

Newport Hills Community Association

DATE: NOVEMBER 1, 2016

TO: NEWPORT HILLS COMMUNITY ASSOCIATION MEMBERS

FROM: THE BOARD OF DIRECTORS
NEWPORT HILLS COMMUNITY ASSOCIATION

SUBJECT: 2017 FISCAL YEAR BUDGET & ATTACHMENTS

In compliance with California Civil Code requirements, attached please find the Association's Annual Policy Statement and following information:

- a) **2017 Fiscal Year Budget**
- b) **Reserve Study as of August 15, 2016**
- c) **2017 Assessment Collection Policy**
- d) **Notice of Summary of Alternative Dispute Resolution Procedures**
- e) **Current Insurance Notification**
- f) **Assessment & Reserve Funding Disclosure Summary**
- g) **Notice of Summary of Architectural Control Procedures**
- h) **Notice of the Discipline Policy, if any, including any schedule of penalties for violations of the governing documents pursuant to Civil Code section 5850.**
- i) **The name and address of the person designated to receive official communications to the association, pursuant to Civil Code section 4035.**
- j) **A statement explaining that a member may submit a request to have notices sent to up to two different specified addresses, pursuant to subdivision (b) of Civil Code section 4040.**
- k) **The location, if any, designated for posting of a general notice, pursuant to paragraph (3) of subdivision (a) of Civil Code section 4045.**
- l) **Notice of a member's option to receive general notices by individual delivery, pursuant to subdivision (b) of Civil Code section 4045.**
- m) **Notice of a member's right to receive copies of meeting minutes, pursuant to subdivision (b) of Civil Code section 4950.**
- n) **The mailing address for overnight payment of assessments, pursuant to Civil Code section 5655.**

The Budget reflects the efforts of the Newport Hills Community Association Board of Directors to preserve, protect, and enhance the facilities and common area, while keeping expenditures in line.

After reviewing the Association's fiscal responsibilities the Board of Directors has determined a 10% increase in Association assessments is necessary to help cover operating overhead and reserve funding requirements. Therefore, effective January 1, 2017 the assessment rate will increase and will be \$654.50 per home, semi-annually, due on January 1st and July 1st of each year.

On August 15, 2016 Advanced Reserve Solutions, an independent reserve analyst reviewed the funding program for the association, and provided recommendations for future reserve funding. A copy of the Reserve Study Summary is enclosed for your review. The Board will fund reserves to repair or replace major components by way of assessments; no borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms is anticipated at this time.

The board has not determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less.

The Board does not anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefore. However, in the event of an emergency or should unforeseen circumstances arise which require funds in excess of those currently available, a Special Assessment may be required to fulfill the Association's obligations.

The association does not have any outstanding loans.

If you would like to receive copies of the minutes of the Board of Directors meetings, and/or a complete copy of the Reserve Study for a nominal fee, or should you have any questions regarding the 2017 fiscal year budget, please contact the Association at (949) 721-1929.