



OAK SHORES COMMUNITY ASSOCIATION, INC.

2727 TURKEY COVE ROAD • BRADLEY, CALIFORNIA 93426

PHONE: (805) 472-2233 • FAX: (805) 472-2234

WEB: oakshores.us

November 21, 2016

Dear Oak Shores Members:

After a comprehensive review and analysis of the Association's operating expenses and projected income, the Finance Committee and the Board of Directors is pleased to present the membership with the Operating Budget for the 2017 fiscal year.

The 2017 Budget was formally approved by the Board of Directors at the November 19, 2016, Board meeting. The Budget reflects an annual increase in Assessments (dues) of \$166.00 per lot, or 9.6%, up from \$1,730.46 per lot for 2016 to \$1,896.46 per lot for 2017. The increase in total dues is comprised of \$126.00 per lot for Operations due to Fire Hydrant and Water rate increases and \$40.00 per lot as the fifth and final year of planned increases in funding for Reserves.

The 2017 Assessment (dues) amount of \$1,896.46 will be billed semi-annually, and you may choose to pay on one of the payment options that are offered. Owners with homes will pay an additional \$303.60 per year (billed semi-annually also) for weekly curbside garbage and recycling collection.

Enclosed you will find a copy of the 2017 Budget and other important disclosures that we are required by California Civil Code to send to all members on an annual basis.

We would like to express our sincere appreciation to the Finance Committee for their considerable time and efforts in assisting with the 2017 Budget preparation process.

If you're interested in being on the Finance Committee please contact the Office.

Sincerely,

Oak Shores Community Board of Directors

Oak Shores Community Association, Inc.
 Operating Budget for 2017
 Approved on November 19, 2016

<u>G/L ACCT #</u>	<u>G/L ACCOUNT NAME</u>	<u>2017</u>	<u>2016</u>
<u>REVENUES:</u>			
06310-000	Total Annual Assessments (Dues)	\$ 1,613,887	\$ 1,472,590
09100-000	Assessments transferred to Reserve Fund	(389,740)	(480,800)
06340-000	Late fee income	8,500	8,500
06360-000	Misc. Owner income	5,500	5,500
06410-000	Rubbish Income - Homes	193,090	190,000
06415-000	Owner rental fee	25,000	30,000
06435-000	Watercraft fees	60,000	63,000
06445-000	Campground fees	6,500	7,500
06455-000	Citations/Fines	11,000	12,000
06465-000	Clubhouse rental fee	1,200	1,200
06510-000	Transfer fees	7,500	6,500
06610-000	Interest income - Rabobank operating	50	150
06810-000	Interest income - Reserve accounts	33,735	2,303
09100-002	Interest transferred to Reserve Funds	(33,735)	(2,303)
06910-000	Interest income - Wells Fargo operating	30	30
06950-000	Oak Leaves advertising	2,500	1,800
06970-000	Private Marina insurance premium share	5,600	5,800
06430-000	Mussel Inspection income	1,750	6,300
	TOTAL REVENUES:	\$ 1,552,367	\$ 1,330,070
<u>OPERATING EXPENSES:</u>			
<u>GENERAL & ADMINISTRATIVE EXPENSES</u>			
<u>Legal, accounting and banking</u>			
07020-001	Audit & Tax Preparation Service	\$ 11,700	\$ 7,200
07160-003	Legal	50,000	50,000
07250-003	Rabobank Bank Fees	8,500	4,500
<u>Postage and Mail</u>			
07260-001	Mailing Preparation	1,000	800
07260-005	Delivery Service	200	200
07260-003	Postage	6,000	6,500
<u>Insurance</u>			
07280-001	Liability/Property/D&O/Auto Insurance	76,000	78,000
<u>Dues and Subscriptions</u>			
07300-001	Educational fees and materials	1,000	1,000
<u>Supplies</u>			
07320-001	Security Gate Supplies	800	1,000
07320-002	Patrol Supplies	300	500
07320-006	Administration Supplies	3,500	4,500
07320-007	Copy/Printer Supplies Gate/Office	3,000	2,500
<u>Printing and Reproduction</u>			
07400-001	Newsletter (All costs associated)	7,500	8,500
07400-002	Printing HOA Mailers & Forms	3,000	2,500
07400-003	Gate Cards	2,000	1,500
07400-004	Gate Labels/Stickers/Citation Booklets/Forms	5,000	6,000
07420-000	Property Taxes	200	200
07430-000	Federal Income Tax	5,000	3,500
07440-000	State & Local Income Tax	2,500	2,500

