

# PARK IMPERIAL COMMUNITY ASSOCIATION



*The Coachella Valley's Community  
Management Company*

68950 Adelina Rd.  
Cathedral City, CA 92234  
Phone: (760) 325-9500  
Fax: (760) 325-9300

November 2023

Dear Homeowner,

As required by the Civil Code, the Board of Directors have reviewed the current year's budget compared to income and have determined a need for an increase in the monthly assessments in order for the Association to be able to meet monthly operating expenses.

**The monthly assessment will increase by 8% per month to \$430.00 per unit, per month per owner, effective December 1, 2024.**

## **ANNUAL BUDGET REPORT**

Civil Code § 5300 creates minimum disclosure requirements by consolidating various disclosures under this "Annual Budget Report", which consists of the following Statements or Disclosures:

~2023/2024 Operating Budget - *Enclosed*

~Summary of Reserves - *Enclosed*

~Reserve Funding Plan - *Enclosed*

~Assessment and Reserve Funding Disclosure Summary Form - *Enclosed*

~Major Component Repair Statement

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

~Anticipated Special Assessment

*In accordance with Civil Code section 5300(b)(5) and as of the date of this letter the Board does not anticipate that a special assessment will be required to repair, replace or restore any major components or to provide adequate reserves.*

~Reserve Funding Mechanism Statement

*In accordance with Civil Code section 5300(b)(6) the Board uses regular assessments to fund reserves to repair or replace major components.*

~Procedures for Calculating Reserves Statement – *(Included in Reserve Funding Disclosure Summary)*

~Outstanding Loan Statement

*In accordance with Civil Code section 5300(b)(8) The Association does not have any outstanding loans.*

~Insurance Summary – *Enclosed*

~Foreign Check Processing

*Checks received from a foreign bank account are an added expense to process and a fee of \$25 will be charged to the owner's account when such checks are received as payment to the HOA or management.*

***A copy of the full reserve study is available upon request.***

## **ANNUAL POLICY STATEMENT**

In an effort to clarify requirements relating to policy disclosures, Civil Code section 5310 consolidates the various requirements. The Annual Policy Statement is a disclosure of the following:

~Association's Designated Recipient to receive official communication – *Civil Code §§ 5310(a)(1), 4035*  
*Board of Directors*  
*c/o Personalized Property Management*  
*Attn: Edgar Gomez*  
*68950 Adelina Road*  
*Cathedral City, CA 92234*

~Right of Notice to Two addresses  
*As provided in Civil Code §4040(b) Upon receipt of a request by a member, pursuant to §5260, identifying a secondary address for delivery of notices of the following types, the association shall deliver an additional copy of those notices to the secondary address identified in the request*

~General Notice Location –*Pursuant to Civil Code §§ 5310(a)(3), 4045(a)(3):*

The location designated for posting of the General Notice is: Association Bulletin Board

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

~Right to Receive Board Minutes  
*In accordance with Civil Code § 4950(b) the minutes or summary of minutes of the Board meeting, other than an executive session are available to members within 30 days of the meeting.*

- ~Assessment Collection Policy - *Enclosed*
- ~Notice Assessment & Foreclosure Default Policy - *Enclosed*
- ~Governing Document Enforcement and Fine Policy - *N/A*
- ~Dispute Resolution Procedure Summary (IDR & ADR) - *Enclosed*
- ~Architectural Guidelines and Procedures – *Enclosed*
- ~Charges for Documents Civil Code 4530 & 4525 - *Enclosed*
- ~Overnight Payment Mailing Address – *Civil Code §§ 5310(a)(11), 5655*  
*Personalized Property Management*  
*68950 Adelina Road*  
*Cathedral City, CA 92234*

The Board of Directors is obligated to uphold and enforce the CC&R's which in turn requires the Board to maintain, preserve and enhance the value and lifestyle of the Association and its property for the benefit of all Owners.

***PLEASE REVIEW ALL OF THE ENCLOSED DOCUMENTS CAREFULLY.***

Sincerely,  
**PARK IMPERIAL COMMUNITY ASSOCIATION**  
**HOMEOWNERS ASSOCIATION**  
**BOARD OF DIRECTORS**  
Enclosures

November 2023

Dear Homeowner:

We are pleased to continue to serve the homeowners of Park Imperial Community Association and your Board of Directors by providing the management services for your wonderful community. Our entire staff is dedicated to providing the attention necessary to enhance your enjoyment of the community, and to ensure that homeowner concerns are promptly addressed. Together with your Board of Directors we attempt to make your experience the best it can be!

When problems arise that may require management attention, i.e., sprinklers, lights, pools, or any other common area concerns, please contact our office as soon as possible. The telephone number is (760) 325-9500. Our regular office hours of operation are 8:00 a.m. - 4:00 p.m., Monday through Friday; we are closed from 12:00 p.m. - 1:00 p.m. for lunch. If an emergency develops after these hours, our twenty-four hour answering service will contact the appropriate service person and/or the property manager for resolution of the issue. We have structured our office to provide you prompt service as follows:

- A.) **EDGAR GOMEZ - COMMUNITY MANAGER** – Edgar is a community manager with over a year of experience in the community management industry. Edgar received his formal education via Riverside City College and Long Beach State University. Edgar interacts with and takes direction from your Board of Directors on community matters and is the primary contact on matters concerning your Association. You can reach Edgar at [EGomez@PPMinternet.com](mailto:EGomez@PPMinternet.com)
- B.) **MARK SEE – MAINTENANCE SUPERVISOR**- This important position/department takes homeowner requests for maintenance (i.e. landscape concerns, lighting, etc.) Each Homeowner request is logged into our database and a work order is created for future reference. Should you have a maintenance need or concern, please ask for Mark.
- C.) **FRONT DESK RECEPTION** – Our receptionist answers telephone calls, distributes gate cards, keys, etc. and assists homeowners with all in-office requests. The reception desk is handled by a variety of our administrative staff from time to time.
- D.) **ACCOUNTS PAYABLE & RECEIVABLE** – These positions are responsible for assisting in coordinating vendor payments and homeowner assessments.

In the event that you phone our office and reach the voice mail for any of the above staff members, we ask you always leave a message. That person is most likely already on the phone with another Homeowner. Each voice mail call is logged and returned in a timely manner. We have organized our office in this fashion to free-up your Manager's time to be out on property, serving the community. We are very confident that this structure will exceed your expectation. We thank you for this opportunity and look forward to a continued, positive and productive relationship with your Association.

