TALAVERA
OWNERS ASSOCIATION

2025 Budget

NOTICE REGARDING DISCRIMINATORY RESTRICTIONS

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on age, race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code by submitting a "Restrictive Covenant Modification" form, together with a copy of the attached document with the unlawful provision redacted to the county recorder's office. The "Restrictive Covenant Modification" form can be obtained from the county recorder's office and may be available on its internet website. The form may also be available from the party that provided you with this document. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status."

TALAVERA HOMEOWNERS ASSOCIATION

TO: Talavera Homeowners Association

FROM: Board of Directors

DATE: November 15, 2024

SUBJECT: 2025 Approved Budget

Enclosed is a copy of the 2025 Budget for Talavera Homeowners Association as approved by the Board of Directors.

Beginning January 1, 2025, the monthly assessment for the Association will remain at $118/unit/month.

Please note if you have automatic payment of assessments set up through your personal bank or through CINC, you may need to adjust the automatic withdrawal amount to the new assessment amount. If you have not yet signed up for web access through our new software platform CINC, you can register at the following web address:
https://cms.cincwebaxis.com

This website has been specifically designed to allow you the convenience of making your payments online and accessing your account information. On your first visit to the website, you will need to register. Simply click on the "Register" button and complete the information required. Once your registration request is reviewed and validated by Community Management Services, you will receive an email with a link to set your password. You can then log in with your email address and new password to make payments and access information about your community. Click the Pay Assessments Link. On the Pay Assessments page, you can choose to set up your recurring payments for e-check or credit card by clicking on the New Recurring E-check or New Recurring Credit Card link.

Civil code section 5300(a) requires that a pro forma operating budget be distributed not less than 30 days nor more than 90 days prior to the beginning of the Association's fiscal year. The operating budget has been adjusted after reviewing the actual costs over the past year together with anticipated expenditures for the next twelve months.

Accompanying the budget are legal disclosures regarding the Association's reserve funding policy, collection policy and homeowner's right to receive Board of Directors meeting minutes, Arbitration & Dispute Resolution, Assessment & Foreclosure Notice, and an Insurance Disclosure Notice.

Should you have any questions regarding the budget, please attend a Board Meeting.

Talavera Owners Association
Annual Budget Report
[California Civil code Section 5300]

This Annual Budget Report is being provided 30 to 90 days before the end of the Association's fiscal year in compliance with California Civil Code section 5300.

(1) A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis **[Exhibit 1]**.

(2) A summary of the association's reserves, prepared pursuant to Section 5565 **[Exhibit 2]**.

(3) The reserve funding plan adopted by the board, as specified in paragraph (5) of subdivision (b) of Section 5550, is as follows:

The reserve funding practices of the Association are reviewed and approved annually by the Board of Directors. The estimated replacement costs of the reserve components are increased annually by inflation and the estimated remaining lives are adjusted annually. An independent study of the reserve components and funding methods has been performed by the following company:

Reserve Study Company:	**Applied Reserve Analysis**
Date of Study:	**July 14, 2021**

The full reserve study plan is available, and the Association shall provide the full reserve plan to any member upon written request. Copies will be made available at a cost of $25.00. The costs shown in the association's Reserve Funding Summary are estimates only, which are obtained from the reserve study or by the Board of Directors. Actual expenses may vary in cost and may not occur as budgeted, while other expenses may occur sooner than budgeted.

(4) The Board has determined to defer or not undertake repairs or replacement of one or more major component with a remaining life of 30 years or less because replacement is not needed at this time.

(5) In preparation of this budget, for the Association, the Board of Directors has not determined, nor does it anticipate, that the levy of one or more special assessments may be required to repair, replace, or restore any major component or to provide adequate reserves.

(6) The Board plans to fund reserves to repair or replace major components through assessments.

(7) The Board of Directors has relied on the independent reserve study cited above and prudent business judgment to calculate and establish those reserves necessary to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain per the governing documents of the Association.

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

(9) A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies **[Exhibit 3]**.

(10) The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to Section 5570 **[Exhibit 4]**.

Talavera Owners Association
Annual Policy Statement
[California Civil Code Section 5310]

This Annual Policy Statement is being provided within 30 to 90 days before the end of the Association's fiscal year in compliance with California Civil Code Section 5310.

