



MEMORANDUM

TO: All 1115 Cordova HOA Homeowners

FROM: Trevor Barrocas of Cornerstone Properties

DATE: November 15, 2021

RE: Annual Homeowner's Disclosure Package

Enclosed are copies of documents, which are to be distributed to all association owners prior to the new fiscal year pursuant to the California Civil Code. They include:

1. The 2022 Annual Budget Report which includes:
 - Pro Forma Operating Budget – approved by your Board of Directors. If the budget has not yet been approved, the proposed budget is included herein.
 - Reserve Summary and Disclosures – pursuant to California Civil Code Associations are required to disclose information regarding regular and special assessments, and the condition of reserves. If your Association performed a reserve study, a summary of the study is included along with the required Funding Plan Summary and disclosures. If your reserve study is in progress, we have included the most recent reserve study, and will mail the 2022 disclosure under separate cover. If, despite our recommendation, no reserve study has been authorized, this information is not included, and your Association is not in compliance with current California disclosure laws.
 - Insurance Disclosures
 - FHA/VA Certification Disclosure

2. The 2022 Annual Policy Statement which includes:
 - Various Owners' Rights Disclosures – including communications and notices to/from the Association, meeting minutes, etc.
 - Statement of Assessment Collection Policies (CA Civil Code Section 5730).

- The Delinquent Assessment Collection Policy (specific details for your Association).
- Hearing Procedure, Enforcement and Fine Policy
- Dispute Resolution Procedures – including Internal Dispute Resolution (IDR) and Alternative Dispute Resolution (ADR).
- Requirements for Association Approval of Physical Changes – including copies of the related section(s) of the CC&Rs.

3. Schedule of Fees for HOA Transfer Documentation.

Please review these documents and keep them for your files. In addition, we wish to notify you that all Associations are required by law to hold meetings of the Board of Directors on a quarterly basis at minimum. Also, Associations are required to complete a full reserve study every three years with updates required annually during the intervening years. Cornerstone will remind all HOA Board members of this requirement mid-year and will provide the contact information for the reserve company, so that the Board can comply with the reserve study requirement.

For all non-emergency repairs: for the quickest response, please submit a work order request through your AppFolio homeowner portal. As an alternative you may contact our maintenance department at 626-577-3060. **For emergency repairs;** during normal business hours please call our office at the number listed above, and report the issue as an emergency. Examples of emergency repairs are water intrusion, natural gas leak, etc. If your emergency occurs after regular business hours, please contact our emergency staff at 626-470-7997. This number is also provided when calling our regular office number after hours.

We also wish to remind all Associations of our policy regarding after-hours meeting attendance for the year 2022. Unless otherwise discussed in our management contract, our management fee includes attendance by a Cornerstone representative at one after-hours meeting per calendar quarter. Should the Association wish to have us attend additional after-hours meetings, we will gladly do so at a billing rate of \$245 per hour for each Cornerstone associate in attendance.

If your unit is non-owner occupied, Cornerstone is available to manage your individual rental unit. Please contact Trevor Barrocas at our office for a management quote.

Please review the information enclosed and feel free to call with any questions you might have. Thank you for giving us the opportunity to serve your Association and Happy 2022!

1115 E. CORDOVA HOMEOWNERS' ASSOCIATION

ANNUAL BUDGET REPORT

(FOR FISCAL YEAR BEGINNING JANUARY 1, 2022)

In compliance with the Annual Budget Report requirements of Civil Code §5300 of the Davis-Stirling Common Interest Development Act (the "***Davis-Stirling Act***"), please find below and enclosed the following documents and information:

1. Pro Forma Operating Budget

Your HOA dues will remain the same in the coming year. There is no increase. Please see the enclosed pro forma operating budget, showing the estimated revenue and expenses for fiscal year 2022 on an accrual basis.

2. Summary of Reserves

Please see the following summary of the Association's reserves, prepared pursuant to Civil Code §5565. This summary is based on the most recent review or study conducted pursuant to Civil Code §5550, and is based only on assets held in cash or cash equivalents.

- (1) 2022 Reserve Study summary is attached.**
- (2) Please note the following information applicable as of 1/1/2022:**
 - (a) The current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components is \$753,180.**
 - (b) The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components is 150,000.**
 - (c) The Association's reserves do not include any funds received from either a compensatory damage award or settlement to the Association from any person for injuries to property, real or personal, arising out of any construction or design defects, and the Association has made no expenditure or disposition of such funds (including no amounts expended for the direct and/or indirect costs of repair of construction or design defects).**

- (3) The percentage of funding of the Association's reserves, determined by dividing the current amount of accumulated cash reserves described in paragraph (2)(b) by the current estimate of the amount of necessary cash reserves described in paragraph (2)(a), is 19.9%
- (4) The current deficiency in reserve funding expressed on a per unit basis is \$8,742. This figure has been calculated in accordance with the provisions of Civil Code §5565(d).

3. Summary of Reserve Funding Plan

The following summary of the reserve funding plan adopted by the Board has been prepared in accordance with Civil Code §5550(b)(5).

The Association plans to fund the contribution identified in Civil Code §5550(b)(4)* to meet the Association's obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less, not including those components that the Board has determined will not be replaced or repaired, as follows: None.

**Civil Code §5550(b)(4) identifies that the study of the reserve account requirements of the Association's common interest development include an estimate of the total annual contribution necessary to defray the cost to repair, replace, restore, or maintain the major components that the Association is obligated to repair, replace, restore, or maintain that, as of the date of the study, have a remaining useful life of less than 30 years, during and at the end of their useful life, after subtracting total reserve funds as of the date of the study.*

Notice: The full reserve study plan is available upon request, and the Association will provide the full reserve plan to any member upon request.

4. Major Component Deferred Maintenance Statement

The Board has determined to defer or not undertake repairs or replacement of one or more major components with a remaining life of 30 years or less. Those major components include the following: Any item on the component list of the reserve study with a remaining useful life of zero.

The justification for the deferral or decision not to undertake the repairs or replacement is as follows: The Board believes that there is remaining useful life in said components and does not want to unduly burden the owners with expenses that are not immediately necessary.

5. Special Assessment Statement

The Board, consistent with the reserve funding plan adopted pursuant to Civil Code §5560, has determined and does anticipate that the levy of a special assessment may be required in 2022 to repair, replace, or restore any major component or to provide adequate reserves for same.

6. Reserve Funding Mechanisms Statement

The mechanism or mechanisms by which the Board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms, is as follows: Board may use all of the above.

7. Calculation of Reserves Statement

The procedures used for the calculation and establishment of the reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain are as follows: 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.

The above procedures include reserve calculations made using the formula described in Civil Code §5570(b)(4), and do 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 Statement

The Association does not have any outstanding loans with an original term of more than one year.

9. Assessment and Reserve Funding Disclosure Form

The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to Civil Code §5570, is enclosed in accordance with Civil Code §5300(e).

10. Summary of Association Insurance Policies

The declaration pages for the Association's property, general liability, and fidelity insurance policies are enclosed. For each policy, the insurance policy declaration page(s) includes the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any.

The following statement is being included in accordance with Civil Code §5300(b)(9):

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.

