

**Wildflower Condominiums
Homeowners Association**

**Forecasted Statement of Revenues
and Expenses for the Year
Ending April 30, 2012**

&

**Reserve Funding Disclosures
as of March 22, 2011**

Wildflower Condominiums Homeowners Association
Forecasted Statement of Revenues and Expenses
For the Year Ending April 30, 2012

	<u>Operating Fund</u>	<u>Contingency Fund</u>	<u>Replacement Fund</u>	<u>Total</u>
Revenues:				
Maintenance Assessments	\$342,400	\$23,000	\$69,400	\$434,800
Less: Anticipated Uncollectible Receivable	(2,000)			(2,000)
Interest Income			3,650	3,650
Total Revenues	340,400	23,000	73,050	436,450
Administrative Expenses:				
Accounting Services	13,000			13,000
Board/Meeting Expenses	4,300			4,300
Insurance	30,600			30,600
Legal Services	3,000			3,000
Management Fee	82,400			82,400
Relief Management	17,600			17,600
Office Supplies & Postage	3,000			3,000
Taxes	250		800	1,050
Telephone	1,800			1,800
Total Administrative Expenses	155,950	0	800	156,750
Maintenance & Supplies:				
Asphalt Crack Repair	3,900			3,900
Buildings	12,500			12,500
Storage	1,400			1,400
Grounds	17,000			17,000
Pool, Jacuzzi & Sauna	8,000			8,000
Snow Removal - Loader	16,300			16,300
Snow Removal - Manual & Other	17,000			17,000
Trash Removal	15,000			15,000
Total Maintenance & Supplies	91,100	0	0	91,100
Utilities:				
Electric	15,200			15,200
Propane	25,200			25,200
Water & Sewer	44,000			44,000
Total Utilities	84,400	0	0	84,400
Major Projects:				
Snowblower			2,900	2,900
Staining			90,000	90,000
Manager Unit Partial Upgrade		3,000		3,000
Roof/Siding Leak Repair		20,000		20,000
Building Trim/Siding Repair	1,200			1,200
Roof Inspection/Shingle Repair	1,300			1,300
Safco Recycling Service	1,800			1,800
Tennis Court Crack Repair	1,200			1,200
Tree Trimming	2,500			2,500
Wood Unstack/Stack for Staining	1,000			1,000
Total Major Projects	9,000	23,000	92,900	124,900
Total Expenses	340,450	23,000	93,700	457,150
Excess Revenues or (Deficit)	(50)	0	(20,650)	(20,700)
Forecasted Fund Balance at Start of Year	72,400	17,594	419,715	509,709
Forecasted Fund Balance at End of Year	72,350	17,594	399,065	489,009

Wildflower Condominiums Homeowners Association

Notes To Forecasted Statement of Revenues and Expenses

SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS

This financial forecast presents, to the best of the Board of Directors knowledge and belief, the Association's expected results of operations and changes in operating and replacement fund balances for the forecast period. Accordingly, the forecast reflects the Board's judgement as of March 22, 2011 the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that the Board believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

A. Income and Owner Assessments

Owner assessments for the year ending April 30, 2012 will increase by approximately 4.4% effective May 1, 2011.

Owner assessments are the major source of Association income. In the event that actual expenses are significantly higher than those forecasted, it may be necessary to increase assessments or levy a special assessment during the forecast period.

This forecast includes an anticipated uncollectible receivable of \$2,000. The Association actively pursues delinquent owners using a variety of available legal remedies. The Association has filed a lien against a unit that is delinquent and has revoked that unit's common area privileges. Given the current economic situation, should the association be unable to collect some of the common area fees or special assessments, the deficiency will be paid out of the association's operating savings account. As of March 22, 2011, the cash available in that account is \$28,954. This account would also be the source for any insurance deductible or other unanticipated expenses.

Interest income is assumed to be earned at a rate of approximately 1% on the replacement fund accounts.

B. Expenses

Insurance and management are the most significant expenses of the Association. The Board anticipates a slight increase in insurance and the budget for management has been increased slightly.

Snow removal expense is difficult to forecast. The budget for snow removal has been increased by \$3,000 for this forecast. An unusually severe winter could necessitate a special assessment to pay for snow removal.

