

TALEGA GALLERY COMMUNITY ASSOCIATION
SEAGARDEN COST CENTER
Annual Budget Report: Cover Letter
Fiscal Year: April 1, 2021-March 31, 2022

February 2, 2021

RE: Annual Budget Report and Annual Policy Statement

Dear Seagarden Cost Center Member:

Enclosed are copies of the Annual Budget Report and Annual Policy Statement for the fiscal year of **April 1, 2021-March 31, 2022**. This information is required to be distributed to each association member in accordance with California Civil Code §§ 5300 and 5310.

Effective April 1, 2021, the monthly assessment will increase from \$87.60 to \$105.00 per unit, per month.

- *If you are set up on automated payments via Seabreeze Management Company's ACH program, the increase will be automatically adjusted.*
- *If you are set up on an auto-payment schedule through your own bank or on your credit card through an automatic deduction system, please be sure to advise the appropriate banking institution of the rate increase that is to take place effective **April 1, 2021**.*

The Association must provide for reserve funds to maintain, repair or replace major components identified in a reserve study, which is mandated by California law. The current assessment program in the budget does provide funding for reserves. A reserve study has been completed and is available for review upon request; however, a summary of the study is enclosed.

Last year, the Association's reserve study reflected the following items for repair and/or replacement this year, but these items have not been completed yet for the reasons noted below:

Reserve Component	Reason for Deferral
Garage Door – Painting	Determined to be in working order- to be reviewed annually

The Association does not currently have any outstanding loans and did not borrow from reserves.

As of the last board meeting, the Board of Directors does not anticipate the need to levy a special assessment to repair, replace or restore any major component or provide adequate reserves during the next fiscal year.

At the end of the fiscal year: (a) the estimate of cash reserves necessary is \$74,790.00 (b) the amount of actual accumulated reserves is estimated to be \$39,000.00 which equaled 52.15% of actual cash reserves set aside in relation to the estimate of reserves necessary to repair, replace, restore, or maintain the major components.

Please note that minutes of the general meetings are available to members within thirty (30) days of each meeting at the expense of the homeowner by making a written request to Seabreeze Management Company Inc.

The following 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 person designated to receive official communications to the Association: Lauren Donovan, Talega Gallery Community Association (Seagarden Cost Center), c/o Seabreeze Management, 26840 Aliso Viejo Parkway, Suite #100, Aliso Viejo, CA 92656.

The Association's mailing address for overnight payment of assessment is:

Talega Gallery Community Association
c/o Seabreeze Management
26840 Aliso Viejo Parkway, Suite #100
Aliso Viejo, CA 92656

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 annual policy statement, requests for assessment payments made by the member, pre-lien notices (as described in Civil Code Section 5660), copy of a recorded notice of delinquent assessment, and notice of default, sent to up to two (2) different specified addresses. Such request must be delivered to the Association by e-mail at customer-care@seabreezemgmt.com or fax at (949) 855-6678.
3. General notices from the Association to the members will be posted at the following location(s) in the community: The Gallery Clubhouse Bulletin Board.
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 e-mail at customer-care@seabreezemgmt.com or fax at (949) 855-6678.
5. Association members may receive copies of minutes, proposed minutes, or summary minutes of meetings of the Association's board of directors (other

- than meetings held in executive session) by submitting a written request to the person identified in Item 1 above at the address specified in Item 1, or by e-mail at customercare@seabreezemgmt.com or fax at (949) 855-6678. 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 hereto.
 7. The Association's discipline policy and schedule of penalties for violations of the Association's governing documents are attached hereto.
 8. A summary of dispute resolution procedures is attached hereto.
 9. A summary of the Association's requirements for approval of physical changes to property is attached hereto.

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

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

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

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

statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

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

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

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

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

MEETINGS AND PAYMENT PLANS

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

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

Budget Summary Report
Seagarden (Talega Gallery Cost Center)
Budget 2021-2022 - 41 units

	2021 Budget	2022 Budget	2022 Monthly Budget
Income			
5010 - Regular Assessments	43,099.00	51,660.00	4,305.00
5031 - Interest Income-Reserve	600.00	6.00	0.50
Total Income	43,699.00	51,666.00	4,305.50
Total Sea Garden (Talega Gallery) Income	43,699.00	51,666.00	4,305.50
Administration Expenses			
6010 - Audit & Tax Preparation	660.00	708.00	59.00
6015 - Reserve Study	540.00	708.00	59.00
Total Administration Expenses	1,200.00	1,416.00	118.00
Repairs & Maintenance			
7520 - General Maintenance	5,599.00	7,200.00	600.00
Total Repairs & Maintenance	5,599.00	7,200.00	600.00
Utilities Expenses			
6700 - Water - Sprinkler System	6,000.00	6,498.00	541.50
6705 - Electric - Sprinkler System	1,200.00	1,302.00	108.50
Total Utilities Expenses	7,200.00	7,800.00	650.00
Insurance Expenses			
6800 - Insurance Master Policy	10,500.00	10,188.00	849.00
Total Insurance Expenses	10,500.00	10,188.00	849.00
Reserves Contribution			
9010 - General Reserves	18,600.00	25,056.00	2,088.00
9495 - Reserve Interest	600.00	6.00	0.50
Total Reserves Contribution	19,200.00	25,062.00	2,088.50
Total Sea Garden (Talega Gallery) Expense	43,699.00	51,666.00	4,305.50
Total Association Net Income / (Loss)	0.00	0.00	0.00

Talega Gallery Community Assn - Seagarden CC

Executive Summary

Directed Cash Flow Calculation Method

Client Information:

Account Number	12326
Version Number	1
Analysis Date	11/24/2020
Fiscal Year	4/1/2021 to 3/31/2022
Number of Units	41
Phasing	4 of 4

Global Parameters:

Inflation Rate	2.00 %
Annual Contribution Increase	1.20 %
Investment Rate	0.20 %
Taxes on Investments	34.00 %
Contingency	0.00 %

Community Profile:

The funding plan contained in this reserve analysis was developed based on the association's direction and data (costs, lives, condition, etc.) of many of the reserve components contained herein. The funding level calculated by our firm is significantly dependant on this data/input, therefore this analysis was prepared to accommodate the association's objective and does not necessarily represent the recommendation of Advanced Reserve Solutions, Inc.

