

Cowell Homeowners Association, Inc.

IMPORTANT 2021 BUDGET DOCUMENTS

Please note that effective January 1, 2021, your regular assessment payment amount has changed.

Your new assessment is \$103.00 per unit per month effective January 1, 2021.

Your attention is required as follows:

Action Required:

- If you mail your payment or pay via your own bank's bill pay system, you will need to update the amount paid.
- If you set up recurring payments via the Union Bank website, you must log into your account at Union Bank and update your payment amount. Please see the "How to Pay My Assessment" document in this packet for more details.
- If you set up a recurring payment via credit card, you will need to log into your account at Pay Lease to make the change. Please see the "How to Pay My Assessment" document in this packet for more details.

No Action Required:

- If you set up automatic payments (ACH) with Common Interest, you do not need to take any action as your automatic payment will be updated for you.

For questions, please contact accounting@commoninterest.com.

IMPORTANT NOTICE

ASSESSMENT INCREASE FOR 2021

Dear Homeowners,

Over the last few months, your Board of Directors has been working with the Association's management company and General Manager to create and finalize the upcoming 2021 budget, which will go into effect starting January 1, 2021. The HOA budget establishes how much is collected monthly in assessments from every homeowner. That amount is determined by the services that the Association provides and the costs for maintaining our common area and facilities. This process culminated in a four-hour open meeting on September 3rd, where the Board reviewed and discussed each and every line item of the draft budget and then received feedback from homeowners in attendance. The purpose of that meeting was to work through the budget line by line in front of any interested homeowner, and to help demonstrate the Association's true financial position as well as the impact of services provided by the Association related to your monthly assessments. Contracts, historical expenses, and potential future expenses were all considered when creating this 2021 budget.

This document provides a summary of the process for homeowners who were not in attendance at the September 3rd meeting, and includes a detailed look at some of the most relevant budget areas of focus, including a brief breakdown of some items that appear to have been historically under budgeted, a list of previous monthly assessments by year, information regarding the current operating bank account balance, as well as a summary of both national and local fiscal trends that should be taken into consideration when approving a budget.

SUMMARY

The Board's first step of the budget process was to study the Association's past budgets over the last seven years, and to then compare those budgets to what was actually spent over the course of the year. We found that the Association's spending had exceeded overall budgeted amounts for the years 2014, 2016, 2018, and 2019. In 2015 and 2017, spending was under the budgeted amount for the year. Budgets are educated guesses at best, and it is common for expenditures to arise that were not initially planned for. This kind of financial discrepancy is normal and not meant as an indictment to prior Boards who approved those budgets. And, because our Association's operating bank account balance has historically been healthy, it has been possible to keep monthly assessments flat and not raise them due to budget shortfalls for many years.

However, we can no longer continue to rely on an excess balance in our operating account to make up this difference, should spending continue to exceed the budgeted amounts. Since the summer of 2019, our operating bank account balance has diminished. Additionally, overall costs continue to go up – vendors frequently raise their prices annually to keep up with increased costs of doing business, our reserve funding plan calls for a 5% annual increase, utility prices continue to rise – the list goes on and on. We also targeted several specific expenses that seemed to consistently come in over budget, such as water and gas (which together make up more than \$15 of your monthly assessment), and determined to make sizable increases to these categories so that they better match the Association's actual spending over the course of the year.

COWELL HOMEOWNERS ASSOCIATION, INC.

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After a thorough review of the Association's expenses and income in an Open Meeting on September 3rd, the Board of Directors determined that an assessment increase is necessary for the 2021 fiscal year. Effective January 1, 2021, assessments will increase to:

\$103.00 per month

The following pages go into more detail regarding the facts and data that led to the Board's decision to increase assessments for the 2021 fiscal year.

BUDGET UPDATES

A number of factors led to the increase:

- A thorough review identified several budget line items where we were under budget. Some examples are our water bill, where we were budgeting \$90,000 per year but spending approximately \$130,000 per year. Smaller budget corrections also had to be made to areas like trash and garbage and irrigation repairs. By themselves, these above items account for an increase of \$67.51 per homeowner per year, or \$5.63 per homeowner per month, and make up a majority of the assessment increase.
- Historically, our Association has budgeted for revenue we anticipated earning during the next fiscal year. That projected revenue came from things like Clubhouse Rental Income, Signal Advertising Income, Tennis Pro Income, and Violation Fines. This type of revenue is highly variable and typically it is not common practice for HOAs to include this income as a budgeted line item since, even though the income might be expected, it is in no way a guarantee. This current fiscal year, 2020, is an example of why it is best to not count on this income, as the Association's revenue from these sources was significantly reduced. We did not include these projected earnings in the 2021 budget, as we cannot reasonably anticipate when the Association's revenue in these areas will resume and return to normal. While this change does impact the monthly assessments, we believe not including most of this variable income in the budget is the correct decision as it gives the Board and all homeowners a more accurate picture of the Association's finances.
- Increases to our reserve funding are necessary. We are projecting annual increases of 5% to reserve funding over the next decade based on reserve funding requirements per the most recent 2021 Reserve Study. Adequate reserve funding is critical to ensure money is available in the future to update and repair our facilities and equipment when the work is needed, instead of increasing assessments each time a repair or replacement comes due. For reference, below is a list of our annual reserve funding amounts since 2015:

- | | |
|--------------------------|--------------------------|
| ○ 2015: \$295,332 | ○ 2018: \$302,946 |
| ○ 2016: \$284,189 | ○ 2019: \$310,520 |
| ○ 2017: \$295,297 | ○ 2020: \$321,388 |
| | ○ 2021: \$337,457 |

As we have done in 2020, we are continuing our process of reviewing vendor relationships and their associated costs to determine if there are any potential cost savings that can be realized.

COWELL HOMEOWNERS ASSOCIATION, INC.

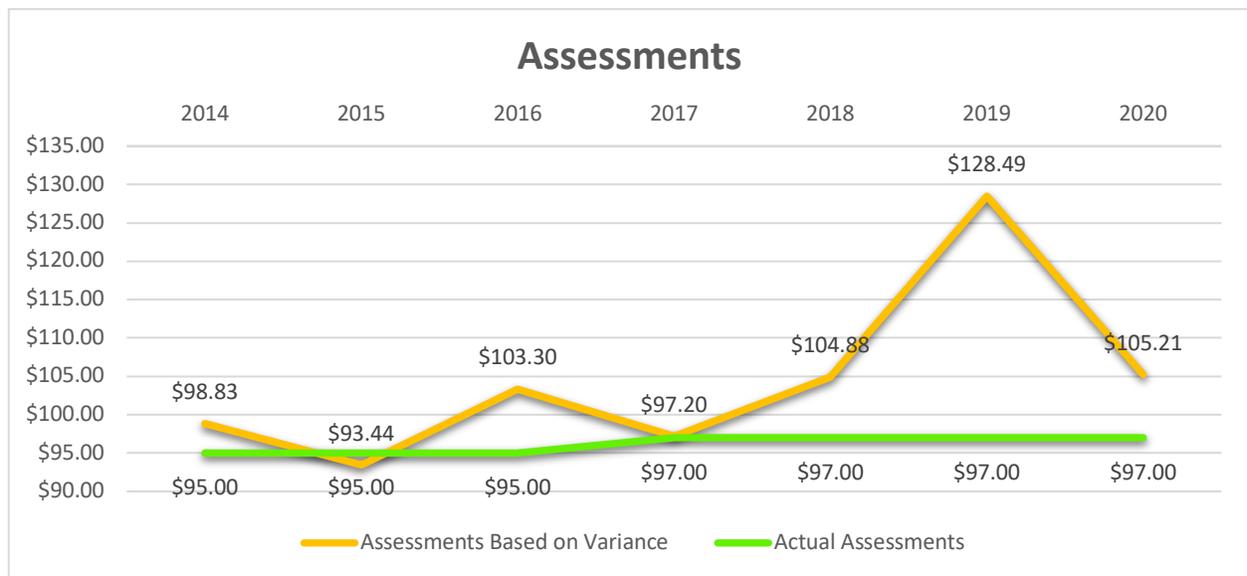
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HISTORICAL ASSESSMENTS

Our last assessment increase was back in 2017 – four years ago. At that time, the increase was only 2%. Below is a historical list of monthly assessment amounts over the last decade:

- 2010: \$95/mo
- 2011: \$95/mo
- 2012: \$95/mo
- 2013: \$95/mo
- 2014: \$95/mo
- 2015: \$95/mo
- 2016: \$95/mo
- 2017: \$97/mo
- 2018: \$97/mo
- 2019: \$97/mo
- 2020: \$97/mo

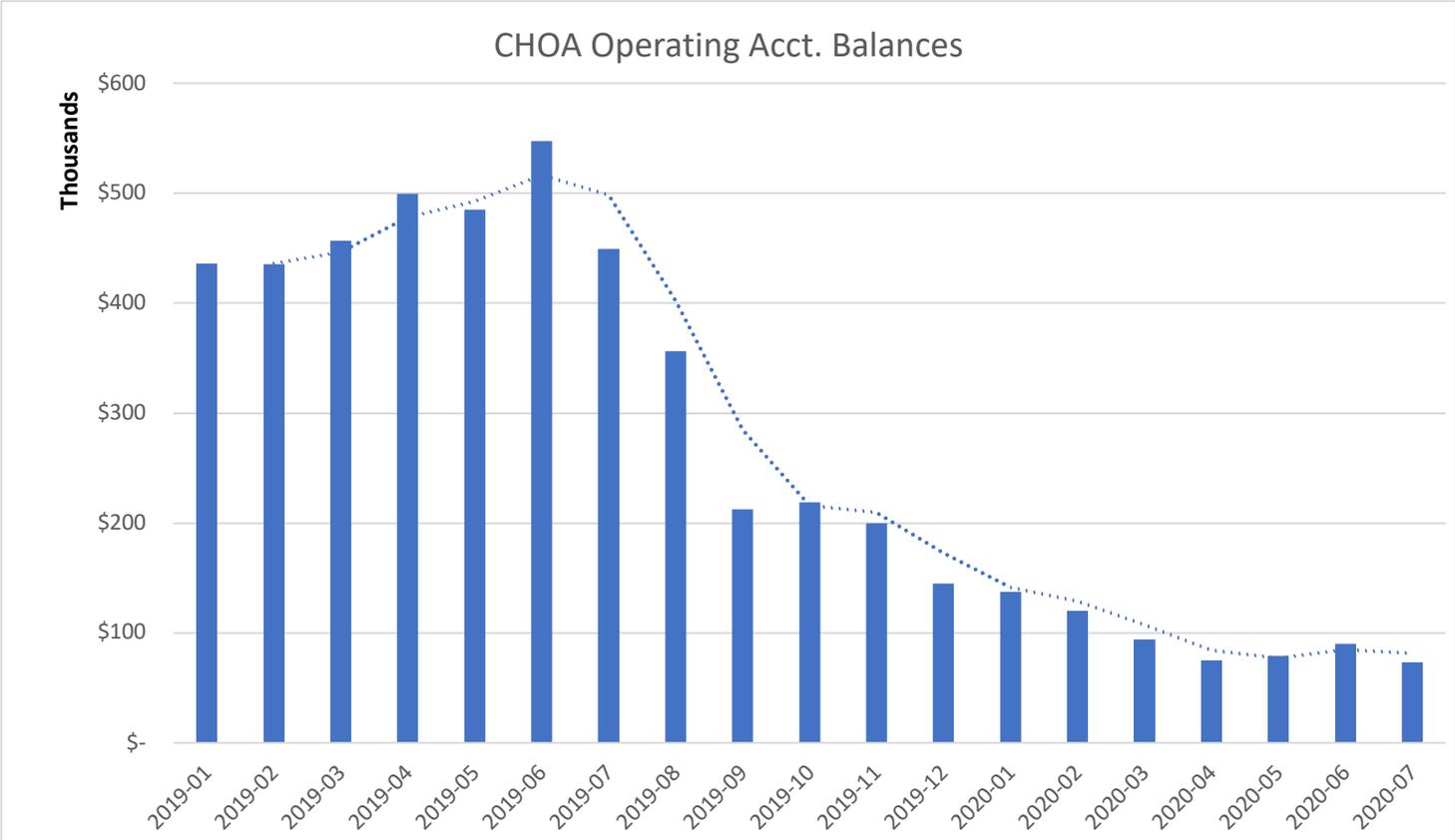
We have also provided a graph below that details the difference between the money collected from assessments and actual expenditures for a given year. The green line represents actual assessments charged; the orange line represents an ideal assessment amount using the actual operating expenses for that year.



Going as far back as 2014, you can see that we have only been “on target” twice (meaning the Association did not spend more money than it collected from assessments), in 2015 and 2017. In 2019, there was a substantial discrepancy between what was budgeted and what was spent. This was largely due to legal expenses, as approximately \$250,000 was spent for the year in this area. The Association is still trying to recoup some of this cost through insurance claims. This expenditure greatly affected our operating account balance.

OPERATING ACCOUNT BALANCE

An additional concern is with our operating account balances. As shown in the graph below, our operating funds have diminished going back to 2019 and continue to do so:



As illustrated above, the account balance dropped significantly during the Summer of 2019 largely due to legal costs associated with litigation. At the time of this writing, we are still awaiting reimbursement for Legal costs from the CHOA’s insurance provider. The amount of legal fees that will be covered by our insurance provider has not yet been finalized.

Now that the operating account balance has stabilized following the 2019 legal expenses, we continue to see a reduction in our operating bank account balance of roughly 8% monthly. This is due to several independent factors, like COVID and the resulting decrease in revenue from items like Clubhouse Rentals, increased expenses such as Pool Monitors, continuously rising costs for expenses like utilities and vendor contracts, and items in the 2020 annual budget that appeared to be significantly underfunded. This, together with the graph in the “Historical Assessments” section above, hopefully illustrates the Board’s opinion that an assessment increase is necessary at this time.

STATISTICAL DATA & TRENDS

A homeowner who works for the Labor Department's Bureau of Labor Statistics was gracious enough to provide some statistical data in relation to the Consumer Price Index increases over the last decade.

"First, there is the Consumer Price Index (CPI). The CPI measures price level changes in goods and services purchased by consumers. This includes such things as food, housing, transportation, apparel, education, communication, medical care and utilities. The U.S. CPI, which measures price level changes in the nation, increased by 18.89% since July 2010 and 8.69% since July 2015. The San Francisco-Hayward-Oakland CPI, which measures price level changes in the San Francisco metropolitan area has increased 31.5% since June 2010 and 16.7% since June 2015, I have included the CPI data for you review as it would represent purchases made by CHOA for CHOA events and chlorine for the pools."

"Second, there is the Employment Cost Index (ECI). The ECI measures the change in labor costs. This includes both wages and benefits. The U.S. ECI has increased 25.9% since the first quarter of 2010 and 13.5% since the first quarter of 2015. I have included the ECI data for you as it would represent changes in wages for the landscapers and business office manager paid for by CHOA."

As outlined above, our assessments have not kept pace with the CPI. Although inflation has been low and is projected to be low for the next few years, costs in our area have increased.

Lastly, interest income is projected to remain at historically low levels. We are currently observing levels fluctuating between 0.05% and (a highly coveted) 0.15% in special savings accounts that we have secured. HOAs can only use government backed, fully insured investments, namely Bank Certificates of Deposit.

CONCLUSION

For all of these reasons, it is necessary that we increase our monthly assessments to ensure financial stability over the coming year. The long-term financial well-being of the Association is a top priority, and the Board believes that this assessment increase to \$103.00/month is in the best interest of the community.

Sincerely,
Cowell Homeowners Association, Inc. Board of Directors

COWELL HOMEOWNERS ASSOCIATION, INC.

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November 2nd, 2020

RE: 2021 Annual Budget Report and Annual Policy Statement

Dear Homeowner(s):

Each year the Board of Directors is required by law to prepare and distribute an Annual Budget Report and Annual Policy Statement for the upcoming year. A copy of these documents and other pertinent information for the 2021 fiscal year are enclosed for your review.

The Annual Budget Report includes a pro-forma operating budget which shows an estimate of revenues and expenses for the upcoming year. Based on this budget, assessments for individual property owners may be subject to change.

The monthly assessment for 2021 will increase to \$103.00 per unit effective January 1, 2021. A write-up going into more detail regarding this year's assessment increase has been included in this packet for your review. If you have any questions regarding why your assessments are going up, we strongly recommend you read this write-up first before contacting management, as we believe it includes helpful information explaining the need for an increase this year.

The Annual Budget Report also includes the following items: Reserve Study (including a summary of current reserves, a funding plan for future reserve contributions and procedures used to calculate reserve requirements); Budget Disclosures (including statements regarding deferral of major component repairs, anticipated special assessments or outstanding loans, if any); Insurance Summary; and Assessment and Reserve Funding Disclosure Summary.

The Annual Policy Statement contains important information pertaining to the Association, including General Information (management company contact information, how members may receive notices and meeting minutes, etc.), Notice of Assessments and Foreclosure, Assessment Collection Policy, Member Discipline and Fine Policy, Dispute Resolution Procedures, Architectural Guidelines, How to Pay Assessments and/or other documents the Board has determined to be appropriate for inclusion.

Any questions about the enclosed documents should be directed to your General Manager, Bill Mazza, at 925-687-9961 or via email at businessoffice@walnutcountry.com.

Best Regards,

Bill Mazza
Cowell Homeowners Association, Inc. General Manager
On Behalf of the Board of Directors

COWELL HOMEOWNERS ASSOCIATION, INC.
2021 Annual Operating Budget
Approved by the Board of Directors on September 3, 2020

OPERATING INCOME	GL Code	2021 ANNUAL	2021 MONTHLY	Per Unit Per Month
ASSESSMENT REVENUE	41100	1,312,632.00	109,386.00	103.00
PRESCHOOL RENT	41165	20,000.00	1,666.67	1.57
WCST MAIN POOL RENT	41169	2,000.00	166.67	0.16
OTHER REVENUE	49000	3,900.00	325.00	0.31
TOTAL REVENUE		1,338,532.00	111,544.33	105.03
OPERATING EXPENSES				
UTILITIES				
GAS & ELECTRIC	54125	65,000.00	5,416.67	5.10
TRASH-DISPOSAL & GARBAGE	54175	8,700.00	725.00	0.68
WATER	54200	135,000.00	11,250.00	10.59
TELEPHONE	54150	5,000.00	416.67	0.39
INTERNET & TV	54252	3,100.00	258.33	0.24
TOTAL UTILITIES		216,800.00	18,066.67	17.01
REPAIRS & MAINTENANCE				
LANDSCAPING CONTRACT	52225	131,000.00	10,916.67	10.28
IRRIGATION REPAIRS	52175	20,000.00	1,666.67	1.57
PLANT INSTALLATION/REPLACEMENT	52200	5,000.00	416.67	0.39
WEED ABATEMENT	52277	4,000.00	333.33	0.31
TREE MAINTENANCE	52275	550.00	45.83	0.04
DOG PARK MTNC/SUPPLIES	52278	2,500.00	208.33	0.20
PEST CONTROL	53420	10,000.00	833.33	0.78
COMMON AREA MAINTENANCE/LIGHTING	53269	10,000.00	833.33	0.78
PLAYGROUND MAINTENANCE	53268	1,500.00	125.00	0.12
GATE/FENCE MAINTENANCE	52241	1,000.00	83.33	0.08
TENNIS COURT MAINTENANCE	53267	7,000.00	583.33	0.55
TENNIS COURT SUPPLIES	52285	1,000.00	83.33	0.08
POOL MAINTENANCE CONTRACT	51150	27,000.00	2,250.00	2.12
POOL CHEMICALS/SUPPLIES	51200	20,000.00	1,666.67	1.57
POOL REPAIRS	51201	1,000.00	83.33	0.08
GYM EQUIPMENT MAINTENANCE	51210	850.00	70.83	0.07
CARPET CLEANING	53110	1,000.00	83.33	0.08
HVAC SERVICE CONTRACT	53321	3,475.00	289.58	0.27
HVAC REPAIRS	53320	3,000.00	250.00	0.24
FIRE SYSTEM MAINTENANCE/INSPECTIONS	53238	2,500.00	208.33	0.20
ALARM SYSTEM MONITORING/MTNC	53100	6,000.00	500.00	0.47
JANITORIAL CONTRACT	53330	4,800.00	400.00	0.38
MISCELLANEOUS REPAIRS	53277	3,500.00	291.67	0.27
JANITORIAL SUPPLIES	53340	3,000.00	250.00	0.24
MAINTENANCE SUPPLIES	53280	2,000.00	166.67	0.16
CLUBHOUSE GAME ROOM REPAIRS/SUPPLIES	51208	200.00	16.67	0.02
LOCKS/KEYS	53370	1,500.00	125.00	0.12
PLUMBING REPAIRS	53440	1,000.00	83.33	0.08
ROOF MAINTENANCE	53451	1,000.00	83.33	0.08
SECURITY CONTRACT	53460	23,000.00	1,916.67	1.80
SIGNS	53480	500.00	41.67	0.04
LICENSE & INSPECTION FEES	51100	2,500.00	208.33	0.20
TOTAL REPAIRS & MAINTENANCE		301,375.00	25,114.58	23.65

ADMINISTRATIVE

MANAGEMENT & ACCOUNTING SERVICES	50450	210,000.00	17,500.00	16.48
MANAGEMENT/ADMINISTRATIVE EXTRAS	50475	2,000.00	166.67	0.16
POSTAGE, PRINTING, & MAILINGS	50600	15,000.00	1,250.00	1.18
COMMON AREA/LIABILITY INSURANCE	50275	54,000.00	4,500.00	4.24
WORKERS' COMP INSURANCE	50273	4,680.00	390.00	0.37
LEGAL FEES	50425	10,000.00	833.33	0.78
LEGAL FEES - COLLECTIONS	50607	2,000.00	166.67	0.16
TAX PREP/ANNUAL TAX REVIEW	50426	3,520.00	293.33	0.28
RESERVE STUDY	50650	2,750.00	229.17	0.22
OFFICE SUPPLIES - ON-SITE	50603	3,000.00	250.00	0.24
PRINTER/INK - ON-SITE	50455	1,500.00	125.00	0.12
COMPUTER MAINTENANCE - ON-SITE	50440	500.00	41.67	0.04
HOA WEBSITE/HOSTING/EMAIL	50725	1,250.00	104.17	0.10
SOFTWARE/WEB SERVICES	50726	5,000.00	416.67	0.39
PERSONNEL ADVERTISING	50604	200.00	16.67	0.02
SIGNAL EXPENSES	50608	8,000.00	666.67	0.63
CLUBHOUSE SUPPLIES	50609	500.00	41.67	0.04
TAXES - FEDERAL	50903	4,000.00	333.33	0.31
TAXES - STATE	50904	2,500.00	208.33	0.20
BAD DEBT EXPENSE	50160	2,000.00	166.67	0.16

TOTAL ADMINISTRATIVE		332,400.00	27,700.00	26.08
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MISCELLANEOUS

LIFEGUARDS/POOL EMPLOYEE PAYROLL	55216	25,000.00	2,083.33	1.96
RECREATION EMPLOYEE PAYROLL	55224	75,000.00	6,250.00	5.89
MAINTENANCE/JANITORIAL PAYROLL	55223	21,000.00	1,750.00	1.65
ASSOCIATION ACTIVITIES & EVENTS	51215	15,000.00	1,250.00	1.18
EMPLOYEE TRAINING	51207	500.00	41.67	0.04
EMPLOYEE SUPPLIES	51209	500.00	41.67	0.04
PAYROLL PROCESSING FEES	55218	5,500.00	458.33	0.43
PAYROLL TAXES	55225	8,000.00	666.67	0.63

TOTAL MISCELLANEOUS		150,500.00	12,541.67	11.81
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TOTAL OPERATING EXPENSES		1,001,075.00	83,422.92	78.55
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RESERVE CONTRIBUTION

RESERVE TRANSFER	49010	337,457.00	28,121.42	26.48
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TOTAL RESERVE CONTRIBUTIONS		337,457.00	28,121.42	26.48
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TOTAL EXPENSES		1,338,532.00	111,544.33	105.03
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Cowell Homeowners Association, Inc.

