

ANNUAL HOMEOWNERS' MEETING DOCUMENTS, BUDGET, & DISCLOSURES

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Also included:	
FORM (WHITE): Annual Contact Information Form (Civil Code §4041)	
FORM (PINK): Annual Meeting Proxy Form (DEADLINE TO RETURN: OCTOBER 25, 2025)	
BALLOT (BLUE): Revenue Ruling Ballot (DEADLINE TO RETURN: OCTOBER 25, 2025)	
RETURN ENVELOPE (White, Postage Paid) Please use this to return the ballot & proxy form.	

NOTICE OF ANNUAL MEMBERSHIP MEETING

The Annual Membership Meeting of Carnelian Woods will be held at

11AM, Saturday, October 25, 2025

Location: This meeting will be held **in person** at the Carnelian Woods Lodge **and virtually** via Google Meet.

See connection links below.

Online: <https://meet.google.com/pwy-ozvg-gwn>

Google Meet Smartphone App code: pwy-ozvg-gwn

Telephone: +1 904-900-0934 and enter this PIN: 303 967 020#

To view more phone numbers, see: <https://meet.google.com/tel/pwy-ozvg-gwn?hs=5>

MEETING AGENDA

A. ROLL CALL - COUNT BALLOTS (IF NEEDED TO MEET QUORUM)

B. CALL TO ORDER

C. PRESIDENTIAL ANNOUNCEMENTS – Report to Membership

D. FINANCIAL REVIEW – Board Treasurer to Review Status of Association Financials

E. COMMITTEE REPORTS

1. Insurance
2. Amenities (formerly Pool/Spa)
3. Forestry
4. Bylaws Update
5. Strategic Planning
6. Architectural Review Committee (ARC)

***** ACTION ITEMS *****

F. REVIEW/APPROVE 2024 ANNUAL MEETING MINUTES

1. Review / Approve the October 26, 2024, Annual Meeting minutes

G. NEW BUSINESS

1. Review of 2025-2026 Board of Directors Election
2. IRS Revenue Ruling 70-604 Ballot Outcome

H. 2026 ANNUAL MEETING DATE

1. Saturday, October 24, 2026

- I. OPEN FORUM.** During open forum, each attendee may address the board for up to three (3) minutes. A director or manager may briefly respond to statements made or questions posed. Speakers must observe rules of decorum and not engage in other disruptive behavior. If a speaker is in the middle of a sentence when time is called, he/she may finish their thought before sitting down. The time guidelines ensure that others will have an opportunity to speak. Speakers may not allot their time to others. All persons must follow the Meeting Rules listed at the bottom of this agenda.

J. ADJOURNMENT

MEETING RULES: No audio or video recording allowed by attendees. However, the secretary may record the meeting to aid in the preparation of minutes. The recording is deleted once the minutes have been prepared. As provided in the "Open Meeting Act," members may observe the meeting but do not have the right to participate in the board's deliberations or votes. Members may address issues during the open forum portion of the meeting. If attendees become disruptive, they may be expelled from the meeting and/or fined.

A copy of the minutes or a summary of the minutes of the meeting will be provided to the unit's owners upon request, in electronic format at no charge to the unit's owner or, if the association is unable to provide the copy or summary in electronic format, in paper format at a cost not to exceed 25 cents per page for the first 10 pages, and 10 cents per page thereafter.

CARNELIAN WOODS

ANNUAL MEETING MINUTES

11:00 AM on Saturday, October 26, 2024
In-Person and Via Google Meet

A. Call to Order – President

Meeting Called to Order at 11:01 AM.

Roll Call/Quorum Check:

Position	Unit #	Name	Present	
			Yes	No
President	24	Don Adams	X	
Vice President	11	Celia Barry	X	
Treasurer	36	George Shaw	X	
Secretary	139	Larry Nowels		X
Board Member	112	Dave Sullivan	X	
Board Member	52	Mike Proffitt	X	
Board Member	148	Perry Fox	X	
Board Member	57	Carlos Sanchez	X	

Quorum Confirmed

B. Review/Approve Annual Meeting Minutes

- Minutes for the 2023 Annual Meeting were previously approved in November 2023. No action needed.

C. Presidential Announcements – Report to Membership by Don Adams

- Organizational/Staff Changes – Alpenhof Management Services, LLC, was hired in February 2024, for staff, association, financial, and office management.

Welcome to Scott Hoffman, the new Facilities Manager who started this month. Scott will report to Alpenhof Management. Thank you to current staff – David, Albertico, Ray, Nick T. (Summer), and Tyson (Temporary) – for their hard work.

Beginning in July 2024, TruckeeHR was hired as a human resources consultant. The association will be initiating a Health Savings Account for employees.

- Insurance – Farmers Insurance submitted a non-renewal of property insurance in December 2023. The board and committee experienced many challenges in obtaining new property coverage. Pacific Premier Insurance assisted in obtaining property coverage through California Fair Plan prior to expiration of Farmers' policy. California Fair Plan only covers

damage due to fire. The board and committee are investigating whether a DIC (Difference in Coverage) policy can be obtained for other possible perils, such as ice & snow.

Winter 2022-23 Damage Claim – Restoration Management Company (RMC) was obtained in October 2023 to address repairs from this claim. The work is mostly complete, including windows, siding, and roofing. Balcony repair work is still pending. Damage totaled over \$1 million.

3. Major Accomplishments – The president reviewed some of the accomplishments of the past year, including but not limited to:

- Balcony Inspections per CA Civil Code
- Asphalt Repairs, Crack Seal, & Striping
- Resolved Potential Litigation
- Improved Lodge insulation
- Updated the Reserve Study
- Purchase of a newer truck for maintenance & snow removal
- Continuous Improvement of Defensible Space
- Progress Towards Understanding Overall Development Potential of the Property

D. **Financial Review** – George Shaw provided a financial review of the association. He noted that significant money was saved by not having a General Manager this year, compared to years past. This year's dues were a 15% increase over last year; 4% of which has gone to funding reserves. Operationally, the association is in good shape; however, reserve funding could be improved. Larger replacement projects account for 25% of the reserve study funding plan. The reserves are currently considered to be 8.5% funded. The board and committee continue to try to find the balance between raising dues and contributing more funding to reserves. Energy improvements and changes are being made to reduce utilities costs.

E. Committee Reports

1. Amenities (formerly Pool/Spa) – The committee is researching how to move toward “unmanned” amenities such as pool, spas, and lodge.
2. Forestry – Firewise certificate renewal paperwork has been submitted. The current certificate is good through the end of the calendar year. Sugar Pine seedlings were planted in May 2024 in the upper lots area; some have survived. The committee is hopeful that the burn piles made a few years ago will be burned this year. North Tahoe Fire will supervise/monitor this project. There was a fire on Sahara Dr in July; no injuries or structure damage was reported. The committee thanked those who volunteered for the Rake-Off event on July 12.

3. Bylaws Update – Committee chair was not present. The bylaws are in the process of being updated, and an update of the CC&Rs will follow. These updates will eventually require membership approval.
4. Strategic Planning – The committee has been primarily working on the updates to the Reserve Study, and investigating the development potential of the property. There are many capital assets at Carnelian Woods that could potential help with funding for needed projects.
5. Architectural Review Committee (ARC) – Committee chair was not present. The president requested that homeowners reach out to the committee if they wish to make any alterations to their unit that would affect the exterior.

