Main Pool - Pump	8	0	1	5,654	4,947	4,947
Main Pool - Refiberglass & Tile	14	+2	1	54,484	51,061	51,061
Main Pool - Spa Filter	10	0	2	1,491	1,177	1,177
Main Pool - Spa Heater	10	+2	2	3,752	3,127	3,127

Park Paseo Homeowners Association
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Main Pool - Spa Pump/Motor	8	+3	0	1,054	1,054	1,054
Main Pool - Spa Pump/Motor, Booster	8	+3	1	2,518	2,289	2,289
Main Pool - Spa Refiberglass & Tile	12	0	0	7,196	7,196	7,196
Main Pool - Spa, Sump Pump	8	0	3	2,686	1,623	1,623
Main Pool - Wader Filter	12	+1	1	1,182	1,087	1,087
Main Pool - Wader Heater	12	0	6	2,878	1,376	0
Main Pool - Wader Pump/Motor	8	+5	1	771	711	711
Main Pool - Wader Refiberglassing	14	+1	0	5,140	5,140	5,140
*** CATEGORY SUMMARY:				118,053	106,370	104,994
Main Pool Area - Barbecues	5	0	4	4,451	566	0
Main Pool Area - Ceramic Shower	25	+13	3	1,976	1,820	1,820
Main Pool Area - Deck Caulking	4	0	0	10,500	10,500	10,500
Main Pool Area - Deck, Repairs	30	0	0	11,582	11,582	11,582
Main Pool Area - Furniture, 2001	7	+5	1	17,821	16,336	16,336
Main Pool Area - Furniture, 2007	7	0	2	14,584	10,153	10,153
*** CATEGORY SUMMARY:				60,914	50,958	50,391
Prosa Pool - Filter, 2008	12	0	8	1,491	461	0
Prosa Pool - Filter, 2010	12	0	10	1,491	249	0
Prosa Pool - Heater	12	+10	1	12,336	11,775	11,775
Prosa Pool - Pump/Motor Systems	8	0	1	2,108	1,845	1,845
Prosa Pool - Refiberglass & Tile	14	0	0	30,840	30,840	30,840
*** CATEGORY SUMMARY:				48,266	45,170	44,460
Prosa Pool Area - Barbecues	8	0	7	3,639	204	0
Prosa Pool Area - Ceramic Shower	25	+6	1	6,532	6,322	6,322
Prosa Pool Area - Deck Caulking	4	0	0	3,150	3,150	3,150
Prosa Pool Area - Deck Repairs	30	0	0	5,724	5,724	5,724
Prosa Pool Area - Furniture	7	+5	1	8,337	7,642	7,642
Prosa Pool Area - Rstrm Counters	20	+13	3	1,008	916	916
Prosa Pool Area - Rstrm Fixtures	25	+8	3	5,094	4,631	4,631
Prosa Pool Area - Rstrm Partitions	20	+13	3	2,895	2,632	2,632
Prosa Pool Area - Rstrm Tile	25	+7	2	8,344	7,823	7,823
Prosa Pool Area - Water Heater	18	+11	0	3,278	3,278	3,278
Prosa Pool Area - Wood Repairs	5	0	4	3,500	700	0
*** CATEGORY SUMMARY:				51,502	43,022	42,118
Clubhouse - Billiard Tables	25	+12	2	9,246	8,746	8,746
Clubhouse - Carpet, 2005	8	0	1	5,210	4,530	4,530
Clubhouse - Carpet, Original	8	0	0	11,323	11,323	11,323
Clubhouse - Doors, Double Slide	25	0	25	6,500	0	0
Clubhouse - Doors, Entry, 2005	25	0	18	12,090	3,268	0
Clubhouse - Doors, Entry, Orig	25	0	0	14,448	14,448	14,448
Clubhouse - Doors, Interior	25	+2	5	1,811	1,476	0
Clubhouse - Doors, Restrooms	25	+15	5	2,236	1,957	0
Clubhouse - Doors, Sliding Original	25	+11	1	5,964	5,798	5,798

