
FAIRMONT HILL COMMUNITY ASSOCIATION

OCTOBER 2019

2020 Operating Budget. Enclosed, please find the budget for the period January 1, 2020 – December 31, 2020.

The monthly dues will remain at \$345.00 per home per month.

Interim HOA Fees This budget, as approved by the Board, is based upon anticipated costs for the next year. California Civil Code allows Board of Directors, without a vote of the membership, to increase HOA fees up to 20% over the annual HOA fee of the prior year and to impose a 5% special assessment of the current year's budgeted annual expenses. If the budget as adopted is insufficient to meet the association's actual expenses, the board reserves the right to make an interim adjustment in the HOA fees, up to the annual limits allowed by civil code.

Special Assessment At the present time, the board does not anticipate a special assessment in the New Year. Special Assessments may be needed in the future to pay for unforeseen operating expenses or for reserve expenditures if the reserve funding is insufficient to meet the costs.

Cash Position As of September 30, 2019, there was \$335,159.37 in operating cash, \$3,062,999.14 in reserves.

Reserves The reserves will be funded at \$51,672.00 per month. A copy of the most recent reserve study summary is enclosed. This reserve study estimates that the reserves are currently 72.40% funded and recommends funding next year of \$51,672.00 per month. Also enclosed is the "Assessment and Reserve Study Funding Disclosure." The full reserve study and funding plan is available to any member upon request.

Deferral Disclosure Statement The Board of Directors has determined not to defer repairs or replacement of any Major Component with the remaining life of thirty (30) years or less.

Reserve Funding Plan, Special Assessment The Board of Directors is not contemplating a special assessment as part of the Reserve Funding Plan. The reserve funding plan is attached.

Delinquency Policy The delinquency policy is enclosed. Please refer to the Association's CC&Rs for additional information.

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in

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

ASSESSMENTS AND FORECLOSURE

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

The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common 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 exists. (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)

Schedule of Fines for Violating Governing Documents or Association Rules The policy regarding fines is outlined in the "Rules and Regulations."

Security Disclaimer Members should notify the Association of any dangerous or insecure areas. Residents are reminded that they are responsible for the safety and security of their property and their persons and should not rely on the Association. It is hoped that the systems to limit access to the property provide some deterrence to crime. However, no matter what steps are taken, the property can never be completely safe and secure. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their own neighbors, for guests of residents to commit crimes. As a result, the property is not and can never be free of crime and we cannot guarantee your safety or security. Accordingly, you should NOT rely on the association to protect you from loss or harm. Instead, you should provide for your own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; keeping your personal property secure; refusing to open the door to strangers; asking workers for identification; avoiding dangerous situations; locking your vehicles.

Insurance This document contains a general description of coverage's but is not a statement of contract. For a more detailed description of the policy conditions and exclusions, please consult the policy itself or contact your insurance professional.

At your own expense, owners should carry insurance for real and personal property damage or loss for unit improvements and contents, and premises liability for bodily injury and property damage. In addition, owners should carry insurance for loss of their units and coverage for any loss assessments which might be levied against them in the event of an earthquake or loss.

Here are a few examples of losses that would not be covered under the master policy and that illustrate why you need to carry your own insurance:

- Your freezer ice maker leaks and damages your unit and/or another unit
- A fire occurs and your personal property is damaged
- A fire occurs, your unit is damaged, and you or your tenants have to move out while the unit is being rebuilt
- There is an earthquake and your personal property is damaged

Whether or not there is negligence, if damage, including but not limited to fire, water damage, mold or other structural damage, should arise as a result an act or omission of a resident or invites or out of failure, leaking, overflow or any other reason of any component which is within the scope of the unit and its exclusive use common area and/or an individual's property, including but not limited to vehicles, stoves, flex lines, angle stops, shut-off valves, toilets, sinks, bathtubs, showers, ice makers, dishwashers, mixer valves, tub drain overflows, caulking, tub surrounds, shower pans, individual water heaters, washing machines, dryer and dryer vent hook-ups, is any, or the

appurtenant lines which are solely for the use of that unit, ***the unit owner will be responsible for the deductible on a covered loss or the total cost of the damage repairs if not a covered loss. If another unit is damaged, that owner's recourse is against the offending unit owner, not the association.*** If the cause of the damage is related to a component within the scope of the association's maintenance and repair responsibilities, the association will absorb the master policy deductible. ***THE MASTER POLICY DOES NOT COVER YOUR PERSONAL PROPERTY OR UNIT UPGRADES OR YOUR PERSONAL LIABILITY. CHECK WITH YOUR INSURANCE AGENT TO BE SURE YOUR INDIVIDUAL POLICY COVERS THESE TYPES OF LOSSES.***

If you have tenants in your unit, you need to advise them to purchase a renter's policy. You also need to advise your insurance agent that you are renting out your unit so that they can tailor your individual policy to your needs.

You are advised to annually evaluate your individual owner's policy in relationship to the coverage and deductibles provided for in the Association's Master Policy. All owners should review their individual policies to make sure that there is adequate "real property" coverage.

The summary of the Association's master insurance is enclosed. Note that the Association does not carry Earthquake insurance or Flood insurance. Individual earthquake and flood coverage is likely available from your own insurance agent/broker. You should discuss these coverage's with him/her to determine the extent purchasing such coverage would protect your investment.

The summary of the Association's policies of insurance provides only certain information as required by Section 5310(a)(7) 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 payment 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 the 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 agent /broker for appropriate additional coverage.

Internal Dispute Resolution and Alternative Dispute Resolution The California Legislature has adopted guidelines for resolution of disputes between associations and members and between members, prior to taking disputes to court. The procedures adopted by the Association are enclosed.

Requirements of Architectural Approval the requirements for association approval of physical changes to a unit are enclosed.

Overnight Payments The Association's mailing address for overnight payment of assessment is: 181 S. Old Springs Rd., Anaheim Hills, CA 92808.

Written Communication The name and address of the person designated to receive official communications for the Association: StoneKastle Community Management, 181 S. Old Springs Rd., Anaheim Hills, CA 92808. Association members may submit a written request to StoneKastle Community Management in order to have notices sent to up to two different addresses, to change and/or update their contact information on file, request all general notice items be provided by individual delivery, opt out of the membership list, or receive all reports in full. Written requests may be mailed to 181 S. Old Springs Rd., Anaheim Hills, CA 92808, faxed to 866-575-0549 or emailed to info@stonekastlemgmt.com. (Civil Code 4040)

Secondary Address California Civil Code gives members the right to submit a request for collection notices to be sent to a secondary address. Send such request by certified mail to StoneKastle Community Management, Inc., Attn: Secondary Address request, 181 S. Old Springs Rd., Anaheim Hills, CA 92808.

Board Meeting Minutes In accordance with the California Civil Code, board meeting minutes are available as follows: The approved minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors of an association, other than an executive session, shall be available to members within thirty (30) days of the meeting. The approved minutes proposed minutes or summary minutes shall be distributed to any member of the association upon request and upon reimbursement of the association's cost of mailing that distribution. In accordance with the Civil Code, minutes of your association's board meetings may be obtained from StoneKastle Community Management, Inc. Minutes may also be obtained on-line at the association's website.

General Notices General notices from the Association to the members will be posted at the following location in the community (Civil Code 4045): At the Echo Hill bulletin board and the White Springs bulletin board.

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

This common interest development is a condominium project. The Association of this common interest development is certified by the Federal Housing Administration (FHA).

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

This common interest development is a condominium project. The Association of this common interest development is certified by the Department of Federal Affairs (VA).

Annual Policy Statement Pursuant to the new Civil Code Section 5320, an association may distribute a summary of the Annual Policy Statement. To request a full copy of the Annual Policy Statement, please send a written request to StoneKastle Community Management.