For budgeting purposes, unless otherwise indicated, we have used April 2002 as the average placed-in-service date for aging the original components included in this analysis.

At the request of the association, we have not provided for a contingency in this analysis.

ARS site visits conducted: December 6, 2018, October 2, 2015, September 24, 2012, September 29, 2009, October 11, 2006 & November 18, 2003

Adequacy of Reserves as of April 1, 2021:

Anticipated Reserve Balance	\$39,000.00
Fully Funded Reserve Balance	\$74,790.00
Percent Funded	52.15%

Recommended Funding for the 2021-2022 Fiscal Year:	Annual	Monthly	Per Unit Per Month
Member Contribution	\$25,056	\$2,088.00	\$50.93
Interest Contribution	\$30	\$2.49	\$0.06
Total Contribution	\$25,086	\$2,090.49	\$50.99

Talega Gallery Community Assn - Seagarden CC
Membership Disclosure Summary
Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
020 Roofs	\$12,000	\$12,000	0	2
030 Painting	\$88,810	\$21,720	0-5	2-13
080 Buildings	\$2,000	\$2,000	0	4
100 Termite	\$3,280	\$3,280	0	1
Contingency	n.a.	\$0	n.a.	n.a.
Total	\$106,090	\$39,000	0-5	1-13

Talega Gallery Community Assn - Seagarden CC
Projections
Directed Cash Flow Calculation Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenditures	Ending Balance	Fully Funded Ending Balance	Percent Funded
2021-2022	\$39,000	\$25,056	\$30	\$27,840	\$36,246	\$68,513	53%
2022-2023	\$36,246	\$25,357	\$59	\$3,346	\$58,316	\$87,508	67%
2023-2024	\$58,316	\$25,661	\$63	\$22,722	\$61,317	\$87,539	70%
2024-2025	\$61,317	\$25,969	\$92	\$3,481	\$83,897	\$107,626	78%
2025-2026	\$83,897	\$26,281	\$90	\$27,970	\$82,297	\$103,574	79%
2026-2027	\$82,297	\$26,596	\$3	\$92,224	\$16,672	\$34,077	49%
2027-2028	\$16,672	\$26,915	\$6	\$24,595	\$18,998	\$32,621	58%
2028-2029	\$18,998	\$27,238	\$37	\$3,768	\$42,505	\$52,839	80%
2029-2030	\$42,505	\$27,565	\$33	\$30,276	\$39,827	\$46,892	85%
2030-2031	\$39,827	\$27,896	\$64	\$3,920	\$63,867	\$68,186	94%
2031-2032	\$63,867	\$28,230	\$63	\$29,061	\$63,099	\$64,749	97%
2032-2033	\$63,099	\$28,569	\$95	\$4,078	\$87,686	\$87,223	101%
2033-2034	\$87,686	\$28,912	\$90	\$32,771	\$83,916	\$81,386	103%
2034-2035	\$83,916	\$29,259	\$123	\$4,243	\$109,055	\$105,048	104%
2035-2036	\$109,055	\$29,610	\$124	\$28,817	\$109,972	\$104,644	105%
2036-2037	\$109,972	\$29,965	\$154	\$7,106	\$132,985	\$126,916	105%
2037-2038	\$132,985	\$30,325	\$147	\$35,473	\$127,984	\$121,248	106%
2038-2039	\$127,984	\$30,689	\$182	\$4,593	\$154,262	\$147,524	105%
2039-2040	\$154,262	\$31,057	\$34	\$142,953	\$42,399	\$33,768	126%
2040-2041	\$42,399	\$31,430	\$69	\$4,778	\$69,119	\$59,257	117%
2041-2042	\$69,119	\$31,807	\$56	\$41,369	\$59,614	\$48,528	123%
2042-2043	\$59,614	\$32,189	\$92	\$4,971	\$86,922	\$75,315	115%
2043-2044	\$86,922	\$32,575	\$90	\$33,764	\$85,823	\$73,887	116%
2044-2045	\$85,823	\$32,966	\$126	\$5,172	\$113,743	\$102,225	111%
2045-2046	\$113,743	\$33,361	\$116	\$41,562	\$105,658	\$94,654	112%
2046-2047	\$105,658	\$33,762	\$149	\$8,662	\$130,906	\$121,145	108%
2047-2048	\$130,906	\$34,167	\$145	\$36,547	\$128,671	\$120,392	107%
2048-2049	\$128,671	\$34,577	\$183	\$5,599	\$157,832	\$151,874	104%
2049-2050	\$157,832	\$34,992	\$170	\$44,988	\$148,006	\$144,503	102%
2050-2051	\$148,006	\$35,412	\$209	\$5,825	\$177,802	\$177,642	100%

NOTE: In some cases, the projected Ending Balance may exceed the Fully Funded Ending Balance in years following high Expenditures. This is a result of the provision for contingency in this analysis, which in these projections is never expended. The contingency is continually adjusted according to need and any excess is redistributed among all components included.

Talega Gallery Community Assn – Seagarden CC
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 3/31/22
 (“Disclosure Summary”)

The notes at the end of this Disclosure Summary should be read in conjunction with the information provided.

(1) The regular assessment for the 2021-22 fiscal year per ownership interest is \$105.00 per month.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the association’s Board of Directors (the “Board”) and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (If assessments are variable, see note immediately below):	Purpose of the assessment:
N.A.		