11. FHA/VA Certification Disclosure

Should you have any questions or comments pertaining to the above or enclosed information, please contact Dennis Barrocas, by telephone at 626-577-3060 or by email at dennisb@managedbycornerstone.com .

1115 Cordova Home Owner's Association
2022 Board Approved Budget

	Board Approved Budget 2022
Operating Fund	
Income	
Homeowners Dues	356,220
Special Assessment	100,000
Collection / Violations Fees	500
Other Income	500
Move in/out fees	1,000
Laundry Income	3,500
Interest Income (Reserve)	-
Total Receipts	<u>461,720</u>
Expenses	
Insurance	34,000
Licenses - Permits	750
Bank Charges	35
Management	29,515
Management Company Special Services	500
Special Reports - Interim Reserve Study	1,500
Taxes - Federal & State	500
Legal	2,500
Postage/Processing	500
Electronic Acctg Data Access	1,500
Accounting	3,000
Misc Expenses	460
General Maintenance	5,000
Roof Repairs	5,000
Elevator	12,000
Plumbing	24,000
Lighting Maintenance	2,000
Carpentry, Drywall Walls & Stucco Rpr	5,000
Entry Gates	500
Pool Service & Chemicals	4,750
Locks & Keys	200
Fire Alarm Monitoring & Extinguishers	5,000
Pest Control & Remediation	8,000
Gardening	7,200
Tree Trimming	3,000
Janitorial Expense	18,000
Janitorial Supplies	2,400
Carpet Cleaning	-
Patching & Painting	2,000
Electric	18,900
Gas	15,000
Water	18,900
Trash	21,000
Cable	2,350
Sewer	1,800
Landscaping	5,000
Transfer to/From Reserves	<u>199,960</u>
Total Expenditures	<u>461,720</u>

Operating Surplus / Deficit

RESERVES:

Reserve - Interest Income	1,000
Reserve Funding	99,960
Special Assessment	100,000

Possible Reserve Expenditures

Stack Replacements	In plumbing budget
Seismic Retrofit Analysis	20,000
Seismic Retrofit Project	200,000
Carpeting Replace (Laminate)	65,000
Interior Hallway repainting	15,000
Doors refinish	5,000
Hot Water Boilers (2)	
Vehicle Gate Mechanism (2)	
Parking Lot seal coat	
Exterior Stucco Repainting	
Elevator Cab Rebuild (2)	
Elevators - modernize (2)	
Termites	305,000



Cordova East HOA
Pasadena, CA

Report #: 29182-3
of Units: 69

Level of Service: Update "No-Site-Visit"

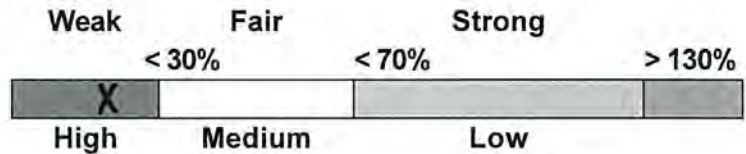
January 1, 2022 through December 31, 2022

Findings & Recommendations

as of January 1, 2022

Starting Reserve Balance	\$150,000
Currently Fully Funded Reserve Balance	\$753,180
Average Reserve Deficit (Surplus) Per Unit	\$8,742
Percent Funded	19.9 %
Recommended 2022 Monthly "Full Funding" Contributions	\$9,025
Recommended 2022 Special Assessments for Reserves	\$325,000
Most Recent Reserve Contribution Rate	\$7,420

Reserve Fund Strength: 19.9%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	0.50 %
Annual Inflation Rate	3.00 %

This is an Update "No-Site-Visit", based on a prior Reserve Study prepared by Association Reserves for your 2021 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Your Reserve Fund is currently at 19.9 % Funded. Being between 30% and 70% Funded represents a fair Reserve position. Associations in this range have a High risk of Reserve cash-flow problems (such as special assessments and/or deferred maintenance) in the near future.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions and to implement a one-time special assessment of \$325,000 to prevent the Reserve Fund from being depleted completely.

Your multi-year Funding Plan is designed to provide for timely execution of Reserve projects and gradually bring your association closer to the "Fully Funded" (100%) level.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Building Exteriors & Grounds				
104	Walkway Decks - Seal/Repair	4	3	\$8,650
105	Courtyard Walkway - Resurface	20	16	\$3,550
105	Walkway Decks - Resurface	20	19	\$34,000
106	Decking - Inspection (SB 326)	9	8	\$18,200
128	Balconies - Reseal	4	3	\$7,650
129	Balconies - Partial Resurface	4	3	\$15,900
201	Asphalt - Remove & Replace	30	0	\$58,500
202	Asphalt - Seal/Repair	5	0	\$3,500
305	Surveillance System - Modernize	10	0	\$9,550
503	Metal Rail - Replace (A)	25	23	\$34,500
503	Metal Rail - Replace (B)	25	24	\$90,000
503	Perimeter Fence - Repair	10	1	\$6,050
603	Tile Floor - Repair	12	0	\$6,400
700	Vehicle Gates - Replace	30	2	\$12,350
704	Intercom - Replace	12	6	\$3,250
705	Gate Operators - Replace	10	0	\$10,650
710	Loop Detector - Replace (East)	15	14	\$4,300
710	Loop Detector - Replace (West)	15	0	\$4,300
1001	Backflow Device - Replace	10	9	\$3,800
1107	Block Wall Fence - Repaint	5	0	\$2,950
1107	Metal Rail - Repaint	5	4	\$46,000
1115	Stucco - Repaint	10	0	\$88,500
1301	Asphalt/Gravel Roof - Replace	15	0	\$14,350
1302	Cap Sheet Roof - Replace (East)	15	0	\$84,500
1302	Cap Sheet Roof - Replace (West)	15	7	\$89,500
1308	Metal Carport Roofs - Replace	30	6	\$26,000
1402	Signage - Replace	15	7	\$2,100
1808	Tree Trimming	3	2	\$6,750
Building Interiors				
106	Stairwells - Seal/Repair	5	2	\$5,250
327	Emergency Fixtures - Replace	20	17	\$18,550
403	Mailboxes - Replace	20	15	\$11,850
601	Carpet - Replace	10	0	\$34,000
602	Vinyl - Replace	15	6	\$1,600
707	Trash Chute Doors - Replace	30	0	\$9,000
801	Boiler - Replace (East)	20	2	\$14,950
801	Boiler - Replace (West)	20	5	\$14,950