2021 Annual Budget Report and Policy Statement

Important Information – Please Read

Association Information

The Cowell Homeowners Association, Inc. (“Association”) is a nonprofit mutual benefit corporation formed to operate and manage the Association’s affairs.

The Association consists of 1,062 separate interests plus common areas. It is governed by a volunteer Board of Directors elected by the membership. The fiscal year commences January 1 and ends on December 31 of each year.

Management Company Information

The Association, through the Board, has engaged a professional management company to assist in carrying out its legal responsibilities. Our management company is Common Interest Management Services located at 315 Diablo Rd, Suite 221 in Danville, CA. Our General Manger is Bill Mazza, and he can be reached at 925-687-9961 or by e-mail at businessoffice@walnutcountry.com. Office hours are Monday through Friday, 9 AM to 5 PM.

Pro-forma Operating Budget

Each fiscal year, the Association is required to prepare a pro-forma operating budget showing the estimated revenue and expenses on an accrual basis for the upcoming year. This budget is used to determine the per unit assessments that are collected from each property owner. The Board of Directors has reviewed and approved this budget, and has determined that the monthly assessment for 2021 will increase to \$103.00 per unit.

Reserve Study Summary

The Annual Budget Report includes a Reserve Study that was prepared by an independent professional organization which the Board believes is reasonably competent. A full study (with site inspection) is prepared every three years, reviewed and adopted by the Board of Directors, and updated annually as needed. The Study includes the current estimated cost, estimated remaining life and estimated useful life of major common area components; the current estimate of the total annual reserve contribution necessary to repair, replace, restore or maintain these components; and the current amount of reserves actually set aside for this purpose. The Study also shows the percentage difference between the estimated cost to repair,

replace, restore or maintain major components and the actual amount of reserves set aside, as well as the current deficiency (if any) in reserve funding expressed on a per unit basis.

Reserve Funding Plan

The Reserve Study includes a Reserve Funding Plan adopted by the Board of Directors that indicates how the Association plans to fund the contributions necessary for the repair and replacement of all major common area components with an expected remaining life of 30 years or less.

Procedures for Calculating Reserves

The Reserve Study includes a statement of the procedures used for the calculation and establishment of the reserves needed to pay for the future repair and replacement of those components that the Association is obligated to maintain. Calculation of the amount of reserves needed to be accumulated for a component at a given time is based on the current cost of the replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

Assessment and Reserve Funding Disclosure Summary

The Annual Budget Report includes a copy of the current Assessment and Reserve Funding Disclosure Summary as completed by the Reserve Study preparer pursuant to Civil Code Section 5570.

Deferral of Component Repairs

If the Board of Directors decides to defer or not undertake the repair or replacement of any major common area component with an expected remaining life of 30 years or less, the Board must disclose the justification for such a decision. As of the date of this report, the Board has not made any formal decisions to defer or not undertake the repair or replacement of any major common area components.

Special Assessments

If the Board of Directors has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, restore or maintain major common area components or to provide adequate reserves to fund such items, the Association

must distribute a statement including the estimated amount, commencement date and duration of the special assessment. As of the date of this report, the Board does not anticipate that a special assessment will be required.

Outstanding Loans

If the Association has any outstanding loans with an original term of more than one year, the Association must distribute a statement including the payee, interest rate, amount outstanding, annual payment and when the loan is scheduled to be retired. As of the date of this report, there are no outstanding loans for this Association.

Insurance Disclosure Summary

The Annual Budget Report includes a current Insurance Disclosure Summary of the Association's property, general liability and fidelity insurance (and/or earthquake, flood or workers' compensation insurance if applicable). This Disclosure Summary includes the name of the insurer, the type of insurance, the policy limit and the amount of the deductible.

This 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 or real property improvements to 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 brokers or agent for appropriate additional coverage.

Association's Designated Recipient

The Association has designated Common Interest Management Services to receive official communications to the Association pursuant to Civil Code Section 4035. Members may submit official communications to the Association by personal delivery (including U.S. Mail) and/or e-mail to Common Interest Management Services at the mailing

address and/or email address listed under Management Company Information.

Right of Notice to Two Addresses

Members of the Association may submit a request to have general notices sent to up to two different specified addresses pursuant to Civil Code Section 4040(b). Note that billing statements and election ballots will only be sent to the member's primary address.

General Notice Location

The Association posts notices of a general nature at the following location: Outside the front door (usually in the bulletin board) of the Business Office located at 4498 Lawson Court, in Concord CA 94521.

General Notice - Individual Delivery

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

Board of Directors Meetings

Board of Directors Meetings are normally held on the fourth Thursday of every month (except December) at 7pm at the Business Office, located at 4498 Lawson Court. All Association members are welcome to attend.

Right to Receive Board Minutes

The minutes, minutes proposed for adoption that are marked as draft status, or a summary of the minutes, of any meeting of the Board of Directors, other than an executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes or summary minutes shall be distributed to any member of the Association upon request and upon reimbursement of the Association's costs for making that distribution, pursuant to Civil Code Section 4950. Members may submit a written request for copies of minutes to Common Interest Management Services at the mailing address listed under Management Company Information.

Notice of Assessments/Foreclosure

The Annual Policy Statement includes a Notice of Assessments and Foreclosure pursuant to Civil Code Section 5310. This Notice outlines some of the rights and responsibilities of owners in common interest developments and the associations that manage them.

Assessment Collection Policy

The Annual Policy Statement includes a copy of the Association's Assessment Collection Policy, which describes the policies and practices in enforcing the Association's lien rights or other legal remedies for default in the payment of assessments.

Enforcement of Governing Documents and Monetary Policy Schedule

All members, residents and guests are obligated to abide by the Governing Documents. The Association encourages each member to review the CC&Rs, Bylaws, Articles and all Rules and to attend board or committee meetings to learn more about the requirements of the Governing Documents. The Association's goal is to assist members, residents and guests in complying with the Governing Documents to promote an enjoyable, safe community beneficial to all.

In the event of a perceived violation of the Governing Documents, the Association will investigate and determine whether and what type of action is warranted (if any). Association action includes scheduling a hearing to consider imposing fines and/or penalties. At least 10 days' prior notice of a hearing (at which fines and/or penalties will be considered) shall be given to a Member, who may attend and respond to the notice and potential fine and/or penalty as set forth more specifically in the Governing Documents. A fine and/or penalty may be imposed regardless of whether the Member attends the hearing.

In addition to fines and other penalties, the Board may, following a hearing, impose a "special purpose" assessment to recover the cost of performing or enforcing any responsibility which would otherwise be the responsibility of a Member to perform under the Governing Documents.

Fines and special purpose assessments may be recovered in any matter permitted by law.

Fine Policy

The Annual Policy Statement includes a copy of the Association's Fine Policy which includes a schedule of monetary penalties for violations of the Governing Documents pursuant to Civil Code Section 5850.

Dispute Resolution Procedures

California law provides a means by which Members and the Association can engage in mediation,

arbitration or other forms of dispute resolution with respect to disputes arising under the Nonprofit Mutual Benefit Corporation Law (Part 3 commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), enforcement of the Governing Documents and the Davis-Stirling Common Interest Development Act. Generally, Civil Code Section 5965 requires parties to request mediation or arbitration before filing a lawsuit to enforce the governing documents with certain exceptions. Mediation, arbitration and other techniques other than litigation intended to resolve disputes are referred to as alternative dispute resolution ("ADR"). ADR involves use of a neutral party to assist the parties in reaching a dispute without litigation. If litigation results, the prevailing party is entitled to an award of reasonable attorney fees and costs.

California law requires a common interest development to make the following disclosure:

Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

Civil Code Section 5920 also requires a common interest development to describe its internal dispute resolution procedure. That procedure, unless another is adopted, is as follows:

(a) Fair, reasonable, and expeditious

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.

(3) The Association's board of directors shall designate a member of the board to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed

by the parties, including the board designee on behalf of the association.

(c) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

(1) The agreement is not in conflict with the law or the governing documents of the common interest development or association.

(2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

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

Overnight Payment of Assessments

The Annual Policy Statement includes a “How to Pay My Assessment” flyer which provides the mailing address for overnight payment of assessments pursuant to Civil Code Section 5655.

Architectural Guidelines & Procedures

The Annual Policy Statement includes a summary of the Association’s requirements for approval of a physical change to property, describing the types of changes that require Association approval and including a copy of the procedure used to review and approve (or disapprove) a proposed change. An Architectural Application is also attached.

FHA Certification Disclosure

California law (Civil Code Section 5300(b)) requires the following statement describing the status of the common interest development as a Federal Housing Administration (FHA)-approved condominium project pursuant to FHA guidelines, including whether the common interest development is an FHA-approved condominium project. The statement shall be in at least 10-point font on a separate piece of paper and in the following form:

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

For current information on whether or not a common interest development is certified by the Federal Housing Administration, please visit the following website:

<https://entp.hud.gov/idapp/html/condlook.cfm>

VA Certification Disclosure

California law (Civil Code Section 5300(b)) requires the following statement describing the status of the common interest development as a federal Department of Veterans Affairs (VA)-approved condominium project pursuant to VA guidelines, including whether the common interest development is a VA-approved condominium project. The statement shall be in at least 10-point font on a separate piece of paper and in the following form:

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

For current information on whether or not a common interest development is certified by the federal Department of Veterans Affairs, please visit the following website:

<https://vip.vba.va.gov/portal/VBAH/Home>

PROPERTY INFORMATION

<i>PROPERTY NAME:</i>	Cowell HOA		
<i>STREET ADDRESS:</i>	4498 Lawson Court		
<i>CITY, STATE, ZIP:</i>	Concord, CA 94521		
<i>GOVERNING ENTITY:</i>	Board of Directors		
<i>YEAR CONSTRUCTED:</i>	1974-1977	<i>NUMBER OF CONSTRUCTION PHASES:</i>	3
<i>NUMBER OF UNITS:</i>	1062	<i>NUMBER OF RESIDENTIAL BUILDINGS:</i>	6

CONTACT INFORMATION

<i>CURRENT PROPERTY CONTACT:</i>	Mr. Bill Mazza Common Interest Management Services 315 Diablo Road Suite #221 Danville, CA 94526 Phone: (925) 743-3080	Email: bmazza@commoninterest.com
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RESERVE STUDY INFORMATION

<i>TYPE OF STUDY:</i>	Annual Review Study 2021	(no site inspection performed with this review)
<i>BEGINNING YEAR OF STUDY:</i>	2021	
<i>YEAR OF LAST PHYSICAL INSPECTION:</i>	2018	
<i>YEAR OF NEXT PHYSICAL INSPECTION:</i>	2021 (as required by the Davis-Stirling Act)	
<i>RESERVE STUDY PREPARER:</i>	Reserve Analysis Consulting, L.L.C. 1750 Bridgeway, Suite B106 • Sausalito, CA 94965 Sausalito, California 94965 Office Phone: (415) 332-7800 FAX: (415) 332-7801	
<i>PERFORMED BY:</i>	Orlando Montalvan Direct Phone: (415) 289-7444 Email: orlandom@reserveanalysis.com	

RESERVE FUND FINANCIAL INFORMATION

<i>BUDGET YEAR ENDING DATE:</i>	12/31	2020	2021
<i>ANNUAL RESERVE CONTRIBUTION:</i>		\$321,388	\$337,457
<i>MONTHLY RESERVE CONTRIBUTION:</i>		\$26,782	\$28,121
<i>PER UNIT MONTHLY (AVG.) CONTRIBUTION:</i>		\$25.22	\$26.48
<i>TOTAL SPECIAL ASSESSMENT:</i>		N/A	N/A
<i>PER UNIT (AVG.) SPECIAL ASSESSMENT:</i>		N/A	N/A
<i>PROPOSED RESERVE FUND EXPENDITURES:</i>			(\$474,338)
<i>ESTIMATED YEAR ENDING BALANCE:</i>		\$2,539,756	\$2,432,286
<i>REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE:</i>			N/A

RESERVE PERCENT FUNDED CALCULATION

<i>AMOUNT NEEDED TO BE 100% FUNDED:</i>	\$2,808,162	\$2,864,667
<i>THEORETICAL PER UNIT UNDERFUNDED:</i>	\$253	\$407
<i>CALCULATED PERCENT FUNDED:</i>	90.44%	84.91%

RESERVE PROJECTED INTEREST & INFLATION

<i>"ASSUMED LONG-TERM INTEREST RATE":</i>	2.00%
<i>"ASSUMED LONG-TERM INFLATION RATE":</i>	3.00%

2.00 PROCEDURES & METHODOLOGIES

DAVIS-STIRLING ACT PROCEDURES & REQUIREMENTS

Current Davis-Stirling statutes 5300 & 5550 ((old 1365 & 1365.5)) require the Association to Review the Reserve Study on an annual basis and implement any necessary adjustments regarding component performance, replacement and/or deferral; as well as recalculation of financial figures based on that review and current financial data. Additionally, Statute 5550 ((old 1365.5)) continues to require a Site Inspection based Update of the complete Study at a minimum every three years. The Reserve Study is to include:

- Identification of the major components.
- Establishment of reasonable life expectancies and remaining life of all components.
- Projected estimated cost of all repair and replacements.
- Development of a 30 year Funding Plan which identifies date and amount of regular and special assessments.
- Calculation of Percent Funded and amount of per unit deficiency.
- Statement of methodology.
- Additionally, calculation of 5570 ((old 1365.2.5)) Reserve Summary and Disclosure Document.

SCOPE OF STUDY

The time frame covered by this analysis is from 2021 through 2050. These are the beginning and ending points for all repairs and replacements included in the 30 Year Funding Plan included in this study.

STATEMENT OF RESERVE STUDY METHODOLOGY

The components included in this analysis were identified by age, quantity, and type. Upon completion of the component list and the Reserve Fund Requirement Analysis, the report was presented to the Homeowners Association's Board for approval. The following sources were used, when applicable, to make our determinations:

- Original plans and specifications
- Original contractors, current contractors and vendors
- Association maintenance staff
- Association management
- Association Board of Directors

While gathering this information there were some assumptions made regarding existing conditions, future conditions and additional circumstances that may occur that would affect the cost of repairs. Some of these assumptions may come true and others may not; therefore, the cost of repairs and life of certain components could vary substantially. Life expectancies of all components were based on industry standard experiences, and on the components being in reasonable and ordinary condition.

All component conditions were based on visual inspection. There was no disassembly of components or demolition involved. This report does not address any factory or product defects or any damage due to improper maintenance, system design, or installation. It's also assumed all components will receive reasonable maintenance for their remaining life.

Only components that met the following criteria were included in this report:

- The component maintenance is the responsibility of the Association.
- The component is not covered by the Association's Annual Operating Budget.
- The component's useful life is greater than one year, except in the case of variable ongoing repair of a major component
- The component has an identifiable expected cost and replacement cost.
- Inclusion in the Funding plan requires the component's remaining estimated useful life is less than 30 years.

The Reserve Study includes a 30 year component expenditure projection from which a Funding Plan was developed which proposes a "schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the Reserve Funding Plan." The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account that will enable the Association to fulfill its "obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less." It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The cost projections in this report are inflated based on an "assumed long-term inflation rate" based on a 30 year average and adjusted for local economies. The Funding Plan in this report includes an "assumed long-term interest rate" which is not to exceed "2% above the discount rate published by the Federal Reserve Bank of San Francisco." Both rates were reviewed in the Preliminary Draft and approved by the Board of Directors.

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
1.00	SITE							
2.00	SIGNAGE							
2.01	"Walnut Country" Association Monument Sign	\$7,000	2013	30	22	\$30,000	\$1,000	\$8,000
2.02	"Walnut Country" Display Sign/Bulletin Board	\$1,800	2002	20	1	\$2,000	\$100	\$1,900
2.03	Lights - Monument Sign 1 Tube 4' Fluorescent Fixtures	\$747	2013	15	7	\$1,600	\$107	\$853
	Category Sub-Total	\$9,547				\$33,600	\$1,207	\$10,753
3.00	CONCRETE							
3.01	Concrete Walkway Repair/Replacement Allowance	\$15,000	2020	1	0	\$15,000	\$15,000	\$15,000
3.02	Paint & Repair - Concrete Wall @ N. Larwin	\$1,328	2016	10	5	\$3,320	\$332	\$1,660
	Category Sub-Total	\$16,328				\$18,320	\$15,332	\$16,660
4.00	IRRIGATION, LANDSCAPING & TREES							
4.01	Irrigation Equipment Replacement Allowance	\$0	2021	0	0	\$30,000	\$0	\$0
4.02	Irrigation Equipment Replacement Allowance	\$0	2022	1	1	\$15,000	\$15,000	\$15,000
4.03	Irrigation Controllers Replacement Allowance	\$4,000	2020	1	0	\$4,000	\$4,000	\$4,000
4.04	Landscape Enhancement Allowance	\$0	2021	0	0	\$25,000	\$0	\$0
4.05	Landscape Enhancement Allowance	\$0	2022	0	0	\$25,000	\$0	\$12,500
4.06	Landscape Enhancement Allowance	\$40,000	2023	5	2	\$100,000	\$20,000	\$60,000
4.07	Mulch/Bark Replacement Allowance	\$10,000	2020	1	0	\$10,000	\$10,000	\$10,000
4.08	Tree Removal & Replacement Allowance	\$0	2021	0	0	\$40,000	\$0	\$0
4.09	Tree Removal & Replacement Allowance	\$60,000	2022	5	1	\$100,000	\$20,000	\$80,000
4.10	Tree Trimming/Maintenance Allowance	\$35,000	2020	1	0	\$35,000	\$35,000	\$35,000
	Category Sub-Total	\$149,000				\$384,000	\$104,000	\$216,500
5.00	IRRIGATION WELL SYSTEM							
5.01	Irrigation Well System Inspection & Repair/Replace Allow.	\$7,500	2020	1	0	\$7,500	\$7,500	\$7,500
5.02	Central Well - Booster Pump	\$8,000	2016	10	5	\$20,000	\$2,000	\$10,000
5.03	Central Well - Booster Tank	\$8,182	2000	22	1	\$9,000	\$409	\$8,591
5.04	Central Well - Control Unit	\$9,533	2007	15	1	\$11,000	\$733	\$10,267
5.05	Central Well - Miscellaneous Plumbing/Conduit Replacement	\$3,000	2018	5	2	\$7,500	\$1,500	\$4,500
5.06	Central Well - Redwood Tank	\$32,879	1989	33	1	\$35,000	\$1,061	\$33,939
5.07	Central Well - Re-Sleeve Casting	\$9,130	1999	23	1	\$10,000	\$435	\$9,565
5.08	Central Well - Underground Pump	\$3,146	2016	10	5	\$7,865	\$787	\$3,933
5.09	South Slope Well - Booster Pump	\$5,000	2015	10	4	\$10,000	\$1,000	\$6,000
5.10	South Slope Well - Booster Tank	\$7,941	2005	17	1	\$9,000	\$529	\$8,471
5.11	South Slope Well - Control Unit	\$9,778	2004	18	1	\$11,000	\$611	\$10,389
5.12	South Slope Well - Miscellaneous Plumbing/Conduit Replace.	\$3,000	2018	5	2	\$7,500	\$1,500	\$4,500
5.13	South Slope Well - Redwood Tank	\$28,718	1988	39	6	\$35,000	\$897	\$29,615
5.14	South Slope Well - Dig New Well	\$71,809	1975	47	1	\$75,000	\$1,596	\$73,404
5.15	South Slope Well - Underground Pump	\$413	2018	8	5	\$1,650	\$206	\$619
5.16	Wood Retaining Wall @ Water Storage Tank @ S. Larwin	\$352	2016	25	20	\$2,200	\$88	\$440
5.17	Wood Retaining Wall @ Water Storage Tank @ S. Larwin	\$1,111	1995	27	1	\$1,200	\$44	\$1,156
	Category Sub-Total	\$209,491				\$260,415	\$20,897	\$222,888
6.00	SITE COMPONENTS - AROUND CLUBHOUSE							
6.01	Light Poles - Metal/Wood	\$19,800	1975	50	4	\$22,000	\$440	\$20,240
6.02	Light Poles - Masonry	\$2,455	1975	55	9	\$3,000	\$55	\$2,509
6.03	Light Poles - Metal	\$786	2010	35	24	\$2,750	\$79	\$864
6.04	Light Pole Fixtures - Sconce "Beehive"	\$520	2010	25	14	\$1,300	\$52	\$572
6.05	Light Pole Fixtures - Lantern	\$3,723	1975	55	9	\$4,550	\$83	\$3,805
6.06	Light Pole Fixtures - 2 Head Flood Fixtures	\$260	2010	25	14	\$650	\$26	\$286
6.07	Fence - Iron around Clubhouse Area (3 Gates) ~ 5'	\$51,030	1975	50	4	\$56,700	\$1,134	\$52,164
6.08	Fence - Metal @ Clubhouse (under entry) ~ 4'	\$1,377	1993	40	12	\$2,040	\$51	\$1,428
6.09	Railing - Metal Stair	\$3,035	1975	55	9	\$3,710	\$67	\$3,103
6.10	Retaining Wall - Wood @ Front Building ~ 2' - 3'	\$12,000	2000	30	9	\$18,000	\$600	\$12,600
6.11	Retaining Wall - Wood @ S. Larwin Transformer Box ~2'	\$5,806	1990	31	0	\$6,000	\$194	\$0
6.12	Masonry Wall @ HVAC Area (under entry)	\$5,400	1975	60	14	\$7,200	\$120	\$5,520
6.13	Masonry Retaining Wall @ Pool Area (facing Lawson Ct.)	\$63,191	1975	47	1	\$66,000	\$1,404	\$64,596
6.14	Brick Column @ Clubhouse Area Iron Fence - Repairs (10)	\$1,429	2018	7	4	\$5,000	\$714	\$2,143
6.15	Wood Ramp @ Main Pool Side Entry	\$7,040	2000	25	4	\$8,800	\$352	\$7,392
6.16	Wood Railing @ Main Pool Side Entry	\$4,488	2000	25	4	\$5,610	\$224	\$4,712

