



Spring Valley Lake Association
13325 Spring Valley Parkway
7001 SVL Box
Victorville, CA 92395-5107

September 1, 2017

Dear SVLA Homeowner:

The SVLA Board of Directors is pleased to announce the adoption of the new 2017-2018 annual budget, as well as reserve and personal property replacement schedules with their respective funding plans. The annual assessment will be \$1,060.00 per unit. The assessment will be due quarterly at a rate of \$265.00 on the following due dates: November 1, 2017, February 1, 2018, May 1, 2018, and August 1, 2018. You may pay in full with one payment on November 1, 2017. For your convenience, payments may be paid by automatic electronic funds transfer or on-line at www.proactivepm.pro.

Included with this mailing is the required annual disclosure packet which contains the following:

- Fiscal Year Budget 2017-2018
- Executive Summary Reserve Study
- Assessment and Reserve Funding Disclosure Summary
- 30 Year Reserve Funding Plan
- Insurance Disclosure
- Annual Policy Statement
- Delinquent Assessment Collection Policy
- Assessment and Foreclosure Notice
- Enforcement Fine Policy
- Alternative Dispute Resolution
- Internal Dispute Resolution
- Architectural Review Process/Application
- Security and Emergency/Disaster Preparedness Disclaimer

The association's governing documents are available on the website at www.svla.com.

We will continue to look for ways to increase efficiency, improve services and reduce our operating cost throughout the coming years. Additionally, SVLA will continue to strive for success in improving our reserve funding, collection of delinquent accounts, and improving the overall look of our community. Everything we do has one purpose – to make Spring Valley Lake the community of choice and the “Jewel of the High Desert”.

Respectfully,

Stephen Garcia, President
SVLA Board of Directors

Association Office – 760.245.9756
Public Safety – 760.245.6400
Fax – 760.245.3076
Website – www.svla.com

Spring Valley Lake Association

13325 Spring Valley Parkway
7001 SVL Box
Victorville, CA 92395-5107

To: All Members
Date: September 1, 2017
From: Board of Directors
Subject: Annual Budget Report

In accordance with California Civil Code 4076; 5300-5320, enclosed is the;

1. Fiscal year budget effective November 1, 2017;
2. Reserve statement for fiscal year 2017-2018, and;
3. The approved assessment collection policy.

After careful review of the 2016-2017 operating and reserve expenses, we have determined that the projected expenses for 2017-2018 can be met with the current income. Therefore, the total assessment will remain at **\$265.00** per unit per quarter.

Your assessment includes reserve funding of \$81,000.00 per quarter, which is less than the amount recommended in the most recent reserve study projected at 48.5% funded starting 11/01/2017. Based on this level of funding the Board of Directors does not anticipate that one or more special assessment(s) may be required this year to repair, replace or restore any major component or to provide adequate reserves. A copy of the full reserve study plan is available upon request.

The Association obtained a loan on November 21, 2013 in the amount of \$3,000,000 at a 5% interest rate with Pacific Western Bank with a maturity date of February 21, 2025. At maturity the loan balance will be \$1,260,000. The association will have the option to pay it off or negotiate an additional five (5) year term. The current balance on the loan through August 31, 2017 is \$2,643,529. The annual payment on the loan is \$286,027, made in monthly payments of \$23,835.55.

Pursuant to the requirements of California Civil Code 5300(a);(b)(9), enclosed please find the Annual Insurance Disclosure Statement and Information.

The successful operation of any association is dependent on the cooperation of all homeowners. Your continued support is appreciated.

Enclosure

Spring Valley Lake Association

13325 Spring Valley Parkway
7001 SVL Box
Victorville, CA 92395-5107

To: All Members

Date: September 1, 2017

From: Board of Directors

Subject: Annual Policy Statement

In accordance with California Civil Code Section 5320 the following information must be distributed to the members.

1. Pursuant to Section 4035, the person designated to receive official communications to the association is:

Spring Valley Lake Association
13325 Spring Valley Parkway
7001 SVL Box
Victorville, CA 92395-5107

2. Pursuant to subdivision (b) of Section 4040, homeowners are entitled to give their Association a secondary mailing address for both fiscal matters and collection matters. Such requests may be made through the Association's management company via mail or fax to:

Spring Valley Lake Association
c/o ProActive Professional Management
23201 Lake Center Drive #101
Lake Forest CA 92630
Fax: (949) 346-9925

3. Pursuant to paragraph (3) of subdivision (a) of Section 4045, the location designated for posting of the official notice is the Association office bulletin board and additional boards in the community.

4. Pursuant to subdivision (b) of Section 4045, members have an option to receive general notices by individual delivery. In order to activate this option you must notify the Association's management company via mail or fax to:

Spring Valley Lake Association
13325 Spring Valley Parkway
7001 SVL Box
Victorville, CA 92395-5107
Fax (760) 245-3076

5. Pursuant to subdivision (b) of Section 4950, a member has the right to receive copies of meeting minutes. The minutes, proposed for adoption draft minutes, or a summary of the minutes for meetings of the Board of Directors, other than executive sessions, shall be available to members within 30 days of the meeting. These minutes will be distributed to any member upon request and upon reimbursement for the costs in making that distribution.
6. Pursuant to Section 5730, a statement of assessment collection policies is included with this mailing. In addition, the policy includes a statement describing the association's policies and practices in enforcing lien rights and other legal remedies for default in the payment of assessments.
7. Pursuant to Section 5850, a statement describing the association's discipline policy including a schedule of penalties for violations of the governing documents is included with this mailing and is also available on the Association web-site at www.svla.com as the Fine Schedule.
8. Pursuant to Sections 5920 and 5965, a summary of dispute resolution procedures is included with this mailing.
9. Pursuant to Section 4765, a summary of requirements for association approval of physical change to property is included with this mailing and is also available on the Association Web-site at www.svla.com as the Architectural Policy and Procedure.
10. Pursuant to Section 5655, the mailing address for overnight payment of assessments is:

Spring Valley Lake Association
c/o ProActive Professional Management
23201 Lake Center Drive #101
Lake Forest CA 92630

Spring Valley Lake Association

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SECURITY DISCLAIMER: We hope that our security systems and Public Safety Department provide some deterrence to crime. However, no matter what steps we take, the Association can never be completely safe and secure. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their own neighbors, and for guests of residents to commit crimes. As a result, the Association is not and can never be free of crime and we cannot guarantee your safety or security. Accordingly, you should NOT rely on the Association to protect you from loss or harm. Instead, you should provide for your own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; refusing to open your door to strangers; asking workmen for identification; installing a security system; locking your car; etc. Additionally, the duties of the Public Safety Department personnel are ONLY to patrol and secure the various Association properties and amenities and to observe and report on service calls, suspicious activities or violations of the Association's Rules and Regulations, where applicable.

EMERGENCY/DISASTER PREPAREDNESS DISCLAIMER: In the event of an emergency or disaster, residents should be self-prepared. The Association does not maintain emergency food, water, fuel, medical professionals or medical supplies. Accordingly, you should NOT rely on Spring Valley Lake Association to provide for your personal needs during or following an emergency event or disaster scenario. Instead, you should take common sense precautions such as maintaining a stock of food and water for your family and pets, storing emergency medical supplies, storing a supply of any prescriptions or medications required, etc. You can find more information about emergency preparedness by visiting www.ready.gov. There are also other helpful links on the Association website. Additionally, the duties of the Association Staff are ONLY to assist in making and maintaining contact with official entities, and to assist in obtaining services for the community as quickly as possible in the event of a disaster.