(1) The name and address of the person designated to receive official communications to the association, pursuant to Section 4035 is:

Stefanie Yodz
Community Management Services, Inc.
1935 Dry Creek Road, Suite 203
Campbell, CA 95008

(2) Upon receipt of a written request from a Member providing a secondary address for delivery of notice of the following types, the Association shall deliver an additional copy of those notices to the secondary address identified in the request: (1) The documents to be delivered to the member pursuant to Article 7 (commencing with Section 5300) of Chapter 6; (2) The documents to be delivered to the member pursuant to Article 2 (commencing with Section 5650) of Chapter 8, and Section 5710.

(3) The designated location for posting general notices is at the association's mailboxes.

(4) If a member requests to receive general notices by individual delivery, all general notices to that member shall be delivered by individual delivery pursuant to Civil Code Section 4040.

(5) Civil Code Section 4950 requires that Homeowners be advised of their right to receive a copy or summary of minutes of Board of Directors meetings. Copies of summaries or minutes will be made available upon written request. Requests must include specific meeting dates desired and the appropriate distribution fee. Fee schedule is as follows:

Current calendar year	Previous calendar year	2023 or older
$ 5.00 per meeting	$ 5.00 per meeting	$ 5.00 per meeting

All requests should be submitted, in writing, to the management company.

(6) The statement of assessment collection policies required by Section 5730 **[Exhibit 5]**.

(7) The statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments **[Exhibit 6]**.

(8) The statement describing the Association's discipline policy, including any schedule of penalties for violations of the governing documents pursuant to Section 5850. **[Exhibit 7]**

(9) A summary of the dispute resolution procedures, pursuant to Sections 5920 and 5965 **[Exhibit 8]**.

(10) An architectural application is required for approval of physical changes to the property as set forth in the Association's Governing Documents and Rules. An application to make such physical changes must be submitted and approved by the Board and/or Committee before any covered physical changes can be made. The appropriate application form can be obtained from management.

(11) The mailing address for overnight payment of assessments is 1935 Dry Creek Road, Suite 203, Campbell, CA 95008.

Exhibit 1

Talavera Owners Association

2025 Board of Directors Approved Pro Forma Budget

11/6/2024

EXPENDITURES	2024 BUDGET MONTHLY	2024 AVERAGE MONTHLY	**2025 BUDGET MONTHLY**	2025 BUDGET FULL YEAR	COST PER UNIT	% OF TOTAL BUDGET
Corporate						
40000 Insurance	306.00	306.88	**332.00**	3,984.00	6.38	5%
40500 Legal	10.00	0.00	**10.00**	120.00	0.19	0%
41000 CPA	40.00	39.58	**40.00**	480.00	0.77	1%
42000 Taxes & License	3.00	0.00	**0.00**	0.00	0.00	0%
43000 Management	1,080.00	1,063.00	**1,080.00**	12,960.00	20.77	18%
44000 Office	45.00	44.69	**45.00**	540.00	0.87	1%
49000 Common Area Expense	27.00	12.80	**27.00**	324.00	0.52	0%
Sub-Total	1,511.00	1,466.95	**1,534.00**	18,408.00	29.50	25%
Utilities						
50000 Electricity	415.00	452.75	**415.00**	4,980.00	7.98	7%
52000 Water	1,200.00	1,494.96	**1,500.00**	18,000.00	28.85	24%
Sub-Total	1,615.00	1,947.71	**1,915.00**	22,980.00	36.83	31%
Maintenance						
60000 Landscape Contract	1,600.00	1,600.00	**1,600.00**	19,200.00	30.77	26%
60100 Landscaping-Repairs	10.00	0.00	**10.00**	120.00	0.19	0%
60200 Landscaping-Trees	55.00	7.67	**50.00**	600.00	0.96	1%
69000 General Repairs	15.00	62.50	**50.00**	600.00	0.96	1%
Sub-Total	1,680.00	1,670.17	**1,710.00**	20,520.00	32.88	28%
Repairs/Supplies						
75000 Electrical/Lighting	10.00	0.00	**10.00**	120.00	0.19	0%
Sub-Total	10.00	0.00	**10.00**	120.00	0.19	0%
TOTAL OPERATING	4,816.00	5,084.83	**5,169.00**	62,028.00	99.40	84%
Reserves						
80000 Monthly Reserve	1,320.00	1,320.00	**967.00**	11,604.00	18.60	16%
TOTAL RESERVES	1,320.00	1,320.00	**967.00**	11,604.00	18.60	16%
TOTAL EXPENSES	6,136.00	6,404.83	**6,136.00**	73,632.00	118.00	100%