Electricity expense has not been changed for this forecast year. Propane expense has been increased by \$5,200 based on actual costs experienced this year. Water and Sewer expense have been decreased based on the current year's experience.

The Board has budgeted for a manager's unit upgrade and also for leak repairs. Not all of the funds may be used this year; any surplus in these line items will be carried over to the next year.

Replacements and major repairs to the common area components are based on the Board's plans for these items during the forecast period.

Other expenses are based on prior years' actual costs adjusted for minimal anticipated changes.

Wildflower Condominiums Homeowners Association
Notes To Forecasted Statement of Revenues and Expenses

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial forecast has been prepared on the basis of the generally accepted accounting principles expected to be used in the financial statements covering the forecast period as described below.

A. Accounting Method

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future repairs and replacements, be classified separately for accounting and reporting purposes. Effective with this forecast, the Association has instituted a contingency fund for unforeseen expenses that will also be classified separately for accounting and reporting purposes.

Disbursements from the operating fund are generally at the discretion of the Board of Directors and the property manager. Disbursements from the replacement fund and the contingency fund are designated by the Board of Directors.

The Board's policy is to allocate to the replacement fund interest earned on all cash accounts, and all related income tax expense.

B. Recognition of Assets and Depreciation Policy

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statement because those properties are owned by the individual unit owners in common and not by the Association. Any real or personal property purchased by the Association and not included in the reserve fund, to which the Association holds title, costs more than \$5,000 and which could be disposed of for cash or claims to cash is capitalized at cost and depreciated over its estimated useful life using the straight-line method of depreciation. Any items which cost \$5,000 or less are expensed.

**Wildflower Condominiums Homeowners Association
Reserve Funding Disclosures
As of March 22, 2011**

RESERVE FUNDING DISCLOSURES

A. Current Assessments

Regular quarterly common area assessment rates effective as of May 1, 2011 are shown on page 6. An emergency special assessment to help offset the budget overrun for snow removal for the current winter season has been approved by the Board. The assessment will be due May 1, 2011 and the amount based on unit size is as follows:

One Bedroom Units	\$120
One Bedroom & Loft Units	\$140
Two Bedroom & Loft Units	\$159

There are no other additional special or emergency assessments scheduled to be imposed and/or that have been approved by the Board and/or members at this time.

B. Reserve Study

The Board of Directors commissioned a study of the major components of the common areas in February 2010. The study was performed by Stone Mountain Corporation, a firm that specializes in reserve studies. The list of major components, estimated replacement cost of each component and total and remaining useful life of each component data which appear on the following pages is based on that study and recent information obtained by the Board. A copy of the study is available to any owner upon request.

C. Replacement Fund Components

The major components of the common areas which have been identified are listed on the following pages. There are no components which have been identified, other than siding, which are not included in the funding data listed above. However, there may be components of the common areas which were not included in the reserve study because no replacement or major repair of the item is contemplated in the next thirty years. Siding is not listed in the reserve study as a major component. It is the current Board's plan to aggressively replace siding boards or sections as needed and to maintain a regular staining schedule in order to prolong the life of the siding.

At this time, the Board does not plan to defer the repair or replacement of any major components.

Replacement costs of the major components is increased each year based on a 4% inflation rate.

D. Current Funding Levels

There are several methods to evaluate funding levels. The association uses two, one mandated by the civil code and another based on cash flow. The two methods result in different assumptions.

As required by Civil Code Section 1365.2.5 (4), the association must report on the cash in the replacement fund as a percentage of the depreciation of all the major components in the replacement fund. As of April 30, 2011, the balance in the replacement fund is projected to be \$419,715. As of the same date, the balance required in the replacement fund to be 100% funded would be \$502,365. Therefore, the replacement fund is 84% funded. ($\$419,715/\$502,365$). Based on this method, the unfunded liability per unit is approximately \$989 for a one bedroom unit; \$1,154 for a one bedroom and loft unit and \$1,311 for a two bedroom and loft unit.

**Wildflower Condominiums Homeowners Association
Reserve Funding Disclosures
As of March 22, 2011**

Additional information on the anticipated funding levels for the next five years follows. This information assumes that the board will continue to fund the reserve according to the recommendations made in the 2010 reserve study. This information should not be construed to require the Board to fund reserves to any specific level.

