*Sand Dollar Beach Homeowners Association*
*C/O De Camara Management, D.M. Inc.* *831-688-0500* *831-688-7903fax*
*9011 Soquel Drive Suite A, Aptos, CA 95003*

November 2014

TO: All Homeowners Sand Dollar Beach HOA

RE: 2015 PRO-FORMA OPERATING AND RESERVE BUDGETS AND ACCOMPANYING DISCLOSURES PURSUANT TO CALIFORNIA CIVIL CODE

Dear Homeowner:

Enclosed are copies of the recently adopted operating and reserve budgets and accompanying disclosures as required by Civil Code.

There will not be an increase to the overall Association assessments; however, the townhomes assessment will be increased by 10%. Please see enclosed operating and reserve budgets.

To clarify the introduction letter our firm sent, the assessments will continue to be annually, due January 2015, except for the townhomes who will pay their portion monthly. If you have any questions, please do not hesitate to contact our office.

At the Direction of the Board,

*Al De Camara*

Al De Camara
President, DM Inc.

**Sand Dollar Beach Homeowners Association**
**Annual Budget Report – 2015**
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**NOTE**

**A COMPLETE COPY OF THE REPORTS SUMMARIZED OR REFERRED TO HEREIN MAY BE REQUESTED BY YOU AND WILL BE PROVIDED TO YOU WITHOUT COST. PLEASE PROVIDE YOUR WRITTEN REQUEST TO DE CAMARA MANAGEMENT DE CAMARA MANAGEMENT, 9011 SOQUEL DRIVE, SUITE A, APTOS, CA 95003-4071**

**Sand Dollar Beach Homeowners Association**
**c/o De Camara Management**
**9011 Soquel Drive, Suite A**
**Aptos, CA 95003-4071**

**November 2014**

Dear Homeowner,

Living in a planned community development offers many advantages. An attractive appearance of the units, harmonious relations with your neighbors, and property values are all important qualities needed in your community. In this regard, the Association is operated pursuant to the governing documents, which include the declaration of restrictions, as well as the Articles of Incorporation, Bylaws, rules and regulations, and policies of the Association as adopted from time to time by the Board of Directors to implement these goals and restrictions.

Pursuant to the California Civil Code and other applicable law, the following notices and disclosures are provided:

1. **Pro Forma Operating Budget.** Civil Code Section 5300(b)(1).

The pro forma operating budget, showing the estimated revenue and expenses on an accrual basis is attached as Exhibit "A".

This disclosure statement is being distributed to you together with a copy of the pro forma operating budget. The pro forma operating budget includes an estimate of the revenue and expenses of the Association on an accrual basis.

2. **Summary of Association Reserves**. Civil Code Section 5300(b)(2).

A summary of the Association's reserves, prepared pursuant to Section 5565 is attached as Exhibit "B". It is based upon the most recent review or study concerning the major components, which the Association is obligated to repair, replace, restore or maintain.

The Association's most recent reserve study was completed in 2013.

3. **Reserve Funding Plan**. Civil Code Section 5300(b)(3).

A summary of the reserve funding plan adopted by the Board, as specified in paragraph (5) of subdivision (b) of Section 5550 is attached as Exhibit "C". The full reserve study plan is available upon request, and the Association shall provide the full reserve plan to any member upon request. Please see cover sheet for instructions.

The reserve account funding is reviewed on an annual basis by the Board of Directors and is adjusted by the rate of inflation, construction cost variations, and updated evaluations of the life expectancy for repair or replacement of each major component. For the current year, the Board has elected to analyze the reserve account requirements on a “straight line” method. The reserve funding process involves estimates of component maintenance, repair and replacement costs and estimates of the remaining life of the components. Reserve funding requirements can change over time based upon revised estimated and evaluations.

**4. Major Component Repairs.** Civil Code Section 5300(b)(4).

The Board has not determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less.

**5. Special Assessment**. Civil Code Section 5300(b)(5).

The townhomes passed a special assessment that will conclude December 2015 in the amount of $75000 per year for the stair project.

**6. Reserve Funding Mechanism.** Civil Code Section 5300(b)(6).

At this time, the Board plans to fund reserves to repair or replace major components from assessments only and not, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms.

**7. Procedures for Calculation of Reserves**. Civil Code Section 5300(b)(7).

The reserve account funding is reviewed on an annual basis by the Board of Directors and is adjusted by the rate of inflation, construction cost variations, and updated evaluations of the life expectancy for repair or replacement of each major component. For the current year, the Board has elected to analyze the reserve account requirements on a “straight line” method. The reserve funding process involves estimates of component maintenance, repair and replacement costs and estimates of the remaining life of the components. Reserve funding requirements can change over time based upon revised estimated and evaluations.

Please See Exhibit “C”.

> A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described in paragraph (4) of subdivision (b) of Section 5570, and may not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

**8. Outstanding Loans**. Civil Code Section 5300(b)(8).

The association has no outstanding loans at this time.

**9. Insurance Summary**. Civil Code Section 5300(b)(9).

A summary of the association’s property, general liability, earthquake, flood, and fidelity insurance policies is attached as Exhibit “D”.

> “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, 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.”

The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to Section 5570, shall accompany each annual budget report or summary of the annual budget report that is delivered pursuant to this article.

# Exhibit “A” – Pro Forma Operating Budget

**SAND DOLLAR BEACH HOA**
**2015 Approved Budget**

| | 2015 APPROVED | | |
|---|---|---|---|
| **REVENUE:** | | | |
| **Regular Assessments ($1,445.00 p/year)** | **125,715.00** | **$** | **1,445.00** |
| Interest on Operating Fund Investments | 0.00 | | |
| Gate Fee (**$19** X 49 units below gate) #38-86 | **931.00** | **$** | **19.00** |
| Gate Transmitters sold | 0.00 | | |
| Newsletter Advertising | 0.00 | | |
| Move-In Fees | 0.00 | | |
| **Rollover from Operating (none avail for 2014)** | **0.00** | | |
| **TOTAL REVENUE** | **126,646** | | |
| | | | |
| **EXPENSES:** | | | |
| ***Administrative*** | | | |
| Insurance | 8,500.00 | | |
| Annual Meeting/Board Meetings | 1,500.00 | | |
| Other Events | 1,000.00 | | |
| Echo Membership/Seminars/education | 425.00 | | |
| Website (actual to August) | 1,000.00 | | |
| Tax Return preparation (50%) | 500.00 | | |
| Financial Review (50%) | 1,000.00 | | |
| Legal/Professional Services | 600.00 | | |
| Revise Governing Docs | 7,000.00 | | |
| Administrative costs (governing documents) | 2,200.00 | | |
| Homeowner handbook | 400.00 | | |
| Reserve Study (3-yr w/ site inspection) | 2,200.00 | | |
| Management | 13,500.00 | | |
| Administrative Costs | 500.00 | | |
| Filing Fees: Sec of State every 2 years | 35.00 | | |
| Misc/Contingency | 80.00 | | |
| **Total Administrative** | **40,440.00** | | |
| ***Facilities*** | | | |
| Maint/Repairs | 3,000.00 | | |
| Replace electrical line | 0.00 | | |
| Gate Repairs | 300.00 | | |
| Gate Transmitter purchases | 0.00 | | |
| Back Flow Inspections/Repairs | 250.00 | | |
| Intercom telephone line | 631.00 | | |
| **Total Facilities** | **4,181.00** | | |
| ***Grounds*** | | | |
| Landscape Contract | 27,000.00 | | |
| Landscaper: Bonus | 0.00 | | |
| Landscape Supplies | 3,200.00 | | |
| Trees/ Erosion | 1,200.00 | | |
| **Total Grounds** | **31,400.00** | | |
| | | | |
| ***Security*** | | | |
| Security (includes 4th of July guard) | 5,400.00 | | |
| **Total Security** | **5,400.00** | | |
| | | | |
| ***Utilities*** | | | |
| Utilities - Electricity | 350.00 | | |
| Utilities - Water | 5,520.00 | | |
| **Total Utilities** | **5,870.00** | | |
| | | | |
| **TOTAL EXPENSES** | **$ 87,291.00** | | |
| **CONTRIBUTION TO RESERVES** | **$ 38,424.00** | | |
| | **125,715.00** | | |

