



Board of Directors

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Assistant General Manager

DATE: April 27, 2026
TO: The Membership - Ladera Ranch Maintenance Corporation
FROM: The Board of Directors
RE: Master + Front Yard & Driveway SBA 2026 - 2027 FY Budget –
Effective June 1, 2026

Each year the association's volunteer Board of Directors performs a careful review of the past year's expenses and income to best project the amount to collect from each member in the upcoming fiscal year. This review leads to the creation and publication of a budget that accurately portrays the forecasted and contracted operational expenses for the fiscal year. Several factors are considered as the budget is prepared, such as recurring contract costs, inflation, utility usage and rates, insurance rates, and appropriate reserve contribution (savings) each month to pay for the repair, restoration and/or replacement of common area components as needed.

Master Association and Front Yard & Driveway Special Benefit Area (SBA)

The master association is the corporation that oversees the entire association, including its cost centers or special benefits areas (SBA's). All members of the master association pay assessments to maintain common area components defined in the association's governing documents as master association responsibilities.

Members of the cost centers or SBA's pay another assessment in addition to the regular master association assessment to maintain areas identified in the governing documents as benefiting only members within that cost center or SBA.

As a result of this year's budget review, the Board has determined that an increase of 4.3% is needed to responsibly meet the association's financial needs in the upcoming fiscal year. **Please note that effective June 1, 2026, your new Master Association monthly assessment will be \$241.00 per month.**

The primary contributing factors for this year's assessment increase include:

- Insurance – The Master insurance policy increased by almost 200% from FY 2025 to FY 2026 due to an increased number of open claims/litigation against LARMAC. As a result, the budget has been increased in FY 2027 to \$621,840.
- Water – Santa Margarita Water District (SMWD) adopted a new rate structure in mid-2025 that includes annual rate increases through 2029. The most recent increase took effect on March 1, 2026 and the next increase is planned for March 1, 2027. A 10% increase is anticipated based on similar usage. With over 800 acres of irrigated landscape and



Avendale Village Club
1 Daisy Street
Ladera Ranch, CA 92694
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multiple pools and facilities, this puts LARMAC's annual water budget for the master association at about \$1.5M.

- Reserve Expenses - This is LARMAC's "savings" account used to repair, replace, and improve community assets as detailed in the Reserve Study. Recent examples of projects funded by reserves include:
 - Terramor Water Park – Water structure replacement and other improvements
 - Plunge Pools – Restrooms and shower renovations
 - Oak Knoll Village Club – Deck and stairs replacement
 - Heritage Farm – Updating the facility from a garden to a community farm
 - Covenant Hills Tennis Courts – Court resurfacing, chain-link replacement, furnishings powder coating, painting and windscreen and net replacement
 - Multiple Painting Projects Across Facilities – Terramor Paseo, Oso Grande Park, Avendale Village Club and the Oak Knoll Paseo
 - Landscape Refurbishment/Enhancement Projects
 - Cox Sports Park Field 4 Artificial Turf Project
 - Acacia Removal & Replacement – Multiple Locations
- Contract Increases – Contract increases, primarily ranging in the 2-4% range for contracts such as patrol service, landscape and staffing. Also, additional funds have been budgeted for common area expenses and insurance in anticipation of continued rising costs.

The Board has also determined that the cost center or SBA assessments must be increased by 4.1%. The monthly cost center or SBA assessment will increase to \$151.00 per month.

Your total assessment (Master + Front Yard & Driveway SBA) will be \$392.00 per month effective June 1, 2026.

The primary contributing factors for this year's cost center or SBA assessment increase include:

- Reserve Contribution - Like the master, this is the "savings" account for the SBA used to repair and/or replace assets as detailed in the Reserve Study. The monthly reserve contribution will increase from \$34.29 to \$45.95 to continue to properly fund future repair and replacement projects. Asphalt (street repairs) makes up approximately 78% of future reserve expenses and funds must be saved for the upcoming street repairs that are currently scheduled for FY 2030-FY 2036.

What is included in this Budget Packet?

State law and the association's governing documents require the Board of Directors to distribute the following documents annually to each member:

- A summary of the *pro forma* budget for the upcoming fiscal year
- Assessment and Reserve Funding Disclosure Summary
- Executive Summary pages of the reserve study
- 5-Year Reserve Projection Model
- 30-Year Reserve Cashflow Analysis

- Delinquency Policy
- Written Notice of Assessments, Foreclosure, and Payment Plans
- Alternative Dispute Resolution (ADR) procedure
- Internal Dispute Resolution (IDR) procedure
- Discipline Policy
- Schedule of Penalties for Violation of the Association’s Documents
- Architectural Submittal and Appeal process
- Insurance Summary
- FHA Certification Disclosure
- VA Certification Disclosure
- Billing Disclosure Form
- ADR/IDR Policy
- Annual Homeowner Disclosure

About the Reserve Study

California law requires the association's Board of Directors to “cause to be conducted” a reserve study with an onsite inspection at least once every three years. Although the law does not require the Board to perform a reserve study in years two and three, the law does require an annual disclosure to be distributed to the membership in those years. To ensure that the association’s major components are appropriately identified, the Board hires a professional reserve analyst for these services.* The “Executive Summary” in this packet will show whether or not a site inspection was completed this year as determined by the Board.

California law also requires the Board to make these disclosures about the association’s reserve funds:

For the Master Association:

- 1) In the upcoming year, the association will fund reserves using the following sources:

	<i>Type of Funding</i>
<input checked="" type="checkbox"/>	Regular Assessments
<input type="checkbox"/>	Special Assessments
<input type="checkbox"/>	Borrowing
<input type="checkbox"/>	Use of Other Assets
<input type="checkbox"/>	Deferral of Repairs
<input type="checkbox"/>	Alternate Mechanisms

- 2) **The association has a total of \$10,083,084 in actual accumulated reserve funds as of January 31, 2026. The Board anticipates that the amount will decrease to \$9,765,324 by the end of the current fiscal year. According to the reserve analyst, the total replacement cost for all major components is \$30,464,970. The current reserve fund amount represents 32.1% of the projected total replacement cost.** Although this number usually seems low, the legislature requires the Board to disclose (in boldface type) how much it would cost the association to

rebuild all of its major common area components if they were replaced all at once.

- 3) According to the reserve analyst, at the start of the upcoming fiscal year the association is anticipated to be 59% funded to the “ideal funding level”. That number represents the amount the association is anticipated to have on hand to repair or replace major components when they are scheduled to be repaired or replaced.
- 4) The Board of Directors has determined to defer or not undertake repairs or replacement of the following major components with a remaining life of 30 years or less (as identified in the reserve study as having zero estimated remaining life):

<i>Item Location</i>	<i>Item Description</i>	<i>Reason for Deciding to Defer or Not Undertake Repairs/Replacement</i>
Arroyo Park	Paint - Iron Surfaces	In Serviceable Condition
Arroyo Park	Roof - Gazebo Roof Repair	In Serviceable Condition
Avendale Club	HVAC - System Replace	In Serviceable Condition
Avendale Club	Pool - Lane Line Replace	In Serviceable Condition
Avendale Club	Pool - LED Lights Replace	In Serviceable Condition
Avendale Club	Pool - Tile Signage	In Serviceable Condition
Boreal Plunge	Paint - Iron Surfaces (Shade Sail Posts)	In Serviceable Condition
Boreal Plunge	Pool - Chemical Controller Replace	In Serviceable Condition
Boreal Plunge	Pool - Tile Signage	In Serviceable Condition
Canterra Park	Paint - Wood Surfaces	Planned for FY 2027
Canterra Park	Pool - Chemical Controller Replace	In Serviceable Condition
Canterra Park	Pool - LED Lights Replace	In Serviceable Condition
Canterra Park	Pool - Mastic Replace	In Serviceable Condition
Celestial Plunge	Paint - Wood Surfaces	Planned for FY 2027
Celestial Plunge	Pool - Chemical Controller Replace	In Serviceable Condition
Celestial Plunge	Pool - Heater Replace	In Serviceable Condition
Celestial Plunge	Pool - Mastic Replace	In Serviceable Condition
Celestial Plunge	Pool - Tile Signage	In Serviceable Condition
Chalk Trail Park	Paint - Solar System Planets	In Serviceable Condition
Chaparral Park	Paint - Concrete Block Surfaces	Planned for FY 2027
Chaparral Park	Play Equipment - Pour in Place Rubber - Replace	In Serviceable Condition

Cherry Plunge	Drinking Fountains - Replace	In Serviceable Condition
Cherry Plunge	Pool - Chlorinators/Feeders - Replace	In Serviceable Condition
Cherry Plunge	Pool - Heater Replace	In Serviceable Condition
Cherry Plunge	Pool - Mastic Replace	In Serviceable Condition
Covenant Hills Club	Bathroom - Refurbish - Pool Building	Planned for FY 2027
Covenant Hills Club	Clubhouse - Minor Remodel	Planned for FY 2027
Covenant Hills Club	Drinking Fountains - Replace	In Serviceable Condition
Covenant Hills Club	Shower - Refurbishment	Planned for FY 2027
Covenant Hills Club	Pool - Chemical Controller Replace	In Serviceable Condition
Covenant Hills Club	Pool - LED Lights Replace	In Serviceable Condition
Covenant Hills Club	Pool - Mastic Replace	In Serviceable Condition
Covenant Hills Club	Pool - Pump Replace	In Serviceable Condition
Covenant Hills Club	Pool - Tile Signage	In Serviceable Condition
Cox Sports Park	Bathroom - Refurbish	In Serviceable Condition
Cox Sports Park	Sports Fields - Backstop Screens Fields 1 & 4 - Replace	Planned for FY 2027
Cox Sports Park	Sports Fields - Baseball Field 1 - Refurbish	Planned for FY 2027
Cox Sports Park	Sports Fields - Baseball Field 2 - Refurbish	Planned for FY 2027
Cox Sports Park	Sports Fields - Bleacher Shade Structures - Replace	In Serviceable Condition
Creighton Plunge	Drinking Fountains - Replace	In Serviceable Condition
Creighton Plunge	Paint - Wood Surfaces	Planned for FY 2027
Creighton Plunge	Pool - Chemical Controller Replace	In Serviceable Condition
Creighton Plunge	Pool - Mastic Replace	In Serviceable Condition
Flintridge Club	Carpet - Replace	Planned for FY 2027
Flintridge Club	Clubhouse - Major Remodel	Planned for FY 2027
Flintridge Club	Deck/Stairs - Re-Seal	Planned for FY 2027

Flintridge Club	Drinking Fountains - Replace	Planned for FY 2027
Flintridge Club	Fence - Chain Link Fence Replace	Planned for FY 2027
Flintridge Club	Furnishing - BBQ Replace	Planned for FY 2027
Flintridge Club	Furnishing - Furniture Replace	Planned for FY 2027
Flintridge Club	Indoor Plants - Replace	Planned for FY 2027
Flintridge Club	Paint - Wood Surfaces	Planned for FY 2027
Flintridge Club	Pool - Chemical Controller Replace (Spa/Pool)	In Serviceable Condition
Flintridge Club	Pool - Mastic Replace	In Serviceable Condition
Flintridge Club	Pool - Tile Signage	In Serviceable Condition
Flintridge Club	Security System - Replace	In Serviceable Condition
Flintridge Club	Shower - Refurbishment	In Serviceable Condition
Flintridge Club	Spa - Resurface & Retile	In Serviceable Condition
General Common Areas	Mailboxes - CBU Replace	Planned for FY 2027
General Common Areas	Mailboxes - Kiosk Refurbish	Planned for FY 2027
General Common Areas	Paint - Rhino (Swing) Gates	In Serviceable Condition
General Common Areas	Pedestrian Bridge Crown Valley - Inspection	In Serviceable Condition
General Common Areas	Play Equipment - Pour In Place Rubber Replacement	In Serviceable Condition
General Common Areas	Monument Light-Antonio/Benjamin	In Serviceable Condition
General Common Areas	Weather Stations - Replace	In Serviceable Condition
Oak Knoll Club	Bathroom - Refurbish	Planned for FY 2027
Oak Knoll Club	Clubhouse - Major Remodel	Planned for FY 2027
Oak Knoll Club	Fire Alarm System - Replace	Planned for FY 2027
Oak Knoll Club	Flooring (Loft Carpet) - Replace	Planned for FY 2027
Oak Knoll Club	Furnishing - Admin Furniture Replace	Planned for FY 2027
Oak Knoll Club	Furnishing - Lounge Furniture Replace	Planned for FY 2027

Oak Knoll Club	Great Room Television Monitor	Planned for FY 2027
Oak Knoll Club	Indoor Plants - Replace	Planned for FY 2027
Oak Knoll Club	Paint - Interior Surfaces	Planned for FY 2027
Oak Knoll Club	Shingle Siding - Replace	Planned for FY 2027
Oak Knoll Club	Shower - Refurbishment	Planned for FY 2027
Oak Knoll Club	Pool - Chemical Controller Replace	In Serviceable Condition
Oak Knoll Club	Pool - LED Lights Replace	In Serviceable Condition
Oak Knoll Club	Pool - Mastic Replace	In Serviceable Condition
Oak Knoll Club	Pool - Tile Signage	In Serviceable Condition
Oso Grande	Bathroom - Refurbish	In Serviceable Condition
Sienna Botanica	Bridge (Botanica) Crossings - Refurb	In Serviceable Condition
Sienna Botanica	Furnishings - Concrete Picnic Tables - Replace	In Serviceable Condition
Sienna Botanica	Furnishings - Park Benches - Replace	In Serviceable Condition
Terramor Club	Concrete Block Surfaces - Anti-Graffiti Seal	In Serviceable Condition
Terramor Club	Solar - Replace	In Serviceable Condition
Terramor Garden	Fence - Rabbit Fence Replace	In Serviceable Condition
Terramor Garden	Garden - Wheelbarrow & Tools	In Serviceable Condition
Terramor Paseo	Furnishings - Concrete Trash Receptacles - Replace	In Serviceable Condition
Town Plunge	Paint - Iron Fence	Planned for FY 2027
Town Plunge	Paint - Wood Surfaces	Planned for FY 2027
Town Plunge	Drinking Fountains - Replace	In Serviceable Condition
Town Plunge	Pool - Chemical Controller Replace	In Serviceable Condition
Town Plunge	Pool - Filter Replace (Lap Pool)	In Serviceable Condition
Town Plunge	Pool - Mastic Replace	In Serviceable Condition
Wagsdale Park	Bathroom - Refurbish	In Serviceable Condition
Wagsdale Park	Security Alarm - Replace	In Serviceable Condition