Talavera Owners Association
2025 BUDGET SUMMARY

BUDGET YEAR

	2024	2025	% Change
OPERATING EXPENSES	4,816.00	5,169.00	7%
RESERVE CONTRIBUTIONS	1,320.00	967.00	-27%
TOTAL EXPENSES	6,136.00	6,136.00	0%
ASSESSMENT PER UNIT PER MONTH	**118.00**	**118.00**	**0%**

STATEMENT OF ESTIMATED REVENUE

INCOME	2024 Total Per Month	2024 Per Unit Per Month	2025 Total Per Month	2025 Per Unit Per Month	Percentage Change Per Unit
Assessments	$6,136.00	$118.00	$6,136.00	$118.00	0%
Interest	$0.00		$0.00		
Total Revenue	$6,136.00		$6,136.00		
Total 2025 Annual Revenue:			**$73,632.00**		

Exhibit 2

Talavera Owners Association

2025 Reserve Funding Summary - as required by Civil Code Sections 5565

ACCOUNT NUMBER	COMPONENT	ESTIMATED REPLACEMENT COST	ESTIMATED USEFUL LIFE	ESTIMATED REMAINING LIFE	ESTIMATED BEGINNING FUND BALANCE	ESTIMATED NECESSARY BALANCE ON COMPONENT FUNDING BASIS	ESTIMATED ANNUAL COMPONENT FUNDING LIABILITY
91200	Pool Lights/Fire Hydrant Paint	1,803	5	0	2,211	1,803	361
90300	Asphalt, - Major Rehab	162,926	30	5	166,509	135,771	5,431
90200	Asphalt - Preventative Maint	17,456	5	0	21,408	17,456	3,491
90600	Concrete - Repair	5,464	10	0	6,701	5,464	546
92000	Entry Monument / Signs	13,113	35	10	11,487	9,366	375
91900	Mailboxes	6,556	25	18	2,251	1,836	262
91500	Lighting - Landscape	1,530	20	0	1,876	1,530	76
91400	Lighting - Street Light Fixtures	39,338	30	5	40,203	32,782	1,311
91600	Irrigation Controllers	3,278	15	0	4,020	3,278	219
91800	Backflow Device	4,371	30	5	4,467	3,642	146
91700	Landscaping Renovation	2,732	2	0	3,350	2,732	1,366
92300	Tree Trimming	3,825	2	0	4,690	3,825	1,912
92400	Pergola - Wood	6,556	20	0	8,041	6,556	328
92200	Reserve Study	1,639	3	0	2,010	1,639	546
95000	Contingency	0	1	0	0	0	0
	TOTALS	270,587			279,225	227,680	16,370

Reserve Percentage Funded Disclosure Per Civil Code Sections 5565

ESTIMATED ACTUAL FUND BALANCE AT BEGINNING OF FISCAL YEAR: $279,225

ESTIMATED NECESSARY FUND BALANCE AT BEGINNING OF FISCAL YEAR: $279,225

PERCENTAGE OF NECESSARY BALANCE ACTUALLY FUNDED: 100%

(Estimated Actual Fund Balance / Estimated Necessary Fund Balance)

This Percentage Funded figure has been determined using a cash flow basis for reserve funding.

For comparison purposes only, the percentage funded below has been calculated on a Component Funding Basis:

Estimated Actual Fund Balance at Beginning of Fiscal Year: $279,225

Estimated Necessary Fund Balance on a Component Funding Basis at Beginning of Fiscal Year: $227,680

Percentage of Component Funding Balance Actually Funded: 123%

The Board of Directors has elected to use the cash flow funding model to represent the funding obligations and percentage of funding actually in place for the association based on all available information.