Sincerely,

*Richard Warfield*

Richard Warfield

President

Personalized Property Management Company

# Park Imperial Community Association

## 2024 Approved Budget

	2023	2024	% Variance
<b>Income</b>			
<b>Income</b>			
4110 - ASSESSMENT MEMB	243,576.00	263,160.00	8.04 %
<b>Total Income</b>	<b>243,576.00</b>	<b>263,160.00</b>	<b>8.04 %</b>
<b>Transfers</b>			
5010 - LESS RESERVES	(66,708.00)	(66,708.00)	.00 %
5015 - LESS RESERV INT	(720.00)	(720.00)	.00 %
<b>Total Transfers</b>	<b>(67,428.00)</b>	<b>(67,428.00)</b>	<b>.00 %</b>
<b>Total Income</b>	<b>176,148.00</b>	<b>195,732.00</b>	<b>11.12 %</b>
<b>Expense</b>			
<b>Utilities</b>			
5020 - ELECTRICITY	8,400.00	14,613.00	73.96 %
5030 - GAS	12,804.00	21,741.00	69.80 %
5050 - WATER	13,272.00	19,329.00	45.64 %
<b>Total Utilities</b>	<b>34,476.00</b>	<b>55,683.00</b>	<b>61.51 %</b>
<b>Landscaping Maintenance</b>			
5110 - LANDSCAPE CONT	42,000.00	43,680.00	4.00 %
5120 - LANDSCAPE EXTRAS	1,740.00	1,740.00	.00 %
5130 - IRRIGATION REPAIRS	1,800.00	3,112.00	72.89 %
5140 - TREE TRIMMING	4,704.00	3,671.00	(21.96) %
5141 - TREE TRIMMING - OTHER TREES	-	2,800.00	280,000.00 %
5150 - ANNUAL COLOR	2,400.00	-	(100.00) %
5160 - SEED/FERTIL/SCLP	1,800.00	-	(100.00) %
5170 - NEW PLANTS	3,300.00	3,300.00	.00 %
<b>Total Landscaping Maintenance</b>	<b>57,744.00</b>	<b>58,303.00</b>	<b>.97 %</b>
<b>Pool Maintenance</b>			
5210 - CONTRACT POOLS	5,280.00	7,213.00	36.61 %
5220 - POOL EQUIP REPR	960.00	1,085.00	13.02 %
5230 - SPA REPAIR	120.00	-	(100.00) %
<b>Total Pool Maintenance</b>	<b>6,360.00</b>	<b>8,298.00</b>	<b>30.47 %</b>
<b>Buildings and Grounds Maintenance</b>			
5341 - BUILDINGS & GROUNDS	5,040.00	10,299.00	104.35 %
5360 - FIRE EXTINGUISH	480.00	386.00	(19.58) %
5362 - LIGHT FIX/BULBS	480.00	2,500.00	420.83 %
5365 - ELECTRICAL REP	600.00	5,000.00	733.33 %
5370 - PEST CONTROL	1,980.00	2,124.00	7.27 %
5380 - SIGNS	408.00	-	(100.00) %
5395 - GATE MAINTENANCE	-	818.00	81,800.00 %
<b>Total Buildings and Grounds Maintenance</b>	<b>8,988.00</b>	<b>21,127.00</b>	<b>135.06 %</b>

# Park Imperial Community Association

## 2024 Approved Budget

	2023	2024	% Variance
<b>Administrative</b>			
5455 - PERMITS	1,500.00	1,317.00	(12.20) %
5465 - RESERVE STUDY	600.00	1,200.00	100.00 %
5468 - PROFESSIONAL FEE	600.00	1,500.00	150.00 %
5470 - AUDIT	1,500.00	1,638.00	9.20 %
5480 - TAXES EXPENSES_STATE	120.00	-	(100.00) %
5490 - TAXES EXPENSES_FEDERAL	120.00	-	(100.00) %
5500 - WEBSITE	300.00	400.00	33.33 %
5505 - LEGAL	600.00	7,500.00	1,150.00 %
5506 - LEGAL LAND LEASE	15,000.00	15,000.00	.00 %
5510 - COLLECTION FEE	300.00	300.00	.00 %
5520 - INSURANCE	24,000.00	19,707.00	(17.89) %
5530 - MANAGEMENT SEVR.	13,000.00	13,200.00	1.54 %
5535 - END OF YEAR CLO	360.00	728.00	102.22 %
5540 - PRINTING/POSTAGE	1,140.00	3,000.00	163.16 %
5550 - MISCELLANEOUS	240.00	6,000.00	2,400.00 %
5555 - HEALTHCARE DIST.	-	9,000.00	900,000.00 %
<b>Total Administrative</b>	<b>59,380.00</b>	<b>80,490.00</b>	<b>35.55 %</b>
<b>Total Expense</b>	<b>166,948.00</b>	<b>223,901.00</b>	<b>34.11 %</b>

# Reserve Summary

(As required by California Civil Code Section 5565)

## PARK IMPERIAL COMMUNITY ASSOCIATION

SCT Reserve Consultants, Inc. is pleased to provide this Level III Reserve Study (Financial Update Report). In order to comply with the California Civil Code, specifically the Davis-Stirling Common Interest Development Act, Section 5565, we are providing the following information to the Homeowners within PARK IMPERIAL COMMUNITY ASSOCIATION.

The following study has been prepared with several assumed factors taken into account: a 3.00% inflation rate; a 1.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

As of October 31, 2023, the estimated ending reserve fund balance is \$337,250 and the estimated current replacement cost is \$868,696 for the portfolio of reserve components. The projected future replacement cost of the portfolio is \$1,254,787, calculated at an annually compounded inflation rate of 3.00%. The Association's level of funding which is based upon the estimated ending reserve fund balance divided by the reserve components' fully funded amount is 68.17%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were \$494,719.93 in the reserve fund.

The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$3,087.65. This is calculated by subtracting the ending balance (\$337,250) from the 100% funded figure (\$494,719.93), then divided by the number of ownership interests (51). There is currently no requirement to be fully funded.

Our original analysis of the cash flow for this association indicated future inadequate funding if there were no annual increases to the Reserves. It is our understanding the Board of Directors will allocate a monthly amount of \$5,559.00 starting in 2024 (\$109.00 per unit per month for each of the 51 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included a change of 4.06% starting in 2025 for 29 years. The Board of Directors may change the amount; however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

The following table represents additionally required information pursuant to the Davis-Stirling Common Interest Development Act, Section 5565.

