

## **2014 ANNUAL BUDGET REPORT**

Date: November 21, 2013  
To: Members of Coronado Shores Condominium Association #9  
From: The Board of Directors  
Re: 2014 Annual Budget Report and Annual Policy Statement

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**I. Required Annual Budget Report Statements**

**1. Pro Forma Operating Budget for 2014 Prepared on an Accrual Basis**  
*[required by Civil Code section 5300(b)(1).] **PLEASE REFER TO EXHIBIT 1.***

**Statement of Increase in Assessments:** With the new fiscal year for our Association, our Board of Directors has reviewed the operating budget with the goal of providing efficient operations and funding adequate reserves to meet long-term requirements. Based on this review, the Board has determined that, in order to maintain the financial integrity of our Association and to meet the ongoing maintenance costs which increase with the aging process, **a three percent (3%) increase in assessments will be effective January 1, 2014. On January 1, 2014, the new assessments will be:**

Number of units	Description	Pro Rata Share	2013 Monthly Assessment	2013 Annual Total	2014 Monthly Assessment	2014 Annual Total
57	1 BR	1.10%	\$611.02	\$417,937.68	<b>\$629.35</b>	<b>\$430,475.40</b>
60	2 BR	1.50%	\$833.20	\$599,904.00	<b>\$858.20</b>	<b>\$617,904.00</b>
29	3 BR/2+Den	1.70%	\$944.30	\$328,616.40	<b>\$972.63</b>	<b>\$338,475.24</b>
1	#1609	2.00%	\$1,110.94	\$13,331.28	<b>\$1,144.27</b>	<b>\$13,731.24</b>
1	#1607	2.50%	\$1,388.67	<u>\$16,664.04</u>	<b>\$1,430.33</b>	<b>\$17,163.96</b>
	Total			\$1,376,453.40		<b>\$1,417,749.84</b>

**2. Summary of the Association’s Reserves** *(required by Civil Code sections 5300(b)(2) and 5565.) **PLEASE REFER TO EXHIBIT 2.***

The summary of the Association’s reserves is attached as Exhibit 2. The summary is based on the reserve study described in Section I (3) below (or the latest annual update to it). This information is based only on assets held in cash or cash equivalents. It includes: the current estimated replacement cost, estimated remaining life, and estimated useful life of each major component; the current estimate of the amount of cash reserves necessary to repair, replace, restore, or maintain the major components; and the current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain major components. It also shows the ratio, expressed as a percentage, between the current estimated replacement cost of each major component and the current amount of cash reserves set aside, and the current deficiency in reserve funding expressed on a per unit basis.

**3. Summary of Board Adopted Reserve Funding Plan** *[required by Civil Code sections 5300(b)(3) and 5550(b)(5)].*

In conjunction with the budget review and in accordance with California Civil Code section 5550(a), the Board engages a professional reserve study analyst, at least

once every three years, to prepare a reserve study, to review our reserve funding program and to make recommendations for future funding. The 3-year reserve study involves a visual inspection of our development. The accompanying replacement funding program reflects assumptions about future events. The replacement funding program is based on factors such as manufacturers' specifications, information from contractors and subcontractors, construction pricing, scheduling manuals and the reserve study preparer's experience. The analyst then uses this information to calculate and establish the reserve amounts needed to defray the future repairs, replacement or additions to the components that the Association is obligated to maintain. **A copy of the full reserve study is available upon request.**

Pursuant to Civil Code section 5550(b)(5), the Board adopted a funding plan based upon the reserve study inspection performed in 2013 that will be updated annually. The Board's plan for funding reserves is to: (1) increase regular assessments each year and/or 2) request the members to approve a special assessment, if necessary, in order 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.

**4. Statement of Items Deferred for Maintenance, Repair or Replacement**  
*[required by Civil Code section 5300(b)(4).]*

In accordance with Civil Code section 5300(b)(4) and as of the date of this letter, the Board has chosen **not to defer** maintenance or repair and will undertake replacement of any major component with a remaining life of 30 years or less.