**2015 Annual fee: $ 1,445.00 per unit (same as 2014)**
**2015 Gate fee: $19.00 per year (for those units beyond the gate)**

Sand Dollar Beach-Townhouses

2015 Budget

| Acct | Description | 2014 Budget | 2015 Approved |
| --- | --- | --- | --- |
| | **REVENUE** | | |
| 4000 | Regular Assessments: Lots 56-74 | 157,871 | 173,660 |
| 4000 | Regular Assessments: Lots 55 & 75 | 3,700 | 4,070 |
| 4020 | Special Assessments | 75,002 | 75,002 |
| 4200 | Interest Income | 0 | 0 |
| 4220 | Collection Fees for Delinquencies | 0 | 0 |
| | Rollover from Operating Fund | 15,000 | 7,000 |
| | | ========= | ========= |
| | **TOTAL REVENUE** | 251,573 | 259,732 |
| | **EXPENSES:** | | |
| 6000 | Insurance | 750 | 750 |
| 6070 | Consulting & Add'l Administration | 2,250 | 1,000 |
| 6150 | Financial Review/Tax Return Prep | 1,500 | 1,400 |
| 6530 | Consultants/General | 750 | 0 |
| 7031 | Exterior Building Maintenance | 2,500 | 5,000 |
| 7145 | Pest Control | 3,000 | 3,000 |
| 7500 | Landscape Maintenance | 500 | 2,500 |
| 8800 | Miscellaneous/Contingency | 1,006 | 1,505 |
| | | -------------- | -------------- |
| | **TOTAL EXPENSES** | **12,256** | **15,155** |
| | | -------------- | -------------- |
| 9040 | Contribution to Reserves | 164,315 | 169,575 |
| 9118 | Special Assessment To Reserves | 75,002 | 75,002 |
| | | -------------- | -------------- |
| | **TOTAL RESERVE CONT/EXP** | **251,573** | **259,732** |
| | | -------------- | -------------- |
| | **NET INCOME (LOSS) FROM OPERATIONS** | **0** | **0** |
| | | ========= | ========= |

# Exhibit "B" – Summary of Reserves

| | EST. | EST. | TOTAL | YEARS | ACCUM. | EST.ACCUM. | % | YEARLY |
|---|---|---|---|---|---|---|---|---|
| **TOTAL EST RESERVE BALANCE END OF 2014** | **USEFUL** | **REMAIN.** | **COST OF** | **ACCUM.** | **DEPREC'N** | **RESERVES** | FUNDED | **ALLOCATION** |
| **$319,000.00** | **LIFE** | **LIFE** | **COMPONENT** | **2014** | **2014** | **2014** | 2014 | **2015** |
| | | | | | | | | |
| **Mechanical Equipment - Security System** | | | | | | | | |
| Entry Access System | **20** | **1** | **$20,000.00** | 19.00 | $19,000.00 | **$20,000.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Paving** | | | | | | | | |
| Asphalt: Seal Coat | **5** | **2** | **$1,402.00** | 3.00 | $841.20 | **$1,402.00** | 100.00% | **$0.00** |
| Asphalt: Repairs Cut & Patch | **5** | **2** | **$16,110.00** | 3.00 | $9,666.00 | **$16,110.00** | 100.00% | **$0.00** |
| Asphalt: Resurface Linda Vista | **25** | **2** | **$32,517.00** | 23.00 | $29,915.64 | **$32,517.00** | 100.00% | **$0.00** |
| Pathways-Upper Repairs | **5** | **2** | **$4,264.00** | 3.00 | $2,558.40 | **$4,264.00** | 100.00% | **$0.00** |
| Pathways- Upper Seal Coat | **5** | **2** | **$1,077.00** | 3.00 | $646.20 | **$1,077.00** | 100.00% | **$0.00** |
| Pathways - Lower Repairs | **5** | **2** | **$17,117.00** | 3.00 | $10,270.20 | **$17,117.00** | 100.00% | **$0.00** |
| Pathways - Lower Seal Coat | **5** | **2** | **$4,281.00** | 3.00 | $2,568.60 | **$4,281.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Siding/Trim/Hardscape** | | | | | | | | |
| Entrance Gate Area | **20** | **1** | **$10,000.00** | 19.00 | $9,500.00 | **$10,000.00** | 100.00% | **$0.00** |
| Gazebo (wood) Lower Pathway | **20** | **14** | **$2,627.00** | 6.00 | $788.10 | **$2,627.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Landings/Stairs/Railings** | | | | | | | | |
| Stair Structure - North | **25** | **20** | **$54,921.00** | 5.00 | $10,984.20 | **$35,347.00** | 64.36% | **$978.70** |
| Stair Structure - South | **25** | **20** | **$54,921.00** | 5.00 | $10,984.20 | **$35,347.00** | 64.36% | **$978.70** |
| Stair Treads - Treads/handrails | **1** | **1** | **$3,152.00** | 0.00 | $0.00 | **$3,152.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Landscaping** | | | | | | | | |
| General Repairs/Upgrades | **1** | **1** | **$269.00** | 0.00 | $0.00 | **$269.00** | 100.00% | **$0.00** |
| Tree Maintenance | **3** | **1** | **$2,627.00** | 2.00 | $1,751.33 | **$2,627.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Fencing (Repair/Replace)** | | | | | | | | |
| Wood 45 LF Area "F" | **15** | **13** | **$2,128.00** | 2.00 | $283.73 | **$2,128.00** | 100.00% | **$0.00** |
| Misc. Yard | **20** | **16** | **$10,230.00** | 4.00 | $2,046.00 | **$10,230.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Retaining Wall** | | | | | | | | |
| North stairway - Wood | **35** | **20** | **$12,923.00** | 15.00 | $5,538.43 | **$0.00** | 0.00% | **$646.15** |
| Area "C" - repair fund (wood) | **1** | **1** | **$1,327.00** | 0.00 | $0.00 | **$1,327.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Signage** | | | | | | | | |
| Entrance Signage Repair/Upgrade | **10** | **8** | **$5,384.00** | 2.00 | $1,076.80 | **$5,384.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Misc. Mechanical Equipment** | | | | | | | | |
| Sewer System (generator housing) | **5** | **1** | **$5,384.00** | 4.00 | $4,307.20 | **$5,384.00** | 100.00% | **$0.00** |
| Sewer System (generator) | **20** | **15** | **$53,845.00** | 5.00 | $13,461.25 | **$53,845.00** | 100.00% | **$0.00** |
| Sewer System (4 sewer pumps) | **10** | **6** | **$6,461.00** | 4.00 | $2,584.40 | **$6,461.00** | 100.00% | **$0.00** |
| Sewer System ( (833LF pipe) | **40** | **35** | **$130,072.00** | 5.00 | $16,259.00 | **$0.00** | 0.00% | **$3,716.34** |
| Sewer System ((Tank Relining) | **30** | **26** | **$32,307.00** | 4.00 | $4,307.60 | **$0.00** | 0.00% | **$1,242.58** |

| | EST. | EST. | TOTAL | YEARS | ACCUM. | EST.ACCUM. | % | YEARLY |
|---|---|---|---|---|---|---|---|---|
| **TOTAL EST RESERVE BALANCE END OF 2014** | **USEFUL** | **REMAIN.** | **COST OF** | **ACCUM.** | **DEPREC'N** | **RESERVES** | FUNDED | **ALLOCATION** |
| **$319,000.00** | **LIFE** | **LIFE** | **COMPONENT** | **2014** | **2014** | **2014** | 2014 | **2015** |
| Sewer System (Drainage Pump Area "B") | **20** | **16** | **$7,538.00** | 4.00 | $1,507.60 | **$7,538.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Miscellaneous** | | | | | | | | |
| Sea Wall 30LF | **50** | **20** | **$21,807.00** | 30.00 | $13,084.20 | **$21,807.00** | 100.00% | **$0.00** |
| Storage Shed | **30** | **2** | **$15,759.00** | 28.00 | $14,708.40 | **$15,759.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Water Meter** | **30** | **29** | **$3,000.00** | 1.00 | $100.00 | **$3,000.00** | 100.00% | **$0.00** |
| | | | | | | | | |
| **Contingency** | | | | | | | | **$30,861.53** |
| | | | | | | | | |
| | | | **$533,450.00** | | **$188,738.69** | **$319,000.00** | 169% | **$38,424.00** |
| **PERCENT FUNDED** | **169%** | | | | | | | |