Board of Directors

Fairmont Hill Community Association

FAIRMONT HILL 2020 BUDGET

| | Monthly | Annually | Unit/Mo |
|--------------------------------|----------------------|------------------------|------------------|
| 4010-Assessment | \$ 171,120.00 | \$ 2,053,440.00 | \$ 345.00 |
| 4050- Arch Fees | \$ 25.00 | \$ 300.00 | \$ 0.05 |
| 4200-Violations | \$ 160.00 | \$ 1,920.00 | \$ 0.32 |
| 4310-Interest income Operating | \$ 780.00 | \$ 9,360.00 | \$ 1.57 |
| 4320-Interest income reserves | \$ 2,039.00 | \$ 24,468.00 | \$ 4.11 |
| 4350-Key Fees | \$ 75.00 | \$ 900.00 | \$ 0.15 |
| 4510-Owner Collection Charges | \$ 348.00 | \$ 4,176.00 | \$ 0.70 |
| 4530-Owner Interest Charges | \$ 211.00 | \$ 2,532.00 | \$ 0.43 |
| 4535 -Owner Late Charges | \$ 196.00 | \$ 2,352.00 | \$ 0.40 |
| 4536-Owner Late Charge Admin | \$ 405.00 | \$ 4,860.00 | \$ 0.82 |
| Subtotal | \$ 175,359.00 | \$ 2,104,308.00 | \$ 353.55 |

EXPENSE

Utilities

| | | | |
|----------------------|---------------------|----------------------|------------------|
| 5010-Cable | \$ 21,538.00 | \$ 258,456.00 | \$ 43.42 |
| 5020-Electricity | \$ 5,000.00 | \$ 60,000.00 | \$ 10.08 |
| 5030-Gas | \$ 800.00 | \$ 9,600.00 | \$ 1.61 |
| 5040-Refuse Disposal | \$ 16,000.00 | \$ 192,000.00 | \$ 32.26 |
| 5060-Water | \$ 9,800.00 | \$ 117,600.00 | \$ 19.76 |
| Subtotal | \$ 53,138.00 | \$ 637,656.00 | \$ 107.13 |

Pool

| | | | |
|----------------------------|--------------------|---------------------|----------------|
| 5110-Pool contract | \$ 1,895.00 | \$ 22,740.00 | \$ 3.82 |
| 5115-Poo/Supplies/Extras | \$ 210.00 | \$ 2,520.00 | \$ 0.42 |
| 5120-Pool Equipment Repair | \$ 210.00 | \$ 2,520.00 | \$ 0.42 |
| 5130-Pool Inspection Fees | \$ 50.00 | \$ 600.00 | \$ 0.10 |
| Subtotal | \$ 2,365.00 | \$ 28,380.00 | \$ 4.77 |

Land Maintenance

| | | | |
|----------------------------------|---------------------|----------------------|-----------------|
| 5220-Contract Landscape | \$ 20,102.00 | \$ 241,224.00 | \$ 40.53 |
| 5230-Landscape Extras | \$ 1,000.00 | \$ 12,000.00 | \$ 2.02 |
| 5260-Sprinkler Repair/Irrigation | \$ 2,250.00 | \$ 27,000.00 | \$ 4.54 |
| 5265-2 Way Communication Fee | \$ 340.00 | \$ 4,080.00 | \$ 0.69 |
| 5280-Tree Trimming | \$ 5,000.00 | \$ 60,000.00 | \$ 10.08 |
| Subtotal | \$ 28,692.00 | \$ 344,304.00 | \$ 57.85 |

Common Area

| | | | |
|----------------------------------|-------------|--------------|---------|
| 5380-Common Area Maint | \$ 4,102.00 | \$ 49,224.00 | \$ 8.27 |
| 5465-Gate/Phone Program | \$ 100.00 | \$ 1,200.00 | \$ 0.20 |
| 5490-Janitorial Contract | \$ 550.00 | \$ 6,600.00 | \$ 1.11 |
| 5492-Janitorial Supplies/extras | \$ 100.00 | \$ 1,200.00 | \$ 0.20 |
| 5500-Lock & Keys | \$ 50.00 | \$ 600.00 | \$ 0.10 |
| 5510-Lighting Contract | \$ 85.00 | \$ 1,020.00 | \$ 0.17 |
| 5515-Lighting Supplies/Repairs | \$ 400.00 | \$ 4,800.00 | \$ 0.81 |
| 5520-Lighting/Electrical Repairs | \$ 492.00 | \$ 5,904.00 | \$ 0.99 |
| 5522- holiday lights | \$ 150.00 | \$ 1,800.00 | \$ 0.30 |
| 5525-Misc | \$ 100.00 | \$ 1,200.00 | \$ 0.20 |
| 5530-Parking Patrol Service | \$ 1,868.00 | \$ 22,416.00 | \$ 3.77 |
| 5550-Pest Control-Bees/Wasps | \$ 375.00 | \$ 4,500.00 | \$ 0.76 |

| | | | |
|--------------------------------|---------------------|----------------------|-----------------|
| 5555-Pest Control-Rodents | \$ 375.00 | \$ 4,500.00 | \$ 0.76 |
| 5570-Plumbing | \$ 750.00 | \$ 9,000.00 | \$ 1.51 |
| 5580-Roof Repairs-Minor | \$ 4,167.00 | \$ 50,004.00 | \$ 8.40 |
| 5590-Street Sweeping | \$ 1,059.00 | \$ 12,708.00 | \$ 2.14 |
| 5630-Pest Control-Termite/Pest | \$ 4,000.00 | \$ 48,000.00 | \$ 8.06 |
| Subtotal | \$ 18,723.00 | \$ 224,676.00 | \$ 37.75 |

Administration

| | | | |
|-----------------------------------|---------------------|----------------------|-----------------|
| 5810-Audit/Tax Prep | \$ 100.00 | \$ 1,200.00 | \$ 0.20 |
| 5830-Collection/Delinquency | \$ 750.00 | \$ 9,000.00 | \$ 1.51 |
| 5870-Federal Income Tax | \$ 675.00 | \$ 8,100.00 | \$ 1.36 |
| 5875-State Income Tax | \$ 375.00 | \$ 4,500.00 | \$ 0.76 |
| 5890-Insurance Property/Work comp | \$ 6,600.00 | \$ 79,200.00 | \$ 13.31 |
| 5900-Late Service Fees | \$ 500.00 | \$ 6,000.00 | \$ 1.01 |
| 5910-Legal Services (General) | \$ 1,500.00 | \$ 18,000.00 | \$ 3.02 |
| 5915-Collection (Legal) | \$ 850.00 | \$ 10,200.00 | \$ 1.71 |
| 5930-Management Services | \$ 5,460.00 | \$ 65,520.00 | \$ 11.01 |
| 5935-Management admin | \$ 250.00 | \$ 3,000.00 | \$ 0.50 |
| 5970-Office Supplies/Printing | \$ 1,500.00 | \$ 18,000.00 | \$ 3.02 |
| 5975-Reimbursable Expense | \$ 45.00 | \$ 540.00 | \$ 0.09 |
| 5990-Reserve Study | \$ 85.00 | \$ 1,020.00 | \$ 0.17 |
| 5998-Website | \$ 40.00 | \$ 480.00 | \$ 0.08 |
| Subtotal | \$ 18,730.00 | \$ 224,760.00 | \$ 37.76 |

Reserve Allocations

| | | | |
|-----------------------------|----------------------|------------------------|------------------|
| 1 6469-Reserve Contribution | \$ 51,672.00 | \$ 620,064.00 | \$ 104.18 |
| 6700-Interest Allocation | \$ 2,039.00 | \$ 24,468.00 | \$ 4.11 |
| Subtotal | \$ 53,711.00 | \$ 644,532.00 | \$ 108.29 |
| Estimated Expenditures | \$ 121,648.00 | \$ 1,459,776.00 | \$ 245.26 |
| Reserve Allocation | \$ 53,711.00 | \$ 644,532.00 | \$ 108.29 |
| TOTAL BUDGET | \$ 175,359.00 | \$ 2,104,308.00 | \$ 353.55 |

Fairmont Hill Community Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending December 31, 2020
(“Disclosure Summary”)

**The notes at the end of this Disclosure Summary should
be read in conjunction with the information provided.**

- (1) The regular assessment for the 2020 fiscal year per ownership interest is \$345.00 per month.
- (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 association's Board of Directors (the “Board”) and/or members:

| Date assessment will be due: | Amount per ownership interest per month or year (If assessments are variable, see note immediately below): | Purpose of the assessment: |
|-------------------------------------|---|-----------------------------------|
| 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 on page ____ of the attached report.

