



June, 2016

Dear Hiddenbrooke Property Owners Association, Inc. Homeowner:

This document contains the 2016/2017 Budget Disclosure Package and Annual Policy Statement for Hiddenbrooke Property Owners Association, Inc. (HPOA). The Board of Directors has completed this package as required by the Davis-Stirling Act.

The budget was reviewed and approved by the Board of Directors.

Effective July 1, 2016, the HPOA portion of the annual assessment will increase to: \$60.00
Effective July 1, 2016, the Resident Access Program (RAP) portion of the annual assessment
will remain the same at: \$55.00

Effective July 1, 2016, the Total Annual Assessment per Unit is \$115.00

Your Association is a corporation and if assessments are not paid in a timely manner, there may not be enough funds available to pay for the monthly budgeted expenses. Assessments which are not received by Union Bank within 60 days of the due date will result in a loss of the Resident Access Program privileges. Assessments which are not received by Union Bank within 90 days of the due date are deemed delinquent (see Delinquent Assessment Collection Policy for complete information on collection). While it is not the intent of the Association to create a hardship for anyone, in fairness to all members, if late payments are made, a late charge in the amount of \$5.00 is charged and interest applies on all balances 90 days or more past due. Your full cooperation will allow the day to day operations of your Association to proceed in a smooth and efficient manner.

The annual assessment statement was mailed to each homeowner in June. All payments should be made to the following address:

Hiddenbrooke Property Owners Association, Inc.
c/o Pacific Union Property Management
P.O. Box 45469
San Francisco, CA 94145-0469

Questions regarding your dues or payments may be directed to the Accounting Department at 707-544-2005, extension 11 or 855-355-4762, extension 1.

Thank you,

Hiddenbrooke Property Owners Association, Inc. Board of Directors and the Pacific Union Property Management Team

Pacific Union Property Management

Hiddenbrooke Property Owners Association, Inc.

Budget and Disclosure Package 2016/2017

INCLUDED IN THIS PACKAGE:

PRO-FORMA BUDGET

BUDGET EXPLANATIONS

FHA/VA DISCLOSURES

INSURANCE SUMMARY AND DISCLOSURE

RESERVE STUDY STATEMENT

Pacific Union Property Management
3392 Mendocino Ave.
Santa Rosa, CA 95403
707-544-2005 phone / 707-546-4321 fax

Hiddenbrooke Property Owners Association, Inc.
 Income and Expenses - Accrual Basis
 Budget FY July 1, 2016 - June 30, 2017

Budget FYE 2017

Income

Resident Access Plan Income	67,155.00
Admin Fees-Past Due Statement	2,000.00
Advertising Income	500.00
Assessments	73,260.00
CD Interest	150.00
Fines	35,000.00
HARC Plan Fees	1,500.00
Homeowner Account Interest Charges	6,500.00
Miscellaneous Income	6,000.00
Social Events Income	1,500.00
Total Income	\$ 193,565.00

Expenses

Access Program Expense	67,155.00
Board & Committee Expenses	600.00
Collection Expenses	6,500.00
Contractor - Administrative Assistant	5,000.00
Contractor - CC&R Management	11,500.00
Contractor - Financial Management	25,000.00
Contractor - Landscape Approvals	20,000.00
Graffiti Removal	100.00
HB Improvements , Weeds, Mowing	1,700.00
Information Technology / Computer Expenses	5,750.00
Insurance	8,500.00
Newsletter	3,000.00
Office Supplies	500.00
Photocopies and Printing	3,250.00
Postage and Delivery	3,500.00
Professional & Legal Fees	6,500.00
Room Rental & Meetings	2,000.00
Social Expenses	3,500.00
Storage	220.00
Taxes California / Return Preparation	500.00
Uncollected Interest, Assessments, Fines	20,000.00
Total Expenses	\$ 194,775.00

Net Income — Accrual Basis

\$ (1,210.00)

The Budget for Hiddenbrooke Property Owners Association, Inc. (HPOA) was developed through a process that involved a review of actual cost expenditures, expected and anticipated increases in rates and other costs, and any known projects the Association will be working on in the coming twelve (12) months. A preliminary budget is prepared, using the above information, and provided to the Board of Directors in draft form, for their final review, revisions, and approval.

INCOME:

Income for Hiddenbrooke Property Owners Association, Inc. is primarily derived from annual HPOA assessments and annual Resident Access Program (RAP) from the 1221 residential units. Other sources of revenue are derived from other Member charges, penalties and reimbursements for services that are not for the common benefit of all Members. Additionally, the Association generates revenue from interest bearing accounts, Social Committee, Advertising Income, and Architectural Plan Fees.

Annual RAP

Assessments: Income received from the Resident Access Program (RAP).

Administrative Fees

Past Due Statement: Income received from owners past due fees on assessments.

Advertising Income: Income received from advertisers.

Annual HPOA

Assessments: Declaration of Covenants, Conditions and Restrictions (CC&Rs) empowers the Association to assess a regular assessment to fund the operating and replacement reserve requirements of the Association.