Total: _____

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

(3) Based upon the most recent reserve study, dated 11/24/20, and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X No _____

(4) If the answer to #3 is “no,” what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not been approved by the Board or the members?

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N.A.	

Total: _____

Talega Gallery Community Assn – Seagarden CC
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending 3/31/22
 (“Disclosure Summary”)

(5) All major components are included in the reserve study and are included in its calculations. However, the following major assets are excluded from the reserve study calculations for the following reasons:

Major asset:	Reason this major asset was not included:
Wood Trim Replacement	Indeterminate Life and Cost
Lighting – Units	Responsibility of homeowner
Utility Doors	Requested by association
Gutters & Downspouts	Requested by association

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$74,790**, based in whole or in part on the last reserve study or update prepared by Advanced Reserve Solutions, Inc. as of **4/1/21**. The projected reserve fund cash balance at the end of the current fiscal year is **\$39,000**, resulting in reserves being **52.15%** funded at this date. The current deficiency in the reserve fund represents **\$873** per ownership interest.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, a reserve funding plan has been developed – see the attached projections. The assumed long-term before-tax interest rate earned on reserve funds is **.2%** per year and the assumed long-term inflation rate applied to major component repair and replacement costs is **2%** per year. Full reserve study available upon request.

NOTES:

(A) The financial representations set forth in this summary are based on the best estimates of the preparer and the Board at that time. The estimates are subject to change. (B) For the purposes of understanding this Disclosure Summary: (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement. (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in the study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary. (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided. (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund reserves in accordance with this calculation. (5) Based on reserve studies or the occurrence of one or more unanticipated events, the Board could increase regular assessments and/or levy special assessments, consistent with the provisions of the CC&Rs and applicable law, to fund additional reserves as it deems necessary. For example, the information contained in this Disclosure Summary includes (i) estimates of replacement value and life expectancies of the components and (ii) assumptions regarding future events. Estimates are projections of a future event based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from this report and summary and the variation may be significant. Additionally, inflation and other economic events may impact this report and summary, particularly over an extended period of time (such as thirty (30) years) and those events could have a significant and negative impact on the accuracy of this Disclosure Summary and, further, the funds available to meet the association's obligation for repair and/or replacement of major components during their estimated useful life.

TALEGA GALLERY COMMUNITY ASSOCIATION COLLECTION PROCEDURES

Prompt payment of Assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&Rs and Civil Code Section 5310(a), the following are the Association's assessment practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 5650(a)).
2. Regular monthly assessments are due and payable on the first day of each month. 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 whether a statement is received.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within fifteen (15) days of the stated due date are late and shall be subject to a late charge of ten dollars (\$10.00).
5. 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 accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
6. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
7. If an assessment is not received within forty-five (45) days after the assessment becomes due, the Association or its designee, will send a pre-lien letter to the owner as required by Civil Code Section 5660 by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account, impending collection action and the owner's right to request that the Association participate in some form of internal dispute resolution process ("IDR"). The owner will be charged a fee for the pre-lien letter. Notwithstanding the provisions of this paragraph, the Association may (i) send a pre-lien letter to a delinquent owner at any time when there is an open escrow involving the Owner's Unit/Lot, and/or (ii) issue a pre-lien letter immediately if any special assessment becomes delinquent.

TALEGA GALLERY COMMUNITY ASSOCIATION COLLECTION PROCEDURES

8. If an owner fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within thirty (30) days of the date of the pre-lien letter, the Board shall decide, by majority vote in an open meeting, whether to authorize the Management Company or the collection attorney to record a lien for the amount of any delinquent assessments, late charges, interest and /or costs of collection, including attorneys' fees, against the owner's property. The owner will be charged for the fees and costs of preparing and recording the lien. The lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Civil Code Section 5700(a)).

9. Once the matter has been transferred to the collection attorney, the collection attorney may be authorized to commence a non-judicial foreclosure action to enforce the lien if and/or when thirty (30) days has passed since the lien was recorded and either (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more than twelve (12) months. You could lose ownership of your property if a foreclosure action is completed. You will be responsible for significant additional fees and costs if a foreclosure action is commenced against your property.

10. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on the recorded lien, the Association shall offer delinquent homeowners the option to participate in IDR or Alternative Dispute Resolution ("ADR").

11. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.

12. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interest, and costs of collection associated with collection of those assessments.

13. An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the collection attorney for delivery to the association pursuant to Article 2 (commencing with Section 5900) of Chapter 10 of the Civil Code.

14. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 of the Civil Code before the Association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

TALEGA GALLERY COMMUNITY ASSOCIATION COLLECTION PROCEDURES

15. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to the collection attorney to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.

16. 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.

17. 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.

18. The Association shall charge the owner a Twenty-Five Dollar (\$25.00) fee for the first check tendered to the Association that is returned unpaid by the owner's bank and Thirty-Five Dollars (\$35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, the Association may also seek to recover damages of at least One Hundred Dollars (\$100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars (\$1,500.00) pursuant to Civil Code Section 1719.

19. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. The owner's request shall be in writing and shall be mailed to the Association in a way that shall indicate that the Association has received it. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.

20. All charges listed herein are subject to change upon thirty (30) days' prior written notice.

21. Until the owner has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's right to vote, and suspend the owner's right to use the Association's recreational facilities after providing the owner with a duly noticed hearing pursuant to Civil Code Section 5855. However, any suspension imposed shall not prevent the delinquent owner from the use, benefit and pleasure of the owner's lot.