F. New Business

1. Review of 2024-2025 Election by Acclamation – There were three positions available on the Board of Directors this year, and three nominations were made. The three nominees were deemed to be elected to the Board of Directors by acclamation:
 - Don Adams, Unit 24
 - George Shaw, Unit 36
 - Lindsey Pho, Unit 54

Mike Proffitt's term on the board is expiring today. Thank you to Mike for his participation.

G. Next Annual Meeting – Saturday, October 25, 2025

H. Open Forum - An Open Forum was held, where members were given an opportunity to address the board.

I. Adjournment 1:23 PM

Signed: _____ Date: _____

ANNUAL BUDGET REPORT Information Included per Civil Code § 5300

1. **Pro Forma Operating Budget**
2. **Reserve Summary:** Included in the Assessment and Reserve Funding Disclosure Summary (Civil Code § 5300, 5550 and 5560).
3. **Reserve Funding Plan:** Included in the Assessment and Reserve Funding Disclosure Summary (Civil Code § 5300, 5550 and 5560). Full report available at: www.carnelianwoods.org/board-of-directors.
4. **Major Component Repairs:** Included in the Assessment and Reserve Funding Disclosure Summary (Civil Code § 5300, 5550 and 5560).
5. **Anticipated Special Assessments:** Included in the Assessment and Reserve Funding Disclosure Summary (Civil Code § 5300, 5550 and 5560).
6. **Reserve Funding Mechanism:** Included in the Assessment and Reserve Funding Disclosure Summary (Civil Code § 5300, 5550 and 5560).
7. **Procedures for Calculating Reserves:** Included in the Assessment and Reserve Funding Disclosure Summary (Civil Code § 5300, 5550 and 5560).
8. **Outstanding Loans** (Civil Code § 5300(b)(8))
9. **Insurance Disclosure** (Civil Code § 5300(b)(9))
10. **Assessment & Reserve Form:** Included in the Assessment and Reserve Funding Disclosure Summary (Civil Code § 5300, 5550 and 5560)
11. **FHA/VA Certification**

Carnelian Woods
Financial Forecast/Budget
Statement of Operating Fund Revenue and Expenses and Changes in Fund Balance
For the Year Ending September 30, 2026

		2024-2025 BUDGET	2024-2025 ESTIMATE	2025-2026 BUDGET
Revenue				
	Dues and Assessments	1,083,712	1,083,712	1,684,568
	Reserve Fund Allocation	(296,060)	(296,060)	(361,052)
	Special Assessments	113,044	110,170	-
	Addtl Insurance Assessment - Operating	-	94,636	-
	Addtl Insurance Assessment - Reserve	-	59,000	-
	Addtl Insurance Assessment Allocated to Reserve	-	(59,000)	-
	Rental Income	40,800	41,700	21,300
	Late Charges	1,000	3,794	1,000
	Transfer Fees	1,680	1,050	1,200
	Misc. Income	500	257	500
	Fall Maintenance Income	1,200	8,002	1,200
	Returned Item Fee	-	25	-
	Operating Interest	-	275	-
	Total Revenue	946,376	1,047,562	1,348,716
Expense				
Administrative Expenses				
	Bank Service Charges	60	60	60
	Insurance	112,415	187,571	380,325
	Licenses and Permits	2,257	2,287	2,300
	Meetings - Director & HO	2,500	570	2,500
	Miscellaneous	3,600	2,839	3,000
	Office Expenses/Supplies	7,826	4,739	9,000
	Postage and Delivery	2,950	3,287	2,150
TOTAL	Administrative Expenses	131,608	201,353	399,335
Payroll Expenses				
	Employees Benefits	13,150	14,653	27,084
	Payroll Tax Expense	28,020	29,598	37,101
	Payroll Service Fee	4,680	4,656	5,028
	Wages - Maint/Mgmt	176,900	302,515	353,347
	Wages - Rec	116,974	-	-
	Workers Comp Insurance	9,764	11,327	12,200
TOTAL	Payroll Expenses	349,488	362,749	434,760
Professional Services				
	Professional Consulting Fees	4,000	3,000	4,500
	Management Fee	99,450	93,600	96,330
	Accounting/Audit Review/Tax Prep	6,300	9,450	7,500
	Legal Fees	7,800	6,013	6,500
	Security Services	9,840	4,298	11,981
TOTAL	Professional Services	127,390	116,361	126,811
Taxes				
	Taxes - Federal	1,500	4,157	4,157
	Taxes - Property	7,335	10,752	10,967
	Taxes - State	800	2,393	2,394
TOTAL	Taxes	9,635	17,302	17,519
Utilities				
	Telephone/Internet	2,140	1,541	1,697
	Utilities - Other	6,150	6,018	8,052
	Utilities - Refuse	49,574	49,595	52,075
	Utilities - Lodge	32,788	42,435	29,734
	Utilities - Pavilion	8,677	9,202	9,742
	Utilities - Pool	16,257	11,754	23,554
TOTAL	Utilities	115,586	120,545	124,854
Amenities Maintenance				
	Lodge Maintenance Supplies	3,600	38,603	5,660
	Pool/Spa Repairs	400	8,582	27,520
	Supplies Pool/Spa	13,800	14,258	-
TOTAL	Amenities Maintenance	17,800	61,443	33,180
Grounds Maintenance				
	General Ground Maintenance & Supplies	5,000	-	49,700
	Materials/Supplies Grounds Maintenance	2,200	4,644	-
	Forestry Management	20,000	18,959	-
	Asphalt Sealing /Striping	-	15,355	-
	Snow Removal Supplies	5,000	3,206	5,000
	Snow Removal Contract	40,000	14,704	30,000
TOTAL	Grounds Maintenance	72,200	56,868	84,700

Building Maintenance				
	Pavilion	2,000	843	-
	Fall Maintenance	10,500	8,316	-
	Bat Inspections/Mitigation	1,525	3,050	-
	General Building Maintenance	2,000	1,380	-
	Under Unit Repair	2,000	2,949	-
	Deck Repairs	-	62	-
	Building Maintenance	-	218	20,275
TOTAL	Building Maintenance	18,025	16,818	20,275
Equipment Maintenance and Fuel				
	Fuel	10,200	10,197	10,000
	General Equipment Maintenance	9,600	14,389	11,060
	Vehicle Expense	-	10	-
TOTAL	Equipment Maintenance and Repairs	19,800	24,595	21,060
Other Expense				
	Employee Settlement	6,000	60,797	-
TOTAL	Other Expense	6,000	60,797	-
TOTAL EXPENSE				
		867,532	1,038,833	1,262,494
Excess of Revenue Over/(Under) Expenses				
		78,844	8,729	86,222
10/1/24 Fund Balance Carry Over Beg Balance (net of P&E)				
		59,016		
24/25 Forecast Over/Under				
		8,729		
Estimated Fund Balance at 9/30/25				
		67,745		
Budget 25/26 Over/Under				
		86,222		
2025 Fund Balance Estimated at 9/30/26				
		153,967		

