



**PLAZA VILLAS OWNERS ASSOCIATION  
c/o COMMUNITY ASSOCIATION FINANCIAL SERVICES  
PO Box 2805  
PALM SPRINGS, CA 92263**

May 2022

*The monthly dues for the fiscal year of 2022-2023 have changed.  
Starting July 1, 2022, dues will be increased from \$400.00 to \$450.00 monthly.*

**ANNUAL BUDGET REPORT**

In accordance with Civil Code Section 4040 we have enclosed the following for the year ended June 30:

Pro forma Operating Budget *Civil Code §5300(b)(1)*  
Reserve Summary *Civil Code §§5300(b)(2), 5565*  
Reserve Funding Plan Summary *Civil Code §§5300(b)(3), 5550(b)(5)*  
Assessment and Reserve Funding Disclosure Summary Form *Civil Code §§5300(e), 5570*  
Major Component Repair Statement *Civil Code §5300(b)(4)*  
Anticipated Special Assessment Statement *Civil Code §5300(b)(5)*  
Reserve Funding Mechanism Statement *(Civil Code §5300(b)(6))*  
Procedures for Calculating Reserves Statement *(Civil Code §§5300(b)(7), 5570(b)(4))*  
Outstanding Loan Statement *Civil Code §5300(b)(8)*  
Insurance Summary *Civil Code §5300(b)(9)*  
Status of CID as a FHA-approved project *Civil Code §5300(b) (10)*  
Status of CID as a federal VA-approved project *Civil Code §5300(b) (11)*  
Document Disclosure Form *Civil Code §4528*

Plaza Villas Owners Association  
Board of Directors



PLAZA VILLAS  
ANNUAL BUDGET  
JULY 1, 2022 - JUNE 30, 2023

	MONTHLY PER UNIT	ANNUALLY PER UNIT	2022-23 BUDGET	2021-22 BUDGET
INCOME:				
ASSOCIATION FEES	\$450.00	\$5,400	\$550,800.00	\$428,400.00
MISCELLANEOUS	\$1.23	\$15	\$1,500.00	\$0.00
TOTAL INCOME	\$451.23	\$5,415	\$552,300.00	\$428,400.00
LESS: RESERVE ALLOCATION	\$32.68	\$392	\$40,000.00	\$84,000.00
NET OPERATING INCOME	\$418.55	\$5,023	\$512,300.00	\$344,400.00
EXPENSE:				
ADMINISTRATIVE:				
INSURANCE	\$15.93	\$191	\$19,500.00	\$50,960.00
EARTHQUAKE INSURANCE	\$29.07	\$349	\$35,578.00	\$0.00
MANAGEMENT CONTRACT	\$18.63	\$224	\$22,800.00	\$21,000.00
OFFICE & ADMINISTRATIVE	\$3.27	\$39	\$4,000.00	\$0.00
PERMITS & FEES	\$1.06	\$13	\$1,300.00	\$1,600.00
POSTAGE & PRINTING	\$2.04	\$25	\$2,500.00	\$2,200.00
PROFESSIONAL FEES: ACCOUNTING	\$5.45	\$65	\$6,670.00	\$6,370.00
PROFESSIONAL FEES: ELECTION	\$0.54	\$6	\$657.00	\$657.00
PROFESSIONAL FEES: TAX PREP/RESV	\$1.18	\$14	\$1,450.00	\$1,450.00
PROFESSIONAL FEES: LEGAL	\$5.72	\$69	\$7,000.00	\$3,000.00
PROFESSIONAL FEES: RESERVE STUDY	\$0.53	\$6	\$650.00	\$650.00
SECURITY	\$26.14	\$314	\$32,000.00	\$23,040.00
TOTAL ADMINISTRATIVE	\$109.56	\$1,315	\$134,105.00	\$110,927.00
COMMON AREA MAINTENANCE:				
ENTERGATE PHONE	\$2.04	\$25	\$2,500.00	\$2,515.00
ENTERGATE REPAIR	\$2.45	\$29	\$3,000.00	\$1,000.00
BUILDINGS/ROOFS	\$1.63	\$20	\$2,000.00	\$2,000.00
LIGHTING REPAIR	\$0.00	\$0	\$0.00	\$500.00
SPRINKLER SYSTEM/FIRE	\$0.82	\$10	\$1,000.00	\$500.00
COMMON AREA MAINTENANCE	\$25.33	\$304	\$31,000.00	\$16,858.00
PEST CONTROL	\$2.40	\$29	\$2,940.00	\$2,940.00
TOTAL COMMON AREA MAINTENANCE	\$34.67	\$416	\$42,440.00	\$26,313.00
LANDSCAPE MAINTENANCE:				
LANDSCAPE CONTRACT	\$58.82	\$706	\$72,000.00	\$69,600.00
LANDSCAPE EXTRAS	\$2.04	\$25	\$2,500.00	\$1,500.00
IRRIGATION REPAIRS	\$6.13	\$74	\$7,500.00	\$4,500.00
ANNUALS & SEEDS	\$8.17	\$98	\$10,000.00	\$3,900.00
TREE TRIMMING	\$6.54	\$78	\$8,000.00	\$3,000.00
TOTAL LANDSCAPE MAINTENANCE	\$81.70	\$980	\$100,000.00	\$82,500.00
POOL & SPA MAINTENANCE:				
POOL & SPA CONTRACT	\$16.18	\$194	\$19,800.00	\$12,900.00
POOL & SPA REPAIR/MAINTENANCE	\$3.27	\$39	\$4,000.00	\$8,000.00
TOTAL POOL & SPA MAINTENANCE	\$19.44	\$233	\$23,800.00	\$20,900.00
UTILITIES:				
CABLE	\$64.54	\$775	\$79,000.00	\$0.00
ELECTRICITY	\$30.23	\$363	\$37,000.00	\$25,000.00
GAS	\$26.96	\$324	\$33,000.00	\$31,000.00
WASTE DISPOSAL	\$16.14	\$194	\$19,755.00	\$11,000.00
WATER	\$35.29	\$424	\$43,200.00	\$37,000.00
TOTAL UTILITIES	\$173.17	\$2,078	\$211,955.00	\$104,000.00
TOTAL EXPENSES	\$418.55	\$5,023	\$512,300.00	\$344,640.00
TOTAL NET OPERATING INCOME	\$0.00	\$0	\$0.00	(\$240.00)

