

Hiddenbrooke Property Owners Association
Professionally Managed By:
OMNI Community Management, LLC
9807 Fair Oaks Blvd, Fair Oaks, CA 95628
Phone: 916-965-8964 Fax 916-965-0325
Website: www.omnicommunities.com

2019/2020 Annual Notice to Members

After thoughtful review and consideration, the Board of Directors has approved the enclosed budget for the fiscal year ending June 30, 2020, which it believes is reasonable and prudent to meet the funding needs of the Association.

Attachments in this mailing are:

- **Special assessment Notice**
- **Pro Forma Operating Budget with Special Assessment**
- **Summary of Internal Dispute Resolution (IDR)**
- **Summary of Alternative Dispute Resolution (ADR)**

MONTHLY ASSESSMENTS

The yearly annual assessment for 2019-2020 has increased from \$70.00 to **\$73.00 as allowed by the change in the Consumer Price Index for the Bay Area.** The assessment is due on the 1st day of July. Your payment must be received by September 30th to avoid a late charge of up to **\$7.00 per year.**

The Board of Directors has voted to levy a special assessment of **\$7.00** per year for unanticipated legal expenses (not related to the update of the governing documents) incurred in FY2018-2019. These unanticipated legal expenses created a larger deficit in the operating budget than planned and further diminished Association reserves. The special assessment will help mitigate this deficit.

Statements are enclosed. If circumstances should arise that you need to submit a payment and you do not have a payment statement, for example, if you use an online banking service (which means a statement does not accompany your check) payments can be mailed directly to the bank at:

HIDDENBROOKE PROPERTY OWNERS ASSOCIATION
P.O. BOX 95404
Las Vegas, NV 89193-5404

To allow processing, the check must clearly indicate the account number and the legal owner's name of record found on the attached statement. If the bank cannot easily detect this information, your payment will be forwarded to the Association for processing. This takes additional mail time and could result in late charges being added to your account.

ELECTRONIC ASSESSMENT PAYMENT PROGRAM

Alliance Association Bank, your Association's financial institution, has an online assessment payment site. Through this site, you may initiate an **automatic payment** (ACH/E-Check) to have your payment automatically drafted directly from your bank account on a recurring basis or as a one-time payment. Please see below for an overview of the online payment options:

Go to <https://onlinepay.allianceassociationbank.com/home.aspx>

Click Create Account icon

Create your new User Account (you will need your checking account/routing information handy)

Click Agree with Terms and Conditions and select your preferred payment option. If you have trouble setting up your online payments, contact Alliance Association Bank's customer service at 1-888-734-4567.

- **Company ID: 7092**
- **Association ID: 119**
- **Account Number: (contact us for information or see payment coupon)**

AGENT FOR SERVICE

OMNI Community Management, LLC

Rolf Crocker, CEO

9807 Fair Oaks Blvd

Fair Oaks, CA 95628

GENERAL NOTICE POSTING LOCATION

- The location for the posting of agendas, meeting and general notices for the Association is the Welcome Center at the entrance of Hiddenbrooke POA.
- Board Meetings are held at the Hiddenbrooke Golf Club at 1095 Hiddenbrooke Parkway Vallejo CA 94591.

BUDGET, ASSOCIATION DOCUMENTS, AND MINUTES

Members have the right to obtain copies of:

- The Association Meeting Minutes - Members may receive copies of the Association's Board or Member meeting minutes by requesting them in writing from the Association's Manager. There is a minimal copying charge for this service.
- Financial Review Report - Mailed to all members 120 days after close of fiscal year, for communities with revenue in excess of \$75,000 per year.

Sincerely,

Tonya Kalvass

Community Manager, CCAM

Tonya.Kalvass@OMNICommunities.com

As Agent for Hiddenbrooke Property Owners Association



Hiddenbrooke Property Owners Association
c/o OMNI Community Management
9807 Fair Oaks Blvd
Fair Oaks, CA 95628

May 2, 2019

To: Hiddenbrooke POA Property Owners
From: Board of Directors

RE: Special Assessment due July 1, 2019

Dear Homeowner:

At the meeting held on April 16, 2019, the Board of Directors reviewed the current operating budget, financial statements and legal expenses. Due to unanticipated legal expenses that the Association has incurred in Fiscal Year 2018-2019 (not related to the update of the governing documents), a special assessment of 10% or \$7.00 per unit per year will be added to the current assessment. Pursuant to the Association's governing documents and civil code, the Board may approve a special assessment of no more than 10% of the total budget without a vote of the membership. **This will be effective July 1, 2019.**

The Special assessment can be added to the annual assessments by increasing your payment from **\$73.00 to \$80.00.**

The Board has a fiscal responsibility to ensure that the Association's operating budget is adequately funded, including maintaining a reasonable reserve for future contingencies. If you have any questions or concerns, please do not hesitate to call our Management office at 916-965-8964 x128.