- (3) Based upon the most recent reserve study, dated April 17, 2019, and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No _____

- (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 been approved by the Board or the members?

| Approximate date assessment will be due: | Amount per ownership interest per month or year: |
|---|---|
| N.A. | |
| | |
| | |

Total: _____

- (5) All major components are included in the reserve study and are included in its calculations. However, the following major assets are excluded from the reserve study calculations for the following reasons:

Fairmont Hill Community Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending December 31, 2020
 ("Disclosure Summary")

| Major asset: | Reason this major asset was not included: |
|----------------------|--|
| Slopes | Indeterminate Life |
| Gutters & Downspouts | Requested by Association |
| Playground Equipment | Requested by Association |
| Barbecues & Benches | Requested by Association |
| Pool Furniture | Requested by Association |
| Pool Equipment | Requested by Association |
| Clubhouse Components | Requested by Association |
| Cabana Components | Requested by Association |
| Garage Doors | Requested by Association |
| Mailboxes & Signs | Requested by Association |
| Wrought Iron Fencing | Requested by Association |
| Chain Link Fencing | Requested by Association |
| Lighting | Requested by Association |

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$4,850,568**, based in whole or in part on the last reserve study or update prepared by Advanced Reserve Solutions, Inc. as of January 1, 2020. The projected reserve fund cash balance at the end of the current fiscal year is **\$3,511,825**, resulting in reserves being **72%** funded at this date. The current deficiency in the reserve fund represents **\$2,699.08** per ownership interest.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, a reserve funding plan has been developed – see the attached projections. The assumed long-term before-tax interest rate earned on reserve funds is **1.0%** per year and the assumed long-term inflation rate applied to major component repair and replacement costs is **2.5%** per year. Full reserve study available upon request.

NOTES:

(A) The financial representations set forth in this summary are based on the best estimates of the preparer and the Board at that time. The estimates are subject to change.
 (B) For the purposes of understanding this Disclosure Summary: (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 55530. Components with an estimated remaining useful life of more than 30 years may be included in the 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 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 (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. (5) Based on reserve studies or the occurrence of one or more unanticipated events, the Board could increase regular assessments and/or levy special assessments, consistent with the provisions of the CC&Rs and applicable law, to fund additional reserves as it deems necessary. For example, the information contained in this Disclosure Summary includes (i) estimates of replacement value and life expectancies of the components and (ii) assumptions regarding future events. Estimates are projections of a future event based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from this report and summary and the variation may be significant. Additionally, inflation and other economic events may impact this report and summary, particularly over an extended period of time (such as thirty (30) years) and those events could have a significant and negative impact on the accuracy of this Disclosure Summary and, further, the funds available to meet the association's obligation for repair and/or replacement of major components during their estimated useful life.

Fairmont Hill Community Association

Executive Summary

Component Calculation Method

Client Information:

| | |
|-----------------|------------------------|
| Account Number | 01262 |
| Version Number | 1 |
| Analysis Date | 4/17/2019 |
| Fiscal Year | 1/1/2020 to 12/31/2020 |
| Number of Units | 496 |
| Phasing | 10 of 10 |

Global Parameters:

| | |
|------------------------------|---------|
| Inflation Rate | 2.50 % |
| Annual Contribution Increase | 2.50 % |
| Investment Rate | 1.00 % |
| Taxes on Investments | 30.00 % |
| Contingency | 3.00 % |

Community Profile:

For budgeting purposes, unless otherwise indicated, we have used January 1978 as the placed-in-service date for aging all original components throughout the community.

Please read the comments at the beginning of the detail section for important information regarding the preparation of this analysis.

ARS site visits conducted: September 11, 2017, March 10, 2016, July 24, 2014, July 20, 2011, October 16, 2008, October 18, 2006, July 22, 2004, September 26, 2000 & June 25, 1997.

Adequacy of Reserves as of January 1, 2020:

| | |
|------------------------------|----------------|
| Anticipated Reserve Balance | \$3,511,825.00 |
| Fully Funded Reserve Balance | \$4,850,567.78 |
| Percent Funded | 72.40% |

| Recommended Funding for the 2020 Fiscal Year: | Annual | Monthly | Per Unit Per Month |
|---|-----------|-------------|-----------------------|
| Member Contribution | \$620,063 | \$51,671.93 | \$104.18 |
| Interest Contribution | \$22,586 | \$1,882.14 | \$3.79 |
| Total Contribution | \$642,649 | \$53,554.08 | \$107.97 |

Fairmont Hill Community Association
Membership Disclosure Summary
Sorted by Category

| Major Reserve Components | Current Cost | Assigned Reserves | Remaining Life Range | Useful Life Range |
|--------------------------|-----------------|----------------------|-------------------------|----------------------|
| 010 Streets | \$903,125 | \$423,125 | 0-17 | 4-41 |
| 020 Roofs | \$3,527,042 | \$1,051,252 | 5-16 | 15-35 |
| 030 Painting | \$403,016 | \$318,929 | 1 | 4-9 |
| 040 Fencing | \$1,362,008 | \$954,071 | 5-14 | 30-47 |
| 050 Lighting | \$0 | \$0 | n.a. | n.a. |
| 060 Pool Area | \$360,609 | \$289,698 | 0-11 | 5-45 |
| 080 Decks | \$244,028 | \$207,796 | 1-3 | 16 |
| 090 Wood Repairs | \$40,000 | \$40,000 | 0 | 1 |
| 100 Landscape | \$108,000 | \$62,667 | 0-10 | 1-15 |
| 110 Termite Control | \$62,000 | \$62,000 | 0 | 15 |
| Contingency | n.a. | \$102,286 | n.a. | n.a. |
| Total | \$7,009,828 | \$3,511,825 | 0-17 | 1-47 |