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
6.17	Lights - Bollard Fixtures	\$1,350	2005	20	4	\$1,800	\$90	\$1,440
6.18	Lights - Recessed in Masonry Wall	\$647	1997	24	0	\$675	\$28	\$0
6.19	Picnic Table/Bench/Trash Can Repair/Replace Allowance	\$1,800	2011	10	0	\$2,000	\$200	\$0
6.20	Flag Pole	\$1,286	2005	35	19	\$3,000	\$86	\$1,371
6.21	Fire Sprinkler Standpipe	\$3,375	1975	60	14	\$4,500	\$75	\$3,450
6.22	Fire Sprinkler Shut-Off Valve	\$450	2015	50	44	\$4,500	\$90	\$540
Category Sub-Total		\$191,248				\$229,785	\$6,164	\$188,736
7.00	SITE COMPONENTS - GREEN BELT AREA							
7.01	Light Poles - Metal/Wood	\$96,525	1975	50	4	\$107,250	\$2,145	\$98,670
7.02	Light Poles - Masonry	\$27,000	1975	55	9	\$33,000	\$600	\$27,600
7.03	Light Poles - Metal	\$3,143	2010	35	24	\$11,000	\$314	\$3,457
7.04	Light Pole Fixtures - Sconce "Beehive"	\$8,320	2010	25	14	\$20,800	\$832	\$9,152
7.05	Light Pole Fixtures - Lantern	\$7,977	1975	55	9	\$9,750	\$177	\$8,155
7.06	Light Pole Fixtures - 1 Head Flood Fixtures	\$1,040	2010	25	14	\$2,600	\$104	\$1,144
7.07	Light Pole Fixtures - 2 Head Fixture	\$660	2010	25	14	\$1,650	\$66	\$726
7.08	Railing - Metal Post/Chain @ Cul de Sac's (~ 2235 L.F.)	\$200	2020	1	0	\$200	\$200	\$200
7.09	Railing - Wood @ Main Tennis Court Stairs	\$177	2018	25	22	\$2,210	\$88	\$265
7.10	Fence - Wood "Ranch" Type @ Irrigation Well Storage Tank	\$666	2004	25	8	\$1,040	\$42	\$707
7.11	Fence - Metal @ South/North Larwin Property Lines ~ 5'	\$15,147	1975	50	4	\$16,830	\$337	\$15,484
7.12	Retaining Wall - Wood @ Blueberry Court Cul de Sac	\$475	2016	25	20	\$2,970	\$119	\$594
7.13	Picnic Table/Bench/Trash Can Repair/Replace Allowance	\$1,600	2016	5	0	\$2,000	\$400	\$0
7.14	Masonry Water Fountain	\$667	2010	30	19	\$2,000	\$67	\$733
7.15	Wood Meter Shed Repair/Rebuild Allowance	\$400	2016	10	5	\$1,000	\$100	\$500
7.16	Paint Site Components around Greenbelt-Annual Allowance	\$600	2020	1	0	\$600	\$600	\$600
7.17	Paint Metal Fencing - Inventory and Location in Note	\$15,339	2015	6	0	\$18,407	\$3,068	\$0
Category Sub-Total		\$179,935				\$233,307	\$9,258	\$167,987
8.00	CLUBHOUSE BUILDING & POOL AREA							
9.00	CLUBHOUSE EXTERIOR PAINTING & WATERPROOFING							
9.01	Paint Clubhouse Exteriors	\$2,860	2019	7	5	\$20,018	\$2,860	\$5,719
9.02	Clubhouse Exteriors Repair/Replacement Allowance ~ 10%	\$2,285	2019	7	5	\$15,993	\$2,285	\$4,569
9.03	Paint Site Components @ Pool Area	\$7,086	2018	7	4	\$24,800	\$3,543	\$10,629
9.04	Site Components Repair Allowance (deck, trellis, bench)	\$2,143	2018	7	4	\$7,500	\$1,071	\$3,214
9.05	Clubhouse Deck Surface Re-Coat & Repairs	\$2,143	2019	7	5	\$15,000	\$2,143	\$4,286
Category Sub-Total		\$16,516				\$83,311	\$11,902	\$28,417
10.00	CLUBHOUSE EXTERIORS							
10.01	Roofing System Inspection & Repair Allowance	\$0	2020	2	1	\$2,000	\$1,000	\$1,000
10.02	Tile Roof Waterproof Membrane & Partial Tile Replace	\$44,498	2005	30	14	\$88,995	\$2,967	\$47,464
10.03	Gutters & Downspouts	\$2,358	2005	30	14	\$4,716	\$157	\$2,515
10.04	Windows - Repair/Replace Allow. Inventory in Note ~ 10%	\$2,082	2019	7	5	\$14,575	\$2,082	\$4,164
10.05	Doors - Inventory in Note	\$55,636	1975	55	9	\$68,000	\$1,236	\$56,873
10.06	Lights - Inventory in Note	\$1,780	2010	25	14	\$4,450	\$178	\$1,958
10.07	SB 326 - Exterior Elevated Element Inspection	\$17,778	2021	9	9	\$20,000	\$2,222	\$0
10.08	Entry Bridge - Trex Surface Replace & Structure Repair	\$21,656	1998	24	1	\$23,625	\$984	\$22,641
10.09	Stair - Trex Surface Replace & Structure Repair	\$3,861	1998	30	7	\$5,265	\$176	\$4,037
10.10	Stair & Deck - Trex Railing Topper	\$77	2018	15	12	\$576	\$38	\$115
10.11	Stair & Deck - Wood/Metal Railing	\$4,845	2001	30	10	\$7,650	\$255	\$5,100
10.12	Deck - Re-Surface & Structure Repair	\$44,777	2001	30	10	\$70,700	\$2,357	\$47,133
10.13	Deck - Wood Railing	\$808	2001	30	10	\$1,275	\$43	\$850
10.14	Tile Shower Area	\$1,952	2012	20	11	\$4,880	\$244	\$2,196
10.15	Shower Fixtures	\$200	2012	20	11	\$500	\$25	\$225
10.16	Speakers	\$650	2007	20	6	\$1,000	\$50	\$700
10.17	Exhaust Fans - 1/3hp	\$5,700	2001	20	0	\$6,000	\$300	\$0
10.18	HVAC Units	\$4,500	2014	20	13	\$15,000	\$750	\$5,250
10.19	HVAC Units	\$36,000	2004	20	3	\$45,000	\$2,250	\$38,250
10.20	Fire Sprinkler Heads	\$0	2020	30	29	\$938	\$31	\$31
10.21	Fire Sprinkler Heads	\$4,602	1975	55	9	\$5,625	\$102	\$4,705
10.22	Fire Sprinkler Flow Sensor	\$450	1993	30	2	\$500	\$17	\$467
10.23	Fire Sprinkler Pressure Gauge	\$450	1993	30	2	\$500	\$17	\$467
Category Sub-Total		\$254,659				\$391,770	\$17,481	\$246,140

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
11.00	CLUBHOUSE INTERIORS - UPSTAIRS							
11.01	Paint - Inventory in Note	\$5,479	2009	15	3	\$7,472	\$498	\$5,977
11.02	Floor - Tile	\$6,453	2009	30	18	\$17,600	\$587	\$7,040
11.03	Floor - Carpet	\$17,053	2021	10	10	\$18,948	\$1,895	\$0
11.04	Floor - Pergo	\$11,437	2009	30	18	\$31,193	\$1,040	\$12,477
11.05	Floor - Vinyl Bar Area	\$814	2009	15	3	\$1,110	\$74	\$888
11.06	Doors - Inventory in Note	\$6,341	1975	55	9	\$7,750	\$141	\$6,482
11.07	Lights - Inventory in Note	\$5,434	2009	25	13	\$12,350	\$494	\$5,928
11.08	Furniture/Décor Upgrades (Christmas trees/ornaments 2018)	\$22,110	2009	15	3	\$30,150	\$2,010	\$24,120
11.09	Gaming Equipment Repair/Replace Allowance - Inv. in Note	\$400	2018	10	7	\$2,000	\$200	\$600
11.10	Shuffle Board	\$875	2015	10	4	\$1,750	\$175	\$1,050
11.11	Foosball Table	\$330	2017	10	6	\$1,100	\$110	\$440
11.12	Fireplace Upgrade/Repair Allowance	\$1,000	2015	15	9	\$3,000	\$200	\$1,200
11.13	Truss Repair/Replacement Allowance	\$1,000	2018	3	0	\$1,500	\$500	\$0
11.14	Bulletin Boards	\$147	2009	15	3	\$200	\$13	\$160
11.15	Water Fountain	\$1,800	1975	50	4	\$2,000	\$40	\$1,840
11.16	Speakers	\$1,650	2009	20	8	\$3,000	\$150	\$1,800
11.17	Window Coverings	\$2,240	2012	15	6	\$4,200	\$280	\$2,520
11.18	Lounge Bar - Countertop	\$1,408	2009	25	13	\$3,200	\$128	\$1,536
11.19	Lounge Bar - Stainless Steel Countertop/Sink Basin	\$1,584	2009	25	13	\$3,600	\$144	\$1,728
11.20	Lounge Bar - Mini Fridge	\$132	2009	25	13	\$300	\$12	\$144
11.21	Lounge Bar - Microwave	\$132	2009	25	13	\$300	\$12	\$144
11.22	Restroom - Tile Wall	\$5,500	2000	35	14	\$9,625	\$275	\$5,775
11.23	Restroom - Hand Dryer	\$160	2000	25	4	\$200	\$8	\$168
11.24	Restroom - Countertop	\$600	2000	35	14	\$1,050	\$30	\$630
11.25	Restroom - Sink Units	\$286	2000	35	14	\$500	\$14	\$300
11.26	Restroom - Toilet Fixture	\$42	2017	25	21	\$350	\$14	\$56
11.27	Restroom - Handicap Rails	\$114	2000	35	14	\$200	\$6	\$120
11.28	Restroom - Exhaust Fans	\$240	2000	25	4	\$300	\$12	\$252
11.29	Fire Sprinkler Heads	\$26,156	1975	50	4	\$29,063	\$581	\$26,738
11.30	Fire Extinguisher Cabinet	\$158	1975	50	4	\$175	\$4	\$161
11.31	Computer	\$814	2017	7	3	\$1,900	\$271	\$1,086
11.32	Audio / PA System Upgrade Allowance	\$1,600	2016	5	0	\$2,000	\$400	\$0
	Category Sub-Total	\$123,490				\$198,085	\$10,318	\$111,359
12.00	CLUBHOUSE INTERIORS - DOWNSTAIRS							
12.01	Paint Ceiling/Walls	\$5,902	2009	15	3	\$8,048	\$537	\$6,438
12.02	Floor - Coated	\$6,794	2009	15	3	\$9,265	\$618	\$7,412
12.03	Floor - Carpet	\$1,296	2021	10	10	\$1,440	\$144	\$0
12.04	Doors - Inventory in Note	\$18,818	1975	55	9	\$23,000	\$418	\$19,236
12.05	Lights - Inventory in Note	\$4,136	2009	25	13	\$9,400	\$376	\$4,512
12.06	Gym Equipment - Inventory in Note	\$12,133	2007	15	1	\$14,000	\$933	\$13,067
12.07	Gym Equipment - Stationary Bike	\$603	2016	15	10	\$2,260	\$151	\$753
12.08	Kitchen - Roll Up Door ~ 9'	\$1,583	2001	30	10	\$2,500	\$83	\$1,667
12.09	Kitchen - Stainless Steel Countertop	\$4,560	2001	30	10	\$7,200	\$240	\$4,800
12.10	Kitchen - Base Cabinets	\$5,067	2001	30	10	\$8,000	\$267	\$5,333
12.11	Kitchen - Range/Oven Unit	\$2,533	2001	30	10	\$4,000	\$133	\$2,667
12.12	Kitchen - Large Exhaust Hood	\$1,742	2001	30	10	\$2,750	\$92	\$1,833
12.13	Kitchen - Dish Washer	\$760	2001	25	5	\$1,000	\$40	\$800
12.14	Kitchen - Garbage Disposal	\$60	2017	15	11	\$300	\$20	\$80
12.15	Kitchen - Refrigerator	\$760	2001	25	5	\$1,000	\$40	\$800
12.16	Kitchen - Microwave	\$266	2001	25	5	\$350	\$14	\$280
12.17	Restroom - Tile Wall	\$21,000	2000	25	4	\$26,250	\$1,050	\$22,050
12.18	Restroom - Divider Stalls	\$10,000	2000	25	4	\$12,500	\$500	\$10,500
12.19	Restroom - Toilet Fixture	\$3,360	2000	25	4	\$4,200	\$168	\$3,528
12.20	Restroom - Countertop	\$1,680	2000	25	4	\$2,100	\$84	\$1,764
12.21	Restroom - Sink Fixtures	\$800	2000	25	4	\$1,000	\$40	\$840
12.22	Restroom - Baby Changing Station	\$800	2000	25	4	\$1,000	\$40	\$840
12.23	Restroom - Hand Dryer	\$800	2000	25	4	\$1,000	\$40	\$840
12.24	Restroom - Handicap Shower Stall	\$571	2000	35	14	\$1,000	\$29	\$600

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
12.25	Water Heater - "Bradford White" 100 gal., 76k btu	\$313	2015	20	14	\$1,250	\$63	\$375
12.26	Janitor Floor Sink Unit	\$614	1975	55	9	\$750	\$14	\$627
12.27	Furnaces & HVAC Repair/Upgrades	\$2,450	2013	20	12	\$7,000	\$350	\$2,800
12.28	Furnaces & HVAC Repair/Upgrades	\$16,800	2004	20	3	\$21,000	\$1,050	\$17,850
12.29	Fire Sprinkler Heads	\$0	2020	30	29	\$938	\$31	\$31
12.30	Fire Sprinkler Heads	\$4,813	2009	30	18	\$13,125	\$438	\$5,250
Category Sub-Total		\$131,013				\$187,626	\$8,001	\$137,574
13.00	SITE COMPONENTS @ MAIN POOL AREA							
13.01	Metal Fence @ Pool Area ~ 6' (post repairs in 2018)	\$24,138	1975	50	4	\$26,820	\$536	\$24,674
13.02	Wood/Metal Fence @ Pool Area ~ 5'	\$14,465	1998	30	7	\$19,725	\$658	\$15,123
13.03	Trex Fence Topper @ Pool Area	\$62	2018	30	27	\$924	\$31	\$92
13.04	Trex Deck Repair/Replacement w/ Pool Renovation	\$23,438	2021	16	16	\$25,000	\$1,563	\$0
13.05	Trex Deck Surface Replace & Structure Repair	\$116,120	1998	30	7	\$158,345	\$5,278	\$121,398
13.06	Wood Trellis	\$38,133	1998	30	7	\$52,000	\$1,733	\$39,867
13.07	Wood Bench @ Trellis Area	\$3,080	1998	30	7	\$4,200	\$140	\$3,220
13.08	Lights - Can Fixtures @ Trellis	\$587	1998	30	7	\$800	\$27	\$613
13.09	Lights - Hanging Fixtures @ Trellis	\$367	1998	30	7	\$500	\$17	\$383
13.10	Water Fountain	\$1,680	1999	25	3	\$2,000	\$80	\$1,760
Category Sub-Total		\$222,068				\$290,314	\$10,062	\$207,130
14.00	LIFEGUARD SHED							
14.01	Composition Shingle Roof	\$1,379	2005	25	9	\$2,298	\$92	\$1,471
14.02	Doors - Wood Entry	\$1,286	2005	35	19	\$3,000	\$86	\$1,371
Category Sub-Total		\$2,665				\$5,298	\$178	\$2,842
15.00	MAIN SWIMMING POOL							
15.01	Pool Area Renovation Miscellaneous/ADA Improvements	\$95,745	1975	47	1	\$100,000	\$2,128	\$97,872
15.02	Concrete Pool Deck	\$159,343	1975	47	1	\$166,425	\$3,541	\$162,884
15.03	Plumbing & Electrical Replacement w/ Pool Deck	\$62,234	1975	47	1	\$65,000	\$1,383	\$63,617
15.04	Draining, Plumbing & Safety Upgrade Allowance	\$3,889	2013	9	1	\$5,000	\$556	\$4,444
15.05	Re-Plaster	\$32,938	2013	9	1	\$42,349	\$4,705	\$37,644
15.06	Tile	\$16,590	2013	9	1	\$21,330	\$2,370	\$18,960
15.07	Coping	\$7,031	2013	9	1	\$9,040	\$1,004	\$8,036
15.08	Walk Joint/Mastic	\$1,406	2013	9	1	\$1,808	\$201	\$1,607
15.09	Pool Rails	\$3,000	2005	17	1	\$3,400	\$200	\$3,200
15.10	Pool Lights	\$529	2005	17	1	\$600	\$35	\$565
15.11	Skimmers	\$9,176	2007	17	3	\$12,000	\$706	\$9,882
15.12	Heater	\$2,000	2018	10	7	\$10,000	\$1,000	\$3,000
15.13	Heater	\$4,000	2016	10	5	\$10,000	\$1,000	\$5,000
15.14	Filter	\$4,286	2015	7	1	\$6,000	\$857	\$5,143
15.15	Filter Pumps 5 hp	\$1,813	2016	15	10	\$6,800	\$453	\$2,267
15.16	Filter Backwash Valve & Sand Replace	\$2,813	2015	8	2	\$4,500	\$563	\$3,375
15.17	Pumps	\$2,538	2009	13	1	\$3,000	\$231	\$2,769
15.18	Chlorinator	\$400	2016	10	5	\$1,000	\$100	\$500
15.19	Chemical Controller	\$1,269	2009	13	1	\$1,500	\$115	\$1,385
15.20	Pool Cover Repair/Replace	\$3,162	2017	5	1	\$5,270	\$1,054	\$4,216
Category Sub-Total		\$414,163				\$475,022	\$22,202	\$436,365
16.00	KIDDY POOL							
16.01	Draining, Plumbing & Safety Upgrade Allowance	\$3,111	2013	9	1	\$4,000	\$444	\$3,556
16.02	Re-Plaster	\$2,673	2013	9	1	\$3,437	\$382	\$3,055
16.03	Tile	\$805	2013	24	16	\$2,760	\$115	\$920
16.04	Coping	\$722	2013	24	16	\$2,475	\$103	\$825
16.05	Walk Joint/Mastic	\$342	2013	9	1	\$440	\$49	\$391
16.06	Pool Rails	\$1,063	2005	24	8	\$1,700	\$71	\$1,133
16.07	Skimmers	\$867	2007	30	16	\$2,000	\$67	\$933
16.08	Heaters	\$3,600	2002	20	1	\$4,000	\$200	\$3,800
16.09	Filter	\$400	2018	10	7	\$2,000	\$200	\$600
16.10	Filter Pumps	\$668	2017	10	6	\$2,225	\$223	\$890
16.11	Chlorinator	\$400	2018	10	7	\$2,000	\$200	\$600
16.12	Chemical Controller	\$1,058	2009	13	1	\$1,250	\$96	\$1,154
16.13	Pool Cover Repair/Replace	\$1,071	2015	7	1	\$1,500	\$214	\$1,286