For the Cost Center/SBA:

- 1) In the upcoming year, the association will fund reserves using the following sources:

	<i>Type of Funding</i>
<input checked="" type="checkbox"/>	Regular Assessments
<input type="checkbox"/>	Special Assessments
<input type="checkbox"/>	Borrowing
<input type="checkbox"/>	Use of Other Assets
<input type="checkbox"/>	Deferral of Repairs
<input type="checkbox"/>	Alternate Mechanisms

- 2) **The association has a total of \$3,035,893 in actual accumulated reserve funds as of January 31, 2026. The Board anticipates that the amount will decrease to \$2,737,849 by the end of the current fiscal year. According to the reserve analyst, the total replacement cost for all major components is \$10,060,315. The current reserve fund amount represents 27.2% of the projected total replacement cost.** Although this number usually seems low, the legislature requires the Board to disclose (in boldface type) how much it would cost the association to rebuild all of its major common area components if they were replaced all at once.
- 3) According to the reserve analyst, at the start of the upcoming fiscal year the association is anticipated to be 56% funded to the “ideal funding level”. That number represents the amount the association is anticipated to have on hand to repair or replace major components when they are scheduled to be repaired or replaced.
- 4) The Board of Directors has determined to defer or not undertake repairs or replacement of the following major components with a remaining life of 30 years or less (as identified in the reserve study as having zero estimated remaining life):

<i>Item Location</i>	<i>Item Description</i>	<i>Reason for Deferral or Decision to Not Undertake Repairs/Replacement</i>
Arborage	Arborage-Cluster Mailboxes	Planned for FY 2027
Astoria	Astoria-Metal Park Benches	Planned for FY 2027
Claiborne	Claiborne-Rural Mailboxes	Planned for FY 2027
Claiborne	Claiborne-Wood Trellis /Refurb	Planned for FY 2027
Front Street	Front St-Metal/Wood Park Benches	Planned for FY 2027
Painting Projects	Paint - Bollard Lights	Planned for FY 2027

Painting Projects	Paint - Metal Railings	Planned for FY 2027
Painting Projects	Paint - Pole Lights	Planned for FY 2027
Savannah/Baywood	Savannah/Baywood-Iron Fence/Rail	In Serviceable Condition
Surrey Farm	Surrey Farm-Metal Railings	Planned for FY 2027
Tarleton	Tarleton-Metal Railing	Planned for FY 2027
The Trails	The Trails-Cluster Mailboxes and Structures	Planned for FY 2027
Walden Park	Walden Park-Cluster Mailboxes and Structures	Planned for FY 2027
Walden Park	Walden Park-Metal Railing	Planned for FY 2027

Insurance Information

The association carries General Liability insurance in the amount of \$7,000,000 which meets the minimum amount specified in California law to ensure that owners are only individually liable for their proportionate share of special or regular assessments levied to pay any judgments against the association which exceed the limits of the association’s insurance.

Additional disclosures about the association’s insurance policies can be found within this packet, including the name(s) of the insurer(s), the types of insurance, the policy limits, and the deductible amounts (if any).

Other Disclosures

The Board of Directors does not anticipate that any special assessment will be required during the upcoming fiscal year to repair, replace and/or restore any major components or to provide adequate reserves.

Please contact our management team should you have any questions or if you would like to have a copy of the complete pro forma operating budget provided to you at the association’s expense or a copy of the complete reserve study plan. These documents are also available for review at *1 Daisy Street, Ladera Ranch* by appointment.

ANNUAL POLICY STATEMENT – LADERA RANCH MAINTENANCE CORPORATION

The board is required to distribute an annual policy statement that provides the association members with information about its policies.

- 1) The name and address of the person designated to receive official communications to the association is the Manager on behalf of Ladera Ranch

Maintenance Corporation, c/o FirstService Residential Management, 1 Daisy Street, Ladera Ranch, CA 92694.

- 2) Members may submit a request to the address noted above to have notices sent to up to two different specified addresses.
- 3) Civil Code permits the association to provide General Notices to the membership via newsletter, billing statement messages, association website, or posting in a prominent location. If the association chooses to post notices, they will be located on the community website, <https://LaderaLife.com>.
- 4) If you would like all notices, including general notices, to be sent to you by individual delivery, please log in to the community website at <https://laderaranch.connectresident.com/> and update your communication preferences within the "My Account" settings of your profile.
- 5) Copies of minutes for board meetings that are open to the membership are available upon written request throughout the year. Minutes can be released to you 30 days following the meeting date, and any copying and posting charges for those minutes are the requestor's responsibility. If the minutes are not approved by the Board within the 30-day period of the request, draft minutes will be provided to you.

* 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 and is relying upon this information, financial data and reports pursuant to the California Corporations Code in providing the association membership with the information contained in this Assessment Reserve Funding Disclosure Summary. The information contained within the reserve study 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 30-year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next 30 years. Furthermore, severe weather conditions, earthquakes, floods or other acts of God, the occurrence of vandalism and other events that are difficult to anticipate 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.

Questions about the budget packet?

Contact General Manager, Ken Gibson at ken.gibson@fsresidential.com or

Assistant General Manager, Stephanie Jebbia at stephanie.jebbia@fsresidential.com

You may also obtain a hard copy of the Budget Packet at the association's expense. Please email contact.LARMAC@LaderaLife.com to request your copy.

LADERA RANCH MAINTENANCE CORPORATION (LARMAC)

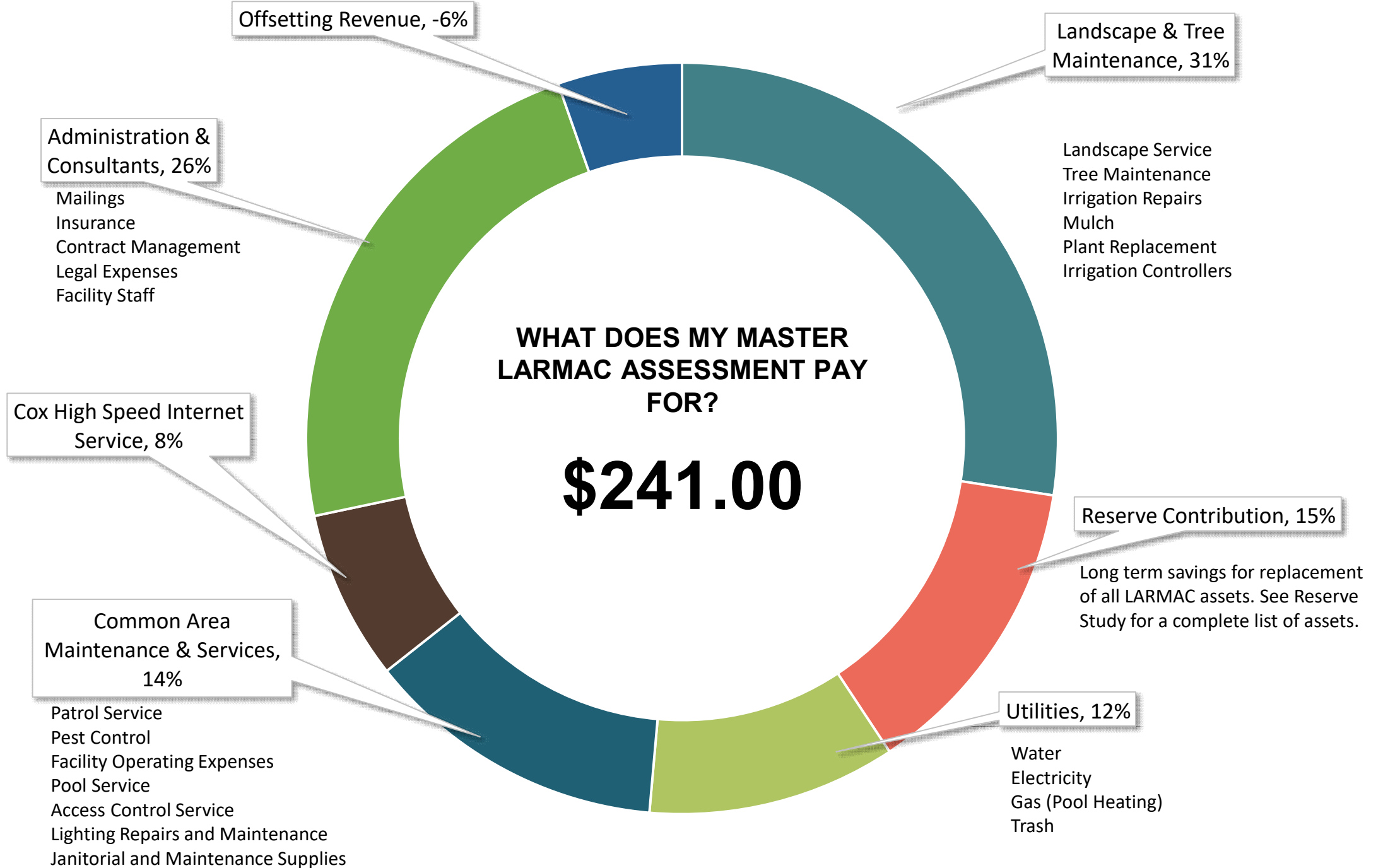
MASTER PRO FORMA BUDGET

JUNE 1, 2026 - MAY 31, 2027

Number of Units: 7236

	<u>Per Unit</u>	<u>Per Month (rounded)</u>	<u>Per Year (rounded)</u>
INCOME			
ASSESSMENTS	\$ 241.00	\$ 1,743,870	\$ 20,926,440
OTHER INCOME	\$ 23.09	\$ 167,050	\$ 2,004,600
TOTAL INCOME	\$ 264.09	\$ 1,910,920	\$ 22,931,040
RESERVE CONTRIBUTION			
RESERVE CONTRIBUTION	\$ 35.99	\$ 260,425	\$ 3,125,100
RESERVE INTEREST	\$ 4.84	\$ 35,000	\$ 420,000
TOTAL RESERVE CONTRIBUTION	\$ 40.83	\$ 295,425	\$ 3,545,100
OPERATING EXPENSES			
UTILITIES	\$ 14.60	\$ 105,625	\$ 1,267,500
LAND MAINTENANCE	\$ 65.69	\$ 475,340	\$ 5,704,080
SWIMMING POOL/SPA	\$ 6.95	\$ 50,269	\$ 603,228
COMMON AREA MAINTENANCE	\$ 27.91	\$ 201,943	\$ 2,423,316
PARKS AND PLUNGES	\$ 7.13	\$ 51,587	\$ 619,044
AVENDALE VILLAGE CLUB	\$ 1.93	\$ 13,975	\$ 167,700
FLINTRIDGE VILLAGE CLUB	\$ 1.46	\$ 10,550	\$ 126,600
OAK KNOLL VILLAGE CLUB	\$ 2.16	\$ 15,625	\$ 187,500
COVENANT HILLS VILLAGE CLUB	\$ 1.44	\$ 10,450	\$ 125,400
TERRAMOR VILLAGE CLUB	\$ 0.89	\$ 6,475	\$ 77,700
SPORTS PARK	\$ 7.58	\$ 54,833	\$ 657,996
CUUSD PLAYING FIELDS	\$ 0.81	\$ 5,832	\$ 69,984
CORPORATE TERRACE RETAIL	\$ 1.41	\$ 10,188	\$ 122,256
MERCANTILE EAST RETAIL	\$ 1.85	\$ 13,419	\$ 161,028
BRIDGEPARK PLAZA RETAIL	\$ 0.30	\$ 2,173	\$ 26,076
MERCANTILE WEST RETAIL	\$ 0.30	\$ 2,162	\$ 25,944
ADMIN - CONTRACT SERVICES	\$ 9.03	\$ 65,312	\$ 783,744
ADMIN - OTHER EXPENSES	\$ 45.57	\$ 329,751	\$ 3,957,012
GOV'T & REGULATION EXPENSES	\$ 7.55	\$ 54,649	\$ 655,788
TECHNOLOGY	\$ 18.70	\$ 135,337	\$ 1,624,044
TOTAL OPERATING EXPENSES	\$ 223.26	\$ 1,615,495	\$ 19,385,940
TOTAL RESERVE CONTRIBUTION	\$ 40.83	\$ 295,425	\$ 3,545,100
TOTAL OPERATING & RESERVES	\$ 264.09	\$ 1,910,920	\$ 22,931,040

The complete pro forma operating budget is available at the business office of the association. Copies will be provided to you upon request at the expense of the association.



(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 05/31/2027

1. The current average regular Assessment per ownership interest is: **\$241.00 per month.**

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

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 Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on 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

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?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
-	-	-

Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$16,626,892, based in whole or in part on the last reserve study or update prepared by Ken Gibson as of 2026-04-21. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$9,765,324, resulting in reserves being 59% at this date.

7. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2026-2027	\$3,125,100	\$35.99	\$4,133,452	\$9,081,112	\$16,955,221	54%
2027-2028	\$3,343,857	\$38.51	\$4,949,030	\$7,765,688	\$16,575,624	47%
2028-2029	\$3,577,927	\$41.21	\$2,632,660	\$8,999,296	\$18,518,549	49%
2029-2030	\$3,828,382	\$44.09	\$4,096,916	\$9,041,038	\$19,137,215	47%
2030-2031	\$4,096,369	\$47.18	\$3,624,203	\$9,837,903	\$20,263,001	49%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 3.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

Summary of Association Reserves

Property Description		Financial Summary	
Property Name:	LARMAC - Master	Starting Reserve Balance:	\$9,765,324
Location:	Ladera Ranch, CA	Fully Funded Reserve Balance:	\$16,626,892
Project Type:	Master Association	Percent Funded:	59%
Number of Units:	7236	Current Replacement Cost:	\$30,464,970
Age of Project:	27 Year(s)	Deficit/Surplus vs. Fully Funded Reserve:	(\$6,861,568) or (\$948.25) Per Unit Avg

Reserve Study Completed for Fiscal Year 2023-24: On-Site Inspection

Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2026-2027	\$3,125,100	\$35.99	\$4,133,452	\$9,081,112	\$16,955,221	54%
2027-2028	\$3,343,857	\$38.51	\$4,949,030	\$7,765,688	\$16,575,624	47%
2028-2029	\$3,577,927	\$41.21	\$2,632,660	\$8,999,296	\$18,518,549	49%
2029-2030	\$3,828,382	\$44.09	\$4,096,916	\$9,041,038	\$19,137,215	47%
2030-2031	\$4,096,369	\$47.18	\$3,624,203	\$9,837,903	\$20,263,001	49%
2031-2032	\$4,383,114	\$50.48	\$4,077,388	\$10,493,306	\$21,085,276	50%
2032-2033	\$4,558,439	\$52.50	\$4,135,944	\$11,290,460	\$21,946,497	51%
2033-2034	\$4,740,777	\$54.60	\$5,586,073	\$10,825,537	\$21,474,121	50%
2034-2035	\$4,930,408	\$56.78	\$5,557,084	\$10,566,788	\$21,157,082	50%
2035-2036	\$5,127,624	\$59.05	\$5,197,265	\$10,865,765	\$21,345,182	51%
2036-2037	\$5,332,729	\$61.41	\$5,788,767	\$10,782,049	\$21,076,690	51%
2037-2038	\$5,439,383	\$62.64	\$3,914,898	\$12,710,584	\$22,882,734	56%
2038-2039	\$5,548,171	\$63.90	\$3,907,813	\$14,824,519	\$24,907,746	60%
2039-2040	\$5,659,135	\$65.17	\$6,318,217	\$14,672,761	\$24,671,491	59%
2040-2041	\$5,772,317	\$66.48	\$4,346,421	\$16,637,157	\$26,626,237	62%
2041-2042	\$5,887,764	\$67.81	\$5,156,575	\$17,963,442	\$27,977,382	64%
2042-2043	\$6,005,519	\$69.16	\$6,610,735	\$17,976,355	\$28,046,349	64%
2043-2044	\$6,125,629	\$70.55	\$4,443,539	\$20,317,054	\$30,531,853	67%
2044-2045	\$6,248,142	\$71.96	\$5,337,938	\$21,954,283	\$32,358,751	68%
2045-2046	\$6,373,105	\$73.40	\$10,487,162	\$18,536,629	\$29,128,760	64%
2046-2047	\$6,500,567	\$74.86	\$5,521,212	\$20,181,905	\$31,116,610	65%
2047-2048	\$6,630,578	\$76.36	\$6,261,437	\$21,263,872	\$32,607,088	65%
2048-2049	\$6,763,190	\$77.89	\$5,699,347	\$23,090,567	\$34,931,122	66%
2049-2050	\$6,898,453	\$79.45	\$10,193,823	\$20,545,698	\$32,913,990	62%
2050-2051	\$7,036,422	\$81.03	\$7,735,130	\$20,553,862	\$33,593,931	61%
2051-2052	\$7,177,151	\$82.66	\$9,847,037	\$18,556,638	\$32,348,467	57%
2052-2053	\$7,320,694	\$84.31	\$4,184,520	\$22,397,178	\$37,136,071	60%
2053-2054	\$7,467,108	\$85.99	\$7,402,421	\$23,246,899	\$38,998,388	60%
2054-2055	\$7,616,450	\$87.71	\$9,107,387	\$22,543,512	\$39,410,937	57%
2055-2056	\$7,768,779	\$89.47	\$9,082,153	\$21,996,177	\$40,123,000	55%

Component Summary by Category

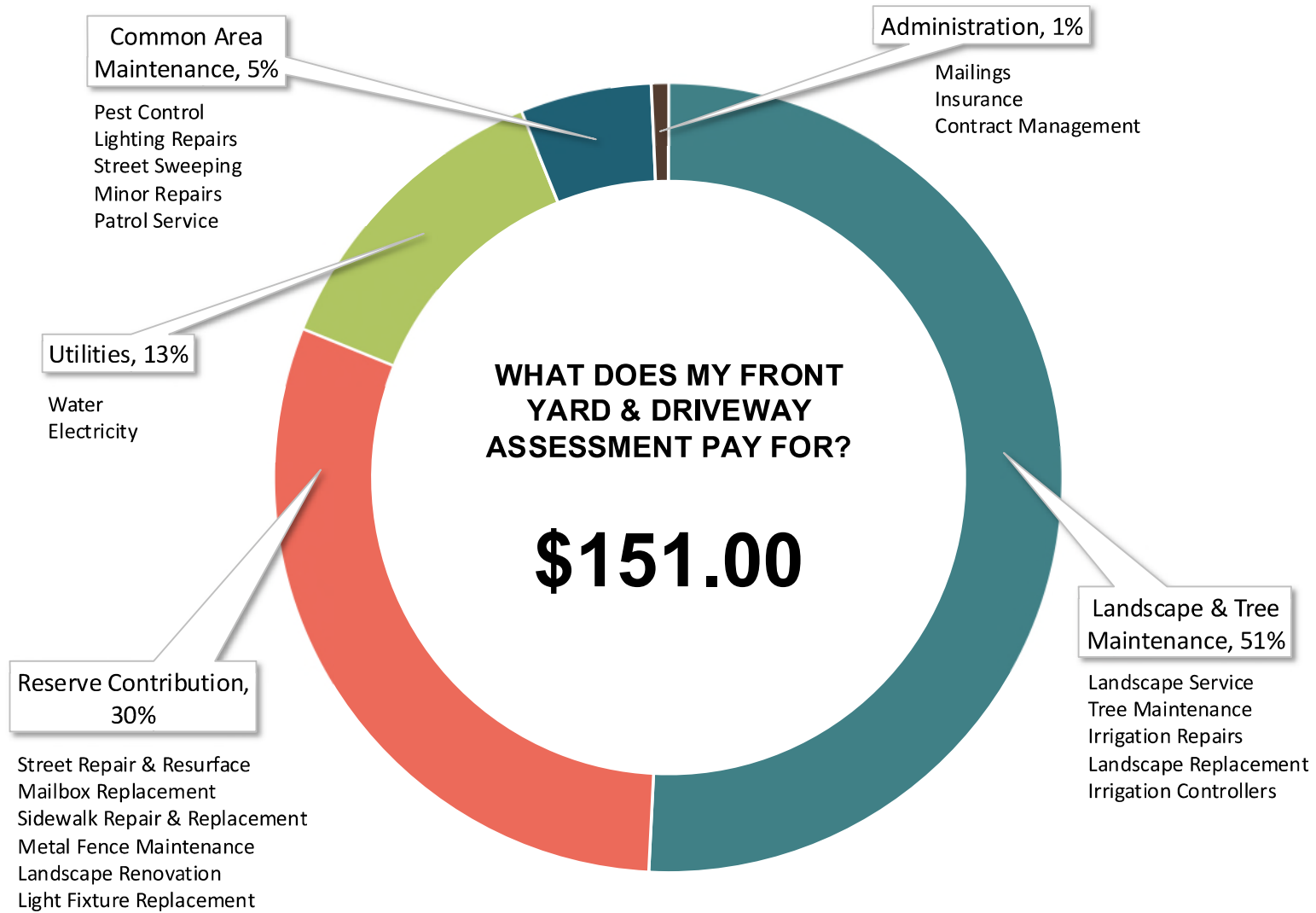
	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Appliances	3-15	0-10	\$73,221	\$23,589	\$7,924	\$40,164	\$6,243
Asphalt/Concrete	5-24	0-20	\$1,626,195	\$516,764	\$108,104	\$879,865	\$85,169
Bridges	3-24	2-23	\$47,064	\$4,907	\$8,356	\$8,356	\$6,583
Clubhouse & Plunge Refurbishment	8-20	0-19	\$1,922,433	\$644,448	\$132,314	\$1,097,266	\$104,243
Cox Sports Park	10-25	2-23	\$428,159	\$136,533	\$20,926	\$232,467	\$16,486
Deck/Stairs/Mastic	3-20	0-19	\$180,352	\$10,873	\$11,312	\$18,514	\$8,912
Fencing & Gates	1-30	0-22	\$1,321,069	\$442,185	\$241,935	\$752,885	\$190,607
Flooring	7-15	0-11	\$123,774	\$59,451	\$12,227	\$101,224	\$9,633
Furnishings	4-30	0-29	\$2,005,004	\$472,721	\$155,255	\$804,877	\$122,317
Handrails	20-20	1-1	\$6,364	\$3,551	\$318	\$6,046	\$251
Heritage Farm	5-20	4-19	\$65,858	\$2,940	\$3,807	\$5,005	\$2,999
HVAC	10-13	0-12	\$219,127	\$56,230	\$19,532	\$95,740	\$15,388
Landscape	1-25	0-24	\$3,748,776	\$1,441,738	\$1,368,466	\$2,454,770	\$1,078,140
Lighting	5-30	0-23	\$2,204,686	\$769,950	\$89,918	\$1,310,952	\$70,841
Mailboxes/CBU	9-21	8-20	\$85,320	\$3,590	\$6,112	\$6,112	\$4,815
Miscellaneous	4-4	3-3	\$2,000	\$294	\$500	\$500	\$394
Paint	1-10	0-9	\$781,759	\$280,424	\$204,730	\$477,463	\$161,296
Park Amenities	5-30	0-24	\$5,219,295	\$1,560,811	\$499,828	\$2,657,509	\$393,787
Pools	4-25	0-23	\$4,343,470	\$1,154,600	\$450,231	\$1,965,875	\$354,712
Roofing	1-25	0-14	\$735,182	\$317,725	\$49,513	\$540,974	\$39,009
Safety Components	5-20	1-19	\$82,213	\$21,366	\$9,288	\$36,379	\$7,317
Security Systems & Access Control	10-20	0-8	\$827,378	\$354,689	\$73,958	\$603,909	\$58,267
Signage/Monuments	1-15	0-2	\$148,806	\$77,702	\$33,254	\$132,299	\$26,199
Sports Courts	5-20	2-19	\$167,749	\$22,304	\$21,301	\$37,976	\$16,782
Sports Fields	3-30	0-17	\$2,140,687	\$807,342	\$254,904	\$1,374,618	\$200,825
Terramor Garden	5-20	4-4	\$12,997	\$5,882	\$745	\$10,015	\$587
Trellis & Gazebos	1-35	0-19	\$1,053,695	\$266,689	\$78,970	\$454,077	\$62,217
Vehicles	3-10	0-8	\$795,866	\$266,184	\$93,980	\$453,218	\$74,042
Water Heaters	5-12	1-5	\$80,232	\$36,468	\$7,768	\$62,091	\$6,120
Workshop & Storage	9-30	3-29	\$16,240	\$3,374	\$1,164	\$5,745	\$917
		Totals	\$30,464,970	\$9,765,324	\$3,966,640	\$16,626,892	\$3,125,100

LADERA RANCH MAINTENANCE CORPORATION (LARMAC)
FRONT YARD & DRIVEWAY SBA PRO FORMA BUDGET
JUNE 1, 2026 - MAY 31, 2027

Number of Units: 1167

	<u>Per Unit</u>	<u>Per Month (rounded)</u>	<u>Per Year (rounded)</u>
INCOME			
ASSESSMENTS	\$ 151.00	\$ 176,219	\$ 2,114,628
OTHER INCOME	<u>\$ 0.34</u>	<u>\$ 400</u>	<u>\$ 4,800</u>
TOTAL INCOME	\$ 151.34	\$ 176,619	\$ 2,119,428
RESERVE CONTRIBUTION			
GENERAL RESERVES	\$ 45.95	\$ 53,625	\$ 643,500
RESERVE INTEREST	<u>\$ 6.00</u>	<u>\$ 7,000</u>	<u>\$ 84,000</u>
TOTAL RESERVE CONTRIBUTION	\$ 51.95	\$ 60,625	\$ 727,500
OPERATING EXPENSES			
UTILITIES	\$ 19.26	\$ 22,479	\$ 269,748
LAND MAINTENANCE	\$ 76.92	\$ 89,767	\$ 1,077,204
COMMON AREA MAINTENANCE	\$ 8.11	\$ 9,463	\$ 113,556
ADMINISTRATIONS	<u>\$ 1.10</u>	<u>\$ 1,285</u>	<u>\$ 15,420</u>
TOTAL OPERATING EXPENSES	\$ 105.39	\$ 122,994	\$ 1,475,928
TOTAL RESERVE CONTRIBUTION	\$ 51.95	\$ 60,625	\$ 727,500
TOTAL OPERATING & RESERVES	\$ 157.34	\$ 183,619	\$ 2,203,428

The complete pro forma operating budget is available at the business office of the association.
Copies will be provided to you upon request at the expense of the association.



(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 05/31/2027

1. The current average regular Assessment per ownership interest is: **\$151.00 per month.**

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

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 Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on 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

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?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
-	-	-

Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$4,884,263, based in whole or in part on the last reserve study or update prepared by FirstService Residential (California) as of 2026-04-21. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$2,737,849, resulting in reserves being 56% at this date.

7. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2026-2027	\$643,500	\$45.95	\$648,454	\$2,828,632	\$6,026,653	47%
2027-2028	\$694,980	\$49.63	\$254,289	\$3,376,038	\$6,753,019	50%
2028-2029	\$750,578	\$53.60	\$325,784	\$3,926,428	\$7,296,295	54%
2029-2030	\$810,625	\$57.89	\$1,376,711	\$3,487,860	\$7,116,161	49%
2030-2031	\$875,475	\$62.52	\$1,489,435	\$2,985,230	\$6,335,467	47%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 3.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

Summary of Association Reserves

CA Civil Code §5565

LARMAC - Front Yard and Driveway SBA

Units: 1,167 | Start Date: 6/1/2026

Property Description		Financial Summary	
Property Name:	LARMAC - Front Yard and Driveway SBA	Starting Reserve Balance:	\$2,737,849
Location:	Ladera Ranch, CA	Fully Funded Reserve Balance:	\$4,884,263
Project Type:	Cost Center	Percent Funded:	56%
Number of Units:	1167	Current Replacement Cost:	\$10,060,315
Age of Project:	27 Year(s)	Deficit/Surplus vs. Fully Funded Reserve:	(\$2,146,414) or (\$1,839.26) Per Unit Avg

Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2026-2027	\$643,500	\$45.95	\$648,454	\$2,828,632	\$6,026,653	47%
2027-2028	\$694,980	\$49.63	\$254,289	\$3,376,038	\$6,753,019	50%
2028-2029	\$750,578	\$53.60	\$325,784	\$3,926,428	\$7,296,295	54%
2029-2030	\$810,625	\$57.89	\$1,376,711	\$3,487,860	\$7,116,161	49%
2030-2031	\$875,475	\$62.52	\$1,489,435	\$2,985,230	\$6,335,467	47%
2031-2032	\$945,513	\$67.52	\$1,546,557	\$2,478,150	\$5,310,935	47%
2032-2033	\$1,021,154	\$72.92	\$1,322,867	\$2,257,892	\$5,016,441	45%
2033-2034	\$1,102,846	\$78.75	\$1,400,921	\$2,033,627	\$4,659,977	44%
2034-2035	\$1,191,074	\$85.05	\$1,294,627	\$1,999,438	\$4,430,383	45%
2035-2036	\$1,286,359	\$91.86	\$1,926,181	\$1,418,400	\$3,572,322	40%
2036-2037	\$1,324,950	\$94.61	\$700,924	\$2,102,991	\$3,980,324	53%
2037-2038	\$1,364,699	\$97.45	\$454,188	\$3,103,040	\$4,685,387	66%
2038-2039	\$1,405,640	\$100.37	\$830,684	\$3,796,664	\$5,055,415	75%
2039-2040	\$1,391,583	\$99.37	\$491,117	\$4,845,772	\$5,818,851	83%
2040-2041	\$1,377,668	\$98.38	\$814,171	\$5,588,732	\$6,305,973	89%
2041-2042	\$1,363,891	\$97.39	\$1,155,776	\$5,996,093	\$6,490,389	92%
2042-2043	\$1,350,252	\$96.42	\$1,024,615	\$6,537,292	\$6,851,004	95%
2043-2044	\$1,336,749	\$95.45	\$1,077,127	\$7,030,263	\$7,204,988	98%
2044-2045	\$1,323,382	\$94.50	\$1,382,266	\$7,216,408	\$7,293,036	99%
2045-2046	\$1,310,148	\$93.56	\$393,253	\$8,401,922	\$8,441,277	100%
2046-2047	\$1,297,047	\$92.62	\$895,274	\$9,104,794	\$9,146,919	100%
2047-2048	\$1,284,076	\$91.69	\$673,359	\$10,044,866	\$10,143,539	99%
2048-2049	\$1,271,235	\$90.78	\$1,675,049	\$9,985,556	\$10,180,790	98%
2049-2050	\$1,258,523	\$89.87	\$1,369,965	\$10,221,659	\$10,577,143	97%
2050-2051	\$1,245,938	\$88.97	\$1,371,711	\$10,451,443	\$11,028,647	95%
2051-2052	\$1,233,478	\$88.08	\$711,469	\$11,348,388	\$12,220,158	93%
2052-2053	\$1,221,144	\$87.20	\$854,878	\$12,118,257	\$13,347,506	91%
2053-2054	\$1,208,932	\$86.33	\$1,428,170	\$12,319,321	\$13,967,422	88%
2054-2055	\$1,196,843	\$85.46	\$1,682,090	\$12,256,759	\$14,395,113	85%
2055-2056	\$1,184,874	\$84.61	\$1,320,434	\$12,547,814	\$15,260,378	82%

Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Address Signage	20-25	14-24	\$46,252	\$5,592	\$2,163	\$9,976	\$1,764
Asphalt & Concrete Surfaces	3-35	0-17	\$7,800,933	\$1,942,877	\$473,087	\$3,466,050	\$385,903
Fencing	4-20	2-19	\$70,369	\$17,456	\$15,188	\$31,142	\$12,389
Landscape	1-12	0-7	\$786,950	\$293,979	\$144,403	\$524,453	\$117,791
Lighting Projects	1-1	0-0	\$20,000	\$11,211	\$20,000	\$20,000	\$16,314
Mailboxes	10-23	0-22	\$495,888	\$168,555	\$27,822	\$300,699	\$22,695
Painting Projects	4-5	0-2	\$222,177	\$85,813	\$49,544	\$153,088	\$40,414
Park Furnishings	5-25	0-17	\$173,988	\$69,710	\$11,002	\$124,361	\$8,975
Paved Surfaces	5-5	3-3	\$118,015	\$26,461	\$23,603	\$47,206	\$19,253
Railing	4-20	0-0	\$52,724	\$29,554	\$9,466	\$52,724	\$7,721
Trellis/Gazebo	15-35	0-18	\$273,020	\$86,640	\$12,603	\$154,564	\$10,281
		Totals	\$10,060,315	\$2,737,849	\$788,881	\$4,884,263	\$643,500

LADERA RANCH MAINT CORP (LARMAC)

DELINQUENT ASSESSMENT COLLECTION POLICY

Effective: JUNE 2026

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 Association. Your Board of Directors takes very seriously its obligation under the CC&R's and the California Civil Code to enforce the members' obligation to pay assessments. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent, and effective manner. Therefore, pursuant to the CC&R's and Civil Code, the following are the Association's assessment collection practices and policies:

- Regular monthly assessments are due and payable on the 1st 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.
- For purposes of this Collections Policy, 'assessments' shall include all charges levied by the Association against an Owner pursuant to the CC&Rs, including but not limited to regular assessments, special assessments, compliance assessments, reimbursement assessments, reconstruction assessments, capital improvement assessments, and utility charges billed directly by the Association (e.g., cable, internet, or similar services). All such charges shall be subject to the Association's delinquency policy, including accrual of late fees, interest, and collection actions as permitted by law.
- Regular monthly assessments and all other assessments (as defined in Paragraph 2) are collectively referred to herein as "Assessments".
- 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.
- Unpaid Assessments are delinquent 15 days after they are due.
- A late charge of \$10.00 or 10%, whichever is greater, will be charged for any Assessment that is not received on or before the 15th day of the month, prior to the close of business.
- Interest on the balance due will accrue at a rate not to exceed 12% per annum; commencing thirty (30) days after the Assessment becomes due.
- At fifteen (15) days past due, the association may invite owner(s) to a hearing for the purpose of revoking membership privileges. Those privileges can include access to common areas or facilities, and/or services paid for by the association.
- When an Assessment becomes more than forty-five (45) days past due, the Association will send a validation notice to the billing address on record with the association. The owner will be charged a fee for the notice, as well as all costs to complete the transmittal of the notice. If an owner writes to dispute the amount owed or to request "original creditor" information within the validation period set forth in the notice, then the Association will cease collection of the debt, or any disputed portion of the debt, until the Association responds appropriately as required by law (see applicable consumer protection laws).
- When an Assessment becomes more than eighty (80) days past due, the Association will send an intent to lien/pre-lien letter to each owner, as required by the Civil Code, by

LADERA RANCH MAINT CORP (LARMAC)

certified mail to the owner's address of record. The owner will be charged a fee for the notice, as well as all costs to complete the transmittal of the letters

- If the owner fails to pay the amounts set forth in the intent to lien/pre-lien letter within 30 days of receipt of that letter, a lien for the amount of any delinquent Assessments, late charges, interest and/or costs of collection, including attorneys' fees, may be recorded against the owner's property. The owner will be charged a fee for the lien, as well as any processing fees, recording service, and costs. A copy of the lien will be sent to each owner at his/her address of record via certified mail within ten (10) days of recordation thereof. After the expiration of thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law.
 - Prior to the recording of a Board authorized lien for delinquent Assessments, an owner that is delinquent has the right to participate in internal dispute resolution ("IDR") pursuant to the "meet and confer" program in accordance with California Civil Code. Prior to recording a lien, the Board of Directors will approve such action by a majority vote of the Board of Directors.
 - Upon receipt of payment in full, that includes any late fees, interest, collection costs and/or attorneys' fees, a Release of Lien will be recorded. Copies of the Release of Lien will be sent to all owners of record. The owner will be charged a fee for the release, as well as any processing fees, recording service, and costs. All county recording fees are charged as applicable and as counties may charge from time to time.
- If an owner is delinquent for thirty (30) additional days after the Notice of Delinquent Assessment (Lien) has been recorded, the Assessment collection matter will be referred to the Association's attorney or collection agent, and the lien may be enforced by judicial or non-judicial foreclosure sale, or by money judgment at the Association's option. An actual foreclosure sale of an owner's property will not be conducted unless or until either; (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars (\$1,800) or more, excluding accelerated assessments and specified late charges and/or fees; or (b) the assessments are delinquent for more than twelve (12) months. [You could lose ownership of your property if a foreclosure action is completed. You will be responsible for significant additional fees and costs, including attorneys' fees, if a foreclosure action is commenced against your property.] 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 session 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 a recorded lien, the Association shall offer delinquent owners the option of participating in IDR or Alternative Dispute Resolution ("ADR").
- Nothing herein limits or otherwise affects the Association's right to proceed in any other lawful manner to collect any delinquent sums owed to the Association.
- The Association will charge a processing fee to the owner for a returned check.
- Any owner who is unable to pay Assessments will be entitled to submit a written request for a payment plan to be considered by the Board of Directors. The Board of Directors is not required to approve a payment plan. If a payment plan is approved, the Board of Directors may establish the terms of the payment plan. A payment plan request or approved payment plan will not impede the Board's ability to vote for and record a lien.

LADERA RANCH MAINT CORP (LARMAC)

- The mailing address for overnight payment of assessments is:

FirstService Residential California, LLC
15241 Laguna Canyon Rd
Irvine, CA 92618

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)

LADERA RANCH MAINT CORP (LARMAC)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (Section 5665 of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code).

ASSIGNMENT OF RENTS

In the event that the Association files any action against an Owner for unpaid Assessments on Owner's Unit, and said Unit is or becomes rented or leased at any time during the pendency of the action, the Association shall have the right, upon ex parte notice and application, to request that the Court order Owner to assign all rents due from the renter/lessor of said Unit to the Association until such time as all Assessment delinquencies are cured.

LADERA RANCH MAINT CORP (LARMAC)

ALTERNATIVE DISPUTE RESOLUTION

5925. As used in this article: (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

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

(1) Enforcement of this title.

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

(3) Enforcement of the governing documents of a common interest development.

5930. (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

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

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

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

5935. (a) Any party to a dispute may initiate the process required by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

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

(2) A request for alternative dispute resolution.

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

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

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

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

5940. (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

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

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

5945. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

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

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for

LADERA RANCH MAINT CORP (LARMAC)

completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

5950. (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied:

- (1) Alternative dispute resolution has been completed in compliance with this article.
 - (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.
 - (3) Preliminary or temporary injunctive relief is necessary.
- (b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955. (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

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

5960. In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965. (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of 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."

(b) The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process.

INTERNAL DISPUTE RESOLUTION

5915. Statutory Dispute Resolution Procedure

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be 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 association's board of directors shall designate a member of the board to meet and confer.

(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. The parties

LADERA RANCH MAINT CORP (LARMAC)

may be assisted by an attorney or another person at their own cost when conferring.

(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.

(c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and 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 of directors to its designee or the agreement is ratified by the board of directors.

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

ENFORCEMENT PROCESS

1. The Covenant Committee (CC) has the power to enforce the restrictions in the LARMAC Governing Documents, including but not limited to the CC&Rs, Community Guidelines, and Aesthetic Standards. The CC will hold hearings when enforcement measures must be taken. The CC is a three-to-five-person committee that is appointed by the LARMAC Board of Directors.
2. The Board shall be the sole and final arbitrator of the interpretation and enforcement of the LARMAC Governing Documents. In the event of a conflict between any provision of the Rental Agreement and the Community Guidelines, the provisions in the Rental Agreement prevail. Users acknowledge that under the Facility Rental Agreement, there is no right of appeal to the Board of Directors for any monetary penalty imposed due to breach of the Agreement.
3. Any violation of the LARMAC Governing Documents—including, but not limited to, violations of the Covenants, Conditions, and Restrictions (CC&Rs), Aesthetic Standards, Community Guidelines, or damage to the common area—may be addressed in accordance with the enforcement procedures outlined below.

For more serious violations, including those that pose a threat to health or safety to the common area or another owner’s property, the Covenant Committee (CC) shall have the discretion to impose enhanced penalties, subject to the limits and procedures set forth in California *Civil Code* Sections 5850–5855, and the LARMAC Governing Documents. Health and safety violations subject to elevated penalties have been specifically identified and approved by the Board of Directors in a duly adopted resolution, and attached hereto as **Exhibit “R.”**

	Enforcement Procedure
1st Sighting	Courtesy Notice - Courtesy violation letter requesting compliance within thirty (30) days.
Non-Compliance after 2nd Sighting	Written Warning - Written warning informing the Owner that if the violation is not corrected, disciplinary action, including a fine, may be imposed if the violation is not corrected.
Non-Compliance after 3rd Sighting	Notice of Hearing - Notice of disciplinary hearing informing the Owner that disciplinary action will be taken, including but not

	limited to, the imposition of a monetary fine and/or suspension of membership privileges, if the violation is not corrected.
Non-Compliance after 4th Sighting	Escalated Hearing Notice - Notice of additional hearing informing the Owner that additional disciplinary action will be taken, including but not limited to, the imposition of a monetary fine and/or suspension of membership privileges if the violation is not corrected.
Non-Compliance after 5th Sighting	Notice of Hearing – Notice of additional hearing to allow the CC to monitor the violation for compliance.
Non-Compliance after 6th Sighting	Notice of Hearing – Notice of additional hearing to allow the CC to monitor the violation for compliance.
Non-Compliance after 7 th Sighting	Notice of Hearing and Referral to Legal – Notice of additional hearing informing the Owner that membership privileges will remain suspended until the violation is corrected and that the matter will be forwarded to legal counsel for further enforcement.

4. Following a duly noticed hearing before the Covenant Committee (CC) and an opportunity to be heard, Members who have engaged in any of the following may be subject to disciplinary action:
- a. Engaging in continued or repeated violations of the Governing Documents;
 - b. Being ninety (90) days or more delinquent in the payment of any assessments or charges owed to LARMAC, including but not limited to periodic assessments, fines, reimbursements, chargebacks, interest, and/or late fees;
 - c. Violating LARMAC’s Code of Conduct; and/or
 - d. Causing damage to any portion of the LARMAC common area.

Disciplinary action includes, but is not limited to any combination of the following:

- **Imposition of a Compliance Assessment/Monetary Fine:** A monetary fine in the amount of \$100 per violation unless the violation involves a health or safety issue as identified in **Exhibit “R.”** In such cases, fines shall be assessed in accordance with LARMAC’s Fee and Fine Schedule.

- **Right of Entry and Self-Help:** Entry upon the Owner's lot, after reasonable notice and in accordance with the CC&Rs, to perform necessary repairs to remedy the violation, with the cost of such repairs to be charged to the Owner as a Reimbursement Assessment.
- **Suspension of Membership Privileges:** Suspension of membership rights and privileges for as long as the violation remains unresolved, including but not limited to, suspension of the right to use LARMAC recreational facilities, deactivation of access cards; suspension of COX internet services, suspension of LaderaLife.com access, and suspension of reservation privileges, including the use of clubhouses, sports courts, and picnic areas.

If a violation is cleared and it re-occurs, the offending homeowner will be invited to the next hearing rather than restarting the process.

- Management has been given the right to grant verbal extensions of up to two weeks if only one violation letter has been sent to the homeowner (all verbal extensions will be documented in the homeowner's file by management).