Fiscal Year: November 1, 2023 through October 31, 2024

Category	Range of Full Useful Life	Range of Remaining Useful Life	Current Replacement Cost	Fund Balance on Nov 01, 2023	Reserve Allocation	Additional Revenue	Interest
Asphalt & Concrete	4 to 28	0 to 11	\$96,901	\$37,167	\$7,352	\$0	\$351
Buildings, Roof	10 to 40	2 to 32	\$399,495	\$134,137	\$26,532	\$0	\$1,266
Buildings, Sewer	5 to 5	4 to 4	\$20,000	\$4,618	\$914	\$0	\$44
Electrical & Lights	20 to 28	2 to 8	\$17,850	\$8,865	\$1,754	\$0	\$84
Fence & Walls	10 to 32	3 to 15	\$30,850	\$11,081	\$2,192	\$0	\$105
Irrigation	12 to 25	1 to 3	\$8,950	\$4,855	\$960	\$0	\$46
Landscape	1 to 1	0 to 0	\$5,000	\$7,028	\$1,390	\$0	\$66
Mailbox Area	15 to 30	6 to 9	\$8,300	\$3,472	\$687	\$0	\$33
Paint	4 to 12	0 to 9	\$90,450	\$54,126	\$10,706	\$0	\$511
Pool & Spa, West	6 to 35	1 to 18	\$70,950	\$28,598	\$5,657	\$0	\$270
Pool, East	6 to 35	1 to 15	\$48,550	\$21,345	\$4,222	\$0	\$202
Wood Repairs	12 to 12	5 to 9	\$71,400	\$21,957	\$4,343	\$0	\$207
<b>Totals:</b>			<b>\$868,696</b>	<b>\$337,250</b>	<b>\$66,708</b>	<b>\$0</b>	<b>\$3,184</b>

The complete reserve study is available by request from the Association.



# Assessment and Reserve Funding Disclosure Summary

## For the Fiscal Year Ending October 31, 2024

*(As illustrated by California Civil Code Section 5570(a))*

(1) The regular assessment per ownership interest is **\$430.00** per month, of which approximately **\$109.00** is allocated to reserves, monthly.

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

(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 board and/or members: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year:	Purpose of the assessment:
<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

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

Yes   X      No   X  

**Yes**, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below\*.

**No**, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below\*.

*\*Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the data of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association's CC&Rs.*

(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 yet been approved by the Board or the members?

Approximate date assessment(s) will be due (see <b>Funding Plan</b> column, next page):	Amount per ownership interest per month:
<b>4.06% starting in 2025 for 29 years</b>	<b>(Current amount) X (the increases)</b>

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$518,992.60**, as of **October 31, 2024**, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** The projected reserve fund cash balance at the end of the current fiscal year is **\$351,178.83**, resulting in reserves being **67.67%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$55,963**. (See explanation below).

**Explanation:** *Cash Flow Methodology - a method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*





# Assessment and Reserve Funding Disclosure Summary

## For the Fiscal Year Ending October 31, 2024

(continued)

7) **See below: 30-Year Reserve Funding Plan Table...** Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$(see "100% Funded" column below), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$(see "Cash Flow" column below), leaving the reserve at (see "Percent Funded" column below) percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$(see "Cash Flow" column below), leaving the reserve at (see "Percent Funded" column below) percent funding. Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was **1.00%** per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was **3.00%** per year.

**30-Year Reserve Funding Plan Table**

Year	End of Year			Revenue			Expenditures
	100% Funded	Cash Flow	Percent Funded	Contribution, Interest	Contribution Unit/Month	Funding Plan	Components, Taxes, Deferred Exp
2023	\$494,720	\$337,250	68.17%				
2024	\$518,993	\$351,179	67.67%	\$69,892	\$109.00	0.00%	\$55,963
2025	\$560,310	\$381,991	68.17%	\$72,887	\$113.43	4.06%	\$42,076
2026	\$554,887	\$366,882	66.12%	\$75,562	\$118.03	4.06%	\$90,670
2027	\$606,187	\$408,238	67.35%	\$78,869	\$122.82	4.06%	\$37,513
2028	\$563,460	\$357,245	63.40%	\$81,438	\$127.81	4.06%	\$132,431
2029	\$578,328	\$364,423	63.01%	\$84,646	\$133.00	4.06%	\$77,468
2030	\$610,952	\$389,676	63.78%	\$88,180	\$138.40	4.06%	\$62,927
2031	\$675,922	\$447,030	66.14%	\$92,160	\$144.02	4.06%	\$34,805
2032	\$742,462	\$505,760	68.12%	\$96,306	\$149.86	4.06%	\$37,576
2033	\$702,606	\$460,075	65.48%	\$99,601	\$155.95	4.06%	\$145,286
2034	\$804,827	\$555,691	69.04%	\$104,351	\$162.28	4.06%	\$8,735
2035	\$800,003	\$545,735	68.22%	\$108,310	\$168.87	4.06%	\$118,265
2036	\$696,338	\$440,422	63.25%	\$111,478	\$175.72	4.06%	\$216,791
2037	\$746,405	\$489,367	65.56%	\$116,248	\$182.86	4.06%	\$67,303
2038	\$691,319	\$435,927	63.06%	\$120,281	\$190.28	4.06%	\$173,721
2039	\$764,804	\$511,367	66.86%	\$125,685	\$198.01	4.06%	\$50,244
2040	\$785,775	\$535,801	68.19%	\$130,846	\$206.05	4.06%	\$106,413
2041	\$819,852	\$574,689	70.10%	\$136,324	\$214.41	4.06%	\$97,435
2042	\$824,316	\$586,034	71.09%	\$141,751	\$223.12	4.06%	\$130,406
2043	\$840,230	\$610,799	72.69%	\$147,511	\$232.18	4.06%	\$122,745
2044	\$853,683	\$635,271	74.42%	\$153,497	\$241.60	4.06%	\$129,025
2045	\$868,504	\$663,406	76.38%	\$159,751	\$251.41	4.06%	\$131,616
2046	\$812,467	\$624,540	76.87%	\$165,611	\$261.62	4.06%	\$204,477
2047	\$929,210	\$759,047	81.69%	\$173,348	\$272.24	4.06%	\$38,840
2048	\$783,944	\$637,553	81.33%	\$178,979	\$283.29	4.06%	\$300,473
2049	\$844,328	\$723,756	85.72%	\$186,757	\$294.80	4.06%	\$100,554
2050	\$931,564	\$838,602	90.02%	\$195,179	\$306.77	4.06%	\$80,333
2051	\$1,078,985	\$1,014,438	94.02%	\$204,491	\$319.22	4.06%	\$28,655
2052	\$1,132,697	\$1,099,440	97.06%	\$213,270	\$332.18	4.06%	\$128,268
2053	\$1,096,213	\$1,099,088	100.26%	\$221,518	\$345.67	4.06%	\$221,871
<b>30-Year Sum:</b>				<b>\$3,934,725</b>			<b>\$3,172,888</b>





