

PARK IMPERIAL COMMUNITY ASSOCIATION



*The Coachella Valley's Community
Management Company*

68950 Adelina Rd.
Cathedral City, CA 92234
Phone: (760) 325-9500
Fax: (760) 325-9300

September 18, 2019

Dear Homeowner,

As required by the Civil Code, the Board of Directors have reviewed the current year's budget compared to income and have determined a need for an increase in the monthly assessments in order for the Association to be able to meet monthly operating expenses.

The monthly assessment will increase by \$30 per month to \$345.00 per unit, per month per owner, effective December 1, 2019.

ANNUAL BUDGET REPORT

Civil Code § 5300 creates minimum disclosure requirements by consolidating various disclosures under this "Annual Budget Report", which consists of the following Statements or Disclosures:

- ~2020 Operating Budget - *Enclosed*
- ~Summary of Reserves - *Enclosed*
- ~Reserve Funding Plan - *Enclosed*
- ~Assessment and Reserve Funding Disclosure Summary Form - *Enclosed*

- ~Major Component Repair Statement
In accordance with Civil Code § 5300(b)(4) and as of the date of this letter the Board has chosen not to defer any maintenance and will undertake replacement of any major component with a remaining life of 30 years or less as scheduled.
- ~Anticipated Special Assessment
In accordance with Civil Code section 5300(b)(5) and as of the date of this letter the Board does not anticipate that a special assessment will be required to repair, replace or restore any major components or to provide adequate reserves.
- ~Reserve Funding Mechanism Statement
In accordance with Civil Code section 5300(b)(6) the Board uses regular assessments to fund reserves to repair or replace major components.
- ~Procedures for Calculating Reserves Statement – *(Included in Reserve Funding Disclosure Summary)*

- ~Outstanding Loan Statement
In accordance with Civil Code section 5300(b)(8) The Association does not have any outstanding loans.

- ~Insurance Summary – *Enclosed*

- ~Foreign Check Processing
Checks received from a foreign bank account are an added expense to process and a fee of \$25 will be charged to the owner's account when such checks are received as payment to the HOA or management.

A copy of the full reserve study is available upon request.



ANNUAL POLICY STATEMENT

In an effort to clarify requirements relating to policy disclosures, Civil Code section 5310 consolidates the various requirements. The Annual Policy Statement is a disclosure of the following:

~Association's Designated Recipient to receive official communication – Civil Code §§ 5310(a)(1), 4035

Board of Directors
c/o Personalized Property Management
Attn: Ron
68950 Adelina Road
Cathedral City, CA 92234

~Right of Notice to Two addresses

As provided in Civil Code §4040(b) Upon receipt of a request by a member, pursuant to §5260, identifying a secondary address for delivery of notices of the following types, the association shall deliver an additional copy of those notices to the secondary address identified in the request

~General Notice Location –Pursuant to Civil Code §§ 5310(a)(3), 4045(a)(3):

The location designated for posting of the General Notice is: Association Bulletin Board

~Right to Receive General Notice by Individual Delivery

As provided in Civil Code § 4045(b) documents designated by the Civil Code as requiring General Delivery or General Notice will be delivered using one of the methods detailed in Civil Code § 4045(a). If a member of the Association wishes to receive these general notice documents by individual delivery, they must make such a request to the Association, and the Association will comply with the request.

~Right to Receive Board Minutes

In accordance with Civil Code § 4950(b) the minutes or summary of minutes of the Board meeting, other than an executive session are available to members within 30 days of the meeting.

~Assessment Collection Policy - Enclosed

~Notice Assessment & Foreclosure Default Policy - Enclosed

~Governing Document Enforcement and Fine Policy - N/A

~Dispute Resolution Procedure Summary (IDR & ADR) - Enclosed

~Architectural Guidelines and Procedures – Enclosed

~Charges for Documents Civil Code 4530 & 4525 - Enclosed

~Overnight Payment Mailing Address – Civil Code §§ 5310(a)(11), 5655

Personalized Property Management
68950 Adelina Road
Cathedral City, CA 92234

The Board of Directors is obligated to uphold and enforce the CC&R's which in turn requires the Board to maintain, preserve and enhance the value and lifestyle of the Association and its property for the benefit of all Owners.

PLEASE REVIEW ALL OF THE ENCLOSED DOCUMENTS CAREFULLY.

Sincerely,

**PARK IMPERIAL COMMUNITY ASSOCIATION
HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS**

Enclosures

PARK IMPERIAL COMMUNITY ASSOCIATION



*The Coachella Valley's Community
Management Company*

68950 Adelina Rd.
Cathedral City, CA 92234
Phone: (760) 325-9500
Fax: (760) 325-9300

September 18th, 2019

Dear PICA Homeowner,

Inflation as to the costs of utilities, transportation and administrative services continue to impact our Association. These prices are growing at a pace greater than what our cost savings initiatives (Example- Volunteer group labor \$) can offset.

In the course of the past year PICA has sustained price increases and service additions which include yet and not limited to:

- Pool/Spa maintenance contract - Monthly increase of 10%.
- Addition of Gate maintenance contract.
- Landscape; Palm tree trimming cost increases.
- Landscape; Inclusion of additional seasonal tree pruning services.
- Management contract (PPM) cost increase.
- Increase in water utility cost increase - upwards of 10%.
- Addition of City Disposal Services expense.
- Postal charge increases.

Effective with the new fiscal year budget '19/'20 PICA HOA monthly dues will increase approximately 9.5% to \$345.00 monthly.

The PICA Board remains committed to pursuing cost savings initiatives and to work on reducing these inflationary costs now and in the future moving forward.

Thank you,

PICA Board of Directors

PERSONALIZED PROPERTY MANAGEMENT

*The Coachella Valley's Community
Management Company*

(760) 325-9500 office
(760) 325-9300 fax
68950 Adelina Rd
Cathedral City, CA 92234

www.PPMinternet.com

September 2019

Dear Homeowner:

We are pleased to continue to serve the homeowners of Park Imperial Community Association and your Board of Directors by providing the management services for your wonderful community. Our entire staff is dedicated to providing the attention necessary to enhance your enjoyment of the community, and to ensure that homeowner concerns are promptly addressed. Together with your Board of Directors we attempt to make your experience the best it can be!