| | | EST. | EST. | TOTAL | YEARS | ACCUM. | EST.ACCUM. | % | YEARLY |
|---|---|---|---|---|---|---|---|---|---|
| **TOTAL EST RESERVE BALANCE END OF 2014** | | **USEFUL** | **REMAIN.** | **COST OF** | **ACCUM.** | **DEPREC'N** | **RESERVES** | **FUNDED** | **ALLOCATION** |
| | **$230,000.00** | **LIFE** | **LIFE** | **COMPONENT** | **2014** | **2014** | **2014** | **2014** | **2015** |
| | | | | | | | | | |
| | **COMPONENT INCLUDED** | | | | | | | | |
| **01500** | **Siding/Trim** | | | | | | | | |
| | Plywood Siding - Beach Side (trim only) | 30 | 24 | $5,253.00 | 6.00 | $1,050.60 | | 0.00% | $218.88 |
| | Plywood Siding - Street Side (stucco) | 30 | 25 | $2,627.00 | 5.00 | $437.83 | | 0.00% | $105.08 |
| | Siding Bldg ends/stairwells 1-2 (half stucco/half plywood) | 30 | 25 | $27,316.00 | 5.00 | $4,552.67 | | 0.00% | $1,092.64 |
| | Siding Bldg ends/stairwells 2-3 (half stucco/half plywood) | 30 | 25 | $27,316.00 | 5.00 | $4,552.67 | | 0.00% | $1,092.64 |
| | | | | | | | | | |
| **02000** | **Concrete (Partial Replacement)** | | | | | | | | |
| | Driveways - 5% repair/replace | 5 | 3 | $2,956.00 | 2.00 | $1,182.40 | | 0.00% | $985.33 |
| | 19 Parking apron to building | 50 | 13 | $97,634.00 | 37.00 | $72,249.16 | | 0.00% | $7,510.31 |
| | | | | | | | | | |
| **02500** | **Landings/Stairs/Railings** | | | | | | | | |
| | Stair Structure Wood Landings Building 1 | 40 | 38 | $170,000.00 | 2.00 | $8,500.00 | | 0.00% | $4,473.68 |
| | Stair Structure Wood Landings Building 2 | 40 | 39 | $407,000.00 | 1.00 | $10,175.00 | | 0.00% | $10,435.90 |
| | Stair Structure Wood Landings Building 3 | 40 | 1 | $280,000.00 | 39.00 | $273,000.00 | $230,000.00 | 82.14% | $57,181.28 |
| | | | | | | | | | |
| **03000** | **Painting/Caulking: Exterior** | | | | | | | | |
| | Building Exterior Street Side | 6 | 5 | $19,850.00 | 1.00 | $3,308.33 | | 0.00% | $3,970.00 |
| | Building Exterior Beach side | 6 | 5 | $16,780.00 | 1.00 | $2,796.67 | | 0.00% | $3,356.00 |
| | Building Exterior Building Ends/Stairwells | 6 | 5 | $4,550.00 | 1.00 | $758.33 | | 0.00% | $910.00 |
| | | | | | | | | | |
| **05000** | **Roofing** | | | | | | | | |
| | Copper Caps/Carport Wing Walls | 25 | 18 | $5,409.00 | 7.00 | $1,514.52 | | 0.00% | $300.50 |
| | Storage Shed Roof Tops- Torch Down | 30 | 3 | $1,051.00 | 27.00 | $945.90 | | 0.00% | $350.33 |
| | Steep Slope: 50yr comp Shingle | 30 | 2 | $67,485.00 | 28.00 | $62,986.00 | | 0.00% | $33,742.50 |
| | Steep Slope: Clay Tile | 40 | 5 | $107,475.00 | 35.00 | $94,040.63 | | 0.00% | $21,495.00 |
| | Gutters/Downspouts Beach Side | 25 | 18 | $18,029.00 | 7.00 | $5,048.12 | | 0.00% | $1,001.61 |
| | Gutters/Downspouts Street side | 25 | 18 | $4,000.00 | 7.00 | $1,120.00 | | 0.00% | $222.22 |
| | | | | | | | | | |
| **30000** | **Miscelllaneous** | | | | | | | | |
| | Meter Enclosures | 25 | 11 | $1,208.00 | 14.00 | $676.48 | | 0.00% | $109.82 |
| | Sea Wall Repair/Replace | 50 | 20 | $400,000.00 | 30.00 | $240,000.00 | | 0.00% | $20,000.00 |
| | ABS/PVC Sewer Line Replacement | 50 | 47 | $48,000.00 | 3.00 | $2,880.00 | | 0.00% | $1,021.28 |
| | Gas Line Replacment fund | 50 | 40 | $60,000.00 | 10.00 | $12,000.00 | | 0.00% | $1,500.00 |
| | | | | **$1,713,939.00** | | **$791,775.31** | **$230,000.00** | **29%** | **$169,575.00** |
| | | | | | | | | | |
| | **PERCENT FUNDED** | **29%** | | | | | | | |
| | TOTAL EST. RESERVE BALANCE | **$230,000.00** | | | | | | | |
| | **TOTAL UNALLOCATED RESERVES** | $0.00 | | | | | | | |
| | DESIRED BALANCE | $791,775.31 | | | | | | | |
| | EST. BALANCE | $230,000.00 | | | | | | | |
| | **CURRENT DEFECIT** | $561,775.31 | | | | | | | |
| | **DEFECIT PER UNIT** | $29,567.12 | | | | | | | |

**Exhibit “C”**
**Sand Dollar Beach Homeowners Association**

**Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending 2015**

(1) The regular assessment per ownership interest is $1445.00 annual; however there are variable assessments in addition to the regular assessment for lots below the gate and the townhomes. See below and attached.

- The Association regular assessments are $1445 annually for every lot.
- Lots below the gate (49 lots) pay an additional $19 for the gate
- The townhomes pay an additional townhome assessment and for 2015, a special assessment – see enclosed assessment key.

(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:

The townhomes have passed a special assessment for $75,002 per year for the stair project.

Date assessment will be due: payable each month for townhomes only.

Amount per ownership interest per month or year: $75,002 per year, townhomes only.

Purpose of the assessment: stair project

(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? N/A

(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? NOT APPLICABLE

(5) All major components are included in the reserve study and are included in its calculations.

(6) **ASSOCIATION:** Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund for the homes at the end of the current fiscal year is $188,738.69 based in whole or in part on the last reserve study or update prepared by as of 2013. The projected reserve fund cash balance at the end of the current fiscal year is $319,000.00, resulting in reserves being 169% percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is $533,450.00.

**(7)TOWNHOMES:** Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund for the townhomes at the end of the current fiscal year is $791,775.31 based in whole or in part on the last reserve study or update prepared by as of 2013. The projected reserve fund cash balance at the end of the current fiscal year is $230,000.00, resulting in reserves being 29% percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is $1,713,939.00.

(8) 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 (see chart below), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (see chart below), leaving the reserve at percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (see chart below), leaving the reserve at percent funding.

Sand Dollar Beach Homeowners Association

| FISCAL YEAR | FULLY FUNDED | RESERVE BALANCE | PERCENT FUNDED |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 2015 | $188,738.69 | $316,260.00 | 168% |
| 2016 | $179,522.45 | $259,259.30 | 144% |
| 2017 | $114,790.21 | $294,500.60 | 257% |
| 2018 | $143,584.97 | $327,291.10 | 228% |
| 2019 | $169,752.73 | $362,872.55 | 214% |

Sand Dollar Beach Townhomes

| FISCAL YEAR | FULLY FUNDED | RESERVE BALANCE | PERCENT FUNDED |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 2015 | $791,775.31 | $120,725.00 | 15% |
| 2016 | $559,768.50 | $223,418.62 | 40% |
| 2017 | $540,276.70 | $390,103.72 | 72% |
| 2018 | $584,262.89 | $561,629.23 | 96% |
| 2019 | $632,256.09 | $585,357.38 | 93% |

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 0.05 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 0 percent per year.