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
804	Boiler Tank - Replace (East)	10	2	\$10,100
804	Boiler Tank - Replace (West)	10	0	\$4,700
911	Lobbies - Refurbish	15	7	\$14,600
1001	Backflow Device - Replace	20	15	\$3,100
1101	Doors - Refinish	5	0	\$4,950
1110	Hallway Surfaces - Repaint	10	0	\$14,650
1110	Stairwell Surfaces - Repaint	12	9	\$2,600
1125	Stairwells - Renovate	25	22	\$12,700
1801	Elevators - Minor Modernize (West)	30	29	\$14,000
1801	Elevators - Modernize (East)	30	0	\$90,500
1801	Elevators - Modernize (West)	30	0	\$76,500
1802	Elevator Cabs - Remodel (East)	15	0	\$9,700
1802	Elevator Cabs - Remodel (West)	15	0	\$9,700
1803	Fire Alarm Panel - Replace	20	4	\$6,750
1809	Sump Pumps - Replace	15	12	\$3,850
Recreation				
404	Pool Furniture - Replace	8	4	\$5,800
407	BBQ's - Replace	10	6	\$2,700
909	Bathrooms - Refurbish	15	11	\$4,500
910	Rec Room - Refurbish	15	11	\$5,450
1202	Pool - Resurface	12	0	\$8,500
1204	Pool Deck - Seal/Repair	4	3	\$5,250
1205	Pool Deck - Resurface	20	13	\$55,000
1207	Pool Filter - Replace	12	0	\$1,400

59 Total Funded Components

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

Assessment and Reserve Funding Disclosure Summary

Cordova East HOA, Pasadena

For Fiscal Year Beginning: 1/1/2022

of units: 69

1) Budgeted Amounts:	Total	Average Per Unit*
Reserve Contributions:	\$8,330.00	\$120.72
Total Assessment Income:	\$29,685.00	\$430.22

per: Month

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

Year	Total Amount Per Unit*	Purpose
2022	\$1,449.28	Special Assessment for Reserves

Total: \$1,449.28

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances will be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **No**
- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*
2022	\$3,260.87

Total: \$3,260.87

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

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2022
Fully Funded Balance (based on formula defined in 5570(b)4):	\$753,180
Projected Reserve Fund Balance:	\$150,000
Percent Funded:	19.9 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$8,742

From the 10/20/2021 Reserve Study by Association Reserves and any minor changes since that date.

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

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

Prepared by: Sean Kargari

Date: 11/15/2021

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

30-Year Reserve Plan Starting with Board of Directors 2022 Rate

29182-3

Fiscal Year Start: 1/1/2022		Interest: 0.50 %	Inflation: 3.00 %
Reserve Fund Strength: as-of Fiscal Year Start Date		Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Risk	Increase In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2022	\$150,000	\$753,180	19.9 %	High	12.26 %	\$99,960	\$325,000	\$446	\$546,800
2023	\$28,606	\$302,133	9.5 %	High	3.00 %	\$102,959	\$0	\$386	\$6,232
2024	\$125,719	\$397,028	31.7 %	Medium	3.00 %	\$106,048	\$0	\$764	\$52,408
2025	\$180,123	\$449,974	40.0 %	Medium	3.00 %	\$109,229	\$0	\$1,074	\$40,923
2026	\$249,503	\$519,190	48.1 %	Medium	3.00 %	\$112,506	\$0	\$1,367	\$65,899
2027	\$297,478	\$567,693	52.4 %	Medium	3.00 %	\$115,881	\$0	\$1,685	\$38,372
2028	\$376,672	\$649,028	58.0 %	Medium	3.00 %	\$119,357	\$0	\$2,086	\$40,060
2029	\$458,055	\$734,179	62.4 %	Medium	3.00 %	\$122,938	\$0	\$2,145	\$183,128
2030	\$400,010	\$677,732	59.0 %	Medium	3.00 %	\$126,626	\$0	\$2,243	\$31,606
2031	\$497,273	\$778,965	63.8 %	Medium	3.00 %	\$130,425	\$0	\$2,648	\$68,370
2032	\$561,976	\$848,771	66.2 %	Medium	3.00 %	\$134,338	\$0	\$2,569	\$233,102
2033	\$465,780	\$754,503	61.7 %	Medium	3.00 %	\$138,368	\$0	\$2,472	\$83,331
2034	\$523,289	\$815,282	64.2 %	Medium	3.00 %	\$142,519	\$0	\$2,832	\$58,884
2035	\$609,756	\$906,784	67.2 %	Medium	3.00 %	\$146,795	\$0	\$3,221	\$80,769
2036	\$679,003	\$982,320	69.1 %	Medium	3.00 %	\$151,198	\$0	\$3,565	\$86,293
2037	\$747,474	\$1,058,379	70.6 %	Low	3.00 %	\$155,734	\$0	\$3,409	\$290,327
2038	\$616,290	\$930,628	66.2 %	Medium	3.00 %	\$160,406	\$0	\$3,465	\$10,029
2039	\$770,132	\$1,091,937	70.5 %	Low	3.00 %	\$165,219	\$0	\$4,072	\$80,576
2040	\$858,846	\$1,189,734	72.2 %	Low	3.00 %	\$170,175	\$0	\$4,717	\$5,533
2041	\$1,028,205	\$1,372,201	74.9 %	Low	3.00 %	\$175,280	\$0	\$5,059	\$212,613
2042	\$995,932	\$1,351,424	73.7 %	Low	3.00 %	\$180,539	\$0	\$4,602	\$335,937
2043	\$845,136	\$1,207,711	70.0 %	Medium	3.00 %	\$185,955	\$0	\$4,654	\$19,068
2044	\$1,016,676	\$1,390,914	73.1 %	Low	3.00 %	\$191,534	\$0	\$4,859	\$285,883
2045	\$927,186	\$1,309,793	70.8 %	Low	3.00 %	\$197,280	\$0	\$4,752	\$155,321
2046	\$973,896	\$1,365,865	71.3 %	Low	3.00 %	\$203,198	\$0	\$4,580	\$323,316
2047	\$858,358	\$1,255,887	68.3 %	Medium	3.00 %	\$209,294	\$0	\$4,688	\$55,171
2048	\$1,017,169	\$1,424,260	71.4 %	Low	3.00 %	\$215,573	\$0	\$5,434	\$81,088
2049	\$1,157,088	\$1,576,617	73.4 %	Low	3.00 %	\$222,040	\$0	\$6,096	\$103,401
2050	\$1,281,823	\$1,716,356	74.7 %	Low	3.00 %	\$228,701	\$0	\$6,964	\$13,270
2051	\$1,504,218	\$1,959,090	76.8 %	Low	3.00 %	\$235,562	\$0	\$7,687	\$176,389



**BUSINESSOWNERS DECLARATION
BUSINESSOWNERS RENEWAL DECLARATIONS**

10

RENEWAL OF ODF D740603

Policy Number	Policy Period		Coverage is Provided in the	Agency Code
	From	To		
ODF-D740603-03	11/01/2021	11/01/2022	MASSACHUSETTS BAY INSURANCE COMPANY	570117600

Named Insured and Address
1115 CORDOVA HOMEOWNERS
ASSOCIATION
540 EL DORADO ST STE 101
PASADENA CA 91106

Agent
650-592-7333
PROFESSIONAL INS ASSOC INC
1100 INDUSTRIAL ROAD, #3
SAN CARLOS, CA 94070

Policy Period: Beginning and Ending at 12:01 a.m. Standard Time at the Location of the Described Premises.

Business Type: ASSOCIATION.

Mortgagee/Loss Payable:

*Agent
Mel Cohen
(626) 577-1191*

Business of the Named Insured:
CONDOMINIUM.