# Reserve Summary

(As required by California Civil Code Section 5565)

## PLAZA VILLAS HOMEOWNERS ASSOCIATION

SCT Reserve Consultants, Inc. is pleased to provide this Level III Reserve Study (Financial Update Report). In order to comply with the California Civil Code, specifically the Davis-Stirling Common Interest Development Act, Section 5565, we are providing the following information to the Homeowners within PLAZA VILLAS HOMEOWNERS ASSOCIATION.

The following study has been prepared with several assumed factors taken into account: a 3.00% inflation rate; a 1.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

As of June 30, 2022, the estimated ending reserve fund balance is \$568,250 and the estimated current replacement cost is \$1,314,508 for the portfolio of reserve components. The projected future replacement cost of the portfolio is \$2,041,899, calculated at an annually compounded inflation rate of 3.00%. The Association's level of funding which is based upon the estimated ending reserve fund balance divided by the reserve components' fully funded amount is 83.03%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were \$684,354.52 in the reserve fund.

The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$1,138.28. This is calculated by subtracting the ending balance (\$568,250) from the 100% funded figure (\$684,354.52), then divided by the number of ownership interests (102). There is currently no requirement to be fully funded.

Our original analysis of the cash flow for this association indicated future inadequate funding if there were no annual increases to the Reserves. It is our understanding the Board of Directors will allocate a monthly amount of \$3,333.33 starting in 2023 (\$32.68 per unit per month for each of the 102 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included changes of 50.00% starting in 2024 for 1 year, 40.00% starting in 2025 for 1 year, 28.70% starting in 2026 for 1 year and 3.00% starting in 2027 for 26 years. The change is scheduled to take effect in the year 2024. The Board of Directors may change the amount; however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

The following table represents additionally required information pursuant to the Davis-Stirling Common Interest Development Act, Section 5565.