Fairmont Hill Community Association

Projections

Component Calculation Method

| Fiscal Year | Beginning Balance | Member Contribution | Interest Contribution | Expenditures | Ending Balance | Fully Funded Ending Balance | Percent Funded |
|-------------|-------------------|---------------------|-----------------------|--------------|----------------|-----------------------------|----------------|
| 2020 | \$3,511,825 | \$620,063 | \$22,586 | \$579,469 | \$3,575,005 | \$4,801,522 | 74% |
| 2021 | \$3,575,005 | \$626,993 | \$23,430 | \$525,534 | \$3,699,894 | \$4,821,031 | 77% |
| 2022 | \$3,699,894 | \$640,189 | \$26,256 | \$254,054 | \$4,112,286 | \$5,138,856 | 80% |
| 2023 | \$4,112,286 | \$653,759 | \$28,059 | \$415,971 | \$4,378,133 | \$5,305,201 | 83% |
| 2024 | \$4,378,133 | \$668,058 | \$31,284 | \$229,179 | \$4,848,295 | \$5,684,762 | 85% |
| 2025 | \$4,848,295 | \$686,023 | \$29,238 | \$998,861 | \$4,564,696 | \$5,283,358 | 86% |
| 2026 | \$4,564,696 | \$697,924 | \$33,566 | \$104,396 | \$5,191,790 | \$5,829,025 | 89% |
| 2027 | \$5,191,790 | \$709,507 | \$36,273 | \$351,322 | \$5,586,248 | \$6,140,519 | 91% |
| 2028 | \$5,586,248 | \$716,886 | \$37,852 | \$524,302 | \$5,816,685 | \$6,290,592 | 92% |
| 2029 | \$5,816,685 | \$720,467 | \$38,928 | \$603,221 | \$5,972,858 | \$6,374,851 | 94% |
| 2030 | \$5,972,858 | \$731,168 | \$42,964 | \$189,453 | \$6,557,538 | \$6,912,149 | 95% |
| 2031 | \$6,557,538 | \$722,881 | \$26,327 | \$3,139,545 | \$4,167,200 | \$4,361,586 | 96% |
| 2032 | \$4,167,200 | \$730,591 | \$29,883 | \$246,283 | \$4,681,392 | \$4,816,601 | 97% |
| 2033 | \$4,681,392 | \$747,602 | \$31,691 | \$510,804 | \$4,949,881 | \$5,018,873 | 99% |
| 2034 | \$4,949,881 | \$767,863 | \$35,530 | \$241,875 | \$5,511,400 | \$5,525,642 | 100% |
| 2035 | \$5,511,400 | \$785,180 | \$35,841 | \$767,019 | \$5,565,403 | \$5,507,162 | 101% |
| 2036 | \$5,565,403 | \$728,315 | \$21,923 | \$2,776,914 | \$3,538,727 | \$3,382,601 | 105% |
| 2037 | \$3,538,727 | \$741,227 | \$20,875 | \$905,509 | \$3,395,320 | \$3,197,400 | 106% |
| 2038 | \$3,395,320 | \$738,172 | \$24,047 | \$308,934 | \$3,848,604 | \$3,654,559 | 105% |
| 2039 | \$3,848,604 | \$728,915 | \$27,279 | \$297,781 | \$4,307,017 | \$4,152,505 | 104% |
| 2040 | \$4,307,017 | \$735,208 | \$29,708 | \$413,136 | \$4,658,797 | \$4,559,139 | 102% |
| 2041 | \$4,658,797 | \$850,821 | \$30,963 | \$639,194 | \$4,901,387 | \$4,755,752 | 103% |
| 2042 | \$4,901,387 | \$843,683 | \$34,775 | \$335,706 | \$5,444,138 | \$5,296,624 | 103% |
| 2043 | \$5,444,138 | \$835,735 | \$38,644 | \$323,806 | \$5,994,711 | \$5,882,992 | 102% |
| 2044 | \$5,994,711 | \$858,705 | \$37,974 | \$980,273 | \$5,911,117 | \$5,810,849 | 102% |
| 2045 | \$5,911,117 | \$952,502 | \$37,399 | \$1,021,553 | \$5,879,464 | \$5,713,714 | 103% |
| 2046 | \$5,879,464 | \$950,782 | \$42,560 | \$254,172 | \$6,618,635 | \$6,445,216 | 103% |
| 2047 | \$6,618,635 | \$941,216 | \$48,411 | \$155,824 | \$7,452,438 | \$7,320,261 | 102% |
| 2048 | \$7,452,438 | \$951,464 | \$52,826 | \$365,608 | \$8,091,120 | \$8,017,664 | 101% |
| 2049 | \$8,091,120 | \$1,053,171 | \$54,880 | \$758,291 | \$8,440,880 | \$8,340,436 | 101% |

NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

**FAIRMONT HILL COMMUNITY ASSOCIATION
ASSESSMENT COLLECTION POLICY
OCTOBER 11, 2004**

Prompt payment of Assessments by all owners is critical to the financial health of the Association, and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. The following are the Association's assessment collection practices and policies, pursuant to Civil Code ("CC") §5320(a),(b):

1. Regular assessments are due and payable on the first day of each month. It is the owner's responsibility to timely pay each assessment regardless of whether a statement is received.
2. All other assessments, including special assessments, are due and payable on the date specified in the notice of assessment.
3. Assessments, late charges, interest, reasonable collection costs, and reasonable attorneys' fees, if any, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. Owners shall be responsible for all such amounts unless it is determined that all assessments were paid on time to the Association.
4. Unpaid assessments are delinquent 15 days after they are due. (CC&R's, Art. VII, §I). A late charge of 10% will be charged for any assessment, which is not paid in full within 15 days of the due date. (CC&R's, Art. VII, §I).
5. Interest on the balance due will accrue at the rate of 12% per annum, commencing thirty (30) days after the assessment becomes due. (CC&R's, Art. VII, §I).
6. Any payments received will be applied first to assessments owed, and, only after the assessments owed are paid in full will the payments be applied to fees and costs of collection, late charges and/or interest. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied.
7. If any assessment becomes delinquent, the Association may send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address on file with the Association. The owner will be charged a fee for such delinquency notice. If the amount set forth in the delinquency notice is not received before the due date set forth therein, the matter may be turned over to a collection agent or an attorney for further action, including legal action, or the Association may take such other collection action as it deems appropriate.
8. Without prejudice to its right to continue with and/or take other collection action, an owner's membership rights, including, but not limited to voting rights, or rights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to CC §4820 and Corporations Code §7341 for assessments in arrears for at least 60 days. The Association will not deny an owner or occupant physical access to his or her separate interest by way of any such suspension of privileges.

FAIRMONT HILL COMMUNITY ASSOCIATION

Assessment Collection Policy

Page 2

9. Prior to recording a lien for delinquent assessments, the Association, its collection agent or attorney will send a pre-lien letter to the record owner as required by CC §5650(a), 5660, by certified and first class mail to the owner's address of record with the Association. The owner will be charged a fee for such pre-lien letter. The Association may obtain a vesting report from a title company in connection with preparation of a pre-lien letter. If a vesting report is obtained, the owner will be charged a fee for the report.
10. An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written explanation of the reasons for his or her dispute within 15 days of the postmark on the pre-lien letter. If such written explanation is so received, the board will respond, in writing, within 15 days of the postmark on the explanation.
11. Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within 15 days of the postmark of the pre-lien letter, the board will meet with the owner, in executive session, within 45 days of the postmark of such request.
12. A delinquent owner may also request a payment plan to satisfy his or her debt, without first meeting with the board. Payment plans will be considered on a case-by-case basis. Payment plans must provide for payment of the delinquent amounts, in addition to the amounts, which will accrue during the repayment period, including any fees and/or costs related to the administration of the payment plan.
13. If an owner to whom a pre-lien letter is sent fails to pay the amounts demanded therein within thirty (30) days from the date such pre-lien letter is mailed, a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees may be recorded against the owner's property. The owner will be charged a fee for such lien.
14. A copy of the lien will be sent to the owner at his/her address of record via certified mail within ten (10) days of recordation thereof. After the expiration of thirty (30) days following recordation of lien, the lien may be enforced in any manner permitted by law, including judicial or non-judicial foreclosure.
15. If an owner pays all amounts required by CC §5658, and meets the requirements of that section, the Association will inform the owner that he/she may resolve the dispute as outlined in CC §5975, civil action, or by other procedures available through the Association.
16. Within 21 days of receipt of full payment to satisfy a lien, the Association will record a release of lien, and provide a copy thereof to the owner.
17. Owners have the right to inspect certain Association records pursuant to Corporations Code §8333 to verify the debt.
18. The mailing address for overnight payment of assessments is: c/o StoneKastle Community Management, Inc., 181 S Old Springs Rd., Anaheim Hills, CA 92808.
19. Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association. The Association reserves the right to change the amount of any collection fee or charge, without notice, and reserves the right to modify or amend this collection policy at any time.

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 NON-JUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as non-judicial foreclosure. When using non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time (Section 5600 and 5650 of the Civil Code)

In a non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a members guests, if the governing documents provide for this. (Sections 5600 and 5650 of the Civil Code)

The association must comply with the requirements of Section 5650 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 5650 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. Among these documents, the association must send 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 5650 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 5650 of the Civil Code)

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

PAYMENTS

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

An owner may dispute an assessment debt by giving the board of the association a written explanation, and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 5658 and 5670,5673,5665 of the Civil Code)

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 5650 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 5650 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5650 of the Civil Code)

FAIRMONT HILL COMMUNITY ASSOCIATION

ENFORCEMENT & FINE POLICY

Upon notification or observation of a violation of the restrictions as set forth in the Declaration of Restrictions, Architectural Guidelines, Rules and Regulations and any other governing documents/policies of the community; Management will send out a notice of violation citing the actual violation, the article and section of the Declaration of Restrictions and other aforementioned documents being violated and five days in which to correct the violation.