22. The mailing address for overnight payment of assessments is:

**TALEGA GALLERY COMMUNITY ASSOCIATION
C/O SEABREEZE MANAGEMENT COMPANY, INC.
ATTN: COLLECTION DEPARTMENT
26840 ALISO VIEJO PARKWAY, SUITE 100, ALISO VIEJO, CA 92656**

ALTERNATIVE DISPUTE RESOLUTION

Summary of Civil Code 5925-5965

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 Association's governing documents, the filing party shall endeavor to submit the dispute to alternative dispute resolution (ADR). Forms of ADR include mediation, negotiation, and binding or 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 Association's internal dispute resolution process, as required by Civil Code Section 5920, is attached.

NOTE: Failure by 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.
Updated 8/30/2013

**RESOLUTION OF THE BOARD OF DIRECTORS OF
Talega Gallery Community Association
A California Nonprofit Mutual Benefit Corporation**

RE: Internal Dispute Resolution Process

WHEREAS, *Civil Code* §5900 through 5920 identifies an internal dispute resolution process (“IDR Process”) that an Owner and Community Association may pursue as an alternative to an enforcement action;

WHEREAS, *Civil Code* §5915 identifies an IDR Process applicable to all community associations that do not otherwise provide for an alternative procedure;

WHEREAS, the Board of Directors desires to identify the Association representative who would participate in the IDR Process;

WHEREAS, the Association desires to adopt an IDR Process.

NOW, THEREFORE, BE IT RESOLVED, that Talega Gallery Community Association, (**hereinafter “Association”**) adopts the IDR Process contained within *Civil Code* §5915 (deemed within the statute to be fair, reasonable, and expeditious) as follows:

1. The IDR Process applies to the Association as well as an Owner as an alternative to the filing of any litigation related to a dispute involving their respective rights, duties or liabilities under the governing documents, the Davis-Stirling Common Interest Development Act (“D-S Act”) and/or the nonprofit mutual benefit corporation law (collectively “CID Dispute”). It does not relate to any collection of assessments unless the Association determines it needs to file litigation to collect same.

2. Either party (Association or Owner) to a CID Dispute may invoke the following procedure:

A. The party may request the other party to meet and confer, in an effort to resolve the CID Dispute. The request shall be in writing.

B. An Owner may refuse an Association request to meet and confer. The Association may not refuse an Owner’s request to meet and confer.

C. The Board hereby designates the President or in his/her absence, the Vice-President (“Board Designee”), to meet and confer with the Owner. The Board Designee shall also have the right to request the Chairperson of any applicable Committee involved in the CID Dispute to assist the Board and attend the meet and confer session with the Owner. If the Association is pursuing litigation related to a delinquent assessment, the Board designates the Treasurer in lieu of the President as the Board Designee.

**Resolution of the Board of Directors, Talega Gallery Community Association
Internal Dispute Resolution (IDR) Process**

Page 2 of 2

3. Although not precluded, attorney participation in the IDR Process is discouraged in order to maintain direct discussions between the principals of the CID Dispute and to maintain the goal of resolution through an expeditious process. To the extent Owner requires that his/her/its attorney attend the IDR Process, the Owner shall be required to give five (5) business days' notice to the Association so that the Association can ascertain if it desires its corporate counsel to also attend.

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 CID dispute.

5. A resolution of the CID 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.

6. The Agreement reached by the Owner and the Board Designee binds the parties and is judicially enforceable if both the following conditions are satisfied.

A. The Agreement is not in conflict with law or the governing documents of the Association; and

B. The Agreement is ratified by the Board of Directors within thirty (30) days of the date that the Agreement is executed by the Owner and the Board Designee.

7. The Owner participating in the IDR Process shall not be charged a fee to participate in the IDR Process.

**TALEGA GALLERY ARCHITECTURAL SUBMISSIONS
TO THE TMC DESIGN REVIEW COMMITTEE (DRC)**

Mail to the address below:

**TMC Design Review Committee
C/o FirstService RESIDENTIAL
15241 Laguna Canyon Road
Irvine, CA 92618**

OR

**Homeowners may drop off the submittal at the Talega Swim & Athletic Clubhouse
100 Calle Altea
San Clemente, CA 92673**

TALEGA MAINTENANCE CORPORATION PROPERTY IMPROVEMENT FORM

Submitted to:
TMC DESIGN REVIEW COMMITTEE
 C/O FirstService RESIDENTIAL
 15241 Laguna Canyon Road
 Irvine, CA 92618
 949/448-6000

LOT: _____ TRACT / NEIGHBORHOOD: _____
 CLOSE OF ESCROW: _____ / _____ / _____

X _____ E-mail: _____
 Signature of Owner(s)

Name: _____ Home Phone: _____ Work Phone: _____

Cell Phone: _____

Property Address: _____ Mailing Address: _____

SUBMITTAL REQUIREMENT CHECK LIST

- Property Improvement Form Completed
- Neighbor Notification Statement Form
- Three (3) Copies Of Plans including: Plot Plan drawn to scale showing property lines, footprint of home and details of size, design, color and materials, location of drains, name and location of plants/trees (using common names and Latin names), type of all materials, wood surfaces & Color schemes must be noted.
- Photographs of the front elevation of home and all areas applicable for submittal. (Photos will not be returned)
- Applicable Application fee as noted below: (Payable to Talega Maintenance Corporation)
 - Major Landscape - \$275.00 (e.g. front and rear landscape/landscape or cumulative application of Moderate landscape items, etc.)
 - Major Architectural/ Landscape - \$400.00 (e.g. room additions, extensive exterior elevation renovations or cumulative application of Moderate Architectural items, etc.)
 - Moderate Architectural - \$275.00 (attached patio cover, deck enclosures, new door or window installation or cumulative application of Minor Modification items, etc.)
 - Moderate Landscape - \$225.00 (e.g. individual applications for driveways, pool/spas, fountains, gazebos, arbors, garden walls, etc.)
 - Solar Systems - \$150.00

PLEASE CHECK ALL PROPOSED IMPROVEMENT(S): (Items not checked will not be reviewed)