Fiscal Year: July 1, 2022 through June 30, 2023

Category	Range of Full Useful Life	Range of Remaining Useful Life	Current Replacement Cost	Fund Balance on Jul 01, 2022	Reserve Allocation	Additional Revenue	Interest
Access System	10 to 30	1 to 20	\$102,405	\$41,214	\$2,901	\$0	\$324
Asphalt & Concrete	4 to 28	0 to 16	\$256,420	\$122,620	\$8,631	\$0	\$963
Buildings	3 to 35	0 to 30	\$478,400	\$184,548	\$12,991	\$0	\$1,450
Contingency	1 to 1	0 to 0	\$1,900	\$3,070	\$216	\$0	\$24
Irrigation	25 to 25	4 to 7	\$16,400	\$9,259	\$652	\$0	\$73
Landscape	5 to 10	3 to 4	\$21,000	\$9,089	\$640	\$0	\$71
Mailboxes	30 to 30	23 to 29	\$14,100	\$1,102	\$78	\$0	\$9
Paint	5 to 20	0 to 11	\$139,065	\$61,901	\$4,357	\$0	\$486
Pool Furniture & Restrooms	5 to 25	0 to 23	\$44,760	\$22,472	\$1,582	\$0	\$177
Pool, East	6 to 30	1 to 21	\$96,850	\$53,063	\$3,735	\$0	\$417
Pool/Spa, West & Fountains	6 to 30	1 to 25	\$137,400	\$57,079	\$4,018	\$0	\$448
Tennis Court	8 to 10	3 to 5	\$5,808	\$2,833	\$199	\$0	\$22
Unfunded	0 to 0	0 to 0	\$0	\$0	\$0	\$0	\$0
<b>Totals:</b>			<b>\$1,314,508</b>	<b>\$568,250</b>	<b>\$40,000</b>	<b>\$0</b>	<b>\$4,465</b>

The complete reserve study is available by request from the Association.



# Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending June 30, 2023

(As illustrated by California Civil Code Section 5570(a))

(1) The regular assessment per ownership interest is **\$450.00** per month, of which approximately **\$32.68** is allocated to reserves, monthly.

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

(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: **SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.**

Date assessment will be due:	Amount per ownership interest per month or year:	Purpose of the assessment:
<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>	<i>(Intentionally left blank)</i>

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. **NOT APPLICABLE***

(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   X  

**Yes**, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below\*.

**No**, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below\*.

*\*Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the data of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association's CC&Rs.*

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

Approximate date assessment(s) will be due:	Amount per ownership interest per month:
<b>50.00% starting in 2024 for 1 year, 40.00% starting in 2025 for 1 year, 28.70% starting in 2026 for 1 year and 3.00% starting in 2027 for 26 years</b>	<b>(Current amount) X (the increases)</b>

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is **\$623,207.28**, as of **June 30, 2023**, based in whole or in part on the last reserve study or update prepared by **SCT RESERVE CONSULTANTS, INC.** The projected reserve fund cash balance at the end of the current fiscal year is **\$462,673.75**, resulting in reserves being **74.24%** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is **\$150,041**. (See explanation below).

**Explanation:** *Cash Flow Methodology - a method of developing a reserve funding plan where contributions to the reserve fund are designed 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.*



# Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending June 30, 2023

(continued)

7) See below: **30-Year Reserve Funding Plan Table**...Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$(see "100% Funded" column 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 \$(see "Cash Flow Balance with Funding Plan" column below), leaving the reserve at (see "Percent Funded" column below) percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$(see "Cash Flow Balance with Funding Plan" column below), leaving the reserve at (see "Percent Funded" column below) percent funding. Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was **1.00%** per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was **3.00%** per year.