Talavera Owners Association Inflation Rate: 3.00%

Reserve Funding Analysis - Cash Flow Basis Interest Rate: 0.50%

FISCAL YEAR BEGINNING	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Starting Reserve Balance	279,225	247,387	260,224	266,486	278,321	284,972	36,653	40,840	55,277	61,859
Annual Reserve Contribution	11,604	11,952	12,311	12,680	13,060	13,452	13,856	14,271	14,700	15,141
Interest Income	1,201	1,264	1,295	1,353	1,385	146	166	237	269	333
Less Tax Expense-30%	(360)	(379)	(388)	(406)	(415)	(44)	(50)	(71)	(81)	(100)
Planned Special Assessments										
TOTAL RESERVE FUNDS	291,670	260,224	273,441	280,112	292,351	298,526	50,625	55,277	70,165	77,233
EXPENDITURES										
Pool Lights/Fire Hydrant Paint	1,803	0	0	0	0	2,090	0	0	0	0
Asphalt, - Major Rehab	0	0	0	0	0	188,875	0	0	0	0
Asphalt - Preventative Maint	17,456	0	0	0	0	20,237	0	0	0	0
Concrete - Repair	5,464	0	0	0	0	0	0	0	0	0
Entry Monument / Signs	0	0	0	0	0	0	0	0	0	0
Mailboxes	0	0	0	0	0	0	0	0	0	0
Lighting - Landscape	1,530	0	0	0	0	0	0	0	0	0
Lighting - Street Light Fixtures	0	0	0	0	0	45,604	0	0	0	0
Irrigation Controllers	3,278	0	0	0	0	0	0	0	0	0
Backflow Device	0	0	0	0	0	5,067	0	0	0	0
Landscaping Renovation	2,732	0	2,898	0	3,075	0	3,262	0	3,461	0
Tree Trimming	3,825	0	4,057	0	4,305	0	4,567	0	4,845	0
Pergola - Wood	6,556	0	0	0	0	0	0	0	0	0
Reserve Study	1,639	0	0	1,791	0	0	1,957	0	0	2,139
Contingency	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	44,283	0	6,956	1,791	7,379	261,873	9,786	0	8,305	2,139
ENDING RESERVE BALANCE	247,387	260,224	266,486	278,321	284,972	36,653	40,840	55,277	61,859	75,094
Minimum Acceptable Balance	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
RESERVE BALANCE NEEDED	247,387	260,224	266,486	278,321	284,972	36,653	40,840	55,277	61,859	75,094
CASH FLOW PERCENTAGE FUNDED	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Talavera Owners Association

Reserve Funding Analysis - Cash Flow Basis

Inflation Rate: 3.00%

Interest Rate: 0.50%

FISCAL YEAR BEGINNING	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Starting Reserve Balance	75,094	31,109	47,307	52,318	69,569	77,441	58,021	66,318	85,760	80,645
Annual Reserve Contribution	15,595	16,063	16,545	17,041	17,552	18,079	18,621	19,180	19,755	20,348
Interest Income	113	192	216	301	339	240	280	376	349	450
Less Tax Expense-30%	(34)	(58)	(65)	(90)	(102)	(72)	(84)	(113)	(105)	(135)
Planned Special Assessments										
TOTAL RESERVE FUNDS	90,768	47,307	64,002	69,569	87,358	95,688	76,839	85,760	105,759	101,308
EXPENDITURES										
Pool Lights/Fire Hydrant Paint	2,423	0	0	0	0	2,809	0	0	0	0
Asphalt, - Major Rehab	0	0	0	0	0	0	0	0	0	0
Asphalt - Preventative Maint	23,460	0	0	0	0	27,196	0	0	0	0
Concrete - Repair	7,343	0	0	0	0	0	0	0	0	0
Entry Monument / Signs	17,622	0	0	0	0	0	0	0	0	0
Mailboxes	0	0	0	0	0	0	0	0	11,162	0
Lighting - Landscape	0	0	0	0	0	0	0	0	0	0
Lighting - Street Light Fixtures	0	0	0	0	0	0	0	0	0	0
Irrigation Controllers	0	0	0	0	0	5,107	0	0	0	0
Backflow Device	0	0	0	0	0	0	0	0	0	0
Landscaping Renovation	3,671	0	3,895	0	4,132	0	4,384	0	4,651	0
Tree Trimming	5,140	0	5,453	0	5,785	0	6,137	0	6,511	0
Pergola - Wood	0	0	0	0	0	0	0	0	0	0
Reserve Study	0	0	2,337	0	0	2,554	0	0	2,790	0
Contingency	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	59,659	0	11,685	0	9,917	37,666	10,521	0	25,114	0
ENDING RESERVE BALANCE	31,109	47,307	52,318	69,569	77,441	58,021	66,318	85,760	80,645	101,308
Minimum Acceptable Balance	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
RESERVE BALANCE NEEDED	31,109	47,307	52,318	69,569	77,441	58,021	66,318	85,760	80,645	101,308
CASH FLOW PERCENTAGE FUNDED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Talavera Owners Association

