



## OAK SHORES COMMUNITY ASSOCIATION, INC.

2727 TURKEY COVE ROAD • BRADLEY, CALIFORNIA 93426

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

WEB: oakshores.us

November 30, 2023

Dear Oak Shores Members:

After a detailed study of the Association's reserve inventory components, funding and future projections, and upon completion of a detailed 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 and Reserve Budgets for Fiscal 2024.

The 2024 Budgets were formally approved by the Board of Directors at the November 18, 2023, Board meeting. The combined Reserve and Operating Budgets reflect a \$276 annual increase in total assessments from \$2,592 per lot in 2023 to \$2,868 per lot in 2024.

The total net increase of \$276 per lot is comprised of a \$10.78 increase in Reserve contributions and a \$265.22 per lot increase in Operating assessments. Higher interest rates on investments is allowing us to keeping the Reserve contribution increase to a minimum and still react to inflationary pressures on our estimated future repair and replacement costs, and meet the longer-term goal of increasing Reserve Funding to 70% within ten years. Operating assessments have increased due of a combination of factors. Non-assessment revenues from fees charged to visitors and guests for owner rentals, watercraft, and the campground are budgeted to increase because the lake should be full for 2024, unlike what we budgeted for 2023. However, costs are budgeted to be up more than non-assessment revenues thereby necessitating the increase in Operating assessments. Costs are up because of capital expenditures to redo the Gate Parking lot, income taxes on higher interest income, higher dock permit fees to be paid to Monterey County, increased staffing in peak periods to service to visitor and guests traffic, staff pay increases, higher insurance costs, a significant increase in water rates, property taxes on the Gate Property, conversion to a new and more costly accounting software system, and higher transportation and utility costs. These cost increases are partially offset by eliminating the one-time consulting costs incurred in 2023 to form the Medical/Fire Brigade.

The 2024 Assessment (Dues) of \$2,868 per lot will be billed semi-annually, and you may choose one of several payment options (annually, semi-annually, quarterly, or monthly). Owners with homes currently pay an additional \$413.28 per year (billed semi-annually) for weekly curbside garbage and recycling collection. Subject to San Luis Obispo County approval, in mid-2024 San Miguel Garbage Company may request an increase to the fees charged for curbside garbage and recycling collection.

Enclosed you will find a copy of the 2024 Budget and other important annual disclosures we are required to make under the California Civil Code.

Sincerely,

Oak Shores Community Board of Directors

**Oak Shores Community Association, Inc.**  
**Summary Operating Budgets for 2024 and 2023**  
**Approved on November 18, 2023**

*The Detailed Operating Budgets for 2024 and 2023 are available at the business office of the Association or at another suitable location, and copies will be provided upon request at the Association's expense.*

	Budget	
	2024	2023
<b>OPERATIONS EXCLUDING PURCHASE OF GATE PROPERTY AND EXCLUDING PRIVATE MARINA AND COMMITTEES</b>		
<b><u>REVENUES</u></b>		
Annual Assessment	\$ 2,440,672	\$2,205,793
Assessment transferred to Reserves	(747,797)	(738,620)
Interest Income	1,050	50
Rubbish Fee Income	260,000	255,000
Owner Rental Fees	46,500	39,300
Fire Department Rental Fees	9,000	3,708
Watercraft fees	60,000	25,000
Owner Fee Income	25,900	18,600
Grant Revenues	15,000	-
Other Income	42,270	42,400
Total Revenues	2,152,595	1,851,231
<b><u>EXPENSES</u></b>		
<b><u>General and Administrative Expenses</u></b>		
Insurance	121,331	111,015
Legal Fees	40,000	40,000
Outside Services	41,120	42,800
Bad Debts	2,750	2,500
Auditing and Accounting	10,000	11,000
Income Taxes	28,500	8,500
Printing and Reproduction	3,100	6,600
Other General and Administrative	95,085	72,100
<b><u>Payroll and Related Costs</u></b>		
Salaries and wages	818,306	792,876
Payroll Taxes	68,961	70,121
Employee Health Benefits	78,994	77,500
Other costs	31,470	34,670
<b><u>Utilities</u></b>		
Rubbish Service	267,500	261,000
Water and Fire Hydrants	236,329	196,400
Electricity and Propane	50,729	44,900
Telephone and Other	31,700	19,600
Depreciation and Amortization	55,100	52,300
Grant Expenditures for Fire Control	15,000	-