# SANDDOLLAR BEACH TOWNHOMES
## 2015 ASSESSMENT SCHEDULE FOR TOWNHOMES

| | | |
|---|---|---|
| **Lots 56-74** | | **Per Unit Annual** |
| **SDHOA Annual assessment + gate fee** | | **$1,464.00** |
| **2015 Townhome regular annual assessment** | | **$9,140.00** |
| **Special Assessment** | | **$3,923.00** |
| **Total** | | **$14,527.00** |

| | | |
|---|---|---|
| **Payment Schedule for Lots 56-74** | | |
| January | SDHOA annual fee + gate fee | $1,464.00 |
| February | Special assessment installment + Townhome installment | $1,188.00 |
| March | Special assessment installment + Townhome installment | $1,188.00 |
| April | Special assessment installment + Townhome installment | $1,188.00 |
| May | Special assessment installment + Townhome installment | $1,188.00 |
| June | Special assessment installment + Townhome installment | $1,188.00 |
| July | Special assessment installment + Townhome installment | $1,188.00 |
| August | Special assessment installment + Townhome installment | $1,188.00 |
| September | Special assessment installment + Townhome installment | $1,188.00 |
| October | Special assessment installment + Townhome installment | $1,188.00 |
| November | Special assessment installment + Townhome installment | $1,188.00 |
| December | Special assessment installment + Townhome installment | $1,188.00 |
| **Total** | | **$14,532.00** |

| | | |
|---|---|---|
| **Payment Schedule for Lot 55** | | |
| January | SDHOA Annual Fee | $1,464.00 |
| January | Special Assessment - to fund Reserves | $208.00 |
| February | Annual Townhome Fee | $910.00 |
| **Total** | | **$2,582.00** |

| | | |
|---|---|---|
| **Payment Schedule for Lot 75** | | |
| January | SDHOA Annual Fee | $1,464.00 |
| January | Special Assessment - to fund Reserves | $257.00 |
| February | Annual Townhome Fee | $1,054.00 |
| March | Annual Townhome Fee | $1,053.00 |
| April | | $1,053.00 |
| **Total** | | **$4,881.00** |

# Exhibit “D” – Insurance Summary

KBK INSURANCE AGENCY
SINCE 1908

INSURANCE
1006 Freedom Blvd • P.O. Box 310
Watsonville, CA 95077

PHONE (831) 724-1085
FAX (831) 724-1089

November 4, 2014

**Please be advised that Sand Dollar Beach HOAC/O Decamara Management Company currently complies with the Liability Insurance requirements as set forth by California Civil Code section 5805 for California Common Interest Developments.**

The following is a brief summary of the amounts and type of insurance provided for your Association.

| TYPE | AMOUNT | DEDUCTIBLE | INSURANCE CARRIER |
|---|---|---|---|
| Liability | $1,000,000 AGGREGATE<br>$1,000,000 OCCURRENCE | N/A | United States Liability Ins. |
| Directors & Officers Liability | $3,000,000 | 5,000 | CNA Surety |
| Excess / Umbrella | $5,000,000 | N/A | United States Liability Ins |
| Employee Dishonesty | $750,000 | 7,500 | Hartford |
| Workers Comp | $1,000,000 | N/A | State Compensation |

The Association carries the levels of insurance specified by Civil Code Section 5805, and pursuant to that section, owners may be individually liable only for their proportional share of assessment levied to pay the amount of any judgment which may be rendered in favor of a plaintiff bringing an action in tort arising solely by reason of an ownership interest in the common area which exceeds the limits of the Association's insurance.

**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, 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.**

Jorge Fernandez
Agent

11-4-2014
Date

Trusted Choice®

Independent Insurance Agent

**Sand Dollar Beach**
**Annual Policy Report – 2015**
**Table of Contents**

**Sand Dollar Beach Homeowners Association**
**c/o De Camara Management**
**9011 Soquel Drive, Suite A**
**Aptos, CA 95003**

1. **Official Communications**. Civil Code Section 5310(a)(1).

The name and address of the person designated to receive official communications to the association, pursuant to Section 4035 is: Al De Camara, De Camara Management, 9011 Soquel Drive, Suite A, Aptos, CA 95003.

2. **Specified Addresses.** Civil Code Section 5310(a)(2).

Upon receipt of a written request by an owner identifying a secondary address for the purpose of assessment collection notices, the Association shall send additional copies of the following documents to that secondary address : (1) those included in the Annual Budget Report; (2) the documents to be delivered to an owner pertaining to delinquent assessments in Civil Code Section 5300 and following; and (3) the documents to be delivered to an owner pertaining to the foreclosure of a lien in Civil Code Section 5650 and following. The written request must be made by first-class mail, postage prepaid, registered or certified mail, or overnight delivery by an express mail service. The Association does not consent to service by email, facsimile or other electronic means, nor by personal service. The owner may change his/her secondary address at any time, provided that the Association is required to send notices to the indicated secondary address only from the time the Association receives the request. .

3. **Posting of General Notices.** Civil Code Section 5310(a)(3).

The location, if any, designated for posting of a general notice, pursuant to paragraph (3) of subdivision (a) of Section 4045 is as follows: **At the gate.**

4. **Receipt of General Notices.** Civil Code Section 5310(a)(4).

The Association may give certain legal notices to the members through "general delivery" in the newsletter, in billing statements, by posting and in other ways. You have the right to request that such notices be sent to you by the Association by "individual delivery", which includes first-class mail, postage prepaid registered or certified mail, or overnight delivery by an express mail service. Such a request should be sent in writing by first-class mail, postage prepaid to De Camara Management at the address above.

5. **Meeting Minutes.** Civil Code Section 5310(a)(5).

Please be advised that members of the Association have a right to obtain copies of the minutes of meetings of the Board of Directors. Those minutes may be secured by contacting the

Association’s property management representatives, at the address indicated above, through a written request, and payment of the reasonable costs of copying. Minutes proposed for adoption that are marked to indicate draft status are also available to members under the same procedure, within 30 days of the meeting. Minutes of executive session meetings of the Board of Directors are not available for distribution.

**6. Notice of Assessment Collection Rights.** Civil Code Section 5310(a)(6).

“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 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 areas 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 or Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

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

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

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

## PAYMENTS

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

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

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

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

## MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share 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 of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)"

**7. Statement of Policies and Practices in Enforcing Lien Rights**.
Civil Code Section 5310(a)(7).

A statement describing the association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments is attached as Exhibit "A".

**8. Association Discipline Policy.** Civil Code Section 5310(a)(8).

A statement describing the association's discipline policy, if any, including any schedule of penalties for violations of the governing documents pursuant to Section 5850 is attached as Exhibit "B".

**9. Dispute Resolution Procedures.** Civil Code Section 5310(a)(9).

A summary of dispute resolution procedures, pursuant to Sections 5920 and 5965 are as follows:

As of this date, the Association has not adopted an internal dispute resolution process under Civil Code Section 5905. Accordingly, the dispute resolution process in Civil Code Section 5915 is applicable. That procedure is as follows:
Section 5915:

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(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 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.

**B.** ***External Dispute Resolution Process***. Civil Code Section 5925 through Section 5960. The following is a summary of the provisions of the California Civil Code Section 5925 through Section 5940. These statute generally require that disputes between members or between the Association and a member regarding the meaning or enforcement of the governing documents, the Davis-Stirling Act, or the Nonprofit Mutual Benefit Corporation Law, be initially referred to a form of alternative dispute resolution, such as mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision-making process. The form of alternative dispute resolution may be binding or non-binding at the option of the parties. The procedure does not apply to a small claims action and is not generally applicable to an assessment dispute.

The required dispute resolution process is commenced by the service of a Request for Resolution on the other party which includes a brief description of the dispute between the parties, a request for alternative dispute resolution, and a notice that the party receiving the Request for Resolution is required to respond within thirty (30) days after receipt, or it will be deemed rejected. A complete copy of certain statutes must be served with the Request, if it is served by the Association. A copy of these statutes is available through the Association's management representatives. Service must be 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.