**30-Year Reserve Funding Plan Table**

Year	End of Year			Revenue			Expenditures
	100% Funded	Cash Flow	Percent Funded	Contribution, Interest	Contribution Unit/Month	Funding Plan	Components, Taxes, Deferred Exp
2022	\$684,355	\$568,250	83.03%				
2023	\$623,207	\$462,674	74.24%	\$44,465	\$32.68	0.00%	\$150,041
2024	\$626,811	\$438,502	69.96%	\$64,099	\$49.02	50.00%	\$88,271
2025	\$694,138	\$503,657	72.56%	\$88,601	\$68.63	40.00%	\$23,446
2026	\$727,915	\$555,055	76.25%	\$113,116	\$88.32	28.70%	\$61,717
2027	\$731,258	\$572,547	78.30%	\$116,532	\$90.97	3.00%	\$99,041
2028	\$774,994	\$636,620	82.15%	\$120,476	\$93.70	3.00%	\$56,402
2029	\$855,046	\$746,912	87.35%	\$124,979	\$96.51	3.00%	\$14,687
2030	\$879,280	\$791,894	90.06%	\$128,981	\$99.41	3.00%	\$84,000
2031	\$672,378	\$536,076	79.73%	\$130,195	\$102.39	3.00%	\$386,013
2032	\$736,984	\$623,112	84.55%	\$134,661	\$105.46	3.00%	\$47,624
2033	\$798,435	\$711,105	89.06%	\$139,391	\$108.63	3.00%	\$51,398
2034	\$689,435	\$557,365	80.84%	\$141,932	\$111.89	3.00%	\$295,672
2035	\$752,810	\$645,714	85.77%	\$146,800	\$115.24	3.00%	\$58,451
2036	\$748,622	\$652,056	87.10%	\$151,110	\$118.70	3.00%	\$144,768
2037	\$773,307	\$675,447	87.35%	\$155,674	\$122.26	3.00%	\$132,284
2038	\$815,029	\$741,736	91.01%	\$160,785	\$125.93	3.00%	\$94,495
2039	\$645,251	\$495,971	76.86%	\$163,072	\$129.71	3.00%	\$408,838
2040	\$758,824	\$647,274	85.30%	\$169,154	\$133.60	3.00%	\$17,851
2041	\$848,324	\$777,192	91.61%	\$175,339	\$137.61	3.00%	\$45,421
2042	\$867,953	\$821,615	94.66%	\$180,846	\$141.73	3.00%	\$136,423
2043	\$924,968	\$906,348	97.99%	\$186,853	\$145.99	3.00%	\$102,120
2044	\$1,028,216	\$1,056,848	102.78%	\$193,659	\$150.36	3.00%	\$43,159
2045	\$1,150,315	\$1,239,799	107.78%	\$200,962	\$154.88	3.00%	\$18,011
2046	\$1,208,056	\$1,338,338	110.78%	\$207,639	\$159.52	3.00%	\$109,100
2047	\$1,124,140	\$1,261,861	112.25%	\$212,782	\$164.31	3.00%	\$289,259
2048	\$1,076,083	\$1,226,190	113.95%	\$218,416	\$169.24	3.00%	\$254,086
2049	\$1,145,104	\$1,324,039	115.63%	\$225,520	\$174.31	3.00%	\$127,670
2050	\$1,245,448	\$1,481,953	118.99%	\$233,437	\$179.54	3.00%	\$75,524
2051	\$1,191,758	\$1,349,018	113.20%	\$238,799	\$184.93	3.00%	\$371,734
2052	\$1,171,339	\$1,174,567	100.28%	\$243,840	\$190.48	3.00%	\$418,290
<b>30-Year Sum:</b>				<b>\$4,812,113</b>			<b>\$4,205,796</b>



## Summary

In accordance with our proposal, 2018-036, SCT Reserve Consultants, Inc. is pleased to provide this ***Level III Reserve Study Financial Update Report*** for **PLAZA VILLAS HOMEOWNERS ASSOCIATION**. Our study was performed in accordance with the Davis-Stirling Common Interest Development Act, specifically §5550, of the California Civil Code. This report included a site inspection on February 22, 2021. This *condominium* common interest development (CID) is located at 222 N. Calle El Segundo, Palm Springs, CA 92262. We are using an inception date for the components of July 1, 1982. ***This study is for July 1, 2022 through June 30, 2023, the Association's fiscal year.***

In general, reserve funds are funds set aside from collected association fees paid by owners of a common interest development. These funds earn interest and are disbursed when deemed necessary by the Board of Directors. The purpose of a reserve study is to determine how much money should exist in a reserve fund at a given point in time or to project required future contributions and expenditure amounts so that sufficient reserve funds are available when needed. Our reserve study is generated using proprietary SCT software and a combination of local industry standards and national average replacement costs.

The SCT software utilizes the weighted average life (WAL) of the reserve components. The future cost method for the WAL is calculated by using the current replacement cost of each component, as of the analysis date, and the number of years until each reserve component is scheduled to be replaced. This determines the monthly reserve contributions needed and calculates the future reserve balances.

A 30-year "Cash Flow and Percent Funded Projection" analysis and "Graph" are produced to verify and define the relationship of the Cash Flow (annual beginning balance) with respect to the 100% funded amount. Ideally, the Cash Flow line of the graph should run parallel to and below the "Percent Funded" line of the graph, see funding goals.

The following study has been prepared with several assumed factors taken into account: 3.00% inflation rate; a 1.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

A contingency fund of 4.8% starting in 2023 has been established to pay for incidental and miscellaneous reserve expenditures. Otherwise, any component that has a life cycle (full life) of less than two years should be budgeted and paid for through normal operating or property maintenance funds and is not included as part of this study.