When problems arise that may require management attention, i.e., sprinklers, lights, pools, or any other common area concerns, please contact our office as soon as possible. The telephone number is (760) 325-9500. Our regular office hours of operation are 8:00 a.m. - 4:00 p.m., Monday through Friday; we are closed from 12:00 p.m. - 1:00 p.m. for lunch. If an emergency develops after these hours, our twenty-four hour answering service will contact the appropriate service person and/or the property manager for resolution of the issue. We have structured our office to provide you prompt service as follows:

- A.) **RON DOERR - COMMUNITY MANAGER** – Ron is a community manager with over 14 years of experience in the community management industry. Ron interacts with and takes direction from your Board of Directors on community matters and is the primary contact on matters concerning your Association.
- B.) **MARK SEE – MAINTENANCE SUPERVISOR**– This important position/department takes homeowner requests for maintenance (i.e. landscape concerns, lighting, etc.) Each Homeowner request is logged into our database and a work order is created for future reference. *Should you have a maintenance need or concern, please ask for Mark.*
- C.) **FRONT DESK RECEPTION** – Our receptionist answers telephone calls, distributes gate cards, keys, etc. and assists homeowners with all in-office requests. The reception desk is handled by a variety of our administrative staff from time to time.
- D.) **ACCOUNTS PAYABLE & RECEIVABLE** – These positions are responsible for assisting in coordinating vendor payments and homeowner assessments.

In the event that you phone our office and reach the voice mail for any of the above staff members, we ask you always leave a message. That person is most likely already on the phone with another Homeowner. Each voice mail call is logged and returned in a timely manner. We have organized our office in this fashion to free-up your Manager's time to be out on property, serving the community. We are very confident that this structure will exceed your expectation. We thank you for this opportunity and look forward to a continued, positive and productive relationship with your Association.

Sincerely,

Richard Warfield

Richard Warfield

President

Personalized Property Management Company

DEVELOPER SERVICES | ACCOUNTING | CONSULTING | REAL ESTATE

**PARK IMPERIAL COMMUNITY ASSOCIATION
12/01/2019-11/30/2020 OPERATING BUDGET**

Dues \$345 month

<u>ACCOUNT</u>	<u>Description</u>	<u>ANNUAL BUDGET</u>	<u>MONTHLY BUDGET</u>
	RECEIPTS		
4110	ASSESSMENTS MEMBERS	\$211,140.00	\$17,595.00
4130	INTEREST INCOME		
	TOTAL CASH RECEIPTS	<u>\$211,140.00</u>	<u>\$17,595.00</u>
	LESS RESERVES		
5010	LESS RESERVES	\$70,872.00	\$5,906.00
5015	LESS RESERVE INTEREST	\$720.00	\$60.00
		<u>\$71,592.00</u>	<u>\$5,966.00</u>
	NET INCOME	<u>\$139,548.00</u>	<u>\$11,629.00</u>
	DISBURSEMENTS		
	UTILITIES		
5020	ELECTRICITY	\$8,400.00	\$700.00
5030	GAS	\$12,804.00	\$1,067.00
5050	WATER	\$13,272.00	\$1,106.00
	TOTAL UTILITIES	<u>\$34,476.00</u>	<u>\$2,873.00</u>
	LAND MAINTENANCE		
5110	CONTRACT LANDSCAPE	\$42,000.00	\$3,500.00
5120	LANDSCAPE EXTRAS	\$1,740.00	\$145.00
5130	IRRIGATION	\$1,800.00	\$150.00
5140	TREE TRIMMING-PALMS	\$4,704.00	\$392.00
5150	TREE TRIMMING-OTHER TREES	\$2,400.00	\$200.00
5160	SEED/FERT/SCALPING	\$1,800.00	\$150.00
5170	NEW PLANTS	\$3,300.00	\$275.00
	TOTAL MAINTENANCE	<u>\$57,744.00</u>	<u>\$4,812.00</u>
	SWIMMING POOLS-SPA		
5210	CONTRACT POOL SERVICE	\$5,280.00	\$440.00
5220	POOL EQUIPMENT REPAIR	\$960.00	\$80.00
5230	SPA REPAIR	\$120	\$10.00
	TOTAL POOLS-SPA	<u>\$6,360.00</u>	<u>\$530.00</u>
	BUILDINGS & GROUNDS		
5341	GROUNDS MISC.	\$5,040.00	\$420.00
5360	FIRE EXTINGUISHER	\$480.00	\$40.00
5362	LIGHTING CONTRACT	\$480.00	\$40.00
5365	ELECTRICAL REPAIRS	\$600.00	\$50.00
5370	PEST CONTROL CONTRACT	\$1,980.00	\$165.00
5380	GATES-PATTON CONTRACT	\$408.00	\$34.00
	TOTAL GROUNDS	<u>\$8,988.00</u>	<u>\$749.00</u>
	ADMINISTRATION COSTS		
5455	PERMITS-POOL HEALTH	\$1,500.00	\$125.00
5465	RESERVE STUDY	\$1,200.00	\$100.00
5468	PROFESSIONAL SERVICES	\$600.00	\$50.00
5470	AUDIT	\$1,500.00	\$125.00
5480	FRANCHISE TAX BOARD	\$120.00	\$10.00
5490	INTERNAL REVENUE	\$240.00	\$20.00
5500	WEBSITE	\$300.00	\$25.00
5505	LEGAL	\$600.00	\$50.00
5510	COLLECTION FEE	\$300.00	\$25.00
5512	BAD DEBT EXPENSE	\$0.00	\$0.00
5520	INSURANCE	\$13,200.00	\$1,100.00
5530	MANAGEMENT SERVICES	\$10,800.00	\$900.00
5535	END OF YEAR CLOSING	\$360.00	\$30.00
5540	PRINTING / POSTAGE	\$1,440.00	\$120.00
5550	MISCELLANEOUS	\$240.00	\$20.00
	TOTAL ADMINISTRATION	<u>\$31,980.00</u>	<u>\$2,665.00</u>
	TOTAL CASH DISBURSEMENTS	<u>\$139,548.00</u>	<u>\$11,629.00</u>

Total Units 51

Reserve Summary

(As required by California Civil Code Section 5565)

PARK IMPERIAL COMMUNITY ASSOCIATION

SCT Reserve Consultants, Inc. is pleased to provide this Level III Reserve Study (Financial Update Report). In order to comply with the California Civil Code, specifically the Davis-Stirling Common Interest Development Act, Section 5565, we are providing the following information to the Homeowners within PARK IMPERIAL COMMUNITY ASSOCIATION.

The following study has been prepared with several assumed factors taken into account: a 3.00% inflation rate; a 1.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

As of November 30, 2019, the estimated ending reserve fund balance is \$128,500 and the estimated current replacement cost is \$690,109 for the portfolio of reserve components. The projected future replacement cost of the portfolio is \$1,111,523, calculated at an annually compounded inflation rate of 3.00%. The Association's level of funding which is based upon the estimated ending reserve fund balance divided by the reserve components' fully funded amount is 43.53%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were \$295,203.00 in the reserve fund.