Ladera Ranch Maintenance Corporation

FEE AND FINE SCHEDULE

Fee and Fine Schedule

Reservations Fees and Deposits

Clubhouse Facility	Weekday Rate: Monday-Thursday & Friday before 5:00 p.m.	Weekend Rate: Friday after 5:00 p.m. & Saturday-Sunday	Deposit****
Avendale Village Clubhouse	\$65.00 – 3 hours	\$175.00 – 6 hours	\$300.00
Flintridge Village Clubhouse	\$65.00 – 3 hours	\$175.00 – 6 hours	\$300.00
Additional Time	\$30.00 per hour	\$60.00 per hour	N/A

Clubhouse Facility	Weekday Rate: Monday-Thursday & Friday before 5:00 p.m.	Weekend Rate: Friday after 5:00 p.m. & Saturday-Sunday	Deposit
Oak Knoll Village Clubhouse Only	\$85.00 – 3 hours	\$210.00 – 6 hours	\$300.00
Additional Time – Clubhouse only	\$40.00 per hour	\$80.00 per hour	N/A
Oak Knoll Village Clubhouse - Magnolia Lawn Only	\$78.00 – 3 hours \$156.00 – 6 hours	\$180.00 – 6 hours \$360.00 – 12 hours	\$250.00 w/o vendor; \$500.00 w/ vendor

Clubhouse Facility & Lawn	Weekday Rate: Monday-Thursday Full Day: 8:00 a.m.-11:00 p.m.	Weekend Rate: Friday-Sunday Full Day: 8:00 a.m.-11:00 p.m.	Deposit
Oak Knoll Village Clubhouse & Magnolia Lawn – Full Venue	\$680.00	\$800.00	\$750.00

Clubhouse Facility	Weekday Rate: Monday-Thursday Full Day: 8:00 a.m.-11:00 p.m.	Weekend Rate: Friday-Sunday Full Day: 8:00 a.m.-11:00 p.m.	Deposit
Covenant Hills Village Clubhouse	Option 1: Great Room & Patio \$400.00 Option 2: Full Venue \$1,919.00***	Option 1: Great Room & Patio \$1,000.00 Option 2: Full Venue \$2,369.00***	Option 1: \$750.00 Option 2: \$1,000.00
Additional Time**	\$110.00 per hour	\$160.00 per hour	N/A

*Please note the terms of the rental agreements are strictly enforced. Any penalty or fine associated therewith are not appealable to the Board of Directors.

The additional time is for the day **before or **after** the clubhouse reservation only and is intended to accommodate pickup and delivery service. Additional time is based on availability and can be reserved no sooner than seven (7) prior to the clubhouse reservation.

***Option 2 includes day-of facility and event coordination services by Splendid Events. Please refer to LaderaLife.com for details.

**** LARMAC may withhold deposits until after a hearing to address any fine assessed or damage to Common Area, as described below.

Picnic Areas at Parks	Weekday Rate	Weekend Rate	Deposit
Celestial, Chaparral, Founders, Oso Grande, and Cox Sports Park (Resident)*	\$50.00	\$50.00	\$100.00
Cox Sports Park (Non-Resident)	\$100.00	\$100.00	\$100.00
Terramor Aquatic Park Picnic Shelters **	\$40.00	\$70.00	\$100.00
Terramor Aquatic Park Cabanas**	\$70.00	\$100.00	\$100.00
Vendor (Any Park)	N/A	N/A	\$300.00

*Park reservations are in four (4) hour blocks: 9:00 a.m. -1:00 p.m. and 2:00 p.m. – 6:00 p.m.

**Terramor Water Park reservations are in four (4) hour blocks: 10:00 a.m. - 2:00 p.m. and 3:00 p.m. – 7:00 p.m.

LARMAC Facility Cleaning, Damage and Other Fees

We ask that residents return the clubhouse and/or facilities to the condition it was in before the reservation. The facility should be left clean, free of damage, and all furniture returned to its original position or storage location. If any of the following items must be addressed by LARMAC following a reservation, the responsible party may incur the fees listed below, which will be deducted from the reservation deposit:

Level 1 Violations (Incidentals)	Including, but not limited to: open flames, early arrival/late departure, etc. The deduction amount will vary between \$50 - \$150 per occurrence.	This level addresses violations of the rental agreement and Community Guidelines that have no direct impact to LARMAC operations.
Level 2 Violations (Moderate/LARMAC Addressed)	Including, but not limited to: trash left behind, chairs and tables not returned to the storage closets, damage to paint/walls from décor. The deduction amount will vary between \$100 - \$250 per hour.	This level addresses violations of the rental agreement and Community Guidelines that directly impact LARMAC operations.
Level 3 Violations (Extreme/Excessive)	Including, but not limited to: use of outdoor speakers and/or music, failure to provide vendor or alcohol insurance, resident and/or guest(s) conduct. The deduction amount will be a full deposit forfeiture.	This level addresses extreme code of conduct violations as well as violations of the rental agreement and Community Guidelines that directly impact other Ladera Ranch residents and/or are deemed a liability to LARMAC.
Other Fees	Use of additional LARMAC property not included in the original rental agreement will result in the actual fee/cost to use such area	

Facility Access Cards

	<u>Cost</u>	<u>Additional</u>	<u>Replacement</u>
Access Cards	1st two per residence no charge	\$25.00	\$25.00
Swim Team Cards	\$10.00	N/A	\$16.00
Skate Park Cards	\$16.00	N/A	\$16.00
Transponders	1st two per residence no charge	\$25.00	\$25.00

Enforcement Fines/Compliance Assessments

A monetary fine in the amount of \$100 shall be assessed per violation, unless the violation involves a health or safety issue as identified in **Exhibit "R."** In cases involving health and safety issues, fines shall be assessed in accordance with the following fine schedule:

First Fine	\$100
Second Fine	\$250
Third Fine	\$500
Fourth Fine	\$750
Fifth Fine	\$900
Sixth Fine	\$1050

<i>Damage to LARMAC Property</i>	\$200.00	In addition to the cost to repair/replace the damaged property if the replacement cost is less than \$500.
<i>Damage to LARMAC Property</i>	\$400.00	In addition to the cost to repair/replace the damaged property if the replacement cost is between \$500 and \$1,000.
<i>Damage to LARMAC Property</i>	\$600.00	In addition to the cost to repair/replace if the replacement cost is more than \$1,000.
<i>Damage to LARMAC Property</i>	\$1,000.00 per tree removed/trimmed	For unauthorized removal and/or trimming of LARMAC trees removed/trimmed in addition to the actual cost incurred by LARMAC to restore the area impacted by the unauthorized removal and/or trimming.
<u><i>Damage to LARMAC Property</i></u>	\$1,500.00	For more egregious conduct (e.g. vandalism, tampering with AED units, theft, trespass, and/or use of motorized vehicles) causing damage to LARMAC Property in addition to the actual cost of repair/replacement.

Any violation resulting in damage to LARMAC property may result in fines as well as the cost of repair/replacement of the damaged property being assessed to the homeowner account. The Covenant Committee shall have discretion to modify the imposition of compliance assessments relative to the health and safety violations and/or violations involving damage to LARMAC property based on the history of the violation, cooperation by the homeowner, severity of the violation, and impact of the violation to the community.

Classification of Improvements & Aesthetic Review Fees Outside of Covenant Hills

- **Level 1:** \$125.00
- **Level 2:** \$200.00
- **Level 3:** \$330.00
- **Level 4:** \$400.00

Optional Aesthetic Review Workshop with LARMAC's Architectural consultant for Levels 2, 3, and 4 are available at the rate of \$150.00/hour.

Level 1 includes the following:

- Entry door/secondary door modifications
- Lamp posts
- Exterior lighting
- Screen doors
- Flag poles
- Shed visible above the fence line
- Garage doors, if altered from the original design
- Shutters, if altered from the original design
- Solar energy system if criteria are not met

Level 2 includes the following:

- Any hardscape modifications
- Diverters/gutters/downspouts other than pre-approved
- Original landscape modifications
- Original fence/wall modifications
- Fountains, water elements, pumps, motors, any noise-producing improvements, pet enclosures
- Window(s)/window awning(s)
- Any exterior color modification from LARMAC's pre-assembled Master Color Palette intended to be compatible with the home style.
- Fencing

Level 3 includes the following:

- Any exterior color modification that deviates from LARMAC's pre-assembled Master Color Palette (i.e. custom color combination)
- Free-standing structures (i.e. gazebo, pergolas, , custom play structure, etc.)
- Patio covers
- Pools/spas

Level 4 includes the following:

- Room additions
- Enclosed patios
- Exterior stairs
- Second-floor decks
- Detached or attached living areas (i.e. outdoor kitchens, bathrooms, loggias)
- Major architectural additions or changes to the home or home's building mass

Resubmittals

Plans requiring a third (3rd) submittal for review are subject to a re-submittal fee:

- Level 1: \$75.00
- Level 2: \$100.00
- Level 3: \$165.00
- Level 4: \$200.00

Appeals: \$100.00 per application

Classification of Improvements & Aesthetic Review Fees (Non- Custom Homes in Covenant Hills)

- **Level 1:** \$125.00
- **Level 2:** \$250.00 (includes \$50 road impact fee)
- **Level 3:** \$430.00 (includes \$100 road impact fee)
- **Level 4:** \$550.00 (includes \$150 road impact fee)

Level 1 includes the following:

- Entry door/secondary door modifications
- Lamp posts
- Exterior lighting
- Screen doors
- Flag poles
- Shed visible above the fence line
- Garage doors, if altered from the original design
- Shutters, if altered from the original design
- Solar energy system if criteria are not met

Level 2 includes the following:

- Diverters/gutters/downspouts other than pre-approved
- Landscape modifications limited to softscape, conversion of natural turf to plants, tree removal/replacement, no changes to landscape footprint, etc.
- Fountains, water elements, pumps, motors, any noise-producing improvements, pet enclosures
- Window(s)/window awning(s)
- Any exterior color modification from LARMAC's pre-assembled Master Color Palette intended to be compatible with the home style.
- Fencing color modifications

Level 3 includes the following:

- Any hardscape modifications
- Landscape modifications, including but not limited to, changes to the footprint, conversion of natural turf to artificial turf, etc.
- Any exterior color modification that deviates from LARMAC's pre-assembled Master Color Palette (i.e. custom color combination)
- Free-standing structures (i.e. gazebo, pergolas, , custom play structures, etc.)
- Patio covers

Level 4 includes the following:

- Room additions
- Enclosed patios
- Exterior stairs
- Second-floor decks
- Detached or attached living areas (i.e. outdoor kitchens, bathrooms, loggias)
- Major architectural additions or changes to the home or home's building mass
- Pools/spas

Resubmittals

Plans requiring a third (3rd) submittal for review are subject to a re-submittal fee:

- Level 1: \$75.00
- Level 2: \$100.00
- Level 3: \$165.00
- Level 4: \$200.00

Appeals: \$100.00 per application

Classification of Improvements & Aesthetic Review Fees (Custom Homes in Covenant Hills)

Level 1	\$200.00
Level 2	\$500.00 (includes \$100 road impact fee)
Level 3	\$850.00 (includes \$200 road impact fee)
Level 4	\$7,900.00 (includes \$400 road impact fee and one Design Workshop)
Optional Workshop	\$150.00/hour
Appeals	\$100.00

Level 1 includes the following: Minor exterior modifications that do not involve moving exterior wall planes or roof planes, paint color and stains/coatings on the exterior surfaces, and lighting.

Level 2 includes the following: Modifications to the existing residence that increases existing building area, replacement of windows, doors, garage doors, exterior material changes such as siding and stucco, and modifications to existing landscape (softscape only-trees, shrubs, natural turf)

Level 3 includes the following: Modifications that include enclosures, cabanas, buildings, outbuildings, pools/spas, fences/walls, hardscaping, and landscaping that includes hardscaping changes.

Level 4 includes the following: Major modifications to the existing building area that involve modifications to exterior structure with room additions or roof alterations, major landscape and hardscape modifications, and/or the services of a general contractor and multiple subcontractors.

Resubmittals:

Plans requiring a third (3rd) submittal for review are subject to a re-submittal fee.

Level 1	\$125.00
Level 2	\$250.00
Level 3	\$300.00
Level 4	\$500.00

Community Garden Fees

- Standard plot: \$100.00 annually
- Raised bed: \$40.00 annually
- Refundable deposit required for all apartment residents: \$200.00

Exhibit “R”

Schedule of Health and Safety Violations per *Civil Code* Section 5850(d)

Adopted by LARMAC Board resolution on September 10, 2025

Pursuant to LARMAC’s Enforcement Policy, and *Civil Code* Section 5850(d), the following violations may result in an adverse health or safety impact on the common area or another owner’s property, and therefore subject to enhanced monetary penalties as outlined in the LARMAC Fee and Fine Schedule:

Property Maintenance & Hazards

- Accumulation of trash, debris, or rotting materials that attract pests or create a biohazard.
- Mold or mildew visibly growing on exterior walls or roofs that could impact neighboring units.
- Hoarding conditions visible from common areas that pose fire or health risks.
- Standing water or unmaintained pools that pose mosquito breeding risks.

Fire Hazards

- Storage of flammable or combustible materials (e.g., propane tanks, gas cans) on balconies, patios, or in common areas.
- Blocking fire lanes with vehicles or personal items.
- Disabling or tampering with fire alarms, extinguishers, or sprinklers in shared buildings.

Structural or Unsafe Modifications

- Unapproved construction or modifications that create unstable structures (e.g., makeshift balconies, collapsing fences).
- Exposed wiring or electrical work not done to code.
- Removal of safety railings or barriers from decks, stairs, or walkways.

Animal-Related Issues

- Animals not under control or otherwise posing a danger to other residents or pets.
- Failure to clean up pet waste on the separate interest or in common areas, creating sanitation risks.
- Harboring prohibited animals (e.g., livestock) within the separate interest.

Common Area Obstructions

- Placing personal items (furniture, bikes, grills) within the common area, including, walkways, sidewalks, trails, or emergency exit paths.
- Children’s toys or sports equipment left in driveways or roads creating trip hazards or traffic issues.

- Tree limbs or overgrown landscaping obstructing sidewalks, roadways, or security visibility.

Environmental Exposure

- Smoking in non-smoking zones (including patios or balconies) where secondhand smoke affects others.
- Use of fireworks or open flames in prohibited areas.
- Illegal discharge of chemicals or hazardous waste (e.g., in storm drains or onto common grounds).