## Summary

In accordance with our proposal, 2004-015, SCT Reserve Consultants, Inc. is pleased to provide this **Level III Reserve Study Financial Update Report for PARK IMPERIAL COMMUNITY ASSOCIATION**. Our study was performed in accordance with the Davis-Stirling Common Interest Development Act, specifically §5550, of the California Civil Code. This report included a site inspection on July 2, 2021. This *condominium* common interest development (CID) is located at East Vista Chino Road and Via Miraleste, Palm Springs, California. We are using an inception date for the components of November 1, 1962. ***This study is for November 1, 2023 through October 31, 2024, the Association's fiscal year.***

In general, reserve funds are funds set aside from collected association fees paid by owners of a common interest development. These funds earn interest and are disbursed when deemed necessary by the Board of Directors. The purpose of a reserve study is to determine how much money should exist in a reserve fund at a given point in time or to project required future contributions and expenditure amounts so that sufficient reserve funds are available when needed. Our reserve study is generated using proprietary SCT software and a combination of local industry standards and national average replacement costs.

The SCT software utilizes the weighted average life (WAL) of the reserve components. The future cost method for the WAL is calculated by using the current replacement cost of each component, as of the analysis date, and the number of years until each reserve component is scheduled to be replaced. This determines the monthly reserve contributions needed and calculates the future reserve balances.

A 30-year “Cash Flow and Percent Funded Projection” analysis and “Graph” are produced to verify and define the relationship of the Cash Flow (annual beginning balance) with respect to the 100% funded amount. Ideally, the Cash Flow line of the graph should run parallel to and below the “Percent Funded” line of the graph, see funding goals.

The following study has been prepared with several assumed factors taken into account: 3.00% inflation rate; a 1.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

Typically, any component that has a life cycle (full life) of less than two years should be budgeted and paid for through normal operating or property maintenance funds and is not included as part of this study.

**The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$3,087.65.** This is calculated by subtracting the ending balance (\$337,250) from the 100% funded figure (\$494,719.93), then divided by the number of ownership interests (51). There is currently no requirement to be fully funded.



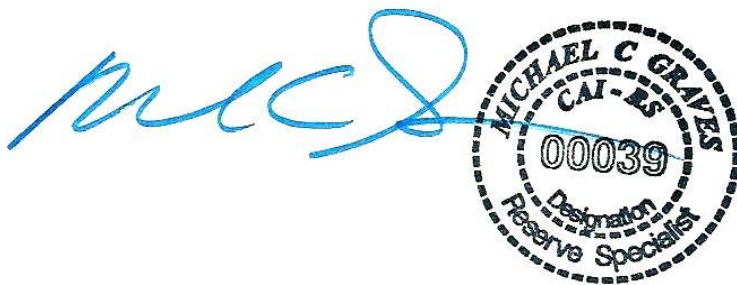
## Summary (continued)

As of November 1, 2023, the estimated reserve fund balance is \$337,250 and the estimated current replacement cost is \$868,696 of the portfolio of reserve components. The projected future replacement cost of the portfolio is \$1,254,787, calculated at an annually compounded inflation rate of 3.00%. The Davis-Stirling Common Interest Development Act requires the disclosure of the *current reserve fund balance divided by the current replacement cost* (this is not *Percent Funded*). Currently, *this factor for PARK IMPERIAL COMMUNITY ASSOCIATION is 38.82%*.

The Association's level of funding for the fiscal year (November 1, 2023 through October 31, 2024) which is based upon the final estimated reserve fund balance divided by the reserve components' fully funded amount is **67.67%, and is referred to as *Percent Funded***. The Association would be 100.00% funded if there were \$518,992.60 in the reserve fund.

Our original analysis of the cash flow for this association indicated future inadequate funding (see the graph, the "square box and/or pink line"). This line represents the cash flow if there were no annual increases to the Reserves. ***It is our understanding the Board of Directors will allocate a monthly amount of \$5,559.00 starting in 2024 (\$109.00 per unit per month for each of the 51 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included a change of 4.06% starting in 2025 for 29 years.*** The Board of Directors may raise or lower this amount, however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

Sincerely,



The image shows a handwritten signature in blue ink that reads "mcd". To the right of the signature is a circular professional seal. The seal contains the text "MICHAEL C. GRAVES" around the top edge, "CAI - RS" in the center, and "00039" below that. At the bottom of the seal, it says "Designation Reserve Specialist".

Michael C. Graves, R.S. #00039  
SCT Reserve Consultants, Inc.

# PARK IMPERIAL COMMUNITY ASSOCIATION

Professionally Managed by



The Coachella Valley's Community  
Management Company

68950 Adelina Rd.  
Cathedral City, CA 92234  
Phone: (760) 325-9500  
Fax: (760) 325-9300

## **HOMEOWNER'S INSURANCE INFORMATION** **Individual Liability Policies and Loss Assessment Coverage** **CIVIL CODE SECTION 5300(B)(9)**

It is very important that you explore your own risks with a knowledgeable insurance agent and purchase coverage to protect you from liability caused by an accident occurring in your own unit, the common area, and/or any exclusive use common area (such as patios, garages, carports), and to protect you from any liability or insurance gaps in coverage between the Association's coverage and your own. We also recommended that you inquire about Loss Assessment and Earthquake Loss Assessment Coverage. The cost of an endorsement for loss assessment is minimal and provides protection to individual unit owners from any extraordinary special assessments, such as excess liability over the Association's insurance proceeds or an extraordinary expense incurred by the Association, allocated to the owners through a special assessment (such as special assessments to pay or rebuilding costs which exceed insurance proceeds from an earthquake or fire loss)

The Association will notify you as soon as reasonably practical if any of the Association's policies are cancelled and not immediately replaced or if there is a significant change in the coverage (reduction or the deductible). If a policy is issued to replace a policy and there is no lapse in coverage, the Association will notify you in its next annual mailing to members.