Park Paseo Homeowners Association
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Clubhouse - Exterior Staircase	30	0	24	17,176	3,202	0
Clubhouse - Floor Tile	25	0	18	17,086	4,618	0
Clubhouse - Furnishings	10	0	4	30,000	18,000	0
Clubhouse - HVAC Heat/Air Clubhouse	20	+16	1	28,565	27,772	27,772
Clubhouse - HVAC Heat/Air, Office	20	0	16	3,265	653	0
Clubhouse - Kitchen, Appliances	12	0	5	4,910	2,806	0
Clubhouse - Kitchen, Cabinets	25	0	18	22,731	6,144	0
Clubhouse - Kitchen, Sink	25	0	18	723	195	0
Clubhouse - Office, Equipment	8	+2	5	10,000	4,915	0
Clubhouse - Office, Refurbishment	20	0	15	11,958	2,914	0
Clubhouse - Restroom	25	0	22	0	0	0
Clubhouse - Restroom Ceramic Tile	25	0	22	10,730	1,288	0
Clubhouse - Restroom Counters	20	0	17	3,600	540	0
Clubhouse - Restroom Epoxy Floor	25	0	22	2,136	256	0
Clubhouse - Restroom Fixtures	25	0	22	6,636	796	0
Clubhouse - Restroom Lockers/Bench	22	0	19	20,000	2,727	0
Clubhouse - Restroom Partitions	20	0	17	4,830	725	0
Clubhouse - Restroom Shower Door	16	0	13	1,816	341	0
Clubhouse - Wallpaper	15	0	8	12,700	5,773	0
Clubhouse - Water Heater	12	+4	2	3,278	2,868	2,868
Clubhouse - Window Blinds	10	0	3	14,628	10,088	10,088
Clubhouse - Women's Shower	25	0	0	10,500	10,500	10,500
*** CATEGORY SUMMARY:				306,096	158,666	96,074
Tennis Court - Benches	15	0	14	18,508	1,234	0
Tennis Court - Chain Link	30	+10	5	18,603	16,278	0
Tennis Court - Lighting	25	+15	5	12,432	10,878	0
Tennis Court - Resurfacing	6	0	0	11,520	11,520	11,520
Tennis Court - Windscreen	6	0	0	3,124	3,124	3,124
*** CATEGORY SUMMARY:				64,187	43,033	14,644
Rec Area - Benches	12	0	11	10,585	814	0
Rec Area - Drinking Fountain, C\H	16	0	15	2,749	74	0
Rec Area - Drinking Fountain, Pross	16	+15	1	1,380	1,335	1,335
Rec Area - Play Equip, Alba	18	0	5	20,808	15,028	0
Rec Area - Play Equip, Main, Prosa	18	0	3	47,321	39,209	25,065
Rec Area - Sand Repl, Main	10	0	0	6,168	6,168	6,168
Rec Area - Sand Repl, Prosa/Alba	10	+13	1	6,964	6,656	6,656
Rec Area - Trash Cans	15	0	14	9,972	665	0
*** CATEGORY SUMMARY:				105,948	69,950	39,224
Clubhouse - Deck, Railing, Wood	12	+2	2	4,443	3,808	3,808
Trellis - Clubhouse	30	0	29	41,358	816	0
Trellis - Prosa Pool	30	0	28	10,884	726	0
*** CATEGORY SUMMARY:				56,685	5,349	3,808
Signs - Bulletin Board, Clubhouse	12	+8	2	1,018	912	912

PARK PASEO HOMEOWNERS ASOC.

Fiscal Year End - December, 2012

Fiscal Year End - December, 2012

Annual Budget

625 Units

		<u>ANNUAL</u> <u>AMOUNT</u>	<u>MONTHLY</u> <u>AMOUNT</u>	<u>PER UNIT/ PER MONTH</u>	
INCOME:					
4010	0000	ASSESSMENTS - OWNERS	637,500	53,125.00	85.00
4206	0000	KEY INCOME	1,500	125.00	.20
4231	0000	CLUBHOUSE RENTAL	7,500	625.00	1.00
		TOTAL INCOME	646,500	53,875.00	86.20
GENERAL & ADMINISTRATIVE:					
5002	0000	AUDIT	2,900	241.67	.39
5006	0000	BANK CHARGES	100	8.33	.01
5026	0000	INSURANCE EXPENSE	18,000	1,500.00	2.40
5033	0000	LEGAL	3,000	250.00	.40
5034	0000	COLLECTION/LEGAL COSTS & FEES	500	41.67	.07
5036	0000	LICENSES & FEES	1,400	116.67	.19
5039	0000	MANAGEMENT FEES	60,000	5,000.00	8.00
5041	0000	MISCELLANEOUS	1,000	83.33	.13
5041	1033	SOCIAL EVENTS	2,500	208.33	.33
5043	0000	NEWSLETTER	1,200	100.00	.16
5046	0000	PRINTING	4,500	375.00	.60
5047	0000	POSTAGE	3,000	250.00	.40
5050	0000	RESERVE ANALYSIS FEES	1,800	150.00	.24
5061	0000	SALARIES & RELATED	20,000	1,666.67	2.67
5068	0000	OFFICE SUPPLIES	3,000	250.00	.40
5090	0000	TAXES	100	8.33	.01
5096	0000	COPIES	2,000	166.67	.27
		TOTAL GENERAL & ADMIN. EXPEN	125,000	10,416.67	16.67
LANDSCAPE:					
5225	1004	IRRIGATION REPAIRS	16,000	1,333.33	2.13
5235	0000	LANDSCAPE MAINT. CONTRACT	125,000	10,416.67	16.67
5236	0000	LANDSCAPE EXTRAS	8,000	666.67	1.07
5290	1012	TREE TRIMMING	12,000	1,000.00	1.60
		TOTAL LANDSCAPE EXPENSES	161,000	13,416.67	21.47
MAINTENANCE:					
5202	0000	KEYS AND LOCKS	1,800	150.00	.24
5205	0000	BUILDING REPAIRS & MAINT.	3,000	250.00	.40
5218	0000	ELECTRICAL MAINTENANCE	3,000	250.00	.40
5220	1002	EQUIPMENT MAINTENANCE	500	41.67	.07
5231	0000	JANITORIAL SERVICE CONTRACT	10,000	833.33	1.33
5231	1000	JANITORIAL EXTRAS	500	41.67	.07
5231	1003	JANITORIAL SUPPLIES	1,300	108.33	.17
5244	0000	PLUMBING REPAIRS	3,000	250.00	.40
5249	0000	POOL CONTRACT	14,000	1,166.67	1.87
5250	0000	POOL REPAIRS	7,500	625.00	1.00
5250	1000	POOL SUPPLIES/CHEMICALS	1,500	125.00	.20