In consideration of the premium, insurance is provided the Named Insured with respect to those premises described in the Schedule below and with respect to those coverages and kinds of property for which a specific Limit of Insurance is shown, subject to all of the terms of this policy including forms and endorsements made a part hereof:

LOCATION SCHEDULE

Described Premises:

NO. 001 000 1115 E. CORDOVA ST., PASADENA, CA 91106

SECTION I - PROPERTY	LIMITS OF INSURANCE					
	Loc No	001	Bldg No	000	Loc No	Bldg No
Deductible Amount	\$	10,000			\$	
Building Amount Valuation	\$	14,620,802				
Business Personal Property Valuation		NOT COVERED				
Business Income	18 Mos ALS/18 Mos Wind, Hail, Terrorism					
Business Income Waiting Period	Excluded / None / 24 hours / 48 hours / 72 hours 24 HOURS					
SECTION II - LIABILITY	LIMITS OF INSURANCE					
Liability and Medical Expenses Limits of Insurance:						
Except for Damage to Premises Rented to You, each paid claim for the following coverages reduce the Amount of Insurance we provide during the applicable annual period. Please refer to SECTION II - LIABILITY, D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE , paragraph.4. of the Businessowners Coverage Form.						
Liability and Medical Expenses Limit	\$	2,000,000	Per Occurrence	\$	4,000,000	Aggregate
Medical Expenses	\$	5,000	Each Person			
Damage to Premises Rented to You	\$	300,000	All Perils			

Date Issued: 09/07/2021

ORIGINAL/INSURED

Payment Type: DIRECT BILL



**BUSINESSOWNERS DECLARATION
BUSINESSOWNERS RENEWAL DECLARATIONS**

10

RENEWAL OF ODF D740603

Policy Number	Policy Period From To	Coverage is Provided in the	Agency Code
ODF-D740603-03	11/01/2021 11/01/2022	MASSACHUSETTS BAY INSURANCE COMPANY	570117600

Named Insured and Address

1115 CORDOVA HOMEOWNERS
ASSOCIATION
540 EL DORADO ST STE 101
PASADENA CA 91106

Agent

650-592-7333
PROFESSIONAL INS ASSOC INC
1100 INDUSTRIAL ROAD, #3
SAN CARLOS, CA 94070

Additional Property Coverages and Extensions:

See attached Schedule for Additional Coverages provided for under this Policy.

Additional Liability Coverages: General Liability Broadening Endorsement

General Liability Class: 62003

Description: CONDO ASSN:RESIDENTIAL > 30 UNITS

Liability Exposure: 69 UNITS

Policy Forms, Endorsements and Optional Coverages Attached:

See Forms and Endorsements Schedule

TOTAL BOP COVERAGE PREMIUM:	\$29,418.00
BOP TERRORISM COVG (INCLUDED IN TOTAL POLICY PREMIUM)	\$ 88.00
OTHER THAN FIRE FOLLOWING	NOT COVERED
FIRE FOLLOWING	\$ 88.00
TOTAL UMBRELLA COVERAGE PREMIUM:	\$1,275.00
UMB TERRORISM COVG (INCLUDED IN TOTAL POLICY PREMIUM)	NOT COVERED
TOTAL POLICY PREMIUM IS:	\$30,693.00

Countersigned this ____ Day of _____

Authorized Representative

This Declarations Page with the Policy Contract, Forms and Endorsements, if any,
Complete the Policy.

Date Issued: 09/07/2021

ORIGINAL/INSURED

Payment Type: DIRECT BILL

391-1002 08 16

Page 2 of 2



ADDITIONAL PROPERTY COVERAGES AND EXTENSIONS

BUSINESSOWNERS RENEWAL DECLARATIONS

10 RENEWAL OF ODF D740603

Policy Number	Policy Period From To	Coverage is Provided in the	Agency Code
ODF-D740603-03	11/01/2021 11/01/2022	MASSACHUSETTS BAY INSURANCE COMPANY	570117600

Named Insured and Address

1115 CORDOVA HOMEOWNERS
ASSOCIATION
540 EL DORADO ST STE 101
PASADENA CA 91106

Agent

650-592-7333
PROFESSIONAL INS ASSOC INC
1100 INDUSTRIAL ROAD, #3
SAN CARLOS, CA 94070

Additional Property Coverages & Extensions	Deductible	Amount Included	Additional Amount Increase	Total Limit
DEBRIS REMOVAL	NONE	\$25,000	N/A	\$25,000
PRESERVATION OF PROPERTY	NONE	90 DAYS	N/A	90 DAYS
FIRE DEPARTMENT SERVICE CHARGE	NONE	\$25,000	N/A	\$25,000
POLLUTANT CLEAN-UP AND REMOVAL	NONE	\$25,000	N/A	\$25,000
MONEY ORDERS AND COUNTERFEIT MONEY	\$500	\$5,000	N/A	\$5,000
FORGERY OR ALTERATION	\$500	\$25,000	N/A	\$25,000
GLASS EXPENSES	\$250	INCLUDED	N/A	INCLUDED
REWARDS ARSON, THEFT AND VANDALISM	NONE	\$10,000	N/A	\$10,000
TENANT SIGNS	\$500	\$5,000	N/A	\$5,000
FIRE PROTECTION EQUIPMENT RECHARGE	NONE	\$25,000	N/A	\$25,000
INSTALLATION FLOATER	\$1,000	\$5,000	N/A	\$5,000
FINE ARTS	\$500	\$10,000	N/A	\$10,000
FENCE AND WALLS	SEE BUILDING AND CONTENTS DEDUCTIBLE	INCLUDED	N/A	INCLUDED
SALES REPRESENTATIVE SAMPLES	\$1,000	\$5,000	N/A	\$5,000
LEASEHOLD INTEREST (TENANT'S ONLY)	NONE	\$10,000	N/A	\$10,000
UNAUTHORIZED BUSINESS CREDIT CARD USE	NONE	\$5,000	N/A	\$5,000
UTILITY SERVICES			N/A	
DIRECT DAMAGE	\$500	\$10,000	N/A	\$10,000
BUSINESS INCOME	24 HOURS	\$5,000	N/A	\$5,000
DEFERRED PAYMENTS	NONE	\$5,000	N/A	\$5,000
NEWLY ACQUIRED OR CONSTRUCTED PROPERTY		180 DAYS	N/A	180 DAYS
BUILDINGS	\$500	\$1,000,000	N/A	\$1,000,000
PERSONAL PROPERTY	\$500	\$500,000	N/A	\$500,000
BUSINESS INCOME AND EXTRA EXPENSE	SEE WAITING PERIOD	\$250,000	N/A	\$250,000
OUTDOOR PROPERTY - TREES, SHRUBS AND PLANTS-\$1,000 EACH ITEM	\$500	\$10,000	N/A	\$10,000

Form 391-1018 (7-02)

Date Issued: 09/07/2021

ORIGINAL/INSURED

FHA/VA Certification Disclosure

This disclosure is made pursuant to California Civil Code Section 5300(b)(10 -11) regarding the Association's status as a Federal Housing Administration or Veteran's Administration approved condominium project.

Association Name: 1115 Cordova HOA

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

This common interest development ~~is~~ is not a condominium project.

The association of this common interest development is ~~is not~~ certified by the Federal Housing Administration (FHA).