Upon second notification or observation of the continued violation following the expiration of the time period allotted, Management will send out a second Notice of Non-Compliance. Upon third notification or observation following the expiration of the time period allotted, Management will send out a Notice of Hearing. This letter is to be sent via certified, return-receipt requested, and regular mail.

A hearing is held before the Board of Directors for the purpose of the homeowner to explain the reasons for the continued non-compliance. Should the homeowner not show cause as to the reason for the continued non-compliance issue, a Non-Compliance assessment of \$50-\$1,000 may be imposed by the Board of Directors. Any such monetary penalty shall not exceed \$1,000.00 for any one violation.

In addition to the foregoing remedies, the Board shall have the right to suspend the voting rights and/or suspend use privileges of the common areas. Any such suspension of use privileges may not exceed a period of thirty (30) days for any one violation, excepting in the case of non-payment of assessments in which case suspension shall remain in effect as long as assessments remain unpaid.

The Board of Directors will make a decision, following the hearing, as to what action is to be taken in order to gain compliance, and will notify said owner within fifteen (15) days of the date of the hearing. This notice will advise the homeowner of the action taken and that failure to comply within a given number of days, to be established at the discretion of the Board, will result in a subsequent non-compliance assessment, in the amount of \$50-\$1,000. This letter will be sent via certified mail, return-receipt requested and regular mail.

At any time during this procedure, the Board of Directors may determine that it is in the best interest of the Association to expedite enforcement action and may choose to take legal action or to cause the violation to be corrected at its expense and assess the account of the owner for reimbursement for said correction.

If no compliance is gained, the Board of Directors may seek legal action against the owner.

Adopted by the Board of Directors September 1, 2015.



FAIRHIL-01

JMADERA

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/12/2019

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

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

| | |
|---|--|
| PRODUCER License # 0M10410 Armstrong/Robitaille/Riegle Business and Insurance Solutions 830 Roosevelt, Suite 200 Irvine, CA 92620 | CONTACT NAME: PHONE (A/C, No, Ext): (949) 381-7700 FAX (A/C, No): (949) 487-6151 E-MAIL ADDRESS: info@ar-ins.com |
| INSURED Fairmont Hill Community Assn c/o Stonekastle Community Mgmt Inc 181 S. Old Springs Rd., First Floor Anaheim Hills, CA 92808 | INSURER(S) AFFORDING COVERAGE INSURER A : DB Insurance Co. Ltd 12502 INSURER B : Fireman's Fund Insurance Co. 21873 INSURER C : Pennsylvania Manufacturers Ins. Indemnity Co. 12262 INSURER D : Philadelphia Indemnity Ins Co 18058 INSURER E : Liberty Insurance Underwriters 19917 INSURER F : |

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

| INSR LTR | TYPE OF INSURANCE | ADDL INSD | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-----------|----------|----------------------|-------------------------|-------------------------|--|
| A | <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER: | | | CBP18203430 | 8/27/2019 | 8/27/2020 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 |
| A | <input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY | | | CBP18203430 | 8/27/2019 | 8/27/2020 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ |
| B | <input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR EXCESS LIAB CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0 | | | SUO00032415325329162 | 8/27/2019 | 8/27/2020 | EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000 |
| C | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | Y/N | N/A | 2019010609941Y | 8/27/2019 | 8/27/2020 | <input checked="" type="checkbox"/> PER STATUTE E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| D | Directors & Officers | | | PCAP0113530218 | 8/27/2019 | 8/27/2020 | \$5,000 Deductible 1,000,000 |
| E | Crime | | | CAC0211370218 | 8/27/2019 | 8/27/2020 | 20,000 Deductible 4,000,000 |

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

A: Building / Special Form / Guaranteed Replacement Cost - DB Insurance Policy #CBP18203430 - Effective: 8/27/2019 - 8/27/2020 - \$91,150,760 Limit - \$10,000 Deductible; Association consists of 496 Units. "BARE WALLS" No Finished Interiors. Coverage includes Ordinance and Law, Severability of interest, Equipment Breakdown. Computer Fraud and Funds Transfer Fraud included under the Crime policy.

Property Management company is named as additional insured as property managers for the named insured with respects to General Liability, Crime and Directors and Officers Liability coverage.

CERTIFICATE HOLDER

CANCELLATION

Stonekastle Community Mgmt Inc
181 S. Old Springs Rd., First Floor
Anaheim Hills, CA 92808

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Fairmont Hill Community Association

Dear Association Member:

For approximately the last (13) years, California Community Associations and their homeowners have been required to participate in certain Alternative Dispute Resolution (“ADR”) procedures prior to initiating certain types of litigation between them. Beginning on January 1, 2005, newly-enacted Civil Code Sections 5900 require that, in addition to ADR, Associations also offer an Internal Dispute Resolution (“IDR”) procedure for most disputes that may arise between the Association and a homeowner.

The following is an overview of the now statutorily-required ADR and IDR procedures/requirements. Please be advised that the referenced Civil Code Section may be subject to varying interpretations. As such, this summary represents the current interpretation of one industry law firm based upon currently available information. Each homeowner should consult with his/her own attorney regarding appropriate compliance with the requirements in the newly-enacted Civil Code Sections if/when any disputes arise.

i. INTERNAL DISPUTE RESOLUTION (“IDR”) PROCEDURES

Civil Code Section 5900 requires that Community Associations provide a fair, reasonable, and expeditious procedure for resolving disputes between an Association and any homeowner involving the Member’s rights, duties, or liabilities under the Davis-Stirling Act, the Nonprofit Mutual Benefit Corporation Law, or under the governing documents of the Common Interest Development or Association. Unless you are notified otherwise, the Association will continue to provide fair, reasonable and expeditious procedures for resolving disputes by adopting the IDR procedure set forth in California Civil Code Section 5915, which is summarized as follows:

- A. Either party to the dispute (either the Member or the Association), may deliver a written request to the other party seeking to meet and confer in an effort to resolve the dispute. A homeowner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
- B. The Association’s Board of Directors shall designate a member of the Board of Directors to meet and confer.
- C. 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.
- D. A resolution of the dispute agreed to by all parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.
- E. An agreement reached using these procedures will bind the parties and is judicially enforceable if both of the following conditions are satisfied. (1) The agreement is not in conflict with law or the governing documents of the Common Interest Development

or Association, and (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.

F. A member of the Association may not be charged a fee to participate in this process.

II. ALTERNATIVE DISPUTE RESOLUTION ("ADR")

If the parties cannot resolve a dispute through the use of IDR procedures referenced above (or elect not to initiate those procedures), the parties, under many circumstances, are required to attempt to resolve the dispute via ADR. Pursuant to California Civil Code Section 5925, California Community Association and their individual Members are required to participate in ADR prior to initiating certain types of lawsuits. In accordance with California Civil Code Section 5965, you are advised that The 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 your right to sue the Association or another Member of the Association regarding enforcement of the governing documents or the applicable law.

A. WHAT IS ADR?

"Alternative Dispute Resolution" or "ADR" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of ADR is established by/through the voluntary consent of the parties.

B. SCOPE OF ADR REQUIREMENTS

The ADR provisions of Civil Code Section 5925-5965 apply only to enforcement actions filed by either homeowners of the Community Association against the other which (1) seek the enforcement of the Davis-Stirling Act, The Association's governing documents, or enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), and (2) seek only the declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of Five Thousand Dollars (\$5,000.00). It does not apply to a small claims action, and except as otherwise provided by law, does not apply to assessment disputes.

C. ADR COMPLIANCE PROCEDURES:

1. The Request of Resolution.

An Association or an owner or Member of a Common Interest Development may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to ADR. Any party to a dispute may initiate the process by serving a Request

for Resolution on all other parties to the dispute. The Request for Resolution shall include all of the following:

- a) A brief description of the dispute between the parties;
- b) A request for ADR;
- c) A notice that the party receiving the Request for Resolution is required to respond within thirty (30) days of receipt or the request will be deemed rejected; and;
- d) If the party on whom the request is served is the owner of a separate interest, a copy of the applicable Civil Code sections.