The attached 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, 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.

State law requires that community associations disclose to the individual homeowners the extent of liability coverage carried by the Association.



**\*Park Imperial Community Assoc  
INSURANCE SUMMARY DISCLOSURE**

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

- I. GENERAL LIABILITY INSURANCE**
  - A. Name of Insurer: DB Insurance Co., Ltd. (US)
  - B. Policy Limits: \$2,000,000 per occurrence; \$4,000,000 aggregate
  - C. Amount of Deductible (if any): \$0
  - D. Umbrella coverage, if applicable: \$1,000,000
  - E. Umbrella carrier: Federal Insurance
  - F. Policy dates: 9/1/2023 - 9/1/2024
- II. PROPERTY INSURANCE**
  - A. Name of Insurer: DB Insurance Co., Ltd. (US)
  - B. Policy Limits: \$15,563,704
  - C. Amount of Deductible: \$5,000
  - D. Policy dates: 9/1/2023 - 9/1/2024
- II. EARTHQUAKE INSURANCE**
  - A. Name of Insurer: None
  - B. Policy Limits:
  - C. Amount of Deductible:
  - D. Policy dates:
- III. FLOOD INSURANCE**
  - A. Name of Insurer: None
  - B. Policy Limits:
  - C. Amount of Deductible:
  - D. Policy dates:
- IV. FIDELITY BOND INSURANCE**
  - A. Name of Insurer: PMA Insurance Group
  - B. Policy Limits: \$400,000
  - C. Amount of Deductible: \$500
  - D. Policy dates: 9/1/2023 - 9/1/2024

**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.**

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

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## **Extract from California Civil Code section 5730 Notice Regarding Assessments and Foreclosure**

### NOTICE ASSESSMENTS AND FORECLOSURE

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

### ASSESSMENTS AND FORECLOSURE

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

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

The association must comply with the requirements of Article 2 (commencing with Section 5650) Chapter 8 of Part 5 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, 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)

### MEETINGS AND PAYMENT PLANS

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



**PARK IMPERIAL COMMUNITY ASSOCIATION**  
**ASSESSMENT COLLECTION POLICY AND STANDARDS FOR PAYMENT PLANS**

**Effective: November 1, 2012**

*(Civil Code reference changes effective January 1, 2014)*

*(Updated: November 2016)*

*(Civil Code reference changes effective January 2020)*

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 to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. The following are the Association's assessment collection practices and policies, and payment plan standards:

**1. Due Dates:** Regular assessments are due and payable on the first day of each month. It is the owner's responsibility to timely pay each assessment regardless of whether a statement is received. All other assessments, including special assessments, are due and payable on the date specified in the notice of assessment.

**2. Obligation to Pay:** Assessments, late charges, interest, reasonable collection costs, and reasonable attorneys' fees, if any, are the personal obligation of the owner of the subject property (the "Property") at the time the assessment or other sums are levied. Owners shall be responsible for all such amounts unless it is determined that all assessments were paid on time to the Association.

**3. Late Charges:** Unpaid assessments are delinquent 15 days after they are due. A late charge of \$10.00 or 10% will be charged for any assessment which is not paid in full within 15 days of the due date.

**4. Interest:** Interest on the balance due will accrue at the rate of 12% per annum commencing thirty (30) days after the assessment becomes due.

**5. Application of Payments:** Any payments received will be applied first to assessments owed, and, only after the assessments owed are paid in full will the payments be applied to fees and costs of collection, late charges and/or interest. Payments will be applied to assessments so that the oldest assessment arrearages are retired first, unless the payment indicates that it shall be otherwise applied. A late charge may accrue if payment is not sufficient to satisfy all delinquent assessments, and the current month's assessment.

**6. Delinquency Notice:** If any assessment becomes delinquent, the Association will send a notice regarding the delinquency, and demanding payment thereof, to the owner at his/her address or addresses on file with the Association. The owner will be charged a fee for such delinquency notice. If the amount set forth in the delinquency notice is not received before the due date set forth therein, the matter may be turned over to a collection agent or an attorney for further action, including legal action, or the Association may take such other collection action as it deems appropriate.

**7. Right to Submit Secondary Address:** Owners may submit a written request to the Association to use a secondary address. Any such request must be mailed to the Association (at the address indicated below) in a manner that shall indicate that the Association has received it (e.g., via certified mail). CC §4040(b) The Association will send notices to the indicated secondary address only from and after the point that the Association receives any such request. Nothing herein shall require the Association to re-send or duplicate any notice sent to the owner prior to the date that a request for a secondary address is received.

**8. Suspension of Privileges:** Without prejudice to its right to continue with and/or take other collection action, in the event an assessment is not paid within 30 days of its due date, an owner's membership rights, including, but not limited to rights of use and enjoyment of the recreational common areas and common facilities may be suspended after notice and a hearing pursuant to Corporations Code §7341. The Association will not deny an owner or occupant physical access to his or her separate interest by way of any such suspension of privileges.

**9. Pre-Lien Notice:** Prior to recording a lien for delinquent assessments, the Association, its collection agent or attorney will send a pre-lien letter to the record owner as required by CC §5660 (a)-(f), by certified and first class mail to the owner's address of record with the Association. The owner will be charged a fee for such pre-lien letter. The Association may obtain a vesting report from a title company in connection with preparation of a pre-lien letter. If a vesting report is obtained, the owner will be charged a fee for the report.

**10. Opportunity to Meet and Confer:** An owner may dispute the debt noticed in the pre-lien letter by submitting to the board a written request to meet and confer with a designated director of the Association pursuant to the Association's Internal Dispute Resolution Policy adopted pursuant to CC§ 5910.

**11. Right to Request a Payment Plan:** Owners may submit a written request to meet with the board to discuss a payment plan. If such request is mailed within 15 days of the postmark of the pre-lien notice, the board will meet with the owner, in executive session, within 45 days of the postmark of such request, unless there is no regularly-scheduled meeting of the board within that period of time, in which case the board may designate a committee of one or more directors to meet with the owner. In addition to the foregoing procedure for requesting a payment plan, an owner may negotiate a payment plan with the Association's managing agent, attorney or authorized collection agent. Any payment plan must comply with the Standards for Payment Plans set forth below.

