

GLENSHIRE DEVONSHIRE RESIDENTS ASSOCIATION FROM THE BOARD OF DIRECTORS

The Glenshire/Devonshire Residents Association Board of Directors proudly presents the 2011 Association budget and reserve study to the membership. This budget is designed to provide for current needs in both the operating and capital area, as well as provide for future amenity repair and replacement.

The Association management has created fiscal stability while continuing to upgrade and increase the components of our Association. This is accomplished by keeping the aged receivables at a minimum. **The delinquency rate for annual dues in 2010 was under 4.6%.** The 2011 budget continues to address: 1) our ability to provide for reserve replacement, 2) the ability to plan for the future by establishing a vision realized through capital improvements.

The Association has successfully continued the **Property Inspection Program** that was initiated in 1997. The enforcement program will continue to focus on all non-compliant areas that have been brought to the attention of the Association either by complaint or inspection that are not in compliance with our Design Review rules and regulations or governing documents. Compliance by encouragement has been very effective and continues to be our philosophy. Please note the Board has and will take legal actions to bring about necessary property compliance.

The Board of Directors is pleased that the Association's resources will continue to compliment and enhance its value to the membership. We will continue to plan for the future by providing local representation, vision and fiscal responsibility.

The Board has committed itself to an operating budget of \$438,875 (including \$3,000 for capital improvements and \$50,000 for reserve and reserve replacement). The annual assessment of \$275 per lot equals \$2 for capital improvements, \$36 for reserves, and just under \$237 for the operating budget. A copy of the 2011 budget, including the reserve study schedule is included with this statement. Copies are also available at the Association office.

The following policies are included for your reference: 1) Compliance and Damage Assessments, 2) Off-street parking policy, 3) Delinquent Assessment Collection, 4) Internal Dispute Resolution Process, 5) Assessment and Reserve Funding Disclosure Summary, and 6) Juniper Hill Property Owners Association Road Policy. Additional policies are available for review at the Association office.

TO: ALL PROPERTY OWNERS

In compliance with Article IV of the Association Declaration of Protective Restrictions, and the California Civil Code 1350-1370, we note the following:

1. The pro forma operating budget is available at the association office and copies will be provided upon request at the expense of the Association. Copies of the reserve study, and monthly board meeting minutes are on file in the association office for membership review.
2. At present the Association has a balance of \$242,328 in the reserve fund (13% of the straight-line liability totaling \$1,883,000 for all components). The 2011 budget reflects \$50,000 for reserve replacement and \$3,000 for capital improvements.
3. A reserve study was conducted in 2010 and is updated annually, in accordance with section 1365.5 of the California Civil Code. The common areas by component, which the Association is obligated to replace in the future, have been identified in the Replacement Reserve Plan. Common area items, unless part of a group of similar items, with current replacement costs of less than \$1,000 have been excluded from the reserve study and will be included in normal maintenance costs in the association's operating budget. The current replacement costs, the remaining useful lives and the useful lives after replacement have been based on historical original costs and management and contractor estimates. When it becomes apparent that excluded items will be replaced in the future, and the amounts and timing can be determined with a reasonable degree of accuracy, the common area items can be added to the replacement study and the annual provision adjusted to provide funds over the remaining useful lives of the item. The Association will either include in the operation budget or in special assessments the cost of common area items requiring replacement, which are unplanned because their replacement cost cannot be presently forecast. The levy of a special assessment is not foreseen for the year 2011.
4. The Association meets all insurance requirements of the State: Property \$300,000 (\$500 deductible), Liability \$3,000,000 (\$500 deductible), and Director & Officers \$3,000,000 (\$5,000 deductible) provided by Philadelphia Insurance and CAN Insurance. This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 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 will 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.
5. Alternative Dispute Resolution (ADR): Effective January 1, 1994. This law strongly encourages membership and the association to try ADR before initiating lawsuits. Failure by any member of the association to comply with the pre-filing requirements of Section 1354 of the Civil Code may result in the loss of their right to the association or another member of the association regarding enforcement of the governing documents.

