



OAK SHORES COMMUNITY ASSOCIATION, INC.

2727 TURKEY COVE ROAD • BRADLEY, CALIFORNIA 93426

PHONE: (805) 472-2233 • FAX: (805) 472-2234

WEB: oakshores.us

November 22, 2010

Dear Oak Shores Members:

After a thorough review and analysis of the Association's operating expenses and projected income, the Finance Committee and the Board of Directors is pleased to present the membership with the Pro Forma Operating Budget for the 2011 fiscal year.

The 2011 Operating Budget was formally approved by the Board of Directors at the November 20, 2010 Board meeting. Numerous hours were spent scrutinizing each line item in the general ledger, the 2010 budget, and the income/expense statements. We are pleased to present the membership with a Budget which includes a minimal increase of 1.83% or \$27 per member.

The 2011 Assessment amount will be \$1,503 per year, billed semi-annually. Additionally, the rubbish fee for each home will be \$279 per year, billed semi-annually. Members in good standing may choose to pay on one of the approved payment plans.

Enclosed, you will find a copy of the 2011 Pro Forma Budget, an Assessment Payment Schedule for 2011, a Delinquent Assessment Policy, an Insurance Summary, and other important disclosures as required by California Civil Code. Additionally, we have included a summary of the Association's Reserves based upon the most recent Reserve Study that was completed in October, for the 2011 fiscal year.

We would like to express our sincere appreciation to the Finance Committee and the Staff for their considerable time and efforts in assisting with the 2011 Budget preparation process.

Sincerely,

Oak Shores Community
Board of Directors

2011 BUDGET

Approved on November 20, 2010 by the Board of Directors

<u>G/L ACCOUNT NAME</u>	<u>BUDGET 2011</u>
<u>INCOME:</u>	
DUES INCOME	1,279,053.00
MISC. OWNER INCOME	2,500.00
RUBBISH INCOME-HOMES (628 homes)	175,212.00
OWNER RENTAL FEE (Based on 90 homes)	29,250.00
WATERCRAFT FEES	35,000.00
PLAN CHECK/ROAD IMPACT FEE	2,500.00
CAMPGROUND FEES	5,000.00
CITATIONS/FINES	5,000.00
CLUBHOUSE RENTAL FEE	1,200.00
TRANSFER FEES	5,000.00
INTEREST INCOME-MSB OPERATING	200.00
INTEREST INCOME-RESERVE ACCT.	9,000.00
INT.INCOME-OP -WACHOVIA	200.00
OAK LEAVES ADVERTISING	3,000.00
PVT. MARINA INSUR PREM. SHARE	5,230.00
LEGAL CARRYOVER	129,721.00
<i>SUBTOTAL INCOME:</i>	1,687,066.00
<u>EXPENSES:</u>	
<u>General & Administrative</u>	
Audit & Tax Preparation Service	6,000.00
Legal	145,004.12
Rabobank Bank Fees	3,000.00
<u>POSTAGE & MAIL - (HEADER ACCOUNT)</u>	
Mailing Preparation	2,000.00
Delivery Service	200.00
Postage	7,000.00
<u>INSURANCE - (HEADER ACCOUNT)</u>	
Liability/Property/D&O/Auto Insurance	71,800.00
<u>DUES & SUBSCRIPTIONS - HEADER ACCOUNT</u>	
Educational fees and materials	600.00
Newspaper/magazine subscriptions	
<u>SUPPLIES - (HEADER ACCOUNT)</u>	
Security Gate Supplies	2,514.68
Administration Supplies	5,500.00
Small Items Purchase office	0.00
<u>PRINTING AND REPRODUCTION - (HEADER ACCOUNT)</u>	
Newsletter (All costs associated)	8,500.00
Printing HOA Mailers & Forms	5,000.00
Gate Cards	1,100.00
Gate Labels/Stickers/Citation Booklets/Forms	6,500.00
Property Taxes	155.00
Federal Income Tax	650.00
State & Local Income Tax	500.00
<u>PERMITS - (HEADER ACCOUNT)</u>	
Docks - Permit	1,420.00
Campground - Permit	190.00
Pool - Permit	446.00
Clubhouse Permit	26.00
Maintenance - Permit	437.00
Misc. Administration Expense	1,500.00