Spring Valley Lake Association
Fiscal Year End October 31, 2018
Approved Budget for the period: 11/01/2017 - 10/31/2018

Income		Annual	Quarterly	Per Lot / Per Quarter
Assessments		\$4,468,332	\$1,117,083	\$ 265.00
Community Service Fees	(Sch A)	52,900	13,225	3.14
Marina Fees	(Sch B)	172,000	43,000	10.20
Equestrian Fees	(Sch C)	42,400	10,600	2.51
Owner Fees	(Sch D)	79,000	19,750	4.69
Investment Income		10,000	2,500	0.59
Other Revenue		42,000	10,500	2.49
Total Income		<u>4,866,632</u>	<u>1,216,658</u>	<u>\$ 288.62</u>
Expenses				
Compensation	(Sch 1)	2,455,940	613,985	145.67
Reserve Funding	(Sch 2)	324,000	81,000	19.22
Lake, Marina & Equestrian	(Sch 3)	651,002	162,751	38.61
Professional Services	(Sch 4)	350,100	87,525	20.77
Administrative Support	(Sch 5)	142,100	35,525	8.43
Vehicles, Equipment & Technology	(Sch 6)	155,140	38,785	9.20
Insurance: Umbrella, Auto, D&O		179,000	44,750	10.62
Utilities	(Sch 7)	215,000	53,750	12.75
Grounds & Building	(Sch 8)	171,000	42,750	10.14
Association Sponsored Events	(Sch 9)	65,500	16,375	3.88
Bad Debt		35,000	8,750	2.08
Capital Improvements	(Sch 10)	122,850	30,713	7.29
Total Expenses		<u>4,866,632</u>	<u>1,216,658</u>	<u>\$ 288.62</u>

Schedules are available on the Association website as well as at the Association office.

Spring Valley Lake Association
13325 Spring Valley Parkway (onsite office)
SVLA Box 7001 (mailing address)
Victorville, CA 92395
Phone: (760) 245-9756
Fax: (760) 245-3076
www.svla.com

Assessment and Reserve Funding Disclosure Summary

Spring Valley Lake Association

For Fiscal Year Beginning: 11/1/2017

of Units: 4215

1) Budgeted Amounts:	Total	Average Per unit*	
Reserve Contributions:	\$324,000.00	\$76.87	
Total Assessment Income:	\$4,468,332.00	\$1,060.10	per: Year

2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Due	Total Amount Per Unit*	Purpose
N/A		
N/A		
Total:		\$0.00

3) Based on the most recent Reserve Study and other information available to the Board of Directors, at this point in time does it appear that currently projected Reserve account balances 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? **No**

4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*	
2037	\$65	
N/A		
N/A		
N/A		
Total:		\$65

5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	11/1/2017
Fully Funded Balance (based on formula defined in 5570(b)4):	\$3,360,814.00
Projected Reserve Fund Balance:	\$1,628,917.00
Percent Funded:	48.5%
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$410.89
From the 8/29/2017 Reserve Study by Association Reserves, Inc. and any minor changes since that date.	

* If assessments vary by the size or type of unit, allocate per unit per the attached.

7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

Prepared by: Association Reserves (Kevin Leonard)

Date: 9/5/2017

The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.

Fiscal Year Beginning: 11/01/17

Interest:	1.0%	Inflation:	3.0%
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2017	\$1,628,917	\$3,360,814	48.5%	Fair	\$324,000	\$0	\$12,492	\$1,094,930
2018	\$870,479	\$2,728,884	31.9%	Fair	\$336,960	\$0	\$9,989	\$89,353
2019	\$1,128,075	\$3,125,593	36.1%	Fair	\$350,438	\$0	\$10,503	\$515,544
2020	\$973,472	\$3,107,431	31.3%	Fair	\$364,456	\$0	\$10,727	\$175,820
2021	\$1,172,835	\$3,451,213	34.0%	Fair	\$379,034	\$0	\$11,724	\$390,552
2022	\$1,173,042	\$3,597,084	32.6%	Fair	\$394,196	\$0	\$12,673	\$217,190
2023	\$1,362,721	\$3,939,232	34.6%	Fair	\$409,963	\$0	\$11,621	\$821,747
2024	\$962,559	\$3,682,689	26.1%	Weak	\$426,362	\$0	\$11,075	\$146,662
2025	\$1,253,333	\$4,127,937	30.4%	Fair	\$443,416	\$0	\$12,500	\$461,484
2026	\$1,247,766	\$4,276,851	29.2%	Weak	\$461,153	\$0	\$13,649	\$239,295
2027	\$1,483,273	\$4,674,099	31.7%	Fair	\$479,599	\$0	\$15,027	\$454,513
2028	\$1,523,386	\$4,877,054	31.2%	Fair	\$498,783	\$0	\$16,732	\$214,418
2029	\$1,824,484	\$5,349,321	34.1%	Fair	\$518,734	\$0	\$10,618	\$2,053,737
2030	\$300,099	\$3,957,661	7.6%	Weak	\$539,484	\$0	\$5,278	\$88,920
2031	\$755,941	\$4,564,910	16.6%	Weak	\$561,063	\$0	\$8,101	\$460,130
2032	\$864,976	\$4,825,433	17.9%	Weak	\$583,506	\$0	\$9,738	\$374,847
2033	\$1,083,372	\$5,199,538	20.8%	Weak	\$598,093	\$0	\$9,650	\$843,755
2034	\$847,360	\$5,120,354	16.5%	Weak	\$613,046	\$0	\$8,032	\$708,741
2035	\$759,697	\$5,196,876	14.6%	Weak	\$628,372	\$0	\$4,666	\$1,218,772
2036	\$173,963	\$4,769,950	3.6%	Weak	\$644,081	\$0	\$3,969	\$201,829
2037	\$620,185	\$5,397,842	11.5%	Weak	\$660,183	\$275,000	\$3,483	\$1,482,095
2038	\$76,756	\$4,746,677	1.6%	Weak	\$676,688	\$0	\$718	\$687,193
2039	\$66,969	\$4,916,130	1.4%	Weak	\$693,605	\$0	\$372	\$753,508
2040	\$7,439	\$5,044,408	0.1%	Weak	\$710,945	\$0	\$2,127	\$302,403
2041	\$418,108	\$5,663,879	7.4%	Weak	\$728,719	\$0	\$2,962	\$975,233
2042	\$174,555	\$5,632,308	3.1%	Weak	\$746,937	\$0	\$1,959	\$706,022
2043	\$217,429	\$5,901,167	3.7%	Weak	\$765,610	\$0	\$1,162	\$969,064
2044	\$15,137	\$5,931,972	0.3%	Weak	\$784,750	\$0	\$2,164	\$384,283
2045	\$417,768	\$6,591,582	6.3%	Weak	\$804,369	\$0	\$4,374	\$769,087
2046	\$457,424	\$6,900,957	6.6%	Weak	\$824,478	\$0	\$7,968	\$152,941

