



November 2020

2021 BUDGET REPORT

Dear Reef Gate West Homeowners,

Your Board of Directors has undertaken a thorough review of the financials and operating budget with the goal of providing for sufficient operations and funding adequate reserves to meet long-term requirements. The Board of Director's has found that the current amount is not sufficient to maintain the Association's operating costs. **Therefore, effective January 1, 2021, your monthly assessments will increase to \$665.00.**

In compliance with the California Civil Code §5550, a professional reserve analyst, Association Reserves, was hired to complete an inspection of the project, to review the reserve-funding program and to make recommendations for future funding.

Enclosed for your records, please find the following items:

- Budget for the fiscal year, January 1, 2021 – December 31, 2021
- Assessment and Reserve Funding Summary & Disclosure
- Executive Summary
- Master Insurance Declaration
- Earthquake Insurance Declaration
- Annual Policy Statement
- Assessment and Foreclosure Policy
- Summary of Alternative Dispute Resolution
- Summary of Internal Dispute Resolution
- Architectural Guidelines & Procedures
- Security Disclosure
- FHA & VA Certification Disclosures
- Pay Lease
- Annual Request for Address

The Board of Directors does not anticipate another special assessment to repair, replace, or restore any major components or to maintain adequate reserves. The Association does not currently have any outstanding loans and the Association has not borrowed from reserves.

In accordance with Civil Code 5805, the Association is insured to the level specified in the Code and carries General Liability insurance in the amount of five million dollars. Therefore, owners are individually liable only for their proportionate share of assessments levied to pay any judgments that exceed the limits of the Association's insurance. In accordance with the Civil Code the following statement must be presented to all members of the Association.

"This summary of 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.

Meeting minutes are available to owners on our website at www.reefgatewest.org after meeting ratification every other month. Printed copies of the minutes are available from management upon request and are subject to a minimal copy/postage charge. If you have any questions regarding this budget packet, or would like a complete copy of the Reserve Study, please direct your written request by mail or email to:

TSG Independent Property Management, Inc.
27129 Calle Arroyo, Suite 1802
San Juan Capistrano, CA 92675
general@tsgindependent.com.

Sincerely,

THE BOARD OF DIRECTORS
REEF GATE WEST ASSOCIATION

**REEF GATE WEST HOMEOWNERS ASSOCIATION
SEVENTY TWO (72)
2021 ASSESSMENT BUDGET**

ACCT #	DESCRIPTION	MONTHLY	ANNUALLY	PER UNIT PER MONTH
INCOME				
41000	ASSESSMENT	\$ 47,880.00	\$ 574,560.00	\$ 665.00
41750	LATE CHARGES	125.00	1,500.00	1.74
42000	MISCELLANEOUS INCOME	83.33	1,000.00	1.16
42025	STORAGE UNIT RENTAL	100.00	1,200.00	1.39
42050	GAS SURCHARGE	200.00	2,400.00	2.78
42500	KEY & KEY CARD FEES	100.00	1,200.00	1.39
43500	COLLECTION FEES	12.50	150.00	0.17
	TOTAL INCOME:	\$ 48,500.83	\$ 582,010.00	\$ 673.62
EXPENSES				
UTILITIES				
61210	ELECTRIC	\$ 1,766.67	\$ 21,200.00	\$ 24.54
61410	GAS	2,633.33	31,600.00	36.57
61610	SEWER & WATER	2,391.67	28,700.00	33.22
61710	REFUSE DISPOSAL CONTRACT	1,066.67	12,800.00	14.81
61810	TELEPHONE	458.33	5,500.00	6.37
	TOTAL UTILITIES	\$ 8,316.67	\$ 99,800.00	\$ 115.51
LANDSCAPE AND MAINTENANCE				
63110	LANDSCAPE CONTRACT	\$ 1,783.33	\$ 21,400.00	\$ 24.77
63190	PEST CONTROL - TERMITES	338.33	4,060.00	4.70
	TOTAL LANDSCAPE	\$ 2,121.67	\$ 25,460.00	\$ 29.47
SWIMMING POOL				
64110	SWIMMING POOL CONTRACT	\$ 328.33	\$ 3,940.00	\$ 4.56
64120	SWIMMING POOL REPAIRS	66.67	800.00	0.93
64130	SWIMMING POOL SUPPLIES	116.67	1,400.00	1.62
	TOTAL SWIMMING POOL	\$ 511.67	\$ 6,140.00	\$ 7.11
COMMON AREA MAINTENANCE				
66110	PATROL SERVICE	\$ 475.00	\$ 5,700.00	6.60
66220	MINOR REPAIRS-MISC.	731.67	8,780.00	10.16
66250	ELEVATOR CONTRACT	958.33	11,500.00	13.31
	MINOR REPAIRS - ELEVATOR	225.00	2,700.00	3.13
66260	MINOR REPAIRS-PLUMBING	1,125.00	13,500.00	15.63
66270	MINOR REPAIRS-ELECTRICAL	83.33	1,000.00	1.16
66280	MINOR REPAIRS-GATES	83.33	1,000.00	1.16
66310	JANITORIAL CONTRACT	4,708.33	56,500.00	65.39
66311	GENERAL MAINTENANCE	1,833.33	22,000.00	25.46
66312	GENERAL MAINTENANCE EXTRA	308.33	3,700.00	4.28
66320	JANITORIAL SUPPLIES	16.67	200.00	0.23
66350	LOCKSMITH MAINTENANCE	83.33	1,000.00	1.16
	TOTAL COMMON AREA	\$ 10,631.67	\$ 127,580.00	\$ 147.66