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
Category Sub-Total		\$16,779				\$29,787	\$2,364	\$19,143
17.00	BUSINESS OFFICE BUILDING & AREA							
18.00	BUSINESS OFFICE EXTERIOR PAINTING & WATERPROOFING							
18.01	Paint Business Office Exteriors	\$1,017	2019	7	5	\$7,118	\$1,017	\$2,034
18.02	Business Office Exterior Repair/Replacement Allow. ~ 10%	\$753	2019	7	5	\$5,274	\$753	\$1,507
Category Sub-Total		\$1,770				\$12,392	\$1,770	\$3,541
19.00	BUSINESS OFFICE EXTERIORS							
19.01	Tile Roof Waterproof Membrane & Partial Tile Replace	\$23,440	2006	30	15	\$50,228	\$1,674	\$25,114
19.02	Gutters & Downspouts	\$941	2006	30	15	\$2,016	\$67	\$1,008
19.03	Windows - Repair/Replace Allow. Inventory in Note ~ 10%	\$946	2019	7	5	\$6,625	\$946	\$1,893
19.04	Doors - Wood w/ Full Lite Entry	\$5,625	2005	30	14	\$11,250	\$375	\$6,000
19.05	Doors - Wood Water Heater Closet	\$875	2005	30	14	\$1,750	\$58	\$933
19.06	Lights - Ceiling/Wall Mount Fixtures	\$720	1993	30	2	\$800	\$27	\$747
19.07	Association Sign - "Business Office"	\$1,350	1993	30	2	\$1,500	\$50	\$1,400
19.08	AC Unit	\$3,600	2000	25	4	\$4,500	\$180	\$3,780
Category Sub-Total		\$37,497				\$78,669	\$3,378	\$40,875
20.00	BUSINESS OFFICE INTERIORS							
20.01	Paint Ceiling/Walls	\$2,342	2014	14	7	\$5,465	\$390	\$2,732
20.02	Floor - Carpet	\$16,070	2021	10	10	\$17,856	\$1,786	\$0
20.03	Floor - Vinyl Tile	\$2,897	2010	14	3	\$4,056	\$290	\$3,187
20.04	Doors - Miscellaneous Interior	\$7,364	1975	55	9	\$9,000	\$164	\$7,527
20.05	Lights - Inventory in Note	\$9,083	1995	30	4	\$10,900	\$363	\$9,447
20.06	Water Heater - "Rheem" 30 gal., 30k btu	\$600	2005	20	4	\$800	\$40	\$640
20.07	Furnace	\$2,800	2006	20	5	\$4,000	\$200	\$3,000
20.08	Restroom Upgrade Allowance	\$4,080	2003	25	7	\$6,000	\$240	\$4,320
20.09	Office Equipment Replacement Allowance	\$1,000	2019	2	0	\$2,000	\$1,000	\$0
20.10	Furniture/Décor Upgrades	\$313	2018	16	13	\$2,500	\$156	\$469
20.11	Kitchen Equipment/Cabinetry Allowance	\$1,700	2003	20	2	\$2,000	\$100	\$1,800
Category Sub-Total		\$48,249				\$64,577	\$4,729	\$33,122
21.00	BUSINESS OFFICE SITE COMPONENTS							
21.01	Wood Fence @ Office Building Sides	\$1,560	2000	25	4	\$1,950	\$78	\$1,638
21.02	Wood Fence @ Office Building HVAC Fence	\$480	2000	25	4	\$600	\$24	\$504
21.03	Storage Shed	\$2,000	2000	25	4	\$2,500	\$100	\$2,100
Category Sub-Total		\$4,040				\$5,050	\$202	\$4,242
22.00	SCHOOL BUILDING							
23.00	SCHOOL BUILDING EXTERIOR PAINTING & WATERPROOFING							
23.01	Paint School Building Exteriors	\$1,190	2019	7	5	\$8,330	\$1,190	\$2,380
23.02	School Building Exterior Repair/Replacement Allow. ~ 10%	\$759	2019	7	5	\$5,310	\$759	\$1,517
23.03	Paint Site Components @ School Building	\$561	2019	7	5	\$3,930	\$561	\$1,123
Category Sub-Total		\$2,510				\$17,570	\$2,510	\$5,020
24.00	SCHOOL BUILDING EXTERIORS							
24.01	Tile Roof Waterproof Membrane & Partial Tile Replace	\$26,808	2005	30	14	\$53,617	\$1,787	\$28,596
24.02	Gutters & Downspouts	\$1,026	2005	30	14	\$2,052	\$68	\$1,094
24.03	Windows - Repair/Replace Allow. Inventory in Note ~ 10%	\$1,061	2019	7	5	\$7,425	\$1,061	\$2,121
24.04	Doors - Metal/Glass Entry	\$18,409	1975	55	9	\$22,500	\$409	\$18,818
24.05	Doors - Metal Clad to Furnace Room	\$2,864	1975	55	9	\$3,500	\$64	\$2,927
24.06	Lights - Recessed Square Fixtures	\$833	1995	30	4	\$1,000	\$33	\$867
24.07	AC Units	\$5,600	2004	20	3	\$7,000	\$350	\$5,950
24.08	Fire Alarm Flasher/Siren	\$67	2012	30	21	\$250	\$8	\$75
Category Sub-Total		\$56,668				\$97,344	\$3,781	\$60,448
25.00	SCHOOL BUILDING INTERIORS							
25.01	Paint Ceiling/Walls (including restroom)	\$2,568	2012	14	5	\$4,494	\$321	\$2,889
25.02	Floor - Vinyl	\$10,873	2021	14	14	\$11,709	\$836	\$0
25.03	Floor - Linoleum Tile (Storage Room)	\$357	2021	14	14	\$384	\$27	\$0
25.04	Floor - Carpet	\$10,932	2013	6	-2	\$10,932	\$1,822	\$0
25.05	Floor - Tile - "Resilient" (Restroom)	\$854	2015	50	44	\$8,540	\$171	\$1,025
25.06	Doors - Inventory in Note	\$12,330	1975	50	4	\$13,700	\$274	\$12,604
25.07	Lights - Inventory in Note	\$5,563	1995	30	4	\$6,675	\$223	\$5,785
25.08	Lights - Exit w/ 2 Head Battery Back-Up Fixtures	\$1,050	2005	30	14	\$2,100	\$70	\$1,120

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
25.09	Cabinetry Repair/Refurbish Allowance	\$3,529	2008	17	4	\$5,000	\$294	\$3,824
25.10	Cabinetry Replacement - Rear of Classroom	\$1,466	2019	25	23	\$36,650	\$1,466	\$2,932
25.11	Cabinetry Replacement - Front of Classroom	\$14,400	2021	25	25	\$15,000	\$600	\$0
25.12	Dishwasher	\$955	1999	22	0	\$1,000	\$45	\$0
25.13	Refrigerator	\$764	1999	22	0	\$800	\$36	\$0
25.14	Ceiling Mount Fan	\$191	1999	22	0	\$200	\$9	\$0
25.15	Restroom Replacement - Inventory in Note	\$3,000	2015	20	14	\$12,000	\$600	\$3,600
25.16	Water Heater - "Reliance" 40 gal., 35,500k btu	\$753	2004	17	0	\$800	\$47	\$0
25.17	Furnaces & HVAC Repair/Upgrades	\$3,500	2006	20	5	\$5,000	\$250	\$3,750
25.18	Fire Alarm Control Panel	\$3,333	2012	30	21	\$12,500	\$417	\$3,750
25.19	Fire Alarm Annunciator	\$1,333	2012	30	21	\$5,000	\$167	\$1,500
25.20	Fire Alarm Flasher/Siren	\$800	2012	30	21	\$3,000	\$100	\$900
25.21	Fire Alarm Pull Station	\$133	2012	30	21	\$500	\$17	\$150
25.22	Smoke Detectors	\$693	2012	30	21	\$2,600	\$87	\$780
25.23	Fire Extinguisher Cabinet	\$53	2012	30	21	\$200	\$7	\$60
Category Sub-Total		\$79,430				\$158,784	\$7,886	\$44,668
26.00	SCHOOL BUILDING REAR PLAY AREA							
26.01	Light Poles - Metal/Wood	\$2,475	1975	50	4	\$2,750	\$55	\$2,530
26.02	Light Pole Fixtures - Lantern	\$576	1996	25	0	\$600	\$24	\$0
26.03	Metal Fence ~ 5'	\$9,736	1975	55	9	\$11,900	\$216	\$9,953
26.04	Wood Fence @ HVAC Units	\$958	2006	25	10	\$1,710	\$68	\$1,026
26.05	Plastic Retaining Wall ~ 1'	\$902	2006	25	10	\$1,610	\$64	\$966
26.06	Masonry Retaining Wall ~ 3' - 4' (a portion is failing)	\$24,143	1995	35	9	\$33,800	\$966	\$25,109
26.07	Play Structure (Wood) - School Responsibility	\$0	2000	0	0	\$0	\$0	\$0
26.08	Play Structure (Slide) - School Responsibility	\$0	2000	0	0	\$0	\$0	\$0
26.09	Play Structure (Bars) - School Responsibility	\$0	2000	0	0	\$0	\$0	\$0
26.10	Bark Replacement Allowance (~ 1472 S.F. Total)	\$2,400	2016	5	0	\$3,000	\$600	\$0
Category Sub-Total		\$41,189				\$55,370	\$1,994	\$39,583
27.00	WEST POOL AREA							
28.00	WEST POOL BUILDING & FIREHOUSE BUILDING EXTERIOR PAINTING & WATERPROOFING							
28.01	Paint West Pool House & Firehouse Building Exteriors	\$1,253	2019	7	5	\$8,773	\$1,253	\$2,507
28.02	West Pool House Exterior Repair/Replace Allow. ~ 10%	\$226	2019	7	5	\$1,580	\$226	\$451
Category Sub-Total		\$1,479				\$10,353	\$1,479	\$2,958
29.00	WEST POOL BUILDING EXTERIORS							
29.01	Flat Roof	\$1,147	2004	25	8	\$1,792	\$72	\$1,219
29.02	Composition Shingle Roof	\$3,072	2004	25	8	\$4,800	\$192	\$3,264
29.03	Gutters & Downspouts	\$292	2004	25	8	\$456	\$18	\$310
29.04	Windows ~ 4' x 4'	\$2,455	1975	55	9	\$3,000	\$55	\$2,509
29.05	Doors - Metal Clad Equipment (Oversized)	\$1,841	1975	55	9	\$2,250	\$41	\$1,882
29.06	Doors - Wood Restroom	\$2,864	1975	55	9	\$3,500	\$64	\$2,927
29.07	Lights - Wall Mount Flood Fixtures	\$520	1994	30	3	\$600	\$20	\$540
29.08	Tile Shower Area	\$1,241	2012	30	21	\$4,655	\$155	\$1,397
29.09	Shower Fixtures	\$107	2012	30	21	\$400	\$13	\$120
29.10	Water Fountain	\$1,600	2004	20	3	\$2,000	\$100	\$1,700
29.11	Fire Extinguisher Cabinets	\$112	2004	25	8	\$175	\$7	\$119
Category Sub-Total		\$15,250				\$23,628	\$737	\$15,986
30.00	WEST POOL BUILDING INTERIORS							
30.01	Paint Ceiling/Walls	\$291	2014	14	7	\$678	\$48	\$339
30.02	Floor - Tile	\$1,064	2014	30	23	\$5,320	\$177	\$1,241
30.03	Doors - Wood Storage/Water Heater Closet	\$255	2014	40	33	\$1,700	\$43	\$298
30.04	Lights - Vanity Fluorescent Fixtures	\$96	2014	25	18	\$400	\$16	\$112
30.05	Lights - Square Ceiling Mount Fixtures	\$96	2014	25	18	\$400	\$16	\$112
30.06	Tile Wall	\$1,680	2014	30	23	\$8,400	\$280	\$1,960
30.07	Sink Vanity Unit	\$600	2014	30	23	\$3,000	\$100	\$700
30.08	Divider Stalls	\$500	2014	30	23	\$2,500	\$83	\$583
30.09	Restroom Fixtures	\$100	2014	30	23	\$500	\$17	\$117
30.10	Handicap Bars	\$69	2014	35	28	\$400	\$11	\$80
30.11	Exhaust Fans	\$120	2014	20	13	\$400	\$20	\$140
30.12	Water Heater - 30 gal.	\$420	2011	15	5	\$700	\$47	\$467

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
Category Sub-Total		\$5,290				\$24,398	\$858	\$6,149
31.00	WEST POOL AREA							
31.01	Metal Fence & Gate ~ 6'	\$9,471	2007	35	21	\$25,500	\$729	\$10,200
31.02	Concrete Pool Deck Pavers	\$7,500	2016	40	35	\$75,000	\$1,875	\$9,375
31.03	Plumbing & Electrical Replacement w/ Pool Deck	\$5,333	2016	30	25	\$40,000	\$1,333	\$6,667
31.04	Re-Plaster	\$8,108	2016	12	7	\$24,325	\$2,027	\$10,135
31.05	Tile	\$1,260	2016	24	19	\$7,560	\$315	\$1,575
31.06	Coping	\$1,240	2016	24	19	\$7,440	\$310	\$1,550
31.07	Walk Joint/Mastic	\$744	2016	8	3	\$1,488	\$186	\$930
31.08	Pool Rails	\$425	2016	24	19	\$2,550	\$106	\$531
31.09	Pool Lights	\$500	2016	12	7	\$1,500	\$125	\$625
31.10	Skimmers	\$1,667	2016	24	19	\$10,000	\$417	\$2,083
31.11	Heater	\$0	2020	10	9	\$8,902	\$890	\$890
31.12	Filter	\$6,000	2005	15	-1	\$6,000	\$400	\$0
31.13	Pool Motor Starter	\$935	2017	10	6	\$3,115	\$312	\$1,246
31.14	Pool Motor Time Clock	\$444	2017	10	6	\$1,481	\$148	\$592
31.15	Filter Pump	\$0	2020	10	9	\$2,754	\$275	\$275
31.16	Chlorinator	\$320	2016	10	5	\$800	\$80	\$400
31.17	Chemical Controller	\$480	2016	10	5	\$1,200	\$120	\$600
31.18	Irrigation Controller	\$733	2009	15	3	\$1,000	\$67	\$800
31.19	Storage Shed Repair/Rebuild	\$1,100	2009	20	8	\$2,000	\$100	\$1,200
31.20	Pool Furniture Replacement Allowance	\$2,000	2016	10	5	\$5,000	\$500	\$2,500
31.21	Chlorine Storage	\$0	2021	0	0	\$7,500	\$0	\$0
31.22	Interior Pool Room Repairs	\$0	2021	0	0	\$20,000	\$0	\$0
Category Sub-Total		\$48,261				\$255,115	\$10,315	\$52,176
32.00	FIREHOUSE BUILDING							
32.01	Flat Roof	\$11,466	2005	20	4	\$15,288	\$764	\$12,230
32.02	Downspouts	\$450	2005	20	4	\$600	\$30	\$480
32.03	Doors - Wood/Glass Large Entry	\$15,000	2010	40	29	\$60,000	\$1,500	\$16,500
32.04	Firehouse Building Interior Paint/Repair/Replace Allowance	\$1,333	2012	15	6	\$2,500	\$167	\$1,500
Category Sub-Total		\$28,249				\$78,388	\$2,461	\$30,710
33.00	EAST POOL AREA							
34.00	EAST POOL BUILDING EXTERIOR PAINTING & WATERPROOFING							
34.01	Paint East Pool House Exteriors	\$313	2019	7	5	\$2,191	\$313	\$626
34.02	East Pool House Exterior Repair/Replace Allow. ~ 10%	\$226	2019	7	5	\$1,580	\$226	\$451
Category Sub-Total		\$539				\$3,771	\$539	\$1,077
35.00	EAST POOL BUILDING EXTERIORS							
35.01	Flat Roof	\$1,147	2004	25	8	\$1,792	\$72	\$1,219
35.02	Composition Shingle Roof	\$3,441	2004	25	8	\$5,376	\$215	\$3,656
35.03	Gutters & Downspouts	\$292	2004	25	8	\$456	\$18	\$310
35.04	Windows ~ 4' x 4'	\$2,455	1975	55	9	\$3,000	\$55	\$2,509
35.05	Doors - Metal Clad Equipment	\$3,273	1975	55	9	\$4,000	\$73	\$3,345
35.06	Doors - Wood Restroom	\$2,864	1975	55	9	\$3,500	\$64	\$2,927
35.07	Lights - Wall Mount Flood Fixtures	\$520	1994	30	3	\$600	\$20	\$540
35.08	Tile Shower Area	\$931	2014	30	23	\$4,655	\$155	\$1,086
35.09	Shower Fixtures	\$80	2014	30	23	\$400	\$13	\$93
35.10	Water Fountain	\$1,600	2004	20	3	\$2,000	\$100	\$1,700
35.11	Fire Extinguisher Cabinets	\$128	2004	25	8	\$200	\$8	\$136
35.12	Retaining Wall - Wood behind East Pool Area ~ 2' - 3'	\$333	2018	30	27	\$5,000	\$167	\$500
Category Sub-Total		\$17,063				\$30,979	\$959	\$18,022
36.00	EAST POOL BUILDING INTERIORS							
36.01	Paint Ceiling/Walls	\$291	2014	14	7	\$678	\$48	\$339
36.02	Floor - Tile	\$1,064	2014	30	23	\$5,320	\$177	\$1,241
36.03	Doors - Wood Storage/Water Heater Closet	\$255	2014	40	33	\$1,700	\$43	\$298
36.04	Lights - Vanity Fluorescent Fixtures	\$96	2014	25	18	\$400	\$16	\$112
36.05	Lights - Square Ceiling Mount Fixtures	\$96	2014	25	18	\$400	\$16	\$112
36.06	Tile Wall	\$1,680	2014	30	23	\$8,400	\$280	\$1,960
36.07	Sink Vanity Unit	\$600	2014	30	23	\$3,000	\$100	\$700
36.08	Divider Stalls	\$500	2014	30	23	\$2,500	\$83	\$583

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
36.09	Restroom Fixtures	\$100	2014	30	23	\$500	\$17	\$117
36.10	Handicap Bars	\$69	2014	35	28	\$400	\$11	\$80
36.11	Exhaust Fans	\$120	2014	20	13	\$400	\$20	\$140
36.12	Water Heater - 30 gal.	\$420	2011	15	5	\$700	\$47	\$467
Category Sub-Total		\$5,290				\$24,398	\$858	\$6,149
37.00	EAST POOL AREA							
37.01	Metal Fence & Gate ~ 6'	\$686	2018	35	32	\$12,000	\$343	\$1,029
37.02	Concrete Pool Deck Pavers	\$2,563	2018	40	37	\$51,262	\$1,282	\$3,845
37.03	Plumbing & Electrical Replacement w/ Pool Deck	\$1,678	2018	40	37	\$33,568	\$839	\$2,518
37.04	Re-Plaster	\$3,507	2018	12	9	\$21,044	\$1,754	\$5,261
37.05	Tile	\$540	2018	24	21	\$6,480	\$270	\$810
37.06	Coping	\$543	2018	24	21	\$6,510	\$271	\$814
37.07	Walk Joint/Mastic	\$372	2018	8	5	\$1,488	\$186	\$558
37.08	Pool Rails	\$188	2018	24	21	\$2,250	\$94	\$281
37.09	Pool Lights	\$200	2018	12	9	\$1,200	\$100	\$300
37.10	Skimmers	\$500	2018	24	21	\$6,000	\$250	\$750
37.11	Heater	\$5,935	2010	15	4	\$8,902	\$593	\$6,528
37.12	Filter	\$4,400	2009	15	3	\$6,000	\$400	\$4,800
37.13	Filter Pump	\$0	2020	10	9	\$2,754	\$275	\$275
37.14	Chlorinator	\$320	2016	10	5	\$800	\$80	\$400
37.15	Chemical Controller	\$800	2009	10	-2	\$800	\$80	\$0
37.16	Irrigation Controller	\$733	2009	15	3	\$1,000	\$67	\$800
37.17	Storage Shed Repair/Rebuild	\$1,100	2009	20	8	\$2,000	\$100	\$1,200
37.18	Display Case - Trex	\$400	2016	20	15	\$2,000	\$100	\$500
37.19	Pool Furniture Replacement Allowance	\$2,000	2016	10	5	\$5,000	\$500	\$2,500
37.20	Chlorine Storage	\$0	2021	0	0	\$7,500	\$0	\$0
37.21	Interior Pool Room Repairs	\$0	2021	0	0	\$20,000	\$0	\$0
Category Sub-Total		\$26,465				\$198,558	\$7,584	\$33,168
38.00	COURTS & PLAYGROUNDS							
39.00	TENNIS COURTS 1 - 2							
39.01	Courts 1-2 - Re-Surface & Minor Crack Repairs	\$14,400	2016	5	0	\$18,000	\$3,600	\$0
39.02	Courts 1-2 - Replace/Overlay	\$41,472	2004	25	8	\$64,800	\$2,592	\$44,064
39.03	Courts 1-2 - Cyclone Fence ~ 10'	\$4,608	2014	25	18	\$19,200	\$768	\$5,376
39.04	Courts 1-2 - Cyclone Gates (large access)	\$3,135	2014	25	18	\$13,061	\$522	\$3,657
39.05	Courts 1-2 - Cyclone Gates (pedestrian access)	\$960	2014	25	18	\$4,000	\$160	\$1,120
39.06	Courts 1-2 - Windscreen	\$5,143	2000	21	0	\$5,400	\$257	\$0
39.07	Courts 1-2 - Nets	\$857	2014	7	0	\$1,000	\$143	\$0
39.08	Courts 1-2 - Light Pole Fixtures	\$1,320	2015	25	19	\$6,600	\$264	\$1,584
39.09	Courts 1-2 - Light Poles - Replace	\$3,300	2015	50	44	\$33,000	\$660	\$3,960
39.10	Courts 1-2 - Light Poles - Paint - Skip Cycle - New in 2015	\$2,143	2022	7	1	\$3,000	\$429	\$2,571
39.11	Courts 1-2 - Light Timers	\$0	2020	15	14	\$375	\$25	\$25
39.12	Courts 1-2 - Awnings Repair/Replace Allowance	\$533	2018	3	0	\$800	\$267	\$0
39.13	Courts 1-2 - Plastic Bench	\$941	2004	17	0	\$1,000	\$59	\$0
39.14	Courts 1-2 - Metal Trash Cans	\$400	2004	20	3	\$500	\$25	\$425
39.15	Courts 1-2 - Wood Retaining Walls ~ 2'	\$10,710	2011	20	10	\$23,800	\$1,190	\$11,900
Category Sub-Total		\$89,922				\$194,536	\$10,961	\$74,683
40.00	TENNIS COURTS 3 - 4							
40.01	Courts 3-4 - Re-Surface & Minor Crack Repairs	\$14,400	2016	5	0	\$18,000	\$3,600	\$0
40.02	Courts 3-4 - Replace/Overlay	\$41,472	2004	25	8	\$64,800	\$2,592	\$44,064
40.03	Courts 3-4 - Cyclone Fence ~ 10'	\$4,608	2014	25	18	\$19,200	\$768	\$5,376
40.04	Courts 3-4 - Cyclone Gates (large access)	\$3,135	2014	25	18	\$13,061	\$522	\$3,657
40.05	Courts 1-2 - Cyclone Gates (pedestrian access)	\$960	2014	25	18	\$4,000	\$160	\$1,120
40.06	Courts 3-4 - Windscreen	\$5,143	2000	21	0	\$5,400	\$257	\$0
40.07	Courts 3-4 - Nets	\$857	2014	7	0	\$1,000	\$143	\$0
40.08	Courts 3-4 - Light Pole Fixtures	\$1,320	2015	25	19	\$6,600	\$264	\$1,584
40.09	Courts 3-4 - Light Poles - Replace	\$3,300	2015	50	44	\$33,000	\$660	\$3,960
40.10	Courts 3-4 - Light Poles - Paint - Skip Cycle - New in 2015	\$2,571	2022	7	1	\$3,600	\$514	\$3,086
40.11	Courts 3-4 - Light Timers	\$0	2020	15	14	\$375	\$25	\$25
40.12	Courts 1-2 - Awnings Repair/Replace Allowance	\$533	2018	3	0	\$800	\$267	\$0