Reserve Funding Analysis - Cash Flow Basis

Inflation Rate: 3.00%

Interest Rate: 0.50%

FISCAL YEAR BEGINNING	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054
Starting Reserve Balance	101,308	51,307	70,048	79,957	103,175	110,445	94,701	105,908	128,443	140,431
Annual Reserve Contribution	20,958	21,587	22,234	22,901	23,589	24,296	25,025	25,776	26,549	27,346
Interest Income	199	291	338	452	487	406	460	570	628	765
Less Tax Expense-30%	(60)	(87)	(102)	(136)	(146)	(122)	(138)	(171)	(188)	(229)
Planned Special Assessments										
TOTAL RESERVE FUNDS	122,405	73,097	92,520	103,175	127,104	135,025	120,048	132,084	155,431	168,312
EXPENDITURES										
Pool Lights/Fire Hydrant Paint	3,256	0	0	0	0	3,775	0	0	0	0
Asphalt, - Major Rehab	0	0	0	0	0	0	0	0	0	0
Asphalt - Preventative Maint	31,528	0	0	0	0	36,550	0	0	0	0
Concrete - Repair	9,868	0	0	0	0	0	0	0	0	0
Entry Monument / Signs	0	0	0	0	0	0	0	0	0	0
Mailboxes	0	0	0	0	0	0	0	0	0	0
Lighting - Landscape	2,763	0	0	0	0	0	0	0	0	0
Lighting - Street Light Fixtures	0	0	0	0	0	0	0	0	0	0
Irrigation Controllers	0	0	0	0	0	0	0	0	0	0
Backflow Device	0	0	0	0	0	0	0	0	0	0
Landscaping Renovation	4,934	0	5,234	0	5,553	0	5,891	0	6,250	0
Tree Trimming	6,908	0	7,328	0	7,775	0	8,248	0	8,750	0
Pergola - Wood	11,842	0	0	0	0	0	0	0	0	0
Reserve Study	0	3,049	0	0	3,332	0	0	3,641	0	0
Contingency	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	71,098	3,049	12,563	0	16,660	40,325	14,139	3,641	15,000	0
ENDING RESERVE BALANCE	51,307	70,048	79,957	103,175	110,445	94,701	105,908	128,443	140,431	168,312
Minimum Acceptable Balance	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
RESERVE BALANCE NEEDED	51,307	70,048	79,957	103,175	110,445	94,701	105,908	128,443	140,431	168,312
CASH FLOW PERCENTAGE FUNDED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Exhibit 3

PETER KOHN INSURANCE AGENCY

3000 CITRUS CIRCLE STE.116
WALNUT CREEK, CA 94598
PHONE (925) 820-1600   FAX (925) 820-1684
LICENSE #0623863

INSURANCE DISCLOSURE FORM
TALAVERA HOA
EFFECTIVE: 10/26/2024 to 10/26/2025
POLICY # 60514-46-36

A. **GENERAL LIABILITY COVERAGE**

1. Name of Insurer: Truck Insurance Company

    NOTE: THIS LIABILITY DOES NOT EXTEND TO THE INTERIORS OF UNITS WHETHER OWNER OR TENANT OCCUPIED

2. Limits of Liability: $2,000,000 per occurrence / $4,000,000 aggregate.

B. **COMMERCIAL EXCESS/UMBRELLA LIABILITYPOLICY**

1. Name of Insurer: Truck Insurance Exchange
2. Policy # 60514-46-44
3. Limits of Liability $ 1,000,000

C. **FIDELITY COVERAGE**

1. Name of Insurer: Truck Insurance Company
2. Bond Limit: $200,000

D. **DID AN INSURANCE AGENT,** as defined in the Section 1621 of the Insurance Code an insurance broker, as defined in section 1623 of the Insurance Code or an agent of an Insurance Agent or Insurance Broker assist the Association in the development of the General And/or Commercial Excess/Umbrella Liability policy limits?

Yes **X** No

Were the recommendations of the insurance agent or insurance broker followed?

Yes **X** No

E. **PROPERTY INSURANCE POLICY**

1. Name of Insurer: Truck Insurance Exchange
2. Property Insurance Limits:

    Building Coverage: $ 1
    Specified Property $ 110,000

3. Property Insurance Deductible: $ 1,000

NOTE: THIS PROPERTY DOES NOT EXTEND TO ANY OF THE PERSONAL PROPERTY OWNED BY THE UNIT OWNERS.