**Statement of Replacement Fund Revenue, Expenses and Changes in Fund Balance
For the Year Ending September 30, 2026**

	2024-2025 BUDGET	2024-2025 ESTIMATE	2025-2026 BUDGET
Revenue			
Dues Allocated to Reserves	296,060	296,060	361,052
Insurance Proceeds - Bat	-	31,900	-
Insurance Proceeds - Balconies	-	193,699	-
Interest Income - Reserve	10,350	6,654	6,000
Special Assessment - Reserve Insurance	-	59,000	-
Total Revenue	306,410	587,313	367,052
Expense			
Truck	-	3,400	-
Furniture Replacement	-	-	-
Asphalt Seal/Repair	20,500	11,900	42,332
Pavilion	20,500	41,023	51,250
Unit Balconies	-	194,218	5,125
Lighting Project	51,250	-	17,700
Wood Fence - Replace	-	202	2,365
Structural Improvements	9,328	-	107,492
Roofs	-	-	33,305
Forestry/Defensible Space	-	15,000	-
Pool/Spa Expense	-	1,012	-
Pool Resurface	-	4,323	-
Spa Filters - Replace	-	198	-
Pool Pumps - Replace	-	8,615	-
Pool Cover/Reel - Replace	3,192	-	-
Spa Covers	1,538	-	-
Tennis Court	1,845	460	-
Landscaping	30,750	-	10,250
Furnishings	1,538	1,420	-
Security System	51,250	41,006	-
Infrastructure	18,450	2,228	350,032
Bat Exclusion	-	37,200	5,125
Reserve Study	-	-	500
Lodge Improvements	7,175	339	-
Signs	-	1,816	-
Bank Service Charges	-	300	300
Maint Equipment	-	-	23,613
Misc	-	-	10,250
Total Expense	217,316	364,660	659,639
Excess of Revenue Over/(Under) Expenses	89,094	222,654	(292,587)
Fund Balance 10/1/24			
Forecast 24/25 Revenue Over/(Under) Expense			
	400,575	222,654	

Forecast Reserve Fund Balance 9/30/25	623,229
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Forecast 25/26 Revenue Over/(Under) Expense	(292,587)
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Forecast Reserve Fund Balance 9/30/26	330,642
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**Statement of Property & Equipment Fund Revenue, Expenses and Changes in Fund Balance
For the Year Ending September 30, 2026**

Balance at 10/1/24 Net Assets	25,066
Additions 24/25	-
Less Estimated Depreciation 24/25	(7,500)
Net Property and Equipment 9/30/25 Estimated	17,566
	-
Additions 25/26	-
Less Estimated Depreciation 25/26	(7,500)
Net Property and Equipment 9/30/26 Estimated	10,066

**Statement of Loan Fund Revenue, Expenses and Changes in Fund Balance
For the Year Ending September 30, 2026**

Loan Balance at 9/30/25 Estimated	(651,720)
Loan Assessments 25/26	206,736
Less Loan Interest Estimate 25/26	(30,774)
Loan Balance at 9/30/26 - Forecast	(475,758)

A complete pro forma operating budget is available for review at the management office, copies will be provided upon request at no charge.

See attached Reserve Component List and Thirty-Year Cash Flow Analysis

The funding analysis contained in the current reserve study is based on the full funding method and includes representations made by the management company, the Board of Directors and from actual costs submitted by vendors. A complete copy of the study can be made available through the management office.



RESERVE STUDY

Member Distribution Materials

Carnelian Woods

Update w/o Site Visit Review

2024/2025 Update- 3

Published - August 05, 2025

Prepared for the 2025/2026 Fiscal Year

Section	Report	Page
California:	Member Summary	1
	Assessment and Reserve Funding Disclosure Summary	[Civil Code §5570] 3
Section III:	30 Year Reserve Funding Plan	Cash Flow Method {c} 5

August 05, 2025

This is a summary of the Reserve Study that has been performed for Carnelian Woods, (the "Association") which is a Condominium with a total of 118 Units. This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group, a division of Reserve Advisors, LLC prepared this Update w/o Site Visit Review for the October 1, 2025 - September 30, 2026 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 2.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements. Although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2024/2025 Fully Funded Balance	2025/2026 Fully Funded Balance	2025/2026 Line Item Contribution based on Cash Flow Method
01000 - Paving	952,956	1-30	0-16	521,159	572,676	47,823
02000 - Concrete	133,461	5-40	0-26	53,325	49,474	4,438
04000 - Structural Repairs	2,954,989	1-40	0-29	791,839	924,177	105,533
04500 - Decking/Balconies	210,288	2-25	0-8	139,212	132,834	7,232
05000 - Roofing	2,789,289	5-40	0-32	1,565,974	1,659,686	42,737
08000 - Rehab	214,066	2-30	0-26	125,064	109,219	19,393
12000 - Pool	574,903	2-40	0-20	302,082	296,000	20,198
13000 - Spa	64,764	1-20	0-10	35,245	39,709	2,982
14000 - Recreation	22,042	10-20	4-6	16,480	18,169	783
17000 - Tennis Court	262,138	5-40	0-22	138,486	153,126	10,120
18000 - Landscaping	181,080	1-20	0-10	97,451	69,041	14,374
19000 - Fencing	84,193	1-40	0-15	50,238	54,815	2,918
20000 - Lighting	38,600	2-20	0-19	19,030	3,019	1,424
21000 - Signage	4,635	12-12	9-9	1,159	1,584	271
23000 - Mechanical Equipment	27,419	10-30	4-19	13,511	15,563	1,170
24000 - Furnishings	32,348	2-10	0-4	21,224	20,269	1,899
24600 - Safety / Access	53,825	5-10	0-2	52,795	7,365	3,186
25000 - Flooring	15,451	2-10	0-7	11,155	11,890	876
26000 - Outdoor Equipment	29,675	10-20	2-12	15,920	18,134	1,214
27000 - Appliances	6,180	6-6	7-7	773	905	516
29000 - Infrastructure	510,300	4-50	1-5	226,257	336,695	61,614
30000 - Miscellaneous	207,393	1-20	0-11	105,465	118,882	17,543
31000 - Reserve Study	5,000	3-3	0-2	2,167	3,417	978
32000 - Undesignated	10,000	1-1	1-1	5,000	10,250	2,882
Totals	\$9,384,994			\$4,311,009	\$4,626,899	\$372,103
Estimated Ending Balance				\$463,158	\$387,574	\$262.78
Percent Funded				10.7%	8.4%	/Unit/month @ 118

**California Assessment and Reserve Funding
Disclosure For the Fiscal Year Ending 2025/2026**

2024/2025 Update- 3

August 5, 2025

- (1) The regular assessment per ownership interest is \$3569 ^{quarter} per ~~month~~ for the fiscal year beginning October 1, 2025.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached summary.

- (2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
2024/2025	\$958.00	Reserves
Total:	\$958.00	

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

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

Yes **X** No _____

This disclosure has been prepared by Browning Reserve Group, a division of Reserve Advisors, LLC and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.

- (4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	N/A

- (5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

- (6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$4,311,009, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, a division of Reserve Advisors, LLC as of August, 2025. The projected reserve fund cash balance at the end of the current fiscal year is \$463,158 resulting in reserves being 10.7% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2025/26	\$4,626,899	\$387,574	8.4%
2026/27	\$4,716,216	\$616,932	13.1%
2027/28	\$5,095,744	\$825,790	16.2%
2028/29	\$5,422,924	\$929,825	17.1%
2029/30	\$5,606,091	\$929,566	16.6%

If the reserve funding plan approved by the association is implemented, the projected fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, 2.50% per year was the assumed long-term inflation rate, and 2.50% per year was the assumed long-term interest rate.