Summary of 2011 Delinquent Dues & Collection Policy

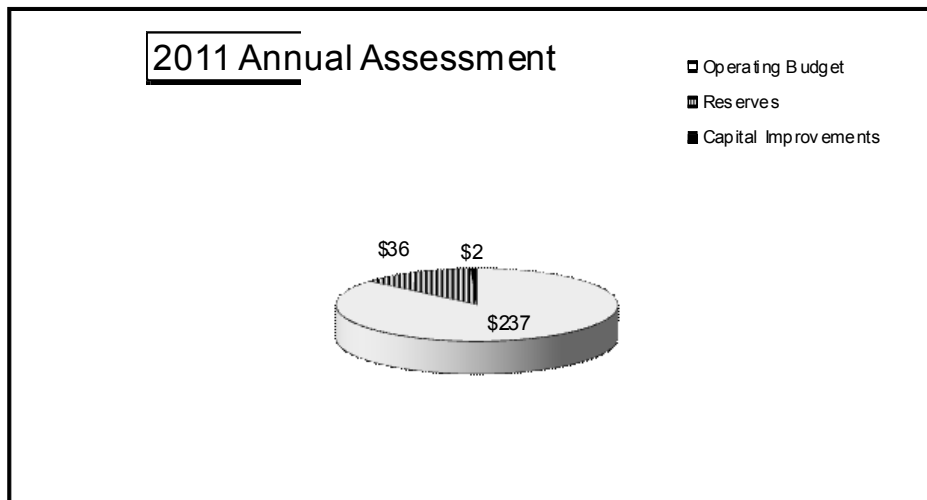
The annual property owners' assessment of \$275 is due January 1, 2011, and is late February 1, 2011. Please note the policy outline for all delinquent accounts.

February 1, 2011	Delinquent Fee charged: 10% of balance due.
March 09, 2011	Board Meeting approving the mailing of Meet and Confer letters to delinquent accounts.
May 1, 2011	Deadline to submit petitions to the Board of Directors suspending membership rights and privileges.
June 1, 2011	Membership rights suspended for all delinquent accounts.

Lien and foreclosure procedures may commence for all delinquent accounts (12 months or more past due) on February 1, 2011. See enclosed policy.

2011 Annual Dues Payment Plan Policy

Payment plans are equal payments up to four installments made on a monthly basis. Members may establish a payment plan with the Association by mailing the first minimum payment of \$68.75. The payments must be **postmarked** by February 1, March 1, April 1, and May 1, 2011. Members who establish a payment plan and then miss a scheduled payment after February 1, 2011 will be charged the 10% late fee based upon the full \$275 assessment for a total late fee of \$27.50.



**GLENSHIRE/DEVONSHIRE RESIDENTS ASSOCIATION
2011 Annual Operating Budget**

Income

Name	2011 Budget
Annual Dues - Operating Portion	\$323,175
Classes	\$8,000
Clubhouse Rental	\$31,000
Design Review Committee	\$4,500
Interest - Bank Accounts	\$200
Late Fees (10.6% @ \$27.50)	\$4,000
Miscellaneous Income	\$2,000
Picture Passes & Guest Fees	\$3,000
Snack Bar	\$5,000
Transfer Fee (2.4% Turn-over)	\$8,000
Total Income	\$388,875

Expenses

Name	
Accounting & Tax Review	\$4,000
Dues & Publications	\$600
Education & Seminars	\$1,500
Election	\$2,500
Employee Medical & Retirement Benefits	\$14,500
Equipment Lease	\$4,000
Insurance	\$24,000
Insurance - Workers' Compensation	\$7,500
Legal Fees	\$5,000
Maintenance - Computer	\$2,000
Maintenance - Clubhouse Grounds	\$19,475
Maintenance - Pool	\$5,000
Meals & Entertainment	\$3,000
Mileage Reimbursement	\$4,000
Miscellaneous	\$2,500
Outside Consulting Services	\$4,000
Printings & Mailings	\$10,000
Salaries - General Administration	\$105,000
Salaries - Maintenance	\$17,000
Salaries - Lifeguards & Pool Amenities	\$56,000
Supplies - Clubhouse Grounds	\$4,500
Supplies & Maintenance - Janitorial	\$11,000
Supplies - Office	\$4,000
Supplies - Pool	\$7,000
Supplies - Recreation & Lifeguard	\$1,500
Supplies - Snack Bar	\$4,000
Supplies & Maintenance - Building	\$2,500
Taxes - Payroll	\$18,000
Utilities - Building & Pool	\$32,000
Taxes & Fees	\$2,400
Provision for Bad Debt	\$2,000
Taxes - Federal Income	\$900
Taxes - State Franchise	\$500
Capital Improvements	\$3,000
Lake Trail-Open Space	\$4,000
Total Expenses	\$388,875