(continued)

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	Budget	
	2024	2023
(continued)		
Transportation Costs	\$ 50,000	\$ 45,200
Maintenance and Repairs	56,300	62,700
Organization costs for Fire Brigade	-	12,000
Capital Spending	40,000	5,000
Total Expenses	2,142,275	1,968,782
<b>NET SURPLUS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES, EXCLUDING PURCHASE OF GATE PROPERTY AND PRIVATE MARINA AND COMMITTEES</b>	<b>10,320</b>	<b>(117,551)</b>
<b>PURCHASE OF GATE PROPERTY</b>		
<b><u>REVENUES</u></b>		
Annual Assessment for purchase of Gate Property	-	-
<b><u>EXPENSES</u></b>		
Capital expenditures for purchase of Gate Property	-	-
Capital expenditures for refurbishment	-	31,750
Total Expenses	-	31,750
<b>NET DEFICIT OF REVENUES UNDER EXPENSES FOR PURCHASE OF GATE PROPERTY</b>	<b>-</b>	<b>(31,750)</b>
<b>PRIVATE MARINA AND COMMITTEES</b>		
<b><u>REVENUES</u></b>		
Committees	24,000	36,000
Private Marina lease fees	121,850	75,725
Total Revenues	145,850	111,725
<b><u>EXPENSES</u></b>		
Committees	18,000	22,000
Private Marina	104,168	63,515
Total Expenses	122,168	85,515
<b>NET SURPLUS OF REVENUES OVER EXPENSES FOR PRIVATE MARINA AND COMMITTEES</b>	<b>23,682</b>	<b>26,210</b>
<b>TOTAL NET OPERATING SURPLUS (DEFICIT) FOR ASSOCIATION</b>	<b>\$ 34,002</b>	<b>\$ (123,091)</b>
Total Monthly Assessments per lot	\$ 239.00	\$ 216.00
Total Annual Assessments per lot	\$ 2,868.00	\$ 2,592.00

## Assessment and Reserve Funding Disclosure Summary

### Oak Shores Community Association, Bradley

For Fiscal Year Beginning: 1/1/2024

# of units: 851

1) Budgeted Amounts:	<b>Total</b>	<b>Average Per Unit*</b>
Reserve Contributions:	\$63,316.00	\$74.40
Total Assessment Income:	\$203,389.00	\$239.00

per: Month

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:

Year	Total Amount Per Unit*	Purpose
Total: \$0.00		

3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will 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/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*

Total: \$0.00

5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2024
Fully Funded Balance (based on formula defined in 5570(b)4):	\$5,657,852
Projected Reserve Fund Balance:	\$3,044,936
Percent Funded:	53.8 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$3,070

From the 11/17/2023 Reserve Study by Association Reserves and any minor changes since that date.

\* If assessments vary by the size or type of unit, allocate as noted within your Governing Documents.

