



The Oaks Community Association

5607 Jackson Valley Road • Lone, CA 95640-9629

Phone 209-274-6056 Fax 209-274-6058

gm@theoaksione.com

October 23, 2023

Dear Members of The Oaks Community Association,

Enclosed, you will find the following:

- 2024 Pre-Ballot Notice
- 2024 Notice of Assessment Increase
- 2024 Approved Budget (Attachment A)
- 2024 Approved Reserves Study and Reserve Statements (Attachment B)
- 2024 Insurance Disclosures
- Bi-Annual Gas Public Awareness Message (Attachment C)
- Annual Policy Statements
 - Collection Policy & Fee Schedule Adopted 10/11/2022 (Attachment D)
 - Rules & Regulations Adopted 10/10/2023 (Attachment E)

There is a lot going on again this year, so please carefully and thoroughly review all documents and do not hesitate to contact the office if you have any questions.

2024 BOARD ELECTION UPDATE – PRE-BALLOT NOTICE

Our nomination deadline occurred on 10/3/2023. We have four expiring seats on the Board of Directors – Chris Levin, Steve Sanchez, Rosa Lopez and we have a seat that was vacated in July 2023. The following qualified members submitted their Board applications by the 10/03/2023 deadline. Our Candidate and Voter list will be finalized on 11/22/2023, so please make sure we have current contact information before that date. We will hold our election meeting on 1/2/2024, so make sure you return your ballot which will be mailed to all owners on 12/1/23 and must be received by 5:00 pm on 1/2/2024. Annual Membership meeting and vote counts start at 5:00 pm that same day.

Candidates who have currently submitted their application for the Board election are:

Chris Levin

Steve Sanchez

Patrick Malone

Daniel Gomez

Bambi Cammarota

Jennifer Weaver

A Meet and Greet will be held on 11/14/2023 from 6pm to 6:30pm to meet the candidates.

2024 NOTICE OF ASSESSMENT INCREASE

As per civil code 5615, this notice of assessment increase is being delivered to all members. A balanced budget, along with Reserves funding and expenses, are crucial to ensuring the liquidity of our Association, to maintain, and hopefully increase, the value of all homeowner properties by ensuring our 35-year-old infrastructure is continually repaired and improved.

As of January 1, 2024, the Homeowners Assessment will be increased \$10/month to \$225.00 per month.

We currently are under-funded by approximately \$ 400,000 in our Reserves account balance.

Your Board of Directors, after careful consideration, opted to increase the assessment.

We have received the 2024 Reserve Study conducted by Browning Reserve Group. Per their assessment we are inadequately funded based on a 30-year cash flow projection. They stated that additional reserve funding, including some combination of increased contributions, special assessments and possible loans may be necessary to meet all reserve obligations for the 30-year cash flow projection. This was calculated including the increase to \$225 for this year's assessments.

The changes outlined above were approved at the October 10, 2023, Open Board of Directors meetings, as part of the 2024 budget process.

We know 2023 continued to be a stressful and complex year as we saw costs rising significantly. The 2024 Reserves Study approved September 12, 2023 (included in this mailing) highlights that we should also be doing a Special Assessment of \$526 per lot in 2027 to address our shortfall in reserves, driven in part due to road infrastructure work that is needed, and the roof that will soon be needed on the Clubhouse, and the list goes on, so please know, we are not freely implementing assessment changes without consideration of the impact to our Members. With high inflation rates, and materials/service costs increasing by 30% in many areas, we must do some level of increase to be fiscally responsible. As always, we understand that increases are never desired, but too many years of inadequately increasing the assessment, not even by the annual consumer price index or inflation rate, caused our Reserves to continue to be depleted. As we have discussed at multiple meetings, an annual increase in line with CPI and inflation rates is the only option to ensure that our dollar is still worth a dollar. The Board of Directors is hoping that as inflation stabilizes, and the community starts to see some savings next year through the Solar project, we can make up some of the difference, and again work toward building our Reserves.

2024 BUDGET (See Attachment A) – A copy of the Approved 2024 Budget Summary is enclosed for your reference.

2024 RESERVES STUDY (See Attachment B) – A Summary of the Approved 2024 Reserves Study is enclosed for your reference and the full study may be reviewed or requested by contacting the office, as well as is available online.