**The current deficiency (or surplus if the number is in parenthesis) in reserve funding expressed on a per unit basis is \$1,138.28.** This is calculated by subtracting the ending balance (\$568,250) from the 100% funded figure (\$684,354.52), then divided by the number of ownership interests (102). There is currently no requirement to be fully funded.



## Summary (continued)

As of July 1, 2022, the estimated reserve fund balance is \$568,250 and the estimated current replacement cost is \$1,314,508 of the portfolio of reserve components. The projected future replacement cost of the portfolio is \$2,041,899, calculated at an annually compounded inflation rate of 3.00%. The Davis-Stirling Common Interest Development Act requires the disclosure of the *current reserve fund balance divided by the current replacement cost* (this is not *Percent Funded*). Currently, *this factor for PLAZA VILLAS HOMEOWNERS ASSOCIATION is 43.23%*.

The Association's level of funding for the fiscal year (July 1, 2022 through June 30, 2023) which is based upon the final estimated reserve fund balance divided by the reserve components' fully funded amount is **74.24%, and is referred to as *Percent Funded***. The Association would be 100.00% funded if there were \$623,207.28 in the reserve fund.

Our original analysis of the cash flow for this association indicated future inadequate funding (see the graph, the "square box and/or pink line"). This line represents the cash flow if there were no annual increases to the Reserves. ***It is our understanding the Board of Directors will allocate a monthly amount of \$3,333.33 starting in 2023 (\$32.68 per unit per month for each of the 102 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included changes of 50.00% starting in 2024 for 1 year, 40.00% starting in 2025 for 1 year, 28.70% starting in 2026 for 1 year and 3.00% starting in 2027 for 26 years. The change is scheduled to take effect in the year 2024.*** The Board of Directors may raise or lower this amount, however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

Sincerely,

A handwritten signature in dark ink, appearing to read "mcg", is written over a circular professional seal. The seal is black and white, with the text "MICHAEL C. GRAVES" around the top edge, "CAI - RS" in the center, and "00039" below it. At the bottom of the seal, it says "Designation Reserve Specialist".

Michael C. Graves, R.S. #00039  
SCT Reserve Consultants, Inc.

## Year 2023 Reserve Budget (AICPA Approved)

Category	Beginning Balance Jul 01, 2022	Annual Reserve Allocation	Monthly Reserve Allocation	Additional Revenue	Annual Interest Allocation	Expenditure	Ending Balance Jun 30, 2023	100% Funded Jun 30, 2023	Percent Funded Jun 30, 2023
Access System	\$41,213.96	\$2,901.11	\$241.76	\$0.00	\$323.84	\$0.00	\$44,438.90	\$59,857.83	74.24%
Asphalt & Concrete	\$122,620.44	\$8,631.43	\$719.29	\$0.00	\$963.48	\$11,896.20	\$120,319.16	\$162,066.19	74.24%
Buildings	\$184,548.02	\$12,990.61	\$1,082.55	\$0.00	\$1,450.07	\$112,500.00	\$86,488.70	\$116,497.62	74.24%
Contingency	\$3,070.32	\$216.12	\$18.01	\$0.00	\$24.12	\$1,900.00	\$1,410.57	\$1,900.00	74.24%
Irrigation	\$9,259.36	\$651.78	\$54.32	\$0.00	\$72.75	\$0.00	\$9,983.90	\$13,448.00	74.24%
Landscape	\$9,088.61	\$639.76	\$53.31	\$0.00	\$71.41	\$0.00	\$9,799.78	\$13,200.00	74.24%
Mailboxes	\$1,101.65	\$77.55	\$6.46	\$0.00	\$8.66	\$0.00	\$1,187.85	\$1,600.00	74.24%
Paint	\$61,901.37	\$4,357.33	\$363.11	\$0.00	\$486.39	\$13,585.00	\$53,160.09	\$71,605.00	74.24%
Pool Furniture & Restrooms	\$22,471.72	\$1,581.82	\$131.82	\$0.00	\$176.57	\$10,160.00	\$14,070.11	\$18,952.00	74.24%
Pool, East	\$53,062.77	\$3,735.17	\$311.26	\$0.00	\$416.94	\$0.00	\$57,214.87	\$77,066.67	74.24%
Pool/Spa, West & Fountains	\$57,078.62	\$4,017.85	\$334.82	\$0.00	\$448.49	\$0.00	\$61,544.96	\$82,899.17	74.24%
Tennis Court	\$2,833.17	\$199.43	\$16.62	\$0.00	\$22.26	\$0.00	\$3,054.86	\$4,114.80	74.24%
Unfunded	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Totals:</b>	<b>\$568,250.00</b>	<b>\$39,999.96</b>	<b>\$3,333.33</b>	<b>\$0.00</b>	<b>\$4,464.99</b>	<b>\$150,041.20</b>	<b>\$462,673.75</b>	<b>\$623,207.28</b>	<b>74.24%</b>