Additional Disclosures

§5565(d) The current deficiency in reserve funding as of September 30, 2026 is \$35,926 per ownership interest (average).

This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.

Deficiency =
$$\frac{2025/2026 \text{ Fully Funded Balance} - 2025/2026 \text{ Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

§5300(b)(4) The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years, unless noted below:

Major Component:	Justification for Deferral:
N/A	N/A

§5300(b)(5) The board of directors as of the date of the study does not anticipate the levy of a special assessment for the repair, replacement, or restoration of the major components.

30 Year Reserve Funding Plan Cash Flow Method

2024/2025 Update- 3

Prepared for the 2025/2026 Fiscal Year

	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34
Beginning Balance	302,754	463,158	387,574	616,932	825,790	929,825	929,566	1,246,010	1,630,870	1,887,481
Inflated Expenditures @ 2.5%	317,156	458,190	173,007	217,635	345,939	472,071	180,817	143,638	303,469	415,025
Reserve Contribution	355,060	372,103	389,964	408,682	428,299	448,857	470,402	492,981	516,644	541,443
<i>Units/month @ 118</i>	250.75	262.78	275.40	288.62	302.47	316.99	332.20	348.15	364.86	382.38
<i>Percentage Increase</i>		4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Special Assessments / Other	113,044 ¹	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	9,456	10,503	12,401	17,811	21,674	22,955	26,859	35,517	43,436	48,767
Ending Balance	463,158	387,574	616,932	825,790	929,825	929,566	1,246,010	1,630,870	1,887,481	2,062,667

1) There is a special assessment of \$113,044 in FY25.

	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44
Beginning Balance	2,062,667	2,178,718	2,418,092	1,646,134	1,201,569	714,857	1,125,807	1,744,066	2,202,447	2,895,355
Inflated Expenditures @ 2.5%	503,744	412,046	1,445,346	1,132,849	1,194,849	329,106	168,935	378,191	195,694	273,752
Reserve Contribution	567,432	594,669	623,213	653,127	684,477	717,332	751,764	787,849	825,666	865,298
<i>Units/month @ 118</i>	400.73	419.96	440.12	461.25	483.39	506.59	530.91	556.39	583.10	611.09
<i>Percentage Increase</i>	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	52,363	56,751	50,176	35,157	23,660	22,724	35,431	48,722	62,936	79,778
Ending Balance	2,178,718	2,418,092	1,646,134	1,201,569	714,857	1,125,807	1,744,066	2,202,447	2,895,355	3,566,679

	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51	2051/52	2052/53	2053/54
Beginning Balance	3,566,679	3,355,675	4,169,286	5,108,540	6,101,517	6,819,717	7,763,563	8,675,861	9,927,215	11,302,028
Inflated Expenditures @ 2.5%	1,203,297	229,650	171,264	189,202	535,207	382,588	492,077	237,402	206,800	5,919,534
Reserve Contribution	906,832	950,360	995,977	1,043,784	1,093,886	1,146,393	1,201,420	1,259,088	1,319,524	1,382,861
<i>Units/month @ 118</i>	640.42	671.16	703.37	737.14	772.52	809.60	848.46	889.19	931.87	976.60
<i>Percentage Increase</i>	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 2.50%	85,461	92,901	114,541	138,396	159,521	180,041	202,956	229,668	262,089	225,842
Ending Balance	3,355,675	4,169,286	5,108,540	6,101,517	6,819,717	7,763,563	8,675,861	9,927,215	11,302,028	6,991,198

CARNELIAN WOODS

OUTSTANDING LOANS

September 25, 2025

Purpose: Building Siding

Payee: Mutual of Omaha

Interest Rate: 5.31% Fixed

Current Balance: \$665,898.29 (September 25, 2025)

Annual Payment: \$206,680.32

Ending Date: February 13, 2029

Carnelian Woods

Insurance Disclosure Civil Code 4000 (01/01/14)

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

COMPANY & POLICY NUMBER [PROPERTY INSURANCE]	California Fair Plan # COM 0300204489 01
COVERAGE DATES :	03/31/2025 to 03/31/2026
BUILDING LIMIT NOT BLANKETED :	\$19,999,900 - Actual Cash Value
DEDUCTIBLE :	\$75,000
COINSURANCE :	70% Coinsurance
COMPANY & POLICY NUMBER [GENERAL LIABILITY]	Atain Specialty Insurance Company # CIP471044001
COVERAGE DATES :	03/31/2025 to 03/31/2026
LIABILITY LIMIT PER OCCURANCE/AGGREGATE :	\$1,000,000/\$2,000,000
DEDUCTIBLE :	\$500.00
COMPANY & POLICY NUMBER [D&O, CRIME, CYBER PACKAGE]	Travelers Casualty and Surety Company of America # 108022080
COVERAGE DATES :	03/31/2025 to 03/31/2026
COMMUNITY ASSOCIATION MANAGEMENT LIABILITY :	\$1,000,000.00
CRIME :	\$500,000.00
CYBER :	\$100,000.00
DEDUCTIBLE :	\$2,500 / \$5,000 RETENTION(CRIME)
COMPANY & POLICY NUMBER [EXCESS LIABILITY]	StarStone National Insurance Company # 78001Y251ALI
COVERAGE DATES :	03/31/2025 to 03/31/2026
UMBRELLA	\$5,000,000.00
COMPANY & POLICY NUMBER [PROPERTY INSURANCE]	Bridgeway Insurance Company # 7EA7PP1003744-00
COVERAGE DATES :	03/31/2025 to 03/31/2026
BUILDING LIMIT NOT BLANKETED :	\$19,999,900 - Replacement Cost
DEDUCTIBLE :	\$75,000
COMPANY & POLICY NUMBER [COMMERCIAL AUTO]	Infinity Select Ins Co # 50022960101
COVERAGE DATES :	03/31/2025 to 03/31/2026
COMBINED SINGLE LIABILITY LIMIT:	\$1,000,000.00
COMPREHENSIVE & COLLISION DEDUCTIBLES:	\$1,000.00
COMPANY & POLICY NUMBER [WORKERS COMPENSATION]	Technology Ins Co Inc # TWC4504530
COVERAGE DATES :	11/22/2024 to 11/22/2025
LIMITES :	\$1,000,000/\$1,000,000/\$1,000,000

Higher limits are available and can be quoted. Please contact us if you want to discuss higher limits.

This summary of insurance provides only certain information as required by subdivision (f) 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.

As described on the prior page, seven different insurance companies currently cover the insurance that the association has available.

CC&Rs sections 9.7 and 2.2(a) describe the homeowner's insurance requirements and are summarized here for convenience. Some limitations of the property insurance are described below. Refer to those documents and the master policy for an exact definition and coverage.

The property insurance is a "walls-out" policy. It covers only the unfinished surfaces (drywall, subfloor, ceiling) outward of the structural outer walls of the building. The homeowner must keep in full force and effect liability as well as property insurance to cover the remainder. In addition to the finished surfaces of the outer walls inward, the homeowner is responsible for everything on the interior, window glazing, and all utilities from the individual unit connection point at the service entrance inward. If damage occurs due to a failure of the outer walls, such as a water leak, the homeowner is responsible for the repair of the finished surfaces and any other interior damage. Depending on the architectural committee approval, improvement or alterations made by any current or prior homeowner to the structural outer walls are generally also not covered.