2011 BUDGET

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<u>G/L ACCOUNT NAME</u>	<u>BUDGET 2011</u>
<u>OUTSIDE SERVICES - (HEADER ACCOUNT)</u>	
Weed Abatement Services	21,000.00
Pest Control Services	1,100.00
Janitorial Services	
Private Security Services	14,000.00
Septic Tank Services	4,000.00
Portable Restrooms	1,180.00
Pool Repair Services	1,000.00
Copy Machine Maintenance Service	1,500.00
Technical Expenses	4,000.00
Reserve Study Update	3,480.00
Tree Maintenance Trimming/Spraying Services	11,000.00
Misc. Outside Services	1,000.00
Fire Extinguisher Service	450.00
<u>VEHICLE EXPENSE - (HEADER ACCOUNT)</u>	
Registration-License	1,200.00
Vehicle Fleet Maintenance (10) vehicles)	5,500.00
Gasoline and Oil	18,400.00
Boat Maintenance	2,500.00
Station 34 Fire Truck Insurance	3,300.00
Staff/Volunteer Recognition	750.00
Contingency Fund	20,000.00
	General & Administrative SUBTOTAL:
	385,402.80
<u>Personnel Expense</u>	
<u>PERSONNEL EXPENSE - (HEADER ACCOUNT)</u>	
Administration/Office Payroll	150,313.28
Gate/Code Enforcement Payroll	162,748.24
Maintenance Payroll	160,829.68
IRA Contribution	
Employee Uniforms	1,200.00
Meetings/Training Off-Site	3,000.00
Employee Background Check & Drug Testing	500.00
Mileage/Auto Allowance	
Payroll Taxes	47,400.00
<u>EMPLOYEE BENEFITS - HEADER ACCOUNT</u>	
Employee Medical Insurance	48,000.00
ADP Payroll Fees	3,640.00
Workers Compensation Insurance	24,000.00
Misc. Personnel Expense	0.00
	Personnel Expense SUBTOTAL:
	601,631.20
<u>Utilities</u>	
Fire Hydrants	78,165.00
Electric	21,000.00
Propane	14,500.00
Water	13,670.00
Telephone/Communications	12,000.00
Rubbish - Common Area	2,500.00
Rubbish - Homes	175,212.00
Website and Email Hosting costs	350.00
	Utilities SUBTOTAL:
	317,397.00

2011 BUDGET

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<u>G/L ACCOUNT NAME</u>	<u>BUDGET 2011</u>
<u>Maintenance</u>	
<u>MAINTENANCE - (HEADER ACCOUNT)</u>	
Clubhouse Area	8,600.00
Gate Area	3,200.00
Campground	2,400.00
Marina	4,500.00
Maintenance Building Area	2,800.00
Community Grounds & Landscaping	3,850.00
Pool Maintenance Supplies	5,750.00
Roads: Materials/Supplies	8,000.00
Janitorial Supplies	3,500.00
Maintenance Supplies & Material	5,500.00
Small Equip. Supplies & Materials	1,750.00
Small Items Purchase/Gate	3,000.00
Small Items Purchase- Maintenance	6,850.00
Large Items Purchase Maintenance	7,000.00
Signs	2,100.00
Maintenance SUBTOTAL:	68,800.00
<u>Total Operating Expenses:</u>	1,373,231.00
Transfer to Reserves	302,335
Transfer Impact Fees to Reserves	2500
Transfer Reserve Interest to Reserves	9000
Total Transfer to Reserves	313,835.00
<u>TOTAL OPERATING & RESERVE EXPENSES:</u>	1,687,066.00
2011 Annual Assessment	1503
Annual Increase per lot	27.00
2011 Assessmnt monthly cost	125.25
Percent increase	1.83%
Total Annual Amount of Increase 2011	22,977.00

OAK SHORES COMMUNITY ASSOCIATION, INC.