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
40.13	Courts 3-4 - Plastic Bench	\$941	2004	17	0	\$1,000	\$59	\$0
40.14	Courts 3-4 - Metal Trash Cans	\$400	2004	20	3	\$500	\$25	\$425
40.15	Courts 3-4 - Wood Retaining Walls ~ 2'	\$5,400	2011	20	10	\$12,000	\$600	\$6,000
Category Sub-Total		\$85,041				\$183,336	\$10,456	\$69,297
41.00	TENNIS COURTS 5 - 8							
41.01	Courts 5-8 - Re-Surface & Minor Crack Repairs	\$23,571	2015	7	1	\$33,000	\$4,714	\$28,286
41.02	Courts 5-8 - Replace/Overlay	\$66,528	2006	25	10	\$118,800	\$4,752	\$71,280
41.03	Courts 5-8 - Cyclone Fence ~ 10'	\$22,848	1999	25	3	\$27,200	\$1,088	\$23,936
41.04	Courts 5-8 - Windscreen	\$8,568	1999	25	3	\$10,200	\$408	\$8,976
41.05	Courts 5-8 - Nets	\$1,786	2015	7	1	\$2,500	\$357	\$2,143
41.06	Courts 5-8 - Awnings Repair/Replace Allowance	\$267	2019	3	1	\$800	\$267	\$533
41.07	Courts 5-8 - Plastic Bench	\$1,000	2010	20	9	\$2,000	\$100	\$1,100
Category Sub-Total		\$124,568				\$194,500	\$11,686	\$136,254
42.00	BASKETBALL COURTS							
42.01	Main Court - Re-Surface & Minor Crack Repairs	\$4,645	2015	7	1	\$6,503	\$929	\$5,574
42.02	Main Court - Replace/Overlay	\$13,352	2006	25	10	\$23,843	\$954	\$14,306
42.03	Main Court - Basketball Hoop	\$2,100	2006	20	5	\$3,000	\$150	\$2,250
42.04	Practice Court - Sealing & Striping	\$2,000	2018	5	2	\$5,000	\$1,000	\$3,000
42.05	Practice Court - Replace/Overlay	\$1,900	2018	20	17	\$19,000	\$950	\$2,850
42.06	Practice Court - Cyclone Fence ~ 4'	\$2,244	1976	50	5	\$2,550	\$51	\$2,295
42.07	Practice Court - Basketball Backboard/Hoop	\$480	1996	25	0	\$500	\$20	\$0
42.08	Practice Court - Basketball Pole	\$150	2017	20	16	\$1,000	\$50	\$200
42.09	Practice Court - Wood (Tennis/Handball) Backboard-Repair	\$1,088	2018	20	17	\$10,875	\$544	\$1,631
Category Sub-Total		\$27,958				\$72,270	\$4,647	\$32,105
43.00	MAIN PLAYGROUND AREA							
43.01	Rubber Floor	\$12,581	2002	20	1	\$13,979	\$699	\$13,280
43.02	Play Structures	\$48,000	2012	20	11	\$120,000	\$6,000	\$54,000
43.03	Swing Structure	\$7,000	2013	20	12	\$20,000	\$1,000	\$8,000
43.04	Bar Structure	\$6,750	2002	20	1	\$7,500	\$375	\$7,125
43.05	Metal/Thermoplastic Picnic Tables	\$2,800	2006	20	5	\$4,000	\$200	\$3,000
43.06	Metal/Thermoplastic Benches	\$4,200	2006	20	5	\$6,000	\$300	\$4,500
43.07	Masonry Trash Cans	\$550	2009	30	18	\$1,500	\$50	\$600
43.08	BBQ	\$460	1997	30	6	\$600	\$20	\$480
43.09	Playground Sun Shade Covers - Shade Replacement	\$10,800	2016	10	5	\$27,000	\$2,700	\$13,500
43.10	Playground Sun Shade Covers - Poles Replacement	\$2,700	2016	40	35	\$27,000	\$675	\$3,375
Category Sub-Total		\$95,841				\$227,579	\$12,019	\$107,860
44.00	EAST POOL PLAYGROUND AREA							
44.01	Wood Retaining Wall ~ 1'	\$3,192	2010	25	14	\$7,980	\$319	\$3,511
44.02	Play Structures	\$13,800	1997	25	1	\$15,000	\$600	\$14,400
44.03	Bark Replacement Allowance (~ 1373 S.F. Total)	\$1,200	2016	5	0	\$1,500	\$300	\$0
Category Sub-Total		\$18,192				\$24,480	\$1,219	\$17,911
45.00	MISCELLANEOUS ALLOWANCES							
45.01	Fence, Gate & Hardware Repair/Replacement Allowance	\$0	2020	3	2	\$6,500	\$2,167	\$2,167
45.02	FOB Entry System (Pools and Tennis Courts)	\$10,500	2017	10	6	\$35,000	\$3,500	\$14,000
Category Sub-Total		\$10,500				\$41,500	\$5,667	\$16,167
Total Value of Components:						\$4,898,180		
Annual Straight-Line Allocation:							\$348,058	
		2020 End						2021 End
Total Dollars Necessary to be 100% Funded:		\$2,808,162						\$2,864,667
Actual Dollars In Reserve Fund:		\$2,539,756						\$2,432,286
Current Fund Deficiency:		\$268,406						\$432,381
Current Per Unit Deficiency:		\$253						\$407
Percent Funded:		90.44%						84.91%
(Actual dollars/Total Dollars Necessary)								

3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION

Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
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STEPS FOR DETERMINING PERCENT FUNDED:

- Step 1: Calculate for each component a required contribution on a "straight-line" funding methodology.
(total component cost divided by the life expectancy of the component)
- Step 2: Calculate the required dollars in Reserves for each component.
(required annual contribution multiplied by the component's life in service)
- Step 3: Total the required dollars for each component to arrive at "required dollars in bank".
- Step 4: Divide actual dollars in bank by required dollars in bank to arrive at percent funded calculation.

This report includes, but is not limited to*, reserve calculations made using the formula described in section 5570(b)(4) ((old 1365.2.5(b)(4)) of the Davis-Stirling Act:

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

* The future funding levels developed in the Funding Plan of this Reserve Study are derived through cash flow funding calculations.

PROPERTY DESCRIPTION & COMPONENT INCLUSION:

Cowell HOA is a 1,062-member association located in Concord, CA.

The Association is responsible for 6 residential buildings that were originally built in 3 phases in 1974-1977.

The Association is responsible for all components as the Board of Directors has interpreted the CC&Rs.

For specific component inclusion based on that interpretation please refer to the Component Data or Schedule Sections.

5300(b)(4) - COMPONENT CONDITION:

The property is composed of a variety of components that are in a range of conditions due to their various ages and expected lives. The projections in this Reserve Study intend to maintain these components at an appropriate condition in the future; however, it is the Board's responsibility to investigate and cause the actual maintenance, repair and replacement projects at the appropriate time(s).

Per Davis-Stirling Section 5500 ((old 1365.5)), on a quarterly basis the Board will review actual reserve expenses compared to the year's proposed reserve expenses. Depending on each component's condition and available information at that time, the Board will determine to undertake repair and replacement projects as appropriate. Please refer to the Sections of Component Data and/or Component Schedule for specific details on component ages, expected lives, and remaining lives. A component with a negative remaining life does not necessarily mean the component is being deferred, but rather signifies that the component is past its statistically average life and will be reviewed annually until it is appropriate for replacement. If the Board has specifically determined to defer or not undertake a component's repair or replacement, that decision and its justification is required to be in meeting minutes and disclosed separately in the Annual Budget Report.

5300(b)(3,5,6,7,8) - FUNDING PLAN ANALYSIS & CALCULATIONS:

5300(b)(3) - "the association shall provide the full reserve study plan upon request."

Specific Details regarding the following statements can be viewed in the "30 YEAR FUNDING PLAN" (included with this Reserve Summary).

5300(b)(5) - If applicable, the amount and commencement date of Board determined or anticipated special assessments will be shown and if a vote of the membership is required.

5300(b)(6) - The mechanism(s) by which the board will fund the reserves, including assessments, borrowing, and/or use of other assets. Refer to 5300(b)(4) above for deferral/selected repair/replacements.

5300(b)(7) - Procedures & methodology used for these calculations can be found in section "Procedures & Methodologies" (included with this Reserve Summary).

5300(b)(8) - If applicable, details regarding outstanding loans can be found in the 5570 "Reserve Summary and Disclosure" (included with this summary) and/or separately in the Annual Budget Report.

The Reserve Study is a SERIES OF PROJECTIONS, and consequently the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as future inflation rates, the level of preventative maintenance completed by future boards, unknown material defects, changes in technology, efficiency, and/or government regulations.

The Reserve Study is an evolving document that represents a moment in time covering a 30 year period. As required by The Davis-Stirling Act, we recommend that the Association review and update this Reserve Analysis on an annual basis to make adjustments for component expenditures and fluctuations in annual revenue, interest, and inflation.

2020 Average unit per month reserve contribution *1 = \$25.22

2020 Total annual reserve contribution *1 = \$321,388

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 1ST 10 YEARS	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Projected Beginning Fund Balance *1	\$2,539,756	\$2,432,286	\$1,712,461	\$1,855,640	\$1,931,531	\$1,724,505	\$1,709,743	\$1,790,911	\$1,627,892	\$1,740,114
Contribution % increase over previous yr.	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Contribution avg. unit/month \$ increase	\$1.26	\$1.32	\$1.39	\$1.46	\$1.53	\$1.61	\$1.69	\$1.77	\$1.86	\$1.96
Contribution avg. per unit/month	\$26.48	\$27.80	\$29.19	\$30.65	\$32.19	\$33.80	\$35.49	\$37.26	\$39.12	\$41.08
Reserve Contribution - Annual	\$337,457	\$354,330	\$372,047	\$390,649	\$410,182	\$430,691	\$452,225	\$474,836	\$498,578	\$523,507
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$2,877,213	\$2,786,616	\$2,084,508	\$2,246,289	\$2,341,712	\$2,155,195	\$2,161,968	\$2,265,747	\$2,126,471	\$2,263,621
Projected Expenditures - inflated	-\$474,338	-\$1,094,862	-\$251,306	-\$338,115	-\$638,060	-\$466,127	-\$392,713	-\$657,539	-\$407,398	-\$593,813
Balance after expenditures	\$2,402,875	\$1,691,754	\$1,833,202	\$1,908,174	\$1,703,652	\$1,689,068	\$1,769,255	\$1,608,208	\$1,719,072	\$1,669,808
Interest on balance after tax	\$29,411	\$20,707	\$22,438	\$23,356	\$20,853	\$20,674	\$21,656	\$19,684	\$21,041	\$20,438
Minimum requested balance	N/A									
Percent funded (if implemented) *2	84.91%	75.13%	74.90%	74.00%	69.75%	68.22%	68.28%	65.02%	66.12%	65.03%
Projected Year Ending Balance *3	\$2,432,286	\$1,712,461	\$1,855,640	\$1,931,531	\$1,724,505	\$1,709,743	\$1,790,911	\$1,627,892	\$1,740,114	\$1,690,246

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 2ND 10 YEARS	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Projected Beginning Fund Balance *1	\$1,690,246	\$1,450,645	\$1,492,795	\$1,491,432	\$1,886,520	\$1,930,095	\$2,029,704	\$2,200,532	\$2,423,672	\$2,424,018
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$1.23	\$1.27	\$1.31	\$1.35	\$1.39	\$1.43	\$1.47	\$1.52	\$1.56	\$1.61
Contribution avg. per unit/month	\$42.31	\$43.58	\$44.89	\$46.23	\$47.62	\$49.05	\$50.52	\$52.04	\$53.60	\$55.21
Reserve Contribution - Annual	\$539,212	\$555,389	\$572,050	\$589,212	\$606,888	\$625,095	\$643,848	\$663,163	\$683,058	\$703,550
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$2,229,459	\$2,006,034	\$2,064,846	\$2,080,644	\$2,493,409	\$2,555,190	\$2,673,552	\$2,863,695	\$3,106,730	\$3,127,567
Projected Expenditures - inflated	-\$796,355	-\$531,290	-\$591,448	-\$216,935	-\$586,653	-\$550,029	-\$499,629	-\$469,330	-\$712,023	-\$766,103
Balance after expenditures	\$1,433,104	\$1,474,744	\$1,473,398	\$1,863,709	\$1,906,756	\$2,005,161	\$2,173,923	\$2,394,365	\$2,394,706	\$2,361,464
Interest on balance after tax	\$17,541	\$18,051	\$18,034	\$22,812	\$23,339	\$24,543	\$26,609	\$29,307	\$29,311	\$28,904
Minimum requested balance	N/A									
Percent funded (if implemented) *2	60.79%	61.33%	61.13%	66.96%	67.25%	68.24%	69.94%	71.94%	71.62%	71.00%
Projected Year Ending Balance *3	\$1,450,645	\$1,492,795	\$1,491,432	\$1,886,520	\$1,930,095	\$2,029,704	\$2,200,532	\$2,423,672	\$2,424,018	\$2,390,368

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 3RD 10 YEARS	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Projected Beginning Fund Balance *1	\$2,390,368	\$2,743,631	\$2,795,753	\$2,944,581	\$3,168,042	\$3,563,595	\$3,549,434	\$3,465,889	\$3,660,598	\$3,900,676
Contribution % increase over previous yr.	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Contribution avg. unit/month \$ increase	\$0.55	\$0.56	\$0.56	\$0.57	\$0.57	\$0.58	\$0.59	\$0.59	\$0.60	\$0.60
Contribution avg. per unit/month	\$55.76	\$56.32	\$56.88	\$57.45	\$58.02	\$58.60	\$59.19	\$59.78	\$60.38	\$60.98
Reserve Contribution - Annual	\$710,585	\$717,691	\$724,868	\$732,117	\$739,438	\$746,832	\$754,301	\$761,844	\$769,462	\$777,157
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$3,100,954	\$3,461,322	\$3,520,621	\$3,676,698	\$3,907,480	\$4,310,427	\$4,303,734	\$4,227,732	\$4,430,060	\$4,677,833
Projected Expenditures - inflated	-\$390,499	-\$699,376	-\$611,645	-\$546,964	-\$386,976	-\$803,913	-\$879,755	-\$611,398	-\$576,551	-\$764,797
Balance after expenditures	\$2,710,455	\$2,761,947	\$2,908,976	\$3,129,734	\$3,520,504	\$3,506,514	\$3,423,979	\$3,616,334	\$3,853,509	\$3,913,036
Interest on balance after tax	\$33,176	\$33,806	\$35,606	\$38,308	\$43,091	\$42,920	\$41,910	\$44,264	\$47,167	\$47,896
Minimum requested balance	N/A									
Percent funded (if implemented) *2	73.67%	73.23%	73.31%	73.62%	74.69%	72.77%	70.21%	69.39%	68.66%	66.65%
Projected Year Ending Balance *3	\$2,743,631	\$2,795,753	\$2,944,581	\$3,168,042	\$3,563,595	\$3,549,434	\$3,465,889	\$3,660,598	\$3,900,676	\$3,960,932

**ASSESSMENT and RESERVE FUNDING DISCLOSURE SUMMARY
For the Budget Year 2021 ending 12/31/21**

Per Davis-Stirling Statute 5570 ((old 1365.2.5)) Disclosure Form

(1) The 2020 budgeted regular assessment per ownership interest is avg. \$ 97.00 per month.
The 2021 budgeted assessment per ownership interest can be found in the Annual Budget Report.
Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found in the attached Annual Budget Report.

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

Date assessment will be due	Amount per ownership interest per year:	Purpose of assessment
N/A	N/A	N/A
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL	_____	_____

NOTE: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found in the attached Annual Budget Report. These assessments might be for purposes outside the scope of the current Reserve Study and have been included by the party preparing the Association's Annual Budget Report.

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 30 years:

Yes

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members.

Approximate date assessment will be due: _____ **Amount per ownership interest per year:** _____

(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 5570 ((old 1365.2.5)), the estimated amount required in the reserve fund at the end of the 2020 fiscal year is \$ **2,808,162** based in whole or in part on the last reserve study or update prepared by **Reserve Analysis Consulting, LLC** as of **September, 2020**. The projected reserve fund cash balance at the end of the current fiscal year is **\$2,539,756** , resulting in reserves being **90.44%** funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A .

Cowell HOA

(7.a.) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$*1 See 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 \$*2 See Below, leaving the reserve at *3 See Below percent funding.

Budget Year	2021	2022	2023	2024	2025
*1 Estimated Amount Req'd in Fund to be 100%	\$2,864,667	\$2,279,255	\$2,477,548	\$2,610,192	\$2,472,563
*2 Reserve Balance (w/PREV. APPROVED Assessments ONLY)	\$2,416,020	\$1,662,650	\$1,753,941	\$1,758,478	\$1,459,453
*3 Estimated Percent Funded	84.34%	72.95%	70.79%	67.37%	59.03%

(7.b.) **If the Reserve Funding Plan approved by the Association is implemented**, the projected reserve fund cash balance in each of those years will be \$*4 See Below leaving the reserve at *5 See Below percent funding.

Budget Year	2021	2022	2023	2024	2025
*1 Estimated Amount Req'd in Fund to be 100%	\$2,864,667	\$2,279,255	\$2,477,548	\$2,610,192	\$2,472,563
*4 Reserve Balance (IF FUND PLAN IMPLEMENTED)	\$2,432,286	\$1,712,461	\$1,855,640	\$1,931,531	\$1,724,505
*5 Estimated Percent Funded	84.91%	75.13%	74.90%	74.00%	69.75%

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 2 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3 percent per year.**

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550 ((old 1365.5)): Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in 5570 subdivision (a) shall accompany each Annual Budget Report or summary thereof that is delivered pursuant to section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision 5570 (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

Further Notes: Please read the Requirements & Methodology in Section 2.00 and the Narrative Statements in Section 4.00 of this Financial Summary for important details concerning this Reserve Study's development.

Terry Y. Shimamoto
NBS Insurance Agency

January 1, 2020

Insurance Disclosure Statement

Cowell HOA

Commercial Coverage:

Policy Period: 1/1/2020 – 1/1/2021

Insurance Carrier: Philadelphia Insurance Company

Policy #: PHPK 2077867

Policy Limits: Property: \$5,363,000 / \$1,000 Deductible

COMMON AREAS ONLY COVERAGE

Liability: \$1,000,000

Umbrella Coverage:

Insurance Carrier: Philadelphia Insurance Company

Policy #: PHUB 705682

Policy Limit: \$10,000,000 / \$10,000 Retention

Fidelity/Crime Coverage:

Insurance Carrier: Continental Casualty Company (CNA)

Policy #: 0250694134

Policy Limit: \$3,000,000 / \$25,000 Deductible

Directors & Officers Coverage:

Insurance Carrier: Continental Casualty Company (CNA)

Policy #: 0250491504

Policy Limit: \$1,000,000 / \$10,000 Deductible

Employment Practices Liability Coverage:

Insurance Carrier: Mount Vernon Fire Insurance Company

Policy #: EPL 2552665E

Policy Limit: \$2,000,000 / \$10,000 Deductible

Sports Excess Medical Coverage:

Insurance Carrier: Gerber Life Insurance Company

Policy #: 05-071815-20

Policy Limit: \$50,000 Accident Maximum

Earthquake / Flood / Workers Compensation Coverage: Not provided through this Agency

This 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 completed 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.