<u>G/L ACCT #</u>	<u>G/L ACCOUNT NAME</u>	<u>2017</u>	<u>2016</u>
GENERAL & ADMINISTRATIVE EXPENSES (continued)			
<u>Permits</u>			
07450-001	Docks - Permit	\$ 1,420	\$ 1,420
07450-003	Campground - Permit	200	200
07450-004	Pool - Permit	600	600
07450-005	Clubhouse Permit	100	100
07450-006	Maintenance - Permit	500	600
07460-000	Misc. Administration Expense	4,000	1,500
<u>Outside Services</u>			
07604-001	FUEL REDUCTION (weed abatement etc.)	27,500	27,500
07604-002	Pest Control Services	800	800
07604-005	Septic Tank Services	4,500	4,000
07604-007	Portable Restrooms	600	600
07604-008	Pool Repair Services	750	500
07604-009	Copy Machine Maintenance Service	2,500	2,000
07604-010	Technical Expenses	16,000	13,800
07604-011	Reserve Study Update	6,000	2,000
07604-013	Misc. Outside Services	1,000	1,000
07604-014	Fire Extinguisher Service	500	500
<u>Vehicle Expense</u>			
07700-001	Registration-License	1,500	1,600
07700-002	Vehicle Fleet Maintenance	8,000	7,000
07700-003	Gasoline and Oil	15,000	23,000
07700-004	Boat Maintenance	750	750
07700-006	Station 34 Fire Truck Insurance	1,400	1,400
07900-003	Staff/Volunteer Recognition	5,000	5,000
07990-000	Contingency Fund	17,500	20,000
07920-000	Bad Debt Expense - Operating	2,500	2,500
07160-004	Capital expenditures	130,100	5,000
	General & Administrative Expenses SUBTOTAL:	435,920	304,770
PERSONNEL EXPENSES			
<u>Payroll Related and Other</u>			
08610-000	Administration/Office Payroll	190,000	178,000
08640-000	Gate/Code Enforcement Payroll	180,000	175,000
08650-000	Maintenance Payroll	165,000	165,000
08665-000	Employee Uniforms	1,500	1,200
08685-000	Meetings/Training Off-Site	2,500	2,500
08690-000	Employee Background Check & Drug Testing	750	500
08710-000	Payroll Taxes	48,685	51,800
<u>Employee Benefits</u>			
08760-001	Employee Medical Insurance	48,000	48,000
08760-002	Employee Dental/Vision	7,000	6,800
08765-001	PAYCHEX Payroll Fees	4,500	4,250
08770-000	Workers Compensation Insurance	36,752	27,250
	Personnel Expenses SUBTOTAL:	684,687	660,300