PARK PASEO HOMEOWNERS ASOC.

Fiscal Year End - December, 2012

Fiscal Year End - December, 2012

Annual Budget

625 Units

		<u>ANNUAL</u>	<u>MONTHLY</u>	<u>PER UNIT/</u>	
		<u>AMOUNT</u>	<u>AMOUNT</u>	<u>PER MONTH</u>	
MAINTENANCE:					
5250	1008	POOL MONITOR	12,000	1,000.00	1.60
5251	0000	PEST CONTROL	1,500	125.00	.20
5255	0000	REPAIRS & MAINTENANCE	12,000	1,000.00	1.60
5255	1028	CONCRETE REPAIR	14,000	1,166.67	1.87
5255	1084	TENNIS COURT MAINTENANCE	500	41.67	.07
5293	0000	VANDALISM	200	16.67	.03
		TOTAL MAINTENANCE EXPENSES	86,300	7,191.67	11.52
PROPERTY PROTECTION:					
5363	0000	PROPERTY PROTECTION	45,000	3,750.00	6.00
		TOTAL PROPERTY PROTECTION EX	45,000	3,750.00	6.00
UTILITIES:					
5419	0000	ELECTRICITY	28,000	2,333.33	3.73
5423	0000	GAS	13,000	1,083.33	1.73
5454	0000	REFUSE DISPOSAL	1,500	125.00	.20
5481	0000	TELEPHONE	4,000	333.33	.53
5495	0000	WATER	30,000	2,500.00	4.00
		TOTAL UTILITIES	76,500	6,375.00	10.19
RESERVES:					
6000	0000	LIGHTING	9,356	779.67	1.25
6008	0000	CONTINGENCY	11,410	950.83	1.52
6022	1022	GOLF CART RESERVE	0	.00	.00
6025	0000	IRRIGATION SYSTEM	4,658	388.17	.62
6034	1031	LANDSCAPE RESERVE	13,704	1,142.00	1.83
6039	0000	CLUBHOUSE RESERVE	31,128	2,594.00	4.15
6046	1000	TRELLIS RESERVE	2,921	243.42	.39
6048	0000	PAINTING RESERVE	6,901	575.08	.92
6050	1002	POOL/SPA	11,539	961.58	1.54
6050	1051	POOL AREA	9,036	753.00	1.21
6050	1055	PROSA POOL	4,142	345.17	.55
6050	1056	PROSA POOL AREA	5,000	416.67	.67
6053	1033	ROOF BUILDING	1,562	130.17	.21
6057	1000	RECREATION AREA RESERVE 2	16,241	1,353.42	2.17
6065	0000	FENCES & WALLS	9,822	818.50	1.31
6068	1002	SIGNS	219	18.25	.03
6084	0000	TENNIS COURT	10,878	906.50	1.45
6085	1050	ASPHALT/SLURRY COAT	3,802	316.83	.51
6086	1000	TERMITE RESERVE	381	31.75	.05
		TOTAL RESERVES	152,700	12,725.00	20.38
		NET PROFIT (LOSS)	0	.00	.0
		=====	=====	=====	=====

Park Paseo Homeowners Association
RDA Owner's Summary

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Signs - Monument	30	0	0	3,084	3,084	3,084
*** CATEGORY SUMMARY:				4,102	3,996	3,996
Golf Cart - Replacement, Unfunded	12	0	0	0	0	0
*** CATEGORY SUMMARY:				0	0	0
Landscape - Tree Trimming, Jac.	4	0	0	9,000	9,000	9,000
Landscape - Tree Trimming, Windrow	3	0	1	30,000	19,412	19,412
*** CATEGORY SUMMARY:				39,000	28,412	28,412
Irrigation - Controllers	12	+8	1	45,232	42,970	42,970
Irrigation - Enclosures	24	0	0	24,672	24,672	24,672
*** CATEGORY SUMMARY:				69,904	67,642	67,642
Termite Control/Fumigation	15	0	0	4,780	4,780	4,780
*** CATEGORY SUMMARY:				4,780	4,780	4,780
TOTAL ASSET SUMMARY:				1,335,134	790,377	628,864
CONTINGENCY @ 3.00%:					23,711	18,866
GRAND TOTAL:					814,088	647,730