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2024 INSURANCE DISCLOSURES – We have consolidated our insurance Coverage, and in the process reduced costs. A summary of all insurance policies is provided below. Should you have any questions or wish to review the full policy, please contact the General Manager at the office. The Oaks Community Association carries the following insurance coverage:

Insurance Disclosures 2023-2024

Policy Type	Insurance Company	Policy Number	Policy Period	Policy End	Total Annual Cost	Deductible	Coverage Limits
1989 Yamaha Golf Cart	State Farm Insurance	601 1149-A01-55	7/1/2023	7/1/2024	\$83.86	\$100	\$1,000,000
2002 Ford F150	State Farm Insurance	601 4516-A01-55	7/1/2023	7/1/2024	\$1,230.80	\$500	\$1,000,000
2010 Ford Ranger	State Farm Insurance	601 7999-A01-55	7/1/2023	1/1/2024	\$745.81	\$500	\$1,000,000
ENOL (Auto)	State Farm Insurance	603 8217-A01-55	7/1/2023	7/1/2024	\$400.04	\$500	\$1,000,000
General Liability	State Farm Insurance	90-E8-G920-0	7/1/2023	7/1/2024	\$11,706.00	\$1,000	\$4,000,000
Commercial Umbrella	State Farm Insurance	90-E8-G930-1	7/1/2023	7/1/2024	\$731.00	N/A	\$2,000,000
Inland Marine	State Farm Insurance	90-E8-G916-2	7/1/2023	7/1/2024	\$1,277.00	\$500	\$95,000
Workers Compensation	Employers (thru Toste Insurance)	EIG462566003	11/1/2023	11/1/2024	payroll based as you go fees	N/A	N/A

- Business Auto Policy (See Table Above):
 - State Farm, Policy Period 7/1/2023 – 7/1/2024
 - Limits: \$1,000,000 Combined Single Limit, \$50,000 Uninsured Motorist, \$ 10,000 Medical, Comp and Collision.
 - Deductible \$ 500
- Residential Community Association Policy (General Liability, Property, D&O & Crime) 90-E8-G920-0:
 - Company: State Farm, Policy Period 7/1/2023 – 7/1/2024
 - General Liability Limits: \$2,000,000 Occurrence/\$4,000,000 Aggregate
 - Directors and Officers: \$2,000,000 Liability and Aggregate
 - Commercial Property Limits:
 - Buildings: \$2,351,778, \$1,000 deductible
 - Personal Property: \$26,498, \$1,000 deductible
 - Computer Property: \$10,000
- Commercial Umbrella Policy: 90-E8-G930-1
 - Company: State Farm, Policy Period 7/1/2023 – 7/1/2024
 - Limits: \$2,000,000
 - Deductible: None
- Inland Marine Policy: 90-E8-G916-2
 - Company: State Farm, Policy Period 7/1/2023 – 7/1/2024
 - Limits: \$95,000
 - Deductible: \$500

- Covered Items:
 - John Deere Tractor 790, Case Tract E580E, 5PT20 Crane, OZ10000455 Crane, Generac Generator, Effluent Meter, Influent Meter, Miscellaneous Small Tools

Workers Compensation is a separate policy held by Employers, through our agent at Toste Insurance Services.

- Workmen's Comp Policy EIG 4625660 02:
 - Company: Employers (EIG Services, Inc.), Policy Period 11/1/2023 – 11/1/2024

The Association does not carry flood or earthquake insurance.

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (a) (7) of Section 5310 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, 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.

BI-ANNUAL PAN/GAS NOTICE (See Attachment C) - A copy of the bi-annual Public Awareness Notice regarding our Gas system is enclosed for your reference.

ANNUAL POLICY STATEMENTS

DESIGNATED RECIPIENT

Civil Code §4035. Delivery to Association – documents for the Association shall be delivered to the General Manager's attention at 5607 Jackson Valley Road, Lone CA 95640. A document delivered pursuant to this section may be delivered by any of the following methods:

- (1) By email, facsimile, or other electronic means, if the association has consented to that method of delivery (The Oaks accepts all these methods).
- (2) By personal delivery if the association has consented to that method of delivery. If the association accepts a document by personal delivery, it shall provide a written receipt acknowledging delivery of the document. (The Oaks accepts personal delivery during open office hours)
- (3) By first-class mail, postage prepaid, registered, or certified mail, express mail, or overnight delivery by an express service center.

NOTICE OF RIGHT TO SUBMIT A SECONDARY ADDRESS

Upon receipt of a written request by an owner identifying a secondary address for purposes of collection, legal or other notices, the association shall send additional copies of any notices required by section 4040 (B) of the Civil Code to the secondary address provided. The request of the Owner shall be in writing and shall be mailed (or delivered) to the association in a manner that shall indicate the association has received it. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the association shall



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only be required to send notices to the identified secondary address from the point the association received the request.

GENERAL NOTICE LOCATION AND RIGHT TO INDIVIDUAL DELIVERY

Pursuant to Civil Code 5310, section 4045, the location for all Board Meeting Agendas shall be the front door of the community clubhouse. Additionally, other general notices shall be mailed, included in the monthly Acorn billing insert, the monthly OakLeaf Newsletter and we will make attempts to post notices to The Oaks website at www.theoakscommunityassociation.org. Individuals may also request to receive general notices by individual delivery (U.S Mail, Fax, email) by contacting The Oaks office.

NOTICE OF MEMBERS RIGHT TO REVIEW MINUTES:

Minutes of all open meetings of the board are available to members within 30 days of the meeting. The minutes, proposed minutes or summary minutes may be obtained at:

The Oaks Community Association Clubhouse, 5607 Jackson Valley Road, Lone, CA by contacting The General Manager, and approved meeting minutes are also available on the association's website at www.theoakscommunityassociation.org

In addition, the minutes, proposed minutes, or summaries will be distributed to any member upon request.