7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

**Prepared by: Una Hart**

**Date: 11/22/2023**

*The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.*



# 30-Year Reserve Plan Starting with Board of Directors 2024 Rate

8504-4

Fiscal Year Start: 1/1/2024	Interest: 2.00 %	Inflation: 3.00 %
Reserve Fund Strength: as-of Fiscal Year Start Date	Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	% Increase	Reserve Funding	Reserve Funding	Loan or Special Assmts	Interest Income	Reserve Expenses
					In Annual Reserve Funding					
2024	\$3,044,936	\$5,657,852	53.8 %	Medium	2.87 %	\$759,792	\$0	\$52,129	\$1,684,350	
2025	\$2,172,507	\$4,810,473	45.2 %	Medium	6.75 %	\$811,078	\$0	\$50,907	\$111,910	
2026	\$2,922,583	\$5,578,820	52.4 %	Medium	6.75 %	\$865,826	\$0	\$65,567	\$214,143	
2027	\$3,639,833	\$6,287,097	57.9 %	Medium	6.75 %	\$924,269	\$0	\$60,258	\$2,233,206	
2028	\$2,391,153	\$4,993,010	47.9 %	Medium	6.75 %	\$986,657	\$0	\$42,605	\$1,547,350	
2029	\$1,873,066	\$4,391,059	42.7 %	Medium	6.75 %	\$1,053,256	\$0	\$34,556	\$1,375,305	
2030	\$1,585,574	\$3,973,515	39.9 %	Medium	6.75 %	\$1,124,351	\$0	\$40,046	\$327,469	
2031	\$2,422,503	\$4,648,736	52.1 %	Medium	2.15 %	\$1,148,525	\$0	\$59,394	\$108,352	
2032	\$3,522,070	\$5,596,702	62.9 %	Medium	2.15 %	\$1,173,218	\$0	\$79,598	\$330,247	
2033	\$4,444,639	\$6,372,159	69.8 %	Medium	2.15 %	\$1,198,442	\$0	\$94,713	\$702,881	
2034	\$5,034,914	\$6,815,497	73.9 %	Low	2.15 %	\$1,224,209	\$0	\$100,818	\$1,304,338	
2035	\$5,055,602	\$6,681,919	75.7 %	Low	2.15 %	\$1,250,529	\$0	\$113,739	\$91,705	
2036	\$6,328,165	\$7,823,509	80.9 %	Low	2.15 %	\$1,277,416	\$0	\$130,534	\$999,601	
2037	\$6,736,514	\$8,095,281	83.2 %	Low	2.15 %	\$1,304,880	\$0	\$140,616	\$844,774	
2038	\$7,337,236	\$8,566,678	85.6 %	Low	2.15 %	\$1,332,935	\$0	\$158,364	\$315,602	
2039	\$8,512,933	\$9,630,224	88.4 %	Low	2.15 %	\$1,361,593	\$0	\$153,202	\$3,207,232	
2040	\$6,820,496	\$7,781,246	87.7 %	Low	2.15 %	\$1,390,867	\$0	\$146,560	\$509,735	
2041	\$7,848,189	\$8,690,187	90.3 %	Low	2.15 %	\$1,420,771	\$0	\$166,760	\$593,455	
2042	\$8,842,265	\$9,576,180	92.3 %	Low	2.15 %	\$1,451,318	\$0	\$188,554	\$452,677	
2043	\$10,029,459	\$10,670,852	94.0 %	Low	2.15 %	\$1,482,521	\$0	\$203,824	\$1,345,202	
2044	\$10,370,602	\$10,917,271	95.0 %	Low	2.15 %	\$1,514,395	\$0	\$195,625	\$2,871,807	
2045	\$9,208,815	\$9,638,036	95.5 %	Low	2.15 %	\$1,546,955	\$0	\$199,324	\$214,213	
2046	\$10,740,881	\$11,098,282	96.8 %	Low	2.15 %	\$1,580,214	\$0	\$231,233	\$149,839	
2047	\$12,402,489	\$12,710,392	97.6 %	Low	2.15 %	\$1,614,189	\$0	\$220,407	\$4,579,806	
2048	\$9,657,278	\$9,851,005	98.0 %	Low	2.15 %	\$1,648,894	\$0	\$176,627	\$3,462,052	
2049	\$8,020,748	\$8,101,419	99.0 %	Low	2.15 %	\$1,684,345	\$0	\$155,937	\$2,274,576	
2050	\$7,586,454	\$7,568,069	100.2 %	Low	2.15 %	\$1,720,558	\$0	\$152,466	\$1,786,089	
2051	\$7,673,390	\$7,568,852	101.4 %	Low	2.15 %	\$1,757,550	\$0	\$170,866	\$173,816	
2052	\$9,427,990	\$9,278,703	101.6 %	Low	2.15 %	\$1,795,338	\$0	\$202,124	\$623,575	
2053	\$10,801,877	\$10,626,451	101.7 %	Low	2.15 %	\$1,833,938	\$0	\$226,462	\$998,359	

OAK SHORES COMMUNITY ASSOCIATION, INC.