2. Service of the Request for Resolution.

The request for Resolution must be served by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

3. Response to a Request for Resolution.

A party served with a Request for Resolution has thirty (30) days following service to accept or reject the request. If a party does not accept or request within that period, the request is deemed rejected. If the party served accepts the request, the parties are required to complete the ADR within ninety (90) days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties. The costs of the ADR are shared by the parties.

4. Tolling.

If a request for resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation to file the enforcement action is filed during (a) the period provided for the response to the Request for Resolution (thirty (30) days after service), and (b) if the Request for Resolution is accepted during the period provided for completion of ADR (ninety (90) days), including any extension of time agreed to by the parties.

5. Requirements for Filing a Lawsuit.

At the time of commencement of an enforcement action (lawsuit), the party commencing the action must file, with the initial pleading, a certificate stating that one or more of the following conditions is satisfied: a) ADR has been completed in compliance with the article, b) One of the other parties of the dispute did not accept the terms offered for ADR, or c) preliminary or temporary injunctive relief is necessary. Failure to file a certificate is grounds for a demurrer or a motion to strike unless the Court finds that

dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

D. RAMIFICATIONS OF A REFUSAL TO PARTICIPATE IN ADR:

If a party refuses to participate in ADR before the lawsuit is filed, the Court may, pursuant to Civil Code Section 5960, take that refusal into consideration in determining the amount of attorney's fees and costs which may ultimately be awarded to the prevailing party at the conclusion of any subsequent lawsuit.

FAIRMONT HILL COMMUNITY ASSOCIATION
Architectural Review Process & Guidelines
September 2019

Introduction

As stated in Article VIII, Section I in the Association's CC&Rs: "No building, fence, wall or other structure shall be commenced, erected or maintained upon Fairmont Hill, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Committee. ..."

Article X, Section 3 states that this Association shall provide exterior maintenance of each unit with the exception of exclusive use/common area. Additionally, "such exterior maintenance shall not include...Repairs or replacements arising out of or caused by the willful or negligent act of the owner...."

Furthermore, Section 3, subsection (d) states: "No Owner shall, at his expense or otherwise, make any alteration, addition or modification to the exterior of his unit... without the prior written approval of the Architectural Committee... the discretion of the Architectural Committee shall be exercised with a view to promoting uniformity and harmony in such minor installations and thereby enhancing the attractiveness of Fairmont Hill as a whole."

Architectural Review Process

Step 1 Architectural Approval Applications for windows, doors, patio covers, common area landscape, satellite dishes, etc. are available from Property Management. There is a \$25 application processing fee each time an application is submitted; applications also require a deposit, which may be wholly or partially refunded upon completion of the improvements. The deposit amount varies by improvement and is as follows: patio covers \$200, windows \$150, doors \$100, all other \$50. The City of Yorba Linda now requires permits for retrofit windows/doors.

Step 2 Homeowners must submit completed applications to Property Management along with the processing fee and any required deposit. Applications must be detailed, and include a brochure, pictures or drawings of the proposed design and style. Incomplete applications may be returned and/or denied at the ARC's discretion; all resubmitted applications are subject to the \$25 processing fee.

Step 3 Once received by Property Management, the Architectural Review Committee (ARC) will review applications and return its written ruling within 45 days.

Step 4 City Permits are not required at the time of application submission; may be submitted after the ARC provides approval. Homeowners receiving approval for their improvements may proceed once they receive the ARC's approval notice and the City required permit. Homeowners receiving disapproval will receive an explanation as to why the proposed change was disapproved, and may proceed to step six.

Step 5 Upon completion of any approved improvements, homeowners must submit a notice of completion on the permit from the City of Yorba Linda within 30 days. Once received by Property Management, the ARC will review to verify improvements were made in accordance with all guidelines, and refund any deposit submitted.

Step 6 Pursuant to Civil Code 4765, homeowners may appeal the ARC's disapproval to the Board of Directors for reconsideration at an open meeting. Appeals must be made in writing, and within 30 days, of the date of disapproval.

Architectural Guidelines

These guidelines are meant to expedite the review process and assist homeowners in obtaining approval, on their applications, upon the first submission. They are not the sole and exclusive set of criteria, as each case is considered individually.

Any damage or intrusion to the building exterior or common area, improper installation, or noncompliance with the uniformity and harmony of the community will be corrected at the homeowner's expense AND may result in a fine. Additionally, any modification requiring an architectural application, which is completed without an application, will result in a fine.

1. As garage doors are replaced, **only** the pre-approved long-panel, steel roll-up door by Amarr may be used; it is available in three models: "Heritage" (preferred), "Stratford", and "WeatherGuard". All garage doors must be white and may not contain glass; additionally, they must have vents if the garage itself does not. No variations in design/style are permitted. If one of the vendors listed below are used for the installation, the standard architectural application fee will be waived.

Garage doors may be purchased from any company as long as they are the aforementioned Amarr brand, however R&R Garage Doors*, and Door Depot* are the preferred vendors.

* R&R Garage Door Service (909) 945-9891 or www.rnrgaragedoors.com,

*Door Depot (714) 238-9272

2. Pedestrian doors into the garage must be an exterior-quality wood, metal, or fiberglass door; it must be plain, have a flat surface and be painted to match the stucco color of the building. No variations in design/style are permitted; no architectural application needed.
3. New screen doors **must be white** and be maintained in good condition (i.e. no warping, tears, discoloration or vast); **square grids are NOT allowed**. Doors that are simple and plain in design are pre-approved. Disappearing screen doors are permitted with white frames only. If a pre-approved door (or one with less of a design) is installed, no architectural application is required.
4. Upstairs units may use black, vinyl-coated mesh (with squares no larger than one-half inch) to enclose the deck. The mesh must be secured by plastic ties at the top and bottom railings; it must be installed neatly, with a straight edge, directly below the top railing and extend no farther than the top surface of the deck. No variations in design/style are permitted; no architectural application needed.
5. New front doors may be white, or painted to match the existing stucco color of the building. Front doors may be solid, or have a small glass arch or small block glass design at the top. Unless replacing a door that looks identical the existing door, an architectural application is required.
6. All window and patio door replacements must be white and have a flat outside trim; **square grids are NOT allowed**. All new windows and patio sliding doors must be retrofit and fit into the existing metal frame. Cutting into the stucco is never approved. The external wood trim may not be removed, and the **flange/fin must not be larger than 2 inches** or be installed to cover any part of the external wood trim or shutters. The glass frame must be 2 inches or less. The flange/fin combined with the glass frame can be no larger than **4 inches in total**. Should the Association need to repair/replace the wood trim or shutters in the future (i.e. due to dry rot or termite damage), improperly installed windows or patio doors will be removed at homeowner expense.

All window and patio door applications are required to include a picture or brochure copy of the actual window or door from the outside that will be installed with the style number and dealer listed. Additionally, the purchase order from the installer must identify that the windows will not have grids. Finally, the application must include the permit paperwork from the city of Yorba Linda to be considered for approval.

Due to the weight of some of the larger patio doors, those in excess of nine feet may use a three-panel design slider given it conforms to the previously stated guidelines (XOX).

7. Patio covers must be painted to match the color of the building; painting and maintenance is homeowner responsibility. If a patio cover must be removed to complete Association repairs, the homeowner is responsible for the cost of removal and reinstallation.
8. Satellite dishes may not be installed on any portion of the roof or railings and are subject to additional requirements/restrictions as written in "Satellite Dish Installation Information" (available from StoneKastle Community Management).

Approved Windows and Patio Sliders

(You may use any licensed installer of your choice)

AMERIMAX (PREFERRED)
WINDOWS – PORTRAIT SERIES,
LIFETIME SCREEN AND GLASS WARRANTY
PATIO SLIDER - NEW HORIZON

WINDOR (Windows only. Sliders not permitted from this company)
WINDOWS 3000 SERIES

MILGARD STYLE LINE (ONLY)
STYLE LINE SERIES HAS THE NARROWER FIN AND FRAME THE ASSOCIATION REQUIRES
SLIDERS ARE PERMITTED IN THE STYLE LINE SERIES BECAUSE THEY ARE NOW RETROFIT
AND ABIDE BY THE ABOVE STATED GUIDELINES.