You should purchase an HO6 policy (walls-in coverage) to cover your personal property, unit interior and improvements.

Our property insurance, the California FAIR Plan and Bridgeway Insurance Company:

- Is a cash-value (limited to 20 million dollars) and not a replacement cost (over \$50 million dollars) policy. This may or may not satisfy lenders. Some have accepted an HO3 policy (full-structure coverage), though it is unclear that this is valid given the terms of the CC&Rs and lack of other association coverage. We are in the process to expand this cover to the maximum cash value of about \$30M.
- Both have a \$75,000 deductible that collectively the homeowners will be responsible for in the event of a claim. You might be able to purchase a rider on your policy to pay your portion of the deductible should that occur.
- Covers only about 40% of the replacement cost of the association's structures, allocated among the buildings. Should a loss occur, a potentially large assessment will likely be necessary to rebuild. You might also be able to purchase a Loss Assessment Rider to pay part or all of such an assessment. The deductible, above, might or might not be covered by this rider, depending on your policy.
- Does not cover business assets and other items a normal policy would cover. Coverage for these items would reduce the coverage for property. A great enough loss in these areas might also require an assessment, potentially covered by a Loss Assessment Rider.

Certificates of insurance are available on the website at:

<https://www.carnelianwoods.org/committees/insurance/>

Or from our agent:

Brian Grant

Pacific Premier Insurance

(858) 386-4443

brian@pacpremier.com

Federal Housing Administration (FHA)

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

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

Veterans Affairs (VA)

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

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

Notice of Increase in Quarterly Assessment

September 25, 2025

Civil Code Section 5615 requires Associations to give written notice of an increase in the monthly/quarterly assessment no less than 30 days, no more than 60 days, before the increase is effective.

In the Special Meeting on September 24, 2025, Assessment Approval Ballots were tallied, and the membership approved the 2025/26 Budget (October 1, 2025, through September 30, 2026) as presented/approved by the Board of Directors. **Please note, the regular quarterly assessment will increase to \$3,569 effective beginning October 1, 2025.**

The October 1, January 1, April 1, and July 1, 2026, payments will be:

\$3,569	2025/26 Dues
\$438	Siding Special Assessment (through Jan 2029)
TOTAL: \$4,007	

If you have any questions regarding this notice, please contact the Office at office@carnelianwoods.org.

Financial Discussion 2024/25

The financial environment continues to be challenging, and the board is continually looking to find efficiencies in operations and alternate sources of funding.

- Insurance repairs from the winter damage of 2022/23 have been completed and Farmer's Insurance paid the entire cost, about \$1.2M, less the \$25,000 deductible. These repairs will beneficially have updated some 40-50 year old roof and balcony structures, thus absorbing costs that would otherwise have been spent in the future.
- We've eliminated the hot tub and pool monitoring employee position and are replacing it with an advanced security system that will be coming on-line in the next month, as well as a nightly security service that ensures the facilities are closed up every evening. The payback period is less than two years. This will require new keycards for all owners and renters.
- We've contracted to evaluate the legal and physical condition of various aspects of the property, and what the marketability and value are of unused common area assets to help fund updating our aging infrastructure.

All of these are discussed more below. The three areas that have seen the largest cost changes from the prior year budget are insurance, payroll, and reserves.

Insurance

As we are all well aware, insurance costs have increased dramatically, from \$122,331 to \$380,325, a massive 311% increase in one year. This coming year, insurance accounts for about \$806 of each quarterly payment. We are waiting for a new rating from the California Fair Plan to increase the insurance coverage from \$20M total coverage to an estimated \$30M total coverage, as described in the insurance ballot earlier this year, and will then know if the budgeted amounts for this coverage are sufficient.

Payroll

Along with eliminating the hot tub and pool monitoring position, we have added maintenance staff to accelerate maintenance work on the facilities. We now have full-time Scott, David, and Albertico, as well as part-time Dave, and Gheorghe (summer only). The current US federal budget has reduced federal contributions for healthcare, so we've had to increase our benefits budget by 75% to supply medical insurance for full-time staff. The additional skilled staff and insurance costs have increased the payroll budget by 24.4%.

Reserves

The reserves continue to strain under our aging infrastructure despite a 22% increase in funding this year. Reserves are still well underfunded and will be for many years, while driving a portion of dues increases going forward. Some of the near term significant expenditures are:

- Federal Pacific Electric (FPE) electrical panels (service entrance panel at the meters) used in all the upper units are known to have a high failure rate and cause fires. The high fire risk these panels cause contributes to limiting our ability to obtain property insurance. Prior boards have been aware of these issues for a long time and had not budgeted for the replacement to avoid the cost. We have contracted for the replacement and expect to have these panels replaced next calendar year. The total cost is expected to be about \$300K, and this coming year accounts for about \$636 of each quarterly payment.
- Beginning in 2030, California will no longer allow replacement furnaces to be gas fuel burning to cut NOx and CO₂ emissions. Existing fuel-burning furnaces can be repaired indefinitely, but replacements must be zero-emission, typically heat pumps. The electrical service of the units will not support the additional electrical load, so as with the FPE panels, the electrical service panels on all the remaining units, costing about \$600K total, will also need to be replaced by 2030. These will require reserve funding of about \$125K per year.
- Until this year, the pool, because of its long lifetime (50-70 years), was not in the reserve study. The pool is being evaluated for its remaining life, and is now in the reserve study for replacement in 20 years, at a cost of \$676K.
- The standing-seam metal roofs have surpassed the low-end of their expected lifetime and are in the reserve study for replacement over three years at a cost of \$2.7M starting in 2036. Funding the roof replacement requires reserve funding of about \$245K per year until that time. We are performing a roof tuneup and detailed inspection to extend and verify the expected remaining life and likely time and points of failure. With the extensive repairs just performed by RMC, we are hoping that the life of the roof will be extended beyond 2036 and the annual replacement reserve funding requirements reduced.
- All Lake Tahoe properties were expected to be compliant in 2008 with best management practices (BMP) to address water run-off from hard surfaces like roadways and roofs to prevent silt from running into the lake. Only one of our many buildings is compliant. The board has been aware of these issues for a long time and had not adequately budgeted for the work. The task is an expensive, multistep process of first evaluating the entire property for water runoff, engineering the required run-off remediation, then implementing the plans. We have contracted for the first phase of mapping and surveying the property, costing \$49.9K, to determine the land's characteristics. This information will also feed into other items, below
- In conjunction with the BMP work, \$23K has been spent on a land capability study to determine what the association can legally do with its land, what are the title rights, development rights, coverage rights, requirements for building/developing/selling, lot status, and pavilion legal status. This information then enables decisions around what we can do with our assets.

- Following the above two items, \$26K has been contracted to determine the marketable value of all of the various aspects of our property that are saleable and to locate prospective buyers. These range across many possibilities from unused development and coverage rights on the undeveloped lots, to selling lots, selling the pavilion, or constructing new units. The market value of the assets in total is estimated to be from \$12M to \$26M. Once this is completed, the board may choose to present to the owners a proposal to sell some portion of the assets to help fund our facilities. Any asset sale requires approval of 75% of the owners.
- The security and access systems are being replaced to reduce maintenance and employee cost, and increase capability, at a reserve cost of \$41K. The system will record who is using the amenities and better allow an unstaffed lodge and extended amenities hours. The hot tubs are already open for more hours. The AI capabilities of the security cameras can count and monitor usage and usage violations to aid in daily servicing of the pool and hot tubs.