Reserve Budget

Expenses	-\$50,000
Annual Dues - Reserve Portion	\$50,000
Interest	\$3,000

**Glenshire Devonshire Residents Association
Damage Schedule**

In accordance with the newly approved Restated Governing Documents of 1997, the Association is required to send all property owners the Damage Schedule Policy. The following is a schedule of fines, commonly known as Damages for infractions or violations that are common or recurring in nature. The individual infractions referenced by appropriate Article and Section of the CC&Rs and the alphabetical section of the Design Review Rules and Regulations was originally established and adopted by the Board of Directors on October 9, 1991. Damages may be assessed daily, monthly, or yearly at the discretion of the Board of Directors.

<u>Infraction or Violation</u>	<u>DAMAGES</u>
Residential Building - Article I, Section 1.26 & Article VIII, Section 8.01	\$100 - 1,000
Business in Home - Article VIII, Section 8.07	\$ 50 - 500
Fences & Walls - Article VI, Section 6.06	\$100 - 500
Waste Disposal Systems - Article VI, Section 6.08	\$100 - 500
Animals - Article VIII, Section 8.05	\$ 50 - 250
Clothes Drying - Article VI, Section 6.16	\$ 50 - 100
Nuisances - Article VIII, Section 8.03 & XIII, Section 13.02	\$ 50 - 500
Signs - Article VIII, Section 8.06	\$ 50 - 250
Excavations - Article VI, Section 6.18	\$100 - 2,500
Exterior Lighting - Article VI, Section 6.10 & Q	\$100 - 250
Mail Boxes - Article VI, Section 6.13 & S	\$ 50 - 100
Outdoor Antennas - Article VI, Section 6.17 & R	\$ 50 - 250
Storm Windows - Article VI, Section 6.14 & T	\$ 50 - 250
Foundations - Article V, VI, Section U	\$100 - 1,500
Stock Homes - Article VI, Section 6.11 & V	\$100 - 500
Trees - Article VI, Section 5.04 & W	\$100 - 500
	(per tree)
Roofs - Section I, 1-3	\$100 - 750
Construction Equipment - Article VI, Section 6.15 & J	\$ 50 - 750
Set- Backs - Article VI, Section 6.02 & E	\$100 - 500
Plans and Specs - Article V, Section 5.05 & D, 1-8	\$100 - 500
Construction Material - Article VI, Section 6.15 & I	\$100 - 500
Building Area - Article V, Section E	\$100 - 500
Repainting - Article VI, Section 6.09	\$100 - 500

Please call the Association office at (530) 587-6202 if you require another copy of our Governing Documents.

Glenshire Devonshire Residents Association Off-Street Parking Rules and Guidelines

All properties are required to have 700 square feet of asphalt surface available for off street parking, which includes the garage. Should the minimum requirement for “off-street parking” not be met or if found to be insufficient for the parking and storage of personal and recreational vehicles, the requirement to develop and limit the amount of additional “off-street parking” areas will be at the discretion, requirement and guidance of the Association. The guideline for enforcement will be if the number of vehicles constitutes an “eye sore” while considering their location, operability and appearance to the surrounding neighborhood.

The following guidelines have been developed to help clarify the rights and responsibilities of all property owners.

Vehicle Definition: All passenger, non commercial vehicles and trailers, including but not limited to all recreational vehicles, such as boats, jet skis, snowmobiles, motorcycles, airplanes and their respective trailers.

Vehicle Repair: Motor vehicle construction, reconstruction, or repairs on the property in view of the street or neighboring properties shall be limited to no more than 14 days in a given month. Work area is to be cleaned up daily while work is in progress.

Inoperable Vehicle: Any dilapidated, unlicensed or inoperable vehicle, trailer, boat, airplane, recreational or commercial vehicle, including without limitation, a vehicle without wheels or engine, shall be stored on the property within a fully enclosed area (garage) or fully screened location approved by the DRC (fenced area).

Commercial Vehicle: Commercial vehicles and their trailers (except for pickup trucks, passenger vehicles) shall be parked within a fully enclosed garage or screened from view using a DRC approved method. On a case-by-case basis, the Board of Directors reserves the right to determine a commercial vehicle.