Damage to LARMAC Property

- Cutting down, removing, or modifying trees or vegetation located within the LARMAC common area.
- Riding bicycles, e-bikes, or other related motorized vehicles within the common area of LARMAC as restricted by the governing documents.
- Dumping or otherwise discharging water or other fluids onto LARMAC common area.

ARCHITECTURAL PROCESS/SUBMITTAL REQUIREMENTS

Owners ("Applicants") are required to obtain ARC approval for front and side yard improvements and/or modifications and **must** complete improvements of front and side yards within ninety **(90) days of the approval**.

The private yard areas not visible from the street or LARMAC property require ARC review and approval for improvements that will exceed the height of perimeter walls, including trees that will grow above the wall at maturity. Examples of improvements that require approval include the following:

- Improvements that exceed the height or will grow to exceed the height of any perimeter or side yard wall or fence
- Trees
- Fireplaces
- Fire pits
- BBQ
- Pet enclosures
- Patio covers/arbors/trellises
- Sports courts
- Sheds
- Raised water features or water slides
- Raised decks or activity areas
- Improvements, which will change or alter either the grade or drainage such that it interferes with the adjoining property, whether that property is privately owned or LARMAC Property

PROCEDURES FOR SUBMITTALS

1. Complete applications shall be submitted online at contact.larmac@LaderaLife.com.
2. Submittals to, and approvals by, the ARC shall occur **prior** to installation and should be done before ordering materials and start of demolition or construction.

Please note: A minimally complete application must include items #3 - #8 below:

A plot plan is drawn to scale with specifications, including color scheme & samples, elevations of all raised elements, hardscape samples, color chips or photos accurately depicting hardscape materials and colors, detailed planting plan; include one (1) electronic copy of the plan.

3. LARMAC Property Improvement Form: one (1) electronic copy.
4. Neighbor Notification Statement: one (1) electronic copy.

It is the intent of the ARC that the applicant's neighbors be notified of any Improvements, which may impact the use and enjoyment of the neighbor's property.

Applicable Neighbors

Adjacent Neighbor: means all neighbors with adjoining property lines to the applicant.

Facing Neighbor: means the three (3) neighbors most directly across the street.

Impacted Neighbor: means all neighbors in the immediate surrounding area which would be affected by the construction of an Improvement.

Applicant shows the drawings to neighbors and requests their signatures on the Neighbor Notification Statement. **Signature of this form does not constitute neighbor approval of the improvements.** Should any neighbor decline to sign the statement or the facing, adjacent, or impacted residence be owned by the builder, such circumstances must be noted by the Owner on the Neighbor Notification Statement.

In the event a neighbor is not available to view a plan, the submitting homeowner must send a copy of the plan and a copy of the Neighbor Notification Statement to the neighbor via certified mail. The certified mail receipt must be included for ARC review as a part of the plan submittal.

5. Photographs of the front elevation of the home and areas applicable for submittal. Additional photographs may be required for proposed architectural changes and accessory structures such as room additions, decks/balconies, solid roof patio structures, etc. Photos should provide a clear depiction of the existing area of the house proposed to be changed.
6. Aesthetic review submittal fee per the Classification of Improvements and the LARMAC Fee and Fine Schedule on LaderaLife.com. *The Committee requires the submittal fee to cover the costs of hiring a consultant to review the proposed Improvements.*
7. Electronic copy of all forms and plans.
8. Approval of Improvements by the ARC is for **aesthetic purposes only**. It is the Owner's responsibility to see that all federal, state, and local ordinances and codes are followed. The County of Orange may require permits; however, it is not within the ARC or LARMAC's scope of responsibility to confirm the existence or accuracy of County permits.

PLANS / SPECIFICATION REQUIREMENTS

1. The plan shall be submitted electronically in PDF format.

2. The plan must be drawn to scale and scale indicated on the plan. Landscape and hardscape plans should be drawn at 1/8"=1' scale. Architectural elevations and floor plans should be drawn at 1/4"=1' scale.
3. Provide your name, address, phone number, and email contacts on the plan. Also, include the **architectural style** of the home as provided by the builder. This information is available on LaderaLife.com under the 'My Profile' section on in the Home Improvements tab.
4. Indicate the location of the bottom of any slope and the top of any slope, if applicable.
5. Accurately show the footprint of your home, including lot lines, any easements, existing fences and/or walls, gates, and existing utilities.
6. Provide a dimensioned hardscape plan showing proposed new and existing; paving, walls, fences, pools, patio covers, drainage, and structures accurately described as to materials, length, height, and angles.
7. Indicate the nature, kind, shape, dimensions, materials, color, finish, and location of proposed Improvements.
8. Provide a description of the materials to be used, including the proposed color scheme. **Attach samples i.e. brochure or color chips, for hardscape, light fixtures, gate design, awning style, paint color, fountains, etc. Provide a description of the materials to be used, including the proposed color scheme. For proposed exterior color proposals, please submit a complete Exhibit A – Exterior Color Checklist, photos of all sides of the house showing all exterior areas to be repainted with callouts/notations clearly indicating where proposed colors (or materials) are to be applied.**
9. Provide grading plans, (if applicable), which show where the established drainage pattern may be altered by the proposed Improvements. Provide spot elevations and indicate locations of drainage devices and curb cores.
10. Provide a photograph of the front of your home, as well as photographs of all areas where improvements are proposed.
11. Location and name of all trees, shrubs, vines, ground cover, and turf areas must be shown on the plan.
12. Plan submittals must be legible. Submittals that are difficult to read or unclear will be returned to the submitting owner without review.

CLASSIFICATION OF IMPROVEMENTS & AESTHETIC REVIEW FEES

Please refer to the Fee and Fine Schedule for the Classification of Improvements & current Aesthetic Review Fees. The Classification of Improvements, Level 1 through Level 4, defines the scope of review by the ARC and consultants, and the aesthetic review submittal fee required. The Aesthetic Standards and Improvement Specific Criteria provide guidance for all submittals, which should also assist you in completing the Property Improvement Form.

NOTE: The classification of improvements may not be all-inclusive; however, it serves as a guideline for the Board of Directors, the Aesthetic Review Committee/consultant and the homeowner for the submittal process.

COMMITTEE REVIEW PROCESS

The ARC meets once a month to process submittals. Meetings may be postponed on occasion without notice due to unforeseen circumstances. Please visit LaderaLife.com for plan submittal deadline dates and ARC meeting dates.

Aesthetic Review Committee reviews the *Property Improvement Form*, the *Neighbor Notification Statement*, and the drawings for completeness and consistency with the Aesthetic Standards.

The committee has forty-five (45) days to approve or deny the submittal once it has been accepted and deemed complete. Approval may be given with conditions. All conditions and recommendations given in response to any plan submittal must be followed.

Incomplete applications will be returned to the submitting Owner without action.

Once an Owner receives approval from the ARC, construction may commence, and timely completion of Improvement is required. Upon completion of the approved Improvements(s), a LARMAC *Notice of Completion* must be forwarded to LARMAC.

Construction must proceed consistently with the approved plan. All deviations must be submitted for review and approved by the Committee prior to the commencement of work.

QUICK TIPS FOR A PLAN SUBMITTAL

Committee Meetings

The ARC has forty-five (45) days to review plans. The ARC meets once a month to process submittals. For meeting dates, contact LARMAC at contact.larmac@LaderaLife.com or visit LaderaLife.com.

Where to Submit Plans

Complete applications shall be submitted online at contact.larmac@LaderaLife.com.

Plan Submittals Must Include

1. One copy of the LARMAC Property Improvement Form.
2. Plot Plan drawn to scale including the footprint of the home and details of size, design, color, and materials, location of drains, name, and location of plants/trees (using common names), types of all materials, wood surfaces & color schemes must be noted. Include samples of the proposed hardscape.
All property lines and any easements are to be clearly indicated on the plan.
3. One copy of the Neighbor Notification Statement. If neighbors are unavailable, in escrow, or uncooperative in reviewing plans, a good-faith effort must be made to obtain the signatures as evidenced by providing copies to the Aesthetics Review Committee of Certified Mail receipt(s) transmitting plans and requesting review. The Neighbor Notification Statement is intended as a notification tool only. The approval or disapproval of architectural plans by the Aesthetics Review Committee is not based solely on the Neighbor Notification Statement.
4. One set of photographs of the front elevation of the home and the area applicable for submittal.
5. Submittal fee per the Classification of Improvements and the LARMAC Fee and Fine Schedule on LaderaLife.com. *The Committee requires the submittal fee to cover the costs of hiring a consultant to review the proposed Improvements.*
6. Electronic copy of all forms and plans.
7. All forms are available on LaderaLife.com. under the Home Improvement tab.

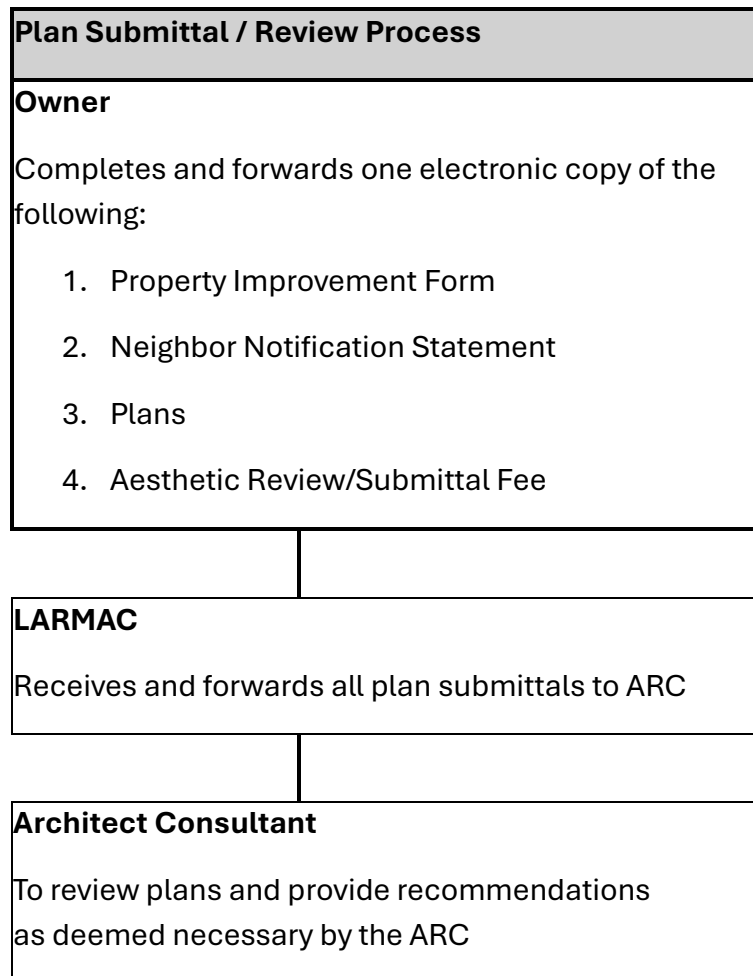
Important Notes

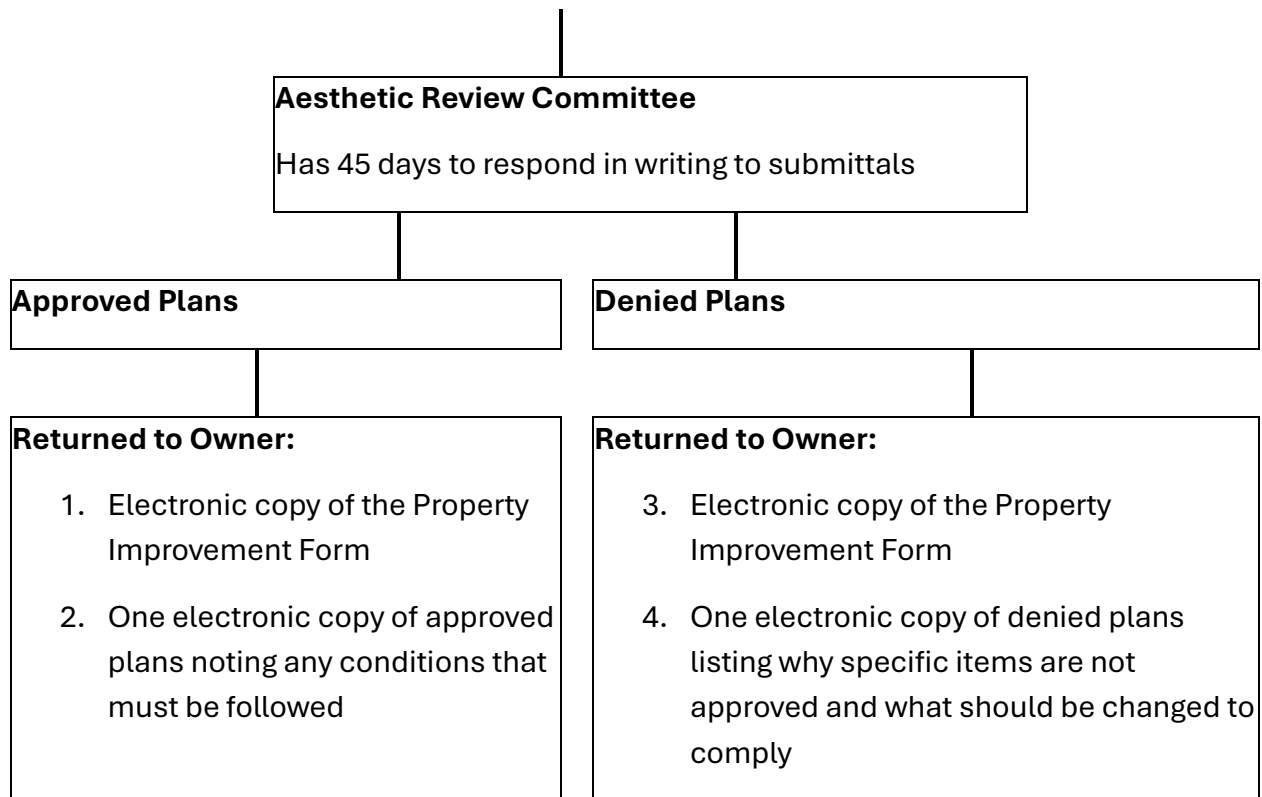
- ✓ Read the Aesthetic Standards carefully before submitting plans.
- ✓ The ARC may place conditions and/or limitations on your approval, which must be followed.

The following items need ARC approval even if they are in private yards:

- Improvements that exceed the height or will grow to exceed the height of any perimeter or side yard wall or fence

- Trees
- BBQ
- Fireplace
- Fire Pit
- Pet Enclosures
- Patio Covers/Arbors/Trellises
- Pools/Spas
- Raised Decks
- Accessory Structures/Sheds
- Raised Water Features or Water Slides
- Raised Decks/Activity Areas
- Improvements, which will change or alter either the grade or drainage such that it interferes with the adjoining property, whether that property is privately owned or LARMAC Property.