As we gain information about actual costs for replacements and maintenance, and actual lifetimes of the components, the reserve study will be updated to reflect the latest knowledge. Rather than just a reserve update every three years, the reserve study is now updated annually, with a more detailed on-site study every three years.

CARNELIAN WOODS ANNUAL POLICY STATEMENT

Pursuant to Civil Code Section 5310, Carnelian Woods provides the following Annual Policy Statement to its members.

Commencing after January 1, 2014, Civil Code Section 5310 requires that within 30 to 90 days before the end of its fiscal year, the board shall distribute an annual policy statement that provides the members with information about association policies. All references to “Section” are to the Civil Code unless otherwise noted.

The Annual Policy Statement shall include all of the following information:

- (1) The name and address of the person designated to receive official communications to the Association, pursuant to Civil Code Section 4035:

Mailing

Don Adams, President
Carnelian Woods
P.O. Box 68
Carnelian Bay, CA 96140

Physical

Don Adams, President
Carnelian Woods
5101 North Lake Blvd.
Carnelian Bay, CA 96140

- (2) A member may submit a request to have notices sent to up to two different specified addresses, pursuant to subdivision (b) of Sections 4040. Please do this through the eUnify portal for your account with Alpenhof Management Services.

- (3) The location, if any, designated for posting of a general notice, pursuant to paragraph (3) of subdivision (a) of Civil Code Section 4045:

Carnelian Woods Lodge
5101 North Lake Blvd
Carnelian Bay, California 96140

<https://www.carnelianwoods.org/>

- (4) A member may request to receive general notices by individual delivery, pursuant to subdivision (b) of Civil Code Section 4045. The member’s written request to the person identified in paragraph (a) above should specify if he or she prefers to receive such general notice by first-class mail, certified mail or e-mail.

- (5) A member may request to receive copies of Board meeting minutes (other than executive session) under Civil Code Section 4950(b) within 30 days of the meeting by sending a written request to the person identified in paragraph (1) above. The minutes may be in DRAFT form until approved by the Board. Minutes are also typically available on the eUnify portal and the Carnelian Woods website.
- (6) The statement of assessment collection policies required by Civil Code Section 5730. (see Attached)
- (7) The board will use the association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments
- (8) The board will use the association's discipline policy, if any, including any schedule of penalties for violations of the governing documents pursuant to Civil Code Section 5850.
- (9) The board will use its dispute resolution procedures, pursuant to Civil Code Sections 5920 and 5965.
- (10) The board has requirements for association approval of a physical change to property, pursuant to Civil Code Section 4765. (See Attached)
- (11) The mailing address for overnight payment of assessments, pursuant to Civil Code

Carnelian Woods
Attn: Lodge/Office
5101 North Lake Blvd.
Carnelian Bay, CA 96140

To the board's knowledge, there is not any other information that is required by law or the governing documents or that the board determines to be appropriate for inclusion.

CARNELIAN WOODS
ANNUAL NOTICE REGARDING COLLECTION POLICIES
DELINQUENT ASSESSMENTS

These notices concern procedures in effect for collection of delinquent assessments and procedures to enforce the Association's rights to such assessments. A complete copy of Civil Code Section 5730 is attached to this notice.

As you know, you are required to pay homeowners dues and special assessments, as applicable, on your unit in a timely fashion on a quarterly basis. Overdue amounts are assessed interest under the articles and bylaws of the association. The current interest rate on these amounts is set by the Association at the start of each year and may change from year to year.

Under the Association articles, bylaws and policies, the Association may collect overdue assessments by first giving you an opportunity to cure the default or participate in other resolution procedures. If the default is not cured, it can record a lien on your property to secure payment of these amounts. If the Association is forced to record a lien, it will add to the amount due \$300.00 for legal and administrative processing expenses incurred in initiating this matter for collection and sending notices. Additional reasonable legal fees may be assessed if a lien is recorded, and/or foreclosure or other enforcement proceedings are required. In addition, it will add the cost of recording fees charged by the County, and if foreclosure is required, those costs charged by the foreclosure trustee as well. 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 Sections 5705, 5710 and 5720 of the Civil Code.

The foreclosure Trustee authorized to commence and prosecute the foreclosure proceedings is S.B.S. Lien Services, 31194 La Baya Drive, Suite 106, Westlake Village, California 91362.

In addition, where a unit is delinquent, the Association may suspend that unit's access to and use of recreational and other facilities at Carnelian Woods. This suspension applies to the Owners and any renters, guests or other users of that unit.

You have the right to request a meeting with the board as provided by paragraph (3) of subdivision (c) of Civil Code Section 5665. An owner may submit a written request to meet with the board to discuss a payment plan for the debt. The association shall provide the owners the standards for payment plans, if any exist. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner. Payment plans may incorporate any assessments that accrue during the payment plan period. Payment plans shall not impede an association's ability to record a lien on the owner's separate interest to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. In the event of a default on any payment plan, the association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan.

You have the right to dispute the assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required under Civil Code or alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925.

You have the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 before the association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

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 a 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.

For liens recorded on or after January 1, 2006, the decision to record a lien for delinquent assessments shall be made only by the board of directors of the association and may not be delegated to an agent of the association. The board shall approve the decision by a majority vote of the board members in an open meeting. The board shall record the vote in the minutes of that meeting.

Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the association shall send additional copies of any notices required by this section to the secondary address provided. **The association shall notify owners of their right to submit secondary addresses to the association, at the time the association issues the pro forma operating budget pursuant to Section 5300.** 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 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 only be required to send notices to the indicated secondary address from the point the association receives the request.

You are also notified of the following matters:

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

The owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment was paid on time to the association.

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

owner makes a payment, the owner may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it. The association shall provide a mailing address for overnight payment of assessments. That address is:

Mailing Address:

CARNELIAN WOODS
P.O. Box 68
Carnelian Bay, California 96140

Physical Address:

CARNELIAN WOODS
Attn: Lodge/Office
5101 North Lake Blvd.
Carnelian Bay, California 96140

CIVIL CODE

§ 5730. Statement of collection procedure

- (a) The annual policy statement, prepared pursuant to Section 5310, shall include the following notice, in at least 12-point type:

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas

damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 5660 of the Civil Code)

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

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

PAYMENTS

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

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

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

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

MEETINGS AND PAYMENT PLANS

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

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

(b) An association distributing the notice required by this section to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plan.

**CARNELIAN WOODS
ANNUAL NOTICE TO HOMEOWNERS
SUMMARY OF ALTERNATIVE DISPUTE RESOLUTION
UNDER CIVIL CODE SECTION 5925
AND INTERNAL DISPUTE RESOLUTION (“MEET AND CONFER”)
RULES**

Under California Civil Code Section 5965, the Association is required to annually provide its members a summary of the provisions of Article 3, Chapter 10, Title 6, of the California Civil Code, (“Article 3”) commencing with Civil Code Section 5925, which provides laws and procedures for alternative dispute resolution for disputes between the Association and its members or among its members. The summary must include the following notice:

“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 the member’s right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.”

The summary shall be provided either at the time the pro forma budget is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association’s internal dispute resolution process, as required by Civil Code Section 5920. A complete copy of Article 3 should be consulted for all details and provisions.

The following definitions apply to this law as provided in Civil Code Section 5925.