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
Administration & Maintenance Buildings					
303	HVAC System - Replace (Front)	20	0	\$7,400	\$13,365
303	HVAC System - Replace (Rear)	20	0	\$7,400	\$13,365
304	Parking Lot Lights - Replace	25	11	\$5,900	\$8,167
305	Handheld Radios - Replace (Maint.)	4	2	\$9,300	\$9,866
310	Security System - Modernize	7	3	\$6,500	\$7,103
350	Flag Pole - Replace	40	5	\$6,250	\$7,245
601	Carpet - Replace	6	0	\$8,150	\$9,732
702	Overhead Doors - Replace	20	12	\$18,200	\$25,949
909	Restroom - Refurbish (Maint)	25	0	\$3,500	\$7,328
909	Restrooms - Refurbish (Admin)	25	24	\$6,600	\$13,416
909	Restrooms - Refurbish (Public)	25	0	\$17,500	\$36,641
911	Furniture - Partial Replacement	4	0	\$7,000	\$7,879
912	Computer/Printers - Replace	5	0	\$12,750	\$14,781
1304	Tile Roof - Replace Underlay -Admin	30	0	\$18,150	\$44,055
1304	Tile Roof - Replace Underlay -Maint	30	19	\$18,600	\$32,615
1402	Entrance Sign - Replace	25	9	\$18,000	\$23,486
1900	Building Exteriors - Repair	30	2	\$25,000	\$26,523
1901	Building Interior - Remodel	30	0	\$143,000	\$347,099
Community Center					
303	HVAC Systems - Replace	20	18	\$64,000	\$108,956
304	Defibulators - Replace	5	1	\$2,700	\$2,781
304	Interior Lighting - Replace	25	2	\$15,000	\$15,914
305	Dig. Mobile Radios - Replace (PSD)	7	5	\$8,100	\$9,390
305	Handheld Radios - Replace (PSD)	4	2	\$13,950	\$14,800
310	Security System - Modernize	7	3	\$6,500	\$7,103
320	Parking Lot Lights - Replace	25	3	\$12,600	\$13,768
350	Flag Pole - Replace	40	5	\$4,500	\$5,217
404	Patio - Refurbish	10	7	\$9,250	\$11,376
602	Vinyl Floor - Replace	15	12	\$39,000	\$55,605
603	Tile - Replace	25	9	\$23,800	\$31,054
702	Metal Doors - Replace	40	25	\$45,000	\$94,220
901	Refrigerator/Freezer - Replace	15	3	\$6,250	\$6,830
901	Stoves - Replace	20	17	\$3,000	\$4,959
903	Folding Furniture - Replace	10	1	\$12,250	\$12,618
903	Furniture - Replace (Boardroom)	10	0	\$7,750	\$10,415
908	Window Coverings - Replace	10	9	\$9,900	\$12,917
909	Kitchen - Refurbish	20	13	\$17,500	\$25,699
909	Restrooms - Refurbish	25	11	\$37,500	\$51,909
909	Security Offices - Refurbish	15	11	\$12,150	\$16,818
915	Stage - Replace	15	0	\$9,200	\$14,333
1301	Cap Sheet Roof - Replace	12	9	\$12,950	\$16,897
1303	Flat Roof - Replace	20	3	\$50,400	\$55,073
1304	Tile Roof - Replace Underlayment	30	3	\$14,300	\$15,626
1802	Antenna Tower - Replace	15	10	\$22,500	\$30,238
1803	Fire Alarm System - Replace	20	1	\$12,500	\$12,875

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1804	Fire Suppression System - Replace	20	9	\$11,500	\$15,005
1805	Sound System - Replace	15	3	\$7,700	\$8,414
<i>Equestrian Center</i>					
303	HVAC Unit - Replace (Apartment)	15	2	\$5,625	\$5,968
303	HVAC Unit - Replace (Clubroom)	15	2	\$9,375	\$9,946
350	Flag Poles - Replace	40	5	\$4,400	\$5,101
408	Judges Gazebo - Replace	30	0	\$15,230	\$36,967
409	Bridges - Replace	30	0	\$46,200	\$112,140
409	Sand - Replace (Arena)	4	0	\$9,300	\$10,467
425	Metal Hay Barns - Replace	35	25	\$11,000	\$23,032
503	Heavy Pipe Rail - Replace (Arenas)	25	22	\$40,000	\$76,644
503	Pipe Rail - Replace (Stalls/Pens)	30	6	\$64,900	\$77,494
505	Wood Fence - Replace	15	0	\$13,000	\$20,254
506	Vinyl Fence - Replace	30	19	\$68,000	\$119,238
702	Metal Doors - Replace	25	7	\$23,700	\$29,148
1304	Tile Roof - Replace Underlayment	30	18	\$23,400	\$39,837
1304	Tile Roof - Replace Underlayment	30	18	\$44,000	\$74,907
1904	Walkway Poles - Replace	30	7	\$11,000	\$13,529
1908	Propane Tank - Replace	40	3	\$5,000	\$5,464
1910	Windows (apartment) - Replace	25	23	\$2,875	\$5,674
1911	Tile Floor (apartment) - Replace	20	18	\$5,900	\$10,044
1912	Carpet (apartment) - Replace	5	3	\$1,050	\$1,147
1913	Sliding Doors (apartment) - Replace	25	23	\$5,800	\$11,447
<i>Asphalt</i>					
201	Asphalt - Overlay (Admin)	40	37	\$54,700	\$163,292
201	Asphalt - Overlay (Beach)	40	37	\$84,750	\$252,998
201	Asphalt - Overlay (CB, MP)	40	37	\$96,300	\$287,477
201	Asphalt - Overlay (EQ)	40	37	\$48,700	\$145,381
201	Asphalt - Remove & Replace (Admin)	40	12	\$119,200	\$169,951
201	Asphalt - Remove & Replace (Beach)	40	12	\$185,000	\$263,766
201	Asphalt - Remove & Replace (CB, MP)	40	12	\$210,000	\$299,410
201	Asphalt - Remove & Replace (EQ)	40	12	\$106,250	\$151,487
202	Asphalt - Seal/Repair (All)	5	2	\$36,250	\$38,458
<i>Lake & Marina</i>					
103	Boat Ramp - Replace	25	9	\$8,750	\$11,417
111	Gangways - Replace	50	6	\$17,000	\$20,299
314	Fuel Dispenser - Replace	20	5	\$17,500	\$20,287
314	Fuel Station POS - Replace	8	5	\$13,500	\$15,650
315	Fuel Storage Tank - Replace	40	5	\$45,700	\$52,979
501	Sea Wall - Partial Replace	15	1	\$13,800	\$14,214
503	Iron Fence/Rail - Replace	20	0	\$6,000	\$10,837
510	Shade Structure - Replace	20	16	\$8,600	\$13,800
511	Shade Fabric - Replace	5	1	\$2,500	\$2,575
1901	Docks - Replace (Phase 1)	50	6	\$229,500	\$274,035

