



DATE: NOVEMBER 30, 2015  
TO: THE MEMBERSHIP – PARK PASEO HOMEOWNERS ASSOCIATION  
FROM: THE BOARD OF DIRECTORS  
RE: ANNUAL POLICY STATEMENT & BUDGET FOR FISCAL YEAR  
BEGINNING JANUARY 1, 2016

In compliance with California Civil Code, attached is the Park Paseo Homeowners Association budget for the fiscal year beginning January 1, 2016. This budget reflects the continuing efforts of the Board of Directors to maintain and enhance the Association's common area and amenities while at the same time keeping expenditures in line.

**The budget indicates an increase in monthly dues from \$95.00 per month to \$104.00 per month to adequately cover rising operating costs and to fund the reserve accounts for future repairs and replacements. With this budget, the Board of Directors does not anticipate that any special assessments will be required to replace, repair or restore any major component of the reserve program. Effective January 1, 2016, your new assessment rate will be \$104.00 per month.**

The Board originally met on November 9, 2015 to adopt the 2016 budget, however there was an error made by management in the spreadsheet calculations, therefore a new budget meeting was held on November 17, 2015 when the revised budget was passed. Please know that the Board is comprised of homeowners, just like you, who are subject to the same assessments.

As the Board strategizes for the major projects in the community, the following opportunities for improvement were approved in March of 2015 and are being tracked for status:

- Pool furniture replacement (complete)
- Records retention policy (adopted)
- Office file cleanout (in process)
- Storage room cleanouts (complete)
- Turf removal revenue and landscape renovation project – over \$250,000 to be rebated by IRWD (in process)
- Entrance median & cul-de-sac island refurbishment (pending – 2016)
- Clubhouse interior redecoration (pending – 2016)
- Prosa facility redecoration (pending – 2016)
- Lighting refurbishment (pending – 2015/2016)
- Entry monument & signage (pending – 2016/2017)

Enclosed please find the following items as required by state law and/or our Association's governing documents:

- 2016 Fiscal Year Budget
- Summary Pages of the Reserve Study
- Reserve Assessment and Funding Disclosure Summary
- 5 year Reserve Plan
- Association's current Assessment and Billing Collection Policy
- Notice of Assessments and Foreclosure Policy
- Architectural Submittal and Appeal Process
- Discipline Policy
- Fine Schedule
- Summary of the Association's Insurance Coverage
- Alternative Dispute Resolution
- Internal Dispute Resolution Procedure

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Park Paseo Clubhouse

25 Christamon West, Irvine, CA 92620 · Phone 714.730.1560 [www.parkpaseoirvine.com](http://www.parkpaseoirvine.com)

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To assist with the preparation of the budget, the Association retained the services of a professional reserve analyst to review the funding program for the Association and 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.

The board has determined that the Association's reserves will be funded in the upcoming fiscal year via regular assessments.

According to the reserve analyst, the Association is currently 98% funded to the ideal funding amount. As of the most recent financial statement for the current fiscal year, the Association has \$710,725.73 in reserve funds and anticipates that the amount will increase to \$738,883.73 at the end of this fiscal year. **If the Association was required to replace all major components at once the cost to do so would be \$1,634,196.00, and the Association is 45.19% funded toward that total cost.** California Civil Code requires this amount to be disclosed to you in boldface type with this budget.

Civil Code also requires the board to disclose any reserve components that have not been completed in accordance with the reserve analyst's recommendations. The following major components were identified to be repaired or replaced this year, but the Association did not do so for reasons noted:

<b>Component</b>	<b>Reason for Deferral of Repairs</b>
Clubhouse Doors	Clubhouse renovation slated for 2016
Lighting – Main Pool/Clubhouse	Lighting replacement slated for 2016
Lighting – Exterior Prosa	Lighting replacement slated for 2016
Lighting – Interior Clubhouse	Clubhouse renovation slated for 2016
Main Pool – Spa Sump Pump	Will replace at failure
Main Pool – Deck Repair	Approved for mastic, pending deck analysis by consultant
Parking Lot – Asphalt Repairs	Scheduled for December, 2015
Parking Lot – Slurry Seal	Scheduled for December, 2015
Prosa Pool – Ceramic Shower	Renovation slated for 2016 in conjunction with clubhouse
Prosa Pool – Deck Repairs	Approved for mastic, pending deck analysis by consultant
Termite Control/Fumigation	Not needed at this time

**ADDITIONAL DISCLOSURES:**

All owners have a right to obtain a copy of minutes of the Regular General Session Board of Directors meetings. Any requests for such meeting minutes must be made in writing to the Park Paseo Homeowners Association at 27051 Towne Centre Drive, Suite 200, Foothill Ranch, CA 92610 and a distribution fee may be charged. Copies of Board meeting minutes are available upon request throughout the year and are available for review on the Association's website at [www.parkpaseoirvine.com](http://www.parkpaseoirvine.com).

Owners may 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.

Official communication to the Association from any member should be sent to:

Community Manager  
 Park Paseo Homeowners Association  
 c/o Associa-PCM, 27051 Towne Centre Drive; Suite 200  
 Foothill Ranch, CA 92610

Civil Code allows General Notices to the membership to be posted in a prominent location that has been designated by the Association and that is accessible to all members. As such, please be advised that the Association has designated the clubhouse bulletin board as the location for posting of General Notices.

Please be advised that the Association has also designated its clubhouse bulletin board for the location where Pesticide Notifications will be posted for the Association. Please note the posting location is subject to change.

Thank you for your continued support of the Association. If you should have any questions regarding the enclosed information, please contact your Community Manager, Marybeth O. Green at Associa-PCM, 714-730-1560 or via email at [marybeth.green@associa.us](mailto:marybeth.green@associa.us). Thank you.

*\* Please note that Neither the board, nor management, are reserve study experts and must rely on third parties for information related to reserve funding and these disclosures.*