Agent: Terry Y. Shimamoto

5554 Clayton Road, Suite #1A
Concord, CA 94521-4112
Phone: 925-673-1845 Fax: 925-673-9549 Toll Free: 800-895-5005
Email: nbsagency@sbcglobal.net
Website: www.nbsagency.com
CA License # 0534428

NOTICE OF ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

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

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

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of 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, the owner 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 interest 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 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)

ASSESSMENT COLLECTION POLICY

CIVIL CODE § 5310 (a) (7)

- i. **Duty to Pay:** It is the Owner(s) of record's responsibility to pay all Assessments in full regardless of whether or not any billing statement was generated by the Association (and/or received by the Owner(s)). No offsets against any Assessments owed by an Owner(s) are allowed for any reason. A failure by the Association to exercise any of its powers or to perform any of its duties or obligations shall not constitute a waiver of its rights to collect on any amounts owed by an Owner(s).
- ii. **Assessments Due Date:** Regularly monthly assessments are due and payable on the first day of each month. A coupon book is mailed to each owner yearly to accompany twelve monthly payments. It is the owner of record's responsibility to pay each assessment in full each month regardless of whether a coupon is provided. Any other increase in assessments, including special assessments, are due and payable on the date specified by the Board on a Notice of Assessment that it shall issue not less than thirty (30) nor more than sixty (60) days prior to the date of the increase.
- iii. **Delinquent:** Assessments not received within thirty (30) days of the stated due date are delinquent and shall be subject to a late charge of \$10.00 dollars or ten percent (10%) whichever is greater, for each delinquent assessment per unit.
- iv. **Interest:** An interest charge at the rate of 12% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges and cost of collection, which may include reasonable attorneys' fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
- v. **Collection Costs:** As authorized by Civil Code § 5650(b), the Association will impose and collect reasonable costs incurred in the collection of any delinquent Assessment, including reasonable attorneys' fees.
- vi. **Collection Efforts:** At all times, the Association has the right to attempt to collect any delinquent Assessment (plus accelerated Assessment amount(s), late charges, attorney's fees, fees, interest and costs of collection (including any cost of service of any Notice of Default and Election to Sell and any cost of service of the decision of the Association's Board to foreclose) by any manner provided by law as the Board, in its sole discretion, deems appropriate. If any Assessment is not paid in full, the Association can and may elect to pursue any legal collection option(s), including but not limited to, initiating legal action(s) against the responsible Owner(s) for monetary damages, non-judicial foreclosure action, judicial foreclosure, *etc.* Delinquent Owner(s) are responsible for payment of any and all of the costs of the collection efforts incurred by the Association.¹
- vii. **Partial Payments:** Once any Assessment is delinquent and the matter has been assigned by the Board of Directors to a collection agent on behalf of the Association, all payments from that date shall be paid by the Owner(s) directly to and payable to said collection agent. If an Owner(s) makes a partial payment (i.e. a payment that is not sufficient to pay all outstanding balances at a given time) via check but does not endorse the check as payable to the Association's collection agent, it may be returned to the Owner(s). The Owner(s) can then re-issue the check directly to and payable to the Association's collection agent. Payments may also be returned if extraneous language is included on the payment such as, "Payment in full" or similar language. Acceptance of a partial payment will not halt the Association's collection efforts; nor will the acceptance of a partial payment act as a waiver by the Association of its rights to collect any amounts owed by the Owner. Payment in full of all amounts owed by that Owner is required to stop the Association's collection efforts and/or to remove any lien(s) which may be placed on the subject property by or on behalf of the Association.

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- viii. **Payments Credited:** Regardless of the amount paid and unless otherwise specified in a written agreement, all payments received by the Association will be applied according to California law. Payments will be credited to the oldest principal balance first. Once all Assessment balances are paid, payments will be credited to late charges, interest, costs of collection, and other charges. All checks submitted for payment dated after the date of receipt by the Association or its collection agent (“postdated checks”) shall not be credited to an account until the date said check is payable. Postdated checks may, at the discretion of the Association’s agent, be returned to Owner(s) with a request that Owner(s) issue a check payable upon receipt.
- ix. **NSF or Bad Checks:** Any Owner(s) who passes a check on insufficient funds will incur a charge of \$25.00 for the first dishonored check (and \$35.00 each for any subsequently dishonored check). If a “Notice of Dishonored Check” is prepared, the Owner(s) will incur an additional charge of \$45.00 for the preparation and certified mailing of a written demand under Civil Code §1719(a) (2). In the Board’s discretion, the Association may seek damages of 3x (treble) the bad check amount (up to \$1,500,00) pursuant to Civil Code §1719. After an Owner has presented two (2) dishonored checks in any twelve (12) month period, the Association may require all further payments from that Owner be made with either a cashier’s check or money order.
- x. **Acceleration of Special Assessment Installments:** If a Special Assessment is payable in installments and one of the Special Assessment installments is delinquent, the Board may/can accelerate all remaining installments of that Special Assessment making the entire unpaid balance of the Special Assessment due and payable. The Board will provide notice to the Owner(s) of any decision to accelerate payment of a Special Assessment.
- xi. **Process the HOA will use to Place a Lien Upon Owner’s Separate Interest (Lot) §5650 & 5660:**
- a. **“Collection Costs”:** Once the Lien process is started, all collection fees and costs incurred will be added to the total delinquent amount owed by the Owner(s) and the Owner(s) will be responsible for payment of those costs.
 - b. **Pre-Lien Notice:** If any portion of an Assessment, late charge, interest charge and/or cost of collection remains unpaid over thirty (30) days after its original due date, the Association will prepare and send to the record owner(s) a ‘Letter of Intent’ to file a ‘Pre-Lien Notice’ (Civil Code § 5660). The Pre-Lien Notice shall include a general statement of the collection and lien enforcement procedures of the Association, an itemized statement of the charges owed as of the date of the notice, including the costs of preparing the notice, and other disclosures required by law. Payment may be required in certified funds.
 - c. **“NODA”:** If full payment has not been received within thirty (30) days after the Pre-Lien Notice was mailed to the Owner(s) of record, a Lien (*aka* ‘Notice of Delinquent Assessment’ // ‘NODA’) will be prepared and recorded against the delinquent property and the Owner(s) of that property.
- xii. **Foreclosure:** If full payment has not been received within thirty (30) days after the recordation of the Lien/NODA, the Association may proceed with either non-judicial or judicial foreclosure on that Lien/NODA.²
- xiii. **Payment Plans:** An owner may submit a written request to meet with the Board to discuss a payment plan. The Board in its sole discretion may agree to a written payment plan for delinquent Assessments. The Association has no obligation to enter into such payment plan, and any agreement entered into with the Owner shall be reasonable, as determined by the Board in its sole discretion, and for the sole purpose of assuring that the best interests of the Association are served. Generally in order to make the Association whole, the payment plan will require payment of all Assessment balances, late charges, interest and any collection costs the Association has incurred. Unless the written payment

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plan provides otherwise, the existence of a payment plan between an Owner and the Association will not halt or delay the Association's efforts to record a Lien/NODA. (*See* Item No. 11, above). The written payment plan shall include a provision that failure to meet any term of the plan shall give the Board the right to immediately continue the collection process without further notice to the Owner. An Owner who has entered into a written payment plan with the Association and then subsequently cancels terminates or otherwise ends the plan is not entitled to any refund of any installments that the Owner made under that plan.

- xiv. **Referral to Collection Agent:** The Board has discretion on when it will refer a delinquent account to a collection agent(s). Usually when 6 months or more of assessments are delinquent.
- xv. **Notices:** The Association will mail to (and/or serve upon) the record Owner(s) all of the above-referenced notices as specified or required by law. The Association will use the Owner(s) separate interest address as the Owner(s) mailing address for notices, unless the Owner provides written notification to the Association that an alternative address is to be used.
- xvi. **Overnight Payments:** The mailing address for overnight payments to the Association for Assessments is the same as for routine Assessment payments unless an alternative payment address has been provided to the Owner(s).
- xvii. **Changes:** The Board may revise this Policy, either in general or on a case-by-case basis as needed and any such change shall be effective after the new Policy has been provided to the Association Members.
- xviii. **Dispute Resolution – IDR/ADR:** An owner has the right to dispute an assessment debt by submitting a written request for dispute resolution to the Board of Directors. The written request must include: (1) the Owner's name, mailing address, and account number; (2) the exact dollar amount claimed to be in dispute or error; (3) for each charge or payment in dispute, an explanation of the reasons the Owner believes there is an error, with sufficient detail such as dates, names, and check numbers, so that the dispute may be investigated efficiently and effectively; if the Owner does not know how the error was made, that statement may be made; (4) copies of checks, letters, or other documents referred to or claimed should accompany the written explanation.
- xix. Said dispute resolution may be held in the form of an executive session meeting with the Board of Directors, Internal Dispute Resolution ("IDR") or Alternative Dispute Resolution ("ADR"). The Association offers dispute resolution to an Owner(s) prior to recording a lien for delinquent assessments; before the Association initiates foreclosure and at any time during the foreclosure process.
- xx. The Association offers Owner(s) dispute resolution during the collection process including IDR in accordance with the Association's meet and confer program as set forth in Civil Code §5900 et seq., or ADR with a neutral third party as set forth in Civil Code §5925 et seq. Please note that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

¹ Foreclosure will only be commenced after: (a) the delinquent Assessment balance (excluding any accelerated amount, late charges, attorney's fees, fees, interest and costs of collection) is greater than \$1,800.00; and/or (b) the delinquent assessment is more than 12 months delinquent.

² Foreclosure will only be commenced after: (a) the delinquent Assessment balance (excluding any accelerated amount, late charges, attorney's fees, fees, interest and costs of collection) is greater than \$1,800.00; and/or (b) the delinquent assessment is more than 12 months delinquent.

ASSOCIATION'S MEMBER DISCIPLINE AND FINE POLICY

How Fines May Be Assessed

In accordance with Civil Code 5850 & 5855, Sections (g) & (h) and as authorized by CC&R Article VIII: *Duties and Powers of the Association*, the policy on how fines may be assessed to homeowners for violations of the governing documents or the rules have been changed. The new policy is as follows:

- The Board of Directors may impose a fine after a hearing with the Homeowner. The Association is required to provide at least 10 days advance notice of the scheduled hearing date and must notify the Homeowner of their decision within 15 days thereafter.
- Under this new policy, Architectural violations that are not corrected in the view of Architectural Committee inspectors and before the time frame defined in the letter, will be brought to the attention of the Board of Directors. Notifications of Board of Directors hearings may result from those recommendations.
- It is the Association's objective to ensure that exterior appearances and improvements and membership activities shall be directed toward the positive enhancement and character of Cowell Homeowner Association, the quiet enjoyment thereof, and the general welfare of the community. It is recognized that cooperation and support of Homeowners and residents is essential to achieving this objective. Therefore, the Association shall promote and seek voluntary compliance of the governing documents. Enforcement procedures may include imposition of fines or restrictions on certain membership rights. Article X authorizes both the Association and any owner to seek enforcement of a governing document provision by means of an action in court. A request for ADR (Alternative Dispute Resolution) will be made prior to any court action. Ultimately legal actions could be taken, in accordance with CC&R Article X, which states in part "If a member is in default of any of the requirements of these documents, such Member shall pay all costs and expenses of enforcement, including administrative costs and reasonable attorneys' fees."

In the Event of a Perceived Infraction

In the event of a perceived infraction, architectural or otherwise, the Homeowner shall be notified in writing and given a reasonable period, which is normally 30 days, to voluntarily abate the situation or provide a written response through the Business Office. However, in the absence of a response and/or if the infraction continues, a "NOTICE OF HEARING" describing the infraction will be issued 10 days prior to the date set for the hearing. The hearing will be held whether or not the Homeowner attends. The Homeowner has the opportunity to attend the next Architectural Committee Meeting.

Prior to the hearing before the Board of Directors, the Homeowner may attend the Architectural Committee meeting and explain to the Committee the circumstances related to the infraction. At the hearing before the Board of Directors, the Homeowner shall have the opportunity to explain to the Board of Directors the circumstances related to the infraction, present oral or written testimony and/or witnesses, and cross-examine others that may testify.

Any dispute between the Association and Homeowner may also be resolved internally through a meet and confer process, per Civil Code 5920.

After review, the Board of Directors shall determine if compensable damage and/or if a violation has occurred. The Board of Directors may impose one or more fines if the infraction has not been abated. Any costs incurred to deal with emergencies or serious conditions may be considered chargeable to the Homeowner. The Board of Director's decision shall be final. The Homeowner will be notified within 15 days of the hearing.

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The Board of Directors has adopted the following schedule of monetary penalties and it is hereby published and distributed to each member (in accordance with Civil Code Section 1363 (g)):

- \$50.00 following a duly noticed hearing for the Homeowner
- \$100.00 for the same and all subsequent uncorrected violations, following a duly noticed hearing for the Homeowner

COMMON AREA FACILITIES INFRACTIONS

General Guidelines

The common areas and recreation facilities are, subject to the rules established for their use, available to all residents of CHOA who are in good standing. Homeowners and residents who are found to be not in good standing after notice & hearing before the Board of Directors as a result of assessment delinquencies, architectural, violations, or other board-imposed penalties are not eligible to use the facilities, common areas, or participate in CHOA-sponsored programs.

Minor Infractions

Minor infractions of the Rules are defined as violations, to include not cooperating with the instructions of CHOA staff. The first time such an infraction or offense occurs will generally result in a verbal warning. This will be followed by the offender being ejected or prohibited from using a particular facility for a period of time following a hearing before the Board, unless an immediate ejection is warranted due to an unreasonable infringement of or threat to the safety or peaceful enjoyment of their homes or community facilities by residents. If the infraction or offense is deemed serious enough it may warrant a Board of Directors enforcement hearing. The Board of Directors may enforce penalties as deemed appropriate for the incident.

Major Infractions

Major infractions of CHOA rules include, but are not limited to; repeated failure to follow CHOA rules and regulations; intentional damage to CHOA property caused by residents or guest of resident; removing CHOA property without permission; and confrontations, either verbal or physical, with CHOA staff or private security employed in the Clubhouse, at the pools or in other common areas (CHOA staff is required to complete an incident report for all confrontations).

Major infractions also include, climbing fences or railings around pools or other facilities, entering pools or other CHOA facilities outside of designated operating hours, failing to cooperate as requested by a CHOA Staff during an organized CHOA event, and failing to properly supervise children or guests as they use CHOA facilities.

Committing a major infraction will result in the offender being ejected or prohibited from using the facilities. An incident report of the offense will be forwarded to the General Manager and then to the Board of Directors if appropriate. The Board of Directors may, at its discretion, schedule an enforcement hearing with the responsible Homeowner to consider such penalties per the CC&Rs and Rules, which may include fines up to \$100 and loss of common area usage privileges.

Financial Liability

Any Homeowner, resident, or their guest who damages or destroys CHOA property, including, but not limited to buildings, fixtures, and landscaping, is responsible for the cost of repairing the damage. Homeowners are financially responsible for the actions of their tenant's, guests and non-member residents of their homes.

How do I pay my assessment?

There are several options for paying your assessment.

Mail Regular Payments To:

Association Name
C/O Union Bank
P.O. Box 45480
San Francisco, CA 94145-0480

Mail Overnight Payments To:

Association Name
C/O MUFG Union Bank, N.A.
ATTN: Lockbox Operations
1751 Harborbay Parkway, Suite 100
Alameda, CA 94502

Your check must be made payable to the name of your Association. Include your 12-digit owner account number which is listed on your statement or payment coupon.

Electronic or Automatic Payment (Union Bank):

With Union Bank, you can make a one-time electronic payment or schedule recurring payments once you have made a one-time payment and created a log in and password. You can do so by visiting:

www.unionbank.com/hoabankers/hoonlinepayments. You will need to enter a company ID (0023), followed by your 12-digit owner account number found on your statement or payment coupon in the following format (**case sensitive**): 0023-ABC123-XXXXXX. Make sure to include the dashes. If you need assistance, please contact Union Bank at 800-836-5184.

Automatic Payment (ACH Form):

Another way to schedule regular automatic payments (ACH) is to fill out the attached Authorization Agreement for Preauthorized payment form and attach a VOID check to Union Bank following the instructions on the form. This will set you up to have your assessment amount deducted on the 10th of the month that the assessment is due.

Your Personal Online Banking or Bill Pay System:

If you use your own bank's Online Bill Pay System to pay assessments, make sure that the payee/biller name, address and account number are accurate. The payee/biller name must be the name of your Association. You must also include your 12-digit owner account number on the Bill Pay check. Your 12-digit owner account number can be found on your statement or payment coupon. Your online banking payment is not an electronic transfer of funds. Please allow 5-7 business days for mailing. Mail payments to:

Association Name
C/O Union Bank
P.O. Box 45480
San Francisco, CA 94145-0480

Credit Card Payments:

To pay with a credit card, please visit: www.commoninterest.com. Select the "PAY ONLINE NOW" link in the upper right hand corner, then select "Click to Pay Now." You will be asked to enter your 12-digit owner account number found on your statement or payment coupon (do not insert spaces or dashes) and the official owner's last name. To make a one-time payment, select "Make One-time Payment." To set up a recurring payment, select "Set up Recurring Payment." A convenience fee will be charged by PayLease. For questions or to pay over the phone with a credit card, please contact PayLease at (866) 729-5327 or at support@paylease.com.

Please contact Common Interest Management's Accounting Department via email at accounting@commoninterest.com with any questions.



**AUTHORIZATION AGREEMENT FOR
PREAUTHORIZED PAYMENTS**

CUSTOMER: If required, photocopy for your records.

Management Company Name: Common Interest Management Services

Association Name: _____

Unit Address: _____

Homeowner Unit Number / Account Number: _____

I/We authorize the above Association to charge my/our checking account at the financial institution indicated on my/our voided check for the payment of my/our monthly association assessment. Your account will be charged on or about the 7th of each month.

I/We understand that these assessments may change periodically, and that such changes will be provided to Union Bank by the above named Association.

(fold)

(fold)

**PLEASE ATTACH A VOIDED CHECK (WITH PREPRINTED NAME AND ADDRESS) FROM
THE CHECKING ACCOUNT THAT WILL BE CHARGED.**

**UNION BANK MUST RECEIVE THIS FORM BY THE 10TH DAY OF THE MONTH FOR THE AUTOMATIC
CHARGE TO BE IN EFFECT FOR THE FOLLOWING MONTH.**

**UNION BANK WILL BE PERFORMING THE ORIGATION OF THESE CHARGES ON BEHALF OF THE
ASSOCIATION.**

STAPLE VOIDED CHECK HERE

**You will receive confirmation of start date via U.S. Mail. If you have any questions, you may call Union Bank at
1-800-836-5184.**

Please mail this authorization to: **UNION BANK, N.A.
HOA REMITTANCE PROCESSING-MP, 4-30A-812
2001 SATURN STREET
MONTEREY PARK CA 91755**

(fold)

(fold)

I\We represent and warrant to Union Bank, N.A. that the undersigned are all signers required to transact business on said deposit account and understand that electronic transactions on said account will be governed by the terms of my\our deposit account terms and disclosure. Union Bank, N.A. must receive written notification of my\our termination by the 10th day of the month in order to act upon such notification by the following month's payment.

First Name on Account (please print)

 x
Signature

Date

Second Name on Account (If applicable)

 x
Signature

Date

**REQUEST FOR ANNUAL NOTICE OF ADDRESS,
REPRESENTATIVE AND RENTAL STATUS**

Please complete this form and return it to the Association as noted below within 30 days:

1. Association Name:

2. The full name(s) of the property owner(s):

3. The property address within the Association:

4. The requested primary mailing address:

5. Optional: An alternate or secondary mailing address:

6. Optional: The name and address of your legal representative, power of attorney, or other person (if any) who can be contacted in the event of your extended absence:

7. Is the property that you own (check one):

Owner-occupied

Rented out

Developed, but vacant

Undeveloped

NOTE: If an owner fails to provide the notices set forth above, the property address of the Owner's Separate Interest within the development shall be deemed to be the address to which notices are to be delivered.

The above information is requested pursuant to Civil Code §4041.

PLEASE RETURN THIS INFORMATION TO THE ASSOCIATION AT THE FOLLOWING ADDRESS:

Common Interest Management Services
315 Diablo Rd. Ste. 221
Danville, CA 94526

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

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.**

Provider of the **Section 4525** Items:

Heidi Pleger, Senior Director of Escrow Services, Common Interest Management Services

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Articles of Incorporation (or statement that not incorporated)	Section 4525(a)(1)	\$35.00	
CC&Rs	Section 4525(a)(1)	\$35.00	
Bylaws	Section 4525(a)(1)	\$35.00	
Operating Rules	Section 4525(a)(1)	\$35.00	
Age Restrictions, if any	Section 4525(a)(2)		Refer to the Demand
Rental Restrictions, if any	Section 4525(a)(9)	\$35.00	Refer to the Demand
Annual Budget Report (or summary, including Reserve Study)	Sections 5300 and 4525 (a)(3)	\$35.00	
Assessment and Reserve Funding Disclosure Summary	Sections 5300 and 4525 (a)(4)		Included in Annual Budget Package
Annual Financial Statement Review or Audit	Sections 5305 and 4525(a)(3)	\$35.00	See Comments
Assessment Enforcement Policy	Sections 5310 and 4525(a)(4)		Included in Annual Budget Package
Insurance Summary	Sections 5300 and 4525 (a)(3)	\$35.00	
Regular Assessment	Section 4525(a)(4)		Refer to the Demand
Special Assessment	Section 4525(a)(4)	\$35.00	Refer to the Demand
Emergency Assessment	Section 4525(a)(4)		Refer to the Demand

Other Unpaid Obligations of Seller	Sections 5675 and 4525(a)(4)		Refer to the Demand
Approved Changes to Assessments	Sections 5300 and 4525(a)(4), (8)		Included in Annual Budget Package
Settlement Notice Regarding Common Area Defects	Sections 4525(a)(6), (7) and 6100		Refer to the Demand
Preliminary List of Defects	Sections 4525(a)(6), 6000 and 6100		Refer to the Demand
Notice(s) of Violations	Sections 5855 and 4525(a)(5)		Refer to the Demand
Required Statement of Fees (Escrow Demand)	Section 4525	\$310.00	
Minutes of Regular Board Meetings (conducted over the previous 12 months, if requested)	Section 4525(a)(10)	\$50.00	
Total fees for these documents:		\$660.00	

*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 shall be charged separately.