Fiscal Year Ending:	2012	2013	2014	2015	2016
Estimated Amount to be 100% Funded	\$485,607	\$526,141	\$612,665	\$685,555	\$683,291
Projected Replacement Fund Cash	\$399,065	\$452,043	\$520,113	\$573,561	\$552,312
Projected Percent Funded Estimate	82%	86%	85%	84%	81%

The above chart represents a straight-line depreciation analysis. The percent funded estimate is a percentage of the replacement fund cash versus the life-to-date depreciation of the association's major components or "Fully Funded Balance." To be 100% funded using this method would require substantial amounts of cash and the replacement fund cash on hand would actually exceed the amount of cash necessary to fund replacements in any given year.

Since the straight-line analysis distorts the amount of cash required in a given year, the Board has adopted a funding plan based on a 30 year cash flow analysis that more accurately shows the cash needs year by year for each component. Based on the 30 year funding plan, the association should be able to fund replacement of the major components as listed on the following pages without special assessments.

The cash flow projection contains projected costs thirty years into the future. There will be differences, sometimes significant differences, between these projected costs and actual costs because circumstances do not always occur as expected. Factors such as inflation rates, the rate at which major components deteriorate, unanticipated damage to major components, fluctuations in material and labor costs are beyond the Board's control.

E. Outstanding Loans

As of March 22, 2011, the association does not have any outstanding loans.

**Wildflower Condominiums Homeowners Association
Regular Quarterly Common Area Assessments as of
May 1, 2011**

Unit No.	Regular Assessment	Unit No.	Regular Assessment
2	\$ 1,517	40	\$ 1,724
3	1,301	41	1,301
4	1,517	42	1,517
5	1,301	43	1,301
6	1,517	44	1,517
7	1,301	45	1,301
8	1,517	46	1,724
9	1,301	47	1,301
10	1,724	48	1,724
11	1,301	49	1,301
12	1,724	50	1,724
13	1,301	51	1,301
14	1,517	52	1,724
15	1,301	53	1,301
16	1,517	54	1,517
17	1,301	55	1,301
18	1,517	56	1,517
19	1,301	57	1,301
20	1,517	58	1,517
21	1,301	59	1,301
22	1,724	60	1,517
23	1,301	61	1,301
24	1,724	62	1,517
25	1,301	63	1,301
26	1,517	64	1,517
27	1,301	65	1,301
28	1,517	66	1,724
29	1,301	67	1,301
30	1,724	68	1,724
31	1,301	69	1,301
32	1,724	70	1,517
33	1,301	71	1,301
34	1,517	72	1,517
35	1,301	73	1,301
36	1,517	74	1,517
37	1,301	75	1,301
38	1,724	76	1,517
39	1,301	Total	\$ 108,700

**Wildflower Condominiums Homeowners Association
Forecasted Replacement Fund Activity
For the Year Ending April 30, 2012**

Replacement Fund Activity

The following forecasted information is based on the component study and the Board's funding policies.

Component	Useful Life (Yrs.)	Remaining Life (Yrs.)	Replacement Cost	Annual Expense	Replacement Liability	Replacement Fund Cash & Investments	Unfunded Liability	Average Per Unit Unfunded Liability	Percent Funded		
Roofs	23	6	262,080	11,395	193,711						
Asphalt Sealcoat/Crack Fill	2	2	9,100	4,550	0						
Asphalt Patch (Partial Areas)	3	3	19,219	6,406	0						
Asphalt Petromat Overlay	20	5	164,237	8,212	123,178						
Pool Resurface	12	6	30,000	2,500	15,000						
Spa Resurface	10	1	16,000	1,600	14,400						
Pool/Spa Heaters/Filters	10	7	8,320	832	2,496						
Concrete Pool Deck (75%)	30	11	19,500	650	12,350						
Wood Pool Area Fence	22	11	11,440	520	5,720						
Pool/Spa Restroom Remodel	35	15	10,400	297	5,943						
Staining	3	0	90,000	30,000	90,000						
Wood Decks - Phase I	40	36	33,280	832	3,328						
Wood Decks - Phase II	40	40	33,280	832	0						
Tennis Court Resurface	7	1	5,200	743	4,457						
Tennis Court Repave	35	6	26,000	743	21,543						
Snowblowers (2010)	6	6	2,612	435	0						
Snowblowers (2011)	6	0	2,900	483	2,900						
Lawn Tractor	7	3	5,200	743	2,971						
Wildflower Entry Signs (2)	25	24	5,200	208	208						
Unscheduled Capital Expense	1	0	4,160	4,160	4,160						
Forecasted Balance at 05-01-11					\$502,365	-	419,715	=	\$82,650		
Annual Wear & Tear of Major Components*				76,141	*	76,141	-	=	\$76,141		
Budgeted Additions During Year:											
			- Common Area Assessments			0	-	69,400	=	(\$69,400)	
			- Interest			0	-	3,650	=	(3,650)	
Budgeted Reductions During Year:											
			- Taxes			0	-	(800)	=	800	
			- Snowblower			(2,900)	-	(2,900)	=	0	
			- Staining			(90,000)	-	(90,000)	=	0	
Forecasted Balance at 04-30-12					\$485,607	-	\$399,065	=	\$86,542	\$1,154	82%