PATIO SLIDER: OPTION TO USE TRINSIC SERIES

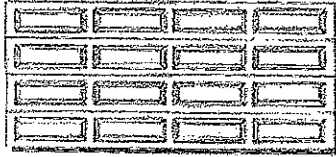
JELD WEN
WINDOW MASTER SERIES
HOME DEPOT CARRIES. IT IS A LOWER QUALITY THAN THE ABOVE
INSTALLATION COMPANIES VARY WIDELY

ARC Pre-Approval Guide

Garage Doors

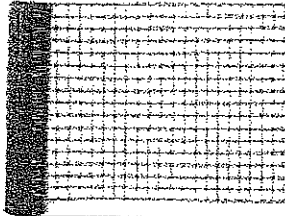


(2 panels)

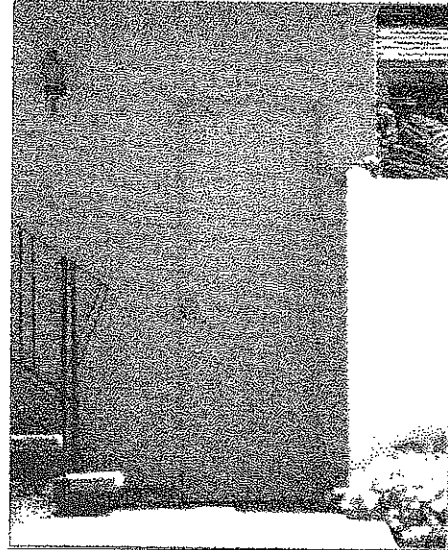


(4 panels)

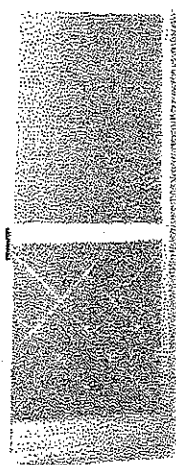
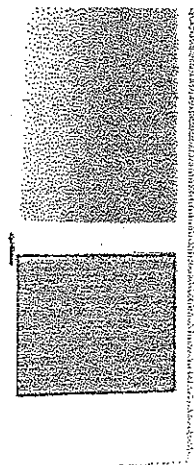
Upstairs Mesh Deck Enclosure



Pedestrian Doors



Screen Doors



Security Screen Doors



NOT ALLOWED – “Square Grid” styles of screen doors and Windows
NOT ALLOWED – “Black Screen Doors”

FAIRMONT HILL ANTENNA DISH INSTALLATIONS

The fascia board is nailed vertically to the ends of roof rafters just below the shingled roof and sometimes supports a gutter



The satellite dish must be installed onto a fascia board and never installed directly onto the roof and shingles. All cables are not permitted to hang loosely across the roof or the wood/siding. They must be neatly fastened to the building and an attempt to hide them made. Dishes may also be installed onto patio covers or mounted on a pole stand.

An application showing the location is to be submitted.

FAIRMONT HILL COMMUNITY ASSOCIATION

HOLIDAY LIGHTING POLICY ADOPTED APRIL 12, 2017

The following are the guidelines for installation of holiday lighting within the Fairmont Hill Community Association:

- Holiday lighting may be installed the day after Thanksgiving Day. For all other holidays, (example – Halloween), lights may be installed 30 days prior to the date of the holiday.
- Holiday lighting and/or decorations may not be placed upon any common area(s) within the community other than the small planting areas in front of the front fences or by front doors.
 - Decorations that are placed in the other common area(s) will be removed and the costs associated with returning the damaged area(s) to their original condition(s) will be assessed to the individual homeowners as deemed necessary
- Holiday lighting and/or decorations may not be nailed, stapled or attached to the exterior of any building by puncturing the exterior surface of the building(s)
 - Decorations that are attached to the building which cause damage to the exterior surface of the building(s) will be removed and the cost(s) associated with returning the damaged to their original condition(s) will be assessed to the individual homeowners as deemed necessary
 - Holiday lighting and/or decorations are not allowed on the roofs.
 - New Holiday lighting must be attached to the building eaves utilizing plastic clips that secure around the eave and do not puncture the eaves. Staples, hooks or any other items that puncture the eaves or any portions of the exterior building are not allowed.
 - Cup hooks and small nails that have been attached to the back side of the fascia board and painted over to seal during the paint project should remain as pulling them out will leave holes and require repair. The trim painting will keep them sealed.
- Holiday lighting and/or decorations must be tasteful and not create a nuisance within the community
- All Holiday lighting and/or decorations must be removed no later than January 15th
- No blow ups or motorized decorations are allowed on common or exclusive use area which may interfere with neighbor's quiet enjoyment regardless of the time.

FAIRMONT HILL COMMUNITY ASSOCIATION

CONFIDENTIAL RESIDENT INFORMATION

Please complete and return the following information.

PROPERTY OWNER'S NAME:

LAST

FIRST

PROPERTY OWNER'S NAME:

LAST

FIRST

PROPERTY ADDRESS:

E-mail

OWNER'S TELEPHONE #'S

()

HOME

()

BUSINESS

OFF-SITE ADDRESS:

If you are leasing/renting your unit, please list the names of all tenants, and include the phone numbers where they can be reached.

1. _____

4. _____

2. _____

5. _____

3. _____

6. _____

Home Phone # () _____

Work Phone # () _____

Please provide resident's vehicle information (for the people who live in the unit:

YEAR

MAKE & MODEL

VEHICLE LICENSE #

IS PROPERTY (*check one*): ☐ OWNER-OCCUPIED

☐ LEASED TO A TENANT

OWNER'S SIGNATURE: _____

DATE: _____

Check One:

☐ UPDATE INFORMATION

☐ NEW OWNER /TENANT INFORMATION

Have the Rules and Regulations been supplied to the tenants? Yes _____ No _____

Has a criminal background check been performed on the tenants? Yes _____ No _____

*Professionally Managed by StoneKastle Community Management, Inc.
181 S. Old Springs Rd., Anaheim Hills, CA 92808
Phone: (714) 395-5245 Fax: (866) 575-0549
www.stonecastle.com*

Fairmont Hill COMMUNITY ASSOCIATION

TO: ALL Fairmont Hill COMMUNITY HOMEOWNERS
FROM: Fairmont Hill COMMUNITY ASSOCIATION
RE: REQUEST FOR ANNUAL NOTICE OF ADDRESS, REPRESENTATIVE
AND RENTAL STATUS (CIVIL CODE SECTION 4041)

Civil Code, §4041 requires each homeowner to provide the Fairmont Hill Community Association with the following information on an annual basis. This request for information is also required to be sent by associations to their members at least 30 days prior to making the Association's own Annual Budget Report disclosures under Civil Code §5300.

Please complete this form and return it to the Fairmont Hill Community Association within 30 days:

Fairmont Hill Community Association Address:

1. The address or addresses to which notices from the Fairmont Hill Community Association are to be delivered:

2. An alternate or secondary address to which notices from the Fairmont Hill Community Association are to be delivered:

3. The name and address of your legal representative, if any, including any person with the power of attorney, or other person who can be contacted in the event of your extended absence: _____

4. Is the separate interest that you own (check one):

☐ Owner-Occupied?

☐ Rented Out?

☐ Developed, but Vacant?

☐ Undeveloped?

NOTE: If an owner fails to provide the notices set forth in paragraphs 1 and 2, 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.

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

Fairmont Hill Community Association
c/o StoneKastle Community Management
181 S. Old Springs Rd., First Floor

Professionally Managed by StoneKastle Community Management, Inc.
Phone: (714) 395-5245 Fax: (866) 575-0549
www.stonecastle.com

Fairmont Hill Community Association

4528. The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

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.