Dues Payment Plan Schedule 2011

<u>Payment Plan Schedule</u> <i>Members with Lots</i> (no rubbish charge)						
<u>Yearly Dues</u>	<u>\$1503.00</u>					
	<i>Due Jan. 1st</i>					
<u>Semi-Annual Dues</u>	<u>\$751.50</u>	<u>\$751.50</u>				
	<i>Due Jan. 1st</i>	<i>Due July 1st</i>				
<u>Quarterly Dues</u>	<u>\$375.75</u>	<u>\$375.75</u>	<u>\$375.75</u>	<u>\$375.75</u>		
	<i>Due Jan. 1st</i>	<i>Due Apr. 1st</i>	<i>Due July 1st</i>	<i>Due Oct. 1st</i>		
<u>Bi-monthly Dues</u>	<u>\$250.50</u>	<u>\$250.50</u>	<u>\$250.50</u>	<u>\$250.50</u>	<u>\$250.50</u>	<u>\$250.50</u>
	<i>Due Jan. 1st</i>	<i>Due Mar. 1st</i>	<i>Due May 1st</i>	<i>Due July 1st</i>	<i>Due Sept. 1st</i>	<i>Due Nov. 1st</i>
<u>Monthly Dues</u>	<u>\$125.25</u>	<u>\$125.25</u>	<u>\$125.25</u>	<u>\$125.25</u>	<u>\$125.25</u>	<u>\$125.25</u>
	<i>Due Jan. 1st</i> <i>Due Febr. 1st</i>	<i>Due Mar. 1st</i> <i>Due Apr. 1st</i>	<i>Due May 1st</i> <i>Due June 1st</i>	<i>Due July 1st</i> <i>Due Aug. 1st</i>	<i>Due Sept. 1st</i> <i>Due Oct. 1st</i> <i>Due Nov. 1st</i>	<i>Last payment</i> <i>Due</i> <i>December 1st</i>
<u>Payment Plan Schedule</u> <i>Members with Homes</i> (Includes rubbish (R) charge)						
<u>Yearly Dues</u>	<u>\$1782.00</u>					
R = \$279	<i>Due Jan. 1st</i>					
<u>Semi-Annual Dues</u>	<u>\$891.00</u>	<u>\$891.00</u>				
R= \$139.50	<i>Due Jan. 1st</i>	<i>Due July 1st</i>				
<u>Quarterly Due's</u>	<u>\$445.50</u>	<u>\$445.50</u>	<u>\$445.50</u>	<u>\$445.50</u>		
R=\$69.75	<i>Due Jan. 1st</i>	<i>Due Apr. 1st</i>	<i>Due July 1st</i>	<i>Due Oct. 1st</i>		
<u>Bi-monthly Dues</u>	<u>\$297.00</u>	<u>\$297.00</u>	<u>\$297.00</u>	<u>\$297.00</u>	<u>\$297.00</u>	<u>\$297.00</u>
R=\$46.50	<i>Due Jan. 1st</i>	<i>Due Mar. 1st</i>	<i>Due May 1st</i>	<i>Due July 1st</i>	<i>Due Sept. 1st</i>	<i>Due Nov. 1st</i>
<u>Monthly Dues</u>	<u>\$148.50</u>	<u>\$148.50</u>	<u>\$148.50</u>	<u>\$148.50</u>	<u>\$148.50</u>	<u>\$148.50</u>
R=\$23.25	<i>Due Jan. 1st</i> <i>Due Febr. 1st</i>	<i>Due Mar. 1st</i> <i>Due Apr. 1st</i>	<i>Due May 1st</i> <i>Due June 1st</i>	<i>Due July 1st</i> <i>Due Aug. 1st</i>	<i>Due Sept. 1st</i> <i>Due Oct. 1st</i> <i>Due Nov. 1st</i>	<i>Last payment</i> <i>Due</i> <i>December 1st</i>



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DELINQUENT ASSESSMENT POLICY

1. Prompt payment of assessments by all owners is critical to the financial health of Oak Shores Community Association, Inc. ("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 Civil Code Section 1367.1(a), the following are the Association's assessment practices and policies:
2. 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 1367.1(a).)
3. All regular assessment payments are due 50% on January 1st and 50% on July 1st of the current billing year. A courtesy billing statement is sent to the billing address on record with the Association. However, it is the owner of record's responsibility to pay each assessment 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 date of notice of the special assessment.
4. 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.
5. Assessments not received within fifteen (15) days of the stated due date (January 15th and July 15th) are delinquent and shall be subject to a late charge of ten percent (10%) or Ten Dollars (\$10.00), whichever is greater, which may not be imposed more than once on any delinquent payment. A first notice of past due assessment ("late letter") will be prepared and mailed once an assessment becomes delinquent.
6. An interest charge at the rate of twelve percent (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 (February 1st and August 1st) and shall continue to be assessed each month until the account is brought current.
7. 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.
8. If an assessment is not received within sixty (60) days of the stated due date (March 1st and September 1st) the Association will send a "final warning letter" to the owner of record informing the owner that he or she is in violation of the CC&Rs. The letter shall advise the recipient of the