**5. Statement of Anticipated Special Assessments** *[required by Civil Code section 5300(b)(5).]*

In accordance with Civil Code section 5300(b)(5), and as of the date of this letter, the Board **anticipates** that **one or more special assessments may** be required to repair, replace or restore any major components or to provide adequate reserves.

At this time, research to determine the required scope of work for the renovation of the hallways is in progress. However, variables that include but are not limited to the condition of the unit doors and doorframes have not yet been determined. In addition, building code changes that become effective on January 1, 2014 may or may not impact the project. Therefore, the preliminary estimated budget of \$1.2 million is subject to change. Once the scope of work has been decided and cost estimates obtained, presuming the amount exceeds available reserve funds, homeowners will be requested to vote on a special assessment. The amount, commencement date and duration of an anticipated special assessment is unknown at this time.

*The foregoing statement is based on the reserve funding plan adopted pursuant to Civil Code section 5560 and the knowledge and information the Board has at the*

*present time. Thus, this statement is not a guarantee, and it is subject to change in the future.*

**6. Statement of Mechanisms to Fund Reserves** *[required by Civil Code section 5300(b)(6)]*

The Board uses the following mechanism or mechanisms to fund reserves to repair or replace major components: ***regular assessments, special assessments, borrowing, use of other assets or deferral of selected replacement or repairs.***

**7. Statement Addressing Procedures Used to Calculate and Establish Reserves** *[required by Civil Code section 5300(b)(7)]*

As provided in Civil Code section 5550, the Board had a reserve study performed for **2014**. A complete reserve study must be done at least once every three years and be reviewed and adjusted annually. In determining future needs, Civil Code section 5570(b)(4) does not allow the Association to assume an earnings growth in the reserve fund that is more than two percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made. As also required by Civil Code section 5570(b)(4), the reserve study has calculated the total reserves currently needed by determining the current cost of replacement or repair of each major component multiplied by the number of years the component has been in service and then dividing by the total useful life of the component. In effect, this computes the percentage of each component's useful life that has been used up as of the date of the reserve study or annual review and converts that to a current dollar cost of repair or replacement. For example, if a component has been in service three years, its total useful life is ten years, and the component would cost \$100,000 to replace, then 3/10 or 30% of its useful life has been used up. When 30% is multiplied by the current replacement cost of \$100,000, the result is \$30,000. In other words, the portion of its useful life that has been consumed would be worth \$30,000, thus the current cost of replacement or repair of that component would be \$30,000. When these figures are added up for all major components, the result is the current cost of replacement or repair for all major components. **Note that Civil Code section 5570 does not require the Association to fund reserves in accordance with the above calculation.**

Once the Board has the information from the reserve study on the current cost of replacement or repair for all major components, it compares that figure with the amount of reserves currently on hand to tell if it has an amount that is more, less or equal to the current cost of replacement. It also looks at the amount on hand in comparison with how much additional money will be added to the reserves over the next several years in comparison with the amount of money projected to be expended over the same time period. It then determines if the funding level will be adequate for the next several years, and if not, what actions the Board may need to take to generate the funds that will be required, such as levying special assessments, additional regular assessments, borrowing the necessary funds, evaluating if the work will need to be done when projected, or if it can be delayed, or a combination of these actions. The Board also

looks at whether the rate of funding the reserves will keep the Association on pace with the long term cost of repairs and replacements or if it appears that the reserve fund will start falling behind the long term costs of repair and replacement. Depending on that determination, the Board will plan for what long-term actions, if any, will be needed to assure that the funds will be available to repair and replace all major components when necessary.