**REEF GATE WEST HOMEOWNERS ASSOCIATION
SEVENTY TWO (72)
2021 ASSESSMENT BUDGET**

ACCT #	DESCRIPTION	MONTHLY	ANNUALLY	PER UNIT PER MONTH
ADMINISTRATION				
67010	TAX/AUDIT PREPARATION	\$ 108.33	\$ 1,300.00	1.50
67020	FEDERAL TAXES	35.00	420.00	0.49
67030	STATE TAXES	0.83	10.00	0.01
67110	INSURANCE	4,583.33	55,000.00	63.66
67111	EARTHQUAKE	1,333.33	16,000.00	18.52
67210	LEGAL EXPENSES	166.67	2,000.00	2.31
67310	LICENSE, FEES AND PERMITS	8.33	100.00	0.12
67510	MANAGEMENT & ACCOUNTING	2,891.67	34,700.00	40.16
67530	PRINTING & MAIL SUPPLIES	108.33	1,300.00	1.50
67770	RESERVE STUDY	25.00	300.00	0.35
67775	ON SITE MANAGER	2,791.67	33,500.00	38.77
67776	ON SITE MANAGER EXTRA	116.67	1,400.00	1.62
67810	MISCELLANEOUS	83.33	1,000.00	1.16
	TOTAL ADMINISTRATIVE	\$ 12,252.50	\$ 147,030.00	\$ 170.17
	TOTAL OPERATING EXPENSES	\$ 33,834.17	\$ 406,010.00	\$ 469.92
	TOTAL RESERVE TRANSFER (Categories listed in reserve study)	14,666.67	176,000.00	203.70
	TOTAL EXPENSES	\$ 48,500.83	\$ 582,010.00	\$ 673.62

Assessment and Reserve Funding Disclosure Summary

Reef Gate West Association Inc., San Clemente

For Fiscal Year Beginning: 1/1/2021

of units: 72

1) Budgeted Amounts:

	Total	Average Per Unit*
Reserve Contributions:	\$14,666.67	\$203.70
Total Assessment Income:	\$47,880.00	\$665.00

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
Total: \$0.00		

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? **Yes**

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*

Total: \$0.00

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:	1/1/2021
Fully Funded Balance (based on formula defined in 5570(b)4):	\$1,241,884
Projected Reserve Fund Balance:	\$479,236
Percent Funded:	38.6 %
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$10,592

From the 10/22/2020 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: Sabrina Willison

Date: 11/20/2020

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.

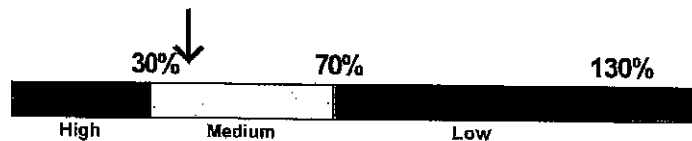
Executive Summary

Association: Reef Gate West Association Inc. **Assoc. #: 6367-0**
Location: San Clemente, CA **# of Units: 72**
Report Period: January 1, 2021 through December 31, 2021

Findings/Recommendations as-of: January 1, 2021

Projected Starting Reserve Balance	\$479,236
Current Full Funding Reserve Balance	\$1,241,884
Average Reserve Deficit (Surplus) Per Unit	\$10,592
Percent Funded	38.6 %
Recommended 2021 "Monthly Full Funding Contributions"	\$14,900
Alternate minimum contributions to keep Reserve above \$0	\$13,100
Most Recent Reserve Contribution Rate	\$14,176

Reserves % Funded: 38.6%



Special Assessment Risk:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves1.00 %
Annual Inflation Rate3.00 %

This is an "Full" Reserve Study, and is based on our site inspection on 8/7/2020. This Reserve Study was prepared by a credentialed Reserve Specialist, Sabrina C. Willison RS #334.

The Reserve Fund is between the 30% funded level and the 70% funded level at 38.6 % Funded, which is a fair position for the fund to be in. This means that the association's special assessment & deferred maintenance risk is currently medium. The objective of your multi-year Funding Plan is to Fully Fund Reserves and ultimately achieve a position of strength in the fund, where associations enjoy a low risk of Reserve cash flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions to \$14,900.

*The Alternative Contribution rate, also called Baseline Funding will keep the Reserve Funds above \$0. This figure for your association is \$13,100.

To receive a copy of the full Reserve Study, contact the Association.

Executive Summary

6367-0

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
Paved Surfaces				
103	Concrete - Repair/Replace	5	3	\$4,000
201	Asphalt - Resurface	24	8	\$23,400
202	Asphalt - Repair/Seal	4	0	\$1,750
Entry Area				
561	Metal Entry Gates - Replace	24	16	\$1,500
704	Intercom - Replace	15	4	\$3,500
1130	Wood Trellis - Replace/Refurbish	20	15	\$5,800
1770	Planter - Waterproof	20	5	\$15,000
Building A				
150	Walkway Decks - Resurface	16	7	\$14,300
151	Walkway Decks - Seal/Repair	4	2	\$5,100
152	Balcony Railings - Replace	30	15	\$10,800
468	Faux Shutters - Replace	25	17	\$3,000
507	Wood Railings - Repair/Replace	5	2	\$3,500
510	Wood Retaining Wall - Replace	20		\$12,000
615	Roof Carpet - Replace	10	2	\$59,000
1302	Flat Roof - Replace	18	2	\$67,800
1800	Elevator #3 - Modernize	25	6	\$95,000
1802	Elevator #3 Cab - Remodel	15	6	\$25,000
1803	Elevator #3 Door & Sills	20	0	\$42,750
1806	Elevator #3 Load Test - 5 Year	5	0	\$2,250
Building B				
150	Walkway Decks - Resurface	16	6	\$41,800
151	Walkway Decks - Seal/Repair	4	1	\$13,300
152	Balcony Railings - Replace	30	15	\$10,800
468	Faux Shutters - Replace	25	17	\$6,000
507	Wood Railings - Repair/Replace	5	1	\$9,600
707	Overhead Gate Operator - Replace	15	5	\$2,500
712	Pedestrian Gate - Replace	25	5	\$1,700
712	Vehicle Gate - Replace	25	5	\$4,500
732	FOB Access System - Replace	8	3	\$3,000
1302	Flat Roof - Replace	18	1	\$76,200
1800	Elevator #2 - Modernize	25	6	\$95,000
1802	Elevator #2 Cab - Remodel	15	6	\$25,000
1803	Elevator #2 Door & Sills	20	0	\$42,750
1806	Elevator #2 Load Test - 5 Year	5	0	\$2,250
Building C				
150	Roof Patio Deck - Resurface	16	5	\$39,200
151	Roof Patio Deck - Seal/Repair	4	0	\$9,800
151	Walkway Decks - Seal/Repair	4	0	\$9,450
152	Balcony Railings - Replace	30	15	\$14,400
468	Faux Shutters - Replace	25	17	\$6,000
507	Wood Railings - Repair/Replace	5	1	\$9,600
707	Overhead Gate Operator - Replace	15	13	\$2,500
712	Pedestrian Gate - Replace	25	10	\$1,700