assessment balance due and that his or her property account may be turned over to an outside collection agency and is subject to a lien. Additionally the Association will enclose a copy of the current Delinquent Assessment Policy.

9. If an assessment is not received within ninety (90) days after the assessment becomes due (April 1st and October 1st), 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 1367.1 (a) 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 for the pre-lien letter. 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 lot, and/or (ii) issue a pre-lien letter immediately if any Special Assessment becomes delinquent.
10. 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 the Association's legal counsel or collection company to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees, against the owner's property. If the Association authorizes the Association's legal counsel or collection company to record a lien against the owner's property, the owner will be charged for 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 1367.1(g)).
11. Once the matter has been transferred to the Association's legal counsel or collection company, the Association's legal counsel or collection company may be authorized to enforce the lien thirty (30) days after the 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 (\$1800) 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.
12. The decision to foreclose on a lien must be made by a majority of 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 IDR or Alternative Dispute Resolution ("ADR").
13. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.
14. In the event that it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.
15. An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Association's legal counsel or Collection Company for delivery to the Association pursuant to Civil Code Section 1363.810 *et seq.*
16. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 1369.510 *et seq.* 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.

17. An owner who is unable to pay assessments will be entitled to make a written request for a payment plan to the Association's legal counsel or collection company 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 plan was approved.
18. 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.
19. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including any attorneys' fees, must be paid in full to the Association.
20. There is no right of offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.
21. The Association shall charge the owner a Twenty-Five Dollar (\$25.00) fee for the first check tendered to the Association that is returned unpaid by the owner's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the 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 (\$1500.00) pursuant to Civil Code Section 1719.
22. 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.
23. This policy and all charges listed herein are subject to change upon thirty (30) days' prior written notice.
24. Until the owner has paid all amounts due including; delinquent assessments, fees, fines, late charges, interest and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's right to vote, and suspend the owner's right to use the Association's recreational facilities after providing the owner with a duly noticed hearing pursuant to Civil Code Section 1363(h). However, any suspension imposed shall not prevent the delinquent owner from the use, benefit, and pleasure of the owner's lot.



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NOTICE

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents of the association 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 non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges and interest. The association may not use 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. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 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 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized

statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 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 alien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 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 1367.1 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1363.810) of Chapter 4 of Title 6 of Division 2 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 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 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 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 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 to the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

A member of an association 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 this article to both the primary and the secondary address.

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Web site: www.oakshores.us

CITATION & FINE SCHEDULE

Corrective Measures: The Association has the right to correct certain property violations on lots within Oak Shores Community Association Inc. ("Association") and bill the lot owner after proper notice has been given. The Association has the right to bill the responsible property owner for repairs or for damages caused to Oak Shores' property by the property owner, their tenant(s), or their guest(s).

Restrictive Measures: The Association has the right to deny entry to any guest deemed to be a nuisance or threat to the community. The Association has the right to deny use of any amenities to any property owner or tenant deemed to be a nuisance or threat to the community.

Financial Measures: The Association has the right to issue citations for violations of CC&R provisions or Rules and Regulations. The board will assess such fines according to the fine schedule presented below. A hearing process to appeal citations to the Board of Directors, and in compliance with California Civil Code, is in place for the membership to utilize. The Board of Directors approved the following Oak Shores Community Association Schedule of Fines for violations on September 20th, 2003. The Board of Directors revised the illegal parking fee from \$50.00 to \$100.00 on October 21, 2006.