Parking Surfaces: Additional parking surfaces may be asphalt, loose gravel/lava rock or graded dirt. All areas must be free of weeds, brush and excess storage items. The Board of Directors reserves the right to require gravel or rock surface if area becomes a mud/dirt nuisance.

Parking Locations: In addition to the garage and driveway, appropriate additional “off-street parking” locations are the front and sides of the house. Backyard areas may acceptable on a case-by-case basis, but all areas are subject to screening or surface improvements by the DRC. On a case-by-case basis, the Board of Directors reserves the right to limit the amount of additional parking locations and consolidate multiple parking areas.

On-Street Parking: On street parking is not intended for vehicle storage or long-term parking. Enforcement will be addressed under “nuisance” and/or on case-by-case basis.

Parking on Unimproved Lots: A vehicle may only be stored or parked on an unimproved lot only if it is screened and/or incorporated into the adjacent developed lot, which has been approved by the Design Review Committee.

Vehicle Covers: All tarps and covers for all vehicles must be maintained in good condition. Earth-tone covers are strongly encouraged.

Variances: The Board of Directors has the power to grant variances for special circumstances that may or may not be addressed in the above guidelines.

**GLENSHIRE/DEVONSHIRE RESIDENTS ASSOCIATION
DELINQUENT ASSESSMENT COLLECTION POLICY**

1. Due Dates: All Regular Assessments shall be due and payable, in advance, on the first day of each year. Special Assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment or in the ballot presenting the special assessment to the members of approval. In no event shall a Special Assessment be due and payable earlier than thirty (30) days after it is imposed. A late charge of 10% will be imposed if the assessment has not been paid within 30 days. Furthermore, the Association shall be entitled to recover any reasonable collections cost, including attorney's fees, that the Association then incurs in its efforts to collect the delinquent sums. Payment plans are available in accordance with the Association's policy.

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

Glenshire/Devonshire Residents Association
15726 Glenshire Drive
Truckee, CA 96161

3. Application: Any payments made by the owner of a separate interest toward the debt shall first be applied to the assessments owed, and, only after the assessments owed are paid in full shall the payment be applied to the fees and costs of collection, attorney's fees, late charges, or interest.

4. Interest: At the option of the Association, interest shall be due on all such accounts, once due and unpaid for thirty (30) days, at the rate of 12% per annum.

5. Secondary Address: Upon receipt of a written request by an Owner identifying a secondary address for the purposes of assessment collection notices, the Association shall send additional copies of any collection notices required by this Collection Policy to the secondary address provided. The Owner's notice of a secondary address must be in writing and mailed to the Association in a manner that shall indicate that the Association has received it.

6. Internal Dispute Resolution (IDR): Prior to authorizing a Pre-lien letter, the Association, in a separate written communication, shall offer to meet and confer with a delinquent owner to resolve any assessment dispute. An Owner who wishes to accept the Meet and Confer Offer must do so by submitting his/her written request to accept the offer with the Association within twenty (20) days of the Meet and Confer Offer. The Association shall set a prompt date and time for the meeting at the Association office. The Association shall designate a Board officer, along with the

Association manager to participate in the meeting with the delinquent owner. If no resolution is reached, the Board of Directors, in an open meeting, by majority vote, may initiate the Pay or Lien Process.

7. Pre-Lien or Pay: If any portion of any such assessment or late charge remains unpaid for sixty (60) days, a Pre-lien letter may be sent, by certified mail, to the delinquent record owner(s) at the owners last mailing address provided to the Association. Such notice will include a detail of the total amounts delinquent, including but not limited to, assessments, late charges, interest and costs of collection. A copy of the Association's collection policy shall be attached to the Pay or Lien Letter. The opportunity for the delinquent owner to participate in IDR, meet and confer or the Alternative Dispute Resolution (ADR) process will again be offered at this time.

8. Assessment Lien: If the delinquent Owner does not bring his/her account current within the deadline set forth in the Pre-Lien Letter, the Board of Directors shall approve the recordation of an assessment lien against the delinquent owners property. The Board's decision to record the assessment lien shall be by a majority vote of a quorum of the Board members at the open meeting. The Board's action should refer to the Unit/Lot/parcel number of the property that is delinquent, rather than the name of the owner. Recording this notice creates a lien, which is subject to foreclosure, against the Owner's property.