Respectfully,

Tonya Kalvass, CCAM
Community Manager
Hiddenbrooke POA

Hiddenbrooke Property Owners Association

	<u>Budget Fiscal Year</u>		Per Property/Per year 1221 Properties in HPOA
	<u>2018/2019</u>	<u>2019/2020</u>	
<u>Income</u>			
Assessments	\$ 85,470.00	\$ 89,133.00	\$ 73.00
Special Assessment*	\$ -	\$ 8,547.00	\$ 7.00
Fines & late fees	\$ 12,000.00	\$ 10,000.00	\$ 8.19
HARC Plan fees	\$ 2,500.00	\$ 3,000.00	\$ 2.46
Interest income	\$ 3,500.00		\$ -
Miscellaneous	\$ 1,000.00	\$ -	\$ -
Social committee	\$ 600.00	\$ -	\$ -
Total Income	\$ 105,070.00	\$ 110,680.00	\$ 90.65
<u>Expense</u>			
Insurance	\$ 12,100.00	\$ 12,100.00	\$ 9.91
Audit & tax	\$ 1,390.00	\$ 1,420.00	\$ 1.16
Federal & State tax	\$ 10.00	\$ 10.00	\$ 0.01
Legal	\$ 12,000.00	\$ 7,000.00	\$ 5.73
Legal fees incurred in Prior year *		\$ 8,547.00	\$ 7.00
Collection costs	\$ 500.00	\$ 500.00	\$ 0.41
Landscape & plan approvals	\$ 10,750.00	\$ 8,500.00	\$ 6.96
Management fees	\$ 42,000.00	\$ 48,000.00	\$ 39.31
Board & Committees	\$ 650.00	\$ 650.00	\$ 0.53
Computer & web support		\$ 1,500.00	\$ 1.23
Office supplies, printing & postage	\$ 18,400.00	\$ 10,000.00	\$ 8.19
Misc. Admin & storage	\$ 2,000.00	\$ 5,500.00	\$ 4.50
Newsletter	\$ 6,800.00	\$ 350.00	\$ 0.29
Repairs & Main supplies	\$ 750.00	\$ 750.00	\$ 0.61
Room rental	\$ 1,000.00	\$ 4,000.00	\$ 3.28
National Night out	\$ 1,500.00	\$ -	\$ -
Social committee	\$ 1,500.00	\$ 500.00	\$ 0.41
Bad debts **	\$ 10,000.00	\$ 8,000.00	\$ 6.55
Total expense	\$ 121,350.00	\$ 117,327.00	\$ 96.09
Net Income (loss)	\$ (16,280.00)	\$ (6,647.00)	
Operating Cash Balances end of year	\$ 79,257.00	\$ 72,610.00	

Notes

- (*) Legal fees were higher than anticipated and is accounted for with the Special Assessment
- (**) Accounts over 90 days are considered a bad debt even though they may be subsequently collected

SUMMARY OF
(1) THE INTERNAL DISPUTE RESOLUTION PROCESS
SET FORTH IN CALIFORNIA CIVIL CODE SECTIONS 5900 - 5915
AND
(2) CALIFORNIA CIVIL CODE SECTIONS 5925 - 5965
CONCERNING ALTERNATIVE DISPUTE RESOLUTION

(1) THE INTERNAL DISPUTE RESOLUTION PROCESS SET FORTH IN CALIFORNIA CIVIL CODE SECTIONS 5900 - 5915

California Civil Code Sections 5900 - 5915 require an association to provide a fair, reasonable, and expeditious procedure for resolving certain disputes between the association and a member. The following procedure, which may be invoked by either party to a dispute, shall apply:

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be made in writing.*
- (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.*
- (3) The board shall designate a director to meet and confer with the other party to the dispute.*
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.*
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association. The parties may be assisted by an attorney or another person at their own cost when conferring.*

A written agreement reached under this procedure binds the parties and is enforceable by a court if both of the following conditions are satisfied:

- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.*
- (2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.*

If the parties to the dispute are unable to resolve the matter using this internal dispute resolution procedure, the association or the member may then serve a Request for Resolution pursuant to California Civil Code Section 5935, if applicable.

(2) CALIFORNIA CIVIL CODE SECTIONS 5925 – 5965 CONCERNING ALTERNATIVE DISPUTE RESOLUTION

California Civil Code Sections 5925 - 5965 address your rights to sue the association or another member of the association regarding the enforcement of the governing documents. The following is a summary of the provisions of Civil Code Sections 5925 - 5965:

In general, Civil Code Sections 5925 - 5965 encourage parties to certain disputes involving enforcement of an association's governing documents to submit the dispute to a form of **alternative dispute resolution** (ADR) such as mediation or arbitration **prior** to filing a lawsuit. The form of ADR may be binding or non-binding, and the costs of the ADR shall be borne by the parties.

Any party to a dispute may initiate the process of ADR by serving a Request for Resolution on all other parties to the dispute. A Request for Resolution must contain: (1) a brief description of the dispute between the parties, (2) a request for ADR, (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, and (4) if sent to the owner of a separate interest, a copy of Civil Code Sections 5925 - 5965. If the Request is accepted, the ADR must be completed within 90 days of receipt of the acceptance, unless otherwise agreed by the parties. Once a Request for Resolution is served, all applicable statutes of limitation are tolled as set forth in Civil Code Section 5945.

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.

The law requires the party filing a lawsuit for enforcement of the association's governing documents to file a certificate with the court stating that (1) ADR has been completed **prior** to the filing of the suit, or (2) ADR was not undertaken because one of the other parties to the dispute did not accept the terms offered for the ADR, or (3) ADR was not undertaken because preliminary or temporary injunctive relief is necessary. Failure to file this certificate can be grounds for dismissing the lawsuit.

Furthermore, while the prevailing party in any lawsuit to enforce the governing documents shall be awarded attorney's fees and costs, under Civil Code §5960 the court may consider whether a party's refusal to participate in ADR was reasonable when it determines the amount of the award.