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
712 Vehicle Gate - Replace	25	10	\$4,500
732 FOB Access System - Replace	8	3	\$3,000
1302 Flat Roof - Replace	18	17	\$67,800
1800 Elevator #1 - Modernize	25	6	\$225,000
1802 Elevator #1 Cab - Remodel	15	6	\$25,000
1803 Elevator #1 Door & Sills	20	0	\$42,750
1804 Elevator #1 Traction Machine	35	0	\$37,500
1806 Elevator #1 Load Test - 5 Year	5	0	\$2,250
Combined Components			
150 B to C Catwalk Decks - Resurface	16	5	\$9,100
151 B to C Catwalk Decks - Seal/Repair	4	0	\$2,300
370 Exterior Building Lights - Replace	25	10	\$15,400
450 Mailboxes - Replace	25	15	\$4,100
507 B to C Catwalk Railings - Repair	5	0	\$2,200
529 Stairway Stringers - Repair	10	8	\$40,000
601 Stair Tread Carpet - Replace	1	0	\$1,400
605 Exterior Tile Surfaces - Replace	40	20	\$41,800
800 Doors - Replace	5	0	\$3,200
1030 Flower Boxes - Replace	20	10	\$4,800
1407 Resident Address Markers - Replace	20	9	\$10,800
1865 Fire Hoses/Boxes - Replace	10	7	\$3,000
1875 Elevated Structure Evaluation	9	4	\$100,000
Lobby & Recreation Areas			
372 Interior Lights - Replace	20	10	\$3,850
414 Lobby Furnishings - Replace	15	5	\$8,000
601 Rec Areas - Carpet - Replace	10	0	\$6,850
605 Lobby Tile Floor - Replace	40	10	\$12,600
605 Rec Area Tile Floor - Replace	25	10	\$9,000
910 Palmer Room - Remodel	20	9	\$10,000
942 Gym Floor Surface - Replace	15	4	\$5,250
945 Gym Equip (Cardio) - Replace	5	4	\$8,000
946 Gym Equip (Weights) - Replace	15	4	\$5,000
951 Rec. Bathrooms - Major Refurbish	20	10	\$6,000
980 Sauna Room - Refurbish	25	10	\$10,000
982 Sauna Heater - Replace	10	0	\$4,600
Pool Area			
332 Water Heater - Replace	18	16	\$1,500
505 Pool Iron Fence - Replace	24	0	\$7,600
582 Wood Gates - Replace	20	5	\$3,600
951 Pool Bathrooms - Major Refurbish	20	5	\$9,500
955 Pool Shower - Re-tile	25	15	\$2,000
1130 Wood Cover - Repair/Replace	20	0	\$4,500
1200 Pool Deck - Resurface	20	10	\$16,000
1200 Pool Deck - Seal	5	0	\$6,200
1202 Pool - Resurface & Re-tile	12	0	\$12,500
1203 Spa - Re-tile	20	12	\$7,000
1206 Pool Filter - Replace	10	2	\$1,400
1207 Spa Filter - Replace	10	5	\$1,400
1210 Pool Heater - Replace	10	4	\$3,500

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
1211 Spa Heater - Replace	10	2	\$3,500
1213 Pool & Spa Pumps - Replace	3	2	\$4,500
1225 Pool Area Mastic - Replace	4	0	\$1,300
1240 Pool Area Furniture - Replace	8	4	\$5,100
Painting Projects			
1110 Bldg B & C Garages - Repaint	10	9	\$30,000
1110 Lobby/Bathrooms Surfaces - Repaint	10	5	\$1,400
1110 Rac Center Interiors - Repaint	10	0	\$5,500
1113 Metal Surfaces - Repaint	3	1	\$22,200
1115 Bldg A Stucco - Repaint	10	7	\$17,800
1115 Bldg B Stucco - Repaint	10	6	\$25,600
1115 Bldg C Stucco - Repaint	10	5	\$20,700
1118 Beach Wood Stairway - Repaint	4	0	\$2,600
1116 Bldg A Wood Surfaces - Repaint	5	2	\$2,700
1116 Bldg B Wood Surfaces - Repaint	5	2	\$10,650
1116 Bldg C Wood Surfaces - Repaint	5	0	\$14,500
1118 Parking Spaces - Restripe	4	3	\$2,000
Grounds & Miscellaneous			
362 Pole Lights - Replace	20	10	\$2,100
507 Wood Railings - Repair/Replace	5	0	\$1,200
529 Beach Stairway - Repair/Replace	20	10	\$9,000
562 Trash Gates - Replace	20	5	\$4,500
970 Security Monitoring System - Replace	10	5	\$5,000
1003 Irrigation Controllers - Replace	12	6	\$3,500
109 Total Funded Components			