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 Operating Budget for 2017
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<u>G/L ACCT #</u>	<u>G/L ACCOUNT NAME</u>	<u>2017</u>	<u>2016</u>
<u>UTILITIES</u>			
08900-001	Fire Hydrants	\$ 178,000	\$ 82,000
08910-000	Electric	20,000	23,000
08920-000	Propane	9,000	6,000
08930-000	Water	23,000	12,000
08940-000	Telephone/Communications	17,000	13,500
08950-000	Rubbish - Common Area	3,500	3,500
08960-000	Rubbish - Homes	193,090	190,000
08970-000	Website and Email Hosting costs	500	1,550
	Utilities SUBTOTAL:	444,090	331,550
 <u>MAINTENANCE</u>			
09000-001	Clubhouse Area	5,500	5,500
09000-002	Gate Area	3,000	2,500
09000-003	Campground	1,000	1,000
09000-004	Marina	6,500	6,500
09000-005	Maintenance Building Area	500	1,000
09000-006	Community Grounds & Landscaping	4,000	4,000
09000-007	Pool Maintenance Supplies	4,500	4,000
09000-008	Roads: Materials/Supplies	7,000	7,500
09000-009	Janitorial Supplies	2,500	3,500
09000-010	Maintenance Supplies & Material	3,000	4,500
09000-013	Small Equip. Supplies & Materials	1,000	1,500
09000-014	Small Items Purchase/Gate	1,750	1,750
09000-017	Small Items Purchase- Maintenance	6,000	7,000
09000-018	Large Items Purchase Maintenance	1,500	2,000
09000-019	Signs	1,000	1,200
	Maintenance SUBTOTAL:	48,750	53,450
	TOTAL OPERATING EXPENSES:	1,613,447	1,350,070
	Excess of Expenses over Revenues	\$ (61,080)	\$ (20,000)
	Monthly Dues	\$ 158.04	\$ 144.21
	Yearly Dues	\$ 1,896.46	\$ 1,730.46

Oak Shores Community Association, Inc.
Reserve Budget for 2017
Approved on November 19, 2016

<u>G/L ACCT #</u>		<u>2017</u>	<u>2016</u>
	<u>REVENUES:</u>		
9210-000	Assessment income	\$ 389,740	\$ 480,800
9230-000	Interest income	<u>33,735</u>	<u>2,303</u>
	Total revenue	<u>423,475</u>	483,103
	 <u>EXPENSES FOR REPAIRS AND REPLACEMENTS</u>		
9320-000	Clubhouse	24,462	-
various	Painting	-	28,944
9335-000	Pool and pool equipment	-	20,881
9370-000	Maintenance shop	-	-
9340-000	Marina	145,814	-
9310-000	Roadways	120,766	219,877
9380-000	Vehicles	-	30,796
	Federal income taxes on interest income	9,210	-
	State income taxes on interest income	<u>3,036</u>	-
	Total Expenses	<u>303,288</u>	<u>300,498</u>
	Excess of Revenue over Expenses	<u>120,187</u>	<u>182,605</u>
	Reserve Fund at start of year	<u>2,609,421</u>	<u>2,121,800</u>
	Reserve Fund at end of year	<u>\$ 2,729,608</u>	<u>\$ 2,304,405</u>

RESERVE STUDY SUMMARY

ASSOCIATION INFORMATION:

Name of Association: **OAK SHORES COMMUNITY ASSOCIATION**
 Location: **BRADLEY, CA**
 Number of Units: **851**
 Approximate Age of Complex: **46**

This report recommends contributions for Budget Year:

Beginning: **JANUARY 1, 2017**
 Ending: **DECEMBER 31, 2017**

Reserve Study Report Date: **NOVEMBER 14, 2016**
 Current Fiscal Year End: **DECEMBER 31, 2016**

CURRENT FUNDS SUMMARY:

Projected Reserve Balance at Current Fiscal Year End: **\$2,609,421**
 Ideal Reserve Balance at Current Fiscal Year End: **\$3,363,579**

PERCENT FUNDED: 78%

CURRENT RESERVE CONTRIBUTIONS:

	Annual	Monthly	Monthly Per Unit
2016 Budgeted Reserve Contribution:	\$481,000	\$40,083	\$47.10

RECOMMENDATIONS FOR BUDGET YEAR 2017

RESERVE CONTRIBUTION MODELS:

2017 J.D. Brooks Recommendation in Box

	Annual	Monthly	Monthly Per Unit
2017 Straight-Line Contribution:	\$373,345	\$31,112	\$36.56
2017 Deficit Reduction Contribution:	\$436,522	\$36,377	\$42.75
2017 Cash-Flow (Minimum) Contribution:	\$319,502	\$26,625	\$31.29

J.D. BROOKS
 RESERVE STUDIES

Assessment and Reserve Funding Disclosure Summary

Name: Oak Shores Community Association

City: Bradley

For Fiscal Year Beginning:

1/1/17

of Units:

851

1) Budgeted Amounts:

	Total:	Per Unit:
Reserve Contributions:	\$389,740	\$458
Operating Budget:	\$1,224,147	\$1,438
Total Assessment:	\$1,613,887	\$1,896

Per: Annual

Note: If assessments vary by the size or type of unit, please see Budget for breakdown per Unit.