When the Request for Resolution is received, the responding party has thirty (30) days to accept or reject alternative dispute resolution. If it is accepted, the process is to be completed within ninety (90) days, unless extended by written agreement of both parties. The statute further provides that the cost of the dispute resolution process is to borne by the parties. If the responding party fails to respond within thirty (30) days, the Request is deemed rejected.

Under this law, the trial court may consider a party=s refusal to participate in alternative dispute resolution prior to litigation in determining the amount of attorney's fees and costs to be awarded.

Pursuant to California Civil Code Section 5965, the Association provides you with the following notification:

Failure by any 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

**10. Physical Changes to Property.** Civil Code Section 5310(a)(10).

A summary of any requirements for association approval of a physical change to property, pursuant to Section 4765 is as follows:

Pursuant to Article VIII, of the CC&Rs, prior written approval by the Association is required for certain physical changes to the property.

(a) No person other than the Association or its agents shall on Common Area:

(1) Construct, reconstruct, refinish, alter or maintain any improvement;
(2) Make or create any excavation or fill;
(3) Change the natural or existing drainage;
(4) Cut, trim, mow, destroy or remove any trees, shrubs or other vegetation;…"

A copy of the procedure used to review and approve or disapprove a proposed change is attached hereto as Exhibit "C".

**11. Overnight Payment of Assessments.** Civil Code Section 5310(a)(11).

The mailing address for overnight payment of assessments, pursuant to Section 5655 is: Sand Dollar Beach HOA c./o De Camara Management, 9011 Soquel Drive, Suite A, Aptos, CA 95003-4071.

**12. Other Disclosures and Notice of Any Pending Litigation.** Civil Code Section 5310.

The Association is not a party to any litigation at this time.

**13. Fair Housing Policy.** Government Code Section 12956.1

It is the policy of the Association to not discriminate in the exercise of its powers or duties based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, medical condition, genetic information, national origin, source of income, ancestry, or any other factors which are illegal under California or federal law.

**14. Right to Receive Annual Report.** Corporations Code Section 8321.

Pursuant to Corporations Code Section 8321, you are hereby notified that you have the right to receive a copy of the annual report upon written request. The report is completed no later than one hundred twenty (120) days after the close of the corporation's fiscal year and contains detail concerning the balance sheet at the end of the fiscal year, the income statement and statement of changes and financial position for the fiscal year, a statement of the place where the names and addresses of the current members are located, (De Camara Management) together with an accompanying report by the Associations independent accountant if the gross annual income exceeds $75,000.

**EXHIBIT "A" –** Assessment Collection Policy

**EXHIBIT "B" –** Association Discipline Policy

**EXHIBIT "C" –** Procedure for Approval of Physical Changes

**Exhibit “A”**
**ASSESSMENT COLLECTION POLICY**

**Notice to Members:**
This document sets forth the Association's policy regarding the collection of assessments pursuant to the Association's Declaration of Covenants, Conditions Restrictions, its Bylaws, and California Civil Code sections 1363.05, 1365.1, 1365.2, 1366, 1367 and 1367.1, 1367.4, 1367.5.

**1.0 Assessments in General.**
The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and California law. Regular assessments are determined at least once annually and are payable during the year in Monthly installments or at such other intervals as the Board of Directors shall designate. The Association shall distribute the written notice described in Civil Code section 1365.1 (b) to each member of the Association during the 60-day period immediately preceding the beginning of the Association’s fiscal year.

**2.0 Obligation to Pay Assessments.**
A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with Section 1366, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied. Each assessment or charge is also a lien on the owner's property from and after the time the Association causes a Notice of Delinquent Assessment (Lien) to be recorded with the County Recorder's Office of the County in which the property is located.

**3.0 Monetary Charge for Reimbursement to Association for Damage to Common Areas and Facilities**
A monetary charge imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the member or the member's guests or tenants were responsible may become a lien against the member's separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c, provided the authority to impose a lien is set forth in the governing documents.

**4.0 Monetary Penalty Imposed by the Association as a Disciplinary Measure.**
A monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the governing instruments, except for the late payments, may not be characterized nor treated in the governing instruments as an assessment that may become a lien against the member's subdivision separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c.

**5.0 Notice of Assessments.**
Not less than 30 days nor more than 60 days before any increase in the regular assessment or any special assessment becomes due, the Association will give the owners notice of the assessment. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice. The Board of Directors may elect from time to time to provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the owners of the obligation to pay assessments.

**6.0 Designation of Agent.**
The Board of Directors may designate an agent or agents to collect assessment payments and administer this Assessment Collection Policy. Such designated agent may be an officer of the Association, manager, collection service, banking institution, law firm, attorney or other appropriate agent. A.S.A.P. Collection Service 331 Piercy Road, San Jose, CA 95138 is one of the designated agents authorized to administer this policy. Designation of Agent does not qualify A.S.A.P. Collection Service as an agent to go to small claims court on behalf of the Association.

**7.0 Association Cannot Voluntarily Assign or Pledge the Association's Right to Collect**
An Association may not voluntarily assign or pledge the Association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association; however, the foregoing provision may not restrict the right or ability of an Association to assign any unpaid obligations of a former member to a third party for purposes of collection. Subject to the limitations of this subdivision, after the expiration of 30 days following the recording of a lien per the Covenants, Conditions and Restrictions (CCR's), the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Section 2934a. Any sale by the trustee shall be conducted in accordance with Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trusts. The fees of a trustee may not exceed the amounts prescribed in Sections 2924c and 2924d.

**8.0 Due Date/ Delinquency Date of Assessments**.
Unless otherwise specified by the Board or the governing documents, an assessment is due on the first of each month. An assessment, or any portion thereof, is delinquent if it has not been received as directed by the Board or its designated agent 15 days after it is due.

**9.0 Late Charges and Interest on Delinquent Amounts**.
Delinquent accounts become subject to the following additional charges as contained in Civil Code section 1366 and the governing documents: costs of collection including reasonable attorney's fees; a late charge of 10% and interest on all sums (including the delinquent assessment, collection fees and costs, and reasonable attorney's fees) at an annual interest rate not to exceed 12% commencing 30 days after the assessment becomes due; whether or not charged prior to collection. If it is determined the assessment was paid on time to the association the owner will not be liable to pay the charges, interest, and costs of collection.

**10.0 Collection Charges.**
Any costs and fees incurred in setting up, processing and collecting delinquent amounts, including, without limitation, late charges, statement charges, monthly administrative charges, charges for preparation of delinquency notices or forward to collection charges, or request for a payment plan as well as the recordation of a lien or initiation of foreclosure proceedings, postage, copies, envelopes, labels, filing and recordation charges, delivery charges, and attorney's fees and costs, title searches, bankruptcy searches, pulling copies of grant deeds or property ownership history, address and or phone number verification searches, in addition to any other charges necessary to collect a delinquent assessment shall become an additional charge

against the owner and the owner's property and shall be subject to collection action pursuant to this Policy.

**11.0 Application of Payments.**
Neither the Association nor its designated agent has any obligation to accept partial payments on an assessment account. Unless stated otherwise in writing, partial payments accepted will be applied first to the oldest assessments owed, and, only after the assessments owed are paid in full will the payments be applied to the fees and costs of collection, attorney’s fees, late charges, or interest. Owners may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it. Payments may be required to be made in certified funds, e.g. cashier's check or money order.

**12.0 Initial Delinquency Notice.**
Once an assessment, or any portion thereof, has become delinquent, the owner may receive an initial delinquency notice stating all amounts past due and any known collection charges imposed as of the date of the notice, which may be in the form of a letter, monthly statement, past due notice, or any other form of writing or notice from the Association or its designated agent.

**13.0 Notice of Intent to Record a Lien.**
If an assessment account remains unpaid for 45 days after it is due, the Association or its designated agent shall, at least 30 days prior to recording a lien upon the separate interest of the owner of record, notify the owner in writing by certified mail all of the notice requirements pursuant to Civil Code Section 1367.1. Prior to recording a lien for delinquent assessments, the owner has the right to request to participate in dispute resolution pursuant to the Association's "Meet and Confer" program required in Article 5 (commencing with Section 1363.810) of Chapter 4 of Civil Code. A copy of the "Meet and Confer" procedure is attached to this collection policy as an ADDENDUM titled
"Dispute Resolution, Meet And Confer, And ADR."