ARCHITECTURAL

- Awning (Provide example or catalog cut sheet of material(s) color(s))
- Gazebo (Provide dimensional detail/elevation drawings)
- Lighting
- Paint Modifications (Provide paint samples)
- Patio Cover (Provide dimensional detail/elevation drawings)
- Room Addition (Provide dimensional detail/elevation drawings)
- 2nd Story Deck (Provide dimensional detail/elevation drawings)

LANDSCAPE / HARDSCAPE

- Drains
- Fence(s) / Wall(s) / Gate(s): (circle all that apply) (Provide detail of dimensions and finish materials):

Front	Rear
Side	Retaining
Retention	
- Construction on common property line (Provide express written permission from adjacent property owner)
- Hardscape (Provide catalog cut sheet or color samples)
- Landscape
- Trees

EQUIPMENT

- Built In Barbecue
- Basketball Backboard
- Doors
- Fountain
- Fireplace
- Fire pit
- Garage Door
- Playground Equipment
- Playhouse
- Pool & Equipment
- Spa & Equipment
- Solar Panels
- Windows

IF NOT LISTED ABOVE, PLEASE DESCRIBE: _____

*Pursuant to Civil Code Section 4763, a proposed architectural change may not violate any governing provision of law, including, but not limited to, the Fair Employment and Housing Act (Part 2.8 (commencing with Section 1900) of Division 3 of Title 2 of the Government Code), or a building code or other applicable law governing land use or public safety (collectively, "Laws and Codes"). Neither the Association's managing agent(s), the Board, nor the Design Control Committee ("DRC") reviewing the property improvement(s) is responsible for becoming knowledgeable of, interpreting or enforcing the Laws and Codes that may be applicable to the subject improvement(s), and, therefore, neither the DRC nor the Board shall warrant compliance or non-compliance with the Laws and Codes as part of the review process. Accordingly, you are responsible for confirming compliance with the Laws and Codes, and any approval by the DRC or Board shall not be deemed a statement, representation, or warranty that your plans are in compliance with the Laws and Codes.

Design Review Committee Use ONLY ↓

THE DESIGN REVIEW COMMITTEE HAS DETERMINED THAT THE ABOVE SUBMITTED IS:

- APPROVED
 - APPROVED WITH CONDITIONS
 - DISAPPROVED AS SUBMITTED
- RESUBMITTAL REQUIRED ADDRESSING DRC CONDITIONS
- MEMBERS OF A SUBASSOCIATION (See # 2 under General Conditions, on the reverse of this form)

COMMENTS:

*Any approval is conditioned upon the proposed improvements complying with all applicable Laws and Codes, as defined above. Thus, to the extent any of the proposed improvements violates any of the applicable Laws and Codes, this approval shall be void and of no effect as to the improvement(s) that violate any of the Laws and Codes.

TALEGA MAINTENANCE CORPORATION DESIGN REVIEW COMMITTEE:

REVISED 2013

DATE: _____

INITIAL: _____

**TALEGA MAINTENANCE CORPORATION
NEIGHBOR STATEMENT**

The attached plans were made available to the following neighbors for review:

Impacted Neighbor	

Name	_____

Address	_____
Signature	Date

Impacted Neighbor	

Name	_____

Address	_____
Signature	Date

Common Area or Back Yard - Rear of Home

Adjacent Neighbor	

Name	_____

Address	_____
Signature	Date



Adjacent Neighbor	

Name	_____

Address	_____
Signature	Date

Your Street - Front of Home

Facing Neighbor	

Name	_____

Address	_____
Signature	Date

Facing Neighbor	

Name	_____

Address	_____
Signature	Date

IMPORTANT NOTE: If a residence objects to any improvement(s) on the plan, he or she must submit a written letter stating the specific reasons for the objections to the improvement(s) to the DRC, C/o FirstService Residential, within 5 business days of reviewing the plan. Neighbor approval or disapproval of a particular Improvement shall only be advisory and shall not be binding in any way on the DRC's decision.

My neighbors have seen the plans I am submitting for the Design Review Committee review (see above verification). I as the Owner certify that I have requested that my neighbors sign this statement confirming notification. I understand neighbor objections do not in themselves cause denial of the plans. If the home is not yet sold or occupied, I have had a builder representative sign in the appropriate box to confirm that the home is not occupied.

SUBMITTED BY: Name: _____ Date: _____

Address: _____

Plan Submittal/Review Checklist

Complete and forward the following to:

**TMC Design Review Committee
C/o FirstService RESIDENTIAL
15241 Laguna Canyon Road
Irvine, CA 92618**

- _____ Home Improvement Form
- _____ Neighbor Awareness Form - If the house next door is unoccupied have the Builder sign off. If there is a hill, slope, or Common Area next to your home, please write that in the space provided
- _____ 3 Copies of Proposed Plans
- _____ Review Fee – although the fee is payable to Talega Maintenance Corporation it actually goes to pay the Architectural firm for their review.
- _____ Color Photograph of the Front of the Home, as well as the back of your house; the front yard, side yards and as many angles of your back yard
- _____ Color photographs/color brochures/ samples for all proposed Hardscape Materials (*colored concrete, stone veneer, brick, concrete caps, etc.*)
- _____ Detailed Drawing/elevation with dimensions, measurements, colors and materials for all raised elements. (*Patio covers, fireplace/ pit, water feature, wall(s), pilaster, BBQ counter, etc.*)
- _____ Detailed Landscape plan to show proposed plants, shrubs, trees, grass/artificial turf areas, etc. (*Plant Material is to be Compatible with the style of the Community, per the approved plant list*) *If proposing Artificial Turf, provide a sample & literature of the product.*
- _____ Drainage and Lighting Plan (*Include color photos of proposed light fixtures to be compatible with your home*)
- _____ **Room Additions:** An accurately scaled and dimensioned floor plans, roof plans and exterior elevations of the proposed and existing structures.