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1901	Docks - Replace (Phase 2)	50	12	\$255,500	\$364,282
1902	Dock Bumpers - Partial Replace	5	5	\$5,150	\$5,970
1904	Fish Cleaning Station - Replace	25	11	\$5,300	\$7,336
1910	Lake Coving - Partial Repair	2	0	\$166,000	\$176,109
1912	Dam - Refurbish	45	11	\$52,600	\$72,811
1914	Aerators - Replace	15	8	\$25,500	\$32,303
1914	Lake Water Flow Meters - Replace	15	7	\$17,550	\$21,584
1914	Outflow Monitor Devices - Replace	20	2	\$17,500	\$18,566
1915	Wells - Replace (#1,2,10,15)	25	20	\$310,000	\$559,894
1915	Wells - Replace (#3,5,14)	25	17	\$233,000	\$385,113
1915	Wells - Replace (#6,11,13)	25	21	\$233,000	\$433,449
1915	Wells - Replace (#7,9,16)	25	18	\$233,000	\$396,667
1916	Well Pumps - Replace (#1,2,10,15)	10	5	\$66,000	\$76,512
1916	Well Pumps - Replace (#3,5,14)	10	2	\$49,500	\$52,515
1916	Well Pumps - Replace (#6,11,13)	10	6	\$49,500	\$59,106
1916	Well Pumps - Replace (#7,9,16)	10	4	\$49,500	\$55,713

<i>Parks</i>					
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320	Pole Lights - Partial Replace	1	0	\$3,500	\$3,605
404	Picnic Tables - Partial Replace	2	0	\$7,700	\$8,169
405	Metal Play Equip. - Replace (MP)	15	14	\$11,000	\$16,638
405	Play Equipment - Replace (Beach)	15	10	\$33,000	\$44,349
405	Play Equipment - Replace (MP)	15	15	\$46,000	\$71,667
405	Play Equipment - Replace (Playfair)	15	0	\$46,000	\$71,667
405	Splash Equipment - Replace	10	6	\$12,000	\$14,329
406	Bark - Replace (MP)	15	13	\$16,000	\$23,497
407	Shade Structures - Replace (MP)	20	18	\$28,000	\$47,668
407	Shade Structure - Replace (Beach)	20	18	\$14,000	\$23,834
408	Shade Fabric - Replace (MP)	5	3	\$6,000	\$6,556
408	Shade Fabric - Replace (Beach)	5	3	\$3,000	\$3,278
410	Bleachers - Replace	25	0	\$13,000	\$27,219
502	Softball Backstops - Replace	25	0	\$22,800	\$47,738
503	Metal Fence/Rail - Replace (BP)	25	9	\$79,500	\$103,729
510	Shade Structure - Replace (PF)	20	16	\$8,600	\$13,800
511	Shade Fabric - Replace	5	1	\$2,500	\$2,575
909	Restrooms - Refurbish (Beach Park)	25	20	\$22,000	\$39,734
909	Restrooms - Refurbish (MP)	25	23	\$17,000	\$33,551
1010	Irrigation System - Repair/Replace	40	0	\$20,000	\$65,241
1304	Metal Roof - Replace (MP)	30	30	\$5,450	\$13,229
1308	Metal Roof - Replace (Beach)	35	26	\$13,200	\$28,467
1601	Dugouts - Replace	20	0	\$28,800	\$52,016
1607	Basketball Court - Resurface (BP)	10	0	\$12,000	\$16,127
1607	Basketball Court - Resurface (LP)	10	0	\$12,000	\$16,127
1607	Basketball Court - Resurface (MP)	10	0	\$12,000	\$16,127
1610	Lifeguard Towers - Replace	10	7	\$18,000	\$22,138
1901	Bocce Ball Courts - Resurface (MP)	15	0	\$30,000	\$46,739
1910	Elevated Deck - Replace	30	0	\$12,000	\$29,127
1911	Elevated Deck Railing - Replace	20	0	\$6,000	\$10,837

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
<i>Vehicles & Equipment</i>					
1	Security Car - Replace	4	0	\$26,000	\$29,263
2	Security Car - Replace	4	0	\$26,000	\$29,263
3	Security Car - Replace	4	0	\$26,000	\$29,263
4	Security Car - Replace	4	0	\$26,000	\$29,263
5	Community Services Car - Replace	12	0	\$26,000	\$37,070
6	Community Services Car - Replace	12	0	\$26,000	\$37,070
7	Security Truck - Replace	6	0	\$26,000	\$31,045
8	Security Golf Cart - Replace	10	0	\$7,600	\$10,214
11	Security Boat - Replace	12	2	\$12,000	\$12,731
12	Security Boat - Replace	12	0	\$12,000	\$17,109
13	Security Boat - Replace	25	2	\$26,000	\$27,583
14	Security Boat - Replace	25	0	\$64,000	\$134,002
20	Maint. Truck - Replace	20	3	\$32,000	\$34,967
21	Maint. Truck - Replace	20	6	\$29,000	\$34,628
22	Maint. Truck - Replace	20	1	\$37,000	\$38,110
23	Maint. Truck - Replace	20	6	\$29,000	\$34,628
24	Maint. Truck - Replace	20	0	\$35,000	\$63,214
25	Maint. Truck - Replace	20	16	\$30,000	\$48,141
26	Maint. Truck - Replace	20	16	\$36,000	\$57,769
27	Maint. Truck - Replace	20	16	\$30,000	\$48,141
28	Maint. Truck - Replace	20	17	\$32,000	\$52,891
29	Maint. Truck - Replace	20	18	\$30,000	\$51,073
30	Maint. Truck - Replace	20	16	\$30,000	\$48,141
31	Maint. Truck - Replace	20	2	\$32,000	\$33,949
32	Maint. Boat - Replace	30	17	\$48,000	\$79,337
33	Maint. Boat - Replace	25	2	\$26,000	\$27,583
34	Maint. Trailer - Replace	20	19	\$7,000	\$12,275
35	Maint. Trailer - Replace	20	9	\$7,900	\$10,308
36	Maint. Trailer - Replace	20	17	\$8,900	\$14,710
37	Maint. Trailer - Replace	20	17	\$8,900	\$14,710
38	Maint. Trailer - Replace	20	12	\$700	\$998
39	Maint. Trailer - Replace	20	12	\$2,100	\$2,994
40	Maint. Trailer - Replace	20	9	\$3,800	\$4,958
41	Maint. Trailer - Replace	20	9	\$3,800	\$4,958
42	Security Trailer - Replace	20	16	\$2,100	\$3,370
43	Equestrian Tractor - Replace	30	26	\$27,000	\$58,228
44	Maint. Tractor - Replace	30	21	\$37,000	\$68,831
45	Equestrian Tractor - Replace	30	0	\$47,000	\$114,081
47	Maint. Wood Chipper - Replace	20	3	\$6,100	\$6,666
48	Maint. Mower - Replace	15	0	\$9,000	\$14,022
49	Maint. Mower - Replace	15	11	\$18,000	\$24,916
1900	Outboard Motor - Replace	6	2	\$11,000	\$11,670
1900	Outboard Motor - Replace	6	0	\$15,000	\$17,911
1900	Outboard Motor - Replace	6	2	\$9,250	\$9,813
1900	Outboard Motor - Replace	6	2	\$11,000	\$11,670
176	Total Funded Components				