**PLAZA VILLAS OWNERS ASSOCIATION  
c/o COMMUNITY ASSOCIATION FINANCIAL SERVICES  
PO Box 2805  
PALM SPRINGS, CA 92263  
760.323.7475 PH ~ 760.323.8763 FAX**

**NOTICES**

The Reserve Study items included herein are a summary. The full Reserve Study Plan is available upon written request.

**MAJOR COMPONENT REPAIR STATEMENT:**

The Board of Directors has determined to not defer or not undertake repairs or replacements of any major components, therefore, repairs or replacements of major components will be completed per the reserve study, assuming the specific component identified needs to be repaired or replaced.

**ANTICIPATED SPECIAL ASSESSMENT STATEMENT:**

At the current time the Board of Directors does not anticipate the levy of a special assessment to repair, replace or restore any major component or to provide adequate reserves therefore.

**RESERVE FUNDING MECHANISM STATEMENT:**

The Board of Directors plans on funding reserves by allocating a portion of each member's monthly assessments to reserves. Currently the amount allocated to reserves is \$32.68 per unit, per month.

**PROCEDURES FOR CALCULATING RESERVES STATEMENT:**

At least once every three years, the board shall cause to be conducted a visual inspection of the major components that the Association is obligated to maintain as part of a study of the reserve account requirements of Plaza Villas Owners Association. The board reviews this study annually and considers necessary adjustments to the reserve account requirement as a result of that review.

**OUTSTANDING LOAN STATEMENT:**

At this time the Association has no outstanding loans.



**Plaza Villas HOA**  
**INSURANCE SUMMARY DISCLOSURE**

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

**I. GENERAL LIABILITY INSURANCE**

A. Name of insurer:	DB Insurance Company, Ltd.
B. Policy limits:	\$1,000,000 per occurrence; \$2,000,000 aggregate
C. Amount of deductible (if any):	\$0
D. Umbrella coverage, if applicable:	\$5,000,000
E. Umbrella carrier:	Fireman's Fund Insurance Company
F. Policy dates:	04/12/2022 – 04/12/2023

**II. PROPERTY INSURANCE**

A. Name of insurer:	DB Insurance Company, Ltd.
B. Policy limits:	\$17,143,939
C. Amount of deductible:	\$5,000
D. Policy dates:	04/12/2022 – 04/12/2023

**III. EARTHQUAKE INSURANCE**

A. Name of insurer:	QBE Specialty Insurance Company
B. Policy limits:	\$16,914,557
C. Amount of deductible:	20%
D. Policy dates:	04/12/2022 – 04/12/2023

**IV. FLOOD INSURANCE**

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

**V. FIDELITY BOND INSURANCE**

A. Name of insurer:	PMA Insurance Company
B. Policy limits:	\$675,000
C. Amount of deductible:	\$5,000
D. Policy dates:	04/12/2022 – 04/12/2023

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

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



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/11/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> LaBarre/Oksnee Insurance 30 Enterprise, Suite 180 Aliso Viejo CA 92656	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> 800-698-0711 <b>FAX (A/C, No):</b> 949-588-1275 <b>E-MAIL:</b> proof@hoa-insurance.com <b>ADDRESS:</b> proof@hoa-insurance.com
<b>INSURED</b> Plaza Villas HOA Sharp Property Management 1717 Vista Chino, A7-772 Palm Springs CA 92262	<b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> DB Insurance Co., Ltd. (US) <b>INSURER B:</b> Fireman's Fund Insurance Co. <b>INSURER C:</b> PMA Insurance Group <b>INSURER D:</b> Philadelphia Indemnity Ins. Co. <b>INSURER E:</b> <b>INSURER F:</b>