LANDSCAPE INSTALLATION GUIDELINES

1. Prior to any installation, you should have an agricultural suitability test performed on your yard’s soil. This can be obtained at most nurseries and will give you basic guidelines on how to amend your soil to ensure successful growing conditions for your plants.

2. Prior to installing any walks, walls, etc., chalk or paint out the design to get a feel as to how it works in your yard. You should ask yourself the following questions:
 - Is the width of my proposed walks appropriate for their intended use?
 - Is the amount of hardscape planned in scale with the overall size of my yard?
 - Are any architectural features (such as a low pilaster with a light) in scale with the overall design?
 - Are the colors and/or materials that I have selected for my hardscape elements compatible with my home’s color palette?

3. You should perform a weed abatement program prior to planting any of your plants. This can be performed as follows:

- Blend all soil amendments into your soil based on the recommendations of your soils report.
 - Water your yard for ten (10) days to stimulate weed growth.
 - After ten (10) days, spray your yard with a general weed killer per the manufacturer's recommendations.
4. Because of the nature of soils in south Orange County, when pouring concrete, you should install steel reinforcement in your slabs. You should also provide score lines and/or expansion joints in any concrete to reduce cracking.
 5. In areas where positive drainage to the street will be interrupted by hardscape or planting, drainage devices, and pipe should be installed, and an outlet provided to the street through a curb core.
 6. A permanent irrigation automated system must be installed.
 7. Grade or rake out your yard to ensure positive drainage to the street or drainage devices.
 8. Prior to installation, layout your plant material while they are still in the containers to get a feel for the spacing and overall look. Recommended spacing for shrubs is 75% of their ultimate growth width.
 9. Installing a mow strip will help in keeping a clean edge along your lawn areas. Concrete is the most durable. Wood, masonry or plastic products are easy to install. In all cases, these should be installed so that no more than 1" is exposed above the topsoil level.
 10. Lawn areas should not be planted on a slope any steeper than 20% (5:1). This will allow for ease in mowing and minimize irrigation run-off.
 11. Lawn areas can be planted in four (4) different ways for the style of your home:
 - Sod – easy and most successful way to install.
 - Hand seed – can be done by the homeowner but often requires multiple applications due to run-off, lack of water, or birds eating seeds.

- Hydro-seeding – must be applied by a contractor and sometimes requires multiple applications.
 - Artificial turf when installed in accordance with the Aesthetic Standards (See Section V, B, 2)
12. When installing trees, shrubs, vines or espaliers, the diameter of the hole you dig should be twice that of the container it comes in. After setting it in the hole, backfill should consist of a combination of your existing soil blended with the amendments that were recommended in the soils test results you should obtain. A water basin consisting of a compacted mound of soil following the shape of the planting pit should be constructed around each plant, and then removed once the plant is established.
 13. If you are planting any trees that may potentially create root problems for your hardscape, you should install a linear root barrier to help provide protection. This should be installed along the edge of your hardscape as per the manufacturer’s recommendations.
 14. Small, single-trunk trees should be staked to protect them from possible damage. One or two stakes with two or more tree ties will help provide this protection. Ties may need adjustment over time, and stakes should eventually be removed.
 15. Vine and/or espaliers should be removed from their nursery stakes or trellises and attached to the adjacent surface with plastic epoxy ties, wire or through some other means of attachment.
 16. Ground cover should be installed at a spacing that will ensure full coverage when plants mature. Shredded mulch beneath and around shrubs and ground cover helps retain the moisture in the soil and impedes weed growth.
 17. After planting, apply water in sufficient quantities and as often as seasonal conditions require to keep the ground wet at all times, well below the root system of grass and plantings.

18. Thirty (30) days after installation, all landscape areas should be fertilized with a general fertilizer such as 16-6-8 at the rate recommended by the manufacturer.

19. Drought-tolerant landscape designs are responsive to the climate and are encouraged by water providers to reduce water use and associated costs. LARMAC also encourages the responsible use of water in landscape designs. The architectural styles of some homes are more compatible with drought-tolerant plant materials, including natural grasses and succulents. The use of plant material that requires less water should be designed so that it is harmonious with the style of the house in areas that are visible from the street and/or common areas.

Caution: Fertilizers with iron will stain your concrete when water is applied. Make sure that you sweep off all fertilizer prior to watering.

ARCHITECTURAL APPEAL PROCESS

Pursuant to California *Civil Code* § 4765 (a) (4) and (5), you may request reconsideration of this disapproval by the Board of Directors. to be conducted during an open meeting of the Board. Pursuant to Article IV, Section 4.12.3, an appeal of a decision by the Aesthetics Review Committee to the Board of Directors must be made by 5:00 p.m. on the day that is ten (10) business days after the Committee's decision. Any request for reconsideration must be accompanied by a copy of the plans you submitted and this disapproval and must be submitted in writing to the Board of Directors, addressed as follows:

Board of Directors
Ladera. Ranch Maintenance Corporation
c/o FirstService Residential
1 Daisy Street
Ladera Ranch, CA 92694
Attn: General Manager

Requests for reconsideration shall be considered by the Board of Directors at the next board meeting following receipt of your written request, provided that your request is received at least ten (10) calendar days before the meeting. Requests for reconsideration received fewer than ten (10) days prior to a board meeting shall be considered by the Board of Directors at its next regularly scheduled meeting. The Board of Directors will issue a written decision within thirty (30) days from the board meeting at which the disapproval is reconsidered.

Ladera Ranch Maintenance Corporation
INSURANCE SUMMARY DISCLOSURE

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

I. GENERAL LIABILITY INSURANCE

A. Name of insurer:	Kinsale Insurance Company
B. Policy limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
C. Amount of deductible (if any):	\$5,000
D. Umbrella coverage, if applicable:	\$5,000,000
E. Umbrella carrier:	Kinsale Insurance Company
F. Policy dates:	12/01/2025-12/01/2026

II. PROPERTY INSURANCE

A. Name of insurer:	Philadelphia Indemnity, Kinsale Insurance & Swiss Re
B. Policy limits:	\$26,622,700
C. Amount of deductible:	\$25,000
D. Policy dates:	12/01/2025-12/01/2026

III. EARTHQUAKE INSURANCE

A. Name of insurer:	QBE Specialty Insurance Company
B. Policy limits:	\$6,279,407
C. Amount of deductible:	5%
D. Policy dates:	12/01/2025-12/01/2026

IV. FLOOD INSURANCE

A. Name of insurer:	None
B. Policy limits:	
C. Amount of deductible:	
D. Policy dates:	

V. FIDELITY BOND INSURANCE

A. Name of insurer:	Nova Casualty Company & Great American
B. Policy limits:	\$28,300,000
C. Amount of deductible:	\$10,000
D. Policy dates:	12/01/2025-12/01/2026

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.

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

Federal Housing Administration Certification Disclosure

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 / **is not**] a condominium project. The association of this common interest development [is / **is not**] certified by the Federal Housing Administration.

For current information, please visit the Federal Housing Administration website at: <https://entp.hud.gov/idapp/html/condlook.cfm>

Veterans Affairs Certification Disclosure

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 ~~is not~~] a condominium project. The association of this common interest development [is ~~is not~~] certified by the federal Department of Veterans Affairs.

For current information, please visit the U.S. Department of Veterans Affairs website at:

<https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>



FirstService Residential California
 15421 Laguna Canyon Road
 Irvine, CA 92618
 (800) 428-5588

Billing Disclosure Form - *Provided as required by Section 4525**

Effective 1/1/2026

THIS IS NOT AN INVOICE: This form is being provided as required by California Civil Code §4530 and is not intended to be utilized as a total amount due on any specific resale transaction.

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller. A seller may request to purchase some or all of these documents, but shall not be required to purchase all of the documents listed on this form.

Account Information:

Association:
 Property Address:

 Owner of Property:
 Owner's Mailing Address:

Provider of §4525 Items:

Print Name:
 Position/Title:
 Date Completed:

Not Available (N/A), Not Applicable N/App), OR Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)

		Fee For Document	
Articles of incorporation or statement that not incorporation	Section 4525(a)(1)	\$62.00	
CC&Rs	Section 4525(a)(1)	\$70.00	
Bylaws	Section 4525 (a)(1)	\$62.00	
Operating Rules	Section 4525 (a)(1)	\$46.00	
Age restrictions, if any	Section 4525 (a)(2)	\$0.00	(Included in CC&Rs)
Rental restrictions, if any	Section 4525 (a)(9)	\$0.00	(Included in CC&Rs)
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$62.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$0.00	(Included in Budget)
Financial statement review	Sections 5305 and 4525(a)(3)	\$62.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	\$0.00	(Included in Budget)
Insurance summary	Sections 5300 and 4525(a)(3)	\$0.00	(Included in Budget)
Regular assessment	Section 4525(a)(4)	\$0.00	(Included in Statement)
Special assessment	Section 4525(a)(4)	\$0.00	(Included in Statement)
Emergency assessment	Section 4525(a)(4)	\$0.00	(Included in Statement)
Other unpaid obligations of the seller	Sections 5675 and 4525(a)(4)	\$0.00	(Included in Statement)
Approved changes to assessments	Sections 5300 & 4525(a)(4), (8)	\$0.00	(Included in Budget)
Settlement notice regarding common area defects	Sections 4525(a)(6), (7) & 6100		See disclosure if applicable
Preliminary list of defects	Section 4525(a)(6), 6000 and 6100		See disclosure if applicable
Notice(s) of violation	Sections 5855 and 4525(a)(5)	\$0.00	(Included in Statement)
Required statement of fees	Section 4525	\$0.00	(Included in Statement)



FirstService Residential California
15421 Laguna Canyon Road
Irvine, CA 92618
(800) 428-5588

Billing Disclosure Form - *Provided as required by Section 4525**

Effective 1/1/2026

Minutes of regular meetings of the board of directors conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$120.00
Results of inspection of exterior elevated elements	Section 4525(a)(11) and 5551	\$90.00

TOTAL FEES for these documents: **\$574.00 DO NOT PAY**

*The Information provided in this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately. The documents listed on this form are the property of the Association, and not FirstService Residential. Please visit www.fsresidential.com/california, click Residents along the top of the page, then select "Escrow Services & Documents". Select List of Services on the right-hand side of the page to download a full list of fees and services.

Dispute Resolution Procedures: Alternative Dispute Resolution and Internal Dispute Resolution

ALTERNATIVE DISPUTE RESOLUTION

5925. As used in this article: (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

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

(1) Enforcement of this title.

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

(3) Enforcement of the governing documents of a common interest development.

5930. (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

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

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

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

5935. (a) Any party to a dispute may initiate the process required by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

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

(2) A request for alternative dispute resolution.

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

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

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

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

5940. (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

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

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

5945. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

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

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

5950. (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied:

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

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

(3) Preliminary or temporary injunctive relief is necessary.

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the

court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955. (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

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

5960. In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965. (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language:

"Failure of a member of the association to comply with the alternative dispute resolution requirements of 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."

(b) The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process.

INTERNAL DISPUTE RESOLUTION

5915. Statutory Dispute Resolution Procedure

(a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be 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 association's board of directors shall designate a member of the board to meet and confer.

(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. The parties may be assisted by an attorney or another person at their own cost when conferring.

(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.

(c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and 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 of directors to its designee or the agreement is ratified by the board of directors.

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

ANNUAL POLICY STATEMENT – LADERA RANCH MAINTENANCE CORPORATION

The board is required to distribute an annual policy statement that provides the association members with information about its policies.

- 1) The name and address of the person designated to receive official communications to the association is the Manager on behalf of Ladera Ranch Maintenance Corporation, c/o FirstService Residential Management, 1 Daisy Street, Ladera Ranch, CA 92694.
- 2) Members may submit a request to the address noted above to have notices sent to up to two different specified addresses.
- 3) Civil Code permits the association to provide General Notices to the membership via newsletter, billing statement messages, association website, or posting in a prominent location. If the association chooses to post notices, they will be located on the community website, <https://LaderaLife.com>.
- 4) If you would like all notices, including general notices, to be sent to you by individual delivery, please log in to the community website at <https://laderaranch.connectresident.com/> and update your communication preferences within the “My Account” settings of your profile.
- 5) Copies of minutes for board meetings that are open to the membership are available upon written request throughout the year. Minutes can be released to you 30 days following the meeting date, and any copying and posting charges for those minutes are the requestor’s responsibility. If the minutes are not approved by the Board within the 30-day period of the request, draft minutes will be provided to you.



Annual Homeowner Disclosure

Civil Code §4041 requires owners, on an annual basis, to provide notice to their association of four pieces of information:

- 1) Mailing address to receive notices from the Association (if different than Property Address)
- 2) Secondary address (if any) to receive notices from the Association
- 3) Name and address of Legal Representative (if any), including any person with power of attorney or other person who can be contacted in the event of the owner's extended absence
- 4) Status of Property (Owner-Occupied, Rented, Vacant or Undeveloped Land)

Please provide the information listed above by visiting the Connect Resident Portal at <https://LaderaRanch.connectresident.com> under the "My Account" section.

Your responses to the questions above will dictate your proper receipt of important Association information. Please note that if the information above is not provided, the last address provided in writing by the owner, or if none, the property address shall be deemed the address to which notices are to be delivered. The Association thanks you for your cooperation as they seek to comply with this legislation.

Registering for the Connect Resident Portal

If you have not registered for the Connect Resident Portal, please complete the following steps:

- Navigate to <https://LaderaRanch.connectresident.com>
- Click CREATE ACCOUNT on the landing page of the webpage or "Create Account" via the Connect Resident app



- A verification code will be sent via email, which will expire within **10 minutes**; this 2-factor authentication method ensures the highest levels in security!
- After verifying your email, create a secure password
- Login using these newly created credentials
- Read the Terms and Conditions and select the check box if you agree
- Complete the registration by either entering the Property Address or Account Number (listed as "Customer ID" on the Assessment Statement)
- Once you are registered, the **Connect Resident Portal** will allow you to opt-in to receive association documents electronically and opt-out of the association membership list, if preferred.

Need Assistance? Contact the Customer Care Center for fast, live support 24/7 at 1-800-428-5588.