4. Does the property insurance coverage extend to the real property Improvements to the separate interests? No

F. **EARTHQUAKE AND FLOOD INSURANCE POLICY**

1. Name of earthquake Insurer: None in force
2. Name of Flood Insurer: None in Force

This summary of the association's policies of insurance provides only certain information, as required by subdivision (b) (9) of 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.

Exhibit 4

Talavera Owners Association

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending 12/31/25, pursuant to Civil Code Section 5570

(1) The current regular assessment per ownership interest is $118.00 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 summary.

(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:

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:
	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 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 yet been approved by the board or its members.

Approximate Date Assessment will be Due:	Amount per ownership interest per month or year:
	Total:

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

(6) Based on the method of calculation in Section 5570, the estimated amount required in the reserve fund balance at the end of the current fiscal year is $227,680.00 based in whole or in part on the last reserve study or update prepared by Applied Reserve Analysis as of July 14, 2021. The projected reserve fund cash balance at the end of the current fiscal year is $279,225.00, resulting in the reserves being 123 percent funded at this date. If an alternate but generally accepted method of calculation is also used, the required reserve amount is $N/A. (see attached explanation).

(7) Based on the method of calculation in Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is:

2025	$227,680
2026	$205,761
2027	$229,301
2028	$246,904
2029	$270,891

and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is:

2025	$279,225
2026	$247,387
2027	$260,224
2028	$266,486
2029	$278,321

leaving the reserve at:

2025	123%
2026	120%
2027	113%
2028	108%
2029	103%

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 above). leaving the reserve at (see above) 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 reserved funds was 0.50 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.0 percent per year.

Exhibit 5

ASSOCIATION COLLECTION POLICY STATEMENT
PURSUANT TO CIVIL CODE SECTION 5730

"NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as 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).

Exhibit 6

TALAVERA OWNERS ASSOCIATION
DELINQUENT ASSESSMENT COLLECTION POLICY STATEMENT

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 your 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)(7), the following are the Association's assessment practices and policies:

1. Regular assessments and any special assessments are due on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof. Once an assessment becomes delinquent, the association is entitled by both the Davis-Stirling act & the governing documents to recover the following sums:

   A. The amount of the delinquent assessment

   B. Reasonable costs incurred to collect the assessment (including reasonable attorney fees)

   C. A late charge not exceeding 10 percent of the amount of the delinquent assessment or $10.00, whichever is greater.

   D. Interest on all sums (assessments, costs, late charges, and legal fee) at a rate not to exceed 12 percent per annum. Interest begins to accrue from and after the time the delinquent assessment is 30 days past due.

2. A courtesy billing statement is sent each month to the billing address on record. However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received.

3. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.

4. If all such amounts have not been received ninety (90) days after the original due date thereof, the account may be forwarded to a collection agency, or at a later date as determined by the Board, and all resulting collection fees and costs will be added to the total delinquent amount.

5. If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien and the delinquent assessment exclusive of any accelerated assessments, late charges, attorney's fees, fees, interest and costs of collection which equals or exceeds Eighteen Hundred Dollars ($1,800.00) and/or the delinquent assessment is more than Twelve (12) months delinquent, the Association may, without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the property owner(s). However, the Association has the right at all times to attempt to collect any delinquent regular or special assessment, which equals or exceeds Eighteen Hundred Dollars ($1,800.00) and/or the delinquent assessment is less than Twelve (12) months, including accelerated assessments, late charge, attorney's fees, fees, interest and costs of collection by any manner provided by law (including a civil lawsuit) except for judicial and non-judicial foreclosure.

6. The Association shall collect a "returned check charge" of twenty-five dollars ($25.00) for all payments returned as "non-negotiable," "insufficient funds" or any other reason.

7. The mailing address for overnight payment of assessments is 1935 Dry Creek Rd, Suite 203, Campbell, CA 95008.

8. Any owner who is unable to pay assessments is entitled to make a written request for a payment plan to the Board of Directors. The Board will consider the requests on a case-by-case basis and is under no obligation to grant payment plan requests.