Percent Fully Funded: 80%

Park Paseo Homeowners Association
RDA Standard Projections

REPORT DATE: November 17, 2011
VERSION: 028
ACCOUNT NUMBER: 1393

Beginning Accumulated Reserves: \$647,730

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
'12	1,335,134	145,530	3,125	269,407	526,978	651,551	81%
'13	1,375,188	137,972	2,279	265,762	401,467	497,196	81%
'14	1,416,443	136,338	2,689	80,852	459,643	538,317	85%
'15	1,458,937	139,378	2,945	104,080	497,886	559,631	89%
'16	1,502,705	142,147	3,104	121,043	522,094	566,593	92%
'17	1,547,786	146,881	3,528	86,926	585,577	614,255	95%
'18	1,594,220	151,591	4,315	40,502	700,981	716,289	98%
'19	1,642,046	156,492	5,123	43,217	819,380	822,242	100%
'20	1,691,308	161,115	5,599	95,679	890,415	879,593	101%
'21	1,742,047	155,488	6,155	85,037	967,022	953,959	101%
'22	1,794,308	163,240	6,947	52,405	1,084,804	1,069,318	101%
'23	1,848,137	162,817	7,782	51,134	1,204,269	1,193,744	101%
'24	1,903,582	173,855	8,468	77,955	1,308,638	1,297,848	101%
'25	1,960,689	179,021	8,372	198,400	1,297,631	1,282,328	101%
'26	2,019,510	179,340	8,098	226,639	1,258,430	1,241,065	101%
'27	2,080,095	181,402	7,260	307,840	1,139,251	1,117,219	102%
'28	2,142,498	191,449	7,682	132,992	1,205,390	1,180,120	102%
'29	2,206,773	194,170	8,710	53,925	1,354,345	1,333,905	102%
'30	2,272,976	198,712	9,213	133,424	1,428,846	1,413,179	101%
'31	2,341,165	212,290	9,607	158,084	1,492,659	1,474,086	101%
'32	2,411,400	215,802	10,789	55,020	1,664,230	1,651,748	101%
'33	2,483,742	228,345	10,891	217,890	1,685,575	1,667,705	101%
'34	2,558,254	230,542	11,469	157,876	1,769,710	1,753,737	101%
'35	2,635,002	239,089	11,258	276,022	1,744,035	1,723,113	101%
'36	2,714,052	240,276	10,661	335,873	1,659,099	1,634,341	102%
'37	2,795,474	252,645	10,344	301,751	1,620,337	1,585,583	102%
'38	2,879,338	256,892	11,380	117,387	1,771,222	1,737,623	102%
'39	2,965,718	253,679	12,835	59,657	1,978,079	1,962,340	101%
'40	3,054,690	276,430	10,697	581,413	1,683,793	1,647,254	102%
'41	3,146,330	262,311	9,349	472,565	1,482,888	1,445,430	103%

NOTE: In some cases, the projected ending reserves may exceed the fully funded reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.

Park Paseo Homeowners Association

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year January 1, 2012 through December 31, 2012

- (1) The regular assessment per ownership interest is \$85.00 per month.
- (2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

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

- (3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**
- (4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the estimated amount required in the reserve fund at the end of the current fiscal year is \$814,088, based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of November, 2011. The projected reserve fund cash balance at the end of the current fiscal year is 647,730, resulting in reserves being 80 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$N/A. The current deficiency in reserve funding expressed on a per unit basis is \$267.00.
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 1365.2.5 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. *(See recommendation below)*

Year Ending	Projected Reserve Balance (a)	Estimated Amount Required in Reserves (b)	Percent Fully Funded (c)
2012	526,978	651,551	81%
2013	401,467	497,196	81%
2014	459,643	538,317	85%
2015	497,886	559,631	89%
2016	522,094	566,593	92%

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (a), leaving the reserve at (b) percent funding. *(See approved budget below)*

Year Ending	Projected Reserve Balance (a)	Percent Fully Funded (b)
	Same as above.	

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 1% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3% per year.

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. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which may become subject in connection of this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or any third party.