9. Pre-Foreclosure Actions: If any portion of any such assessment or late charge remains unpaid for one (1) year or accrues the amount of \$1,800 after the original due date, the Board may begin the foreclosure proceedings. Prior to initiating foreclosure, the Board of Directors must, in executive session, approve the decision to proceed with foreclosure by a majority vote of a quorum of the Board of Directors. The Board shall record the Board's executive decision in the minutes of the next meeting of the Board open to members by referencing the unit/lot/parcel number of the property that is delinquent. The entire "non-judicial" process may be handled by the Association's attorney or assigned agent.

10. Notice of Default and Election to Sell: The Notice of Default and Election to sell shall be recorded at the County Recorder's Office and a three month reinstatement period shall begin.

11. Notice of Trustee Sale: If, after three months the delinquency is not cured the Association's agent may proceed with the "non-judicial" foreclosure process in accordance with current law and practice.

12. Return Check: A fee of \$25 will be charged to the owner for all returned checks.

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or non-judicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 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 1367.1 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 1367.1 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 1367.1 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 1367.1 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 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 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 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 1367.1 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 1367.1 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 to the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

**RESOLUTION OF THE BOARD OF DIRECTORS OF
GLENSHIRE/DEVONSHIRE RESIDENTS ASSOCIATION
(Hereinafter “Association”)
A California Nonprofit Mutual Benefit Corporation**

Re: Internal Dispute Resolution Process

WHEREAS, Civil Code 1363.810 through 1363.850 identifies an internal dispute resolution process (“IDR Process”) that an Owner and Community Association must pursue as a prerequisite to an enforcement action;

WHEREAS, Civil Code 1363.84 identifies an IDR Process applicable to all community associations that do not otherwise provide for an alternative procedure;

WHEREAS, the Board of Directors desires to identify the Association representatives who would participate in the IDR Process;

WHEREAS, the Association desires to adopt an IDR Process;

NOW, THEREFORE, BE IT RESOLVED, that Glenshire Devonshire Residents Association adopts the IDR Process contained within Civil Code 1363.840 (deemed within the statute to be fair, reasonable, and expeditious) as follows:

1. This IDR Process applies to the Association as well as an Owner as a prerequisite to the filing of any litigation related to a dispute involving their respective rights, duties or liabilities under the governing documents, the Davis-Stirling Common Interest Development Act (D-S Act”) and/or the nonprofit mutual benefit corporation law (“collectively “CID Dispute”). It does not relate to any collection of assessments unless the Association determines it needs to file litigation to collect same.
2. Either party (Association or Owner) to a CID Dispute may invoke the following procedure:
 - a. The party may request the other party and meet and confer, in an effort to resolve the CID Dispute. The request shall be in writing.
 - b. An Owner may refuse an Association request to meet and confer. The Association may not refuse an Owner’s request to meet and confer.
 - c. The Board hereby designates the President or in his/her absence, the Vice-President (“Board Designee”), as well as the CID Manager to meet and confer with the Owner. The Board Designee shall also have the right to request the Chairperson of any applicable Committee involved in the CID Dispute to assist the Board and attend the meet and confer session with the Owner. If the Association is pursuing litigation related to a delinquent assessment, the Board designates the Treasurer in lieu of the President as the Board Designee.
3. Although not precluded, attorney participation in the IDR Process is discouraged in order to maintain direct discussions between the principals of

- the CID Dispute and to maintain the goal of resolution through an expeditious process. To the extent Owner requires that his/her/its attorney attend the IDR Process, the Owner shall be required to give five (5) business days' notice to the Association so that the Association can ascertain if it desires its corporate counsel to also attend.
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 a effort to resolve the CID Dispute.
 5. A resolution of the CID 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.
 6. The Agreement reached by the Owner and the Board Designee binds the parties and is judicially enforceable if both the following conditions are satisfied:
 - a. The Agreement is not in conflict with law or the governing documents of the Association; and
 - b. The Agreement is ratified by the Board of Directors within thirty (30) days of the date that the Agreement is executed by the Owner and the Board Designee.
 7. The Owner participating in the IDR Process shall not be charged a fee to participate in the IDR Process.