If a member request copies of the minutes, the Association has the option of charging a reasonable fee for duplication.

ELECTRONIC DELIVERY:

The Oaks pursues Member consent annually for electronic delivery (email) of various types of communications, documents, etc. to minimize costs for paper, printing/ink, postage, etc. If you have not already returned a Consent for Electronic Delivery and would like to do so, please contact the office or find the form online on our website at www.theoakscommunityassociation.org

All consents to electronic delivery remain in effect until they are revoked in writing. You may send or drop off any election to discontinue electronic delivery at the office, or email to office@theoaksone.com.

Please provide email address changes as they occur so you do not miss bills or other information.

Should a paper copy of any mailed communication/document ever be desired, please just contact the office and we will provide it.

RULES & REGULATIONS ADOPTED 10/10/2023 – See Attachment E

LIEN AND FORECLOSURE POLICY:

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 an attorney if you dispute an assessment.

Assessments become delinquent 15 days after they are due unless the Governing Documents provide for a longer time. 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 court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on or 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 assessment, late charges, fees, attorney 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 (\$1800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 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).

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for cost to repair common areas damaged by a member or a member's guest if the Governing Documents provide for this (Sections 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 (thirty) 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 this collection and lien enforcement procedures and the method of calculating the amount owed. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt (Section 5660 of the Civil Code).

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 (twenty-one) days, and to provide the 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, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of the payment and the person who received it. The association must inform owners of a mailing address for overnight payments (Section



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5655 of the Civil Code). The address for all mailings for The Oaks Community Association is 5607 Jackson Valley Road, Lone CA 95640.

An owner may dispute an assessment debt by submitting a written request for the 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 and on time (Section 5700 through 5720 of the Civil Code).

PAYMENT PLAN POLICY

An owner may request the association consider a payment plan to satisfy a delinquent assessment.

Standards for Establishing a Payment Plan:

- Payment of all delinquencies in full within 90 days may be approved by the General Manager, without Board approval, but still requires a written payment schedule and that all current and future invoices must be paid on time
- For any payment plans exceeding 90 days, a written payment schedule must be submitted for Board approval,
- Fifty percent of the past due amount must be paid with the submittal of the payment plan (unless otherwise agreed to by the Board),
- The owner must agree to keep current with future amounts due,
- Past Due Amount must be paid in full within six months or as approved by the Board
- Late Fees and Interest will not accrue while payment plan is in place and terms are being met
- Any default on signed payment plan immediately nullifies that plan

DELINQUENCY POLICY

Timely payment of regular assessment, special assessments and variable utility assessments is of critical importance to the Association. Members' failure to pay assessments and utilities when they are due creates a cash-flow problem for the Association and causes those owners who make timely payments of their assessments and utilities to bear a disproportionate share of the community's financial obligations. Therefore, the Board of Directors has enacted the following policies and procedures concerning the collection of delinquent accounts:

All regular and variable utility assessments shall be due and payable on the first day of the month. All special assessments shall be due and payable on the date(s) specified by the Board upon their adoption.

- 1) Regular assessments and utility assessments shall become delinquent after the 15th, if not actually received prior to such date.

- 2) Variable Utility Assessments shall be delinquent after the 15th and are subject to termination of service due to non-payment 45 days after invoice date, or when the utility portion of the bills exceeds \$500.00, whichever comes first.
- 3) The Association charges a service fee of \$35.00 (thirty-five dollars) on all checks returned by the bank.
- 4) Prior to the time the Association retains counsel to handle an account delinquency, the mailing address for overnight payment of assessments to the Association is:

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- 5) If any assessment (regular, variable utility, etc.) is not received, in full, prior to the delinquency date, a late charge of ten percent (10%) of the assessment amount shall be due, and the Association may then commence enforcement action in any manner permitted by law, subject to, and in accordance with, all applicable legal requirements. In such event, the Association may recover from the delinquent owner any reasonable costs, including attorneys' fees that the Association incurs in its efforts to collect the delinquent sums, and may require that all such charges be paid in full, together with all delinquent assessments, late charges, interest, or other charges due, to cure the delinquency.
- 6) If any assessment payment is due and unpaid for more than 30 days from invoice date, interest shall be imposed on all sums due, including the delinquent assessments and collection costs (including attorneys' fees), at the rate of 12% per annum.
- 7) Once an assessment is delinquent, the Association may cause a notice to be issued by certified mail to the owner's address of record of the existence and amount of the delinquency and providing other relevant information ("Delinquency Notice").
- 8) Owners who dispute any amounts specified in a Delinquency Notice may submit a written request for dispute resolution to the Association under the Association's "meet and confer" dispute resolution program. If any such request is received by the Association, the Association will meet and confer with the owner making such request in accordance with the Association's "meet and confer" procedure.
- 9) Owners desiring a payment plan to resolve the delinquency giving rise to a Delinquency Notice may submit a written request for a meeting with the Board to discuss a payment plan. Provided that such request is mailed within 10 days of the date of the postmark on the Delinquency Notice, and a regular meeting of the Board is scheduled to occur within 45 days, the Board will meet with the owner in executive session. If there is no such scheduled meeting during such period, a committee of one or more members may be designated by the Board to meet with the owner and discuss such request. Payment plans shall contain such terms as the Board, or its designated committee, may approve on a case-by-case basis, shall be in writing, and shall be signed by the owner(s) and an authorized representative of the Association.
- 10) If a delinquency has not been paid within 30 days after the mailing of a Delinquency Notice, the Association may cause to be recorded in the County Recorder's Office a Notice of Delinquent Assessment ("Lien") concerning all sums which are then due, including any assessments, late charges, costs, and reasonable attorneys' fees, to confirm and give public notice that the Association claims a lien against the delinquent owner's property which may be subject to foreclosure by either non-judicial or judicial foreclosure.
- 11) From and after the recordation of a Lien, the Association may enforce the Lien, or otherwise pursue its rights to recover all unpaid assessments and related amounts due, in any manner permitted by law, including without limitation judicial or nonjudicial foreclosure, as the Association determines to be appropriate, subject to, and in accordance with, all applicable legal requirements.
- 12) Subject solely to the provisions of Paragraphs 8 and 9 above:
 - a. from and after the issuance of a Delinquency Notice, the Association, acting through counsel or any other authorized representative of the Association, may give written notice to the delinquent owner establishing a new address for all further communications to the Association relating to



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delinquent and/or newly accruing obligations for assessments and other charges due to the Association, and restricting the authorized addresses and/or recipients for any notices or other communications to the Association concerning, or during the pendency of, any delinquency proceedings relating to such Delinquency Notice; and Once the Association has retained counsel to handle an assessment delinquency for the Association, communications concerning such matters on behalf of the Association shall be conducted exclusively by counsel for the Association and/or the trustee designated in the Lien until any such delinquency is fully satisfied.

- 13) Owners have the right to submit a written request to the Association identifying a secondary address for the purposes of collection notices. If the Association receives any such written request designating or changing any such secondary address, the Association shall send a second copy of any legal notices or other required correspondence issued in support of the Association's assessment enforcement procedures to such secondary address from and after the time of actual receipt by the Association of any such request.

DISCONTINUANCE AND RESTORATION OF UTILITY SERVICE:

If THE OAKS COMMUNITY ASSOCIATION terminates or refuses to restore service to a customer or any other person for any of the reasons or upon any of the grounds stated herein, THE OAKS COMMUNITY ASSOCIATION shall incur no liability whatsoever to said customer or person or to any other customers or persons.

CUSTOMER REQUEST TO TERMINATE LIABILITY FOR PAYMENT FOR SERVICE:

When a customer wants to terminate liability for payment for service, the customer shall give THE OAKS COMMUNITY ASSOCIATION not less than two business days written notice and state the date on which the termination is to become effective. The customer may be held responsible for all service furnished at the premises until two days after receipt of such notice by THE OAKS COMMUNITY ASSOCIATION, or until the date of termination specified in the written notice, whichever date is later.

TERMINATION OF SERVICE FOR NONPAYMENT—WEEKENDS AND HOLIDAYS:

Service will not be terminated for nonpayment of bills or credit deposit requests on Saturdays, Sundays, legal holidays or on days when the offices of THE OAKS COMMUNITY ASSOCIATION are closed to the public.

TERMINATION OF SERVICE FOR NONPAYMENT OF BILLS OR CREDIT DEPOSIT REQUESTS:

Monthly bills for Variable Utility Assessments, for residential service, are due and payable upon presentation and will be considered past due if payment is not received by the 15th of the month by THE OAKS COMMUNITY ASSOCIATION.

Credit deposit requests for residential service are due and payable upon presentation and will be considered past due if payment is not received by THE OAKS COMMUNITY ASSOCIATION within 11 days after the credit-deposit request is mailed to the customer.

When a bill or credit deposit request has become past due and the customer has received notice in accordance with CPUC rules that service will be terminated for nonpayment, THE OAKS COMMUNITY ASSOCIATION may terminate any and all services the customer is receiving unless an exception described in Sections below, applies.

INABILITY TO PAY:

THE OAKS COMMUNITY ASSOCIATION may, at its option, extend payment arrangements to a customer who alleges an inability to pay. However, THE OAKS COMMUNITY ASSOCIATION must extend payment arrangements to a customer who alleges an inability to pay where:

The customer has provided certification from a licensed physician, public health nurse, or social worker that terminating the service would be life-threatening either to the customer or to a full-time resident in the customer's home, and the customer is willing to enter into reasonable payment arrangements.

It is the customer's responsibility to contact THE OAKS COMMUNITY ASSOCIATION to request payment arrangements. If payment arrangements are made, such payment arrangements will be by Amortization Agreement, as described in the Section below, or by Extension Agreement, as described in the Section, below.