**12. Standards for Payment Plans:** Payment plans will be considered on a case-by-case basis. Generally, no payment plan may exceed six (6) months in duration. Fees and/or costs may be charged for the administration of any payment plan, and may vary based upon the duration of the payment plan. Any request for a payment plan which exceeds six months in duration must be accompanied by a written explanation of the reason for the request, which includes documentation of the owner's special circumstances, financial hardship, and ability to make the payments requested. If a lien has not been recorded prior to the time that any payment plan is entered into, one may be recorded during the repayment period to secure the debt while the payment plan is pending. Payment plans must provide for full payment of the delinquent amounts, in addition to the amounts which will accrue during the repayment period, including any regular and/or special assessments, and any fees and/or costs related to the administration of the payment plan and/or for the recording and/or release of any lien. Once a payment plan is entered into, additional late charges will not accrue for so long as the owner complies with the terms of the payment plan. In the event of a default in any payment agreement, the Association will resume collection efforts from the time prior to entering into the payment plan.

**13. Partial Payments.** Owners may make partial payments without a written payment plan; provided, however, that any such partial payment shall:

- a. not stop any collection action;
- b. not invalidate any assessment lien already filed;
- c. not stop an already existing non-judicial foreclosure action;
- d. not obviate the obligation to pay all collection fees and costs inclusive of late charges, interest, management fees/bookkeeping fees, title charges, lien fees and costs, trustee's fees and / or attorney's fees; and
- e. further require (due to the additional bookkeeping and other administrative expenses incurred with a partial payment) that any Owner who submits a partial payment (without an approved payment plan) will incur an administrative expense for each partial payment tendered and received by, or on behalf of, the Association.

**14. Lien:** If an owner to whom a pre-lien letter is sent fails to pay the amounts demanded therein within thirty (30) days from the date such pre-lien letter is mailed, a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees may be recorded against the owner's Property. The owner will be charged a fee for such lien. No lien will be recorded unless a majority of the members of the board of directors approves the decision to record the lien at an open board meeting.

**15. Notice of Recordation of Lien:** A copy of the lien will be sent to every person whose name is shown as an owner of the Property in the Association's records, via certified mail, within ten (10) calendar days of recordation of the lien. Any lien recorded by the Association will remain as an encumbrance against the Property until the debt secured thereby is satisfied.

**16. Dispute Resolution:** Prior to initiating foreclosure of any lien, the association shall offer to the owner of the Property, and if so requested by the owner, shall participate in dispute resolution in accordance with the Association's Internal Dispute Resolution Policy, or in alternative dispute resolution with a neutral third party pursuant to CC §5935. The decision to pursue internal dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the Association intends to pursue judicial foreclosure.

**17. Foreclosure of Lien:** The Association will not seek to foreclose any lien through judicial or non-judicial foreclosure unless and until the amount of delinquent assessments secured thereby reaches \$1,800.00, or until the assessments are at least twelve (12) months delinquent. The decision to initiate foreclosure of any lien shall be made by a majority vote of the board members, in executive session.

**18. Notice to Owner of Decision to Foreclose:** If the board of directors decides to initiate foreclosure of a lien, it shall provide notice of such decision to the owner pursuant to Civil Code §5705(d). Such notice will be by personal service to an owner who occupies the Property or to the owner's legal representative. The board shall provide written notice to an owner of Property who does not occupy the Property by first-class mail, to the most current address shown on the books of the Association. In the absence of written notification by the owner to the Association, the address of the owner's Property shall be treated as the owner's mailing address.

**19. Release of Lien Upon Satisfaction of Debt:** Within 21 days of receipt of full payment to satisfy a lien, the Association will record a release of lien, and provide a copy thereof to the owner.

**20. Right to Inspect Records:** Owners have the right to inspect certain Association records pursuant to Corporations Code §8333 to verify the debt.

**21. Payment Receipts/Overnight Payment Location.** Owners can request a receipt from the Association which shall indicate the date of payment and the person who received it. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment). Overnight payment of assessments may be sent/delivered to the following address:

Personalized Property Management  
68950 Adelina Road  
Cathedral City, California 92234

**22. Association's Right to Collect by Any Lawful Means:** Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association. The Association reserves the right to change the amount of any collection fee or charge, without notice, and reserves the right to modify or amend this collection policy at any time.

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## **INTERNAL DISPUTE RESOLUTION PROCEDURE**

The California Legislature has adopted new regulations codified in *Civil Code Sections 5900 through 5920*, which require Associations to adopt fair, reasonable and expeditious dispute resolution procedures, effective January 1, 2005. This is separate and apart from, and precedes, the formal ADR (Alternative Dispute Resolution) requirements set forth in *Civil Code Section 5925 through 5965*. The Association has adopted the following procedures as required under such law:

1. The Association or an Owner may invoke the procedures herein by submitting a request to the other to meet and confer in an effort to resolve any existing dispute. The request must be in writing.
2. An Owner may refuse a request to meet and confer made by the Association with the understanding that further enforcement action may be taken if the dispute is not resolved. The Association may not refuse a request by an Owner to meet and confer.
3. The Association's Board of Directors shall designate a Board member to meet and confer with an Owner.
4. The designated Board member and the Owner shall meet promptly at a mutually convenient time and place. The parties shall explain their positions to each other and attempt, in good faith to resolve the dispute.
5. Any resolution of the dispute agreed to by the parties shall be set forth in writing and signed by the Owner and the designated Board member on behalf of the Association.
6. An agreement reached under this procedure is binding on the Owner and the Association and is enforceable in court if both of the following conditions are met:
  - a. The agreement is not in conflict with law or the Association's governing documents.
  - b. The agreement is consistent with the authority granted by the Board of Director's to the designated Board member or is ratified by the Board.
7. Owners will not be charged a fee to participate in this process.

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## **ALTERNATIVE DISPUTE RESOLUTION**

Beginning January 1, 1994, California law provides that when the owner of a separate interest (a Homeowner) or the common interest development (CID)/association brings an action:

- a) solely for declaratory relief or injunction relief; or
- b) either of those in conjunction with a claim for monetary damages; (Other than Association Assessments, not to exceed \$5,000) relating to the enforcement of the governing documents of the association, they shall endeavor to submit the matter to alternative dispute resolution (ADR).