**SPRING VALLEY LAKE ASSOCIATION
INSURANCE DISCLOSURE STATEMENT**

California Civil Code 5300 (a) (9) requires homeowner associations to disclose a summary of certain insurance policies maintained by the association. For your information, Spring Valley Lake Association is pleased to summarize the insurance coverage as follows:

	CARRIER	EXPIRATION DATE	POLICY LIMIT	DEDUCTIBLE
WORKERS COMPENSATION	State Fund	1/1/2018	\$1,000,000	N/A
LIABILITY COVERAGE	Philadelphia Insurance	1/1/2018	\$11,000,000	\$1,000
DIRECTORS & OFFICERS COVERAGE	Liberty International UW	7/1/2018	\$1,000,000	\$35,000
BUILDING COVERAGE	Philadelphia Insurance	1/1/2018	\$3,048,509	\$1,000
FIDELITY BOND COVERAGE	Philadelphia Insurance	1/1/2018	\$250,000	\$1,000
EARTHQUAKE COVERAGE	N/A			
FLOOD COVERAGE	N/A			

This disclosure statement is a general description of coverage. All coverage is subject to the exclusions and conditions of the insurance contracts. Statements here cannot alter, reduce, or expand any coverage in the policies. The information provided is deemed accurate at the time of issue. Owners with questions are encouraged to contact the association’s insurance agent at the following address:

ISU Insurance Services- ARMAC Agency
Agent: Kelly Cerda
17177 Yuma St, Victorville, CA 92395
Office 760-269-3315 FAX 760-241-1467

This summary of the association’s policies of insurance provides only certain information, as required by subdivision (9) of Section 5300 (a) of the Civil Code, and should not be considered a substitute for the completed 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.

Individual Liability Policies and Loss Assessment Coverage:

It is very important that you explore your own risks with a knowledgeable insurance agent, and purchase coverage to protect you from any liability from an accident occurring in your own unit, the common area, and/or any exclusive use common area (such as patios, garages, carports, balconies), and to protect you from any liability or insurance gaps in coverage between the association’s coverage and your own. It is also strongly recommended that you inquire about Loss Assessment Coverage. An endorsement for loss assessment provides protection to individual unit owners for 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 a special assessment to pay for rebuilding costs which exceed insurance proceeds from an earthquake or fire loss). Please contact your personal insurance agent for further details.

SPRING VALLEY LAKE ASSOCIATION ASSESSMENTS AND FORECLOSURE NOTICE

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 California 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 Section 5705 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 5600, 5650 and 5705 of the Civil Code)

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 areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 5605 and 5650 of the Civil Code)

The association must comply with the requirements of Section 5650 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 5650 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 5650 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 5650 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 5650 of the Civil Code).

An owner may, but is not obligated to, pay under protest any dispute 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 going, 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 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 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 5650 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare 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 5650 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 5650 of the Civil Code)

(c) A member of an association may provide written notice by facsimile transmission or United States mail to the association of a secondary address. If a secondary address is provided, the association shall send any and all correspondence and legal notices required pursuant to this article both the primary and secondary address. (Section 4040(b) of the Civil Code)

SPRING VALLEY LAKE ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY

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

1. Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 5650(a)).
2. Annual Assessments shall be paid quarterly in four (4) equal installments. Each installment is due on the first day of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. **However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within fifteen (15) days of the stated due date are late and shall be subject to a late charge not to exceed ten percent (10%) of the delinquent assessment or ten dollars (\$10), whichever is greater.
5. Interest charge at the rate of 12% per annum will be assessed against any outstanding balance including delinquent assessments, late charges, and costs of collection, which may include attorneys' fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
6. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. Any unpaid balance shall be subject to a late charge and interest as provided above.
7. If an assessment is not received within thirty (30) days after the assessment becomes due, the Association or its designee, will send a pre-lien letter to the owner as required by Civil Code Section 5660 by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account, impending collection action and the owner's right to request that the Association participate in some form of internal dispute resolution process ("IDR"). The owner will be charged a fee for the pre-lien letter. Notwithstanding the provisions of this paragraph, the Association may (i) send a pre-lien letter to a delinquent owner at any time when there is an open escrow involving the Owner's Unit/Lot, and/or (ii) issue a pre-lien letter immediately if any special assessment becomes delinquent.

Effective May 27, 2014

SPRING VALLEY LAKE ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY

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

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

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

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

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

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

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

15. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to the collection attorney to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the

SPRING VALLEY LAKE ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY

owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.

16. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.

17. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the Association.

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

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

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

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

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

**PROACTIVE PROFESSIONAL MANAGEMENT
23201 LAKE CENTER DRIVE #101
LAKE FOREST CA 92630**

23. The mailing address if your account is in collections:

**ALTERRA ASSESSMENT RECOVERY, LLC
ATTENTION: COLLECTIONS DEPARTMENT
27101 PUERTA REAL #250
MISSION VIEJO, VA 92691**

Effective May 27, 2014

SPRING VALLEY LAKE ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY

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)

Effective May 27, 2014

SPRING VALLEY LAKE ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY

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) (b) An association distributing the notice required by this section to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.

SPRING VALLEY LAKE ASSOCIATION ALTERNATIVE DISPUTE RESOLUTION SUMMARY

California *Civil Code* Sections 5925 through 5965 require community associations and their homeowners to offer to participate in some form of Alternative Dispute Resolution (“ADR”) prior to initiating certain types of lawsuits in superior court. ADR means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision making process. ADR may either be binding or non-binding, as may be agreed to by the parties. This Summary of the ADR statutes is being distributed as required by California *Civil Code* Section 5960.

I. When ADR Must be Offered Prior to Initiating Enforcement Action:

An association or an owner may not file certain lawsuits in superior court unless an effort has been made to submit the dispute to ADR as required by law. Generally, ADR must be offered before filing a civil action or proceeding that seeks:

- A. A judicial declaration of the rights and responsibilities of the parties, only; or
- B. A writ of mandate or a writ of prohibition, only; or
- C. Permanent injunctive relief only; or
- D. Declaratory relief, writ relief, or injunctive relief, combined with a claim for monetary damages of five thousand dollars or less

It is not necessary to offer ADR prior to filing any other type of superior court action, or prior to filing any type of small claims action. Except as otherwise provided by law, the ADR requirement does **not** apply to an assessment dispute.

II. Compliance Procedures:

The ADR process is initiated by one party serving all other parties with a “Request for Resolution,” which shall include:

- A. A brief description of the dispute between the parties;
- B. A request for ADR;
- C. When directed to an owner, the request must be accompanied by a copy of the ADR statutes;
- D. Service of the Request must be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the intended recipient actual notice of the Request;
- E. A notice to all parties that they are required to respond within 30 days of receipt, or else the offer of ADR is deemed rejected; and
- F. If the Request is accepted, ADR must be completed within 90 days of the receipt of the acceptance, unless the parties sign a written agreement extending the completion date.

The cost of ADR is to be borne by the parties. Unless the parties agree, no oral or written evidence or statements made in an ADR proceeding, other than arbitration, are admissible as evidence in a later lawsuit. Each homeowner should consult with his or her own attorney regarding appropriate compliance with the ADR statutes.