When the customer and THE OAKS COMMUNITY ASSOCIATION have agreed upon payment arrangements, THE OAKS COMMUNITY ASSOCIATION will not terminate service if the customer complies with the arrangements.

However, if the customer fails to comply, THE OAKS COMMUNITY ASSOCIATION may terminate all services the customer is receiving after notice is given in accordance with this policy.

If THE OAKS COMMUNITY ASSOCIATION and the customer cannot agree on payment arrangements, the customer may submit a complaint to the California Public Utilities Commission in accordance with Sections outlined below.

The customer shall be provided information on the availability of financial assistance.

1. AMORTIZATION AGREEMENT

- a. An Amortization Agreement is a contract between THE OAKS COMMUNITY ASSOCIATION and the customer by which the customer is allowed to make installment payments of a past due balance (for a reasonable period not to exceed 6 months) while also paying subsequent utility assessment bills before these bills become past due.
- b. If the customer fails to comply with the Amortization Agreement, the entire amount owing will become immediately due and payable and all services the customer is receiving may be terminated. However, service will not be terminated until the customer has received notice, either by telephone or in writing, at least 48 hours prior to termination.

2. EXTENSION AGREEMENT

- a. An Extension Agreement is a contract between THE OAKS COMMUNITY ASSOCIATION and the customer by which the customer is allowed to make a single payment of a past due balance on or by a specified date while also paying subsequent utility assessment bills before they become past due.
- b. When the customer has received a 15-day notice of termination and fails to comply with the Extension Agreement, the notice of termination will remain in effect, and collection action will continue. When the customer has received a 48-hour notice of termination and fails to comply with the Extension Agreement, the notice of termination will remain in effect, and any and all services the customer is receiving may be terminated without further notice.

3. FAILURE TO AGREE ON PAYMENT ARRANGEMENTS

- a. When the customer and THE OAKS COMMUNITY ASSOCIATION fail to agree on payment arrangements, it is the customer's responsibility to contact the California Public Consumer Affairs Branch (CAB) in a timely manner to avoid termination. The customer may:
 - i. Write to the CAB to make a complaint alleging an inability to pay and indicating that payment arrangements have not been mutually agreed upon by the customer and THE OAKS COMMUNITY ASSOCIATION.
 - ii. When the customer has submitted a complaint to the CAB, the CAB will notify THE OAKS COMMUNITY ASSOCIATION and THE OAKS COMMUNITY ASSOCIATION will respond to



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the complaint within 10 days. The CAB will report its proposed resolution to the parties in accordance with CPUC procedures.

- iii. If the customer is not satisfied with CAB's resolution of the complaint, the customer may appeal to the CPUC in accordance with the CPUC's procedures.
- iv. Failure of the customer to observe any time limits set by the CPUC's complaint procedures shall entitle THE OAKS COMMUNITY ASSOCIATION to insist upon payment and to terminate service if the payment is not made.

BILLING OR CREDIT DEPOSIT REQUEST DISPUTE:

THE OAKS COMMUNITY ASSOCIATION will not terminate service when a residential customer has initiated a complaint or requested an investigation within five days of receiving a disputed bill or credit deposit request, until the customer has been given an opportunity for review of the dispute by THE OAKS COMMUNITY ASSOCIATION or the CPUC rules, policies, and procedures.

However, the customer must continue to pay subsequent undisputed utility assessment bills before these bills become past due, or the customer's service will be subject to termination in accordance with this rule and CPUC policy.

CORRECTED BILL OR CREDIT DEPOSIT REQUEST:

When THE OAKS COMMUNITY ASSOCIATION has corrected the customer's bill or the requested credit deposit amount, service may not be terminated until the customer has received notices for the corrected amount in accordance with CPUC rules.

TERMINATION OF SERVICE—RETURNED CHECKS:

When the customer has received notice of termination in accordance with CPUC rules and a check tendered in payment of the past due bill or credit deposit request for residential service is returned unpaid, THE OAKS COMMUNITY ASSOCIATION may terminate service

In accordance with Section 1 below:

1. When the customer has received a 15-day notice of termination, the notice will remain in effect, and collection action will continue. When the customer has received a 48-hour notice of termination, the notice will remain in effect, and service may be terminated without further notice.

UNSAFE APPARATUS OR CONDITION:

1. THE OAKS COMMUNITY ASSOCIATION may deny or terminate service to the customer immediately and without notice when:
 - a. THE OAKS COMMUNITY ASSOCIATION determines that the premises wiring, water lines, sewer lines or other utility delivery equipment, or the use of either, is unsafe, or endangers THE OAKS COMMUNITY ASSOCIATION's service facilities; or
 - b. The customer threatens to create a hazardous condition; or
 - c. Any governmental agency, authorized to enforce laws, ordinances or regulations involving any utility facilities and/or the use of electricity, water, or sewer, notifies THE OAKS COMMUNITY ASSOCIATION in writing that the customer's facilities and/or use of electricity, water, or sewer is unsafe or not in compliance with applicable laws, ordinances, or regulations.