The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$3,268.69. This is calculated by subtracting the ending balance (\$128,500) from the 100% funded figure (\$295,203.00), then divided by the number of ownership interests (51). There is currently no requirement to be fully funded.

Our original analysis of the cash flow for this association indicated future inadequate funding if there were no annual increases to the Reserves. It is our understanding the Board of Directors will allocate a total of \$5,526 per month starting in 2020 (\$108.35 per unit per month for each of the 51 ownership interests) towards the reserve fund. To offset the future cash shortfall we recommend and have included an increase of 1.79% starting in 2021 for 29 years. The increase is scheduled to take effect in the year 2021. The Board of Directors may change the amount; however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

The following table represents additionally required information pursuant to the Davis-Stirling Common Interest Development Act, Section 5565.

Fiscal Year: December 1, 2019 through November 30, 2020

Category	Estimated Remaining Useful Lives	Estimated Current Replacement Cost	Fund Balance on Nov 30, 2019	Estimated Reserve Allocation	Estimated Special Assessment Allocation	Estimated Interest
Asphalt & Concrete	0 to 15	\$54,359	\$12,609	\$6,507.02	\$0.00	\$131.50
Buildings, Roof	6 to 36	\$359,030	\$48,897	\$25,233.33	\$0.00	\$509.95
Buildings, Sewer	0 to 0	\$3,000	\$2,314	\$1,193.92	\$0.00	\$24.13
Electrical/Lights	6 to 12	\$12,510	\$2,898	\$1,495.75	\$0.00	\$30.23
Fence/Gates/Walls	4 to 11	\$20,650	\$4,297	\$2,217.44	\$0.00	\$44.81
Irrigation	2 to 5	\$8,000	\$2,450	\$1,264.11	\$0.00	\$25.55
Landscape	0 to 0	\$5,000	\$5,017	\$2,588.98	\$0.00	\$52.32
Mailbox Area	10 to 13	\$6,600	\$1,310	\$675.79	\$0.00	\$13.66
Paint	0 to 7	\$61,450	\$16,843	\$8,691.90	\$0.00	\$175.66
Pool & Spa, West	1 to 22	\$53,500	\$9,357	\$4,828.80	\$0.00	\$97.59
Pool, East	1 to 19	\$39,200	\$7,348	\$3,791.92	\$0.00	\$76.63
Wood Repairs	0 to 10	\$66,810	\$15,160	\$7,823.03	\$0.00	\$158.10
Totals:		\$690,109	\$128,500	\$66,312	\$0	\$1,340

The complete reserve study is available by request from the Association.



Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending November 30, 2020

(As illustrated by California Civil Code Section 5570(a))

(1) The regular assessment per ownership interest is \$ 345 per month, of which approximately \$108.35 is allocated to reserves, monthly.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. NOT APPLICABLE

(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: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year:	Purpose of the assessment:
<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. NOT APPLICABLE

(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 X

Yes, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

No, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

**Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association's CC&Rs.*

(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(s) will be due:	Amount per ownership interest per month:
1.79% starting in 2021 for 29 years	(Current amount) X (the increases)

(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 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$313,586.94**, as of **November 30, 2020**, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** The projected reserve fund cash balance at the end of the current fiscal year is **\$166,718.62**, resulting in reserves being **53.17%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$29,434**. (See explanation below).

Explanation: Cash Flow Methodology - a method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.



Assessment and Reserve Funding Disclosure Summary

For the Fiscal Year Ending November 30, 2020

(As illustrated by California Civil Code Section 5570(a))

(continued)

7) See below: **30-Year Reserve Funding Plan Table**...Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$(see **"100% Funded" column below**), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$(see **"Cash Flow Balance with Funding Plan" column below**), leaving the reserve at (see **"Percent Funded" column below**) percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$(see **"Cash Flow Balance with Funding Plan" column below**), leaving the reserve at (see **"Percent Funded" column below**) percent funding. Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

30-Year Reserve Funding Plan Table

Fiscal Year: December 01, 2019 - November 30, 2020							
Year	End of Year			Revenue			Expenditures
	100% Funded	Cash Flow (Balance with Funding Plan)	Percent Funded (EOY)	Contribution, Interest, Spec Assess	Contribution Unit/Month	Contribution % Change	Components, Taxes, Deferred Exp
2019	\$295,203	\$128,500	43.53%				
2020	\$313,587	\$166,719	53.17%	\$67,652	\$108.35		\$29,434
2021	\$335,398	\$208,881	62.28%	\$69,252	\$110.29	1.79%	\$27,089
2022	\$370,547	\$266,107	71.81%	\$71,017	\$112.27	1.79%	\$13,792
2023	\$409,504	\$328,808	80.29%	\$72,863	\$114.28	1.79%	\$10,162
2024	\$442,225	\$385,665	87.21%	\$74,678	\$116.32	1.79%	\$17,821
2025	\$447,364	\$411,218	91.92%	\$76,213	\$118.40	1.79%	\$50,660
2026	\$434,393	\$413,451	95.18%	\$77,536	\$120.52	1.79%	\$75,303
2027	\$425,157	\$417,789	98.27%	\$78,893	\$122.68	1.79%	\$74,555
2028	\$389,170	\$385,653	99.10%	\$79,926	\$124.88	1.79%	\$112,063
2029	\$379,670	\$386,569	101.82%	\$81,283	\$127.11	1.79%	\$80,368
2030	\$392,823	\$411,771	104.82%	\$82,910	\$129.39	1.79%	\$57,708
2031	\$419,733	\$456,175	108.68%	\$84,755	\$131.70	1.79%	\$40,350
2032	\$443,044	\$498,255	112.46%	\$86,611	\$134.06	1.79%	\$44,532
2033	\$465,073	\$540,340	116.18%	\$88,491	\$136.46	1.79%	\$46,406
2034	\$515,892	\$619,750	120.13%	\$90,754	\$138.90	1.79%	\$11,344
2035	\$513,481	\$618,051	120.36%	\$92,286	\$141.39	1.79%	\$93,984
2036	\$463,139	\$551,668	119.11%	\$93,194	\$143.92	1.79%	\$159,578
2037	\$485,375	\$593,631	122.30%	\$95,136	\$146.50	1.79%	\$53,172
2038	\$454,968	\$549,339	120.74%	\$96,328	\$149.12	1.79%	\$140,621
2039	\$501,963	\$615,643	122.65%	\$98,568	\$151.79	1.79%	\$32,265
2040	\$514,693	\$632,497	122.89%	\$100,412	\$154.51	1.79%	\$83,557
2041	\$497,325	\$616,431	123.95%	\$101,950	\$157.27	1.79%	\$118,017
2042	\$483,430	\$579,595	119.89%	\$103,308	\$160.09	1.79%	\$140,144
2043	\$496,925	\$582,926	117.31%	\$105,070	\$162.95	1.79%	\$101,738
2044	\$487,139	\$541,219	111.10%	\$106,450	\$165.87	1.79%	\$148,157
2045	\$532,539	\$605,476	113.70%	\$108,854	\$168.84	1.79%	\$44,597
2046	\$487,237	\$507,444	104.15%	\$109,788	\$171.86	1.79%	\$207,820
2047	\$545,631	\$580,960	106.47%	\$112,322	\$174.94	1.79%	\$38,806
2048	\$519,621	\$525,537	101.14%	\$113,732	\$178.07	1.79%	\$169,155
2049	\$549,532	\$551,758	100.41%	\$115,900	\$181.25	1.79%	\$89,679
30-Year Sum:				\$2,736,134			\$2,312,876