Oak Shores Schedule of Fines for Violations

1. Illegal Parking.....\$100.00
 - 1(a) Illegal Parking in an “owner’s only” parking lot.....\$100.00
 2. Failure to Stop at Stop Sign.....\$100.00
 3. Excessive Speed.....\$50.00
 4. Reckless Driving.....\$300.00
 The fine for reckless or negligent driving is \$300 for the first offense \$600 for the second offense and \$1200 for each additional negligent driving offense (if there is not property damage or bodily injury). If property damage or bodily injury occurs as a result of the negligent and/or reckless driving then the above fines will be doubled for each occurrence. Board minutes 3-17-01.
 5. Illegal Driving or Parking on Greenbelt areas.....\$100.00
 6. Unlicensed Driver.....\$100.00
 7. Littering and/or unauthorized dumping in common area dumpsters.....\$500.00
 (Owners/owner’s builders are not allowed to dump construction materials in common area dumpsters)
 8. Violation of any Campground Regulation.....\$50.00
 9. Violation of any Marina Regulation.....\$50.00
 10. Violation of Swimming Pool Rules.....\$25.00
 11. Excessive Noise (however generated) including barking dog (1st offense).....WARNING
 - 11(a) Excessive Noise (2nd offense).....\$100.00
 12. Foul Language, threatening language or gestures in public or towards staff.....\$100.00
 13. Under aged drinking of alcohol in common areas.....\$100.00
 14. Illegal sign violation as per Civil Code and CC&Rs Article X, section 5.....\$50.00
 15. Lot/General clean-up violation per CC&Rs Article X, Section 7(1st offense)..WARNING
 - 15(a) Lot/General clean-up violation (2nd offense).....\$50.00
 16. San Luis Obispo County Animal Control violations.....\$50.00
 17. Use of firearms (pellet, firearm, BB guns etc.)Use of firearms in OSCA prohibited.\$100.00
 18. Illegal tenant (see OSCA rental policy and item 23 below).....\$300.00
 19. Violation of construction curfews (1st offense).....WARNING
 - 19(a) Violation of construction curfews (2nd offense).....\$750.00
 - 19(b) Violation of construction curfews (3rd offense).....\$1750.00
- * Each additional offense will add \$100.00 to the previous fine.
20. Illegal removal of trees as per CC&Rs Article VIII, Section 3.....Per tree/\$500.00
 21. Illegal/unauthorized removal of trees or trimming of open space trees.....up to..\$5000.00
 22. Damage to community property; vandalism/graffiti.....\$100-\$1000.00
 * The Board determines the severity of the fine in addition to restitution for damages.
 23. Homeowners in violation of Rental registration policy (1st offense).....\$300.00
 Note: Homeowners who are in violation of not filing a Conditional Use Permit (1st violation is WARNING, (2nd violation) is \$300.00, and each subsequent will be doubled (effective 01-01-98) See minutes 9-1997.
 24. Weed Abatement Fine: Lot uncut after June 10th Weed abatement deadline.....\$200.00
 * Owner will also be charged for the cutting of the lot by OSCA in addition to fine. Above fines adopted: 03-19-94, Revised: 09-20-97, formerly know as Appendix H)
 25. Driving Under the Influence(DUI).....\$500.00
 26. BURNING: No burning or use of fireworks is allowed in the community.....\$1000.00
 * OSCA will impose a mandatory fine of \$1000.00 to anyone igniting fireworks or burning refuse of any nature plus any cost to extinguish the fire. Any damage caused by an escape of said fire will result in additional fines and/or restitution. No fires allowed on common areas except in designated community BBQ pits. Fires are allowed in standard home BBQ pits on owner’s premises. Open fires are not allowed on private lots.



**OAK SHORES COMMUNITY ASSOCIATION
10-11 INSURANCE SUMMARY FOR MEMBERS**

INSURANCE	CARRIER	LIMITS	DEDUCTIBLE Per Claim	EXPIRATION
General Hazard	Philadelphia	\$ 1,809,000	\$ 1,000	6/26/11
General Liability including Marina & Owned Watercraft	“ “	\$ 1,000,000	none	“
Automobile a) Liability b) Phys Dmg	“ “	a)\$1,000,000 b)Actual Vlu.	a) none b) \$1,000	“
Owned Watercraft (2) Physical Damage	“ “	\$ 14,000	\$1,000	“
Docks, Slips	“ “	\$ 500,000	\$ 1,000	“
Directors & Officers Liab.	Travelers	\$ 1,000,000	\$25,000	1/1/11
Excess Liability over General, Auto, & D&O	Philadelphia	\$15,000,000	none	6/26/11
Volunteer Accident Policy	National Union	\$ 500,000	none	1/1/11
Employee Dishonesty	CNA	\$ 25,000	\$ 250	8/27/11
Worker's Compensation	Employers	Statutory	none	4/1/11

Earthquake & Flood Insurance: not purchased.