*Annual Funding Required to Maintain 100% Funding

Notes: Remaining Life means the time reasonably calculated to remain before a major component will require replacement.

For the purposes of this report, the amount of reserves needed to be accumulated for a component at a given time is 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.

Wildflower Condominiums Homeowners Association

March 2011

Dear Owner:

Attached are summaries of the association's insurance policies.

These summaries of the association's policies of insurance provide only certain information, as required by subdivision (f)(1) of section 1365 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies, and upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance 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 their individual insurance broker or agent for appropriate additional coverage.



STATE FARM GENERAL INSURANCE COMPANY
900 OLD RIVER RD, BAKERSFIELD CA 93311-6000
A STOCK COMPANY WITH HOME OFFICES IN BLOOMINGTON, ILLINOIS

Named Insured and Mailing Address
12-3628-F784 U
WILDFLOWER CONDO HOMEOWNERS
ASSOCIATION
PO BOX 2242
MAMMOTH LAKES CA 93546-2242

CONDO/ ASSOC POLICY - SPECIAL FORM 3

Inflation Coverage Index: 202.6

AUTOMATIC RENEWAL - If the **POLICY PERIOD** is shown as **12 MONTHS**, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Policy Period: 12 Months The policy period begins and ends at 12:01 am standard time at the premises location.
Effective Date: MAY 8 2010
Expiration Date: MAY 8 2011

Named Insured: HOMEOWNER ASSOCIATION

Your policy is amended JUL 12 2010
ADDITIONAL INSURED ADDED
ENDORSEMENT FE-6320 ADDED

Location of Covered Premises:

**See Schedule Page(s) for Location of Premises

Coverages & Property

Limits of Insurance

Section I	
A Buildings (Blanket)	\$ 12,332,700
B Business Personal Property (Blanket)	\$ 19,300
Section II	
L Business Liability	\$ 1,000,000
M Medical Payments	\$ 5,000
Products-Completed Operations (PCO) Aggregate	\$ 2,000,000
General Aggregate (Other Than PCO)	\$ 2,000,000

Deductibles - Section I

\$ 10,000 Basic
20% Earthquake

In case of loss under this policy, the deductible will be applied to each occurrence and will be deducted from the amount of the loss. Other deductibles may apply - refer to policy.

Forms, Options, and Endorsements

Special Form 3	FP-6149
*Additional Insured	FE-6320
Developer/Sponsor Exclusion	FE-6384
Amendatory Endorsement	FE-6205
Tree Debris Removal	FE-6451
Policy Endorsement	FE-6506.2
Condo-Assn Policy Endorsement	FE-6466
* New Form Attached	

Endorsement Premium None

Discounts Applied:
Renewal Year
Multiple Unit
Claim Record

Continued on Reverse Side of Page

OTHER LIMITS AND EXCLUSIONS MAY APPLY - REFER TO YOUR POLICY

Prepared
AUG 06 2010
P-8010.3C
06/1992

PMTF

Our policy consists of this page, any endorsements and the policy form. PLEASE KEEP THESE TOGETHER.