PARK PASEO HOMEOWNERS ASSOCIATION
Assessment and Billing Collection Policy

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and Civil Code Section 1365 (d), the following are the Association's assessment practices and policies:

1. **Regular monthly assessments are due and payable on the first day of each month.** A courtesy billing statement is sent each month to the billing address on record with the Association. **However, it is the owner of record's responsibility to pay each assessment in full each month regardless of the receipt of a statement.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment which date will not be less than thirty (30) days after the date of notice of the special assessment.
2. Assessments, late charges, interest and collection costs, including any attorney fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 1367(a); Civil Code Section 1367.1(a)).
3. Assessments not received within **fifteen (15) days of the stated due date are subject to a late charge of ten dollars (\$10.00)** for each delinquent assessment per unit.
4. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
5. A **first notice of past due assessment** will be prepared and mailed on assessments not received within **thirty (30) days** of the stated due date. A **fifteen dollar (\$15.00) charge** for the late letter will be made against the delinquent member's account. Additionally, an **interest charge at the rate of 6% per annum** will be assessed against any outstanding balance including delinquent assessments, late charges, and cost of collection, which may include attorney fees. Such interest charges shall continue to be assessed each month until the account is brought current.
6. If payment is not received within **forty-five (45) days** of the stated due date, the Association will send a **pre-lien letter** to the owner as required by Civil Code Section 1367.1(a), by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a **seventy-five dollar (\$75.00) fee for the pre-lien letter. In addition, the owner will also be charged a thirty-five dollar (\$35.00) fee for each title check requested and a thirty-five dollar (\$35.00) fee for the resolution.**
7. If an owner fails to pay the amounts set forth in the pre-lien letter within **thirty (30) days** of the date of that letter, a **lien** for the amount of any delinquent assessments, late charges, interest and/or costs of collection including attorney fees may be assessed against the owner's property. The owner will be charged a **one hundred fifty dollar (\$150.00) fee for the preparation and recordation of the lien.** After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Civil Code Section 1367 (e); Civil Code Section 1367.1(g)), subject to the limitations set forth below under "Additional Provisions to Conform to Law" and as otherwise provided by law.
8. If the balance due is not paid within **thirty (30) days of recordation of the lien, the matter may be turned over to an attorney for legal action, including an action to foreclose the assessment lien and/or for a money judgment. The owner will be charged two hundred dollars (\$200.00) for preparing the matter to be sent to counsel.**
9. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333 and Civil Code Section 1365.2.
10. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interest, and costs of collection associated with the collection of those assessments.

11. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
12. Nothing herein limits or otherwise affects the Association's rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.
13. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association.
14. The delinquent owner will be responsible for all costs of collection, including attorneys' fees, incurred by the Association to collect any delinquent sums (Civil Code Section 1366 (e)).
15. All charges listed herein are subject to change without notice.

Additional Provisions to Conform to Law

Prior to the recording of a lien, homeowners that are delinquent will be sent a "pre-lien" letter. The pre-lien letter will include an offer by the association to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the pre-lien letter, pursuant to the association's meet and confer program required by Civil Code Section 1363.810, et seq.

Prior to recording of a lien, the Board of Directors will approve the recording of the lien in open session at a regular or special board meeting.

The association may not foreclose unless delinquent assessments are greater than \$1,800 or greater than one year in arrears. Prior to commencing foreclosure, the association will offer to engage in informal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such informal dispute resolution, pursuant to the association's meet and confer program required by Civil Code Section 1363.810, et seq. and will also offer to engage in formal alternative dispute resolution with a neutral third party pursuant to Civil code section 1369.510, et seq.

Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in executive session and note the approval in the regular minutes of the association without identification of the name of the individual.

All foreclosures shall be subject to a ninety (90) day right of redemption.

Fee and Penalty Procedures

The following charges may be assessed in accordance with the Association's Assessment and Billing Collection Policy:

Late Charge	\$10.00
Late Letter Fee	\$15.00
Pre-Lien Letter	\$75.00
Additional Pre-Lien Letters	\$35.00 each
Title Check Fee	\$35.00 each
Resolution to Record Lien	\$35.00
Lien Fee	\$150.00
Additional Lien mailings	\$50.00 each
Lien Release	\$75.00
Payment Plan Admin. Fee	\$15.00 monthly
Attorney Package Preparation	\$200.00
Returned Check Fee	\$10.00

In addition to the above, if a matter is sent to counsel for legal action, or to a collection service for foreclosure or other action, the owner will be responsible for any attorneys' fees and costs incurred by such action.

**The mailing address for overnight payment of assessments is:
c/o PCM
23726 Birtcher Dr.
Lake Forest, Ca 92630**

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the *Civil Code*. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid.

(Sections 1366, 1367.1, and 1367.4 of the Civil Code.)

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

(Sections 1366 and 1367.1 of the Civil Code.)