What this means, in general, is that in those prescribed types of disputes, before filing a lawsuit, an attempt must be made to settle. This must be done in a semi technical manner. The method of beginning the attempt at ADR is to serve on the opposing party a Request for Resolution. With certain exceptions, the law requires a certificate be filed with any civil action, certifying compliance with the above stated requirements.

Please be advised that the statement above is intended to be only the broadest of interpretations and merely to advise that such a law exists. There are a number of other factors involved, including attorney's fees; arbitration or mediation costs; and the results of not conforming to this law (*Civil Code § 5925 through 5965*).

The California legislature has also provided that each year your Association must send out a summary of this law and that summary must specifically include the following excerpt of the law:

**“Failure by any member of the association to comply with the pre-filing requirements of § 5930 of the *Civil Code* may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents”.**

As you can see, failure to comply with this law may prejudice your rights. We strongly urge each one of you to carefully read the statute and consult with an attorney prior to commencing any litigation regarding the enforcement of the governing documents.

# PARK IMPERIAL COMMUNITY ASSOCIATION

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PERSONALIZED

 PROPERTY  
MANAGEMENT

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## **DEPARTMENT OF VETERANS AFFAIRS (VA)**

*Civil Code: 5300(b)(10)-(11)*

As of the date of this mailing the VA status of the Association is as follows:

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.

Please refer to the VA website for current information: <http://www.va.gov>

# PARK IMPERIAL COMMUNITY ASSOCIATION

Professionally Managed by

**PERSONALIZED**  
 **PROPERTY**  
**MANAGEMENT**

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## **FEDERAL HOUSING ADMINISTRATION (FHA)**

*Civil Code: 5300(b)(10)-(11)*

As of the date of this mailing the FHA status of the Association is as follows:

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.

Please refer to the FHA Website for current information: <http://portal.hud.gov>



PARK IMPERIAL COMMUNITY ASSOCIATION

**Architectural Standards**

**As of January 18, 2021**

1. These standards have been established to supplement and clarify the limitations placed on Homeowner's use, repair, maintenance, construction, and alteration of his/her property pursuant to PICA Architectural Standards established in January 1998 and then Restated Declaration of Covenants, Conditions, and Restrictions (CC & R's) dated August, 2000.

Additional standards may be added as required to preserve the architectural integrity of the complex by the existing board.

2. No exterior work shall ever commence without the expressed approval of the Architectural Committee and the Board of Directors (HOA Board). No structure shall be painted or repainted, erected, constructed, altered, added-to, replaced, substantially repaired; or restored upon, or moved upon any part of subject property by any owner: unless and until, the plans and specifications showing the construction nature, kind, shape, height, material, and exterior color scheme thereof, are approved by the Architectural Committee and the HOA Board. In addition, if requested, a plot plan indicating the location of such structure on the site to be built upon grading plans of the site, and copies of required permits, shall be submitted to and approved by the Architectural Committee and the HOA Board.

The standards herein reflect the intent of the Architectural Committee and the HOA Board to allow Homeowners the maximum leeway in maintaining their condominium units while also preserving the architectural integrity and character of the complex consistent with its original design. The basic intent is to provide Homeowners with guidelines to use when considering or preparing for any repairs or alterations to their units.

Written approvals given to homeowners prior to March 1, 2016 will not be rescinded (except as provided in the paragraph below, related to the replacement, transfer of title, or when unit is sold by a current homeowner.) Going forward future repairs and/ or alterations to the exterior structural walls including roofs, inside patios, entrances, patio walls or gates or any aspect visible from the common area of the complex must be reviewed and approved in writing prior to any work beginning.

Any discrepant feature of the unit must be brought into compliance with these standards upon replacement, major remodel/renovation, transfer of title, or when unit is sold. An exterior Work Request form is attached. Additional copies may be obtained by contacting Personalized Property Management (760) 325-9500.

3. The Architectural Committee shall periodically inspect the exterior of all unit's safety conditions, deterioration or unapproved changes or unauthorized departures from these standards and report such to the HOA Board. Should the HOA Board find it necessary to remove, repair, and/or replace any such alterations, said removal, replacement, and/or repair will be at the Owner's expense.

**ARCHITECTURAL STANDARDS**

Homeowners shall use paint colors designated by the Association for "repairing /painting exterior house walls and trim." See Architectural committee or HOA Board for correct paint formula and brand.

No exterior changes to landscaping, including drainage, shall be done without written approval. No "tapping" into HOA irrigation lines for personal property irrigation.

All property shall be maintained in a clean, sanitary, safe, orderly condition, and all structures kept in good order and repair, adequately and presentably painted, and in safe condition.

PARK IMPERIAL COMMUNITY ASSOCIATION  
**Architectural Standards**  
As of January 18, 2021

**Entrance:**

**Door Style:** The association wants to ensure that the community has an overall look that is compliant with these requirements. There are several styles of doors approved and will be used as a guide to the homeowner when property owner is replacing a door. Submit your request with style to the Architectural committee on the Architectural Variance Request Form (AVR) for approval prior to ordering any doors. Door color shall be limited to PICA exterior colors. PICA approved “Fire Roast Orange” can only be used with Architectural board approval based on unit having an approved PICA door. Patio door and window screens must be the appropriate material, height and width of the patio door or window. Security and front door screens and security bars are no longer allowed in complex.

Gates: See Guidelines on Gates. (Jams/Gates to be metal only)

**Exterior Doors and Gates:** Must be kept closed at all times.

**Exterior Door Hardware:** See Guidelines on Door Hardware.

Walk Entryway: No paint, carpet or tile. Trudy Richards tile must be visible and properly maintained. One entrance mat allowed maximize size approx. 24” x 36”

Carpeting and tile at the entry way is not permitted and must be removed by new owners when joining the association.

**House Numbers:** Supplied by PICA. No option. No nameplates, artwork, welcome signs etc... on front or visible parts of building.

**Skylight:** at entrance of the unit should be left open as per the original design of the complex. Skylight “cover” of clear or opaque, low profile, glass/plastic units may be allowed with Architectural and HOA Board approval of particular skylight cover requested. HOA approved roofer must be used for all roof work. Slats or solid coverings over skylight or entrance area may not be added.

**Billboard:** Original construction only. Cannot be removed.

**Planter:** Any resident desiring a planter in the common areas leading to the front door or placed near the front door in full view of the passageways needs to get approval of the planter from Architectural committee and HOA board.