Connect Resident Portal Registration



Access your community's Connect Resident Portal to view your account balance, important forms and documents, view community event information, submit service requests and more! Please complete the following to register:

- 1) Visit your Connect Resident Portal address <https://LaderaRanch.connectresident.com> or complete the registration through the Connect Resident app (just search "Connect Resident" in your smart phone's Google Play or Apple App Store)

2) a) Portal Registration

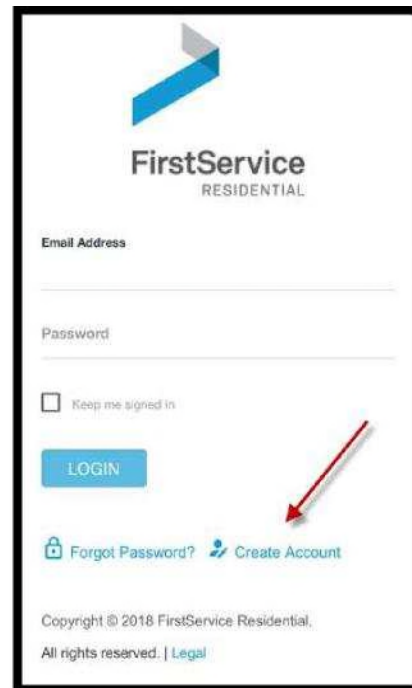
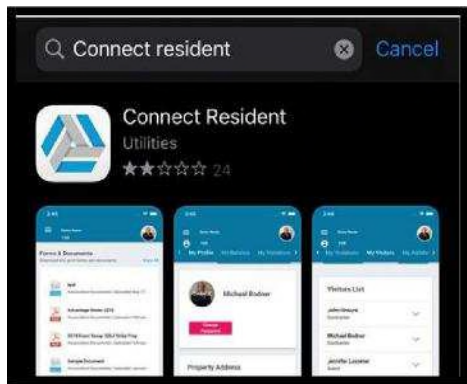
Note: Aside from the initial "Create Account" screen, the registration steps are the same for the website and app.

- Scroll to the bottom of the page to the Resident Access section and select "Create Account"



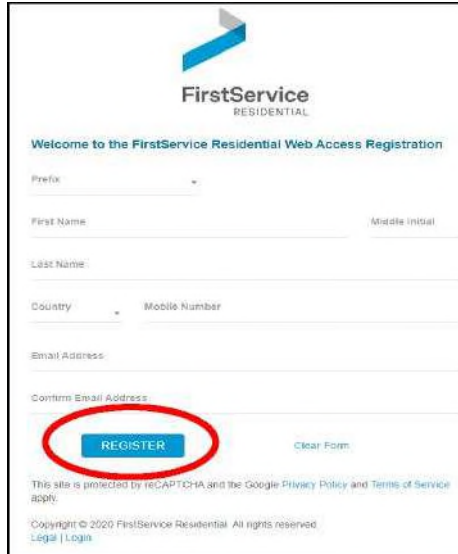
b) App Registration

- Click "Create Account" at the bottom of the screen



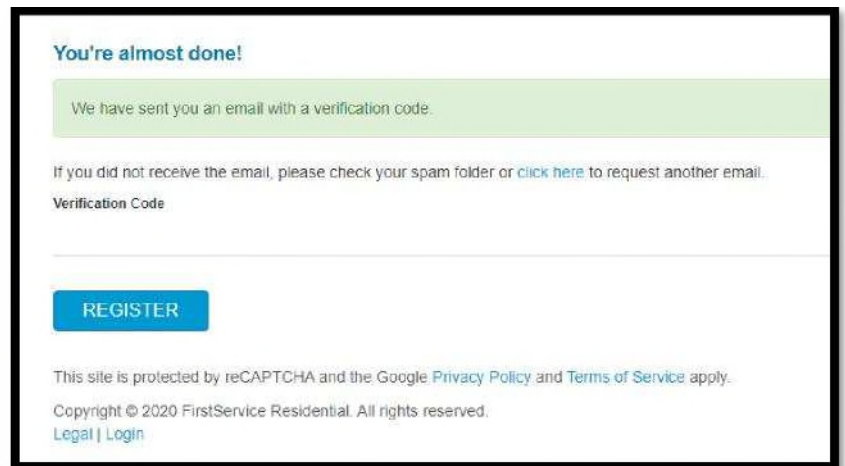
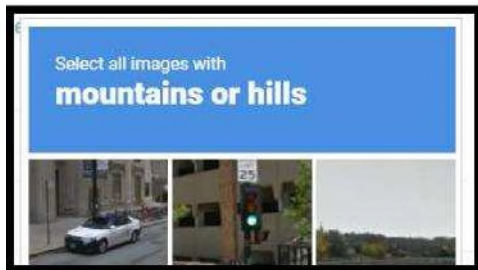
Connect Resident Portal Registration

- 3) Fill in your First Name, Last Name and Email Address. (*Prefix, Middle Initial, Country and Mobile Phone are optional as long as your email address is registered with the Association.*) Click REGISTER.



The screenshot shows the registration form with the following fields: Prefix (dropdown), First Name, Middle Initial, Last Name, Country (dropdown), Mobile Number, and Email Address. A 'Confirm Email Address' field is also present. The 'REGISTER' button is highlighted with a red circle. Below the form, there is a 'Clear Form' button and a footer with copyright information and links for 'Legal' and 'Login'.

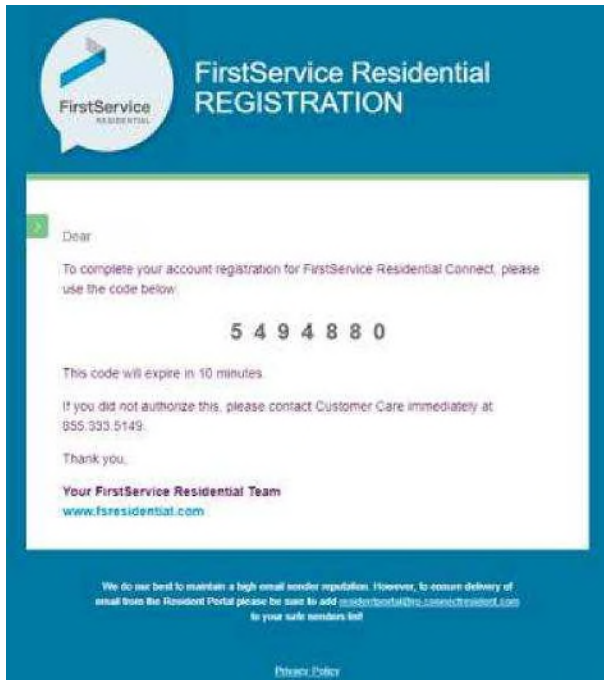
- 4) For security purposes, a Captcha verification process is presented. Click the relevant pictures until there are no more required and click the VERIFY button, which will prompt a verification code to be sent to you. The following screen will be presented:



The screenshot shows a verification screen with a green header that reads 'You're almost done!'. Below the header is a green box with the text 'We have sent you an email with a verification code.' Below this is a link to request another email. There is a 'Verification Code' input field and a 'REGISTER' button. The footer contains copyright information and links for 'Legal' and 'Login'.

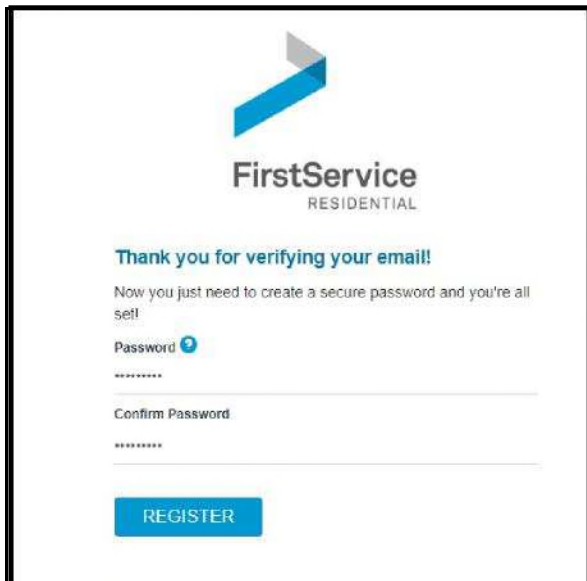
Connect Resident Portal Registration

- 5) Minimize the registration screen and sign onto your email account. A VERIFICATION CODE will be sent to your email from residentportal@rp.connectresident.com (*The verification code will expire in 10 minutes*).
- 6) Enter the verification code into the registration screen presented. (*It can be copied and pasted into the screen from the email as well.*) Click REGISTER.



Example of the code within your email received from Connect Resident Portal with the subject "Complete your registration"

- 7) Once the email address is verified, a screen will be prompting for creation of a PASSWORD

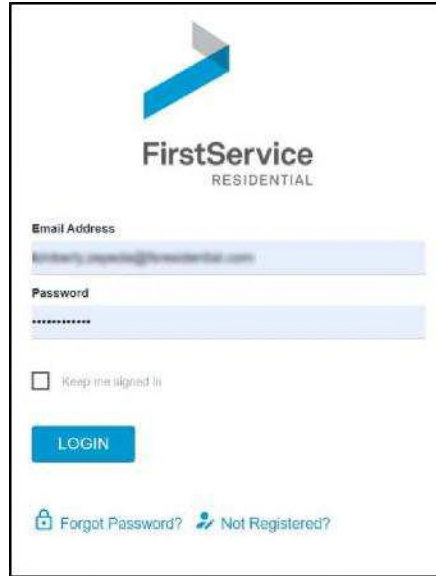


Password Criteria:

- Minimum of 8 characters in length
- 25 characters maximum
- Password must have at least one uppercase letter, at least one lowercase letter, at least one number, at least one special character (! @ # \$ % ^ & *)

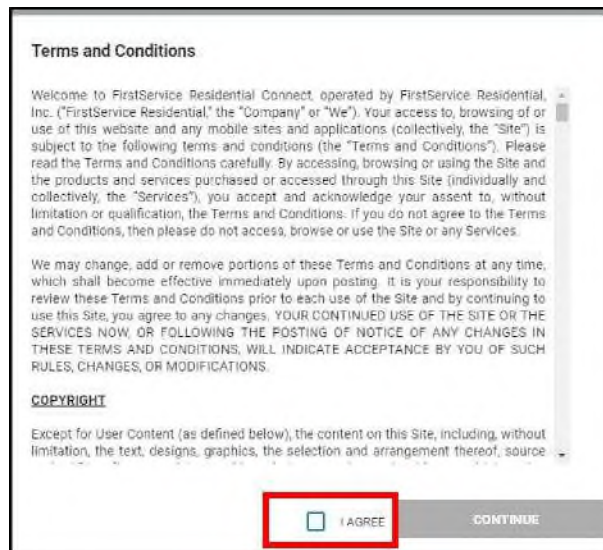
Connect Resident Portal Registration

- 8) After the password is created successfully, the **Login Page** to the portal will be presented. Enter in your email and password. Click LOGIN.



The image shows the login page for FirstService Residential. At the top is the FirstService Residential logo. Below it are two input fields: "Email Address" with the placeholder "firstservice.residential@firstservice-residential.com" and "Password" with a masked password "*****". There is a checkbox labeled "Keep me signed in" which is currently unchecked. A blue "LOGIN" button is positioned below the password field. At the bottom, there are two links: "Forgot Password?" with a lock icon and "Not Registered?" with a person icon.

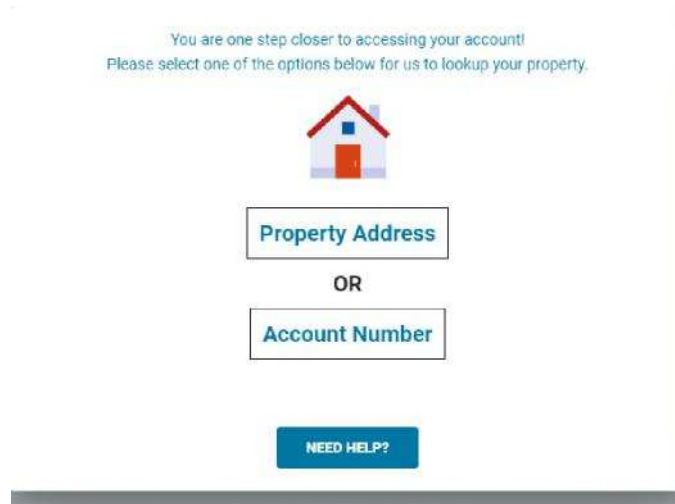
- 9) Accept the “Terms & Conditions” by clicking the box “I AGREE” and click the pink box “CONTINUE”



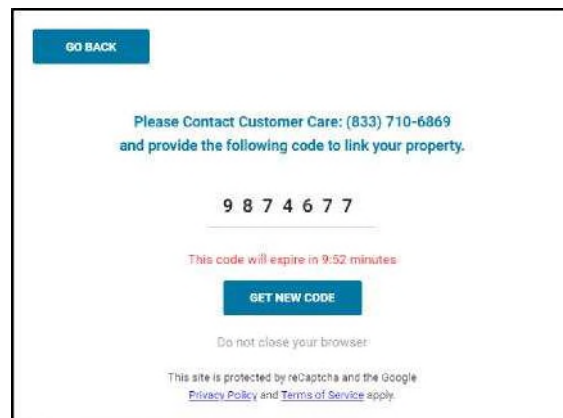
The image shows a "Terms and Conditions" page. The title "Terms and Conditions" is at the top left. The main text describes the user's access to the site and their agreement to the terms. Below the text is a "COPYRIGHT" section. At the bottom, there is a checkbox labeled "I AGREE" which is highlighted with a red box, and a pink "CONTINUE" button to its right.

Connect Resident Portal Registration

- 10) Final step is to link your unit to your login profile by either the PROPERTY ADDRESS or your 12-digit ACCOUNT NUMBER (Customer ID) – **Important!** This number is listed as the “Customer ID” on your assessment statement).
- If you experience issues with the Property Address entry, ***please use the Account Number/Customer ID instead, and vice versa.***



- 11) During this process, if help is needed, click the button “Need Help?” The following item will be presented, call the Customer Care number and someone will be ready to assist; the team is available for you 24/7!



Connect Resident Portal FAQs

Q: Which web browsers can I use to access my community portal? Is there an app?

A: To navigate the portal, the most commonly used browsers are compatible: Chrome, Edge, Firefox, Internet Explorer, or Safari.

Yes, the app version of the portal is also available by searching “Connect Resident” in your smart phone’s app store.



Connect Resident Portal Registration

Q: What devices or equipment can I use to access my community portal?

A: The community portal can be accessed on a desktop, laptop, tablet or mobile device. The Community Portal features a responsive design which will match your device's screen size.

Q: Can I share a profile with another resident in my unit?

A: Each resident needs one unique email address on file. Residents are unable to share an email address or an account with other residents.