Countersigned

By Linda Wright
LINDA WRIGHT
(60) 934-7575

Aug 18, 2010

Agent



CONDO/ ASSOC POLICY - SPECIAL FORM 3

Forms, Options, and Endorsements

Earthquake/Volcanic Eruption	FE-6307 2
Auto & O Liability Limit Increase	FE-6498.1
Class Deductible - Sect I	FE-6538.1
Policy Endorsement	FE-6567
Extra Replacement Cost Cov	FE-6507 1
Mandatory Collapse	FE-6551
Policy Endorsement-Condo/Asn	FE-6624
Terrorism Insurance Cov Notice	FE-6999.1
Exc Cost and Demolition Cov	FE-6587
Registered Domestic Partnership	FE-5383
Bldg Ordinance or Law Covg	FE-6476.1
List Mat Violat Statues Excl	FE-6655
Policy Endorsement	FE-6656
Mandatory Reporting Endorsement	FE-5801
Dir & Officers \$2,000,000	Option DO
Exterior Signs \$5,000	Option ES

IMPORTANT NOTICE:

California law requires us to provide you with information for filing complaints with the State Insurance Department regarding the coverage and service provided under this policy.

Complaints should be filed only after you and State Farm or your agent or other company representative have failed to reach a satisfactory agreement on a problem.

Please forward such complaints to: **California Department of Insurance
Consumer Services Division
300 South Spring Street
Los Angeles, CA 90013**

Or call toll free: 1-800-927-HELP

SCHEDULE PAGE

Policy Number

90-60-2193-5

STATE FARM GENERAL INSURANCE COMPANY
900 OLD RIVER RD, BAKERSFIELD CA 93311-6000
A STOCK COMPANY WITH HOME OFFICES IN BLOOMINGTON, ILLINOIS



Named Insured and Mailing Address
12-3628-F784 U
WILDFLOWER CONDO HOMEOWNERS
ASSOCIATION
PO BOX 2242
MAMMOTH LAKES CA 93546-2242

EFFECTIVE DATE
MAY 8 2010

CONDO/ ASSOC POLICY - SPECIAL FORM 3

THE LOCATION OF PREMISES IS EXTENDED TO INCLUDE THE FOLLOWING. INSURANCE IS PROVIDED SUBJECT TO ALL THE TERMS OF THIS POLICY INCLUDING FORMS, OPTIONS AND ENDORSEMENTS MADE A PART HEREOF:

Table with 2 columns: Location Number and Location of Premises. Rows 001-011 list units 1-4, 5-8, 9-12, 13-16, 17-20, 21-24, 25-28, 29-32, 33-36, 37-40, and 41-44 at 460002 Arrowhead Dr, Mammoth Lakes CA 93546.

Continued

Location Number	Location of Premises
012	UNIT 45-48 460002 ARROWHEAD DR MAMMOTH LAKES CA 93546
013	UNIT 49-52 460002 ARROWHEAD DR MAMMOTH LAKES CA 93546
014	UNIT 53-56 460002 ARROWHEAD DR MAMMOTH LAKES CA 93546
015	UNIT 57-60 460002 ARROWHEAD DR MAMMOTH LAKES CA 93546
016	UNIT 61-64 460002 ARROWHEAD DR MAMMOTH LAKES CA 93546
017	UNIT 65-68 460002 ARROWHEAD DR MAMMOTH LAKES CA 93546
018	UNIT 69-72 460002 ARROWHEAD DR MAMMOTH LAKES CA 93546
019	UNIT 73-76 460002 ARROWHEAD DR MAMMOTH LAKES CA 93546

**ADDITIONAL INSURED ENDORSEMENT
DESIGNATED PREMISES ONLY**

Policy No.: 90-60-2193-5



Named Insured:
WILDFLOWER CONDO HOMEOWNERS
ASSOCIATION
PO BOX 2242
MAMMOTH LAKES CA 93546-2242

Name of Additional Insured:
SCHWIND, STEPHEN W & CAROLYN
HIGH COUNTRY MANAGEMENT
PO BOX 2357
MAMMOTH LAKES CA 93546-2357

Address of Additional Insured:

Interest of Additional Insured:
PROPERTY MANAGER

Location of Premises:

460002 ARROWHEAD DR UNIT 73-76, MAMMOTH LAKES CA 93546

The word "insured", wherever used in this policy, also includes the designated person or organization named above as Additional Insured under the provisions of the policy Sections shown below as applicable by an "X" to the extent indicated