2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Due	Amount Per Unit	Purpose
N/A		

3) Based on 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?

Approximate Date Assessment would be Due	Amount (Monthly) per Unit
N/A	

5) All major components are included in the Reserve Study and are included in its calculations: YES

6) All computations/disclosures are based on the fiscal year beginning date of:	1/1/17
Fully Funded (Ideal) Balance (based on formula defined in 5570(b)4):	\$3,363,579
Projected Reserve Fund Balance:	\$2,609,421
Percent Funded:	78%
Reserve Deficit (surplus) on a per-unit basis:	\$886

Based on the Reserve Study by JD Brooks dated: 11/14/16

7) The Required Fully Funded (Ideal) Reserve Balance at the End of each of the next Five Budget Years is:

Year	Fully Funded Estimated (Ideal) Reserve Balance	Currently Planned Annual Reserve Contributions	Resultant Estimated Reserve Balance at Fiscal Year End	Projected Percent Funded	Special Assessments or Loans
2017	\$3,417,302	\$389,740	\$2,624,399	77%	
2018	\$3,218,240	\$429,740	\$2,468,612	77%	
2019	\$2,830,891	\$429,740	\$2,089,507	74%	
2020	\$3,132,428	\$439,952	\$2,427,619	77%	
2021	\$3,026,095	\$439,952	\$2,354,166	78%	

Interest Rate: 1% Inflation Rate: 2% Annual Increase: 3%

Prepared by: J.D. Brooks Date: 11/19/16

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

Disclaimer: Because the reserve study is a PROJECTION, the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as (1) future inflation rates, (2) levels of maintenance applied by future boards, (3) unknown defects in materials that may lead to premature failures, (4) other variable factors. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement due to changes in manufacturing methods while others may cost more due to material shortages or high demand. JD Brooks Reserve Studies is not responsible for the accuracy of information presented.



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Annual Policy Statement.

Within 30 to 90 days before the end of its fiscal year, the board must distribute an annual policy statement that provides the members with information about certain association policies. The following pages of this packet include the required information.

Civil Code §4035. Delivery to the Association.

(a) Designated Recipient and Overnight Payments - If an official document is being delivered to the association, the document shall be delivered to Oak Shores Community Association, Inc., c/o President Steve Gasperson at 2727 Turkey Cove Road, Bradley, CA 93426, whom is the designated person to receive documents on behalf of the association.

(b) A document delivered pursuant to this section may be delivered by any of the following methods:

(1) By email, facsimile, or other electronic means, if the association has assented to that method of delivery. The general email account for the association is info@oakshores.us, and the office fax number is (805) 472-2234.

(2) By personal delivery, if the association has assented to that method of delivery. If the association accepts a document by personal delivery it shall provide a written receipt acknowledging delivery of the document.

(3) By first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service center.

Civil Code §4040. Providing Notice or Delivery to Individuals

(a) Right to Individual Delivery - If a document is being sent by the association that requires “individual delivery” or “individual notice,” the document shall be delivered by one of the following methods:

(1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the

recipient at the address last shown on the books of the association.

(2) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.

(b) Right to Notice to Two Addresses - Upon receipt of a request by a member, identifying a secondary address for delivery of notices, the association shall deliver an additional copy of notices to the secondary address identified in the request.

Civil Code §4045. Providing General Delivery or Notice

General Notice Location - General printed notices are posted in the association bulletin boards at each of the ten (10) mailbox stations in Oak Shores, which is a prominent location that is accessible to all members.

Notices may also be included in a billing statement mailing, newsletter, or other document that is delivered. The association also uses an email system to notify owners of information that is not required to be posted or mailed to the members.