**Windows/ Doors:** No added molding, grills or “decoratives”.

ALL changes to windows, doors, sliders etc.... must be approved by the Architectural committee and the HOA Board. There can be no changes to requirement that all windows where frames show must be clear anodized aluminum color as the originals were. No vinyl, wood or other materials.

Security or additional Lighting fixtures style and location must be approved by Architectural and HOA Board. Cannot light outside of the immediate patio area.

**Rain Gutters:** Must be the same color of the trim per HOA color palate

PARK IMPERIAL COMMUNITY ASSOCIATION

# Architectural Standards

As of January 18, 2021

Exterior Misters are not allowed.

Exterior wires /cords or other exposed cables must be concealed with casing or conduit and painted the color of the wall. Contact Architectural committee for approval of all exterior wiring / cords /cables and concealment along with placement PRIOR TO placement. Goal to minimize placement in public view.

Exterior Fixtures: See Guidelines on Exterior Lighting Fixtures.

## **Kitchen Patio Areas:**

**Wall:** Slump stone existing wall color and texture with cement cap only.

**Gates:** See Guidelines on Gates. (Jams/Gates to be metal only)

**Utility Shed:** Shall be Wood (stucco optional). No extensive refitting above existing slump stone wall.

Shed doors in metal or solid wood doors with no design or embellishments on the doors.

**Electrical Service Access:** Board requires permit for electrical work in the shed

**Windows/ Doors:** No added molding, grills or “decoratives”.

ALL changes to windows, doors, sliders etc.... must be approved by the Architectural committee and the HOA Board.

There can be no changes to requirement that all windows where frames show must be clear anodized aluminum color as the originals were. No vinyl, wood or other materials.

Protective/ security bars are no longer allowed and must be taken down during remodel/renovation, replacement of windows or doors or when unit transfer of title, or when unit is sold.

**Exterior Fixtures:** See Guidelines on Exterior Lighting Fixtures.

## **Rear Living Room Patio:**

**Wall:** slump stone of existing wall color and texture with cement cap.

**Gate:** See Guidelines on Gates. (Jams/Gates to be metal only)

**Patio Cover:** The only Patio “covers” allowed are 2 x 4 wood slats installed between the 2 long beams, at the height equal to the top of the beam. They must be of equal spacing and installed within the beam, not below or on top of the beams. No other coverings or materials can be installed on these or any of the other beams. ALL covers must be approved by Architectural committee and HOA Board prior to placement to any work being started.

**Beams:** The beams may not be changed. Trim color only. 4 X 10 - Long beams running from house to patio edge must be properly supported at end to prevent slippage on post.

**Windows/Doors:** No added molding, grills or “decoratives”.

ALL changes to windows, doors, sliders etc.... must be approved by the Architectural committee and the HOA Board.

PARK IMPERIAL COMMUNITY ASSOCIATION

**Architectural Standards**

**As of January 18, 2021**

There can be no changes to requirement that all windows where frames show must be clear anodized aluminum color as the originals were. No vinyl, wood or other materials.

*Exterior Fixtures:* See Guidelines on Exterior Lighting Fixtures.

**Bedroom Patio:**

Wall: Slump stone of existing wall color and texture with cement cap.

Gate: See Guidelines on Gates. (Jams/Gates to be metal only) Required by fire code if no other exit.

Enclosures: The enclosure of patio as a room addition to unit is forbidden.

Windows/Doors: No added molding, grills or “decoratives”.

ALL changes to windows, doors, sliders etc.... must be approved by the Architectural committee and the HOA Board.

There can be no changes to requirement that all windows where frames show must be clear anodized aluminum color as the originals were. No vinyl, wood or other materials.

*Exterior Fixtures:* See Guidelines on Exterior Lighting Fixtures.

The HOA Board reserves the right to add any items to a particular unit that are not on this list but are in violation of safety standards or PICA architectural standards.

THE HOA BOARD OF DIRECTORS RESERVES THE RIGHT TO CHANGE AND/OR ALTER STANDARDS WITH Forty-Five (45) DAYS WRITTEN NOTICE TO HOMEOWNERS.

\*ANY UNAPPROVED ALTERATIONS AND/OR CHANGES MADE AFTER THE HOA BOARD HAS REVIEWED AND APPROVED THE HOMEOWNERS REQUEST ARE SUBJECT TO REMOVAL AT OWNERS COST. ANY LITIGATION COMMENCED DUE TO THE APPROVAL OR NON APPROVAL OF ARCHITECTURAL STANDARDS AND GUIDELINES WILL BE BORN BY THE HOMEOWNER.

**CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY  
CIVIL CODE §4530\* and § 4525\***

Document Civil Code Section Included	Civil Code Section	Fee For Document	**Included	Not Available / <u>Not Applicable</u> / Directly Provided by Seller & confirmed in writing
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	10.00	✓	
CC&Rs	Section 4525(a)(1)	55.00	✓	
Bylaws	Section 4525(a)(1)	30.00	✓	
Operating Rules / Architectural Guidelines	Section 4525(a)(1)	20.00	✓	
Age restrictions, if any	Section 4525(a)(2)			✓
Rental Restrictions, if any	Section 4525(a)(9)			<b>*Reference Governing Doc's</b>
Annual Budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	25.00	✓	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	20.00	✓	
Financial statement review	Sections 5305 and 4525 (a)(3)	15.00	✓	
Assessment enforcement policy (Collection Policy)	Sections 5310 and 4525(a)(4)	15.00	✓	
Insurance summary	Sections 5300 and 4525(a)(3)	5.00	✓	
<b>Regular assessment</b>	<b>Sections 4525(a)(4)</b>		✓	
Special assessment	Sections 4525(a)(4)			✓
Emergency assessment	Sections 4525(a)(4)			✓
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)			✓
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)			✓
Settlement notice regarding common area defects	Sections 4525a)(6), (7) and 6100			✓
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100			✓
Notice(s) of violation	Sections 5855 and 4525(a)(5)			✓
Required statement of fees (Demand)	Section 4525	130.00		
Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested.	Section 4525(a)(10)	50.00		
<b>**Total fees for these documents</b> (also listed in the statement provided via Condocerts)		<b><u>\$515.00</u></b>		
Demand 1 day Rush Fee		\$250		
Demand 4 day Rush Fee		\$125		

\* 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 may be charged separately. 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.