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

30-Year Reserve Plan Starting with Board of Directors 2021 Rate

6367-0

Fiscal Year Start: 1/1/2021	Interest: 1.00 %	Inflation: 3.00 %
Reserve Fund Strength Calculations: (All values of Fiscal Year Start Date)	Projected Reserve Balance Changes	

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Special Assmt Rlek	% Increase In Annual Reserve Contribs.	Reserve Contribs.	Loan or Special Assmts	Interest Income	Reserve Expenses
2021	\$479,236	\$1,241,884	38.6 %	Medium	3.46 %	\$176,000	\$0	\$4,282	\$281,950
2022	\$377,568	\$1,130,328	33.4 %	Medium	5.00 %	\$184,800	\$0	\$4,037	\$136,269
2023	\$430,136	\$1,169,725	36.8 %	Medium	5.00 %	\$194,040	\$0	\$4,446	\$169,267
2024	\$459,355	\$1,180,691	38.9 %	Medium	5.00 %	\$203,742	\$0	\$5,565	\$14,643
2025	\$654,019	\$1,355,756	48.2 %	Medium	5.00 %	\$213,929	\$0	\$6,621	\$203,886
2026	\$670,683	\$1,345,793	49.8 %	Medium	2.50 %	\$219,277	\$0	\$6,795	\$207,916
2027	\$688,839	\$1,336,163	51.6 %	Medium	2.50 %	\$224,759	\$0	\$4,531	\$700,431
2028	\$217,698	\$823,877	26.4 %	High	2.50 %	\$230,378	\$0	\$2,865	\$95,377
2029	\$355,565	\$924,500	38.5 %	Medium	2.50 %	\$236,138	\$0	\$4,119	\$127,310
2030	\$468,511	\$1,000,475	46.8 %	Medium	2.50 %	\$242,041	\$0	\$5,441	\$95,901
2031	\$620,092	\$1,116,462	55.5 %	Medium	2.50 %	\$248,092	\$0	\$6,297	\$234,715
2032	\$639,766	\$1,098,493	58.2 %	Medium	2.50 %	\$254,295	\$0	\$7,474	\$45,818
2033	\$855,716	\$1,280,257	66.8 %	Medium	2.50 %	\$260,652	\$0	\$8,946	\$190,981
2034	\$934,334	\$1,323,837	70.6 %	Low	2.50 %	\$267,168	\$0	\$9,670	\$210,588
2035	\$1,000,585	\$1,354,585	73.9 %	Low	2.50 %	\$273,847	\$0	\$11,256	\$34,033
2036	\$1,251,656	\$1,574,345	79.5 %	Low	2.50 %	\$280,694	\$0	\$13,093	\$177,375
2037	\$1,368,068	\$1,659,481	82.4 %	Low	2.50 %	\$287,711	\$0	\$14,394	\$158,224
2038	\$1,511,948	\$1,773,515	85.3 %	Low	2.50 %	\$294,904	\$0	\$15,511	\$230,820
2039	\$1,591,543	\$1,823,012	87.3 %	Low	2.50 %	\$302,276	\$0	\$17,045	\$91,931
2040	\$1,818,933	\$2,024,071	89.9 %	Low	2.50 %	\$309,833	\$0	\$18,424	\$279,772
2041	\$1,867,418	\$2,044,918	91.3 %	Low	2.50 %	\$317,579	\$0	\$17,143	\$639,454
2042	\$1,562,687	\$1,703,366	91.7 %	Low	2.50 %	\$325,518	\$0	\$15,865	\$292,438
2043	\$1,611,632	\$1,716,666	93.9 %	Low	2.50 %	\$333,656	\$0	\$15,448	\$481,421
2044	\$1,479,315	\$1,543,615	95.8 %	Low	2.50 %	\$341,998	\$0	\$16,319	\$51,708
2045	\$1,785,924	\$1,816,116	98.3 %	Low	2.50 %	\$350,548	\$0	\$19,087	\$122,374
2046	\$2,033,186	\$2,032,390	100.0 %	Low	2.50 %	\$359,312	\$0	\$20,841	\$276,483
2047	\$2,136,855	\$2,105,054	101.5 %	Low	2.50 %	\$368,294	\$0	\$22,712	\$120,338
2048	\$2,407,524	\$2,349,623	102.5 %	Low	2.50 %	\$377,502	\$0	\$25,557	\$104,512
2049	\$2,706,071	\$2,626,990	103.0 %	Low	2.50 %	\$386,939	\$0	\$27,952	\$234,284
2050	\$2,886,678	\$2,788,449	103.5 %	Low	2.50 %	\$396,613	\$0	\$30,068	\$183,812



CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)
10/29/2020

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

PRODUCER Chris Dolkas 800 Avenida Pico Ste Q San Clemente, CA 92673-5625	CONTACT NAME: Chris Dolkas PHONE (A/C, No, Ext): (949) 492-5900 FAX (A/C, No): (949) 492-1532 E-MAIL ADDRESS: chris.dolkas.b8ms@statefarm.com PRODUCER CUSTOMER ID:														
INSURED Reef Gate West Association Inc Attn Tsg Ind Prop Mgmt 27129 Calle Arroyo Ste 1802 San Juan Capo, CA 92675-2718	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> <tr> <td>INSURER A: State Farm General Insurance Company</td> <td style="text-align: center;">25151</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: State Farm General Insurance Company	25151	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A: State Farm General Insurance Company	25151														
INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 REFER TO ACORD 101.