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

Civil Code §4950. Meeting Minutes.

Right to Minutes - The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any board meeting, other than an executive session, are available to members within 30 days of the meeting. The minutes, proposed minutes, or summary of minutes shall be distributed to any member upon request and upon reimbursement of the association's costs for making that distribution.

Minutes and all general notices are available at the association office at 2727 Turkey Cove Road, Bradley, CA 93426.

2016.11.19

**OAK SHORES COMMUNITY ASSOCIATION
& OAK SHORES PRIVATE MARINA**
2016-17 INSURANCE SUMMARY FOR MEMBERS

INSURANCE	CARRIER	LIMITS	DEDUCTIBLE Per Claim	EXPIRATION
General Hazard	Philadelphia	\$ 1,851,500	\$1,000	6/26/17
General Liability including Marina & Owned Watercraft	" "	\$ 1,000,000	none	"
Automobile a)Liability b) Phys Dmg	" "	a)\$1,000,000 b)ACV	a) none b) \$1,000	"
Owned Watercraft (2) a)Liability b)Phys Dmg	" "	\$1,000,000 \$ 13,000	\$1,000	"
Off-Road Equipment	" "	\$ 98,463	\$1,000	"
Docks, Slips	" "	\$ 500,000	\$1,000	"
Directors & Officers Liab.	CNA	\$ 1,000,000	\$5,000	1/1/17
Excess Liability over General Liability, Liquor Liability, Employee Benefits Liab, Auto, D&O & Employers Liab.	Philadelphia	\$15,000,000	\$10,000.	6/26/17
Volunteer Accident Policy	National Union	\$ 250,000	\$50.	6/26/17
Employee Dishonesty	CNA	\$ 50,000	\$ 250	8/27/17
Worker's Compensation	Employers	Statutory	none	4/01/17

Earthquake & Flood Insurance: not purchased.

NOTE:

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

Jeff Priolo, Agent. DiBuduo & DeFendis Insurance 805/593-1403 jpriolo@dibu.com
100 Cross St., Ste 203 San Luis Obispo, CA 93401 805/593-1400 805/593-1401 fax



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DISPUTE RESOLUTION PROCEDURES

IDR & ADR

Meet & Confer. Associations must provide a "fair, **reasonable** and expeditious" procedure for resolving disputes between the association and its members without charging a fee to the member participating in the process. (**Civ. Code §5910.**) The process is referred to as "Internal Dispute Resolution" (IDR) or "Meet and Confer."

Default Procedure. If an association does not establish its own procedures, then the following procedures automatically apply (**Civ. Code §5915(b)**):

- (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 board shall designate a director 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. The parties may be assisted by an attorney or another person at their own cost when conferring.*
- (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.*

Written Resolution. Any agreement resolving the dispute must be in writing and signed by both parties. The agreement cannot conflict with the law or governing documents and within the authority of the board. (**Civ. Code §5915(c)**.)

"Appealing" a Penalty. There is no specific appeals procedure described in the Davis-Stirling Act for penalties imposed by an association against a member for violation of the rules and regulations. However, the IDR procedures described above could be used to appeal a decision since a meet and confer is mandatory if requested by a member. When it comes to ADR (mediation and arbitration), the association has no obligation to accept a request for ADR. If, however, the member is planning to sue the association, the member may be obligated to **request ADR** before filing suit, at which point the association should accept the request for ADR.

Civil Code §5930. ADR Prerequisite to Litigation

- (a) An association or a member 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 the jurisdictional limits stated in Sections **116.220** and **116.221** of the Code of Civil Procedure.

- (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.