**14.0 Recording of Lien.**
At the expiration of 30 days following the Notice of Intent to Record a Lien, the Association or its designated agent will without further notice to the owner, record a lien against the owner's property. The notice of delinquent assessment shall be mailed in the manner set forth in Section 2924b, to all record owners of the owner's interest in the common interest development no later than 10 calendar days after recordation.

**15.0 Association Lien Subordination.**
Association Lien Subordination. A lien created pursuant to 14.0 Recording of Lien shall be prior to all other liens recorded subsequent to the notice of assessment, except that the declaration may provide for the subordination thereof to any other liens and encumbrances.

**16.0 Recording of Release of Lien.**
A release of lien will not be recorded until the entire balance of the owner's account is paid in full. All charges incurred in recording a Release of Lien, including reasonable attorney or agent fees and costs, will be charged to the account. Within 21 days of the payment of the sums

specified in the notice of delinquent assessment, the association shall record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied.

**17.0 Lien Recorded In Error.**
If it is determined that a lien previously recorded against a separate interest was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded, a lien release or notice of rescission and provide the owner of the separate interest with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission.

**18.0 Foreclosure.**
Judicial or Non Judicial foreclosure proceedings may not begin until the amount of the delinquent assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney’s fees, or interest, equals or exceeds one thousand eight hundred dollars ($1,800) or the assessments are more than 12 months delinquent. Prior to initiating a foreclosure for delinquent assessments, the association will offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the association's "Meet and Confer" program required in Article 5 (commencing with Section 1363.810) of Chapter 4 of Civil Code or alternative dispute resolution with a neutral third party pursuant to Article 2 (commencing with Section 1369.510) of Chapter 7 of Civil Code. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. A copy of the "Meet and Confer" Procedure is attached to this collection policy as an ADDENDUM titled "Dispute Resolution, Meet And Confer, And ADR."

**19.0 Deed in Lieu of Foreclosure.**
Nothing in this section or in subdivision (a) of Section 726 of the Code of Civil Procedure prohibits actions against the owner of a separate interest to recover sums for which a lien is created or prohibits an association from taking a deed in lieu of foreclosure.

**20.0 Payment Plan Agreement.**
Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.

**21.0 Validation of Debt.**
Unless an owner disputes the validity of the debt, or any portion thereof, within thirty (30) days after receipt of the notice pursuant to 13.0 Notice of Intent to Record a Lien, the debt will be assumed to be valid. Validation of the debt will be provided in writing, at no additional cost to the owner and will include 1) an itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney’s fees, any late charges, and interest, if any 2)

the Association’s name and 3) the Association’s mailing address.

**22.0 Disputes.**
Federal law states that initial dispute can be either oral or in writing. State law requires disputes to be in writing. It is therefore recommended that all disputes be put in writing to avoid misunderstanding.

**23.0 Dispute Resolution Procedure, Meet and Confer.**
An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association’s “Meet and Confer” program required in Article 5 (commencing with Section 1363.810) of Chapter 4 of the Civil Code. A copy of the "Meet and Confer" Procedure is attached to this collection policy as an ADDENDUM titled "Dispute Resolution, Meet And Confer, And ADR."

**24.0 ADR -Alternative Dispute Resolution.**
An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Article 2 (commencing with Section 1369.510) of Chapter 7 of the Civil Code before the Association may initiate foreclosure against the owner’s separate interest, except that binding arbitration shall not be available if the Association intends to initiate judicial foreclosure. A summary of the ADR -Alternative Dispute Resolution CC 1369.520 is attached as an ADDENDUM to this policy titled "Dispute Resolution, Meet And Confer, And ADR."

**25.0 Owner has Right to Request Meeting with Board.**
An owner has the right to request a meeting with the board. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice 13.0 Notice of Intent to Record a Lien, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

**26.0 Owner has Right to Review Association Records.**
Owner has the right to review the Association records, pursuant to Section 1365.2 of the Civil Code. Owner should contact the Association’s managing agent for the policies and procedures set forth to inspect the records.

**27.0 Resolution Of Assessment Dispute By Alternative Dispute Resolution – Civil Code Section 1366.3 – is repealed effective January 1, 2006.**

**28.0 Other Remedies.**
The Association reserves the right to avail itself of any other remedy permitted by law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action in Small Claims or Superior Court. Such remedies may be taken in addition to, or in lieu of, any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

**29.0 Address of the Association and the Board of Directors.**
Owners should respond in writing or make payments to the address as directed by the designated

agent. For the purpose of OVERNIGHT PAYMENTS mail to:9011 Soquel Drive Ste. A, Aptos, CA 95003. For the purpose of CORRESPONDENCE mail to: 9011 Soquel Drive Ste. A, Aptos, CA 95003. These addresses are subject to change after the distribution of this policy. Notification of a change will be in writing to the membership through normal day-to-day correspondence from the association or its managing agent. It is the owners' responsibility to note any changes for their records.

**30.0 Returned Payments.**
Payments returned for insufficient funds, closed account, stop payment or for any other reason will be charged back to the owners account in addition to any administrative fee, bank fee or collection fees and costs incurred to handle the returned payment. Personal checks will not be accepted if two payments are "Returned" by the bank for any reason.

**31.0 Sufficiency of Notice.**
Except for notice that under California law must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the owner at the address on the membership register at the time of notice. Notice is presumed received (3) three days after notice was mailed.

**32.0 Owner's Change of Address.**
Owner is required to notify the Association of any change in the owner's name or mailing address. An owner may provide written notice by facsimile transmission or United States mail to the Association of a SECONDARY ADDRESS. If a secondary address is provided, the Association shall send any and all correspondence and legal notices required pursuant to the article to both the primary and secondary address.

**33.0 Void Provisions.**
If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.

**Exhibit "B"**
**See attached**

# SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION
# ENFORCEMENT POLICY

The Board of Directors may assess a fine based on this Policy according to the Fine Schedule below. Homeowners are encouraged to first attempt to resolve neighborhood disputes on their own. Please note homeowners are responsible for the actions of their tenants, guests, or family members. When a tenant, guest, or family member is in violation of a governing document provision or rule the owner will be held liable for the payment of the penalty assessment levied, as well as reasonable costs if applicable incurred by the Association for the repair and replacement of any damages caused to the community. The violation of a governing document provision or rule by tenants, guests, or family members will result in the owner being served notice and the homeowner will have the responsibility for subsequent action as provided hereafter.

I. OFFENSE SCHEDULE

The following offense schedule is based upon the occurrence of the offense within a 365-day period. Continuing, ongoing offenses will be treated on an individual basis, dependent upon the circumstances and taking into account the severity of the action and the possible emergency nature thereof.

1. **FIRST OFFENSE –** Warning Letter to responsible Owner

2. **SECOND OFFENSE –** Penalty/fine may be assessed pursuant to Fine Schedule, as well as any other remedy legally available to the Association. Prior to the imposition of such a penalty, Owner will be sent a Hearing Notice, and provided an opportunity to appear in person, or in writing, before the Board of Directors to show cause why the penalty should not be imposed. The violation may be turned over to the Association's attorney for possible legal action. Any attorney fees and/or costs incurred by the Association as a result of a second or subsequent offense shall be charged as a Reimbursement Assessment to the responsible owner's account.

3. **THIRD AND SUBSEQUENT OFFENSE –** Same as Second Offense, with increased amount of penalty/fine possible.

4. **DUE PROCESS –** Prior to the imposition of any penalty or fine, and absent any emergency or extenuating circumstances, the owner shall be sent a Hearing Notice and provided an opportunity to appear at a hearing, either in person or writing, before the Board of Directors to show cause why the intended penalty should not be imposed. The Association attorney may be invited to attend this hearing and the owner is allowed to have witnesses or his/her attorney present as well. Depending upon the severity and frequency of the violation, the choice of the enforcement procedure(s) or the enforcement remedy(ies) may vary. Nothing in this section shall obligate or require the Board to take any action against any individual owner for

violation of these rules. In determining whether to take action, the Board will also evaluate the costs and benefits of the same.

5. **FINE SCHEDULE –** This fine schedule will apply to any single type of offense committed within a 365-day period. No fine will be assessed in connection with an initial warning notice.