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

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS	
<input checked="" type="checkbox"/>	PROPERTY	92-80-8482-6	10/15/2020	10/15/2021	<input type="checkbox"/> BUILDING	\$	
	CAUSES OF LOSS				DEDUCTIBLES	<input type="checkbox"/> PERSONAL PROPERTY	\$
	<input type="checkbox"/> BASIC				BUILDING	<input type="checkbox"/> BUSINESS INCOME	\$ SEE ACORD 101
	<input type="checkbox"/> BROAD				\$10,000	<input type="checkbox"/> EXTRA EXPENSE	\$ SEE ACORD 101
	<input checked="" type="checkbox"/> SPECIAL				CONTENTS	<input type="checkbox"/> RENTAL VALUE	\$ SEE ACORD 101
	<input type="checkbox"/> EARTHQUAKE					<input checked="" type="checkbox"/> BLANKET BUILDING	\$ 35,186,900
	<input type="checkbox"/> WIND					<input type="checkbox"/> BLANKET PERS PROP	\$
	<input type="checkbox"/> FLOOD					<input type="checkbox"/> BLANKET BLDG & PP	\$
<input type="checkbox"/>	INLAND MARINE	TYPE OF POLICY				\$	
	CAUSES OF LOSS	POLICY NUMBER				\$	
	<input type="checkbox"/> NAMED PERILS					\$	
<input type="checkbox"/>	CRIME					\$	
	TYPE OF POLICY					\$	
<input type="checkbox"/>	BOILER & MACHINERY / EQUIPMENT BREAKDOWN					\$	
						\$	

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 REFER TO ACORD 101.

CERTIFICATE HOLDER TSG Independent Property Manag 27129 Calle Arroyo Ste 1802 San Juan Capo, CA 92675-2718	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE IF SIGNATURE IS REQUIRED, PLEASE CONTACT AGENT.
----------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

AGENCY CUSTOMER ID: _____

LOC #: _____



ADDITIONAL REMARKS SCHEDULE

AGENCY Chris Dolkas		NAMED INSURED Reef Gate West Association Inc	
POLICY NUMBER 92-80-8482-6			
CARRIER State Farm General Insurance Company	NAIC CODE 25151	EFFECTIVE DATE: 10/15/2020	

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 24 FORM TITLE: Certificate of Property Insurance

Unit Owner:

Unknown - 423 Avenida Granada - San Clemente, - CA - 92672-5287 - Unit Loan Number:none - Number Of Units: 0072

Association Type: Residential Community Association Policy

Forms, Options and Endorsements:

CMP-4101 Businessowners Coverage Form
 CMP-4864 Building Ordinance Or Law Cov
 FE-6999.2 Terrorism Insurance Cov Notice
 CMP-4710 Emp Dishonesty \$50,000
 CMP-4705.2 Loss of Income & Extra Expense
 CMP-4261 Amendatory Endorsement

Forms, Options and Endorsements:

CMP-4814 Dir & Officers \$5,000,000
 CMP-4828 Extra Replacement Cost
 CMP-4696 Residential Community Assoc
 CMP-4508 Money and Securities
 CMP-4260.1 Amendatory Endorsement-Ca

Coverages:

Business Liability \$5,000,000
 Medical Payments \$10,000
 Products-Completed Operations \$10,000,000
 General Aggregate \$10,000,000

Companion Policies:

92GQC4423 Workers Compensation

Coverage

Unless otherwise endorsed, this policy provides replacement cost coverage on described property and common areas detailed within the Association bylaws including the following types of property within a unit, regardless of ownership:

1. Fixtures, improvements and alterations that are a part of the building or structure; and
2. Appliances such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping.

Replacement cost coverage is subject to the terms and conditions of the policy and any endorsements.

Coverage under this policy may have been modified to provide actual cash value coverage rather than replacement cost coverage, or to remove specified property from coverage, if any endorsement containing in its title "ACV" or "Actual Cash Value," or "Additional Property Not Covered" is identified on this Certificate of Insurance.

Endorsements: FE-3650, FE-3653, FE-3658, and FE-3659 (Actual Cash Value) - These endorsements describe what the term "actual cash value" means where used in the policy. **However, these endorsements do not change any replacement cost coverage provided by the policy.**

This policy provides coverage on a standalone/individual condominium association.

Commercial General Liability

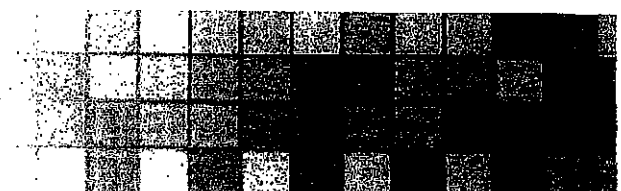
State Farm refers to this coverage as Business Liability Coverage. Coverage amount shown is Per Occurrence.

Loss of Rents, Loss of Income and Extra Expense

If this coverage is shown, limits are "Actual Loss Sustained". Contact the agent to confirm the number of day's coverage.



Risk Insurance Brokers



Quote

December 19, 2019
Dennis Byrne
M.J. Hall & Company
Re: Reef Gate West Association, Inc. c/o TSG Property Management
Expiring Policy Number(s): XHO 2161850 13 ICW

We are pleased to offer this quote for coverage with Insurance Company of the West, A LICENSED, ADMITTED CARRIER.

Please review carefully. This quote outlines the coverages, limits of insurance, forms and conditions offered by Risk Insurance Brokers. This quote does not indicate all exclusions, terms, and conditions. Coverages, terms and conditions offered herein may be different than those requested in your submission. Any policy coverages, limits of insurance, policy endorsements, coverage specifications or other terms and conditions that you have requested that are not included in this quote have not been agreed to by Risk Insurance Brokers.

This quote is valid until January 15, 2020.