NOTE:
 "This summary of the association's policies of insurance provides only certain information, as required by subdivision (f) of Section 1365 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."

Assessment and Reserve Funding Disclosure Summary

Name: **Oak Shores Community Association**

City: Bradley

For Fiscal Year Beginning: 1/1/11

of Units: 851

	Total:	Per Unit:
Reserve Contributions:	\$302,335	\$355
Operating Budget:	\$976,718	\$1,148
Total Assessment:	\$1,279,053	\$1,503

Per: Annual

Note: If assessments vary by the size or type of unit, please see attached.

- 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:

Date Due	Amount Per Unit	Purpose

Note: If assessments vary by the size or type of unit, please see attached.

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

Approximate Date Assessment would be Due	Total Amount per Unit
N/A	

- 5) All major components appropriate for Reserve Funding are included in this Reserve Funding Plan: **YES**

All computations/disclosures are based on the fiscal year start date of:	1/1/11
Fully Funded (Ideal) Balance (based on formula defined in 1365.2.5(b)4):	\$2,037,479
Projected Reserve Fund Balance:	\$1,099,700
Percent Funded:	54%
Reserve Deficit (surplus) on a per-unit basis:	\$1,102

Based on the Reserve Study by JD Brooks dated: 11/19/10

- 7) See attached 5-year Reserve Plan Summary Table

Prepared by: J.D. Brooks

Date: 11/19/10

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates should be expected to change from year to year.

Disclaimer: Because the reserve study is a PROJECTION, the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement due to changes in manufacturing methods while others may cost more due to material shortages or high demand. JD Brooks Reserve Studies is not responsible for accuracy of information presented.

Question 7: 5-Year Reserve Plan Summary

Oak Shores Community Association

Fiscal Year

Beginning: 1/1/2011

Interest Rate: 1%

Inflation Rate: 2%

Year	Estimated Reserve Balance at Fiscal Year End	Fully Funded (Ideal) Reserve Balance	Percent Funded	Annual Reserve Contributions	Special Assessments or Loans
2010	\$1,099,700				
2011	\$1,125,705	\$2,110,630	53%	\$302,335	
2012	\$1,052,307	\$2,081,736	51%	\$311,405	
2013	\$1,174,883	\$2,249,182	52%	\$320,747	
2014	\$1,485,154	\$2,611,974	57%	\$330,370	
2015	\$1,612,074	\$2,789,897	58%	\$340,281	

RESERVE STUDY SUMMARY

ASSOCIATION INFORMATION:

Name of Association: **OAK SHORES COMMUNITY ASSOC.**
 Location: **BRADLEY, CA**
 Number of Units: **851**
 Approximate Age of Complex: **40**

This report recommends contributions for Budget Year:

Beginning: **JANUARY 1, 2011**
 Ending: **DECEMBER 31, 2011**

Reserve Study Report Date: **OCTOBER 26, 2010**
 Current Fiscal Year End: **DECEMBER 31, 2010**

CURRENT FUNDS SUMMARY:

Projected Reserve Balance at Current Fiscal Year End: **\$1,099,700**
 Ideal Reserve Balance at Current Fiscal Year End: **\$2,037,479**

PERCENT FUNDED: 54%

CURRENT RESERVE CONTRIBUTIONS:

	Annual	Monthly	Monthly Per Unit
2010 Budgeted Reserve Contribution:	\$288,506	\$24,042	\$28.25

RECOMMENDATIONS FOR BUDGET YEAR 2011

RESERVE CONTRIBUTION MODELS:

2011 J.D. Brooks Recommendation in Box

	Annual	Monthly	Monthly Per Unit
2011 Straight-Line Contribution:	\$302,335	\$25,195	\$29.61
2011 Deficit Reduction Contribution:	\$381,638	\$31,803	\$37.37
2011 Cash-Flow (Minimum) Contribution:	\$261,874	\$21,823	\$25.64