REQUIRED COLOR PHOTOS OF LOT AND HOUSE

Front and Rear of House
and
Front, Rear, and Side Yards

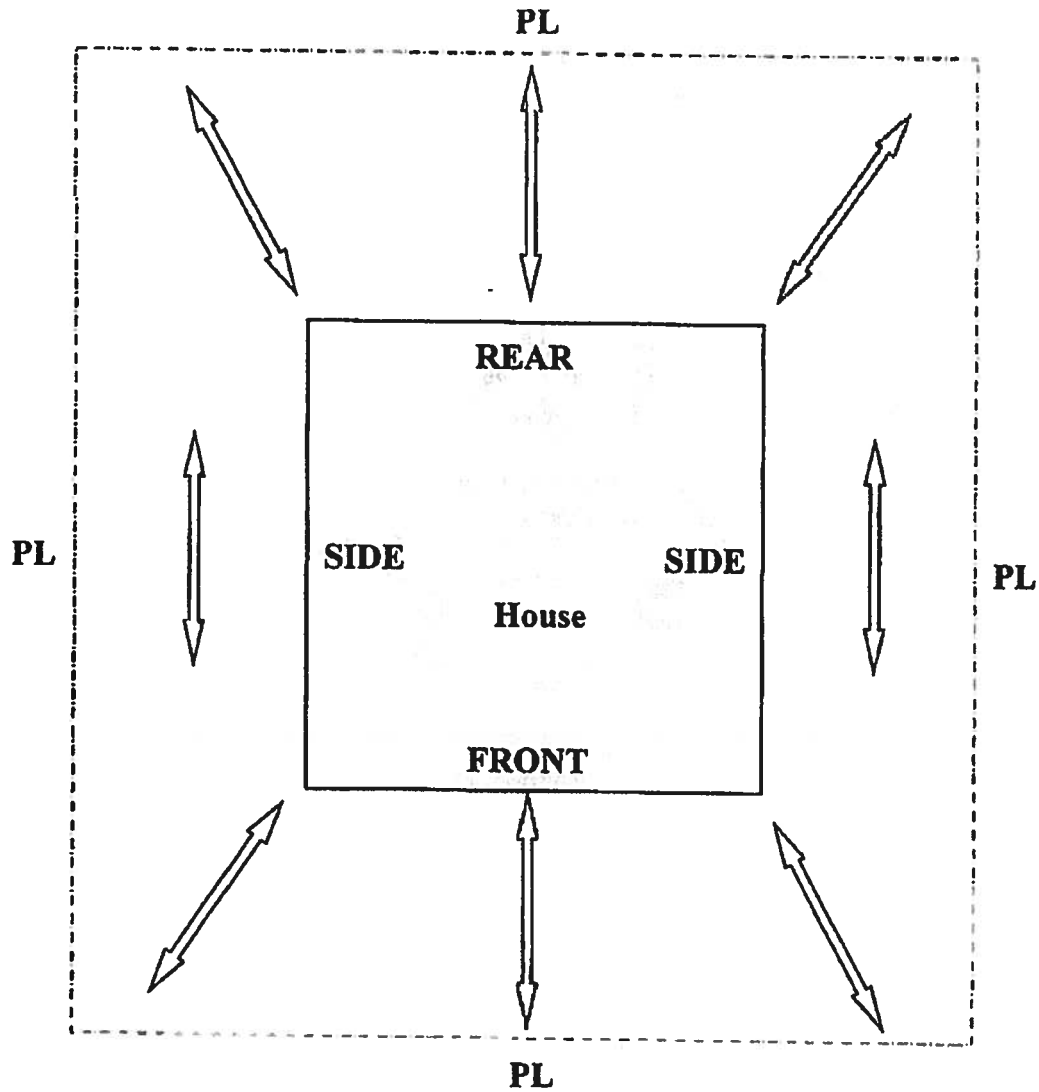


EXHIBIT B-3

Talega Maintenance Corporation

Architectural Review Fees

5. Payment of all applicable fees to Talega Maintenance Corporation will be required to cover the cost of review on all Improvements. The review fee check is to be made payable to Talega Maintenance Corporation. All review fees are non-refundable shall accompany the submittal in the amount as outlined below:

A. Review Fees for Major Landscape (e.g. front and rear hardscape/landscape or cumulative application of Moderate landscape items, etc.)

- **\$275 Review Fee Includes:**

- \$200.00 for two (2) plan reviews

- \$185 for each additional resubmittal

- \$75.00 for on-site inspection for Notice of Completion (NOC) \$75 for each additional inspection

B. Review Fees for Major Architectural / Landscape (e.g. room additions, extensive exterior elevation renovations or cumulative application of Moderate Architectural items, etc.)

- **\$400.00 Review Fee Includes:**

- \$325.00 for two (2) plan reviews

- \$185.00 for each additional plan resubmittal

- \$75.00 for on-site inspection for Notice of Completion (NOC)

- \$75.00 for each additional inspection

C. Review Fees for Moderate Architectural (attached patio cover, deck enclosures, new door or window installation or cumulative application of Minor Modification items, etc.)

- **\$275.00 Review Fee Includes:**

- \$200.00 for two (2) plan reviews

- \$185.00 for each additional plan resubmittal

- \$75.00 for on-site inspection for Notice of Completion (NOC)

- \$75.00 for each additional inspection

D. Review Fees for Moderate Landscape (e.g. individual applications for driveways, spas, pools, fountains, gazebos, arbors, garden walls, etc.)