III. Failure to Participate in Some Form of ADR Prior to Enforcement Action:

Should a party unreasonably refuse to participate in ADR before the lawsuit is filed, the court may, in its discretion, take this refusal into consideration in determining the amount of attorneys' fees and costs ultimately awarded at trial. In accordance with the disclosure requirement of California *Civil Code* Section 5965, please be advised that:

“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 your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law”

IV. Association's Policy of Early Dispute Resolution:

In accordance with the California *Civil Code*, a fair, reasonable, and expeditious procedure exists for resolving disputes between the Association and an owner involving their rights, duties or liabilities under the Davis-Stirling Common Interest Development Act, the Nonprofit Mutual Benefit Corporation Law, or the Association's governing documents. The procedure supplements, but does not replace the ADR process summarized above. The procedure follows:

- A. Either party may request the other, in writing, to meet and confer. While a homeowner may refuse a request to meet and confer, the Association may not.
- B. The Board shall designate a member of the Board to meet and confer with the owner.
- C. The parties shall meet promptly at a mutually convenient time and place to explain their positions and confer in good faith in an effort to resolve the dispute.
- D. A resolution of the dispute shall be memorialized in writing and signed by the parties.
- E. An agreement reached using this procedure binds the parties and is judicially enforceable if it is not in conflict with law or the governing documents and the agreement is either consistent with the authority granted by the Board of Directors to the Board member who met with the owner, or if the agreement is ratified by the Board.
- F. An owner may not be charged a fee to participate in the process.



Spring Valley Lake Association
 13325 Spring Valley Parkway
 7001 SVL Box
 Victorville, CA 92395-5107

Spring Valley Lake Association: Fine Schedule

Citation Review Committee fine recommendations are based upon consideration of each case as an individual set of circumstances. Exacerbating circumstances as well as matters of extenuation of mitigation are considered by the committee in making its recommendation. This fine schedule was approved by the Board of Directors as amended on March 3, 1999.

PART I Boating Violations, Including:

Code #	Recommended Fine
1 Reckless, negligent or unsafe operation	\$250.00
2 Intoxicated Operator	\$500.00
3. No qualified water skier observer	\$250.00
4 Not using orange flag	\$100.00
5 Overload vessel	\$100.00
6 Failure to obey patrol direction	\$100.00
7 Wrong direction of travel	\$250.00
8 Excessive speed	
8.1 1 to 10 mph over speed limit; plus \$5.00 per mph over 35 mph.	\$100.00
8.2 11 to 15 mph over speed limit; plus \$5.00 per mph over 35 mph.	\$175.00
8.3 16 to 20 mph over speed limit; plus \$5.00 per mph over 35 mph.	\$200.00
8.4 Over 21 mph over speed limit; plus \$5.00 per mph over 35 mph.	\$250.00
9 Failure to maintain required insurance	\$100.00
10 Hit and run accident	\$500.00
11 High speed operation or water skiing in lake fingers	\$250.00
11.2 Exceeding "No Wake" in designated areas	\$50.00
11.3 PWC jumping wake of another vessel	\$100.00

Other Boating Violations: Including but not limited to:

Code #	Recommended Fine
12 Tampering with buoys	\$100.00
13 Unsafe Equipment	\$100.00
14 Excessive noise	\$100.00
15 Operating without SVL's boat operators card	\$50.00
16 Prohibited hours of operation	\$100.00
17 Unregistered Vessels	\$200.00
18 Tampering with or unauthorized use of SVLA boat registration sticker	\$200.00
19 Illegal Launch	\$100.00
20 Unauthorized mooring at dock, shore or buoy	\$50.00
21 Water skiing before 8:00 AM or after sunset	\$100.00
22 Operating a personal watercraft without SVL's watercraft license endorsement	\$50.00
23 Underage operator of vessel on Spring Valley Lake	\$100.00
24 Miscellaneous boat violations	\$50.00

Fishing Violations: Including, but not limited to:

Code #	Recommended Fine
31 Taking of fish exceeding limit	\$100.00
32 Fishing at prohibited times	\$50.00
33 Use of more than one pole or line	\$50.00

Equestrian Estates and Trail Violations Including, but not limited to:

Code #	Recommended Fine
41 Unsafe act	\$250.00
42 Abuse of animals	\$250.00
43 Failure to respond to eviction notice	\$100.00
44 Failure to comply with boarding agreement	\$50.00
45 Failure to comply with EQ rules	\$50.00
46 Unauthorized motor vehicles on trail	\$100.00
47 Dumping debris on trails	\$100.00
48 Failure to properly clear and dispose of manure	\$100.00
49 Failure to wear protective headgear	\$50.00

Miscellaneous: Including, but not limited to:

Code #	Recommended Fine
50 Swimming rules 7.0, all rules	\$50.00
51 Threatening actions whether abusive language or physical action directed toward any SVLA employee, Board member, Committee member	\$250.00
52 Illegal or improper parking on Association property	\$50.00
53 Littering on Association property	\$100.00
54 Use of bicycles or skateboards at Meadowlark park	\$50.00
55 Use of facilities during prohibited hours	\$100.00
56 Use of glass containers on beaches & playgrounds	\$100.00
57 Improper operation of motorcycles or all-terrain vehicles	\$100.00
58 Misuse of Association ID cards or guest passes	\$100.00
58.1 No Identification cards	\$50.00
59 Nuisance to neighborhood	\$250.00
60.1 Vandalism/damage to Association property	\$250.00
60.2 Trespassing or damage to SVLA properties	\$200.00
60.3 Use or possession of narcotics, controlled substances, or any unlawful activities on Spring Valley Lake Association properties	\$250.00
61 Unauthorized use of trash containers	\$100.00
62 Operating a home-based business	\$150.00
63 Using an R.V. or structures as a dwelling	\$100.00
64 Keeping an excess number of animals according to County Code and Apple Valley Code	\$150.00
65 Keeping of animals other than dogs, cats, horses on property	\$250.00
66 Noisy animal/annoyance to neighborhood	\$250.00
67 Uncontrolled and/or unleashed dog	\$100.00
68 Improper parking on residential lots	\$150.00
69 Failure to erect a 2 or 3 sided structure w/a roof (shade) in a corral	\$100.00



Spring Valley Lake Association
 13325 Spring Valley Parkway
 7001 SVL Box
 Victorville, CA 92395-5107

Architectural Violations: Max fine \$1000.00 Minimum fines as listed.
 To encourage compliance, the Citation Review Committee may reduce the fine to the minimum amount if compliance occurs within 30 days of decision notification.