“Alternative dispute resolution” means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision-making process and may be binding or nonbinding, with the voluntary consent of the parties.

“Enforcement action” means a civil action or proceeding in court for any of the following purposes:

- (1) Enforcement of the Davis Stirling Common Interest Development Act.
[Civil Code Section 4000 et seq.]

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law.

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

Under Civil Code Section 5930, an association or a member of a common interest development may not file an enforcement action in the superior court unless the parties have tried to submit their dispute to alternative dispute resolution. 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), in a small claims action. This section does not apply to a small claims action, and except as otherwise provided by law, to an assessment dispute.

PAYMENTS

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

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

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

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

MEETINGS AND PAYMENT PLANS

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

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

An association distributing the notice required by this section to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section 11211.7 of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.

Under Civil Code Section 5935, any party to a dispute may initiate the process by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution must include:

- (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, a copy of Article 3.

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.

Under Civil Code Section 5940, if alternative dispute resolution is accepted, the parties must complete the process within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties. Provisions of the Evidence Code apply to this process, making evidence of the process inadmissible in a court proceeding, if any follows. The costs of the alternative dispute resolution shall be borne by the parties.

Under Civil Code Section 5945, a Request for Resolution stops the running of any statute of limitation on the subject claim, (if it is served before the time runs out), during any time for response to the request, and if accepted, any time spent in the alternative dispute resolution process.

Under Civil Code Section 5950, if a party later sues in court, he, she or it must file a certificate stating that there was compliance with Article 3 or that certain exceptions to compliance apply to the case, such as a request for an injunction or temporary restraining order. If this certificate is not filed, the court can dismiss the case unless the court finds that dismissal of the action for failure to comply would result in substantial prejudice to one of the parties.

If after an action is filed in court, Civil Code Section 5955, the parties agree to alternative dispute resolution, the action can be stayed during the process.

Under Civil Code Section 5960, in an enforcement action in which fees and costs may be awarded pursuant to Civil Code Section 5975, 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.

CARNELIAN WOODS MEET AND CONFER RULES

Civil Code Sections 5900; 5915; 5920

These Meet and Confer Rules apply to resolve disputes between the Association and any member, including disputes regarding assessments.

A. The Association or the member may invoke the following procedure:

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) A member of the Association may refuse a request to meet and confer. The Association shall 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.

B. An agreement reached under this section binds the parties and is judicially enforceable 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.
- (3) A member of the Association may not be charged a fee to participate in the process.

CARNELIAN WOODS ARCHITECTURAL CONTROL DISCLOSURE

Pursuant to Civil Code Section 4765(c), the following disclosures are made regarding architectural control at Carnelian Woods.

Basically stated, nothing shall be done to the exterior of the buildings or in the common area without permission from the board of directors through its Architectural Control Committee. Any request for a change, addition, modification, etc., shall include a written description and a diagram of the proposed changes, and must be signed and submitted to the Committee by the unit owner. No work shall commence until the owner secures all the necessary approvals, engineering, permits and proof of insurance. Any infraction noticed by staff shall be cause to notify the ACC Chair and board of directors for corrective action. Forms and additional information are available from the Association office at (530) 546-5077. A typical form of General Conditions is attached.

Any decision of the Architectural Control Committee can be reviewed and/or reconsidered, and affirmed, modified, or reversed by the Board in an open meeting. The applicant is entitled to attend the meeting and address the Board regarding the decision.

*Listed below are some typical items which will require board approval. Also listed are typical owner improvements which will not:

Require approval: (Placer County Building Permit required)

All exterior penetrations or modifications including decks, doors and windows.

Interior structural changes are not limited to reconstructions or elimination of walls or partitions.

Electrical wiring changes and alterations.

Extensive unit remodeling.

Fireplace modifications, including wall surround coverings.

Changes of appliances requiring new wiring, gas or exterior surface penetration.

Vehicle Charging and Solar Energy Systems (Note new rules effective 2018 to these installations under Civil Code Sec. 4600 and 4764)

Do not require approval:

Floor covering changes.

Window coverings.

Painting or staining of interior walls or partitions.

Repair or replacement of appliances.

Repair or replacement of plumbing fixtures.

Repair or replacement of electrical fixtures.

Decorating items.

The CC&R's sections applicable to architectural control are set out below. No modification or addition to the exterior of any building or common area is permitted without approval of the board. This shall include, but not be limited to, plants and planter boxes from decks and windows, planting of flowers and other plants in the common area, rearrangement of rocks or any landscaping in the common area, installation of any type of carpeting on the decks and entries, painting or staining of decks and entries, hanging of bird feeders, wind socks, wind chimes, and the like. No storage of anything is permitted under or around the townhouses.

Section 5.9. Architectural Control Committee. The Board of Directors shall establish an Architectural Control Committee which shall be composed of at least three Members. No work, addition, modification, expansion, or change of any kind to the exterior of a Unit, (including windows, doors, doorways, vents, chases, chimneys, entrances, balconies, subfloor, or under structure) or to Exclusive Use Common Areas, or any work which is situated on Common Area, may be performed until reviewed and approved by the Architectural Control Committee in accordance with such rules, regulations and policies as the Board or the Members establish from time to time. The Board may grant variances from specific rules or policies subject to terms and conditions it deems reasonable. The Association may charge to an Owner and collect as a condition of approval, a reasonable fee for review of architectural approval applications, which may include costs of retention of outside consultants, such as engineers, architects, soils experts, contractors and additional insurance.

Section 7.7 Construction or Alteration. No alteration or improvement may be built on or appurtenant to any Unit that will be encroached upon or affect the Common Area, or its appearance, without the approval and consent of the Board or any committee thereof devoted to architectural control. No such improvement shall be constructed, erected, painted or maintained upon the Development nor shall any alteration or improvement of any kind be made thereto until the same has been approved in writing by the Architectural Control Committee and the Board. The Architectural Control Committee or the Board may condition its approval upon the Owner recording a "Notice of Non-Responsibility" or similar document protecting the Association or other Owners from any mechanics lien that may be recorded because of such alteration or improvement. Plans and specifications showing the nature, kind, shape, color, size, materials and location of such improvements, alterations, etc., shall be submitted to the Architectural Control Committee and the Board for approval as to the quality of workmanship, design, harmony of external design with existing structures and location in relation to surrounding structures, topography and finish grade elevation. To the extent required, no construction or repair may

commence until it conforms to all applicable ordinances and building at the time such work commences and all necessary permits have been received.

The obligations regarding decisions on Architectural Control under California State Law Civil Code Section 4765 are set out below:

4765. Architectural review and decision making

- (a) This section applies if the governing documents require association approval before a member may make a physical change to the member's separate interest or to the common area. In reviewing and approving or disapproving a proposed change, the association shall satisfy the following requirements:
 - (1) The association shall provide a fair, reasonable, and expeditious procedure for making its decision. The procedure shall be included in the association's governing documents. The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for response to an application or a request for reconsideration by the board.
 - (2) A decision on a proposed change shall be made in good faith and may not be unreasonable, arbitrary, or capricious.
 - (3) Notwithstanding a contrary provision of the governing documents, a decision on a proposed change may not violate any governing provision of law, including, but not limited to, the Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code), or a building code or other applicable law governing land use or public safety.
 - (4) A decision on a proposed change shall be in writing. If a proposed change is disapproved, the written decision shall include both an explanation of why the proposed change is disapproved and a description of the procedure for reconsideration of the decision by the board.
 - (5) If a proposed change is disapproved, the applicant is entitled to reconsideration by the board, at an open meeting of the board. This paragraph does not require reconsideration of a decision that is made by the board or a body that has the same membership as the board, at a meeting that satisfies the requirements of Article 2 (commencing with Section 4900) of Chapter 6. Reconsideration by the board does not constitute dispute resolution within the meaning of Section 5905.
- (b) Nothing in this section authorizes a physical change to the common area in a manner that is inconsistent with an association's governing documents, unless the change is required by law.