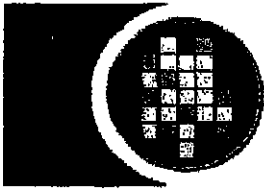
Policy Period Annual

Location(s) Covered 423 Avenida Granada, A, San Clemente, CA 92672
423 Avenida Granada, B, San Clemente, CA 92672
423 Avenida Granada, C, San Clemente, CA 92672

Limits Limit of Insurance, any one loss occurrence: \$16,202,850
In no event will our liability exceed this limit for any one loss occurrence, regardless of the number of coverages, causes of loss or locations involved, and regardless of any additional coverages provided under this policy.
Limit of Insurance, as respects Earthquake: \$16,202,850
Limit of Insurance, as respects Flood: Not Covered
Limit of Insurance, All Other Covered Perils: \$16,202,850
This policy will not pay more than the Limit of Insurance for the Causes of Loss listed above during the Policy Period, regardless of the number of loss occurrences.

Sublimits Building Ordinance Coverage A + B + C Sublimit \$1,573,425
Underground Utilities \$393,356





Risk Insurance Brokers

Quote

Reef Gate West Association, Inc. c/o TSG Property Management

Coverage Building, Contents, Time Element, Homeowners Association Fees, Ordinance or Law Coverage

Causes of Loss DIC Including EQ

Valuation 100% Replacement Cost (RC)
Time Element: Actual Loss Sustained

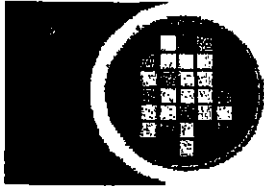
Deductibles **Earthquake:** 10.00% of the scheduled values per unit, subject to \$50,000 minimum per occurrence.
All Other Perils: \$25,000 per occurrence.

Premium \$14,880
Based on TIV of \$16,202,850

\$2,102 Additional Premium for Certified Acts of Terrorism as provided by the Terrorism Risk Insurance Program Reauthorization Act as amended, excluding nuclear, biological and chemical terrorism.

TRIPRA Disclosure is attached. Please forward to applicant.

Minimum Retained Premium 25%



Risk Insurance Brokers

Quote

Reef Gate West Association, Inc. c/o TSG Property Management

The following terms and conditions apply to all options presented in this quote.

Forms Difference In Conditions Coverage UND 1211
 Homeowners Association Coverage Extension UND 1217
 Ordinance Or Law Coverage UND 1227
 State Changes

Conditions Warrant all risk underlying policy.
 Warrant no soft story/tuck-under parking.
 Mid-term cancellations requested by the insured will be calculated with short-rate penalty.
 Warrant no prior losses to covered perils in last 5 years, unless previously reported.
 New locations added or existing locations deleted mid-term will be subject to risk modeling and
 additional or returned premium will be calculated per the modeling results, not necessarily the
 account rate.
 Quote cannot be bound without underwriter's consent.
 If TRIPRA coverage is requested by this insured for properties and causes of loss covered by this
 policy, this insured must also purchase TRIPRA coverage on the All Risk policy covering the same
 properties.



Reef Gate West Association, Inc.
ANNUAL POLICY STATEMENT

This annual policy statement is provided to you in accordance with the requirements of California Civil Code Section §5310.

1. The name and address of the persons designated to receive official communications to the Association is TSG Independent Property Management, Inc. Your manager is George Gustave. The Association's mailing address for overnight payment of assessment is 27129 Calle Arroyo, Suite 1802, San Juan Capistrano, CA 92675.
2. Association members may submit a request to the Association to have the Association's annual budget report, review of the Association's financial statement, the Association's financial statement, the Association's annual policy statement, requests for assessment payments made by the member, pre-lien notices (as described in Civil Code §5660), copy of a recorded notice of delinquent assessment, and notice of default, sent to up to two (2) different addresses. Such request must be delivered to the Association by email at general@tsgindependent.com or fax at (949) 481-0556.
3. General notices from the Association to the members will be available at the following location in the community: Posted at the mailboxes and notices in monthly statements.
4. Association members can arrange to have all general notice items provided to them by individual delivery by submitting a written request to the Association by email to general@tsgindependent.com.
5. Association members may receive copies of minutes, proposed minutes, or summary minutes of general session meetings of the Association's board of directors by submitting a written request to the person identified in Item 1 above at the address specified in Item 1 or by email at general@tsgindependent.com or fax at (949) 481-0556. Such minutes, proposed minutes, or summary minutes will be available no later than thirty (30) days after the meeting.
6. The Association's policies and practices in enforcing lien rights or other legal remedies for default in payment of assessments are attached.
7. A summary of dispute resolution procedures is attached.
8. A summary of the Association's requirements for approval of physical changes to property is attached.

TSG Independent Property Management, Inc.

27129 Calle Arroyo, Suite 1802
San Juan Capistrano, CA 92675

Phone 949.481.0555 Fax 949.481.0556 general@tsgindependent.com www.tsgindependent.com

RULES ENFORCEMENT POLICY – SUMMARY ATTACHED

The Association may impose monetary penalties, suspend privileges and/or take legal action for violation of the Association's governing documents. Please read the attached documents for more information.

PAYMENTS

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

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

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

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

PAYMENT PLANS

An owner may request the Association to consider a payment plan to satisfy a delinquent assessment. The Association must inform the owners of the standards for payment plans, if they exist. (Section § 5665 of the Civil Code)

The Board of Directors must meet with an owner who makes a proper, written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment.

TSG Independent Property Management, Inc.