Dues Payment Plan Schedule 2024

*Members with Lots*

**LOTS**

(NO rubbish charge)

<b><u>Yearly Dues</u></b>	<b><u>\$2868.00</u></b> <i>Due Jan. 1<sup>st</sup></i>					
<b><u>Semi-Annual Dues</u></b>	<b><u>\$1434.00</u></b> <i>Due Jan. 1<sup>st</sup></i>	<b><u>\$1434.00</u></b> <i>Due July 1<sup>st</sup></i>				
<b><u>Quarterly Dues</u></b>	<b><u>\$717.00</u></b> <i>Due Jan. 1<sup>st</sup></i>	<b><u>\$717.00</u></b> <i>Due Apr. 1<sup>st</sup></i>	<b><u>\$717.00</u></b> <i>Due July 1<sup>st</sup></i>	<b><u>\$717.00</u></b> <i>Due Oct 1<sup>st</sup></i>		
<b><u>Bi-monthly Dues</u></b>	<b><u>\$478.00</u></b> <i>Due Jan. 1<sup>st</sup></i>	<b><u>\$478.00</u></b> <i>Due Mar. 1<sup>st</sup></i>	<b><u>\$478.00</u></b> <i>Due May 1<sup>st</sup></i>	<b><u>\$478.00</u></b> <i>Due July 1<sup>st</sup></i>	<b><u>\$478.00</u></b> <i>Due Sept. 1<sup>st</sup></i>	<b><u>\$478.00</u></b> <i>Due Nov. 1<sup>st</sup></i>
<b><u>Monthly Dues</u></b>	<b><u>\$239.00</u></b> <i>Due Jan. 1<sup>st</sup></i> <i>Due Feb. 1<sup>st</sup></i>	<b><u>\$239.00</u></b> <i>Due Mar. 1<sup>st</sup></i> <i>Due Apr. 1<sup>st</sup></i> <i>Due May 1<sup>st</sup></i>	<b><u>\$239.00</u></b> <i>Due June 1<sup>st</sup></i>	<b><u>\$239.00</u></b> <i>Due July 1<sup>st</sup></i> <i>Due Aug. 1<sup>st</sup></i>	<b><u>\$239.00</u></b> <i>Due Sept. 1<sup>st</sup></i> <i>Due Oct. 1<sup>st</sup></i> <i>Due Nov 1<sup>st</sup></i>	<b><u>\$239.00</u></b> <i>Due Dec 1<sup>st</sup></i>

*Members with Homes*

**HOMES**

(Payments include the rubbish (R) charge)

<b><u>Yearly Dues</u></b> R = \$413.28	<b><u>\$3281.28</u></b> <i>Due Jan. 1<sup>st</sup></i>					
<b><u>Semi-Annual Dues</u></b> R = \$206.64	<b><u>\$1640.64</u></b> <i>Due Jan. 1<sup>st</sup></i>	<b><u>\$1640.64</u></b> <i>Due July 1<sup>st</sup></i>				
<b><u>Quarterly Dues</u></b> R=\$103.32	<b><u>\$820.32</u></b> <i>Due Jan. 1<sup>st</sup></i>	<b><u>\$820.32</u></b> <i>Due Apr 1<sup>st</sup></i>	<b><u>\$820.32</u></b> <i>Due July 1<sup>st</sup></i>	<b><u>\$820.32</u></b> <i>Due Oct 1<sup>st</sup></i>		
<b><u>Bi-monthly Dues</u></b> R=\$68.88	<b><u>\$546.88</u></b> <i>Due Jan. 1<sup>st</sup></i>	<b><u>\$546.88</u></b> <i>Due Mar. 1<sup>st</sup></i>	<b><u>\$546.88</u></b> <i>Due May 1<sup>st</sup></i>	<b><u>\$546.88</u></b> <i>Due July 1<sup>st</sup></i>	<b><u>\$546.88</u></b> <i>Due Sept. 1<sup>st</sup></i>	<b><u>\$546.88</u></b> <i>Due Nov. 1<sup>st</sup></i>
<b><u>Monthly Dues</u></b> R=\$34.44	<b><u>\$273.44</u></b> <i>Due Jan. 1<sup>st</sup></i> <i>Due Feb. 1<sup>st</sup></i>	<b><u>\$273.44</u></b> <i>Due Mar. 1<sup>st</sup></i> <i>Due Apr. 1<sup>st</sup></i> <i>Due May 1<sup>st</sup></i>	<b><u>\$273.44</u></b> <i>Due June 1<sup>st</sup></i>	<b><u>\$273.44</u></b> <i>Due July 1<sup>st</sup></i> <i>Due Aug. 1<sup>st</sup></i>	<b><u>\$273.44</u></b> <i>Due Sept. 1<sup>st</sup></i> <i>Due Oct. 1<sup>st</sup></i> <i>Due Nov 1<sup>st</sup></i>	<b><u>\$273.44</u></b> <i>Due Dec 1<sup>st</sup></i>