2. When relocation or replacement of all utility service by THE OAKS COMMUNITY ASSOCIATION is necessary, the service, including the metering facilities, will be installed in locations mutually acceptable to THE OAKS COMMUNITY ASSOCIATION and the customer and which conform to current applicable codes, regulations, and standards. If no such mutually acceptable location can be agreed upon, THE OAKS COMMUNITY ASSOCIATION shall discontinue service until the customer and THE OAKS COMMUNITY ASSOCIATION reach agreement.
3. SERVICE RESTORATION
 - a. When the customer's service has been terminated either because of a determination by THE OAKS COMMUNITY ASSOCIATION that an unsafe apparatus or condition exists on the premises, or because the customer has threatened to create a hazardous condition, service will not be restored until THE OAKS COMMUNITY ASSOCIATION determines, at the customer's expense, the customer's electrical wiring, water lines, sewer lines or equipment or the use of either, has been made safe. When service is denied or terminated solely under these sections, the customer may seek remedies before the CPUC.
 - b. When the customer's service has been terminated because of an order of termination issued to THE OAKS COMMUNITY ASSOCIATION by a governmental agency, service will not be restored until THE OAKS COMMUNITY ASSOCIATION has received authorization to restore the service from the appropriate governmental agency. It is the customer's responsibility to resolve the matter with the governmental agency.
4. THE OAKS COMMUNITY ASSOCIATION does not assume the responsibility of inspecting or repairing the customer's facilities, appliances, or other equipment for receiving or using service, or any part thereof. In the event the customer has knowledge that the service is in any way defective, it is the customer's responsibility to notify THE OAKS COMMUNITY ASSOCIATION at once.
5. THE OAKS COMMUNITY ASSOCIATION shall not be liable or responsible for any plumbing, appliances, facilities, or apparatus beyond the point of delivery which it does not own or maintain in accordance with these rules.

SERVICE DETRIMENTAL TO OTHER CUSTOMERS:

THE OAKS COMMUNITY ASSOCIATION will not supply service to a customer operating equipment which is considered by THE OAKS COMMUNITY ASSOCIATION to be detrimental to either the service of other customers, or to THE OAKS COMMUNITY ASSOCIATION. THE OAKS COMMUNITY ASSOCIATION will terminate service and refuse to restore service to any customer who continues to operate such equipment after receiving notification from THE OAKS COMMUNITY ASSOCIATION to cease.

UNAUTHORIZED USE:

1. THE OAKS COMMUNITY ASSOCIATION may terminate service without notice for unauthorized use of service as defined by CPUC/PG&E. When the customer's service has been terminated under this section, THE OAKS COMMUNITY ASSOCIATION may refuse to restore service until:
 - a. the unauthorized use has ceased, and
 - b. THE OAKS COMMUNITY ASSOCIATION has received full compensation for all charges authorized by CPUC/PG&E.
2. THE OAKS COMMUNITY ASSOCIATION may terminate and refuse to restore service if the acts of the customer or conditions on the premises indicate an intent to deny THE OAKS COMMUNITY ASSOCIATION full compensation for services rendered, including, but not limited to, any act which may result in a denial of service under PG&E's rules and policies.
3. THE OAKS COMMUNITY ASSOCIATION shall provide the customer with the reasons for such termination and/or refusal to restore service. When the customer's service has been terminated under this section, THE OAKS COMMUNITY ASSOCIATION may refuse to restore service until:
 - a. the acts and/or the conditions described above have ceased or have been corrected to THE OAKS COMMUNITY ASSOCIATION's satisfaction, and



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- b. THE OAKS COMMUNITY ASSOCIATION has received full compensation for all charges resulting from the customer's acts or the conditions on the premises.

REVOCAION OF PERMISSION TO USE PROPERTY:

If THE OAKS COMMUNITY ASSOCIATION's service facilities and/or a customer's wiring or plumbing to the meter are installed on property other than the customer's property and the owner of such property revokes permission to use it, THE OAKS COMMUNITY ASSOCIATION will have the right to terminate service upon the date of such revocation.

CHARGES FOR TERMINATION AND/OR RESTORATION OF SERVICE:

THE OAKS COMMUNITY ASSOCIATION may require payment of the entire amount due, including the past due amount and current charges, payment of a deposit in accordance with CPUC rules, and payment of other charges indicated herein, prior to restoring service to accounts which have been terminated for nonpayment.

1. THE OAKS COMMUNITY ASSOCIATION will require a returned check charge, for processing a check that is returned to THE OAKS COMMUNITY ASSOCIATION unpaid.
2. THE OAKS COMMUNITY ASSOCIATION may require payment of a reconnection charge of \$60.00 per connection before restoring service that has been terminated for nonpayment of bills, to prevent fraud, or for failure to comply with THE OAKS COMMUNITY ASSOCIATION's tariffs. If the customer requests that service be restored outside of regular business hours (9:30 am – 5:30 pm), an additional charge of \$45.00 per connection may be made.
3. In addition, THE OAKS COMMUNITY ASSOCIATION may charge and collect any unusual costs incidental to the termination or restoration of service which have resulted from the customer's action or negligence.
4. Service wrongfully terminated will be restored without charge.