Summary

In accordance with our proposal, 2004-015, SCT Reserve Consultants, Inc. is pleased to provide this **Level III Reserve Study Financial Update Report for PARK IMPERIAL COMMUNITY ASSOCIATION**. Our study was performed in accordance with the Davis-Stirling Common Interest Development Act, specifically §5550, of the California Civil Code. This report included a site inspection on July 26, 2018. This *condominium* common interest development (CID) is located at East Vista Chino Road and Via Miraleste, Palm Springs, California. We are using an inception date for the components of December 1, 1962. ***This study is for December 1, 2019 through November 30, 2020, the Association's fiscal year.***

In general, reserve funds are funds set aside from collected association fees paid by owners of a common interest development. These funds earn interest and are disbursed when deemed necessary by the Board of Directors. The purpose of a reserve study is to determine how much money should exist in a reserve fund at a given point in time or to project required future contributions and expenditure amounts so that sufficient reserve funds are available when needed. Our reserve study is generated using proprietary SCT software and a combination of local industry standards and national average replacement costs.

The SCT software utilizes the weighted average life (WAL) of the reserve components. The future cost method for the WAL is calculated by using the current replacement cost of each component, as of the analysis date, and the number of years until each reserve component is scheduled to be replaced. This determines the monthly reserve contributions needed and calculates the future reserve balances.

A 30-year "Cash Flow and Percent Funded Projection" analysis and "Graph" are produced to verify and define the relationship of the Cash Flow (annual beginning balance) with respect to the 100% funded amount. Ideally, the Cash Flow line of the graph should run parallel to and below the "Percent Funded" line of the graph, see funding goals.

The following study has been prepared with several assumed factors taken into account: 3.00% inflation rate; a 1.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

Typically, any component that has a life cycle (full life) of less than two years should be budgeted and paid for through normal operating or property maintenance funds and is not included as part of this study.

The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$3,268.69. This is calculated by subtracting the ending balance (\$128,500) from the 100% funded figure (\$295,203.00), then divided by the number of ownership interests (51). There is currently no requirement to be fully funded.



Summary

(continued)

As of December 1, 2019, the estimated reserve fund balance is \$128,500 and the estimated current replacement cost is \$690,109 of the portfolio of reserve components. The projected future replacement cost of the portfolio is \$1,111,523, calculated at an annually compounded inflation rate of 3.00%. The Davis-Stirling Common Interest Development Act requires the disclosure of the *current reserve fund balance divided by the current replacement cost* (this is not *Percent Funded*). Currently, *this factor for PARK IMPERIAL COMMUNITY ASSOCIATION is 18.62%*.

The Association's level of funding for the fiscal year (December 1, 2019 through November 30, 2020) which is based upon the final estimated reserve fund balance divided by the reserve components' fully funded amount is **53.17%, and is referred to as Percent Funded**. The Association would be 100.00% funded if there were \$313,586.94 in the reserve fund.

Our original analysis of the cash flow for this association indicated future inadequate funding (see the graph, the "square box and/or pink line"). This line represents the cash flow if there were no annual increases to the Reserves. ***It is our understanding the Board of Directors will allocate a total of \$5,526 per month starting in 2020 (\$108.35 per unit per month for each of the 51 ownership interests) towards the reserve fund. To offset the future cash shortfall we recommend and have included an increase of 1.79% starting in 2021 for 29 years. The increase is scheduled to take effect in the year 2021.*** The Board of Directors may raise or lower this amount, however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

Sincerely,

A handwritten signature in black ink, appearing to read "MCG", is written over a circular professional seal. The seal is black and white, with the text "MICHAEL C. GRAVES" around the top edge, "CAI - RS" in the center, and "00039" below it. At the bottom of the seal, it says "Reserve Specialist".

Michael C. Graves, R.S. #00039
SCT Reserve Consultants, Inc.



PARK IMPERIAL COMMUNITY ASSOCIATION



*The Coachella Valley's Community
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68950 Adelina Rd.
Cathedral City, CA 92234
Phone: (760) 325-9500
Fax: (760) 325-9300

FEDERAL HOUSING ADMINISTRATION (FHA)

Civil Code: 5300(b)(10)-(11)

As of September, 2019 the FHA status of the Association is as follows:

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

Please refer to the FHA Website for current information: <http://portal.hud.gov>

PARK IMPERIAL COMMUNITY ASSOCIATION

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PERSONALIZED



**PROPERTY
MANAGEMENT**

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Cathedral City, CA 92234
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DEPARTMENT OF VETERANS AFFAIRS (VA)

Civil Code: 5300(b)(10)-(11)

As of September 2019 the VA status of the Association is as follows:

Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is a condominium project. The association of this common interest development is not certified by the federal Department of Veterans Affairs.

Please refer to the VA website for current information: <http://www.va.gov>

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HOMEOWNER'S INSURANCE INFORMATION **Individual Liability Policies and Loss Assessment Coverage** **CIVIL CODE SECTION 5300(B)(9)**

It is very important that you explore your own risks with a knowledgeable insurance agent and purchase coverage to protect you from liability caused by an accident occurring in your own unit, the common area, and/or any exclusive use common area (such as patios, garages, carports), and to protect you from any liability or insurance gaps in coverage between the Association's coverage and your own. We also recommended that you inquire about Loss Assessment and Earthquake Loss Assessment Coverage. The cost of an endorsement for loss assessment is minimal and provides protection to individual unit owners from any extraordinary special assessments, such as excess liability over the Association's insurance proceeds or an extraordinary expense incurred by the Association, allocated to the owners through a special assessment (such as special assessments to pay or rebuilding costs which exceed insurance proceeds from an earthquake or fire loss)

The Association will notify you as soon as reasonably practical if any of the Association's policies are cancelled and not immediately replaced or if there is a significant change in the coverage (reduction or the deductible). If a policy is issued to replace a policy and there is no lapse in coverage, the Association will notify you in its next annual mailing to members.