2016.11.19



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DELINQUENT ASSESSMENT POLICY

1. Prompt payment of assessments by all owners is critical to the financial health of Oak Shores Community Association, Inc. (“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&Rs”) 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&Rs and Civil Code Section 1367.1(a), the following are the Association’s assessment practices and policies:
2. Assessments, late charges, interest and collection costs, including any attorneys’ fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 1367.1(a).)
3. All regular assessment payments are due 50% on January 1st and 50% on July 1st of the current billing year. A courtesy billing statement is sent to the billing address on record with the Association. However, it is the owner of record’s responsibility to pay each assessment regardless of whether a statement is received. 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.
4. The Association offers Quarterly, Bi-monthly and Monthly payment plans to owners that are in good standing. Payments are always due on the 1st of the applicable month. Owners who wish to pay on one of these payment plans must sign a *Payment Agreement* and submit it to the office.
5. 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.
6. Assessments not received within fifteen (15) days of the stated due date (January 15th and July 15th) are delinquent and shall be subject to a late charge of ten percent (10%) or Ten Dollars (\$10.00), whichever is greater, which may not be imposed more than once on any delinquent payment. A first notice of past due assessment (“late letter”) will be prepared and mailed once an assessment becomes delinquent.

7. An interest charge at the rate of twelve percent (12%) per annum will be assessed against any outstanding balance, including delinquent assessments, late charges and cost of collection, which may include attorneys' fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due (February 1st and August 1st) and shall continue to be assessed each month until the account is brought current.
8. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
9. If an assessment is not received within sixty (60) days of the stated due date (March 1st and September 1st) the Association will send a "final warning letter" to the owner of record informing the owner that he or she is in violation of the CC&Rs. The letter shall advise the recipient of the assessment balance due and that his or her property account may be turned over to an outside collection agency and is subject to a lien. Additionally the Association will enclose a copy of the current Delinquent Assessment Policy.
10. If an assessment is not received within ninety (90) days after the assessment becomes due (April 1st and October 1st), the Association or its designee, in the event the account is turned over to a collection agent, 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, impending collection action and the owner's right to request that the Association participate in some form of internal dispute resolution process ("IDR"). The owner will be charged a fee for the pre-lien letter. Notwithstanding the provisions of this Paragraph, the Association may (i) send a pre-lien letter to a delinquent owner at any time when there is an open escrow involving the Owner's lot, and/or (ii) issue a pre-lien letter immediately if any Special Assessment becomes delinquent.
11. If an owner fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within thirty (30) days of the date of the pre-lien letter, the Board shall decide, by majority vote in an open meeting, whether to authorize the Association's legal counsel or collection company to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees, against the owner's property. If the Association authorizes the Association's legal counsel or collection company to record a lien against the owner's property, the owner will be charged for the fees and costs of preparing and recording the lien. The lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Civil Code Section 1367.1(g)).
12. Once the matter has been transferred to the Association's legal counsel or collection company, the Association's legal counsel or collection company may be authorized to enforce the lien thirty (30) days after the recordation of the lien and may be authorized to foreclose the lien by non-judicial foreclosure sale when either (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1800) or more, excluding accelerated assessments and specified late charges and fees or (b) the

assessments are delinquent for more than twelve (12) months. You could lose ownership of your property if a foreclosure action is completed. You will be responsible for significant additional fees and costs if a foreclosure action is commenced against your property.

13. The decision to foreclose on a lien must be made by a majority of Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent homeowners the option of participating in IDR or Alternative Dispute Resolution ("ADR").
14. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.
15. In the event that it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.
16. An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Association's legal counsel or Collection Company for delivery to the Association pursuant to Civil Code Section 1363.810 *et seq.*
17. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 1369.510 *et seq.* before the association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.
18. An owner who is unable to pay assessments will be entitled to make a written request for a payment plan to the Association's legal counsel or collection company 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 if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the plan was approved.
19. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.

20. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including any attorneys' fees, must be paid in full to the Association.
21. There is no right of offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.
22. The Association shall charge the owner a Twenty-Five Dollar (\$25.00) fee for the first check tendered to the Association that is returned unpaid by the owner's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, the Association may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1500.00) pursuant to Civil Code Section 1719.
23. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. The owner's request shall be in writing and shall be mailed to the Association in a way that shall indicate that the Association has received it. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.
24. This policy and all charges listed herein are subject to change upon thirty (30) days' prior written notice.
25. Until the owner has paid all amounts due including; delinquent assessments, fees, fines, late charges, interest and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's right to vote, and suspend the owner's right to use the Association's recreational facilities after providing the owner with a duly noticed hearing pursuant to Civil Code Section 1363(h). However, any suspension imposed shall not prevent the delinquent owner from the use, benefit, and pleasure of the owner's lot.