Code #	Recommended Fine
70 Starting construction on a sea wall without the Community Architectural Liaison present.	\$200.00
71. Starting construction, renovation or modifications, without Architectural Committee Approval (each violation	\$1000.00
71A Walls/Fences	\$200.00
71B Sheds	\$200.00
71C Patio	\$200.00
71D Painting (with change in color)	\$100.00
71E Flag Pole	\$100.00
71F Basketball Hoop	\$100.00
71G Room Additions/Garages	\$510.00
71H House/Multiple Units	\$1000.00
71I Docks/Decks	\$510.00
71J Sea Wall	\$200.00
71K Antenna visible to public	\$150.00
71L All other construction	\$150.00
72 Non Conformance with approved plans (to include slow construction)	\$500.00

Failure to Obtain Required Architectural Department Inspections and Approvals:

Code #	Recommended Fine
72. SETBACK: Prior to pouring concrete foundation slab, a setback inspection is required to verify correct location of approved construction in relation to established setback lines	\$200.00
72.1 CONTINUITY: Prior to stuccoing to insure exterior compliance with approved plans.	\$200.00
72.2 FINAL: Upon completion of building and landscaping to verify compliance with approved design. Architectural Policies and construction time limits.	\$200.00
72.3 Vessel Lifts: Phase 1- Prior to installation: Verify exact location of lift.	\$200.00
72.4 Vessel Lifts: Phase 2- Day of installation: Inspect and verify proper foot plates.	\$200.00
72.5 Vessel Lifts: Phase 3- Final Inspection: Verify that lift was installed as specified.	\$200.00

Other Architectural Violations:

Code #	Recommended Fine
73 Failure to cut weeds	\$200.00
73.1 Failure to keep drainage easement clear	\$75.00
73.2 Failure to control weeds in aquatic plants in the lake shore easements	\$150.00
74 Uncontrolled trash or unsightly construction site	\$150.00
75 Placing construction materials or debris on other properties w/o owners written permission	\$150.00
76 Violation of sign policy (Residential).	\$150.00
76.1 Violation of sign policy (Commercial)	\$300.00
77 Failure to landscape or maintain landscaping	\$150.00
77.1 Failure to maintain trees, shrubs and other landscaping materials within the property boundaries on improved or unimproved lots.	\$200.00
78 Trash, debris, appliances, other unsightly objects on property	\$150.00
78.1 Failure to remove outside seasonal, festive or holiday decorations or lights by the 30 th calendar day after the event date	\$150.00
79 Failure to maintain and or/paint residence, fences, gates, outbuilding, etc.	\$150.00
80 Failure to comply with model home policies	\$150.00
80.1 Model home open w/o Committee approval	\$25.00
81 Failure to post house numbers	\$150.00
82 Failure to maintain docks and similar waterfront structures	\$150.00
83 Failure to comply with Board of Directors determination or directions	\$150.00
84 Placement of trailer or construction shack without Architectural Committee approval	\$150.00
85 Failure to maintain plants on unimproved lots	\$150.00
86 Unauthorized cultivation on or use of the greenbelt or equestrian trails	\$150.00
87 Unauthorized use of or modification to any Association property, shrubs, plants, or trees (fine plus cost of repair)	\$150.00
88 Other Architectural Violations	\$150.00

Part II

Repeated or uncorrected violations by a property owner or a member of his /her immediate family will normally result in the fine being doubled each time that a case is considered.

Part III

Uncorrected violations will accrue penalties at the rate of \$10.00 or 10 percent of the fine, whichever is greater. It is the property owner's responsibility to notify the Association, in writing, that a violation has been corrected in order that it may be verified.

Part IV

In accordance with Article III, Section 5.2 of the Spring Valley Lake Association Bylaws, any fine that is not satisfied within ninety (90) days after it becomes due and payable can result in the loss of the rights of use and enjoyment of the recreational common areas and common facilities of the Spring Valley Lake Association.



Spring Valley Lake Association
 13325 Spring Valley Parkway
 7001 SVL Box
 Spring Valley Lake, CA 92395-5107

	Date	Emp. Initials
Date Received		
1 st . AC Mtng. Date		
2 nd AC Mtng. Date		
Resubmit Date		

ARCHITECTURAL PROJECT APPLICATION

Do not start any work without prior Architectural Committee approval.



BE ADVISED - FAILURE TO COMPLETE A PROJECT WITHIN THE TIME LIMIT INDICATED ON YOUR APPROVAL LETTER MAY RESULT IN AN IMMEDIATE CITATION.

Tract/Lot _____ Project Address _____

Property Owner's Name _____

Property Owner's Mailing Address _____

Home Phone (____) _____ Work Phone (____) _____

Contractor's Name _____ Phone (____) _____

Variance Requested¹: Yes No Number of Variance Form(s) attached:

Please Check Type of Project:

New House Addition Landscape Other _____

Have you attached all required items?

Describe Project: _____

Fee: Check # _____ **Amount \$** _____ **Recv'd. By** _____

¹ Each Variance request requires a separate application and fee.

Section 2.9 - Local Governmental Agency Approval: Any approval by the Architectural Committee shall not relieve the owner from obtaining the prior consent and approval, when necessary, of the appropriate department or commission of the County of San Bernardino - Town of Apple Valley.

The undersigned acknowledges the conditions on the attached form. (AC101)

Property Owner's Signature _____ **Date** _____

ACCOUNT NUMBER _____ **SAMPLE(S) REC.** _____ **REQ FOR REFUND** _____



ARCHITECTURAL DEPOSITS, FEES & COMPLETION TIME LIMITS

DEPOSITS	Deposit	Refund	Time Limit	Net Cost	Cancellation Fee
Residential Projects					
New Houses	\$1,300.00	\$1,000.00	12 Months	\$300.00	\$195.00
Room Additions, Garages	500.00	410.00	9 Months	90.00	75.00
Docks, Decks, Pools, In-ground spas	500.00	420.00	6 Months	80.00	75.00
Improvements: Fences, Sheds, Patios, Gazebos, Horse Corrals & Shelters, Reroofing, Portable Spas	100.00	70.00	6 Months	30.00	30.00
Temp. Const. Fence (sec. 7.2, 7.5.1)	100.00	100.00	NA	0.00	0.00
Vessel Lift	100.00	60.00	6 Months	40.00	0.00
Commercial Projects					
Commercial Properties	.25/Sq.ft.	70%	12 Months	Variable	N/A
Multiple Units (Per Unit)	1000.00	700.00	12 Months	300.00	150.00
Model Homes (Permits)	500.00	350.00	24 Months	150.00	75.00

FEES

Variance	\$50.00	0.00	NA	0.00	0.00
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Project Extension Fees

Mutiple Units, New Houses	50.00 for 30 Days - 3 Ext. Maximum* (Form #AC103)
All Other Improvements	25.00 for 30 Days - 2 Ext. Maximum* (Form #AC103)

*After the maximum number of extensions have been granted and expired without project completion, the refund shall be forfeited and a citation issued. Such forfeitures do not excuse further delays in project completion.

Dumpsters

Failure to comply with Section 3.3.8	100.00 per hour plus any equipment cost and dumping fees. This fee is in addition to any citation fees.
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NO DEPOSITS

The following types of architectural projects do not require deposits:

Landscaping, Painting, Rain Gutters, Flagpoles, Concrete Flatwork, Tree Planting & Removal, Lampposts, Decorative Fixtures, Small Planters.

Modifications or Deviations to Approval Plans

Form #AC102

Deposit Refunds

All applicable deposit refunds are paid to the owner of the property at the time of the project's final satisfactory inspection and approval. All refunds will be processed and mailed within 1 calendar month from the date of that final inspection. Fines incurred during construction will be deducted from the refund (per Section 2.6).