27129 Calle Arroyo, Suite 1802

San Juan Capistrano, CA 92675

Phone 949.481.0555 Fax 949.481.0556 general@tsgindependent.com www.tsgindependent.com

ASSESSMENT AND FORECLOSURE POLICY

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 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 §5730, the following are the Association's assessment practices and policies:

1. Regular monthly assessments are due and payable on the first day of each month. A courtesy billing statement is sent each month to the 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 receipt of a statement. 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.
2. Assessments, late charges, interest, and collection costs, including attorneys' fees are the personal obligation of the owner of the property at the time the assessment or other sums are levied (CC §5740).
3. Assessments not received within fifteen (15) days of the stated due date are delinquent and shall be subject to a late charge of ten dollars (\$10.00) OR 10% of the monthly dues for each delinquent assessment per unit.
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 an agreement providing for payments to be applied in a different manner.
5. A first notice of past due assessment will be prepared and mailed on assessments not received within sixty (60) days of the stated due date. Subject to the provisions of the governing documents, an interest charge at the rate of 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 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 seventy five (75) days of the stated due date, 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 § 5650(a) and 5660 by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a One Hundred Sixty Dollar (\$160.00) fee for the pre-lien letter.
8. If an owner fails to pay the amounts set forth in the pre-lien letter within forty-five (45) days of the date of that letter, the Association will authorize their collection attorney to record a lien for the amount of any delinquent assessments, late charges, interest, and/or costs of preparing and recording the lien. Thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including without limitation, judicial or non-judicial foreclosure (CC § 5740; CC § 5700[a]), subject to the limitations set forth below under "Additional Provisions to Conform to Law" and as otherwise provided by law.

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.

9. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code § 8333.
10. In the event 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.
11. Any owner who is unable to pay assessments will be entitled to make a written request for payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.
12. 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.
13. 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.
14. All charges listed herein are subject to change upon thirty (30) days prior written notice.
15. An owner is entitled to submit secondary addresses to the Association for the purposes of collection notices. Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the Association will send additional copies of any notices required by Civil Code §5650-5690 to the secondary address provided.

Additional Provisions to Conform to Law

Prior to the recording of a lien, homeowners that are delinquent will be sent a pre-lien letter. The pre-lien letter will include an offer by the Association to engage in Internal Dispute Resolution upon receipt of a written request within forty-five (45) days of the pre-lien letter, pursuant to the Association's meet and confer program required by Civil Code § 5925-5965, et seq. and will also offer to engage in formal Alternative Dispute Resolution with a neutral third party pursuant to Civil Code § 5925, et seq. Prior to recording of a lien, the Board of Directors will approve the recording of the lien in open session at a meeting of the Board without identification of the name of the individual. The Association may not foreclose unless delinquent assessments are greater than \$1,800.00 or greater than one year in arrears.

Prior to commencing foreclosure, the Association will offer to engage in Internal Dispute Resolution upon receipt of a written request within thirty (30) days of the offer of such Internal Dispute Resolution, pursuant to the Association's meet and confer program required by Civil Code §5900, et seq. and will also offer to engage in formal Alternative Dispute Resolution with a neutral third party pursuant to Civil Code §5925, et seq. Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in open session at a meeting of the board without identification of the name of the individual. All foreclosures shall be subject to a ninety (90) day right of redemption.

In addition to the above, if a matter is sent to counsel for legal action, or to a collection service for foreclosure or other action, the owner will be responsible for any attorneys' fees and costs incurred by such action.

The mailing address for overnight payment of assessments is:

REEFGATE WEST HOMEOWNER ASSOCIATION

c/o: TSG Independent Property Management, Inc.

27129 Calle Arroyo, Suite 1802

San Juan Capistrano, CA 92675

SECTION 2: ENFORCEMENT OF THE RULES

The Association has the right and the duty to enforce the governing documents. When an owner, a member of the owner's family, an owner's guest, an owner's tenant, or an owner's contractor violates a rule, the Association Management will notify the person violating the rule and request that the violation be cured. When appropriate, the notice will be in writing, but under certain circumstances, the notice may be verbal and will have the same effect as a written notice.

When the board of directors is to meet to consider or impose discipline upon a member, the board shall notify the member in writing by either personal delivery or first-class mail, at least 15 days prior to the meeting. The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which the member may be disciplined, and a statement that the member has a right to attend and may address the board at the meeting. If the board imposes discipline on a member, the board shall provide a notification of the disciplinary action by either person delivery or first-class mail to the member with 10 days following the action. A disciplinary action shall not be effective against a member unless the board fulfills the requirement of this subdivision. (California Civil Code Section #1363(h).)

Monetary penalties are imposed upon the owner of the unit even if the violation is incurred by a member of the owner's family, a guest, a tenant, or a contractor. Failure to pay a fine imposed by the Board of Directors for a violation of the governing documents or Association rules may result in legal action against the responsible owner.

The amount of the monetary penalty that the board may impose varies with the seriousness of the violation. Violations that endanger the health of occupants or could damage the common area are subject to higher penalties. Repetitive violations may also result in higher penalties. The Board of Directors has established the following minimum fines:

1. Use of fireworks in the complex **\$ 100.00**
2. Using another unit's parking space without permission **\$ 100.00**
3. Burning material other than natural gas in fireplace or propane/natural gas on patios **\$1,000.00**
4. Renting a unit for less than 28 contiguous days **\$ 500.00**
5. Repeat violations of the same rule double the previous fine.
6. Violation of rules by contractors: (These fines will be assessed to the unit owner employing the contractor and do not apply to emergency repairs.)
 - a. Working on Saturdays, Sundays or legal holidays **\$ 100.00**
 - b. On the premises before 8:30 AM **\$ 100.00**
 - c. Performing work before 9:00 AM or after 6:00 PM **\$ 100.00**
 - d. Failure to cleanup hallways, stairs, elevators **\$ 100.00**
7. Starting a remodel/unit improvement project prior to obtaining Board approval **\$500.00**
8. Unit rental without providing rental information outlined in Section 12 **\$250.00**

Failure to pay a fine imposed by the Board of Directors for a violation of the governing documents or Association rules may result in legal action against the responsible owner.