   **First Offense – No fine. Initial Warning Letter Only**

   **Second Offense - $100 Fine**

   **Third & Subsequent Offenses - $100 increase from last fine per offense**

II. <u>ENFORCEMENT PROCEDURE</u>

STEP 1. INITIATION

Suspected violations may be reported by any homeowner, security staff, Board member, or any other designated representative of the Association by use of the **SDHOA Communication Form**. The violation will be verified as set forth in Step 2.

STEP 2. VERIFICATION

Verification of a Violation Report for violations is accomplished by a review of the Association's CC&R's, Bylaws, Articles of Incorporation, Rules, Architectural Standards ("governing documents") and/or inspection. The Board of Directors shall determine, at its discretion, whether an inspection of the site is necessary and, if so, will inspect the site to verify the violation. Violation shall be defined as an act in direct conflict with the governing documents, and/or local, county, or state requirements. If the Board of Directors determines that a violation exists it will proceed with the enforcement process (Step 3).

STEP 3. DOCUMENTATION

1. A Warning Letter is completed by the Board of Directors and forwarded to the violating owner. If applicable, the warning letter will state a deadline by which to cure the violation. At the discretion of the Board this step may be omitted if, based on the seriousness of the violation, more immediate action is warranted, in which case a **Hearing Notice** will be sent to the violating owner.

2. If a Warning Letter is sent and violator fails to take the necessary action by the deadline given, a **Hearing Notice** will be sent to the violating owner, setting forth the date, place, and time where the violator can be heard before the Board of Directors on the violation. Failure to appear could result in immediate discipline including, but not limited to,

imposition of a Reimbursement Assessment, imposition of a fine, and/or any other remedy legally available to the Association. The Association must give at least fifteen (15) days written notice, by personal delivery or first-class mail to the owner's primary address on file with the Association, of the hearing to the violating owner before any action is taken.

STEP 4. HEARING PROCEDURE

1. Findings of Fact and Recommended Action: The Board of Directors must make specific findings as it relates to the violation of the governing documents, noting them on the **Homeowner Hearing Procedure** and **Ruling Notice** with the facts which support its decision. The results must be provided to the violating owner by personal delivery or first-class mail to the owner's primary address on file with the Association, within fifteen (15) days following the action. The decision of the Association and action recommended/taken should also be noted on the **Homeowner Hearing Procedure**. If no violation is found, then no remedy is required and no discipline would be imposed, and thus the Association would issue a **Ruling Notice** pursuant to Step 4.3 below.

2. Remedies: If it is determined that a violation has taken place, the Association has the following remedies available to it but is not limited to one or more of the following:

   a. Suspend voting rights, common area privileges, and/or any other privilege of any Owner or Person deriving rights from any Owner (such as a guest, tenant, or lessee) for a period not to exceed six (6) months for each violation and/or for any period during which the Owner is delinquent in the payment of any assessment, fine or monetary penalty, or Reimbursement Assessment.

   b. If the violation of the governing documents continues and can be cured through a self-help remedy, the Board's action may be to demand correction of the continuing violation and a date certain upon which an owner must comply via the Notice of Ruling. The Notice shall further indicate that if the Owner fails to comply within the time provided by the Association, the Association could bring the Owner into compliance and charge the cost of same to the Owner as a Reimbursement Assessment.

   c. Even if the violation is not of a continuing nature and does not lend itself to a self-help remedy, the Board still has the authority to impose a Reimbursement Assessment for failure to comply with provisions of the governing documents.
   d. Lien and foreclosure against homeowner's property (however, in accordance with Civil Code Section 1367, a monetary penalty imposed by the Association as a disciplinary measure for failure to comply with

the governing documents, except for late payments, may not be treated as a lien against the owner's separate interest unless it is a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the owner is responsible).

e. Without limiting the foregoing, for violations of Architectural Standards, a Reimbursement Assessment may be levied and/or a court injunction instituted against any homeowner who undertakes the improvement or alteration to their home or townhouse which might affect the architectural integrity or accepted standards of the community without prior Association approval.

f. Court injunction, other court action (including pursuing any alternative dispute resolution mechanism that may be agreed upon by the member).

g. Notice to the City, County, and/or appropriate State agency(ies).

h. In addition to any fines levied, the Board may impose additional sums to cover Association costs in the repair of its property, and costs incurred to correct the violation and to enforce the governing documents.

i. Any other applicable remedy and/or sanction for as long as necessary, provided however, that said remedy/sanction is in accordance with the governing documents and the law.

3. Ruling Notice: Regardless of what remedy the Board takes, even if no violation is found, the Association shall personally deliver or send via first-class mail to the owner's primary address on file with the Association, a **Ruling Notice** within fifteen (15) days after the hearing. If it is ruled that a Reimbursement Assessment will be imposed, the Board or authorized designee must provide the Ruling Notice to the violating owner within fifteen (15) days and request payment of such assessment within thirty (30) days after the Ruling Notice is mailed. This will be recorded in the Executive Session minutes or Regular Session minutes, whichever is applicable.

## SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION
## COMMUNICATION FORM

**Date:**
**Name:**

**State information/issue/concern:**

**Homeowners Suggestions/Solutions/Options regarding issue/concern:**

**Request/Action homeowner is requesting from SDHOA Board:**

**Potential estimated cost of request if appropriate with maintenance costs:**

---

**For Board Use Only**
**Date received by Board:**
**Date issue discussed/Board Meeting:**
**Discussion/Action taken by the Board:**

**SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION**
**<u>HEARING NOTICE</u>**

DATE:_______________
NAME(S):______________________________________________________________
ADDRESS:______________________________________________________________
LOT #:________ SDB ADDRESS:_________________________________________

Dear Sand Dollar Beach Home Owners Association Member:

You were previously notified of your violation of the Association's governing documents. The previous notice has not caused the violation to cease.

In accordance with the Civil Code and the governing documents, the Board of Directors is herby serving notice upon you to appear at the date, time, and place specified below for a Hearing before the Board. The outcome of this Hearing may result in an imposition of a fine or penalty, Reimbursement Assessment, or any other remedy legally available to the Association. If the Board rules to impose such Reimbursement Assessment, failure to pay said assessment within thirty (30) days may result in the imposition of a lien against your property.

DESCRIPTION OF VIOLATION:____________________________________________
______________________________________________________________________
______________________________________________________________________

HEARING DATE:_________________________________________________________
HEARING TIME:_________________________________________________________
HEARING LOCATION:_____________________________________________________

IF YOU HAVE ANY QUESTIONS PLEASE CONTACT:
______________________________________________________________________

SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION

By:__________________________________
President

**SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION**
**HOMEOWNER HEARING PROCEDURE**

1. Review of all documentation submitted to the Association.
2. Statement of Violation by acting chairperson.
3. Review Association's governing documents
4. Statement by violating homeowner.
5. Statement by any third-party witnesses.
6. Discussion and questioning of the violating homeowner by Association.
7. Questions and final statement by the violating homeowner.
8. Homeowner is excused from hearing.
9. Discussion and Ruling made by Board of Directors.
10. Enforcement procedures determined.
11. Adjournment.

DOCUMENTATION (to be completed by Board Secretary):
Name(s) of Violating Homeowners:________________________________
Address:____________________________________________
LOT #:________ SDB ADDRESS:________________________________

Description of Violation:____________________________________

Findings of Fact:________________________________________

Additional Comments:______________________________________

Recommended Action:______________________________________

SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION

By:______________________________
President

**SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION**
**RULING NOTICE**

DATE:________________
NAME(S):_________________________________________________________________
ADDRESS:_________________________________________________________________
LOT #:________ SDB ADDRESS:____________________________________________

RE: VIOLATION HEARING HELD ON:____________________________________

Dear Sand Dollar Beach Home Owners Association Member:

You have been notified of your violation of the Association's governing documents and of a hearing before the Board of Directors regarding that violation. In accordance with the hearing held before the Board of Directors:

- ☐ You and/or your representative did attend the hearing
- ☐ You did not attend the hearing

1. This matter has been reviewed by the Board of Directors which make the following findings of fact:______________________________________________________________
_____________________________________________________________________________
_____________________________________________________________________________

2. Based on the foregoing, the Association takes the following action:

- ☐ No action taken
- ☐ Bring property/homeowner into compliance by taking the following action:
  _____________________________________________________________________________
  _____________________________________________________________________________on or before 5:00PM on __________________________, 20____
- ☐ Remove the unauthorized improvement or other work and return property to original condition by 5:00PM on ______________________________, 20____
  Failure to comply could result in removal and restoration by the Association, and, if the Association pays for any costs for such action, a Reimbursement Assessment may be levied against you in accordance with the governing documents and the Civil Code
- ☐ Reimbursement Assessment levied in the amount of $__________________________
- ☐ Penalty/Fine in the amount of $__________________________
- ☐ Other:______________________________________________________________________
  _____________________________________________________________________________

APPROVED AND ADOPTED FOR ENFORCEMENT BY THE BOARD OF DIRECTORS OF SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION

By:___________________________________
President

## Exhibit "C"

## Sand Dollar Beach Homeowners Association
## Architectural Review Policy

The Board of Directors of Sand Dollar Beach Homeowners Association has adopted the following policy concerning the review of proposed changes in the common interest development pursuant to California Civil Code Section 4765.