CERTIFICATE OF SECRETARY

I certify that I am the duly qualified and acting secretary of Glenshire Devonshire Residents Association, a California Nonprofit Mutual Benefit corporation. The foregoing is a true and correct copy of the Resolution duly adopted by the Board of Directors of the corporation at a meeting held on March 9, 2005, and entered in the minutes of such meeting in the Minute Book of the corporation. The Resolution is in conformity with the Corporations Code, the Articles of Incorporation and the Bylaws of the corporation and has never been modified or appealed and is, as of now, in full force and effect.

Dated: April 11, 2005

Glenshire Devonshire Residents Association
A California Nonprofit Mutual Benefit Corp.

By: Sally Lyon, Secretary

GLENSHIRE DEVONSHIRE RESIDENTS ASSOCIATION
Assessment and Reserve Funding Disclosure Summary

1. The current assessment per unit is \$275 per year.
2. Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment is due:	Amount per unit per month or year:	Purpose of the assessment:
	Total: 0	

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

Yes _____ **No** _____ **Maybe** **X**

Explanation: The Association’s Board of Directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve study specialists, CPAs and/or other professionals (“Professionals”) in preparing the reserve study and is relying upon this information, financial data and reports pursuant to Corporations Code 7231 in providing the association membership and/or prospective purchasers the information contained in this assessment reserve funding disclosure summary. The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information supplied to the Association’s Board of Directors from said Professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association’s obligations for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association’s CC&Rs.

4. If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be

available each year during the next 30 years that have not yet been approved by the board or the members:

Approximate date assessment will be due:	Amount per unit per month:
	Total:

Answer: The answer to paragraph #3 was maybe. Furthermore, the Association intends to review its reserve fund on an annual basis, consistent with Civil Code 1365.5, as well as at least once every three (3) years, cause to be prepared a new reserve study. Based on the annual view of the reserve study, as well as the new reserve study every three (3) years, the Association could increase regular assessments to facilitate additional reserve funding and/or levy special assessments to fund additional reserves over the course of the next thirty (30) years. At the present time, the Association does not have intent to levy a special assessment or increase reserve funding, but circumstances and events, as well as reserve studies, could change that practice over the next thirty (30) years.

5. ***All major components are included in the reserve study and are included in its calculations.***
6. ***Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the estimated amount required for 100% reserve funding in the reserve fund at the end of the current fiscal year is \$1,063,362, based in whole or in part on the last reserve study or update prepared by the association staff as of July 1, 2010. The projected reserve fund cash balance at the end of the current fiscal year is \$275,265, resulting in reserves being 26 percent funded at this date.***
7. ***Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated amount required for 100% reserve funding in the reserve fund at the end of each of the next five budget years is \$1,137,545, \$1,208,007, \$1,269,468, \$1,331,469, \$1,284,480, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$325,222, \$369,229, \$402,103, \$433,346, \$360,042, leaving the reserve at 28 percent funding.***

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change.

Juniper Hill Property Owners Association
Policy on Use of Roads by Non-Members

The Glenshire/Devonshire Residents Association Board of Directors has agreed to honor the Juniper Hill Property Owners Association policy on the “Use of Roads by Non-Members”.

The Juniper Hill Property Owner Association is a private and gated community. The use of the road system is available for Juniper Hill members, their family members, tenants, and current guests to, travel to, from and within the subdivision.

Glenshire/Devonshire membership may use the GDRA restricted building 9.6 acre parcel within Juniper Hill in the same manner as other designated parcels of “open space”. Absolutely no motor vehicles allowed. Glenshire/Devonshire residents may access the Association parcel on foot, horse or bike without accessing the Juniper Hill road system.

While Juniper Hill subdivision is adjacent to the GDRA subdivision, the Association roads are not available for use by Glenshire/Devonshire residents. Authorized personnel of GDRA who using the roads for a business purpose pertaining to their ownership of property within the Juniper Hill subdivision, are permitted to use the roads.

Members of the Juniper Hill Property Owners Association may not give an authorization to any person or entity to use the subdivision roads. Any use by non-members shall be governed by this policy.

Signs will be displayed at each entrance to the subdivision giving notice that use by non-members is prohibited and will be considered to be trespassing.

The cooperation of all Glenshire/Devonshire residents is greatly appreciated.

Sincerely,

GDRA
Board of Directors