The association must comply with the requirements of Section 1367.1 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 1367.1 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 1367.1 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 1367.1 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 1367.1 of the Civil Code.*)

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

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the *Civil Code*. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the *Civil Code*, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (*Section 1367.1 of the Civil Code.*)

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 1367.1 of the Civil Code.*)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share 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 1367.1 of the Civil Code.*)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (*Section 1367.1 of the Civil Code.*)

PARK PASEO HOMEOWNERS ASSOCIATION

Insurance Disclosure Form

State law requires that community associations disclose to the individual owners the extent of liability coverage carried by the Association. Our Association carries the following coverages:

Property Insurance:

Name of Insurer:	Philadelphia		
Policy Limits:	\$650,000	Amount of Deductible:	\$1,000
Date Policy Begins:	01/16/2011	Date Policy Ends:	01/16/2012

General Liability Insurance:

Name of Insurer:	Philadelphia		
Policy Limits:	\$1,000,000	Amount of Deductible:	\$0
Date Policy Begins:	01/16/2011	Date Policy Ends:	01/16/2012

Earthquake and/or Flood Insurance:

Name of Insurer:	EQ: None Flood: None		
Policy Limit:	EQ: Flood:	Amount of Deductible:	EQ: Flood:
Date Policy Begins:	EQ: Flood:	Date Policy Ends:	EQ: Flood:

Fidelity Insurance:

Name of Insurer:	Liberty Mutual Insurance		
Policy Limits:	\$500,000	Amount of Deductible:	\$5,000
Date Policy Begins:	01/16/2011	Date Policy Ends:	01/16/2012

Individual Liability Policies & Loss Assessment Coverage:

It is very important that you explore your own risks with a knowledgeable insurance agent and purchase coverage to protect you from any liability of an accident occurring in your own unit, the common area and/or any exclusive use common area (such as patios, garages, carports, balconies), and to protect you from any liability or insurance gaps in coverage between the Association's coverage and your own. We strongly recommend that you also inquire about Loss Assessment Coverage. The cost of an endorsement for loss assessment is very minimal and provides protection to individual unit owners for any extraordinary special assessments, such as excess liability over the Association's insurance proceeds or an extraordinary expense incurred by the Association and allocated to the owners, through a special assessment (such as a special assessment to pay for rebuilding costs which exceed insurance proceeds from an earthquake or fire loss). Individual homeowners are encouraged to obtain Loss Assessment Coverage for earthquake damage, particularly in light of policies which are now available by participating insurance carriers which have joined the California Earthquake Authority.

Statutory Disclosure

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (f) of Section 1365 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.

**SUMMARY REQUIRED BY CIVIL CODE SECTION 1363.850 - INTERNAL DISPUTE RESOLUTION
AND
SUMMARY REQUIRED BY CIVIL CODE SECTION 1369.590 (a) -ALTERNATIVE DISPUTE RESOLUTION**

Pursuant to the requirements of California *Civil Code* Section 1363.850, the Association hereby provides you with notice and a summary of the following Internal Dispute Resolution (“IDR”) and Alternative Dispute Resolution (“ADR”) procedures, as stated in California *Civil Code* Section 1363.840 as follows:

INTERNAL DISPUTE RESOLUTION:

Either party to a dispute within the scope of *Civil Code* Section 1363.810-1363.850 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 the 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.

An agreement reached under those sections 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 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.

A member of the Association may not be charged a fee to participate in the IDR process.

ALTERNATIVE DISPUTE RESOLUTION:

Under certain circumstances, all California community associations and their individual members are to offer to participate in some form of Alternative Dispute Resolution (“ADR”) prior to initiating certain types of lawsuits pursuant to California *Civil Code* Section 1363.590.

Please be advised that *Civil Code* Sections 1363.840 and 1363.590 could be subject to different interpretations, as the statutory language has not yet been interpreted by any court. Each homeowner should consult with his/her own attorney regarding appropriate compliance with the statute.

I. SCOPE OF STATUTE:

Civil Code Section 1369.510 (a) defines “Alternative Dispute Resolution” as mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of ADR chosen may be binding or non-binding with the voluntary consent of the parties. *Civil Code* Section 1369.510 (b) defines “Enforcement Action” as a civil action or proceeding, other than a cross-complaint, filed by either individual homeowners or community associations, for any of the following purposes:

- A. Enforcement of the Davis-Stirling Common Interest Development Act, *Civil Code* Section 1350, *et seq.*
- B. Enforcement of the California Nonprofit Mutual Benefit Corporation Law (commencing with Section 7110 of the *Corporations Code*).
- C. Enforcement of the governing documents of the common interest development.

The Association or an owner or member of the Association may not file an Enforcement Action in the superior court unless the parties have endeavored to submit their dispute to ADR pursuant to Civil Code Section 1369.510.

Civil Code Section 1369.510 only applies to an Enforcement Action that is solely for declaratory relief, injunctive relief, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of five thousand dollars (\$5,000). This section does not apply to a small claims action and except as otherwise provided by law, this section does not apply to an assessment dispute.

II. COMPLIANCE PROCEDURES:

The ADR process is initiated by one party serving all other parties with a “Request for Resolution,” which shall include all of the following:

- A. A brief description of the dispute between the parties.
- B. A request for alternative dispute resolution.
- C. 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.
- D. If the party on whom the request is served is the owner of a separate interest, a copy of *Civil Code* Sections 1369.510-1369.590.

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.