1. This policy applies to all construction, modification, maintenance, alterations and improvements which are the subject of the Declaration of Covenants, Conditions and Restrictions.

2. The Board of Directors shall review plans requesting changes subject to the CC&Rs within thirty (30) days after submittal, and, within that time, shall issue a written decision concerning the application. If more information is needed, the Board of Directors shall request it and the applicant shall supply it.

3. A decision on a proposed change shall be made in good faith and may not be unreasonable, arbitrary, or capricious.

4. A decision on a proposed change may not violate any governing provision of law, including, but not limited to, the Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code), or a building code or other applicable law governing land use or public safety.

5. A decision on a proposed change shall be in writing. If a proposed change is disapproved, the written decision shall include both an explanation of why the proposed change is disapproved and a description of the procedure for reconsideration of the decision by the Board of Directors.

6. If a proposed change is disapproved, the applicant is entitled to reconsideration by the Board of Directors at an open meeting of the board. This Paragraph does not require reconsideration of a decision that is made by the Board of Directors at a meeting that satisfies the requirements of Civil Code Section 4900. Reconsideration by the Board does not constitute dispute resolution within the meaning of Civil Code Section 5905.

7. Nothing in this policy authorizes a physical change to the common area in a manner that is inconsistent with an Association's governing documents, unless the change is required by law.

8. The Association shall annually provide the members with notice of the requirements for Association approval of physical changes to property. The notice shall describe the types of changes that require Board approval, and shall include a copy of the procedure used to review and approve or disapprove a proposed change, including this policy.

PROCESS GUIDELINES FOR HANDLING ARC APPLICATIONS

1. For detached homes, the Homeowner (HO) submits the written application to the On Site Manager (OSM) using the appropriate SDBHOA form. For Townhouse owners, the HO submits the written application to the Townhouse Committee. The Townhouse Committee reviews and recommends approval prior to forwarding the application on to Architectural Review Committee (ARC). If the Townhouse Committee rejects the application the townhouse owner will need to resubmit a new application with the Townhouse Committee's recommendations or the application is void.

2. The OSM scans the ARC application and sends it to the ARC members and Chair.

3. The ARC members review the application and send their recommendations for approval or disapproval to the ARC Chair. The Chair tabulates the votes and makes a recommendation to the Board for approval/disapproval at the next Board meeting.

4. In emergency /urgent situations when property damage or HOs' safety is at risk and immediate action must occur to save property or life, and obtaining Board Approval at the next regularly-scheduled meeting might take too long, the HO should make every attempt to contact the ARC Chair or HOA President for assistance. One of two processes may then take place.

    a. The ARC Chair may provide provisional approval for action to be taken prior to formal Board approval. If the HO takes action which is in violation of the CC & R's the Board may request changes in the action to comply with the CC & R's at the next scheduled Board meeting.
    b. The HOA President, may call for an emergency Board meeting to evaluate the situation and provide formal approval.

5. In non-emergency situations, when a Board Meeting is not scheduled for several weeks and delay might cost the HO additional expenses due to contractor /other vendors/supplies availability, a decision to allow action, may be made on a case-by-case basis via one of the two processes above in Part 4.

6. When the Board has approved an ARC application, the OSM will send an e-mail to the HO notifying them of the Board approval.

7. When the Board disapproves an ARC application, the ARC Chair will contact the HO to discuss alternative options for an application resubmission or any contingency requirements requested by the Board for the ARC application to be approved.

# Sand Dollar Beach Homeowners Association
# Architectural Guidelines

For New Construction: Include site plan with topography, contour lines to indicate existing and finished grade, property lines with required setbacks, building area, existing and/or proposed improvements, exterior floor plans, exterior elevations and drainage plan.

**For Alterations:**

If applicable:

1. Show exterior elevations.
2. Include plans and specifications for alterations showing:
    a. Nature
    b. Kind
    c. Shape
    d. Height
    e. Color
    f. Materials
    g. Location

The Architectural Review Committee (ARC) may require additional information it deems necessary to make a decision. Until all such information is submitted, the application will be deemed incomplete and the request will stand unapproved.

Upon submitting and signing the application, the applicant agrees and understands that:

1. The ARC may impose special conditions of construction and maintenance for approval. Any special conditions will be attached and be part of the approved design review. Any alteration to the approved plans, specifications or special conditions shall cause the approval of the design to be void.
2. Failure to conform to approved requirements will be an automatic authorization by the applicant for SDBHOA to have work brought into conformance with the approved plans, specifications and special conditions at the homeowner's expense.
3. Costs incurred by Sand Dollar Beach Homeowners Association (SDBHOA) may become a lien against homeowner's lot. Such costs may include those costs incurred by SDBHOA to bring the work into conformance, reasonable fees and court costs.
4. No work will be initiated which will be in violation of ARC Standards or Sand Dollar Beach CC&Rs, be an annoyance to residents or increase the cost of SDBHOA's insurance.
5. Work must commence within one year following approval and be completed within one year following commencement.
6. SDBHOA's approval of any plans or specifications pertains only to architectural approval. It is homeowner's responsibility to obtain approval from and comply with all governmental jurisdictions for permits, zoning, building codes and ordinances.

# SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION

## Application: Landscape or Architectural Change

**Project Description**: (Attach additional material as appropriate such as: list of plants, driveway materials, hardscape materials, fence material, building specifications, plans, material samples, color samples, size of satellite dish etc...)

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

**HOMEOWNER AGREES TO THE ABOVE CONDITIONS, KNOWS OF NO VIOLATIONS OF THE PROPOSED PROJECT WITH THE SDBHOA CC&RS AND/OR THE ARC STANDARDS, EXCEPT AS NOTED HEREIN, AND CERTIFIES COMPLIANCE THEREWITH BY SIGNATURE BELOW:**

| | | |
|---|---|---|
| Homeowner's Signature: | Date Received by SDBHOA: | Sand Dollar Lot # |
| Homeowner' Name (print): | | |
| Mailing Address: | | |
| Phone Number: | | |
| Email: | | |
| Architect: | | |
| Contractor: | | |

| | | | |
|---|---|---|---|
| **Townhouse Committee** | Approved: | Denied: | Conditions: |
| **Landscape Committee** | Approved: | Denied: | Conditions: |
| **Architecture Committee** | Approved: | Denied: | Conditions: |
| **SDBHOA** | Approved: | Denied: | Conditions: |
| **Homeowner Notified** | Date: | **ARC Approved Completion** | Date: |

# SAND DOLLAR BEACH HOMEOWNERS ASSOCIATION

## (Application for Lot # _______ continued)

**For new paint colors include**:

| | MANUFACTURER | PRODUCT | COLOR # & NAME |
|---|---|---|---|
| **Siding** | | | |
| **Trim** | | | |
| **Deck** | | | |
| **Rails** | | | |
| **Stairs** | | | |

Please submit a sample of each color on similar materials to which these colors will be applied.

**For new roof application include**:

Please submit a sample with application and include manufacturer's literature.

| | |
|---|---|
| **Existing Roofing Material** | |
| **Proposed Roofing Material** | |
| **Manufacturer** | |
| **Color** | |