ALTERNATIVE DISPUTE RESOLUTION DISCLOSURE:

Effective January 1, 1994, the law in California strongly encourages procedures alternative to litigation to resolve disputes between homeowners and Homeowners Associations and its residents. There are various forms of Alternative Dispute Resolution (hereinafter referred to as "ADR") including mediation and arbitration. If the Association is considering suing a homeowner relating to endorsement of the Declaration of Covenants, Conditions, and Restriction ("CC&Rs"), the Association must go through the preliminary steps of the procedures outlined below. If a homeowner is considering suing the Association for failure to enforce the governing documents or some other CC&R-based claim, the homeowner also must go through the preliminary procedure before filing a lawsuit. The steps are:

- 1) Either party must serve a "Request for Resolution" on the other party, either by certified mail (return receipt requested) or personal delivery. If a certified letter is sent out and no response is forthcoming, then personal delivery is required. The person who "serves" the Request for Resolution may not be a party to the action.
 - a. The Request for Resolution must Include:
 - i. A brief description of the dispute between the parties:
 - ii. A request for ADR, and
 - iii. A notice that the party receiving the Request for Resolution is required to respond within 30 days or it will be deemed rejected.

- 2) The party receiving a Request for Resolution has 30 days from the date he or she receives it to accept or reject the ADR and if not accepted, it shall be deemed rejected.
- 3) If the party receiving the Request for Resolution agrees to ADR, the parties have 90 days to complete the process (more by agreement of the parties).
- 4) The cost of ADR shall be equally shared by both parties.
- 5) At the time either party files a civil action in court, that party must file a certificate stating that ADR has been completed in compliance with the law. Failure to file the certificate might be grounds for the other party to seek dismissal of the complaint. Conversely, the certificate should state where the party filing the complaint served a Request for Resolution, if it was either rejected or “deemed rejected” by the other party.
- 6) Exceptions to the process:
 - a. Where the time limit for bringing a legal action by a party would expire within 120 days
 - b. Where temporary restraining orders or preliminary injunctions are needed immediately to stop a particular action,
 - c. Where either party would suffer substantial prejudice by delays caused by filing of the Request for Resolution; or,
 - d. Where any damage claim exceeds \$5,000.

Failure to follow the steps above would give a judge the right to decrease any attorney’s fees awarded where either party of the lawsuit would otherwise be entitled to reimbursement of all reasonable attorneys’ fees under statute or contract.

Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of your right to sue the Association or another member of the Association regarding enforcement of the Governing Documents or the applicable law.

Summary of the Internal Dispute Resolution Process

Summary of California Civil Code Sections 5925 Through 5965

California Civil Code Section 5925 through 5965 requires an association to provide a fair, reasonable, and expeditious procedure for resolving certain disputes between the association and a member. The following procedure, which may be invoked by either party to a dispute, shall apply:

- 1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be made in writing.
- 2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
- 3) The association’s board of directors shall designate a member of the board to meet and confer with the other party to the dispute.
- 4) The parties shall meet promptly at the mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.
- 5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association
An agreement reached under this meet and confer procedure binds the parties and is enforceable by a court if both of the following conditions are satisfied:
 - 1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
 - 2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.

If the parties to the dispute are unable to resolve the matter using this internal dispute resolution procedure, the association or the member may then serve a Request for Resolution pursuant to California Civil Code Chapter 7, Article 2 (Alternative Dispute Resolution), Sections 5925 et seq., in its entirety.



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California Civil Code Section 5925 – 5965 addresses the homeowner’s right to sue the association or another member of the association regarding the enforcement of the governing documents. ¹The following is a summary of the provisions of Civil Code Sections 5925-5965:

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

Any party to a dispute may initiate the process of ADR by serving a Request for Resolution on all other parties to the dispute. A Request for Resolution must contain

- (A) a brief description of the dispute between parties,
- (B) a request for ADR,
- (C) a notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the Request will be deemed rejected, and
- (D) If sent to the owner of a separate interest, a copy of Civil Code Section 5925 – 5965.

If the Request is accepted, the ADR must be completed within 90 days of the acceptance, unless otherwise agreed by the parties. Once a Request for Resolution is served, all applicable statutes of limitations are tolled as set forth in Civil Code Section 5965.

Failure of a member of the Association to comply with the Alternative Dispute Requirements of section 5935 of the Civil Code may result in the loss of your right to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.

The law requires the party filing a lawsuit for enforcement of the association’s governing documents to file a certificate with the court stating:

- (A) ADR has been completed prior to the filing of the suit, or
- (B) ADR was not undertaken because one of the other parties to the dispute did not accept the terms offered for the ADR, or
- (C) ADR was not undertaken because preliminary or temporary injunctive relief is necessary.

Failure to file this certificate can be grounds for dismissing the lawsuit.