2016.11.19



OAK SHORES COMMUNITY ASSOCIATION, INC.

2727 TURKEY COVE ROAD • BRADLEY, CALIFORNIA 93426

PHONE: (805) 472-2233 • FAX: (805) 472-2234

WEB: oakshores.us

NOTICE OF ARCHITECTURAL PROCEDURES

No improvements, excavation, wall, swimming pool, painting, alteration or other work, which alters the exterior appearance of any Lot, shall be commenced until plans and specifications have been submitted to and approved in writing by the Architectural Review Committee.

If improvements, additions, alterations or modifications are different from those approved by the ARC, such improvements, additions, alterations or modifications shall be deemed disapproved and the member shall promptly correct the nonconforming items with the OSCA Architectural Standards. (CC&R Article 5 Section 5.3)

Procedure:

Prior to commencement of any exterior change to a property, each owner must acknowledge that he is in possession of the current ARC Guidelines and that the plans submitted are in conformance with the Guidelines, by signing the *Acknowledgment of Receipt & Understanding* form.

Additionally, an Architectural Application and all applicable fees and plans must be submitted to the ARC for approval.

Should a lot owner fail to apply for approval and/or fail to respond and comply with corrective action notices, the OSCA Board of Directors or ARC will take the appropriate actions and all costs incurred will accrue until such infractions are corrected. Accrued costs will be assessed against the lot involved and will be deducted from the deposit.

2016.11.19



FINE SCHEDULE

Updated March 19, 2016

See page three (3) of the fine schedule for defining notes and an explanation of what could happen if fines are not paid.

1. Illegal parking; Illegal parking is defined as any action that violates a posted traffic rule, law, or parking sign (See note # 2).
 - In an “owners only” parking lot **\$100.00**
 - On OSCA streets **\$100.00**
 - On OSCA greenbelts **\$100.00**
 - In no parking red zones **\$200.00**

 2. Failure to stop at stop sign **\$100.00**
 3. Excessive speed (10 mph or more above posted speed) **\$100.00**
 4. Reckless driving (see note 1 for definition) **\$300.00**

This would also include entering or exiting the community in the wrong lane at the Gate House. The fine for reckless or negligent driving is \$300 for the first offense, \$600 for the second offense, and \$1200 for each additional negligent driving offense. If property damage or bodily injury occurs as a result of the negligent and/or reckless driving, then the above fines will be doubled for each occurrence, plus restitution if necessary. Within a 12 month period. (Board Minutes 3-17-01).
 5. Driving on greenbelt area **\$100.00**
 6. Unlicensed driver **\$100.00**
 7. Tailgating, or following another vehicle through the gate to obtain unauthorized entry to community. **\$100.00**
 8. Entering the community without proper identification; **\$100.00**

Proper identification is defined as having a current Oak Shores Sticker affixed to the windshield (per OSCA standard practice), a guest pass, renter pass or vendor mirror tag visible at all times in the community.
 9. Littering and/or unauthorized dumping **\$500.00**

Note: Including all common areas & dumpsters
 10. Violation of any campground regulation **\$100.00**
 11. Violation of any marina regulation **\$100.00**
 12. Failure to obtain a mussel inspection before launching **\$500.00**
 13. Violation of swimming pool rules **\$100.00**
 14. Excessive noise, including barking dog **1st Offense - WARNING**
2nd Offense - \$100.00
- Note: If within a 24 hour period the excessive noise violation continues the fine doubles.
15. Foul language, threatening language, excessive arguing **1st - \$100.00**
 or gestures towards staff, OSCA vendors, or private security **2nd - \$200.00**
 (Fines double when occur within 12 month period) **3rd - \$300.00**
 16. Under aged drinking of alcohol in common areas **\$100.00**
 17. CC&R violation (not listed in fine schedule) **\$100.00**
 18. Illegal sign violation (see ARC guidelines) **\$50.00**
 19. San Luis Obispo County animal control violations **\$100.00**
 20. Lot/General clean-up violation - **1st offense - WARNING**