**8. Statement Addressing Association's Outstanding Loans** *[required by Civil Code section 5300(b)(8)]*

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

**9. Summary of Association's Insurance Policies** *[required by 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.”**

**SUMMARY OF ASSOCIATION'S INSURANCE**

**Property Insurance Policy:** See Attached Declarations Pages (Exhibit 3)

**General Liability Policy:** See Attached Declarations Pages (Exhibit 3)

**Excess Liability Coverage:** See Attached Declarations Pages (Exhibit 3)

**Employee Dishonesty coverage:** See Attached Declarations Pages (Exhibit 3)

**Directors & Officers Liability Policy:** See Attached Declarations Pages (Exhibit 3)

**Earthquake Insurance Policy:** *No Coverage Provided*

**Flood Insurance Policy:** *No Coverage Provided*

Please note that the Association will, as soon as reasonably practical, notify you, as members, by first class mail, if any of the above mentioned policies have lapsed,

been canceled, been non-renewed, have not been renewed or replaced, or if there has been any significant changes or reductions or limitations on the above mentioned policies. Also, if the Association receives notice of non-renewal of any of the above policies, it shall immediately notify the members of the Association if replacement coverage will not be in effect by the date that the existing coverage will lapse.

**10. Assessment and Reserve Funding Disclosure Summary Form** *[required by Civil Code sections 5300(e) & 5570]*

For the Association's Assessment and Reserve Funding Disclosure Summary, please refer to Exhibit 2.

**II. Annual Policy Statement**

**1. Designated Agent for Receipt of Association Mail** *[required by Civil Code section 4035]*

The name and address of the person designated to receive official communications on behalf of the Association is as follows:

Name: Jay Kacirk

Title: Division Manager

Company: Eugene Burger Management Corporation

Address: 10801 Thornmint Rd., Ste. 100

San Diego, CA 92127

Alternate Address: 1820 Avenida del Mundo, Coronado, CA 92118

**2. Secondary Addresses for Owners** *[required by Civil Code section 4040]*

As provided in Civil Code sections 4040(b) owners have a right to receive (1) annual reports the Association is required to provide to owners and for (2) mailings and notices related to assessment payments, delinquencies and foreclosures at an additional address if they submit a secondary address to the Association. The owner's request must be in writing and must be sent to the Association in the manner provided in Civil Code sections 4035 and 5260.

**3. Posting Location of General Notices** *[required by Civil Code section 5310, if the Association has Designated a Location for the Posting of General Notices]*

The location designated for posting of a General Notice is: bulletin board at mailroom, lobby and lower lobby.

**4. Individual Delivery Notice** *[required by Civil Code section 4045(b)]*

Documents designated by the Civil Code as requiring General Delivery or General Notice will be delivered using one of the methods detailed in Civil Code section 4045(a). If a member of the Association wishes to receive these general notice documents by individual delivery, they must make such a request to the Association, and the Association will comply with the request.

**5. Availability of Minutes** *[required by Civil Code section 4950]*

The minutes or a summary of minutes of a Board meeting, other than an executive session are available to members within 30 days of the meeting. Minutes, proposed minutes, or summary of minutes will be distributed to any member upon request and upon reimbursement of the Association's costs for making that distribution.

Members should submit a written request, including the specific meeting date(s) to: 1820 Avenida del Mundo, Coronado, CA 92118.

**6. Statement of Assessment Collection Policies under Civil Code section 5730** *[required to be included verbatim in its entirety by Civil Code section 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 non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure

subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

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

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

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

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

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

## PAYMENTS

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

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

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

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

#### MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code)

#### **7. Statement of Association's Policies for Collection of Delinquent Assessments** *[required by Civil Code section 5310(a)(7).]*

For the Association's Collection Policy, please refer to Exhibit 5.

#### **8. Discipline Policy and Penalty Schedule** *[required by Civil Code section 5310(a)(8)].*

For the Association's Discipline Policy and Penalty Schedule, please refer to Exhibit 6.