The attached summary of the association's policies of insurance provides only certain information as required by *Section 5300 of the Civil Code*, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, 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.

State law requires that community associations disclose to the individual homeowners the extent of liability coverage carried by the Association.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

07/22/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Prendiville Insurance Agency 24661 Del Prado, Suite 3 License #0740433 Dana Point CA 92629	CONTACT NAME:	
	PHONE (A/C, No. Ext): (949) 487-9696	FAX (A/C, No): (949) 487-9626
INSURED Park Imperial Community c/o Personalized Property Management Company 68-950 Adelina Road Cathedral City CA 92234	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Farmers Insurance Exchange	
	INSURER B: Truck Insurance Exchange	
	INSURER C:	
	INSURER D:	
INSURER E:		
INSURER F:		
NAIC #		

COVERAGES**CERTIFICATE NUMBER:** Cert ID 7500**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> *D&O is Claims Made <input checked="" type="checkbox"/> D&O Ded: \$1,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	60484-46-69	09/01/2019	09/01/2020	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 2,000,000 MED EXP (Any one person) \$ 75,000 PERSONAL & ADV INJURY \$ 5,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000 D&O Liability* \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	60484-46-69	09/01/2019	09/01/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000	Y	60512-95-00	09/01/2019	09/01/2020	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	A0932-44-95	09/01/2019	09/01/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Property (R/C)		60484-46-69	09/01/2019	09/01/2020	Property Deductible: \$5,000 \$ 11,012,300
A	Fidelity Bond	Y	60484-46-69	09/01/2019	09/01/2020	Fidelity Bond Deductible: \$500 \$ 100,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Personalized Property Management Company is Named as Additional Insured as Respects:
Auto Liability, CGL, D&O Liability, Fidelity Bond, and Umbrella Liability.

Interior Structures are Included, Excluding Floor/Ceiling/Wall Coverings. 51 Units, 11 Buildings.

150% Extended Replacement Cost. Wind & Hail Coverage Included.

Building Ordinance Coverage:

A)=Included, B(Demolition)=\$310,000; C(Increased Construction Costs)=\$619,900.

*CANCELLATION: 30 DAY NOTICE, EXCEPT 10 DAY NOTICE FOR NON-PAYMENT OF PREMIUM.

CERTIFICATE HOLDER**CANCELLATION**

Personalized Property Management Company 68-950 Adelina Road Cathedral City CA 92234	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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PARK IMPERIAL COMMUNITY ASSOCIATION
ASSESSMENT COLLECTION POLICY AND STANDARDS FOR PAYMENT PLANS

Effective: November 1, 2012

(Civil Code reference changes effective January 1, 2014)

(Updated: November 2016)

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 to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. The following are the Association's assessment collection practices and policies, and payment plan standards:

1. **Due Dates:** Regular assessments are due and payable on the first day of each month. It is the owner's responsibility to timely pay each assessment regardless of whether a statement is received. All other assessments, including special assessments, are due and payable on the date specified in the notice of assessment.
2. **Obligation to Pay:** Assessments, late charges, interest, reasonable collection costs, and reasonable attorneys' fees, if any, are the personal obligation of the owner of the subject property (the "Property") at the time the assessment or other sums are levied. Owners shall be responsible for all such amounts unless it is determined that all assessments were paid on time to the Association.
3. **Late Charges:** Unpaid assessments are delinquent 15 days after they are due. A late charge of \$10.00 or 10% will be charged for any assessment which is not paid in full within 15 days of the due date.
4. **Interest:** Interest on the balance due will accrue at the rate of 12% per annum commencing thirty (30) days after the assessment becomes due.
5. **Application of Payments:** Any payments received will be applied first to assessments owed, and, only after the assessments owed are paid in full will the payments be applied to fees and costs of collection, late charges and/or interest. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied. A late charge may accrue if payment is not sufficient to satisfy all delinquent assessments, and the current month's assessment.
6. **Delinquency Notice:** If any assessment becomes delinquent, the Association will send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address or addresses on file with the Association. The owner will be charged a fee for such delinquency notice. If the amount set forth in the delinquency notice is not received before the due date set forth therein, the matter may be turned over to a collection agent or an attorney for further action, including legal action, or the Association may take such other collection action as it deems appropriate.
7. **Right to Submit Secondary Address:** Owners may submit a written request to the Association to use a secondary address. Any such request must be mailed to the Association (at the address indicated below) in a manner that shall indicate that the Association has received it (e.g., via certified mail). CC §4040(b) The Association will send notices to the indicated secondary address only from and after the point that the Association receives any such request. Nothing herein shall require the Association to re-send or duplicate any notice sent to the owner prior to the date that a request for a secondary address is received.
8. **Suspension of Privileges:** Without prejudice to its right to continue with and/or take other collection action, in the event an assessment is not paid within 30 days of its due date, an owner's membership rights, including, but not limited to voting rights, or rights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to Corporations Code §7341. The Association will not deny an owner or occupant physical access to his or her separate interest by way of any such suspension of privileges.
9. **Pre-Lien Notice:** Prior to recording a lien for delinquent assessments, the Association, its collection agent or attorney will send a pre-lien letter to the record owner as required by CC §5660 (a)-(f), by certified and first class mail to the owner's address of record with the Association. The owner will be charged a fee for such pre-lien letter. The Association may obtain a vesting report from a title company in connection with preparation of a pre-lien letter. If a vesting report is obtained, the owner will be charged a fee for the report.
10. **Opportunity to Meet and Confer:** An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written request to meet and confer with a designated director of the Association pursuant to the Association's Internal Dispute Resolution Policy adopted pursuant to CC§ 5910.
11. **Right to Request a Payment Plan:** Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within 15 days of the postmark of the pre-lien notice, the board will meet with the owner, in executive session, within 45 days of the postmark of such request, unless there is no regularly-scheduled meeting of the board within that period of time, in which case the board may designate a committee of one or more directors to meet with the owner. In addition to the foregoing procedure for requesting a payment plan, an owner may negotiate a payment plan with the Association's managing agent, attorney or authorized collection agent. Any payment plan must comply with the Standards for Payment Plans set forth below.