21. Use of firearms in OSCA is prohibited as well as Pellet and BB guns	2nd offense - \$100.00 \$100.00-\$1,000
22. Illegal tenant	\$300.00
23. Violation of the Rental Regulations or Absentee Member Policy Note: Homeowners, who are in violation of not filing a Conditional Use Permit -1 st violation - Warning, 2 nd violation is \$300.00, and each subsequent offense, the fine will be doubled, within a 12 month period. (Effective 01/01/98)	\$300.00
24. Illegal removal of trees as per CC&Rs (Art VIII, sect 3)	per tree/\$500.00
25. Unauthorized removal or trimming of open space tree	max/\$5,000.00
26. Violation of construction curfews (Each additional offense, \$100.00 will be added to fine)	1st offense – WARNING 2nd offense - \$ 750.00 3rd offense - \$1,750.00
Note: See Section VI Construction Guidelines, Time Guidelines Page 16 of ARC Manual. <i>Construction hours are 7 am to 6 pm Monday – Friday and 8 am – 5 pm Saturday and Sunday.</i>	
27. Weed Abatement: Uncut lot after the June 10 th deadline Note: Owner will also be charged for the cutting the lot by OSCA in addition to being fined.	\$200.00
28. Damage to community property; graffiti/vandalism (The Board determines the severity of the vandalism fine in addition to restitution for damages).	\$100 - \$1,000.00
29. Fires & Fireworks: No burning, or use of fireworks is allowed	\$1,000.00
30. Tampering with or removal of OSCA barriers or property in order to gain access into Oak Shores 2	\$500-1000.00
31. Violation of Fire Pit/Warming Fire Rules	\$100.00

Defining Notes:

General Rules Violations:

1. Article 6 General Restrictions in the CC&Rs in Section 6.25 Violation of Law: Violation of any federal, state, municipal or local law, ordinance or regulation by members, or family, tenants, guest, or invitees which affect the health, safety and or property rights of another members, shall be deemed a nuisance and a violation of the OSCA CC&Rs and may be abated as provided for in these CC&R’s or by law.
2. Suspension of common area privileges: The Board may suspend the common area privileges of members and their family, lot residents, and guests for failure by any of the above to comply with the Association’s governing documents, including delinquency of more than 30 days in payment of any assessments, fees or fines. Any such suspension shall be for a period of time not to exceed thirty (30) days for any continuing violation. For continuing violations, the suspension may be imposed for as infraction. Regular and special assessments shall continue to accrue and shall be due and payable notwithstanding the suspension of membership rights and privileges. Article 9 Section 9.1 (b)
3. Board powers: The Board of Directors is the final authority on all fines and loss of privileges. The Board can set excuse or reduce fines or the term of lost privileges.
4. Fines for Association infractions repeated within a one (1) year period shall be doubled. Third or more infractions for the same offense will be reviewed by the Board of Directors for additional Fines and/or actions. (effective 2/21/98)

THE CITATION APPEAL PROCESS

If a *Notice to Appear* “citation” has been issued to a member for any violation of the Association guidelines, the owner is given the opportunity to appeal the citation in person and/or in writing at a hearing before the Board of Directors.

According to Article 13.1 of the Associations Bylaws, The Board shall set a hearing date and notify the member in writing at least ten (10) days in advance either personally or by prepaid first-class or registered mail to the most recent address of the member as shown on the Association’s records. The notice shall set forth the date and nature of the violation, the proposed penalty, and the member’s right to present evidence in his or her defense, either in writing or in person at the hearing. The hearing shall be held in executive session unless the member requests otherwise. Within 15 days after the Board makes a decision on imposition of any penalty or fine, notice of the decision shall be given to the member who shall specify the violation and the penalty imposed. Complies with Civil Code 1363 (h)