**9. Summary of Association's Dispute Resolution Procedures (ADR and IDR)**  
*[required by Civil Code section 5310(a)(9) for the procedures required by Civil Code sections 5900-5920, inclusive and 5925-5965, inclusive].*

**Alternative Dispute Resolution Procedures**

The California Legislature has established a public policy in this state that requires the use of Alternative Dispute Resolution ("ADR") before resorting to litigation to resolve certain conflicts that arise in condominiums, planned developments and other common interest developments. The law requires every association to distribute a summary of California Civil Code sections 5925 through 5965 to its members annually in its Annual Policy Statement prepared pursuant to Civil Code section 5310.

Rather than attempt to summarize the law, which is lengthy, and may result in omissions or misunderstandings of what the law provides, we are providing a copy of law in its entirety below. **PLEASE NOTE, Civil Code section 5965 states:**

“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.”

Please note that the section headings below are not a part of the law, but are present only to assist you in identifying the contents of each section.

**§5925. ADR Definitions**

As used in this article:

(a) “Alternative dispute resolution” means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

(b) “Enforcement action” means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:

- (1) Enforcement of this act.
- (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
- (3) Enforcement of the governing documents.

**§5930. ADR Required Before Filing Certain Actions**

(a) An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for

monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

#### §5935. Initiating ADR by Request for Resolution

(a) Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

(4) If the party on whom the request is served is the member, a copy of this article.

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

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

#### §5940. Time for Completing ADR Process and Cost Splitting

(a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

#### §5945. Effect of ADR on Statutes of Limitation

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

#### §5950. Filing ADR Certificate when Filing Court Action

(a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

#### §5955. Referral to ADR and Stay of Court Action by Stipulation

(a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

#### §5960. Refusal to Participate in ADR; Effect on Award of Fees and Costs

In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

#### §5965. Annual Disclosure of ADR Procedures to Members

(a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"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."

(b) The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

**10. Summary of Procedures for Architectural Review** *[Civil Code section 5310(a)(10) requires a summary of any requirements necessary for association approval of a physical change to the property, pursuant to Civil Code section 4765. Civil Code section 4765(c) requires annual distribution of the procedures used to review and approve or disapprove a proposed architectural change.]*

The Association requires prior written approval of certain architectural changes that you make to your property. The general types of changes that require Association approval

are described as follows: all exterior or interior additions and modifications require written architectural approval, all changes to structural members, all changes to water, sewer, electrical and other utility components, all changes that would require a building permit, and installation of a satellite dish. You should also review the Association's Declaration, Bylaws, Rules, Architectural Guidelines and Condominium Plan for more specific information. For general guidelines and Architectural Review Procedures, please refer to Exhibit 6.

## **11. Mailing Address for Overnight Payment of Assessments**

Coronado Shores Condominium Association #9

% Eugene Burger Management Corporation

10801 Thornmint Rd., Ste. 100

San Diego, CA 92127

## **12. Miscellaneous Disclosures as Required by Law or Governing Documents**

### **A. Preparation of Annual Review**

As provided in **Article XII, Section 3.a** of the Bylaws, the Association will have an annual review prepared by a certified public accountant after the close of the year. That document and any information required by Corporations Code Section 8321 should be available to you within 120 days after the close of the year.

### **B. Asbestos Notification (California Health & Safety Code section 25915.2)**

In 1989, laboratory testing performed by Design For Health, Inc., determined there was ***no asbestos detected*** within the white sprayed-on acoustical ceiling.

### **C. Disclosure of Rental Restrictions** *[Civil Code section 4525(a)(9) requires the disclosure of any applicable restrictions that prohibit the rental or leasing of any of the separate interests to a renter, lessee, or tenant as part of the documents and disclosures that must be made by an owner to a prospective purchaser.]*

The following provisions found on in **Article VII, Section 7.6 (o)** of the Association's recorded CC&Rs impose restrictions on rental or leasing of your property. You should review the full text for a complete description of the requirements however the following briefly summarizes the nature of those provisions:

***No owner shall be permitted to lease a Unit for less than one (1) month. Lease must be in writing and requires the lessee to be obligated to comply with the provisions of the governing documents and rules.***