This association of this common interest development is ~~is not~~ certified by the Federal Department of Veterans Affairs (VA).

This information was compiled on November 1, 2021.

To check the current status of the FHA or VA certification please visit:

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

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

1115 E. CORDOVA HOMEOWNERS' ASSOCIATION

ANNUAL POLICY STATEMENT

(FOR FISCAL YEAR BEGINNING JANUARY 1, 2022)

In compliance with the Annual Policy Statement requirements of Civil Code §5310 of the Davis-Stirling Common Interest Development Act (the "***Davis-Stirling Act***"), please find below and enclosed the following documents and information:

1. Person Designated to Receive Official Communications to the Association

Pursuant to Civil Code §4035, any document to be delivered to the Association by a homeowner pursuant to the Davis-Stirling Act should be delivered to:

Cornerstone R/E Management, Inc.
540 El Dorado Street, Suite 101
Pasadena, CA 91101

In addition to other means of delivery provided for in the Davis-Stirling Act, the Association will accept documents by the following means:

Email to: dennisb@managedbycornerstone.com
Personal delivery to the address noted above

2. Right to Receive Association Notices to Two Addresses

Pursuant to Civil Code §4040(b), a homeowner may submit a request to have certain notices sent to up to two (2) different specified addresses. That written request should be delivered to the person identified above to receive official communications to the Association.

Upon receipt of a written request by a homeowner to add a second address for delivery of individual notices to the homeowner for delivery of notices of the following types, the Association will deliver an additional copy of those notices to the secondary address identified in the request:

- (1) The annual reports to be delivered to the homeowner pursuant to Civil Code §5300 through §5320, including this Annual Policy Statement and the Association's Annual Budget Report.
- (2) The assessment payment and delinquency notices to be delivered to the homeowner pursuant to Civil Code §5650 through §5690, and the notice of default to be delivered to the homeowner pursuant

to Civil Code §5650.

A homeowner may add, change or remove a secondary address at any time, provided, however, that the Association will only be required to send notices to a secondary address as of and from the date that the Association receives a written request to do so.

3. Location for the Posting of General Notices

Pursuant to Civil Code §4045(a)(3), any general notices to the Association's homeowners, including notices of meeting of the Association's Board of Directors, will be posted in the common area at the following location(s): Inside the common area lobbies of the buildings.

4. Right to General Notices by Individual Delivery

Pursuant to Civil Code §4045(b), a homeowner may request to receive general notices by individual delivery. That written request should be delivered to the person identified above to receive official communications to the Association. Upon the Association's receipt of such written request from a homeowner, all general notices to that homeowner given pursuant to Civil Code §4045 shall be delivered to the homeowner by individual delivery in accordance with Civil Code §4040. A homeowner may cancel a prior request for individual delivery of general notices at any time.

5. Right to Receive Copies of Meeting Minutes

Pursuant to Civil Code §4045(b), the minutes, minutes proposed for adoption that are marked to indicate draft status or a summary of the minutes of any meeting of the Association's Board of Directors, other than an executive session meeting, shall be available to all homeowners within 30 days of the meeting. The minutes, proposed minutes or summary minutes shall be distributed to any homeowner upon request and upon reimbursement to the Association of the Association's costs for making that distribution.

In addition to obtaining copies of Board meeting minutes, homeowners may inspect Board meeting minutes at any reasonable time at the address noted in Section 1 above. To request copies of Board meeting minutes, or schedule an appointment to inspect Board meeting minutes, homeowners should contact the person designated to receive official communications to the Association, as identified above.

6. Statement of Assessment Collection Policies

Please see the enclosed notice prepared in accordance with Civil Code §5730.

7. Policies and Practices Relating to Delinquent Assessments

Please see the enclosed document titled "Delinquent Assessment Collection Policy", which describes the Association's policies and practices in enforcing lien rights and other legal remedies for default in the payment of assessments. This document describes the steps the Association will take if a homeowner does not pay assessments on time and in accordance with the provisions of the Association's governing documents.

8. Discipline Policy and Schedule of Fines

The Association's Board of Directors has the right and authority to enforce the provisions of the Association's governing documents when a homeowner, or the homeowner's family members, guests or tenants, violate the governing documents. The Board may, after proper notice and an opportunity to be heard before the Board, impose disciplinary measures against a homeowner, as described in the Association's governing documents and subject to applicable law. Please see the enclosed document titled "Hearing Procedure, Enforcement and Fine Policy", which describes the Association's discipline policy for violations of the Association's governing documents, including the schedule of monetary penalties that may be assessed against a homeowner for those violations, in accordance with Civil Code §5850.

9. Dispute Resolution Procedures

The Davis-Stirling Act provides two procedures for dispute resolution. The purpose of these procedures is to encourage homeowners and the Association to resolve disputes involving violations, or alleged violations, of the Association's governing documents and/or certain laws without incurring the time and expense involved in a lawsuit.

The first dispute resolution process is Internal Dispute Resolution. This process is an informal process (often referred to as a "meet and confer") to resolve disputes between a homeowner and the Association. The attached document titled "Internal Dispute Resolution Procedure (IDR)" includes a description of the Association's Internal Dispute Resolution procedures, and is being provided by the Association pursuant to Civil Code §5920.

The second dispute resolution process is Alternative Dispute Resolution. This process is a more formal process to resolve disputes between a homeowner and the Association, or between two or more homeowners, and includes mediation, arbitration, conciliation and other nonjudicial procedures that involve a neutral third party. The form of dispute resolution chosen may be binding or nonbinding, with the voluntary consent of the parties. The Alternative Dispute Resolution

process is commenced by the service of a "Request for Resolution", as described in Civil Code §5935. Enclosed for your review and reference is a copy of Civil Code §5925 through §5965 (Article 3 of Chapter 10 of Part 5 of the Civil Code).

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

10. Requirements for Association Approval of Physical Changes

The Association's governing documents, specifically the Association's CC&Rs, require that homeowners obtain approval from the Association before making certain physical changes to the common area and/or to their separate interests. A summary of the types of changes that require Association approval and the procedure used to review and approve or disapprove a proposed change are described in sections of the CC&Rs (attached), in accordance with Civil Code §4765.

11. Mailing Address for Overnight Payment of Assessments

The mailing address for overnight payment of assessments, noticed pursuant to Civil Code §5655, is:

Cornerstone R/E Management, Inc.
540 El Dorado Street, Suite 101
Pasadena, CA 91101

12. Other Information

- (1) When the term "homeowner" is used in this Annual Policy Statement, it shall mean and include owners of separate interests in the Association's development who are members of the Association.
- (2) The references to the "Civil Code" and other laws in this Annual Policy Statement shall mean and refer to the California Civil Code and other California laws.

Should you have any questions or comments pertaining to the above or enclosed information, please contact Dennis Barrocas by telephone at 626-577-3060 or by email at dennisb@managedbycornerstone.com .