The party on whom a Request for Resolution is served has 30 days following service to accept or reject the Request. If the party does not accept the Request within that period, the Request is deemed rejected by that party. If the party, on whom a Request for Resolution is served, accepts the Request, the parties shall complete the ADR within 90 days after the party initiating the Request received the acceptance, unless this time period is extended by written stipulation signed by both parties. The costs of the Alternative Dispute Resolution shall be borne by the parties.

Statements, negotiations and documents made or created at, or in connection with, ADR (except for arbitration) are confidential.

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 *Civil Code* Section 1369.530 for response to a Request for Resolution.
- B. If the Request for Resolution is accepted, the period provided by *Civil Code* Section 1369.540 for completion of ADR, including any extension of time stipulated to by the parties pursuant to Section 1369.540.

Pursuant to *Civil Code* Section 1369.560 (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:

- A. ADR has been completed in compliance with this *Civil Code* Section 1369.510, *et seq.*
- B. One of the other parties to the dispute did not accept the terms offered for ADR.
- C. Preliminary or temporary injunctive relief is necessary.

Failure to file a certificate pursuant to *Civil Code* Section 1369.560 (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.

Civil Code Section 1369.570 (a) provides that after an Enforcement Action is commenced, on written stipulation of the parties, the matter may be referred to ADR. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the *Government Code*.

III. FAILURE TO PARTICIPATE IN SOME FORM OF ADR:

In an Enforcement Action, in which fees and costs may be awarded pursuant to *Civil Code* Section 1354(c), the court, in determining the amount of an award of attorneys fees and costs, may consider whether a party's refusal to participate in ADR before commencement of the action was reasonable.

In accordance with California *Civil Code* Section 1369.590, the Board of Directors of the Association hereby advises you of the following:

Failure by a member of the Association to comply with the alternative dispute resolution requirements of Section 1369.520 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 of the applicable law.

IV. NO EFFECT ON VOLUNTARY PARTICIPATION IN ADR:

The parties may still agree, in writing, to refer any dispute involving enforcement of the Association's Governing Documents, California *Corporations Code* Section 7110, *et seq.*, or the Davis-Stirling Common Interest Development Act, *Civil Code* Section 1350, *et seq.* to some form of IDR/ADR, even in those disputes which may be technically outside of the IDR/ADR statutes.

**PARK PASEO HOMEOWNERS ASSOCIATION
SCHEDULE OF FINES & FEES**

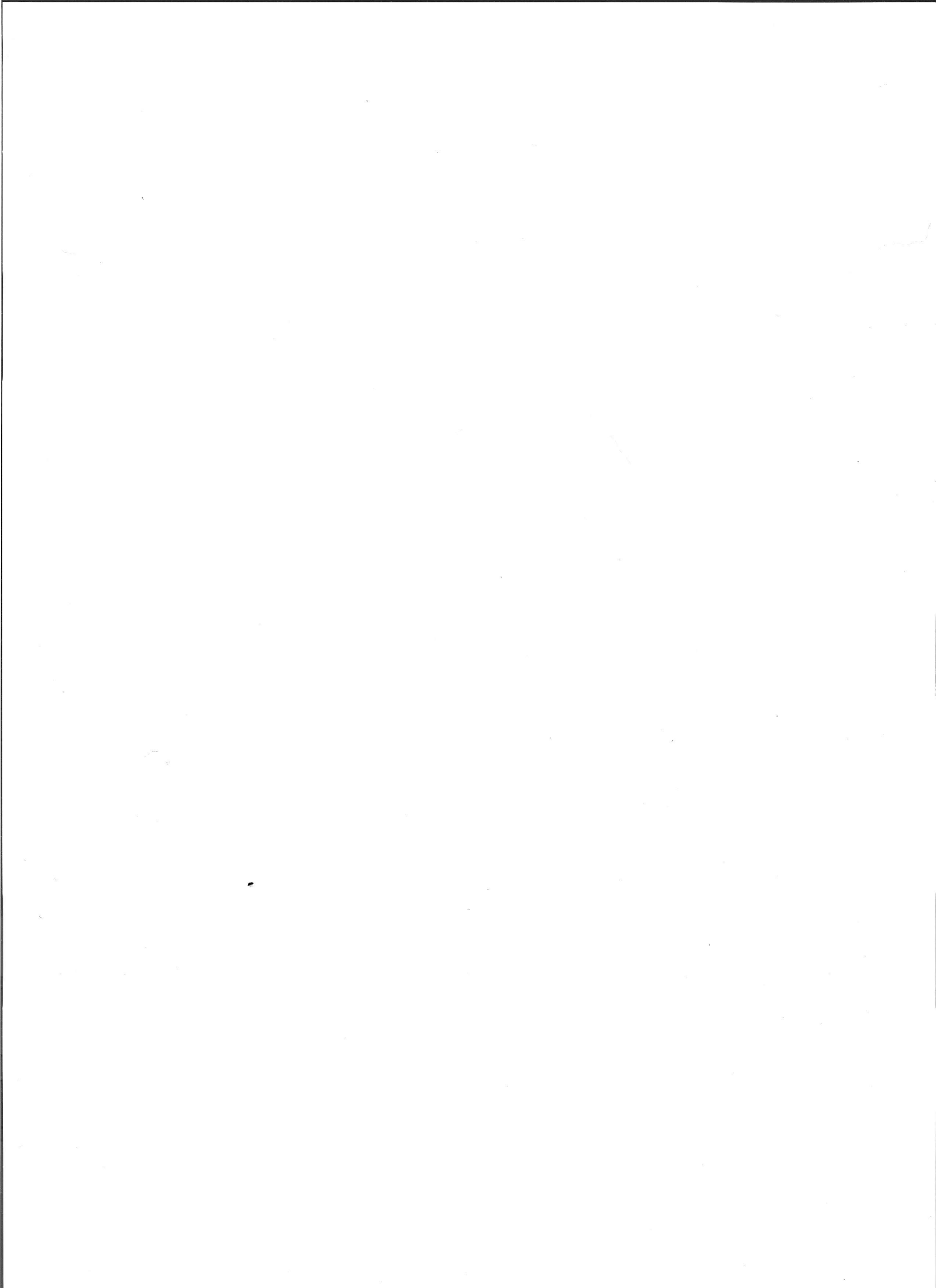
Whereas, it is the policy of the Park Paseo Homeowners Association (PPHOA) to protect the rights and privileges of the members and to enforce the CC&Rs and Rules and Regulations of the Association, therefore, pursuant to the authority vested in the Board of Directors by the CC&Rs and the Bylaws, the following schedule of fines and fees is hereby established and supersedes all previously adopted schedules for such fines and fees.