- SECTION I. This applies only to **COVERAGE A - BUILDINGS.**
- SECTION I. This applies only to **COVERAGE B - BUSINESS PERSONAL PROPERTY.**

Description of Property

- SECTION II. This applies only to **COVERAGE L - BUSINESS LIABILITY** and **COVERAGE M - MEDICAL PAYMENTS** and then only with respect to the ownership, maintenance or use of the premises designated above and operations necessary or incidental thereto. These SECTION II coverages do not apply to:
- 1 structural alterations or new construction performed by or on behalf of the designated person or organization,
 - 2 **personal injury** caused by the designated person or organization,
 - 3 liability the designated person or organization assumed under a contract, or
 - 4 **products-completed operations hazard** arising out of goods or inventory which are not sold or distributed by you or arising out of the manufacturing or packaging of such goods or inventory.

All other provisions of the policy apply



900 Old River Rd
Bakersfield, CA 93311-6000

AT1 X-12- 3628-F784 M F

000850
WILDFLOWER CONDO HOMEOWNERS
ASSOCIATION
PO BOX 2242
MAMMOTH LAKES CA 93546-2242

Same as Mailing Address

Forms, Options, and Endorsements

Commercial Liability Umbrella	FP-8180
Amendatory Endorsement	FE-8891
Employment Rel Practices Amend	FE-8798
Fungus (Incl Mold) Liab Excl	FE-7647
Pollution Exclusion-Absolute	FE-8800
Registered Domestic Partnership	FE-5383
Dist Mat Violat Statues Excl	FE-6655
Policy Endorsement	FE-8730
Terrorism Insurance Cov Notice	* FE-6999.1

*Effective: JAN 06 2011

POLICY NUMBER	90-NT-4430-6
Commercial Liability Umbrella Policy JAN 06 2011 to JAN 06 2012	
DATE DUE	SEE BALANCE DUE NOTICE
JAN 06 2011	\$332.00

Coverages and Limits	
L Business Liability	\$1,000,000
Annual Premium Amount Due	\$332.00 \$332.00

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

Refer to your Declaration page and any endorsements for other coverages, forms, and limits information.

RECEIVED

NOV 10 2010

BUTNER HOA SERVICES

*If you have moved, please contact your agent.
See reverse side for important information.*

Prepared

NOV 01 2010

Thanks for letting us serve you...

3078 201E 1

**Agent LINDA WRIGHT
Telephone (760) 934-7575**

REB

SEPTEMBER 09, 2010

Fire Policy Status

WILDFLOWER CONDO HOMEOWNERS
ASSOCIATION
PO BOX 2242
MAMMOTH LAKES CA 93546-2242

H Ph. (760)934-4600
FIRE Policy: 90-36-8332-7 F Yr issd: 1987
Xref:

Type: FIDELITY BOND
Coverage information
BOND-AMOUNT 200000
Term: CONT
Premium: 394.00
Renew date: JUL-15-11

Amount paid: 394.00
Date paid: JUN-08-10
Bill to: INSD

Prev prem: 394

Prev risk: 200,000

Deductibles applied: DEDUCTIBLES MAY APPLY - SEE FILE

Messages:



STATE FARM INSURANCE
LINDA WRIGHT
P.O. Box 2369
427 Old Mammoth Rd, Ste J
Mammoth Lakes, CA 93546
(760) 934-7575



HOME OFFICE	SAN FRANCISCO	ANNUAL RATING ENDORSEMENT
IT IS AGREED THAT THE CLASSIFICATIONS AND RATES PER \$100 OF REMUNERATION APPEARING IN THE CONTINUOUS POLICY ISSUED TO THIS EMPLOYER ARE AMENDED AS SHOWN BELOW.		

HERE ARE YOUR NEW RATES FOR THE PERIOD INDICATED. IF YOUR NAME OR ADDRESS SHOULD BE CORRECTED OR IF INSURANCE IS NOT NEEDED FOR NEXT YEAR, PLEASE TELL US.