This is the minimum document offering required to meet CA Statute 4525. You may opt to acquire additional documents including, but not limited to, Meeting Minutes, Reserve Studies, Insurance Declaration Pages, and/or property inspections not mandated by law but helpful to the prospective buyer(s) and/or their agent to make a more informed decision regarding the subject property

Please note: Other fees including, but not limited to, Transfer Fees, Capital Contributions, Collection fees, etc. may be assessed to each property and will be disclosed on the Statement of Fees (Demand) and are not included within estimated charges outlined within this form.

Financial Statement Review aka Audited Annual Financial

The buyer and seller may negotiate who pays document and disclosure fees.

The management company is not paid a referral fee by HomeWiseDocs as part of this transaction.

Cowell Homeowners Association, Inc.

Election Rules

These Election Rules apply to all Member votes undertaken by COWELL HOMEOWNERS ASSOCIATION, INC. ("Association"). These Election Rules shall be effective on the date of adoption, shall supersede any other rules of the Association affecting voting or elections, and shall remain in effect until modified by the Board of Directors (the "Board").

ARTICLE 1 MEMBER VOTING RIGHTS

1.1 Member Voting Rights. Notwithstanding anything to the contrary in the Association's governing documents, all Members shall be entitled to vote, and no Member shall be denied a ballot for any reason other than not being a Member. "Member" means a person who holds legal title to the separate interest (i.e., is named in the recorded deed for the separate interest property). The "separate interest" property means the residential lot owned by a Member.

1.1.1 Entity Owners. In the case of a Member that is not a natural person (such as a trust, corporation or other entity), the vote of such Member may be cast by any authorized representative of the Member designated by written notice to the Association.

1.1.2 General Power of Attorney. A person with general power of attorney for a Member, who has provided satisfactory evidence thereof, shall not be denied a ballot and said ballot shall be counted if returned by the deadline for voting.

1.2 Voter List. The Association shall maintain a "Voter List" which shall include for each separate interest: the Member's name; voting power; and, unless the Member has "opted out" of the public distribution of their address, the physical address of the Member's separate interest, or the parcel number, or both, and the mailing address of the Member if it is different than the physical address of the separate interest (or if the parcel number is used). Upon request, the Association shall permit Members to verify the accuracy of their individual information on the Voter List at least 30 days before the ballots are mailed. The Member shall report any errors to the Inspector of Elections who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspector of Elections. The Voter List shall be retained as "association election materials" as required by law.

1.3 Voting Power of Each Membership. On each matter before the Members, only one (1) vote shall be cast for each separate interest. Once a ballot is received by the Inspector of Elections, it may not be rescinded. Votes on behalf of a separate interest owned by more than one person or entity shall be treated as a single member for voting purposes. The vote for such separate interest shall be exercised as the owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any separate interest. If the joint owners of a separate interest are unable to agree among themselves as to how their vote is to be cast, they shall lose their right to vote on the matter in question. If any joint owner of a separate interest casts a vote representing the separate interest, it will thereafter be conclusively presumed for all purposes that such owner was acting with the authority and consent of the other owners of that separate interest.

1.4 Cumulative Voting. Cumulative voting is not permitted in the election of directors.

1.5 Proxies. Use of proxies in connection with membership votes or membership meetings is expressly prohibited. "Proxy" shall mean a written authorization signed by a Member or a

Member's attorney-in-fact giving another person or persons power to vote for such Member, as defined in Corporations Code section 5069.

1.6 General Power of Attorney. A Member may delegate their voting rights to a third party by use of a general power of attorney that conforms to the laws of the state in which the power is conveyed. The power of attorney must be returned to the Association at or before the casting of the ballot for which voting rights have been delegated.

ARTICLE 2 VOTING PROCEDURE

2.1 Notice of Election Information. At least thirty (30) days before the ballots are distributed, the Association shall provide general notice of all of the following: (i) the date and time by which, and the physical address where, ballots are to be returned by mail or handed to the Inspector of Elections; (ii) the date, time, and location of the meeting at which ballots will be counted; and (iii) the "Candidate Registration List," as defined in Section 3.3 below.

2.2 Distribution of Ballots. For a vote on any of the matters specified in *Civil Code* section 5100(a), voting by the Members shall be conducted by secret ballot using a "double envelope system" as described in *Civil Code* section 5115(a). Ballots and two envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered to all Members in such vote or election. Ballots shall be distributed a minimum of thirty (30) days prior to the deadline for voting. These matters are: (i) elections regarding assessments legally requiring a Member vote, (ii) election and removal of directors, (iii) amendments to the governing documents, and (iv) grants of exclusive use of common area property pursuant to *Civil Code* section 4600.

For votes on any other matter, votes may be by secret ballot or by written ballot, and ballots may be distributed a reasonable time (which may be less than thirty (30) days) prior to the deadline for voting.

2.3 Election by Acclamation. If, as of the published deadline for receiving nominations, the number of qualified candidates for election to the Board is not more than the number of directors to be elected, then the qualified candidates shall be declared elected and shall take office at the first Board meeting following the deadline for nominations or, if later and an annual meeting is held, then at the first Board meeting after the annual meeting. Written notice of the election shall be given to the Members.

2.4 Frequency of Director Elections. The Association shall hold an election for a seat on the Board at the expiration of the corresponding director's term or sooner if required by the Bylaws.

2.5 Extension of Voting. The Board shall be entitled to extend the deadline for the return of ballots one or more times due to the lack of a quorum or for such other reason(s) as the Board deems reasonable and prudent.

2.6 Tabulation and Observation. The Inspector of Elections shall open all ballots and tabulate the votes at a properly noticed open meeting of the Board or Members in a manner that allows the Members to view the opening and tabulation. The Inspector of Elections may appoint additional persons to assist in the opening of ballots and tabulation of votes. Observers must remain at least five (5) feet from the area of opening and tabulation and not communicate, harass, or otherwise interfere with the Inspector of Elections and/or those assisting the Inspector of Elections in any manner whatsoever. The Inspector of Elections or the Board shall have the power and authority to cause the removal of any person who interferes with or disrupts the voting, opening or tabulating process. The Inspector of Elections may suspend the opening and tabulation process if anyone causes interference with or disrupts the process.

2.7 Reporting Election Results. The tabulated results of the election shall be promptly reported to the Board and shall be recorded in the minutes if reported at a meeting of the Board or recorded in the minutes of the next meeting of the Board if reported at a Member meeting. Within fifteen (15) days of the election, the Board shall give the Members general notice of the tabulated results of the election.

2.8 Retention of Association Election Materials. "Association election materials" shall mean the returned ballots, signed voter envelopes, the Voter List, proxies, and the Candidate Registration List. The association election materials shall at all times be in the custody of the Inspector of Elections or at a location designated by the Inspector of Elections for a period of one (1) year after the Inspector of Elections notifies the Board and the Members are notified of the election results, at which time custody shall be transferred to the Association. The Association shall retain the association election materials for the current fiscal year and prior two (2) fiscal years. At the expiration of the retention period all association election materials may be destroyed.

ARTICLE 3 CANDIDATES FOR THE BOARD AND NOMINATION PROCEDURES

3.1 Qualification of Candidates. Candidates for the Board must be Members at the time of their nomination and (i) must meet any other qualifications or restrictions set forth in these Election Rules and (ii) must meet any other qualifications or restrictions set forth in the Bylaws so long as they do not conflict with these Election Rules. In the case of a Member that is not a natural person (such as a corporation or other entity), the entity Member shall have the power to appoint a natural person as the "Member" for purposes of director elections. The Association shall disqualify a nominee for the Board for any of the following reasons:

3.1.1 The nominee is not a Member.

3.1.2 If the nominee, if elected, would be serving on the Board at the same time as another owner of the same separate interest and the other person is either properly nominated for the current election or is an incumbent director.

3.1.3 If the nominee, at the time of nomination, is delinquent in the payment of regular and/or special assessments. A nominee shall not be considered "delinquent" if the delinquency relates to the payment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party and/or if the nominee: (a) has paid the regular or special assessment under protest; (b) has entered into a payment plan for repayment of the delinquent assessments and is not delinquent in payments due under the plan; or (c) the nominee has requested and has not been provided an opportunity to engage in internal dispute resolution.

3.1.4 If the nominee discloses, or if the Association is aware or becomes aware of, a past criminal conviction that would, if the Member was elected, either prevent the Association from purchasing the fidelity bond coverage required by Civil Code section 5806 or terminate the Association's existing fidelity bond coverage.

3.2 Nominations.

3.2.1 Solicitation of Candidates. At least thirty (30) days before the deadline for submitting a nomination, the Association shall provide general notice of the procedure and deadline for submitting a nomination for the Board. Any Member who satisfies the qualifications and is not otherwise prohibited from running for the Board may place their name in nomination for the Board by submitting the nomination before the published deadline for receiving nominations. In addition,

the Board may recruit qualified candidates and/or may appoint a nominating committee to nominate qualified candidates.

3.2.2 No Write-Ins. No “write-in” candidates shall be permitted on the ballots in the election of directors.

3.3 Candidate Registration List. The “Candidate Registration List” shall mean the list of candidates who will appear on the ballot. Upon request, the Association shall permit Members to verify the accuracy of their individual information on the Candidate Registration List at least thirty (30) days before the ballots are mailed. The Member shall report any errors to the Inspector of Elections who shall make the correction within two business days. The Association may, at its discretion, report any known errors to the Inspector of Elections. The Candidate Registration List shall be retained as “association election materials” as required by law.

3.4 Notice of Known Candidates. The names of all persons on the Candidate Registration List shall be set forth on the ballot.

3.5 Candidacy Statements. Any candidate who wishes to submit a candidacy statement may only do so using the Association’s authorized form. The content of any candidate statement shall be limited to a statement of the candidate’s qualifications to serve as a director.

3.6 Directors May Not be Delinquent. Any Member serving on the Board shall be current in the payment of regular and special assessments. A director shall not be considered “delinquent” in the payment of assessments if the delinquency relates to the payment of fines, fines renamed as assessments, collection charges, late charges, or costs levied by a third party and/or if the director: (a) has paid the regular or special assessment under protest; (b) has entered into a payment plan for repayment of the delinquent assessments and is not delinquent in payments due under the plan; or (c) has requested and has not been provided an opportunity to engage in internal dispute resolution.

ARTICLE 4 USE OF ASSOCIATION MEDIA AND CAMPAIGNING

4.1 Access to Association Media – Candidates for the Board. The Board may, but is not required to, make Association media (e.g., newsletter, notice board, website, or other notices provided to the Members) available to qualified candidates running for election to the Board for purposes that are reasonably related to the election in which that candidate is running. If the Board allows any candidate access to Association media, then all qualified candidates shall be allowed equal access to the same media.

4.2 Access to Association Media – Other Matters. If the Board utilizes Association media to advocate a point of view on any matter (other than election of directors) that requires Member approval or allows any Member access to Association media for that purpose, then all Members advocating a different point of view shall be allowed equal access to the same media. The Board shall not be required to allow access to more than one Member advocating the same point of view.

4.3 “Equal Access.” “Equal access” shall mean publication of written statements not to exceed a predetermined length as determined by the Board. The Board shall not edit or redact any statement but shall not be required to publish any statement that exceeds the predetermined length restrictions. Modifications to formatting may be made so as to allow for space and/or media restrictions. If any formatting modifications should become necessary, they shall be applied equally to all submissions and at no time shall any formatting be applied that may signify a preference or partiality.

4.4 Responsibility for Content. All statements published in Association media pursuant to the “equal access” rules must identify the author or proponent. No anonymous statements will be permitted. The author and/or proponent of any statement or point of view shall be solely responsible and liable for the content of their statements. The Association shall not be responsible or liable for the content of any statement published pursuant to the “equal access” rules.

4.5 Campaigning. No Association funds shall be expended for the purposes of campaigning in connection with any vote or election other than those funds specifically required to distribute required correspondence, notices, or forms that may contain the names of candidates or necessary information on the issues being voted upon, or as is otherwise deemed by the Board to be necessary or appropriate for the fair and reasonable conduct of a vote or election, or to the extent necessary to comply with duties of the Association imposed by law. Specifically excluded is the expenditure of Association funds for the purposes of expressly advocating approval, election, or defeat of any candidate.

ARTICLE 5 USE OF COMMON AREA MEETING SPACE

5.1 Access to Common Area Meeting Space – Campaigning by Candidates for the Board. The Board shall ensure that during a campaign all qualified candidates for election to the Board are given access to common area meeting space (if any) upon request, at no cost, for purposes reasonably related to their campaigns.

5.2 Access to Common Area Meeting Space – Other Matters. Whenever the Board places a matter before the Members which requires Member approval, the Board shall ensure that Members advocating a point of view on the matter are given access to common area meeting space (if any) upon request, at no cost, for purposes reasonably related to advocating their point of view, whether or not they agree with the point of view advocated by the Board on the matter at issue.

5.3 All Access. Any use of the common area facilities for the purposes described above shall be regulated by any existing rules and regulations for such use. The Board, in its sole discretion, may reasonably limit a candidate’s or Member’s access to common area facilities in order to facilitate equal access for other candidates and Members, and so as not to unreasonably interfere with other Members’ rights to use such facilities.

ARTICLE 6 INSPECTOR OF ELECTIONS

6.1 Appointment of Inspector of Elections. Whenever there is a membership vote or election, the Board shall appoint one (1) or three (3) Inspectors of Elections, hereinafter individually or collectively referred to as the “Inspector of Elections,” whose powers and duties shall be as set forth in Civil Code section 5100 *et seq.* The Board shall have the power to remove an Inspector of Elections who ceases to meet the required qualifications, is unable or unwilling to perform their duties, or for other good reason, and to appoint a new Inspector of Elections in their place.

6.2 Qualification of Inspector of Elections. The Inspector of Elections may be any persons the Board reasonably believes to be independent with respect to the matter or matters being voted on and may include Members of the Association, but may not be (i) a member of the Board or a candidate for election to the Board or be related to a current member of the Board or a candidate for election to the Board or (ii) the Association’s manager, accountant, legal counsel, or any other person, business entity, or subdivision of a business entity that is employed by or under contract with the Association to provide compensable services to it at and/or after commencement of the election process other than serving as Inspector of Elections.

6.3 Payment to Inspector of Elections. The Board may authorize payment of Association funds to any third party appointed to serve as Inspector of Elections; however, no payment may be authorized for any Member appointed to serve as the Inspector of Elections.

6.4 Duties of the Inspector of Elections. The Inspector of Elections shall be responsible to perform their duties as follows:

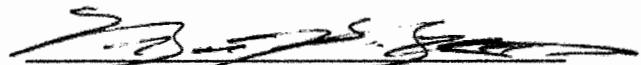
- 6.4.1 Perform those tasks enumerated in Civil Code section 5110(c); and
- 6.4.2 Perform all duties impartially, in good faith, to the best of the Inspector of Election's ability, as expeditiously as is practical, and in a manner that protects the interest of all Members of the Association; and
- 6.4.3 Make any necessary corrections to the Candidate Registration List or the Voter List within two business days of being informed of an error by a Member or by the Association; and
- 6.4.4 Deliver (or cause to be delivered) the following documents to the members at least thirty (30) days before an election: (a) the ballot(s) by first-class mail and (b) a copy of these Election Rules by (i) individual delivery or (ii) by posting the internet website address where these Election Rules may be accessed on the ballot together with the phrase in at least 12-point font, "The rules governing this election may be found here: [*insert internet website address*]"; and
- 6.4.5 Retain the association election materials as provided herein.

6.5 Indemnification of Inspector of Elections; Liability Insurance. The Association may, at the Board's sole discretion, indemnify the Inspector of Elections to the fullest extent provided by law. The Association shall have the power to purchase and maintain insurance to protect it and/or the Inspector of Elections against any liability asserted against the Association and/or against the Inspector of Elections arising out of the Inspector of Elections' acts and/or omissions relating to any Association vote or election.

ARTICLE 7 AMENDMENTS

The Board may amend these Election Rules from time to time except that these Election Rules may not be amended less than ninety (90) days prior to an election unless that amendment is merely to conform to non-discretionary changes in the law.

I, Brian J. Deaton, am the Secretary of the COWELL HOMEOWNERS ASSOCIATION, INC., and certify that these Election Rules were duly adopted by the Board of Directors of the Association and came into effect on the 23rd day of April, 2020.


Secretary

April 27, 2020
Date

PHOTO ID BADGES & KEYS POLICY

PHOTO ID BADGES & KEYS

Residents and their guests must display valid Photo ID Badges when using any of the recreation facilities including the Clubhouse, swimming pools, playgrounds, tennis courts, basketball courts, all common areas, and the dog park.

Photo ID Badges

Badges may be purchased at the Clubhouse. Proof of residence is required to purchase photo ID badges. Badges are required for all residents over four years old. Badges are to be prominently displayed by residents and their guests when using the facilities and common areas. Badges may be worn on clothing, bags, towels or other items, but should be clearly visible. The price of new and replacement badges is subject to change. Homeowners need to be in “good standing” in order to use the facilities and common areas, and to purchase photo ID badges.

Guest Badges

Each resident household may purchase a maximum of five guest badges. Guest badges will be numbered to identify the member hosting them. Guests may not use the facilities or common area unless accompanied by a resident. Residents are always responsible for the actions of their guests. Homeowners in good standing may purchase up to fifteen one-day guest badges. These one-day guest passes need to be purchased in advance from the Clubhouse.

Keys for Facilities

There are separate keys for different facilities (e.g., swimming pools, tennis courts, Dog Park). These keys may be purchased at the Clubhouse. Only adult residents with proof of Walnut Country residency may purchase keys. The number of keys a resident may purchase is limited. Homeowners leasing or renting their homes must follow the key procedures outlined in the CHOA lease agreement. In the future, CHOA Board of Directors may approve replacing keys with security cards/fobs; however, the same restrictions will be applied.

FACILITIES USAGES, RESERVATIONS, & RENTALS

FACILITIES USAGES, RESERVATIONS, & RENTALS

CHOA facilities are primarily for the use of residents of the Cowell Homeowners Association, Inc. Approved activities would include normally accepted recreation, social or cultural activities.

Rentals of the Clubhouse

Only residents of CHOA in Good Standing (that is, who are not delinquent in the payment of any sums owed to CHOA and who are not then in violation of the governing documents) may rent the Clubhouse for private functions. For detailed information on renting the facilities please contact the Clubhouse staff.

Community Groups

Community or civic groups wishing to use the Clubhouse or other facilities for meetings or activities must meet the criteria specified in the clubhouse rental policy document, and have a contact sponsor be a resident in good standing and present at all events for his or her group.

Organized Teams or Competitions

Residents may not individually organize or sponsor sports teams, leagues, or other activities to play or practice at CHOA facilities without the prior approval of the Board.

Greenbelt Area Use

Residents may use greenbelt areas and surrounding lawns for their private parties or gathering including block parties, but the area may not be reserved or set aside as unavailable to other residents and their guests. This area is available only on a first-come, first-serve basis.

Planned activities, (e.g., bouncy houses, game trucks, laser games, and food trucks) are allowed; however, a Certificate of Insurance (COI) is required from the Resident listing "Cowell Homeowner Association" as additional insured. This COI must be given to the General Manager at least 14 Business Days in advance of the planned event.

Residents may extend the use of the greenbelt area to no more than five guests. If more than five guests are expected, an additional 15 one-day passes may be purchased from the Clubhouse. The sponsoring resident must be present the entire time their guests are in the greenbelt area.

The consumption of alcohol is prohibited on the greenbelt except during CHOA sponsored events where CHOA contracted security is provided. Any member who damages or destroys CHOA property, including landscaping, is responsible for the cost of repairing the damage. Residents are financially responsible for the actions of their guests.

Profit-Making Activities

No part of the CHOA facilities shall be used, directly or indirectly, for any business, commercial, mercantile, vending, or other profit-making purpose without the Board of Directors' approval.

Lessons or Classes

Lessons or classes handled by independent instructors and conducted using the CHOA facilities in any way will be governed by the following policies:

- The Board of Directors must approve instructors or teachers solicited or sponsored by a CHOA committee, and who will be reimbursed from revenues based on the number or participants and paid by the participants. Any such instructor must pay a fee back to CHOA, must carry their own insurance, and must pay their own payroll taxes. All such independent instructors must agree in

COWELL HOMEOWNERS ASSOCIATION, INC.

4498 Lawson Ct • 925-687-9961 • businessoffice@walnutcountry.com • www.walnutcountry.com

writing to defend and indemnify the Cowell Homeowners Association from claims arising out of services they rendered on the common area. Each participant taking lessons or classes must sign a CHOA Liability Release.

- Instructors or teachers solicited by or sponsored by a CHOA committee or the Board of Directors, and who will be reimbursed a predetermined flat rate to teach a class or activity, would not be covered under this section. This situation or anything close to it will be considered employment and must be handled accordingly.
- Instructors or teachers may inquire directly to a committee or the Clubhouse Supervisor if they feel that they have something to offer the community.
- All advertising in 'The Signal' for instructors' classes will be coordinated through the Clubhouse Supervisor.
- No fee-based lessons of any kind, (e.g., swimming lessons or tennis lessons) may be given at CHOA facilities unless approved by the Board.