ALTERNATIVE DISPUTE RESOLUTION
Summary of Civil Code 5925 to 5965

Sections 5925 to 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 associations 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 non-binding 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 to 5965.

If the individual 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 to 5965. Failing to do so would be grounds for challenging the lawsuit.

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

A description of the Associations internal dispute resolution process, as required by Civil Code Section 5920, is attached.

NOTE: Failure of any member of the association to comply with the alternative dispute resolution requirements of Civil Code 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.

INTERNAL DISPUTE RESOLUTION
Summary of Civil Code 5900 to 5915

Sections 5900 to 5915 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 associations governing documents, either party to a dispute may invoke the following Internal Dispute Resolution (IDR) subject to the following procedures:

- 1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- 2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
- 3) The association's board of directors shall designate a member of the board to meet and confer.
- 4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- 5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

(c) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

- 1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- 2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

(d) A member of the association may not be charged a fee to participate in the process.



ARCHITECTURAL PROCEDURES

1. Our CC&R's specifically require an owner to fill out an ACC (Architectural Control Request Form) and send it to the Board for review prior to the start of any work. Only exception to this is for carpeting and internal painting or basic maintenance items in their unit (plumbing repair, minor electrical repair, etc). No work can start without the Boards approval.
2. All work, except tile or hardwood installation, requires a City permit prior to performing any work and a final inspection sign off from the City must be sent to management.
3. All contractors must be licensed and insured to work at the facility. Copies of both are required prior to approval and start of the work.
4. The ACC form must contain a detail explanation and/or a blueprint plan of the work to be done. The target for response back to the homeowner is one week. The form requires us to know who the contractor is and the details in item #3.
5. If the work is approved, the Board will send the signed form with a list of requirements for working on the property as well as for the construction side of the remodel. The owner then agrees to the requirements and takes our form to the City for permits. The city should never issue permits w/o our approval on the ACC form. The list of requirements is where you control the contractors, i.e., work hours, parking, dumpsters, cleanliness, etc. The owner agrees to these and is ultimately responsible to the HOA to ensure their contractor has a copy and follows them. The City permit must be placed in the exterior walkway window from the beginning of work. The Board will advise neighbors on each side as well ASAP and down that this work has been approved so they will be aware of the noise levels and hours of work, etc. We also collect a \$500 security deposit from the owner which we will refund upon satisfactory completion of the work and adherence to the rules and requirements during the process. We also require a copy of the City signed off inspection report before we return the deposit.
6. Our onsite contractor, Jim Flores and one of the Board members will periodically stop by the unit to insure all the requirements are being adhered to and that they are doing what they said in the ACC form. Any issues, we go back to the owner. We also have a final walkthrough before returning the deposit. Oh yes, one other thing; when the walls are opening exposing the plumbing, we have our contracted plumber come in and check the pipes for any cracked drain lines, etc as a precaution before things get closed up. He knows our plumbing and where to look for any problems. Repairs, if necessary, are done at our expense, i.e. cracked drain line, etc.
7. Depending on timing, the Board of Directors may ask the owner and/or contractor making the application, to NOT start a remodel beginning June 15th and until after Labor Day Weekend, due to the disruption of the community during this timeframe, as summer is a busy period at the beach.

SECURITY DISCLAIMER

We hope that our gate entry system provides some deterrence to crime. However, no matter what steps we take, the association can never be completely safe and secure. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their own neighbors, for guests of residents to commit crimes, and for employees to commit crimes. As a result, the association is not and can never be free of crime and we cannot guarantee your safety or security. Accordingly, you should NOT rely on the association to protect you from loss or harm. Instead, you should provide for your own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; refusing to open your door to strangers; asking workmen for identification; installing a security system; locking your car; not allowing someone to follow you through the gate, etc.

FHA CERTIFICATION DISCLOSURE

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

This common interest development is a condominium project. The association of this common interest development **IS NOT CURRENTLY CERTIFIED** by the Federal Housing Department. *This information is current as of October 2020.*

Per Civil Code §5320(b), *"if a member has requested to receive all reports in full, the association shall deliver the full report to that member, rather than a summary of the report."*

FHA Status can be checked online at U.S. Department of Housing and Urban Development website at <https://entp.hud.gov/idapp/html/condlook.cfm>.

VA CERTIFICATION DISCLOSURE

Certification by the United States 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 a condominium project. The association of this common interest development **IS NOT CURRENTLY CERTIFIED** by the United States Department of Veterans Affairs. *This information is current as of October 2020.*

Per Civil Code §5320(b), *"if a member has requested to receive all reports in full, the association shall deliver the full report to that member, rather than a summary of the report."*

VA Status can be checked at the Department of Veterans Affairs website at <http://www.index.va.gov/search/va/index.jsp>.

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**2021 FISCAL YEAR
REEF GATE HOMEOWNERS ASSOCIATION**

ANNUAL REQUEST OF ADDRESS, REPRESENTATIVE AND RENTAL STATUS

Civil Code, Section 4041 requires each homeowner to provide the Association with the following information on an annual basis. Please complete this form in full and return it to the address below or via email to general@tsgindependent.com or use the return envelope with your monthly dues, within thirty (30) days:

1. Name of Homeowner(s):

2. Property Address within the Association:

3. The address to which notices from the Association are to be delivered:

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

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

Owner Occupied Rented Vacant Undeveloped Land

Additional Contact Information to be used should an issue arise within the Association (Optional):

Homeowner Phone Number: _____

Cell Phone: _____

Email Address: _____

Note: If an Owner fails to provide the information above, the property address will be deemed the address to which notices are to be delivered.

TSG Independent Property Management, Inc.

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San Juan Capistrano, CA 92675

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