Furthermore, while the prevailing party in any lawsuit to enforce the governing documents shall be awarded attorney’s fees and costs, under Civil Code 5960 the court may consider whether a party’s refusal to participate in ADR was reasonable when it determines the amount of the award ²

RULES ENFORCEMENT POLICY

It is the fiduciary responsibility of the Board of Directors of The Oaks Community Association to enforce the Rules & Regulations as stated in the Governing Documents, and the Board adopted Rules & Regulations. Owners are responsible for informing members of their family, their guests, and their tenants of all provisions of the Governing Documents as well as the Board adopted Rules & Regulations. The Board of Directors has adopted the following procedures to address noncompliance of the Governing Documents and the Board adopted Rules and Regulations.

¹ The Alternative dispute resolution provisions set forth in Civil Code Section 5925 were formally found in Civil Code Section 1354 & 1369.510.

² Copyright ©2008 by the Law Office of Deon R. Stein All Rights Reserved.

1. A notice shall be written to the Owner stating the violation of the CC&Rs, The Governing Documents and/or Board adopted Rules and Regulations. If the Owner complies, no further action will be necessary. It is the responsibility of the owner/resident to notify the office once the violation has been corrected, to request reinspection.
2. If the Owner disputes the violation, they must attend the next scheduled hearing noted on the violation notice. Hearings are scheduled the second Wednesday of each month.
3. If the violation is not disputed it, or it is upheld in the violation hearing and not corrected within the allotted time, a second notice will be mailed to the owner informing them of any assessed fine (typically \$100) and giving them notice to correct the violation. The notice shall specify the violation. If the Owner responds and or complies, no further action will be taken unless there is a repeated and or blatant violation of the rules for which the Board may, at its discretion, impose additional fines.
4. If there is no response and/or if the violation is not corrected within the allotted time, a third notice will be mailed to the owner notifying them of assessed fines (typically \$20 per day) and giving them notice to correct the violation. Daily fines will cease once the violation is corrected.
5. Hearings are scheduled the second Wednesday of each month. Any owner disputing a violation may bring witnesses, pictures, or other evidence to the Hearing. If you are unable to attend the next scheduled hearing, contact the office to reschedule.
6. After hearing testimony, the Board may impose fines, set condition for continual noncompliance, suspend use of common area privileges, or take other actions.
7. Apart from fines for utility tampering, fines assessed shall not be less than twenty-five dollars (\$25.00) or more than two hundred fifty dollars (\$250.00) per violation. Fines may be levied daily, weekly, per occurrence, or in any other manner as the Board determines necessary to bring about compliance.
8. Fines assessed for utility tampering shall not be less than Five Hundred dollars (\$500.00) per violation. Fines may be levied daily, weekly, per occurrence, or in any other manner as the Board determines necessary to bring about compliance.
9. A notice of Determination will be mailed to the owner within ten (10) days after the Violation Hearing if one is requested by the Owner. If you do not attend the hearing, or reschedule, violations will be considered valid and appropriate next steps and fines will be levied.

Determination Appeal:

An Owner may appeal to the Board of Directors to revise the determination if requested in writing no later than fifteen (15) days after the receipt of the Notification of Determination.

All Owners shall be fully responsible for informing members of their family their tenants and their guests of the provisions of the Governing Documents and shall be fully responsible for any violations of the provisions of the Governing Documents by members of their family, their tenants, or their guest. All Owners shall further be fully responsible for the conduct and activities of their pets and any pets belonging to these members of their family, their tenants, or their guest.

ARCHITECTURAL REVIEW PROCESS

Each member has the responsibility to adhere to design review requirements outlined in the Association's Governing Documents, the Board adopted Rules & Regulations, and as detailed in the Architectural Guidelines, available from the office or online. Each member is also responsible for adhering to all local, state, and federal codes and regulations and for obtaining any permits as required. The Design Review Committee and/or Board of Directors are responsible only for the adherence to design standards, not structural integrity. Design Review Application Packets are available from the Association office and available on the association's website, www.theoakscommunityassociation.org



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Architectural Application:

Any owner proposing to perform any work of any kind which requires prior approval pursuant to Article 5 of the Association CC&R's, shall apply for approval by notifying the Association, in writing, of the nature of the proposed work and furnishing such information and documentation as the Board may require.

Submit Application:

The member should submit the completed application along with a detailed plot plan for approval to the office at least 7 days prior to the regular scheduled monthly board meeting.

Review:

Either the Design Review Committee or the Board of Directors can approve or denial Design Reviews. A decision must be made within 45 (forty-five) days of the submittal of the completed design review packet.

OVERNIGHT PAYMENTS

The mailing address for overnight payment of assessments to the Association is:

**The Oaks Community Association
5607 Jackson Valley Road,
Lone, CA 95640
209-274-6056**

Please contact Susan Cook, General Manager, if you have any further questions or need additional information.

Thank You,

Susan Cook
General Manager
The Oaks Community Association
5607 Jackson Valley Road
Lone, CA 95460
209-274-6056