12. Standards for Payment Plans: Payment plans will be considered on a case-by-case basis. Generally, no payment plan may exceed six (6) months in duration. Fees and/or costs may be charged for the administration of any payment plan, and may vary based upon the duration of the payment plan. Any request for a payment plan which exceeds six months in duration must be accompanied by a written explanation of the reason for the request, which includes documentation of the owner's special circumstances, financial hardship, and ability to make the payments requested. If a lien has not been recorded prior to the time that any payment plan is entered into, one may be recorded during the repayment period to secure the debt while the payment plan is pending. Payment plans must provide for full payment of the delinquent amounts, in addition to the amounts which will accrue during the repayment period, including any regular and/or special assessments, and any fees and/or costs related to the administration of the payment plan and/or for the recording and/or release of any lien. Once a payment plan is entered into, additional late charges will not accrue for so long as the owner complies with the terms of the payment plan. In the event of a default in any payment agreement, the Association will resume collection efforts from the time prior to entering into the payment plan.

13. Partial Payments. Owners may make partial payments without a written payment plan; provided, however, that any such partial payment shall:

- a. not stop any collection action;
- b. not invalidate any assessment lien already filed;
- c. not stop an already existing non-judicial foreclosure action;
- d. not obviate the obligation to pay all collection fees and costs inclusive of late charges, interest, management fees/bookkeeping fees, title charges, lien fees and costs, trustee's fees and / or attorney's fees; and
- e. further require (due to the additional bookkeeping and other administrative expenses incurred with a partial payment) that any Owner who submits a partial payment (without an approved payment plan) will incur an administrative expense for each partial payment tendered and received by, or on behalf of, the Association.

14. Lien: If an owner to whom a pre-lien letter is sent fails to pay the amounts demanded therein within thirty (30) days from the date such pre-lien letter is mailed, a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees may be recorded against the owner's Property. The owner will be charged a fee for such lien. No lien will be recorded unless a majority of the members of the board of directors approves the decision to record the lien at an open board meeting.

15. Notice of Recordation of Lien: A copy of the lien will be sent to every person whose name is shown as an owner of the Property in the Association's records, via certified mail, within ten (10) calendar days of recordation of the lien. Any lien recorded by the Association will remain as an encumbrance against the Property until the debt secured thereby is satisfied.

16. Dispute Resolution: Prior to initiating foreclosure of any lien, the association shall offer to the owner of the Property, and if so requested by the owner, shall participate in dispute resolution in accordance with the Association's Internal Dispute Resolution Policy, or in alternative dispute resolution with a neutral third party pursuant to CC §5935. The decision to pursue internal dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the Association intends to pursue judicial foreclosure.

17. Foreclosure of Lien: The Association will not seek to foreclose any lien through judicial or non-judicial foreclosure unless and until the amount of delinquent assessments secured thereby reaches \$1,800.00, or until the assessments are at least twelve (12) months delinquent. The decision to initiate foreclosure of any lien shall be made by a majority vote of the board members, in executive session.

18. Notice to Owner of Decision to Foreclose: If the board of directors decides to initiate foreclosure of a lien, it shall provide notice of such decision to the owner pursuant to Civil Code §5705(d). Such notice will be by personal service to an owner who occupies the Property or to the owner's legal representative. The board shall provide written notice to an owner of Property who does not occupy the Property by first-class mail, to the most current address shown on the books of the Association. In the absence of written notification by the owner to the Association, the address of the owner's Property shall be treated as the owner's mailing address.

19. Release of Lien Upon Satisfaction of Debt: Within 21 days of receipt of full payment to satisfy a lien, the Association will record a release of lien, and provide a copy thereof to the owner.

20. Right to Inspect Records: Owners have the right to inspect certain Association records pursuant to Corporations Code §8333 to verify the debt.

21. Payment Receipts/Overnight Payment Location. Owners can request a receipt from the Association which shall indicate the date of payment and the person who received it. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment). Overnight payment of assessments may be sent/delivered to the following address:

Personalized Property Management
68950 Adelina Road
Cathedral City, California 92234

22. Association's Right to Collect by Any Lawful Means: Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association. The Association reserves the right to change the amount of any collection fee or charge, without notice, and reserves the right to modify or amend this collection policy at any time.

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Extract from California Civil Code section 5730 Notice Regarding Assessments and Foreclosure

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) Chapter 8 of Part 5 Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)



At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

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

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

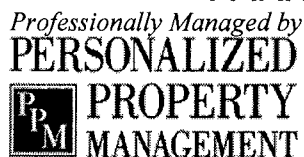
An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a 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 5665 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 5665 of the Civil Code)

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ALTERNATIVE DISPUTE RESOLUTION

Beginning January 1, 1994, California law provides that when the owner of a separate interest (a Homeowner) or the common interest development (CID)/association brings an action:

- a) solely for declaratory relief or injunction relief; or
- b) either of those in conjunction with a claim for monetary damages; (Other than Association Assessments, not to exceed \$5,000)
relating to the enforcement of the governing documents of the association, they shall endeavor to submit the matter to alternative dispute resolution (ADR).

What this means, in general, is that in those prescribed types of disputes, before filing a lawsuit, an attempt must be made to settle. This must be done in a semi technical manner. The method of beginning the attempt at ADR is to serve on the opposing party a Request for Resolution. With certain exceptions, the law requires a certificate be filed with any civil action, certifying compliance with the above stated requirements.

Please be advised that the statement above is intended to be only the broadest of interpretations and merely to advise that such a law exists. There are a number of other factors involved, including attorney's fees; arbitration or mediation costs; and the results of not conforming to this law (*Civil Code § 5925 through 5965*).

The California legislature has also provided that each year your Association must send out a summary of this law and that summary must specifically include the following excerpt of the law:

"Failure by any member of the association to comply with the pre-filing requirements of § 5930 of the *Civil Code* may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents".

As you can see, failure to comply with this law may prejudice your rights. We strongly urge each one of you to carefully read the statute and consult with an attorney prior to commencing any litigation regarding the enforcement of the governing documents.

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INTERNAL DISPUTE RESOLUTION PROCEDURE

The California Legislature has adopted new regulations codified in *Civil Code Sections 5900 through 5920*, which require Associations to adopt fair, reasonable and expeditious dispute resolution procedures, effective January 1, 2005. This is separate and apart from, and precedes, the formal ADR (Alternative Dispute Resolution) requirements set forth in *Civil Code Section 5925 through 5965*. The Association has adopted the following procedures as required under such law:

1. The Association or an Owner may invoke the procedures herein by submitting a request to the other to meet and confer in an effort to resolve any existing dispute. The request must be in writing.
2. An Owner may refuse a request to meet and confer made by the Association with the understanding that further enforcement action may be taken if the dispute is not resolved. The Association may not refuse a request by an Owner to meet and confer.
3. The Association's Board of Directors shall designate a Board member to meet and confer with an Owner.
4. The designated Board member and the Owner shall meet promptly at a mutually convenient time and place. The parties shall explain their positions to each other and attempt, in good faith to resolve the dispute.
5. Any resolution of the dispute agreed to by the parties shall be set forth in writing and signed by the Owner and the designated Board member on behalf of the Association.
6. An agreement reached under this procedure is binding on the Owner and the Association and is enforceable in court if both of the following conditions are met:
 - a. The agreement is not in conflict with law or the Association's governing documents.
 - b. The agreement is consistent with the authority granted by the Board of Directors to the designated Board member or is ratified by the Board.
7. Owners will not be charged a fee to participate in this process.