**Interest Accrued:
CDs** Income received from revenues deposited into CDs.

Fines: Income received from owner's fines for CC&R or HARC violations

HARC Plan Fees: Income received from owners applications to renovate or landscape their homes, as well as custom home review and approval.

**Interest Income –
Owners:** Income received owner's late payments.

Misc. Income: Income received from miscellaneous sources.

Social Committee: Income received from Social Activities.

EXPENSES:

Access Program Expense:	Monies paid to the Hiddenbrooke Golf Club for the Resident Access Program for owners privileges.
Board & Committee Expenses:	Miscellaneous expenses of the Board.
Collection Costs:	Costs to collect overdue assessments from homeowners and CC&R violations.
Contractor – Admin Assistant:	Annual cost for the Administrative Assistant to the Board of Directors.
Contractor – CC&R Mgmt:	Cost for the CC&R Manager to initiate and maintain the violation and follow up systems.
Contractor-financial Mgmt:	Cost for Accounting Management by Pacific Union Property Management.
Contractor-Landscape Mg:	Cost for Review of HARC applications and follow-up.
Graffiti Removal:	Cost to remove graffiti from signs and other areas.
HB improvements:	Costs for ongoing maintenance of lawns and week removal.
Insurance Expense:	The Governing Documents require that Property and Liability and other such insurance necessary for the Association be maintained. <i>The Association does not carry an earthquake policy.</i>
Newsletters:	Provides for developing and distributing newsletters.
Office Supplies:	Provides for office supplies for HOA Board and assistant.
Photocopies & Printing:	Provides for printing and reproduction costs for the Association.
Postage & Delivery:	Provides for postage and delivery costs for the Association.
Professional Fees – Legal/Accounting:	Provides for ongoing interactions with legal counsel as it relates to the Association and the preparation of taxes annually.
Room Rentals/Events:	Provides for room rental for meetings and events.
Social Committee Expenses:	Provides for expenses related to the Social Activities.

Storage: Cost to store archived Association documents

Taxes – California: Based on Actual taxes paid the previous year. Even though the Association is a nonprofit corporation, it is required to pay tax on all non-assessment income. (i.e. interest earned on operation and reserve fund accounts).

Uncollected Assessments: Allowance for uncollected interest, assessments and fines from homeowners.

Additional Financial Information:

OUTSTANDING LOANS

At this time, the Association has no outstanding loans.

DEFERRED MAINTENANCE

The Association does not own any property so there is no deferred maintenance.

SPECIAL ASSESSMENTS

There are not any special assessments planned for the calendar year 2016/2017.

REVENUES

For purposes of operating expense budgeting; revenues are estimated to equal Annual dues income.

2016 /2017 FHA/VA DISLOSURES

On August 12, 2015, Governor Brown signed AB 596, which adds the following two new required disclosures to the Hiddenbrooke Property Owners Association, Inc. Annual Budget Report for California Condominium Associations. This legislation is not effective until July 1, 2016 at which point the below language will be added to Section 5300(b) of the California Civil Code:

1. Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not a condominium project. The association of this common interest development is not certified by the Federal Housing Administration.

2. Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not a condominium project. The association of this common interest development is not certified by the Federal Department of Veterans Affairs.

Prepared by: O’Kane & Tegay Insurance Brokers
Natalie Swift O’Kane – Agent
415-242-8777

2015-2016 Insurance Summary and Disclosure*

*This summary of the association’s policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association’s insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association’s policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Insurance Brokers
O'KANE & TEGAY

LIC. # 0534872

July 27, 2015

Hiddenbrooke Property Owners Association
Vallejo, CA

2015-2016 Insurance Disclosure

General Liability – Common Areas

Limit	\$1,000,000 per Occurrence
	\$2,000,000 Aggregate
Deductible	\$ n/a

Granite State Insurance Company – Effective Date: 07/20/15 – 07/20/16

Directors & Officers

Limit	\$1,000,000
Deductible	\$ 10,000

Liberty Insurance Underwriters, Inc. – Effective Date: 07/20/15 – 07/20/16

Fidelity/Crime

Limit	\$ 25,000
Deductible	\$ 1,000

Granite State Insurance Company – Effective Date: 07/20/15 – 07/20/16

Worker's Compensation

Each Accident Limit:	\$1,000,000
Disease Policy Limit:	\$1,000,000
Disease Each Employee Limit:	\$1,000,000

Am/trust North America, Wesco Insurance Company, Effective Date: 07/20/15 -07/20/16

Mailing Address: P.O. Box 27556 San Francisco, CA 94127
2145- 19th Avenue San Francisco, CA 94116 Phone: 415.242.8777 Fax: 415.661.2540

Insurance Brokers
O'KANE & TEGAY

LIC. # 0534872

Umbrella Liability

Limit	\$5,000,000
Deductible	\$ n/a

Great American Insurance Company – Effective Date: 07/20/15 – 07/20/16

Flood & Earthquake

None

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.

Reserve Study Statement:

The Association is not required to produce an annual Reserve Study as it does not own any property; therefore, is not responsible for any maintenance.