Adopted by the Board of Directors on: 1/16/13

Exhibit 7

TALAVERA FINE POLICY

Fines: To ensure compliance with the above mentioned rules, Owners may be fined not less than $10.00 nor more than $50.00 per occurrence or continuation of violations. Fine amounts are to be set by the Board of Directors based on the merits of each violation.

Due Process Requirements: Before the Board imposes any monetary penalties or suspension of membership rights or Common Area use privileges against any member for failure to comply with the Declaration, the Bylaws or the Association Rules, the Board must act in good faith and satisfy each of the following requirements:

1. The member must be given 15 days prior written notice specifying the nature of the damage or violation and stating the time, date and place that the member will have an opportunity to be heard. Notice may be delivered personally or by mail. If the notice is given by mail, it must be sent by first class or registered mail to the last address of the member as shown on the Association's records.

2. The member will be given an opportunity to be heard, orally or in writing, by the Board. Members shall have the opportunity to present witnesses on the member's behalf and to cross-examine any witnesses that may testify against the member. After the hearing, the Board shall determine whether owner damage or a violation has occurred and, if so, may impose a "Reimbursement Assessment" which shall become effective not less than five (5) days after the date of the hearing or the Board may take such other action as may be appropriate.

Exhibit 8

Dispute Resolution

Civil Code Section 5905 requires associations to provide a fair, reasonable and expeditious procedure for resolving disputes. The procedure provided by the **Talavera Owners Association** is pursuant to Civil Code Section 5915 which is deemed by statute to be a fair, reasonable, and expeditious dispute resolution procedure. The procedure applies to disputes between the association and a member involving their rights, duties, or liabilities under the Davis-Stirling Common Interest Development Act, under the Nonprofit Mutual Benefit Corporation law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the Association.

(1) The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.

(2) The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the association to act on a request invoking the procedure.

(3) If the procedure is invoked by a member, the association shall participate in the procedure.

(4) If the procedure is invoked by the association, the member may elect not to participate in the procedure. If the member participates but the dispute is resolved other than by agreement of the member, the member shall have a right of appeal to the board.

(5) A written resolution, signed by both parties, of a dispute pursuant to the procedure that is not in conflict with the law or the governing documents binds the association and is judicially enforceable. A written agreement, signed by both parties, reached pursuant to the procedure that is not in conflict with the law or the governing documents binds the parties and is judicially enforceable.

(6) The procedure shall provide a means by which the member and the association may explain their positions. The member and association may be assisted by an attorney or another person in explaining their positions at their own cost.

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

Disputes may also be subject to Chapter 10, Article 3 (Alternative Dispute Resolution Prerequisite to Civil Action) of the California Civil Code. The provision of Chapter 10, Article 3 are set forth below. **Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 (ADR Prerequisite to Enforcement Action) of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.**

California Civil Code, Chapter 10, Article 3

§ 5925.

As used in this article:

(a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decisionmaking process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

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

(1) Enforcement of this act.

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

§ 5930.

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

Exhibit 8

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

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

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

§ 5935.

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

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

(2) A request for alternative dispute resolution.

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

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

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

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

§ 5940.

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

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

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

§ 5945.

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

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

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

§ 5950.

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

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

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

(3) Preliminary or temporary injunctive relief is necessary.

Exhibit 8

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

§ 5955.

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

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

§ 5960.

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

§ 5965.

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

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

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

DAVIS-STIRLING ACT

Civil Code §4528. Document Disclosure Summary Form.
[Old: Civ. Code §1368.2]

The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

CHARGES FOR DOCUMENTS PROVIDED
AS REQUIRED BY SECTION 4525*

Property Address: Talavera Homeowners Association
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 Included	Fee for Document	Not Available (N/A) or 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)	$14	
CC&Rs	Section 4525(a)(1)	$35	
Bylaws	Section 4525(a)(1)	$30	
Operating Rules	Section 4525(a)(1)	$25	
Age restrictions, if any	Section 4525(a)(2)	n/a	
Rental restrictions, if any	Section 4525(a)(9)	in CC&Rs	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	$25	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	in Budget	

Financial statement review	Sections 5305 and 4525(a)(3)	$35
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)	in budget
Special assessment	Section 4525(a)(4)	in budget
Emergency assessment	Section 4525(a)(4)	n/a
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	$125
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	in budget
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	$35
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	$35
Notice(s) of violation	Sections 5855 and 4525(a)(5)	Demand
Required statement of fees	Section 4525	Demand
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	$5/each

Total fees for these documents:

* 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.