Other

Any one-time event or activity (with the exception of the Clubhouse rental) must be pre-approved by the Board of Directors.

RENTAL RESTRICTIONS

RESTRICTION ON PERCENTAGE OF RENTAL PROPERTIES, AUTHORITY, & PROCEDURES

CC&R Article 1. Section 14

- a) The respective residential lots shall not be rented or leased by the Homeowner thereof for transient or hotel purposes, which shall be defined as (1) rentals for any period less than six months; or (2) any rental if the occupants of the residential lot are provided, customary hotel services, such as room service for food and beverage, maid service and furnishing laundry and linen. Other than the foregoing obligations, the Homeowners of the respective lot shall have the right to lease their lots subject to the provisions contained in this Declaration and, in particular, this section 14.
- b) The right to lease a lot shall be restricted to a maximum of twenty-five percent (25%) of the lots in the development at any time.
- c) The right to lease a lot shall be granted in the order written applications are received by the Board. In the event the Board of Directors receives two or more applications on the same day, the right of an Homeowner to lease his or her lot within the 25% allowable under subsection (b) shall be determined by priority on the basis of record Homeownership date; and the Homeowner first in record Homeownership shall have the priority and right to lease his or her Lot over an Homeowner of subsequent recorded Homeownership; provided, however, that should an Homeowner of lower priority already be leasing, his or her Lot, an Homeowner prior in record Homeownership shall not have the right to supersede or supplant such current lease, but must await the next available vacancy within the allowable twenty-five percent (25%).
- d) The provisions of this Section 14 shall not be binding, upon any Homeowner of record title as of, or residence lot lease existing on, the recordation date of this amended Declaration.
- e) Any Homeowner shall have the right, on good cause evidenced in writing to the satisfaction of the Board of Directors, to lease his or her lot for a limited term subject to the provisions of subsection (a) of this Section 14, if such Homeowner represents that he or she shall return to the lot within a reasonable time and again take possession as resident Homeowner; and such limited lease shall be permitted by the Board of Directors without regard to the twenty-five percent (25%) maximum set forth in subsection (b) of this Section 14; provided, however, that the Board of Directors must have first approved of such lease in writing, as described in subsection (f) of this Section 14, in order to verify the representations made by the requesting Homeowner.
- f) Leasing procedures shall be as follows:
 - i. Each Homeowner shall have the right, upon written application (notice) delivered to the Secretary of the Association, to appear before the Board of Directors and request the right to lease his or her lot.
 - ii. The Board of Directors shall prepare a list of all Homeowners currently leasing their lots, which list shall include the Homeowner's name, mailing address, lot number or address, record date of Homeownership, and lease term; and such list shall be made available to all Homeowners upon request.
 - iii. The Board of Directors shall also prepare a "waiting list" of those Homeowners who have applied for approval to lease their lots, which list shall include the Homeowner's name, mailing address, lot number, date of application and record date of Homeownership.
 - iv. Any Homeowner desiring to lease his or her lot shall submit such application in writing to the Board of Directors, which application contain the following information: Homeowner's name, mailing address, lot number or address, and record Homeownership date; proposed lease term;

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identity of tenants intended; and any other information which the Board of Directors may reasonably require from time to time, by written notice to the Homeowners.

- v. Within thirty (30) days of receipt of such application to lease, the Board of Directors shall review such application, and approve or disapprove of the request in writing delivered to the requesting Homeowner, which, if the request is disapproved, shall specify the exact reason or reasons therefore.
- vi. If the lease requested is disapproved, the Homeowner concerned shall have the right of rehearing, upon written notice to the Board of Directors, at its next regular meeting, or as otherwise agreed upon between the parties. The Homeowner shall have the right to appear at the rehearing and present his or her case; and on termination of such rehearing, the Board of Directors shall deliver its written findings to the applying Homeowner within ten (10) days thereafter; and if the application is again disapproved, the Board of Directors shall specify the reasons for such disapproval.
- vii. The decision of the Board of Directors in approving or disapproving an application of Homeowner to lease his lot shall be absolute and binding, unless in clear violation of this Section 14.
- viii. Each Homeowner leasing a lot pursuant to this Section 14 shall be strictly responsible and liable to the Association for the actions of such Homeowner's tenants in or about all residence lots and the common area and for the tenant's compliance with the provisions of the governing documents.

Lot Rental Policy

Approved at the June 25th, 2020 Board of Directors Meeting

BACKGROUND

Article II, Section 14 of the Cowell Homeowners Association, Inc. CC&Rs requires that all owners who wish to rent or lease their Lot first obtain approval from the Board of Directors, as only a maximum of 25% of the Lots in the development may be rented or leased at any time. This policy will establish the process owners who wish to lease or rent their Lot must follow.

LOT RENTAL POLICY

Per Article II, Section 14 of the Covenants, Conditions, & Restrictions (“CC&Rs”), owners who wish to rent or lease their Lot must obtain approval from the Board of Directors. Before entering into a lease, Owners must first complete the *Rental Application* form and provide it to the General Manager. This application will then be presented to the Board of Directors during the next regularly scheduled open Board meeting, and the requesting owner will be provided a response no more than 10 days thereafter.

If the owner’s original *Rental Application* is denied by the Board of Directors, the owner has the right of rehearing so long as the request is submitted to the General Manager no more than 10 days following receipt of the *Rental Application’s* review. Should the owner’s request to lease their Lot be denied once more, no additional requests for a rehearing shall be permitted and the Board of Director’s decision shall be deemed final.

WAITING LIST

As no more than 25% of the Lots in the development may be rented or leased at any time, the Board will maintain a *Lot Rental Waiting List*. In the event that an owner’s request to rent or lease their Lot is approved, but 25% of the Lots within the development are being rented, the owner will be placed on the *Lot Rental Waiting List* and must await the next available vacancy before the Lot may be leased or rented.

TENANT KEYS & FOBS

Several Association common area facilities require keys or fobs for access. As of the date this Policy was approved, the dog park requires a key for access, and the tennis courts and pools require a fob. In the event that an owner has obtained approval from the Association for the Lot to be rented or leased, and the tenant will require keys, owners must complete the *Tenant Information & Key Deposit* form and provide it to the General Manager.

Tenants who require a dog park key will be required to submit a deposit to the Association in the amount of \$100. This deposit will be cashed and refunded when the dog park key is returned to the Association at the termination of the lease. Tenants who require a fob can simply pay for the cost of the fob outright (currently \$10 per fob) – no deposit required.

Following termination of the lease, tenants who were provided a dog park key must return it back to the Association in order to receive the \$100 refund. Tenants may complete the *Key Deposit Refund Request* form and submit to the General Manager, along with the keys. Fobs will be disabled by the General Manager following the termination of the lease.

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RENTAL APPLICATION

The CHOA CC&Rs require that owners obtain approval from the Board of Directors for the right to lease their unit. This right to lease is restricted to a maximum of 25% of the lots in the development per Article II, Section 14 of the CC&Rs. Owners wishing to lease their unit must fill out this Rental Application and submit it to the General Manager at the Business Office or by email to businessoffice@walnutcountry.com so that it may be reviewed by the Board of Directors at the next regularly scheduled Board meeting.

CHOA Property Address

OWNER CONTACT INFORMATION | *By law, all Association communication must be delivered to the Owner*

Owner Name(s)

Email Address

Phone Number

Original Date of Ownership

Owner Mailing Address

RENTAL INFORMATION | *Please provide information regarding your proposed lease, if known*

Proposed Lease Start Date and Term

Tenant Name(s), if Known

Phone Number

Email Address

POOL/TENNIS COURT KEY FOB & DOG PARK KEY | *Deposit may be required by HOA*

Do you need a key fob and/or dog park key? **Key Fob:** Yes No | **Dog Park Key:** Yes No

If any of the above keys are needed and your Rental Application is approved, please fill out the *Tenant Information & Key Deposit Form* and return it to the General Manager to arrange for picking up any required keys. Note that the Association may require a deposit in order to provide keys to tenants.

AGREEMENT & UNDERSTANDING | *Please read below and sign indicating you have read and understand*

This form serves as my written application (request) to lease my Lot pursuant to Article II, Section 14 of the Cowell Homeowners Association, Inc. CC&Rs. By leasing my residence, I am transferring my membership privileges to use the common area facilities to my tenants for the length of the lease. I, the Owner, also understand that per Article II, Section 14(f), I am responsible and liable to the Association for the actions of my tenants, including compliance with the Governing Documents.

Owner Name

Owner Signature

Date

OFFICE USE ONLY | *Approved by Board?* Yes No | *Date of Board Approval:*

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TENANT INFORMATION & KEY DEPOSIT FORM

Since the Owner on Title is the legal Member of the Association, it is imperative that the Association have your most up-to-date contact information, to ensure that you are receiving all legally required documentation and communication from the Association. All owners who have been approved to rent out their unit must fill out this form and return it to the Business Office (or send by email to businessoffice@walnutcountry.com). If a dog park key is needed, a \$100.00 deposit is also required.

Note: The Association requires that all owners renting their unit first obtain approval from the Board of Directors. Do not fill out this form if you have not yet obtained permission from the HOA to rent out your unit!

CHOA Property Address

Lease Start Date

OWNER CONTACT INFORMATION | *By law, all Association communication must be delivered to the Owner*

Owner Name(s)

Email Address

Phone Number

Additional Phone Number

Owner Mailing Address

TENANT CONTACT INFORMATION | *Please provide your tenant's most up-to-date information below*

Tenant Name(s)

Phone Number

Email Address

Tenant Name(s)

Phone Number

Email Address

KEY FOB & DOG PARK KEY DEPOSIT | *The key fob opens all pool and tennis court gates*

Do you need a key fob and/or dog park key? **Key Fob:** Yes No | **Dog Park Key:** Yes No

If a dog park key is needed, a \$100.00 deposit is required – checks only. **Please make your check payable to Cowell Homeowners Association**, delivered to the Business Office. Once received, the deposit will be cashed and will be refunded upon termination of the lease/return of the key. Key fobs are \$10.00 each, no deposit. Key fobs can be paid for with cash/check, and picked up at the Business Office during normal business hours.

AGREEMENT & UNDERSTANDING | *Please read below and sign indicating you understand the agreement*

I understand that failure to submit this form for each new tenant may result in the loss of my right to lease my Lot and/or forfeit of my place on the list of Lots approved for leasing. I, the Owner, also understand that per Article II, Section 14(f), I am responsible and liable to the Association for the actions of my tenants, including compliance with the Governing Documents.

Owner Name

Owner Signature

Date

OFFICE USE ONLY | *Key Fob Payment Received?*

Key Fob #:

Dog Park Key #:

Check #:

Date:

Check Name:

KEY FOB POLICY

CHOA recreational facilities are secured by a key fob remote access system to supply security for the property at the tennis courts and pools. The key fobs help protect the integrity of the private homeowners' association and are non-transferrable. Please do not lend your key fob to anyone.

To gain access to the facility, simply scan your key fob at the gate access panel next to the lock. (Note: The Dog Park will still require your current physical key for access as we cannot yet install electronic access at that site.) The pools and tennis courts access will be limited to specific gates due to this change as follows:

- Upper Tennis Courts – 1 Gate for each set of courts located on the greenbelt side (no access on street side)
- Lower Tennis Courts – 1 Gate for the courts located at the gate at the end of Smoke Tree Court (no access at the gate at the end of Blueberry Court)
- Main Pool – 2 Gates, 1 on Lawson Ct. and a adjacent to the Clubhouse
- East Pool – Main Gate
- West Pool Main Gate

KEY FOB RULES

- Each home is supplied with 2 remote key fobs to access the recreational facilities during operational hours. NOTE: It is the resident's responsibility to maintain their assigned key fobs. *On the back of every key fob there is a set of numbers; please write those numbers down in case you need a replacement.*
- If residents are in need of a replacement key fob, they must contact the Clubhouse Manager/Staff for a replacement. There will be a \$10 fee to replace an assigned key fob. The fob replaced MUST be deactivated. NOTE: CHOA Monthly Payment Delinquency may result in Key Fob suspension. A policy of "30 days Overdue" will be enforced.
- Key fobs shall ONLY be registered to (a) a recorded Property Owner of a home in the association. An Owner may designate an Agent to sign on the Owner's behalf if the property is Rental. Agent is defined as being a contracted Property Manager of a Qualified Residence or someone otherwise designated in writing by the Property Owner to act on his/her behalf, or (b) a recorded renter occupant (as identified in the lease on file for a rental property).
- Two key fobs per each home in the association listed on the official CHOA Registry of Owner/Residents will be issued to the Property Owner or to his/her Agent at no charge. No home may have more than two key fobs total.
- Upon issue, the key fobs will be activated within 24 hours.
- To receive a Key Fob, contact the Clubhouse Manager/Staff. A legal photo ID such as a driver's license shall be required to identify the individual. The property owner or renter will be verified against the official master list of CHOA Registry of Owner/Residents. Each Key Fob received shall require Owner or Agent signature.
- The Property Owner accepts ALL responsibility for the actions of anyone using the key fob.
- Property Owners of homes rented to others are responsible for maintaining ownership of their key fob(s). Note: Owners who rent out their home within the Association understand that the tenant has the rights to use the HOA facilities as the resident and the owner does not retain this right.
- Key fobs will NOT be mailed and shall only be issued in person, to the Property Owner, his/her Agent or the recorded renter.
- Key fobs that cease to work through no fault of the user may be returned to CHOA for free replacement. Key fobs lost, stolen, or damaged may be replaced for \$10. If a replacement is needed, contact the Clubhouse Manager/Staff. All replacements fobs MUST have the number of the fob to be replaced in order to deactivate that fob.

REQUIREMENTS FOR ASSOCIATION APPROVAL OF PHYSICAL CHANGES TO PROPERTY

Architectural Authority

The Architectural Committee authorized and established by Article IX of the Association Covenants, Conventions, and Restrictions (CC&Rs), performs monthly inspections and is responsible for reviewing Homeowners external property changes in the development for approval or denial. This includes an exterior addition, a change or alteration on a property including, but not limited to paint, fencing, decking, roofing, and windows. Planting plans for the properties do not need Architectural Committee approval unless they include landscaping items other than the plants themselves, such as walkways, retaining walls, small fences, concrete accent borders, decking, etc. The Architectural Committee has formulated, and the Board of Directors has adopted, the following procedure for the approval process.

Procedure

Homeowners considering an addition, change, or alteration to their home must submit an Architectural Application to the Architectural Committee through the Business Office, 4498 Lawson Ct. This Committee meets once each month on a regularly scheduled date. All properly submitted requests will be reviewed at the next regularly scheduled meeting and a Committee decision rendered within 60 days of receipt of all necessary and requested information. Committee decisions will be provided in writing to the requesting party. If further information is needed by the Committee in order to make a decision, no final action will be taken on the request until the meeting following the receipt of requested information. Special meetings of this Committee will not be held to review requests. Architectural applications must be submitted to the Business Office at least three days prior to the meeting to be included on the agenda. No work should begin until the application has been approved. Failure to do so could result in any work having to be reversed or taken out and Homeowner could be subject to a violation notice.

The Architectural Committee has approved the use of specific materials and colors in specified circumstances and has allowed for an expedited review of applications using these materials and colors. Contact the General Manager at the Business Office for more details. The General Manager may approve the application of such materials and colors.

Homeowners must defend and indemnify the Association and hold it harmless with respect to any claims, losses, liability, etc. that may arise as a result of the performance or results of the alteration work.

Any changes made to your house or yard before submitting an Architectural Application will result in a violation notice being issued to the Homeowner, a hearing scheduled, and an initial Fine of \$50 may be added to your Homeowner's assessment account. Continued failure to submit an application may result in a \$100 fine every month until the application is received and approved.

The Homeowner shall be responsible for any damage to Cowell Homeowners Association Property that may arise as a result of the performance or results of the alteration work.

Reconsideration of Architectural Application Based on New Information

If a Homeowner believes there is new information that warrants reconsideration of a previous application rejection by the Architectural Committee, he/she may submit a new application to be reconsidered. The application must state the prior submission date and must indicate what portion of the application contains new information.

Appeal

In the event the Architectural Committee denies an application or any part of the application, the applicant may appeal that decision to the Board of Directors. Notice of an appeal request must be in writing, submitted within 14 days of the application denial date, and must include all materials submitted to and received from the

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Architectural Committee. The Board of Directors shall consider the appeal at an open meeting; the notice of which shall be provided to the applicant at least three days before the meeting. A decision on the appeal shall be made and communicated to the applicant in writing not more than 60 days from the date of the appeal notice.

Application Decisions Shall Be In Writing

A decision by the Architectural Committee and/or the Board of Directors on an application to make external changes to property within the community shall be in writing and will explain the reason for denial of approval & procedure for seeking an appeal.

Failure to Comply With 60-Day Deadline for Architectural and Board of Directors Decisions

If the Architectural Committee or Board of Directors fails to provide an applicant with a written reply within 60 days of an application or an appeal, the application does not have to comply with architectural procedures contained in the CC&Rs and these rules. Nevertheless, all limitations on alterations of property contained in the CC&Rs must be complied with.

A R C H I T E C T U R A L A P P L I C A T I O N

Cowell Homeowners Association
 4498 Lawson Court - Concord, CA 94521
 (925) 687-9961 Business Office
 (925) 677-0182 Facsimile
 Businessoffice@Walnutcountry.com

**Please check
 the box below
only if it is to
 correct a
 violation.**

Date of Request: _____ Name: _____ Cowell Street Address: _____ Billing Address if Different: _____	Home Phone: _____ Work Phone: _____ E-mail: _____
--	--

APPLICATION for approval of painting, roofing and all other external changes to your property, such as windows, siding, trellises, decks, hot tubs, fencing, additions, concrete walkways, driveway extensions, retaining walls, and sheds.
Please check the boxes that apply to your request and circle the specific item. Architectural applications must be submitted to the Business Office at least three days prior to the meeting to be included on the agenda.

- Additions
- Decks / Overhangs / Attachments
- Fence / Concrete Accent Borders
- Free Standing / Play Structures
- Garage Door
- Gutters and Downspouts
- Landscaping, Driveway, Walkway

- Painting **Paint Book page #s:** _____, _____
- Entire House / Base / Trim / Garage Door
- Pool / Hot Tub / Gazebo
- Retaining Walls
- Roof
- Satellite Dish / Solar Panels
- Windows
- Other _____

Please submit drawings, sketches, brochures, and photos of your home, curb to front, or other necessary views that reflect the change and its impact on neighbors or the Common Area **a week prior to any scheduled Architectural Committee meeting.** If you do not plan to attend the meeting, it may be helpful if you can be reached by phone at that time in case the Committee needs to ask for more information. **Photos will expedite your request. Please fill in the boxes below as appropriate to your project and the backside of this page.**

	BASE	TRIM	GARAGE	ROOF	WINDOWS
BRAND NAME					
PAINT CODE, MODEL, or TYPE					
COLOR					

PAINTING REQUIREMENTS:

Gutters, window framing, fascia board (board behind the gutters), garage door framing, must be the same color as the trim. All downspouts, metal or vinyl, must match the color they rest against (usually the base color). Replacement windows must have a soft color contrast with surrounding background. Garage doors must be painted the same color as the trim or base color. Front door color is left to your discretion. **An 8 1/2 x 11 painted sample of any non-approved paint colors must be submitted with application for approval.**

APPROVED ROOFING MATERIALS:

To acquire approval on a roofing product not on the list: Please submit a sample of the product in the color of your choice along with an address in the local area of an installation of that product in the color you want to the Business Office two weeks prior to any Architectural meeting date. This information is available from the manufacturer's representative.

Any change to the existing shake roofing on the home must be submitted to the Architectural Committee for approval. There are several types of roofing materials, which have been approved for usage in the development, and a list is available for homeowner review. Each request must be individually made for review as to color & type of material, and should include house colors to ensure overall compatibility. Wood shake is not allowed as a re-roofing material. If 1/3 or more of the roof is being supplied with new/replacement material, this would constitute a re-roofing and wood shake would not be allowed.

Describe your project (attach any drawings, literature or samples):

****Approval is subject to accuracy of information provided by homeowner. ****

Estimated Completion Date: _____ **Contractor's Name:** _____

Homeowner Signature: _____
(Homeowner's Signature Required For Architectural Approval)

- Approved: _____
- Approved with Conditions: _____
- Denied: _____

Architectural Committee Signature: _____

Date of Decision: _____

Office
Personnel
Only

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LOCAL CONTACT INFORMATION

Cowell Homeowners Association, Inc.

Table with 2 columns: Service Name and Phone Number. Includes Business Office, Clubhouse, Preschool, and Common Interest Management.

City of Concord

Table with 2 columns: Service Name and Phone Number. Includes Abandoned Vehicles, Auto Theft, Building Division, Building/Neighborhood Services, City Hall, Code Enforcement, Community & Recreation Service, Neighborhood Preservation, Noise complaints, Public Works Maintenance Services, Streets & Sidewalks, and Streets Light Outages/Repair.

Police & Security

Table with 2 columns: Service Name and Phone Number. Includes Police (Non-Emergency), HOA Security Patrol (after 8pm), and Fire Protection District.

Local Utilities

Table with 2 columns: Service Name and Phone Number. Includes AT&T, Comcast, Concord Disposal, Contra Costa Water District, Direct TV, PG&E, and Wave (Astound).

Local Schools

Table with 2 columns: Service Name and Phone Number. Includes Mt. Diablo Unified School District, Cal State East Bay, and Diablo Valley College.

Communication

Table with 2 columns: Service Name and Contact Info. Includes Walnut Country Website, Business Office/General Manager, and Clubhouse.