PARK IMPERIAL COMMUNITY ASSOCIATION, INC.

RULES AND REGULATIONS

I. ANIMAL CONTROL

- A. Animals are not allowed in pools, spas and/or surrounding pool areas.
- B. No dogs or cats are allowed unleashed in common area. They may be walked through leashed and accompanied by a responsible person.
- C. Pets are not allowed in common area for purposes of making their "constitutionals." In the event a pet has an "accident" owners are responsible for immediate clean-up of pet waste.
- D. Owners must control disturbances created by animals, such as barking dogs or vocalizing cats. Pets that continually cause disturbances may have to be removed. (Also a Palm Springs City ordinance.)
- E. Pet Limitations: No animal of any kind shall be raised, bred or kept in any unit, except that usual domestic dogs, cats, fish, and birds may be kept as household pets. No more than (2) two dogs or (2) two cats or (1) one dog and (1) one cat may be kept as a household pet.
- F. No animal shall be kept, bred or maintained (i) for any commercial purpose, (ii) in unreasonable numbers, or (iii) if there would be involved any odor, noise or other nuisance which would unreasonably disturb the use and enjoyment of any portion of the project by other Owners.
- G. Animal owners must comply with all sanitary practices described herein and control their animals so as not to destroy, ruin or otherwise damage the lawn, planted areas, trees or other property.
- H. Dangerous Animals: No animal may be kept which the Board has determined to be dangerous by any governmental agency or personal homeowner policy. The following dog breeds are prohibited: Pit Bulls, Pit Bull Mix of any sort, Staffordshire-Terrier, Rottweiler, German Shepherd, Husky, Malamute, Doberman Pinscher, Chow Chow, Great Dane, St. Bernard, or Wolf mix. Visiting animals are subject to these same restrictions. The Board reserves the right to have these animals be removed by any means possible.

II. BUSINESS

- A. No professional, commercial or industrial operations of any kind shall be conducted in or upon the common areas, or in private homes where it would create foot or vehicle traffic.

III. PATIOS AND RESIDENCES

- A. An Architectural Application must be completed and approved prior to execution of any exterior alterations or improvements. This includes any type of lighting, awnings, gutters, doors, sky lights, "misters", etc. Holiday lights and or decorations may go up after Thanksgiving must be removed by January 10th.
- B. No landscaping in common areas shall be undertaken by an owner without prior approval of the Architectural Committee. Plantings in the common areas are owned by the HOA and can be removed and transplanted in areas where needed.
- C. Tampering with or adjusting sprinkler heads or timing devices in the common area is strictly prohibited.

- D. Towels, laundry or similar items must not be hung or placed on walls, gates, fences, or patios where they are visible from common area.
- E. Antennas, wiring, machines or air conditioners are not permitted on the exterior of a unit except as authorized by the Architectural Committee or the Board of Directors or within legal limits. Any owner who wants to install a satellite dish in or on their exclusive use common area must still notify the Architectural Committee of their intention. No satellite dishes or cameras may be installed on any roofing component without prior written approval.
- F. Patios are to be kept in a clean and neat condition, free of storage accumulations and only patio type furniture is allowed such as chairs tables, Bar-B-Q's, bicycles, and plants. More flexibility is allowed on patios with solid (not see-through gates). Anything kept on patios cannot be visible over the privacy wall. No plants or decorations are permitted on top of privacy walls.
- G. Landscaped portion of patios visible to the common area shall be kept in good condition at the sole expense of the condo owner, including trimming of trees/hedges. Trees shall be trimmed to be kept off roofs/beams and maintained in healthy condition. Hedge height shall be maintained no higher than the top of the beams throughout exterior patio areas.
- H. Any outside repairs or construction is limited to Monday through Friday, 8:00am to 5:00pm so that residents may have the quiet enjoyment of their homes. Summer Hours (June-September) will change due to the heat and be limited to Monday through Friday, 7:00 to 5:00 PM. Any outside repairs or construction on Federal/State holidays is not permitted. Only by prior approval from the board can any outside repairs or construction be done on Saturday or Federal/State holidays or any hours different from the normal hours allowed. Any person not adhering to the permitted hours of construction as defined above, and being informed orally or in writing that such work has caused noise or sounds which disturb any other person's peace and quiet, shall immediately cease such work and shall thereafter perform such work only within the times permitted.
- I. No aluminum foil or anything other than proper window treatment is allowed on inside of windows at any time. Bottles and other household items should not be visible from the common area.
- J. No bicycling, skateboarding, roller blading, ball throwing or ball games are permissible in common area.
- K. Items stored in any of the community locked sheds are stored at the homeowner's risk. The HOA has no liability for items that are damaged or stolen. **STORE AT YOUR OWN RISK.** The shed will be cleaned out periodically. Homeowners will be given advanced notice to remove or clean out their personal items that they no longer have use for.

IV. POOLS AND SPAS

- A. There is no lifeguard on duty: Swim at your own risk. There is absolutely no diving.
- B. Pool and spa hours are 8:00am to 11:00pm.
- C. Children under 14 are not permitted in the pool or pool area unless accompanied by an adult resident.
- D. Board of Directors approval is required for more than (4) guests per unit.
- E. Horseplay, boisterous, obnoxious and dangerous behavior is forbidden in pool and spa areas at all times.

- F. Additives of any kind (bubble bath, soaps, etc.) into the pools or spa are forbidden.
- G. When using suntan lotion, place a towel over furniture before sitting.
- H. Gates to pool and spa must be kept closed/latched at all times.
- I. No glass containers or breakable items permitted in pool and spa areas.
- J. Suntan oils and lotions MUST be removed from body before entering pools and spa. A shower is provided in each area.
- K. Swimming attire must be worn in pools and spa. Nudity is NOT permitted in pool, spa or common areas at any time.
- L. Radios, CD's, tapes and the like must be played at a level for individual listening (earphones are recommended) so as not to disturb other bathers or nearby residents.
- M. Furniture may not be reserved and must not be removed from pool area for private use.
- N. Pool/spa equipment and control must not be tampered with. Report any operational problems to the management company.
- O. Pets are not allowed in the pool/spa at any time.
- P. Bicycling, skateboarding, roller skating, or roller blading is prohibited around pool area decking.
- Q. Debris and trash must be disposed of in provided receptacles.
- R. Towels, swimsuits or laundry may not be hung in any area visible to others.
- S. Dish antennas are allowed but require approval by an Architectural Request prior to installation.
- T. Smoking is not allowed in Park Imperial North pool areas.