You can Pay On-Line at [www.oakshores.us](http://www.oakshores.us) then click on PAY DUES and set up your account on ZEGO (Paylease)





11/30/2023

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**OAK SHORES COMMUNITY ASSOCIATION  
& OAK SHORES PRIVATE MARINA  
2023-2024 INSURANCE SUMMARY FOR MEMBERS**

INSURANCE	CARRIER	LIMITS	DEDUCTIBLE Per Claim	EXPIRATION
Property-Buildings: Office/Clubhouse, Maintenance Bldg, Entrance Gatehouse Kiosk & Gate; Campground Restroom, Outdoor Sign, Pool-Side Cabana//Contents// Business Income	California Fair Plan	\$2,251,000.	\$5,000	6/26/24
Property-Buildings, Contents, Business Income	California Fair Plan 801 Oak Shores Dr	\$372,000.	\$5,000.	03/02/24
Difference in Conditions (DIC) over CA Fair Plan 2727 Turkey Cove; 801 Oak Shores Dr.	Hudson Excess Insurance Company	\$2,673,900..	\$5,000.	06/26/24
General Liability including Marina & Owned Watercraft	Philadelphia	\$1,000,000 Occ \$2,000,000 Agg	none	06/26/24
Automobile a) Liability b) Phys Dmg	Philadelphia	a) \$1,000,000 b) ACV	a) none b) \$1,000	06/26/24
Owned Watercraft (2) a) Liability b) Phys Dmg	Philadelphia	\$1,000,000 \$ 11,000	\$1,000	06/26/24
Scheduled Equipment	Philadelphia	\$ 172,177	\$1,000	06/26/24
Docks, Slips Private Marine Community Marina	Philadelphia	\$1,084,578. Total \$ 596,575 \$ 488,003.	\$1,000, Being increased To \$25,000.	06/26/24
Directors & Officers Liab including Employment Practice Liab.	CNA	\$1,000,000	\$5,000	01/01/24 .
Excess Liability over General Liability, Liquor Liability, Employee Benefits Liab, Watercraft, Auto, D&O & Employers Liab.	Philadelphia	\$6,000,000	\$10,000.	06/26/24
Volunteer/Participant Accident Policy	National Union	\$250,000	None	06/26/24
Employee Dishonesty	CNA	\$3,300,000	\$25,000	08/27/24
Boiler & Machinery	Hartford Steam Boiler & Inspection Co.	\$2,110,000	\$1,000.	08/26/24
Worker's Compensation	Employers	Statutory	none	04/01/24

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](mailto:jpriolo@dibu.com)  
100 Cross St., Ste 203 San Luis Obispo, CA 93401 805/593-1400 805/593-1401 fax





## **OAK SHORES COMMUNITY ASSOCIATION, INC.**

2727 TURKEY COVE ROAD • BRADLEY, CALIFORNIA 93426

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

WEB: oakshores.us

### **Annual Policy Statement.**

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.

### **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 General Manager Stephanie Dayton 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](mailto: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.

#### **Civil Code § 4765. Architectural.**

*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.

### **Civil Code § 5730. Collection 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 1<sup>st</sup> 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.

2023.11.30