- **\$225 Review Fee Includes:**

- \$150.00 for two (2) plan reviews

- \$185 for each additional resubmittal

- \$75.00 for on-site inspection for Notice of Completion (NOC)

- \$75.00 for each additional inspection

E. Review Fee for Solar Systems

- **\$150 Review Fee Includes:** two (2) plan reviews

- \$185 for each additional resubmittal

F. No Review Fees for Other Items:

- Minor modifications e.g. garage door replacement, front door, light fixtures, tree replacement, gates, etc.
- Request to Revise Approved Plans
- Change of paint color (house, garage door, shutters, etc.)
- Requesting an Exception to an Architectural Guidelines
- HVAC replacement in same exact location

**Talega Maintenance Corporation
Design Review Committee**

2021

Plan Submittal Deadlines & Meeting Dates

The Design Review Committee meets once a month. Per the TMC CC&R's, the Design Review Committee shall give notice of its decision and the reasons therefore to the Owner submitting the plans within forty-five (45) days after the Design Review Committee receives all required materials.

A complete submittal package must be received at FirstService RESIDENTIAL no later than the posted deadline date, to allow for processing and review by the Architectural firm prior to the scheduled meetings. Any submittals that are incomplete will not be reviewed by the DRC and will be returned to the homeowner. All plans are reviewed by the DRC in the order they are received and each meeting is limited to 40 sets for review.

Deadline to Submit Plans	Proposed Meeting Dates
January 4, 2020	January 21, 2021
February 1st	February 18th
March 1st	March 18th
March 29th	April 15th
May 3rd	May 20th
May 31st	June 17th
June 28th	July 15th
August 2nd	August 19th
August 30th	September 16th
October 4th	October 21st
October 18th	November 10th (2nd Wednesday)
November 22nd	December 8th (2nd Wednesday)
January 3, 2022	January 20, 2022

Every attempt will be made to issue plan review results as expeditiously as possible. Results are typically mailed to the homeowner 7-10-business days after they are reviewed.

TALEGA GALLERY

COMMUNITY ASSOCIATION

Enforcement of Rules and Regulations

Enforcement of the Association's governing documents, which include all Rules & Regulations and all related codes and laws will be conducted in accordance with CC&R's Article XII and the following procedures as approved by the Board of Directors.

- **Violations Identified by the Association:** Owners will be provided with a Notice of Violation Identifying the violation and the amount of time the Owner has to remedy the violation. A violation is defined as an act in conflict with the CC&R's or Bylaws or Rules of the Association. If said violation is not remedied within the defined amount of time, the owner will receive a Notice of Hearing at which time the Board, in Executive Session, will discuss the violation with the Owner and provide the Owner with an opportunity to explain the Owner's position, and determine what, if any, fines, legal proceedings, or other remedies will be required to resolve the issue.
- **Violations Identified by Residents:** Any Resident alleging that another Resident is in violation of the Rules must submit said allegations to the Board; in writing, to allow the violation process to be enacted.

Any complaint that is an alleged violation of the TGCA's governing documents will be processed according to the procedure outlined herein:

1. The first step in this process shall be to discuss with your neighbors the issues and concerns which are bothering you.
2. If you find it difficult speaking with your neighbor regarding the problem, the second step is for you to contact Management to initiate a violation report. The violation report requires the signature of the involved Residents.
3. In the event two or more Residents of the Association file a "Rules Violation Report", the Board will take the following steps:
 - A violation letter will be sent to the offending Owner stating the alleged violation and the date by which such violation must be corrected.
 - If the violation is not corrected by the specified date, TCGA, through Management, will send a second violation letter requiring a response with 15 days.
 - If the violation is not resolved within 15 days after the second violation letter, a notice of hearing date with the Board of Directors will be sent.
 - A hearing will be set not less than fifteen (15) days from date of written notice of the hearing. The Owner is to be present in person or submit a written response to the alleged violation(s) at a hearing with the Board of Directors.
 - The Owner will be notified within 10 days by writing as to the decision rendered by the Board as a result of the hearing.

Notwithstanding the above-referenced timeline, the Board of Directors retains the right to accelerate the violation process, from the second violation to the hearing for repeat violations of the same subject matter and/or for life or safety issues.

If the Resident is found to be in violation of TGCA's governing documents, the Board can take any combination of the following steps:

- First seek remedy by use of an alternative dispute resolution such as mediation or arbitration with the Owner, as required by Civil Code Section 5975.
- Levy a fine, after Notice has been sent and an opportunity to be heard has occurred
- Suspend or condition the Resident's rights to use any Recreation Facility of the Association
- Suspend the Owner's voting privileges as a member
- Enter into a residence to make the necessary repairs or perform maintenance which is the responsibility of the Owner
- Record a notice of noncompliance encumbering the Owner's residence, if allowed pursuant to California State statute.

Fine structure

The Board of Directors is required to provide Owners a Notice of Violation, Notice of Hearing and hold said Hearing prior to the levying of fines or other remedies to gain compliance of the governing documents. Once action has been taken by the Board to levy violation fines to an Owner's assessment account, violations may be fined in the following matter.

\$50 per violation occurrence

Fines may be increased in \$50.00 increments for multiple violations of the same subject matter within a period of six (6) months.