**1. Architectural Modifications for Persons with Disabilities.**

**Apparent Architectural Violations or other Alleged Violations of our Governing Documents May Not Be Violations Due to Compliance with the Federal Fair Housing Act and/or the California Fair Employment and Housing Act.**

Occasionally residents may see something that appears to be a violation of our governing documents and rules. Appearances can be deceiving! Sometimes what seem to be "violations" are, in fact, "accommodations" required by law to be given to disabled residents. This is necessary to give disabled residents an equal opportunity to use and enjoy the premises. Please recognize that some disabilities may not be apparent just by looking at the person who has a disability. Also, the type of architectural change made may seem as if it is unrelated to any form of disability, but that is because there are so many different types of disabilities that require many different types of accommodations. These accommodations should not be interpreted as meaning the Association is not serious about enforcing community standards and rules, only that the Association is mindful of its legal duty to comply with disability protection laws.

You probably already know from your dealings with doctors and pharmacies that they are required to be very protective of each patient's medical information. Article I, Section 1 of the California Constitution also includes a personal right to privacy. Thus, even if you ask about an apparent architectural or other violation, we may not be able to tell you very much, if anything, about it. About all we can say is that we are aware of it, and the Association authorized it to make an accommodation required by law. We trust you will understand. If you have questions about this issue, please contact management.

**2. Distribution of Owner Mailing List to Members**

The Association is required by Civil Code section 5200(a), under the circumstances covered by the statute, to provide members with the name, property address, and mailing address of all members. Association members **may opt out** of sharing his or her name, property address, and mailing address by notifying the Association in writing (**please refer to Exhibit 8**) that the member prefers to be contacted via the alternative process described in Corporations Code section 8330(c). The alternative method may require the member wanting the list to provide the materials to the Association for the Association to mail it to the members who have opted out without revealing the mailing

list information to the requesting member. Any opt-out remains in effect until changed by the member.

### **3. Gated Communities and Associations with Locked Entry Doors or Patrols**

While the Association may have gated entryways, staffed entrances, locked exterior doors, periodic patrols, Neighborhood Watch Programs, TV cameras and recording equipment, etc., these features cannot be relied upon to guarantee your personal safety and security. Some are merely deterrents, and others may help to identify a criminal after the fact, but even that is not certain. **Thus, each owner is responsible for his or her own personal safety and security on the property. Owners must communicate these facts to their respective tenants and guests.**

### **4. Smoke and Carbon Monoxide Detectors**

**Owners are required by law to have operational smoke detectors and carbon monoxide detectors.** [Health and Safety Code §§13113, 717926 & 17926.1] Please note that it is common for many detectors to last no longer than 10 years, so please test your detectors regularly, follow the manufacturer's instructions about replacement and replace them whenever their useful life ends. If you have tenants, there are battery-operated detectors that have tamper-resistant features to prevent removal of batteries. Some hard-wired detectors have batteries designed to last for the life of the detectors.

## 5. Location of Main Water Shutoff for Emergencies.

To reduce damage due to an unexpected leak that may damage your property and the property of others, please familiarize yourself with the location of all the water shut off valves within your residence including the service lines to the washing machine.

Building staff will assist with the main water shut off valves located on the roof, if needed.

## 6. Evacuation Plan.

- a) Once you have been **ORDERED** to evacuate by Fire/Police personnel, **CLOSE YOUR DOOR AND USE THE STAIRWELL ON YOUR SIDE OF THE BUILDING, IF POSSIBLE!**
- b) **Unit numbers ending in 01, 02, 03, 04 and 05 should USE THE STAIRWELL NEAR THE 02 UNIT. There is NO ROOF ACCESS from this stairwell.**
- c) **Unit numbers ending in 06, 07, 08, 09 and 10 should USE THE STAIRWELL NEAR THE 08 UNIT. Although there IS ROOF ACCESS from this stairwell, it is not recommended to go to the roof unless directed to do so.**

## 7. Emergency Instructions.

For additional information in case of an emergency, please refer to Exhibit 7.