VIOLATION TYPE	1ST OFFENSE	2ND OFFENSE	3RD OFFENSE
A. Failure to comply with Animal control rules	Warning	\$25.00	\$50.00 + poss suspension of privileges
B. Damage to Assoc property	\$50 + repair and legal costs	\$100 + repair and legal costs	Legal action
C. Littering or disposal of of debris on or around common areas	Warning	\$25.00	\$50.00
D. Trash containers put out earlier than Sunday eve or left out after eve of pickup	Warning	\$25.00	\$50.00
E. Unauthorized vehicles in driveways (boats, trailers, RVs, commercial vehicles	Warning	\$25.00	\$50.00
F. Use of motor vehicles in common areas	Warning	\$25.00	\$50.00
G. Failure to comply with, or violation of, CC&Rs or any rule not set forth above	Warning	\$25.00	\$50.00

in the event a member fails to abide by the Architectural Guidelines and Standards, a penalty of \$25.00 may be levied by the Board of Directors for each day the violation exists. This may occur after a third offense has been noted and ignored.

The schedule of Fines was adopted by the Association's Board of Directors on March 11, 1996 and shall be binding on the members of the Association, and shall not be the exclusive remedy of the Association to deal with violations of the CC&Rs, Bylaws, or Rules and Regulations. Members shall be responsible for the acts or omissions of their guests, lessees, or invitees.

All fines and fees, pursuant to this schedule, shall be imposed by action of the Board of Directors after reasonable notice and hearing.



ADMINISTRATIVE FEES:

A. Facility Keys

If both keys are lost, two new keys will be issued at a charge of \$200.00. If one key is lost, the remaining key must be turned in and two new keys will be issued at a charge of \$100.00.

If facility keys (2) are not returned to the Association office two weeks prior to close of escrow, a \$300.00 fee will be charged at escrow closing.

B. Delinquent Account Collection

Returned Check	\$10.00
Late Charge	\$10.00
Late Reminder & Support	\$15.00
Pre-lien letter	\$75.00
Additional pre-lien letter	\$35.00 each
Title check fee	\$35.00 each
Resolution to record lien	\$35.00
Lien filing fee	\$150.00
Additional lien mailings	\$50.00 each
Attorney package prep	\$200.00
Payment plan administration	\$15.00 per month
Lien release	\$75.00

(See the Park Paseo Assessment and Collection Policy)

C. Transfer of Ownership Agent shall be compensated through escrow for changes in ownership as follows (*not all fees apply to every transaction*):

Resale Transfer	\$275.00 (\$200 requested at opening of escrow/non-refundable)
Resale Transfer/Disclosures	\$365.00 (documents and financial package)
Resale Transfer/Disclosures	\$430.00 (documents, financial package and minutes)
Financial package only	\$45.00 per set
Documents package only	\$73.00 per set
Meeting Minutes only	\$70.00
Certification Letter	\$80.00 (PCM form)
Certification Letter	\$175.00 (Lender form)
Appraisal Report	\$50.00
Refinance Demand	\$115.00
Updated Escrow Demand	\$55.00
Expedite Fees	\$50.00-\$200.00