STATEMENT OF ASSESSMENT COLLECTION POLICIES

The following notice has been prepared in accordance with Civil Code §5730:

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 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)

Delinquent Assessment Collection Policy

January 1, 2022

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 under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&Rs and California Civil Code, the following are the Association's assessment practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 5650(a)).
2. Regular monthly assessments are due and payable on the first day of each month. Payments must be deposited in the designated drop box at the property or received in the office of Cornerstone R/E Management, Inc. by the 15th of the month. A courtesy billing statement is sent each month to the email/billing address on record with the Association. **However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the day of notice of the special assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within fifteen (15) days of the stated due date are delinquent and shall be subject to a late charge as provided in your CC&Rs not to exceed 10% of the delinquent assessment.
5. An interest charge at a rate stipulated in your CC&Rs, not to exceed 12% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges and cost of collection, which may include attorneys' fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.

6. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
7. If an assessment is not received within fifteen (15) days after the assessment becomes delinquent, the Association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the owner as required by Civil Code Section 5660, by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account, impending collection action and the owner's right to request that the Association participate in some form of internal dispute resolution process ("IDR"). The owner will be charged a fee of Two Hundred Fifty Dollars (\$250.00) for the pre-lien letter if prepared by Cornerstone R/E Management, Inc. Notwithstanding the provisions of this Paragraph, the Association may (i) send a pre-lien letter to a delinquent Owner at any time when there is an open escrow involving the Owner's Unit/Lot, and/or (ii) issue a pre-lien letter immediately if any Special Assessment becomes delinquent.
8. If an owner fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within thirty (30) days of the date of the pre-lien letter, the Board shall decide, by majority vote in an open meeting, whether to authorize a lien service to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection including attorney's fees, against the owner's property. The owner will be charged of the fees and costs of preparing and recording the lien. The lien may be enforced in any manner permitted by law including, without limitation, judicial or non-judicial foreclosure (Civil Code Section 5735(a)(b), 5700(a), 5710(a)(c)).
9. Once the matter has been transferred to a lien service, the service may be authorized to enforce the lien thirty (30) days after recordation of the lien and may be authorized to foreclose the lien by non-judicial foreclosure sale when either (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800.00) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more than twelve (12) months. You could lose ownership of your property if a foreclosure action is completed. You will be responsible for significant additional fees and costs if a foreclosure action is commenced against your property.
10. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent homeowners the option of participating in Internal Dispute Resolution "IDR" or Alternative Dispute Resolution "ADR".

11. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.
12. In the event it is determined that the owner has paid the assessment on time, the owner will not be liable to pay the charges, interest, and costs, of collection associated with collection of those assessments.
13. 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, and 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.
14. An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the lien service for delivery to the Association pursuant to Civil Code Section 5900-5915.
15. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925-5965 before the Association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.
16. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to the lien service to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.
17. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.
18. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest and costs of collection, including attorneys' fees, must be paid in full to the Association.

19. There is no right of offset. An owner may not withhold assessments owed to the Association of the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.
20. The Association shall charge the owner a Seventy-Five Dollar (\$75.00) fee for any check or ACH payment tendered to the Association that is returned unpaid by the owner's bank. If a check cannot be negotiated, the association may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.
21. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. The owner's request shall be in writing and shall be mailed to the Association in a way that shall indicate that the Association has received it. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.
22. All charges listed herein are subject to change upon thirty (30) days' prior written notice.
23. Until the owner has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's rights, including use the Association's recreational facilities as allowed by their CC&Rs, after providing the owner with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent owner from the use, benefit and pleasure of the owner's lot.
24. **The mailing address for overnight payment of assessments is:**

**Cornerstone R/E Management, Inc.
540 El Dorado Street, Suite 101
Pasadena, CA 91101**

**1115 Cordova HOA
Hearing Procedure, Enforcement and Fine Policy
Adopted October 20, 2020**

1. Notice and Hearing Procedures. This Hearing Procedure, Enforcement and Fine Policy (this "Policy") will be followed whenever the Board meets to consider an alleged governing document violation which could result in disciplinary action against a Member.

a. **Notice of violation.** Upon report of a violation of the Association's governing documents to the Board, the violating Member shall be given a written Notice of Violation. The Notice of Violation shall contain, at a minimum, the following: (i) a description on the violation; (ii) notice that the violation may result in a hearing and possibly a fine or other enforcement measures; and (iii) instructions for the Member to dispute the report of violation (record of which, if and when received by the Association, shall be attached to the Notice of Violation and made a part thereof).

b. **Notice of Hearing.** Should the Board determine to hold a disciplinary hearing regarding the violation described in the Notice of Violation, a written Notice of Hearing will be sent to the Member at least ten (10) days prior to the hearing and will be given either by personal delivery, first-class mail or any other method permitted by California law to the Member's most recent address shown in the Association's records. The Notice of Hearing shall contain, at a minimum, the following: (i) the date, time, and place of the hearing; (ii) the nature of the alleged violation for which the Member may be disciplined; and (iii) a statement that the Member has a right to attend and may address the Board at the hearing.

c. **Opportunity to Be Heard.** The Member shall have the right to send a letter, send a representative, or appear in person to present evidence as to why he/she should not be disciplined and/or did not commit the alleged violation. The Member shall also have the right to bring an attorney with him/her to advise him/her or to speak on his/her behalf. The hearing will be held during an open session meeting of the Board, unless the Member requests in writing to the Board prior to the hearing that the hearing be held in executive session.

d. **Rescheduled Meetings.** In the event the Member fails to appear for a hearing, the Board will review the evidence presented to date and make its decision accordingly. Upon timely, written request and for worthy cause, the accused Member may be granted a continuance to a new hearing date. The Board is under no obligation to reschedule a hearing to accommodate a Member's schedule.

e. **Correction of Violation.** In the event the violation is corrected prior to the hearing date, the Board may, if appropriate and in its sole discretion, discontinue the disciplinary proceedings.

f. **Notice of Decision.** Within fifteen (15) days after the hearing, the Member will be given written notice by personal delivery or first-class mail of the Board's decision whether to impose disciplinary measures against the Member, and, if so, what disciplinary measures will be imposed, when, and, if applicable, for how long.

g. **Record of Decision.** A copy of the Notice of Hearing, along with a statement of the date and manner of delivery of the Notice of Hearing entered by the Association representative delivering the Notice of Hearing, along with the Notice of Decision, shall be filed with the minutes of the hearing.

h. **Conflicts of Interest.** If a member of the Board has a conflict of interest in a disciplinary matter (e.g., the Board member filed the complaint, or the complaint was filed against the Board member), that Board member may not deliberate or vote on the Board's decision whether to impose disciplinary measures with respect to that matter.

2. Remedies for Enforcement. To enforce the Association's governing documents, the Board may impose one (1) or more of the remedies described below, as the Board deems appropriate and in its sole discretion. The selection of one (1) of the following remedies does not preclude the Association from pursuing other remedies permitted under this Policy, the Association's governing documents, at law and/or in equity.

Possible Remedies / Disciplinary Measures:

- a. Warning letters
- b. Monetary penalties
- c. Suspension of the right to use common area recreational facilities and amenities
- d. Imposition of a special assessment for (i) damage to the common area or (ii) costs incurred by the Association to bring the owner and his or her separate interest or exclusive use common area into compliance
- e. Internal dispute resolution ("IDR") or alternative dispute resolution ("ADR")
- f. Litigation

Suspension of membership privileges, as may be applicable, may be imposed for a period of up to thirty (30) days for a single non-continuing violation. Membership privileges may be suspended for so long as a continuing violation exists and remains uncured.