**Civil Code §5300 Insurance Disclosure Prepared for
Talega Gallery Community Association**

General Liability Coverage

- | | |
|---------------------|--|
| 1. Name of Insurer: | Policy # - 602629641 |
| 2. Policy Limits: | Truck Insurance Exchange |
| 3. Deductible: | \$1,000,000 per occurrence/\$2,000,000 aggregate |
| 4. Effective Dates: | None |
| 5. Premium: | 10/1/2020 to 10/1/2021 |
| | \$16,663 |

Property Coverage

- | | |
|---------------------|--------------------------|
| 1. Name of Insurer: | Policy # - 602629641 |
| 2. Policy Limits: | Truck Insurance Exchange |
| 3. Deductible: | \$20,208,900 |
| 4. Effective Dates: | \$10,000 per occurrence |
| 5. Premium: | 10/1/2020 to 10/1/2021 |
| | Included |

D&O Coverage

- | | |
|---------------------|--------------------------|
| 1. Name of Insurer: | Policy # - 602629641 |
| 2. Policy Limits: | Truck Insurance Exchange |
| 3. Deductible: | \$1,000,000 |
| 4. Effective Dates: | \$1,000 per occurrence |
| 5. Premium: | 10/1/2020 to 10/1/2021 |
| | \$1,454 |

Fidelity Bond Coverage

- | | |
|---------------------|--------------------------|
| 1. Name of Insurer: | Policy # - 602629641 |
| 2. Policy Limits: | Truck Insurance Exchange |
| 3. Deductible: | \$1,500,000 |
| 4. Effective Dates: | \$10,000 per occurrence |
| 5. Premium: | 10/1/2020 to 10/1/2021 |
| | Included |

Umbrella Coverage

- | | |
|---------------------|-------------------------------|
| 1. Name of Insurer: | Policy # - USL00656920U230584 |
| 2. Policy Limits: | National Surety Corporation |
| 3. Deductible: | \$5,000,000 |
| 4. Effective Dates: | None |
| 5. Premium: | 10/1/2020 to 10/1/2021 |
| | \$1,507 |

Workers Comp Coverage

- | | |
|---------------------|------------------------------|
| 1. Name of Insurer: | Policy # - A09316827 |
| 2. Policy Limits: | Farmers Insurance Exchange |
| 3. Deductible: | \$1,000,000 Statutory Limits |
| 4. Effective Dates: | None |
| 5. Premium: | 10/1/2020 to 10/1/2021 |
| | \$569 |



Earthquake Coverage

Policy # - 047500072139S05

- | | |
|---------------------|--|
| 1. Name of Insurer: | Lloyds of London/National Fire & Marine/Crum & Forster |
| 2. Policy Limits | \$3,075,000 |
| 3. Deductible: | 5% |
| 4. Effective Dates: | 2/1/2020 to 2/1/2021 |
| 5. Premium: | \$3,006.47 + \$342 Endorsement Premium |

“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.”

UNIT OWNERS’ INSURANCE NEEDS

Personal Property Coverage

The Association Master Policy does not cover a unit owner’s personal property and may have limited or excluded coverage for the fixtures and improvements to the unit interior. This coverage should be obtained with a “Contents Replacement Cost” endorsement, which will replace damaged property without deduction for depreciation.

Loss of Use

If the unit is unlivable due to a covered loss, this coverage will pay for the unit owner’s additional living expense. For rental units, the coverage pays the lost income to the unit owner while the unit is vacant due to a covered loss. An insurance professional can help determine an adequate limit for this coverage.

Loss Assessment

This coverage will pay a special assessment levied by the association to the membership due to an insured loss exceeding the association’s master policy limits. This is not coverage for common area maintenance assessments.

Personal Liability

This coverage pays for the bodily injury or property damage to a third party if the unit owner is liable due to unintentional acts. It also covers family members, sporting activities and injury caused by pets.

California Earthquake Authority (CEA)

Coverage is available through this state-run program, or similar programs operated by individual insurance carriers, for damage incurred in the event of an earthquake. Contact an insurance professional or go to earthquakeauthority.com for more information.



Talega Gallery Community Association Charges for Documents Provided

This disclosure is provided to you in accordance with the requirements of California Civil Code Section 4528.

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents but shall not be required to purchase ALL of the documents listed on this form.

Property Address:

Owner of Property:

Owner's Mailing Address (If known or different from property address.):

Provider of the Section 4525 Items:

Print Name _____ Position or Title _____ Association or Agent

Date Form Completed:

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section	Fee	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	30.00	
CC&Rs	Section 4525(a)(1)	50.00	
Bylaws	Section 4525(a)(1)	40.00	
Operating Rules	Section 4525(a)(1)	15.00	
Age restrictions, if any	Section 4525(a)(2)	No Cost	
Rental restrictions, if any	Section 4525(a)(9)	No Cost	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	40.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	45.00	
Financial statement review	Sections 5305 and 4525(a)(3)	35.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	In Budget	
Insurance summary	Sections 5300 and 4525(a)(3)	In Budget	
Regular assessment	Section 4525(a)(4)	No Cost	
Special assessment	Section 4525(a)(4)	No Cost	
Emergency assessment	Section 4525(a)(4)	No Cost	
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	No Cost	

Talega Gallery Community Association
Charges for Documents Provided
PAGE 2 of 2

Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	No Cost	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	No Cost	
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	No Cost	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	No Cost	
Required statement of fees	Section 4525	175.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	75.00	

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.

*All fees are subject to change. Seabreeze Management Company offers "Bundle & Save" packages which could reduce the cost of the transaction.

*All escrow documents may be ordered and purchased through www.homewisedocs.com

**Talega Gallery Community Association- Seagarden Cost Center
Federal Housing Administration (FHA) 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** certified by the Federal Housing Administration.

Notice: The foregoing reflects the status of this association's certification as of the date of this disclosure. The status of that certification can change during a fiscal year. Members may wish to verify the association's status during the fiscal year at <https://entp.hud.gov/idapp/html/condlook.cfm>, or by consulting with a local Realtor.

The State of California requires that this notice be submitted to you annually on a separate sheet of paper.

**Talega Gallery Community Association- Seagarden Cost Center
Department of Veterans Affairs (VA) Disclosure**

Certification by the Federal 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** certified by the Federal Department of Veterans Affairs.

Notice: The foregoing reflects the status of this association's certification as of the date of this disclosure. The status of that certification can change during a fiscal year. Members may wish to verify the association's status during the fiscal year at <https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>, or by consulting with a local Realtor.

The State of California requires that this notice be submitted to you annually on a separate sheet of paper.