V. SIGNS

- A. No commercial signs, banners, or advertising devices shall be displayed in public view without prior written consent of the Board. One "for sale" or "for rent" sign may be permitted. Large security signs may not be posted on exterior gates.
- B. One "open house" sign is permitted in front of a unit for sale and one additional sign if home is an enclosed unit. Not to exceed 18" x 24".

VI. TRASH DISPOSAL

- A. Normal trash pick-up is Monday and Thursday. Trash must be placed in proper trash containers. Boxes must be broken down and placed in trash container because disposal company will not pick up items left outside of containers. Homeowner is responsible for cleanup of strewn garbage from torn or broken plastic bags.
- B. Trash bins must be kept on enclosed patios out of public view between pick-up days. On patios, containers must be out of view of common area. All trash containers must have lids.

VII. VEHICLES

- A. Except as permitted by the Board, no vehicles other than passenger automobiles and other vehicles customarily used for means of general transportation shall be parked in the parking areas. You must have written Board approval for temporary parking of boats, trailers or other recreational vehicles.
- B. No vehicle may be repaired in the parking area other than a flat tire or battery recharge. Vehicles must be currently licensed and in operating order.
- C. Any staining spill (i.e. gas, coolant, oil etc) from any vehicle will not be permitted. Homeowners are responsible for the clean-up of all staining spills in their assigned

- parking spaces as well as in guest parking caused by them or their guests. The vehicle causing the spill must be parked off the property until it has been repaired.
- D. Guest parking spaces are restricted-use spaces for actual “guests” of Park Imperial North residents only. Owners and tenants are prohibited from parking in guest spaces and are subject to the PICA Non-compliance Assessment Schedule per Board approval.
 - E. Illegally parked vehicles will be towed away at owners’ expense.
 - F. Parking of unused, unregistered or non-operational vehicles is prohibited. Any such vehicle parked on the premises is subject to immediate fines and/or towing.
 - G. Vehicle Owner Registry - The Association (PICA) vehicle registration system allows the Association to match actual vehicles (plates) with residents in case of emergency notification. This also serves to ID non-residents in parking spaces.

VIII- Rentals:

- A. As specified in the C.C. & R’s (page 16), all rental agreements must be minimum of thirty (30) days. No transient rentals for fewer than thirty days are permitted.
- B. Any owner or owner’s agent who rents a unit shall promptly notify the management company in writing of the name and address of the tenant and furnish a written copy of the lease or rental agreement.

IX-GATES:

- A. The exterior and pool gates must be kept closed/latched and/or locked at all times. For everyone’s safety, never leave a gate propped open.
- B. Do not remove or leave unlocked (for an extended period of time) the padlock on the exterior double gate. The double gate is padlocked for the safety of all residents on the premises.
- C. Exterior gates have been programmed with an access code and manual key locks. Each homeowner/tenant will be issued the access code and two keys for manual locks.
- D. The access code maybe updated periodically or as needed for security reasons. When the access code is changed, each owner/tenant will be notified of the new code in their monthly statement 30 days out.

Revised: Revision 9-15-2019

Park Imperial Community

Board of Directors

PARK IMPERIAL COMMUNITY ASSOCIATION
68-950 Adelina Road, Cathedral City, CA 92234
ARCHITECTURAL VARIANCE REQUEST

UNIT ADDRESS: _____ UNIT NUMBER: _____

HOMEOWNER: _____ DATE: _____

MAIL ADDRESS: _____ PHONE: _____

PROPOSED
CHANGE: _____

You are hereby advised that the above-described work is proposed for the above-described unit and approval thereof is requested.

Attached are _____ sets of drawings of the work to be done and a complete description of the materials to be used.

I/We understand that building permits for home improvements are required by the City of Palm Springs, and the cost of the permits, the responsibility for obtaining the permits and subsequent inspections will be borne by the applicant.

I/We acknowledge that all approved changes in the original design will be at our expense, that any damage to or relocation of existing sprinkler systems, underground utilities, building structure, exterior landscaping or any other damage resulting from implementation of these permitted improvements will be at the applicants expense.

The work will require _____ days from start to completion.

I/We understand and agree that it is the applicant's responsibility to advise any subsequent owner of the modifications and any subsequent maintenance responsibility.

Signature(s) of all owners: _____ Date: _____

_____ Date: _____

_____ Date: _____

The above request has been reviewed by the Architectural Committee on _____ and has been:

APPROVED () REJECTED () PENDING FURTHER INFORMATION ()

COMMENTS: _____

Approved by _____ Date: _____ (Permit Expires) _____
(Architectural Comm. Chairman)

Completed work inspected by: _____ Date: _____
(Architectural Committee)

**CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY
CIVIL CODE §4530* and § 4525***

Document Civil Code Section Included	Civil Code Section	Fee For Document	**Included	Not Available / Not Applicable/ Directly Provided by Seller & confirmed in writing
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	10.00	✓	
CC&Rs	Section 4525(a)(1)	55.00	✓	
Bylaws	Section 4525(a)(1)	30.00	✓	
Operating Rules / Architectural Guidelines	Section 4525(a)(1)	20.00	✓	
Age restrictions, if any	Section 4525(a)(2)			✓
Rental Restrictions, if any	Section 4525(a)(9)			*Reference Governing Doc's
Annual Budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	25.00	✓	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	20.00	✓	
Financial statement review	Sections 5305 and 4525 (a)(3)	15.00	✓	
Assessment enforcement policy (Collection Policy)	Sections 5310 and 4525(a)(4)	15.00	✓	
Insurance summary	Sections 5300 and 4525(a)(3)	5.00	✓	
Regular assessment	Sections 4525(a)(4)		✓	
Special assessment	Sections 4525(a)(4)			✓
Emergency assessment	Sections 4525(a)(4)			✓
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)			✓
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)			✓
Settlement notice regarding common area defects	Sections 4525a)(6), (7) and 6100			✓
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100			✓
Notice(s) of violation	Sections 5855 and 4525(a)(5)			✓
Required statement of fees (Demand)	Section 4525	130.00		
Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested.	Section 4525(a)(10)	50.00		
**Total fees for these documents (also listed in the statement provided via Condocerts)		<u>\$375.00</u>		
Demand 1 day Rush Fee		\$250		
Demand 4 day Rush Fee		\$125		

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.