Failure by a Member to pay any monetary penalty or reimbursement assessment imposed within thirty (30) days of the due date thereof may result in legal action against the Member by the Association to collect such amount. If the Association is forced to retain an attorney to ensure compliance, or collect a monetary penalty or a special/reimbursement assessment, the Member shall be liable for those attorney fees and costs and all related expenses, in addition to the amount of the monetary penalty or reimbursement assessment.

3. Fine Schedule. Violation of the Association's governing documents may result in the imposition of a monetary penalty, as the Board may determine to be appropriate to the situation and as provided for in the fine schedule below. In addition to or instead of imposing monetary penalties, the Board may pursue other remedies for enforcement described in this Policy.

- 1st violation: warning or a fine up to \$100
- 2nd violation, same offense: fine up to \$300
- 3rd violation, same offense: fine up to \$500
- Additional violations, same offense: fine up to \$500
- Health and safety violations: fine up to \$1,000
- Continuing violations: fines up to \$500 per day may accrue until the violation is cured

The Board reserves the right to levy a fine in a larger amount if warranted by the nature of the violation.

4. Selection of Remedies. The Association may pursue one (1) or more enforcement remedies simultaneously. The selection of one (1) enforcement remedy does not preclude the Association's right to pursue any other remedies.

INTERNAL DISPUTE RESOLUTION PROCEDURE (IDR)

Civil Code Section 5915

This policy applies to a dispute between the Association and a member involving their rights, duties, or liabilities under the Davis-Stirling Act, under the provisions of the Corporations Code relating to mutual benefit corporations (commencing with Corporations Code Section 7110), or under the Association's governing documents.

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 the 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.

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 Board of Directors ratifies the agreement.

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

ALTERNATIVE DISPUTE RESOLUTION

Summary of Civil Code Section 5925-5965

Sections 5925-5965 of the Civil Code require that before owners and associations file lawsuits against each other for declaratory relief or injunctive relief in connection with a claim for money damages under \$5,000 or for enforcing the Association's governing documents, the filing party shall endeavor to submit the dispute to Alternative Dispute Resolution (ADR). Forms of ADR include mediation, negotiation, and binding or nonbinding arbitration. This provision does not apply to the filing of cross-complaints.

The ADR process is initiated by one party serving a Request for Resolution upon the other parties to the dispute. The request must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within thirty (30) days or it will be deemed rejected, and (iv) a copy of Civil Code Sections 5925-5965.

If the party receiving the request agrees to ADR, the process must be completed within ninety (90) days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a Certificate of Compliance indicating the party has complied with the requirements of Sections 5925-5965. Failing to do so would be grounds for challenging the lawsuit.

Although the prevailing party is entitled to reasonable attorneys' fees and costs, the court may consider a party's refusal to participate in ADR when making the award.

FAILURE BY ANY MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF CIVIL CODE SECTION 5930 MAY RESULT IN THE LOSS OF YOUR RIGHTS TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.

pursuant to a foreclosure or exercise of a power of sale by the holder of a prior encumbrance (but not pursuant to a deed-in-lieu of foreclosure). A "prior encumbrance" means any first Mortgage or other Mortgage or lien Recorded against the Unit at any time prior to Recordation of the Association's Assessment lien (see Section 4.12, below).

(c) No sale or transfer of a Unit as the result of foreclosure, exercise of a power of sale, or otherwise, shall relieve the new Owner of such Unit (whether it be the former beneficiary of the first Mortgage or other prior encumbrance or a third party acquiring an interest in the Unit) from liability for any Assessments which thereafter become due with respect to the Unit or from the lien thereof.

(d) Any Assessments, late charges, interest and associated costs of collection which are lost as a result of a sale or transfer of a Unit covered by subparagraph (b), above, shall be deemed to be a Common Expense collectible from the Owners of all of the Units, including the person who acquires the Unit and his or her successors and assigns.

(e) No sale or transfer of a Unit as the result of foreclosure, exercise of a power of sale, or otherwise, shall affect the Association's right to maintain an action against the foreclosed previous Owner personally to collect the delinquent Assessments, late charges, interest and associated costs of collection incurred prior to and/or in connection with the sale or transfer.

Section 4.12. Priorities. When a Notice of Delinquent Assessment has been recorded, such notice shall constitute a lien on the Unit prior and superior to all other liens or encumbrances recorded subsequent thereto except: (a) all taxes, bonds, assessments and other levies which, by law, would be superior thereto; and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value; provided, however, that such subordination shall apply only to the Assessments which have become due and payable prior to the transfer of such property pursuant to the exercise of a power of sale or a judicial foreclosure involving a default under such first Mortgage or other prior encumbrance.

Section 4.13. Unallocated Taxes. In the event that any taxes are assessed against the Common Area, or the personal property of the Association, rather than being assessed to the individual Units, such taxes shall be included in the Regular Assessment imposed pursuant to Section 4.02, above, and, if necessary, a Special Assessment may be levied against the Units in an amount equal to such taxes to be paid in two installments, thirty days prior to the due date of each tax installment.

Section 4.14. Assignment of Rents. Each Owner does hereby presently assign to the Association, absolutely and regardless of possession of the property, all rents and other monies now due or hereafter to become due under any lease or agreement or otherwise for the use or occupancy of any or all parts of any Unit owned by the Owner, now existing or hereafter made for the purpose of collecting all Assessments due the Association pursuant to this Declaration which are in default. The Association hereby confers on each Owner the authority to collect and retain the rents and other monies derived from any such lease or agreement as they become due and payable; provided, however, that the Association at its sole discretion, may revoke such authority at any time, upon written notice to the Owner of a default in the payment of any Assessment due hereunder. Upon revocation of such authority the Association may, pursuant to court order or by court appointed receiver, collect and retain such monies, whether past due and unpaid or current.

Section 4.15. Waiver of Exemptions. Each Owner, to the extent permitted by law, waives, to the extent of any liens created pursuant to this Article, the benefit of any homestead or exemption law of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed.

ARTICLE V Architectural Approval of Improvements

Section 5.01. Approval of Improvements in General. No "Improvement" of any kind shall be commenced, erected or maintained on the Property, nor shall any exterior addition to or change or alteration be made in or to any Unit or Common Facility until the plans and specifications showing the nature, color, kind, shape, height (including front, side and rear elevations), materials, and location of the

same shall have been submitted to and approved in writing by the Board of Directors or duly appointed Architectural Committee, if any, as to quality of workmanship and materials, harmony of external design and location in relation to surrounding structures, setback lines and topography and finish grade elevation.

Section 5.02. Definition of Improvements Requiring Approval/Exclusion for Interior Projects. As used herein, the term "Improvement" shall include, without limitation, any structural improvement, internal modification of any Unit involving any roof, bearing wall or other structural component thereof, the installation of spas, awnings, antennas, television satellite reception dishes or patio covers.

The term "Improvement" shall not include any work or improvement within an Owner's Unit so long as the project does not involve any load bearing wall or breach or entry into the roof of the Unit. Accordingly, each Owner shall have the exclusive right to paint, plaster, panel, tile, wallpaper or otherwise finish, refinish or decorate the inner surfaces of the walls, ceiling, floors, windows or doors of the Owner's Unit. Such projects shall not be subject to this Article.