Property Address: _____

Owner of Property: _____

Owner's Mailing Address: _____
(if known or different from property address)

Provider of the **Section 4525** Items:

| | | | |
|--------------------------|--|----------------------|---------------------|
| StoneKastle Escrow, Inc. | StoneKastle Community Management, Inc. | 9-25-2019 | |
| Print Name | Position or Title | Association or Agent | Date Form Completed |

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) | \$25.00 | |
| CC&Rs | Section 4525(a)(1) | \$45.00 | |
| Bylaws | Section 4525(a)(1) | \$25.00 | |
| Operating Rules | Section 4525(a)(1) | \$15.00 | |
| Age Restrictions, if any | Section 4525(a)(2) | | Refer to the Demand |
| Rental Restrictions, if any | Section 4525(a)(9) | \$0.00 | Refer to CC&Rs |
| Annual Budget Report (or summary, including Reserve Study) | Sections 5300 and 4525 (a)(3) | \$65.00 | |
| Assessment and Reserve Funding Disclosure Summary | Sections 5300 and 4525 (a)(4) | | Included in Budget |
| Financial Statement Review | Sections 5305 and 4525(a)(3) | \$75.00 | |
| Assessment Enforcement Policy | Sections 5310 and 4525(a)(4) | | Included in Budget |
| Insurance Summary | Sections 5300 and 4525 (a)(3) | | Included in Budget |
| Regular Assessment | Section 4525(a)(4) | | Refer to the Demand |
| Special Assessment | Section 4525(a)(4) | \$0.00 | Refer to the Demand |
| Emergency Assessment | Section 4525(a)(4) | | Refer to the Demand |

Fairmont Hill Community Association

| Document | Civil Code Section Included | Fee for Document | Not Available (N/A) or Not Applicable (N/App) |
|---|------------------------------------|--------------------|---|
| 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 Budget |
| 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 | Section 4525 | \$200.00 | aka Demand |
| Minutes of Regular Board Meetings (conducted over the previous 12 months, if requested) | Section 4525(a)(10) | \$75.00 | |
| Total fees for these documents: | | \$ \$525.00 | |

*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.

Buyer and Seller may negotiate who pays document and disclosure fees.

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

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: The fees listed are an estimate and the actual fees charged for the documents may be different than this amount. 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.



MANAGING AGENT DISCLOSURE

In Accordance with Section 11504 of the Business & Professions Code, Agent hereby discloses the following:

1. Your community Manager Taryn Martin is a certified common interest development manager.
2. This manager has been certified through CAI as of December 2016 and CCAM as of February 2008 and is active and in good standing.
3. This common interest manager's office location is at StoneKastle Community Management; 181 S. Old Springs Rd. Anaheim Hills, CA 92808.
4. This manager doesn't hold an active real estate license.

STONEKASTLE
Community Management, Inc.

181 S. Old Springs Road, Anaheim Hills, Ca. 92808 Ph: 714-395-5245 Fax: 866-575-0549

Fairmont Hill Happenings

October 2019



Dumpster Abuse

Lately there has been an increase in dumpster bin abuse. A dumpster Diver was reported. People are leaving bulky items outside of the dumpsters, sidewalks and alleys along with overflowing trash. Lids have been left up allowing for critters and flies to get in. Not only is this a smelly nuisance to the residents, a health hazard and violation, it costs you and everyone money to have Republic pick up bulky items and janitorial service an extra charge to us. It is \$45 for two items pick up and \$6. For each additional item. It also is not good for property values to see mattresses, furniture and trash laying around. If you see a violator please report them to StoneKastle so we can bill them for the clean up and haul away costs. There is almost always a nearby trash bin to use that is not as loaded as your closest one. A few steps more won't hurt anyone and the bulky items pick up can be scheduled with a neighbor to save money. Please help keep Fairmont Hills beautiful.

Coyote Follow Up

While talking to O.C. Animal Control I reported a coyote problem and surprise. Did you know coyotes are a protected species???? You can't harm them but they can kill your pets on your patio. They are out at all times of the day and night now so protect your pets indoors.

Budget. How It Works

Some people think that we just arbitrarily pick a number out of a hat and that's the dues for the following year or keep it the same or increase by some number without research every year. Not true. Every month there is are spreadsheets that show the previous years budget by month and what was actually spent. Is it over or under budget. Adjustments are made for the next year to better balance. StoneKastle Manager, Taryn, is responsible for a draft budget to be given to the Board and the Budget Committee along with information on future increases or not from our vendors. The Annual Reserve Study is part of the research. You all receive that every year around the end of October or November. The Committee consists of both Board Members and non- Board member owners. The first draft budget from Management is worked on to see if the proposed increase (if there is one) can be reduced somehow to avoid a dues increase. Sometimes it can but other times it can't and a final proposed budget is presented to the Board to vote Aye or Nay. This is based on best business judgement it is legally called. It then gets mailed out to the entire ownership as the final dues for the next year. This is how Community living HOA's are run. The only vote on dues from homeowners legally comes if there is a 20% or more increase or a special assessment of more than 5%. The budget will be out soon. There will be no foreseeable dues increase for 2020. Great job Committee!!

WHAT IS A RESERVE STUDY?

This goes along with the budget education article. Once a year we have a Reserve Study Expert analyze all the elements of our property for years of service left and How much

money we have in reserve accounts to pay for them. An on-site inspection is done every three years. This is part of our dues decision and fiduciary responsibility. They give us the percentage of funding we have if we had a major disaster and had to replace everything. You receive that yearly.

LANDSCAPE ISSUES

One of the primary complaints in most all Associations is landscape along with parking. Many come from not understanding the process and issues dealt with.

Last year was an excessively wet winter into spring which caused excessive growth in landscape. The previous year was abnormally wet as well. This has been very challenging to keep up with 57 acres and 1,680 trees dropping leaves and needles all year. Douglas Landscape has added extra crewmen at their cost to keep up, sometimes on a Saturday at time and a half. Wages are mandated by the State to go up Jan. 1st and dump fees have increased per truck, yet Douglas has not raised their prices but once in 14 years. For 2020 the Board and Douglas has instigated a cost saving two tiers adding an extra crew of men for the 6 summer and high growth months and back to the existing rate for the other 6 months. We hope that will alleviate most of the problem. No matter where the landscapers take their lunch hour there are complaints they aren't working. They are legally mandated to have an hour lunch and two breaks.

Weeds, Weeds, Weeds. Douglas has stopped spraying for weeds in general for 4 months. You will notice more weeds and frequent recurrence due to stopping the Round up which is the best killer going to the roots. Other products kill the leaves but not the roots generally. When Round Up dries it becomes inert and harmless even if water hits it. It has a caution label. It is less harmful than Lysol spray labeled Warning, Bleach labeled Danger and many organic sprays are more hazardous as well for example and very very expensive. However, Douglas Landscape will continue their NO Round Up practices while exploring other weed controlling alternatives. Some other HOA's that stopped Round Up weed killer have asked to have it restarted after researching and dealing with increased weeds in walkways etc. especially in the high growth season. Weeds and trimming rotate by area every 5 to 6 weeks, mowing and edging every Monday.

Board of Directors

Sharlene Dunn, President
Ricardo Perea, Vice President
Shelley Fajardo, Secretary
Ken Carlfeldt, Treasurer
Derek Bounds, Director at Large

Management Contact Information

StoneKastle Community Management
TARYN MARTIN, CCAM Community Manager
E-Mail: TARYN@StoneKastle.com
Facsimile # (714) 455-7064
Please call us at (714) 395-5245 for any questions
Customer Service related issues, we are here to help!

Emergency Numbers

Emergency Services – 911
Y.L. Sheriff Sub Station office
Fire Department Non- emergency
O.C. Patrol 800 525-1626

Y.L. Police Services Non-emergency Dispatch 714 647-7000
714 779-7098
714 744-0400
Republic Disposal 714 238-3300

Next Board Meeting 6:30 p.m. Wednesday, Nov 13, 2019 Newsletter and alerts email sign up owners and tenants: fairmontcable@aol.com. Web page www.myhoa.com/fairmonthill