Cancellation Fee

A cancellation fee of 15% of the deposit or \$30.00, whichever is greater, shall be retained by the Association when approved projects are cancelled. Property owners must complete the SVLA Architectural Cancellation Request form.



ARCHITECTURAL PLAN SUBMITTAL Check Off List

The individual submitting a project is responsible for ensuring the items listed below are indicated with the corresponding number circled in red on all plans. The preferred scale for plans is 1" = 10'. When in doubt, please contact the Architectural Department.

- Project approval by the Architectural Committee does not relieve the property owner of any responsibility to obtain consent and/or approval from San Bernardino County or the Town of Apple Valley, where applicable. (Architectural Policy Section 2.9)
- Upon review by the Architectural Committee, results of project reviews will be mailed to property owners or made available in the Association office for pick up, if requested. Telephone/verbal results will not be given.
- All approved projects are assigned a time limit for completion which will be indicated on the project approval letter. It is the property owner's responsibility to notify the Association when projects are completed.
- All projects must include a detailed drawing that illustrates the project in relation to the house.

HOUSE

1. North Point
2. Lot and Tract Numbers on Application
3. Setbacks (4 sides)
4. Grading plan (if required)
5. Landscaping plan (include rear landscaping for lake And golf course lots)
- * 6. Driveways (specify material and color)
7. Square footage of house
8. Location of FAU and A/C (outside slab)
9. Elevations
- *10. Exterior materials and colors (Garage door color must be specified and consistent with structure)
- *11. Roof material
12. Roof height (maximum 28')
13. Roof eaves/overhangs (maximum 24")
14. Location of exterior lighting
15. Solar system (if any)
16. Pools, walls, gazebos, etc.
17. Dock/Sea wall specifications
18. Plot plan, including all overhangs and projections (footprint)
19. Equestrian fence (if required)
20. Any changes to blueprints must be initialed by PO or contractor

SWIMMING POOL

1. Plot plan (drawn to scale)
2. Setbacks
3. Lot dimensions
4. Pool equipment location

* = Must include the color name and/or design sample

DEADLINE

The Architectural Committee meets twice per month. The deadline for project submittal is the Friday before the scheduled meeting.

DEPOSIT

If a deposit is provided, the property owner must notify the Association once the project is complete to begin the deposit return process. Once notification of completion is received, a final inspection will be scheduled and if all requirements of the original project approval are met, a refund for the appropriate amount will be furnished within 15-20 business days.

WALL, FENCE

1. Plot plan drawn to scale in relation to house
2. Fence height and length
3. Fence material
4. Gate height and length
5. Gate material and screening
- * 6. Color scheme
7. Setbacks
8. Lot dimensions

LANDSCAPING, OTHER IMPROVEMENTS

1. Plot plan drawn to scale in relation to the house and street
2. Show all materials existing and new
3. Include lot dimensions and setbacks
- * 4. Any color changes
- * 5. Rock samples, including name of rock

PATIO, SHED, ROOM ADDITION, GARAGE

1. Plot plan (include concrete slab and projections)
2. Setbacks
3. Square footage of enclosure
4. Elevations
- * 5. Exterior materials and colors
6. Roof materials and colors
7. Roof height

SPRING VALLEY LAKE ASSOCIATION ARCHITECTURAL CONDITIONS

Memorandum of Understanding Please read carefully prior to construction

1. All exterior improvements require prior written approval from the Architectural Committee.
2. No architectural approval may be granted nor may any work begin on the property until legal ownership of lot is secured and the SVLA is notified of the change by the escrow agent.
3. Two sets of plans are required from owner along with the deposit established in the current fee schedule before the Architectural Committee will consider the project. The owner is responsible for identifying items on the plans to coincide with the Architectural Plan Checklist (Form #AC200). Plans must be of professional quality, preferably by a licensed architect. They must include names and addresses of owner. All handwritten notes prior to the submittal of plans are to be initialed by owner. The Architectural Committee has the final voice in any decision regarding adequacy of plans.
4. After final inspection, a separate application and fee must be submitted for any additional exterior improvements.
5. Project approvals and deposits are transferable upon change of property ownership. Refundable portions of the deposit will be returned upon satisfactory final inspection of the project to the owner of record at that time. Deposits are to be transferred in escrow, and will run with the land.
6. Any deviation, addition or deletion to the original plans approved by the Architectural Committee must be re-submitted for approval prior to implementation. The request is subject to a fee established by the current fee schedule (Form #AC300) and approval must be in written form.
7. No accessory building except portable restrooms shall be placed on lot unless such building is used only as a temporary construction shelter, and has been approved in writing by the Architectural Committee. No such temporary shelter shall be used at any time as a dwelling place.
8. Prior to commencement of construction of a home, the property owner agrees to install and maintain a trash enclosure and portable restroom facility on the job site. The owner agrees that Spring Valley Lake Association personnel may enter the job site for the purpose of cleaning up debris that is not contained and charge a reasonable fee for the clean up (Section 3.3.6 and Form #AC300). Clean up charges, as well as any fines levied by the SVLA Board of Directors for infractions relating to construction, will be deducted from the deposit.
9. "For Sale" signs are to be removed within fourteen (14) days after close of escrow. Construction signs are to be removed within fourteen (14) days of final inspection, except homes which are for sale.
10. All construction must be diligently pursued. Approved projects must be completed within the timetables established in the current fee and deadline schedule (Form #AC300). Failure to complete the project within the specified timeframe and call for appropriate inspections will result in the forfeiture of the deposit refund and/or a fine unless an extension is requested in writing and approved prior to the expiration date. Failure to commence any project within its respective timeframe will void the approval. Only the refundable portion of the deposit will then be returned. To cancel project, complete the SVLA Architectural Cancellation Request form and return approved stamped plan for refund, less the cancellation fee established in the current fee schedule (Form #AC300).
11. Owner is responsible for requesting phase inspections on houses, docks, walls and additions in accordance with current inspection requirements (Section 2.7).
12. Approved plans not picked up within thirty (30) days after approval will be discarded.
13. No approval by the Spring Valley Lake Architectural Committee and/or the Spring Valley Lake Association regarding the placement and use of any dock hereunder shall be deemed either specifically or by implication, a determination that such placement and/or use is safe and free from danger to the said dock or to any person or persons. All docks placed or used on Spring Valley Lake are so placed and used at the sole risk of the owner thereof.
14. Applicant(s) agree to hold Spring Valley Lake Association and/or the Architectural Committee harmless from and to indemnify same against any and all claims made as a result of an industrial, construction or other accident or injury occurring from or incidental to said work. Should it become necessary for purposes of defending any claims or demands arising out of the subject matter with respect to enforcing this agreement, or should Spring Valley Lake Association incur any expenses or become obligated to pay any attorney's fee or court costs, the undersigned agrees to reimburse Spring Valley Lake Association for said expenses.
15. All of SVLA's Architectural Policies must be complied with. A copy of the Architectural Policies booklet will be provided by the Architectural staff upon request for the appropriate fee.
16. The setbacks established by the CC&R's as indicated on the maps available in the Association Office are believed to be accurate but are not final until validated by the Architectural Committee. The SVLA bears no responsibility for property boundaries.