IMPORTANT THIS IS NOT A BILL
SEND NO MONEY UNLESS STATEMENT IS ENCLOSED

CONTINUOUS POLICY 637-11
CALIFORNIA HOMEOWNERS MANAGEMENT ASSN

THE RATING PERIOD BEGINS AND ENDS AT 12:01AM
PACIFIC STANDARD TIME

WILD FLOWER HOMEOWNER'S ASSN
PO BOX 2242
MAMMOTH LAKES, CALIF 93546

RATING PERIOD 1-01-11 TO 1-01-12
UNIT 627
DEPOSIT PREMIUM \$625.00
MINIMUM PREMIUM \$625.00
PREMIUM ADJUSTMENT PERIOD SEMI-ANNUAL
R NK

NAME OF EMPLOYER- WILD FLOWER HOMEOWNER'S ASSOCIATION
(AN ASSOCIATION)

CODE NO. PRINCIPAL WORK AND RATES EFFECTIVE FROM 01-01-11 TO 01-01-12

		PREMIUM BASIS	BASE RATE	INTERIM BILLING RATE*
9066-1	HOMEOWNERS ASSOCIATIONS	159	11.50	10.49

*****BUREAU NOTE INFORMATION*****

FEIN 953426648

TOTAL ESTIMATED ANNUAL PREMIUM \$625

Wildflower Condominiums Homeowners Association

Policy Regarding Distribution of Minutes

The Board's policy is to send owners a copy of minutes of each board meeting and the annual owners meeting (usually within 30 days after the meeting). There is no charge for this service.

An owner may obtain additional copies of meeting minutes by sending \$8.00 and a self-addressed envelope to Butner Homeowner Assoc., Svcs., P.O. Box 1999, Mammoth Lakes, CA 93546.

When ordering minutes, please specify the date of the meeting for which you want the minutes.

Policy Regarding Secondary Owner Addresses

An owner has the right to submit to the Association a secondary address for purposes of sending collection notices in accordance with Civil Code Section 1367.1 (k). The owner's request shall be in writing and shall be mailed to the association in a manner that shall indicate the association has received the request. The owner's request should be mailed to the office of Butner Homeowner Assoc., Services, P.O. Box 1999, Mammoth Lakes, CA 93546.

Wildflower Condominiums Homeowners Association

Collection Policies – Effective May 1, 2011

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 homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&Rs and Civil Code Section 1365 (e), the following are the Association's assessment practices and policies:

1. 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 (Civil Code Section 1367(a); Civil Code Section 1367.1(a)).
2. Regular quarterly assessments are due and payable on the first day of each quarter. A courtesy billing statement is sent each quarter 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 quarter regardless of whether a statement is received.** Special assessments are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.
3. Any payments made shall be first applied to assessments owed, and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.
4. Assessments not received within thirty (30) days of the stated due date are delinquent and shall be subject to a late charge of ten percent (10%) of the amount of the assessment, for each delinquent assessment per unit.
5. An interest charge at the rate of 12% per annum will be assessed against any outstanding balance, including delinquent assessments, late charges and cost of collection, which may include attorneys' fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.
6. If the special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.
7. A first notice of past due assessment ("late letter") will be prepared and mailed once an assessment becomes delinquent for 30 days (that is, has not been paid within 60 days of the original due date). A forty dollar (\$40) charge for the late letter will be made against the delinquent member's account.

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.

8. If an assessment is not received within forty-five (45) days after the assessment becomes delinquent, the Association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the owner as required by Civil Code Section 1367(a) (for liens that may record before January 1, 2003) or 1367.1 (a) (for liens that may record on or after January 1, 2003), by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account and impending collection action. The owner will be charged a fee for the pre-lien letter.

9. If an owner fails to pay the amounts set forth in the pre-lien letter within thirty (30) days of the date of the letter, the Association will authorize a collection agent to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorney's fees, against the owner's property. The owner will be charged for the fees and costs of preparing and recording the lien. Thirty (30) days following recordation of the lien, the lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Civil Code Section 1367(e); Civil Code Section 1367.1(g)).

10. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.

11. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.

12. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.

13. 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.

14. An owner may dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's meet and confer IDR procedure, as set forth in Civil Code Section 1363.810 et seq.

15. An owner may also request alternative dispute resolution with a neutral third party before the association initiates foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

16. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association.

17. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the Association.

18. If an owner's check is returned by the bank, the check will not be re-deposited. The owner will be sent a notice stating that the association requires a replacement check which will include reimbursement for the fee charged by the bank and any handling fees associated with the returned check.