Section 5.03. Appointment of Architectural Committee. The Board of Directors may, but shall not be obligated to, appoint an Architectural Committee in accordance with Article X of the Association Bylaws. If such a Committee is appointed, it shall be composed of not less than three nor more than five members. Committee members appointed shall be from the membership of the Association. Members of the Committee shall serve for a term of one year. In the event of the death or resignation of any member of the Architectural Committee, a successor shall be appointed by the Board. Neither the members of the Committee nor its designated representatives shall be entitled to any compensation for services performed pursuant hereto. If an Architectural Committee is appointed, any references in this Article to the Board shall be deemed to be a reference to the Committee unless the context clearly indicates a contrary intent.

Section 5.04. Submission of Plans. Plans and specifications shall be submitted to the Board by personal delivery or first-class mail to the secretary of the Association or the chairman of the Architectural Committee, if any. In the event the Board fails to approve or disapprove such design and location within 45 days after said plans and specifications have been submitted to it, the request shall be deemed to have been approved. Approval by the Board can contain conditions or requests for modification of particular aspects of the Owner's plans and specifications. If a Committee is appointed pursuant to Section 4.03, above, approval by the Committee shall be deemed to be a recommendation to the Board of Directors which must be confirmed or rejected by the Board at its next regularly scheduled meeting, but in no event later than 30 days following action by the Committee.

Section 5.05. Architectural Rules. The Board of Directors, may from time to time adopt, amend and repeal rules and regulations to be known as "Architectural Rules." The Architectural Rules shall interpret and implement the provisions of this Declaration by setting forth the standards and procedures for review of plans and specifications and guidelines for architectural design, placement of any work of improvement or color schemes, exterior finishes and materials and similar features which are recommended or required for use in connection with particular improvement projects within the Property; provided, however, that said rules shall not be in derogation of the minimum standards required by this Declaration. In the event of any conflict between the Architectural Rules and this Declaration, the provisions of the Declaration shall prevail. If an Architectural Committee is appointed, the Committee may recommend Architectural Rules for adoption by the Board.

Section 5.06. Variances. The Board of Directors or its Architectural Committee, if duly authorized, shall be entitled to allow reasonable variances with respect to this Article or any restrictions specified in Article VII, below, in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships, provided the following conditions are met:

- (a) All requests for variances shall be submitted to the Association in writing.
- (b) If the requested variance will necessitate deviation from, or modification of, a property use restriction that would otherwise apply under this Declaration, the Board or the Architectural Committee, if any, must conduct a hearing on the proposed variance after giving at least 10 days' prior written notice to the Board and to all Owners of Units located in the same building structure as the Unit affected by the variance or located within 100 feet of the Unit for which the variance applies. The Owners

receiving notice of the proposed variance shall have 30 days in which to submit to the Board or Committee, if any, written comments or objections with respect to the variance. No decision shall be made with respect to the proposed variance until the 30-day comment period has expired.

(c) The Board or Committee must make a good faith determination that: (i) the requested variance, if granted, will not constitute a material deviation from the overall plan and scheme of development within the Property or from any restriction contained herein or that the variance proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance relates to a requirement hereunder that it is unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Unit, Common Area or Owner within the Property.

Section 5.07. Estoppel Certificate. Within 30 days after written demand is delivered to the Board by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board shall execute an estoppel certificate, executed by any two of its members, certifying (with respect to any Unit owned by the applicant Owner) that as of the date thereof, either: (i) all improvements made and other work completed by said Owner with respect to the Unit(s) comply with this Declaration; or (ii) that such improvements or work do not so comply, in which event the certificate shall also identify the noncomplying improvements or work and set forth with particularity the bases of such noncompliance. Any purchaser from the Owner, or anyone deriving any interest in said Unit through the Owner, shall be entitled to rely on said certificate with respect to the matters therein set forth, such matters being conclusive as between the Association, all Owners and any persons deriving any interest through them.

ARTICLE VI

Association and Owner Maintenance Responsibilities

Section 6.01. Maintenance and Repair of Recreational Common Areas. No Improvement, excavation or work which in any way alters any portion of the Common Area devoted to parking or landscaping from its condition or appearance as constructed or improved by Declarant shall be made or done except upon strict compliance with, and within the restrictions and limitations of, the following provisions of this section:

(a) No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any Improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon the Common Area.

(b) The Association shall at any time, and from time to time:

(i) Install, construct, reconstruct, replace or refinish any Common Facility or other Improvement or portion thereof within the Common Area in accordance with the original design, finish or standard of construction of such Improvement or similar improvements within the Common Area. Without limiting the foregoing it is noted that the on-site sanitary sewer and on-site storm drainage within the Property are private and connect with the public systems in the adjacent streets. The Association shall maintain the Common Area. The sizing and location of clean-outs and manholes shall meet the Uniform Plumbing Code and any applicable standard details promulgated by the City.

(ii) Construct, reconstruct, replace, refinish any surface upon any portion of the Common Area designated on a subdivision map as a parking area.

(iii) Replace destroyed trees or other vegetation and plant or remove trees, shrubs and ground cover upon any portion of Common Area.

(iv) Place and maintain upon the Common Area and Common Facilities such signs as the Association may deem necessary for the identification of the development, ingress and egress, the regulation of traffic, including parking, the regulation and use of Common Area and Common Facilities.



MEMORANDUM

TO: All Condominium Homeowners

FROM: Connie Barrocas of Cornerstone R/E Management, Inc.

DATE: November 1, 2021

RE: HOA Transfer/Refinance Documentation Fees

California Civil Code Sections 4525, 4530, 4575 require specific documents be provided to a prospective purchaser. Additionally, escrows and/or lenders often request certain documentation to complete an owner's refinance. Cornerstone charges a fee to provide this information.

Please have your escrow agent contact us in writing advising us that a transfer/refinance is in process, and requesting that we comply with the Civil Code and provide the necessary documentation. Within seven business days of our receipt of payment for this request, the documents will be forwarded to your escrow agent. Should you require the documentation sooner a rush fee will be applied. Our fees are as follows, and must be paid in advance of our delivery of the documents to escrow. **Please make payments to Cornerstone R/E Management, Inc., and mail/deliver to the attention of Beth Chua, or contact her at bethc@managedbycornerstone.com for Venmo instructions.**

Transfer of ownership (Paid at close of escrow)	\$ 250.00
Documentation fee (break down as follows) *	\$ 350.00
Lender certification only	\$ 175.00
Demand/documents w/o certification	\$ 175.00
Rush fee	\$ 200.00

* Documents include: Escrow Demand Statement, CC&R's, Articles of Incorporation, Bylaws, Rules and Regulations, Current Financial Statement, Budget, Statement of Account, Insurance Declaration Page, Summary of Reserves, Minutes, Regular/Special/Emergency Assessment Information, Notice(s) of Violation, Enforcement and Fine Policy, Assessment Enforcement Policy, Architectural Guidelines, Litigation Notice, and if required, Lender's HOA Certification.