CARNELIAN WOODS

Architectural Committee Approval-General Conditions

ALL HOMEOWNERS must sign and return these General Conditions to the Architectural Committee along with any application for approval of work on or alteration of a unit. No Committee or other Association approval shall be effective unless and until these Conditions are completed by the Homeowner and the Association, and fully complied with. These General Conditions shall be made a part of any Notice of approval by the Architectural Committee and/or any other Association approval in connection with Homeowner's project.

1. Definitions:

- a. "Association" shall mean the Carnelian Woods Townhouse Association.
- b. "Committee" unless otherwise indicated, shall mean the Architectural Committee of the Board of Directors of the Association.
- c. "Homeowner" shall mean the owner of any unit seeking approval of improvements, alterations, and upgrades requiring approval under the Bylaws, CC&Rs, rules, and policies of Carnelian Woods or the Association.
- d. "Project" shall mean any improvements, alterations, and upgrades requiring approval under the Bylaws, Curs, rules, and policies of Carnelian Woods or the Association.
- e. "Association Project Manager" shall mean the Project Manager at Carnelian Woods, as designated by the Association, or any Assistant Project Manager if the Project Manager is absent or unavailable.
- f. "Common Area" shall mean any real property defined as such under the governing documents of Carnelian Woods, including any amendments thereto.

2. Violations. Permission to proceed with a Project is revocable at any time for failure to comply with any of these General Conditions or any conditions of approval by the Committee. The Association shall be empowered to stop, suspend, remove, remediate or repair any portion of the Project in case of such violation or any conditions which pose a nuisance, or risk to the safety, well-being, and cleanliness, or environmental hygiene of Carnelian Woods, its members, visitors, or the public.
3. Licensed Contractors. All work on the Project shall be done by a California-licensed contractor and/or design professional, (architects, engineers, etc.), if one is engaged for the Project, who is licensed, where necessary, in any specialty required by the Project. The complete name, business name, and license number of the proposed contractor or design professional shall be given to the Association Project Manager before commencement of work on the Project.

4. Contact Information. Any contractor shall be given all contact information for the Association Project Manager, including any emergency contact information; and the Homeowner shall provide to any Contractor(s) the same information for the Association Project Manager.
5. Proof of Insurance. Before the commencement of work, any contractor for the Project shall carry and provide proof of insurance in the following types and amounts:

General Liability combined single limit of at least \$1,000,000, including premises liability, and products, completed operations, vehicle coverage, and contractual liability.

Workers Compensation: Statutory coverages as required in California, Employer's liability of at least \$1,000,000, including a waiver of subrogation in favor of Carnelian Woods and/or the Association.

The Association reserves the right to require naming of itself and its officers and directors as additional insureds.

The certificates shall 1) provide that the type of work in the Project is covered by the insurance and 2) show that all coverages are currently in effect at the commencement and through the duration of the Project; and 3) be accompanied by a signed letter of the insurance broker providing the certificate that he/she is aware of the type of Project, and that the coverage(s) applies.

6. Homeowner Insurance. Before the commencement of work, any Homeowner shall carry and provide proof of insurance in the following types and amounts:

General Liability and umbrella if necessary, for combined limits of at least \$1,000,000.

7. Lien Protection. If the Project includes any work, repair, alterations of any kind on the common area of Carnelian Woods, the Homeowner shall ensure that all claims by contractors, design professionals, laborers or materialmen are paid before delinquency. Homeowner shall save, defend, hold harmless and indemnify the Association from any lien claims threatened or recorded against the Common Area, including any legal fees, costs or other expenses.
8. Site Safety, Security and Clean up. Homeowner shall be solely responsible for the security and cleanliness of the Project, Project materials, equipment, contractor property. Homeowner and its Contractor shall maintain the site and Project in a safe condition, and shall not allow the use or storage of equipment, materials or rubbish in unapproved areas. The directives of the Association Project Manager as to such matters shall be complied with promptly and followed at all times. At no time may any fire or other safety equipment be removed or disabled. All rubbish, waste and debris shall be placed in approved containers and removed regularly so that it does not impair the cleanliness, safety of Carnelian Woods or unduly interfere with the use and enjoyment of Carnelian Woods by other homeowners and guests. Leakage or discharge of oil, fuels, lubricants, or other chemicals or substances is prohibited. All personal property, fuel containers, tanks, and equipment shall be locked or secured.

9. Code Compliance and Permits. No work on the Project shall be commenced without the issuance of any and all permits by any local public agency that may be required. The Association Project Manager or the Committee shall be entitled to copies of all such permits. By issuance of these Conditions and any approval, neither the Association nor any member thereof waives the right to appear before any such agency to be heard about the issuance of any such permit, or to advocate against such permit. All permits shall be brought to completion and final inspection. No work shall be done on the Project that violates any local building, planning environmental or other codes and regulations. All work on the Project shall conform to currently applicable building, housing, environmental, safety of other codes and regulations.
10. Indemnity. Homeowner agrees to save, defend, indemnify and hold harmless CWT A and all officers, employees, directors and members thereof, from any and all claims arising out of any damage or injury to persons or property from any cause or causes related to the Project.
11. Limitation of Liability. Unless otherwise prohibited by law, the liability of the Association, Carnelian Woods, or its officers and directors, arising from or in connection with any dispute with Homeowner concerning the Project, its approval, the application of these Conditions, or enforcement thereof, in which the Association or anyone acting on behalf thereof shall be found liable for any act in the granting, denial, revocation, withdrawal of enforcement of the approval of the Project or these Conditions, shall be limited to the interest cost of any funds reserved by Homeowner for the Project, and any fees for permits, or extensions or renewals thereof.
12. Arbitration. Homeowner hereby agrees that in the event any dispute should arise under the provisions of the Approval of the Project, either between Homeowner and the Association, or any other Homeowner, such dispute shall be decided by binding arbitration proceedings under the rules of the American Arbitration Association Such arbitration shall proceed before one arbitrator only, and shall be held in Sacramento, California. By initialing below, Homeowner acknowledges that in any such dispute, he, she, it or they are waiving the right to have any dispute determined and heard in court or before a jury.

All owners initial here

13. Severability. The determination of invalidity of any provision of these Conditions shall not affect any remaining provisions or these Conditions as a whole.
14. Time of Essence. Time is of the essence.
15. Waivers. No waiver of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Homeowner of the same or any other provision. The Association or the Committee's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of the Association or Committee's consent to or approval of any subsequent act by Homeowner.

16. Modification. None of the requirements of any approval by the Committee or the Association, of these Conditions, including any waiver, shall be effective unless signed in writing by an officer of the Association.

ALL OWNERS MUST SIGN BELOW:

Dated: _____	_____	_____
	Print Name	Signature

Dated: _____	_____	_____
	Print Name	Signature

Unit No. _____