19. Owners may notify the association of a secondary address for purposes of collection notices. Upon receipt of a written request by an owner identifying a secondary notice, the association shall send any notices required by Section 1367.1(k) of the Civil Code to the secondary address provided.

20. All charges listed herein are subject to change upon thirty (30) days' prior written notice.

21. **The mailing address for overnight payment of assessment is:** Butner Homeowner Assoc. Services, P.O. Box 1999, 2 Oak Tree Place, Mammoth Lakes, CA 93546-1999.

SUMMARY OF INTERNAL DISPUTE RESOLUTION PROCESS

In accordance with Civil Code Section 1363.810, etseq., the following internal dispute resolution process is to be followed by the Association and owners in connection with disputes between the Association and an owner involving their rights, duties or liabilities under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code) or under the Association's governing documents.

Either party to a dispute 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. An owner 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.
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.
6. The agreement reached binds the parties and is judicially enforceable if both of the following conditions are satisfied:
 - A) The agreement is not in conflict with the law or the governing documents of the common interest development or association; and
 - B) 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.
7. A member of the association may not be charged a fee to participate in the process.

**SUMMARY OF CALIFORNIA CIVIL CODE §1369.5
RELATING TO ENFORCEMENT OF GOVERNING DOCUMENTS
THROUGH ALTERNATIVE DISPUTE RESOLUTION**

California Civil Code §1369.5 addresses your right to sue the association or another member of the association regarding the enforcement of the governing documents. The following is a summary of the provisions of Civil Code §1369.5.

Civil Code §1369.5 encourages parties to a dispute involving enforcement of an association's governing documents to submit the dispute to a form of alternative dispute resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost-effective resolution of such disputes, to better preserve community cohesiveness and to channel CC&R disputes away from our state's court system.

Under Civil Code §1369.5, the form of alternative dispute resolution may be binding or non-binding and the costs will be shared unless some other agreement is reached between the parties involved.

Any party to a dispute regarding enforcement of the governing documents may initiate the process of ADR by serving a Request for Resolution of another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (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.

If the Request is accepted, the ADR must be completed within 90 days of receipt of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to the owner of a separate interest must include a copy of Civil Code §1369.5 in its entirety.

FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 1369.520 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.

Should the association or an individual member wish to file a lawsuit for enforcement of the association's governing documents, the law requires the association or the individual to file a certificate with the court stating that ADR has been completed prior to the filing of the suit. Failure to file this certificate can be grounds for dismissing the lawsuit. There are limited exceptions to the filing of this required certification of the attempts made to seek resolution. If one of the other parties to the dispute refused ADR prior to the filing of the complaint, the certificate should so state. If immediate action is needed by seeking a preliminary or temporary injunctive relief or the statute of limitation period for filing the suit will expire within 120 days of the lawsuit being filed, the certificate should so state the necessity of immediacy. This certification would act to avoid having the court dismiss the action.

Furthermore, in any lawsuit to enforce the governing documents, the prevailing party may be awarded attorney's fees and costs under Civil Code §1369.5, and the statute also says that the court may consider any party's refusal to participate in ADR prior to the lawsuit being filed when it determines the amount of the award.

THE COMPLETE TEXT OF SEC 1369.5 IS REPRODUCED ON THE BACK OF THIS PAGE

CIVIL CODE SECTION 1369 510-1369 590

1369 510 As used in this article (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial 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

1369 520 (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 five thousand dollars (\$5,000) (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

1369 530 (a) Any party to a dispute may initiate the process required by Section 1369 520 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

1369 540 (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

1369 550 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 1369 530 for response to a Request for Resolution (b) If the Request for Resolution is accepted, the period provided by Section 1369 540 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 1369 540

1369 560 (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

1369 570 (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

1369 580 In an enforcement action in which fees and costs may be awarded pursuant to subdivision © of Section 1354, 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

1369 590 (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 Section 1369.520 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 required by Section 1365 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, as required by Section 1363 850

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 Section 1367.4 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 1366, 1367.1 and 1367.4 of the Civil Code)

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 collection fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirement are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owned by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

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

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may, 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 5 of the Civil Code (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An Owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standard for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request of a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)