**COVERAGES****CERTIFICATE NUMBER:** 2024447699**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		CBP1720191-05	4/12/2022	4/12/2023	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y		CBP1720191-05	4/12/2022	4/12/2023	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0 <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE	Y		USL01482121U-16811-6	4/12/2022	4/12/2023	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	2022010877639Y	4/12/2022	4/12/2023	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A C D	Property Crime/Fidelity Directors & Officers	Y Y		CBP1720191-05 412201-08-77-63-9Y PCAP004542-0518	4/12/2022 4/12/2022 4/12/2022	4/12/2023 4/12/2023 4/12/2023	\$5,000 Deductible \$17,143,939 \$5,000 Deductible \$675,000 \$1,000 Deductible \$1,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
HOA consists of 102 units. Located in Palm Springs, CA.

Management Company is Additionally Insured on the General Liability, D&O Liability, and Fidelity Bond.

See 2nd page of certificate of insurance for further coverage information.

See Attached...

**CERTIFICATE HOLDER****CANCELLATION**

Sharp Property Management  
1717 Vista Chino, A7-772  
Palm Springs CA 92262  
USA

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

**ADDITIONAL REMARKS SCHEDULE**Page 1 of 1

AGENCY LaBarre/Oksnee Insurance		NAMED INSURED Plaza Villas HOA Sharp Property Management 1717 Vista Chino, A7-772 Palm Springs CA 92262
POLICY NUMBER		
CARRIER	NAIC CODE	
EFFECTIVE DATE:		

**ADDITIONAL REMARKS****THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,****FORM NUMBER:** 25 **FORM TITLE:** CERTIFICATE OF LIABILITY INSURANCE

Bare Walls (Interior Coverage Excluded)

Coverage Includes:

Special Form with 100% Replacement Cost

Wind/Hail

Equipment Breakdown

Building Ordinance or Law A+B+C

Inflation Guard and/or limits are reviewed yearly to ensure 100% Replacement Cost

Severability of Interest / Separation of Insureds

Computer Fraud &amp; Funds Transfer Fraud

Waiver of Rights of Recovery

No Co-Insurance

D&amp;O is a Claims-Made Policy

Earthquake Coverage:

Earthquake Carrier: QBE Specialty Insurance, Policy Number: TBA

Policy Term: 4/12/2022 - 4/12/2023

Limit: \$16,914,557

Deductible: 20%

## **Statutory Disclosure**

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

### **FHA Reporting of Project Approval**

AB 596 amends Civil Code Section 5300 as of July 1, 2016 to require the annual budget report of a condominium project to include a separate statement describing the status of the common interest development as a Federal Housing Administration (FHA) approved condominium project.

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.

The common Interest development is / is not (circle one) a condominium project. The association of this common interest development is is not (circle one) certified by the Federal Housing Administration.

### VA Reporting of Project Approval

AB 596 amends Civil Code Section 5300 as of July 1, 2016 to require the annual budget report of a condominium project to include a separate statement describing the status of the common interest development as a federal Department of Veterans Affairs (VA) approved condominium project.

Certification by the 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.

The common interest development is / is not (circle one) a condominium project. The association of this common interest development is / is not (circle one) certified by the federal Department of Veterans Affairs.

# CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525\*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some of all of these documents but shall not be required to purchase ALL of the documents listed on this form.

Date form completed: January 1, 2018  
 Property Address: 123 Anywhere Street, Palm Springs, CA 92262  
 Owner of Property: John and Jane Doe  
 Owner's Mailing Address: 456 Nowhere Street, Chicago, IL 60616  
 (if different from property address)

Provider of the Section 4525 Items:  
 Judith Gonzales, Escrow Specialist, Community Association Financial Services

Check or Complete Applicable Column or Columns Below			
Document	Civil Code Section Included	Fee for Document	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation	Section 4525(a)(1)	\$5.00	
CC&R's	Section 4525(a)(1)	\$30.00	
Bylaws	Section 4525(a)(1)	\$15.00	
Operating Rules	Section 4525(a)(1)	\$15.00	
Age restrictions, if any	Section 4525(a)(2)	\$10.00	
Rental restrictions, if any	Section 4525(a)(9)	\$10.00	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$15.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$10.00	
Financial Statement review	Sections 5305 and 4525(a)(3)	\$10.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	\$10.00	
Insurance Summary	Sections 5300 and 4525(a)(3)	\$5.00	
Regular Assessment	Section 4525(a)(4)	\$5.00	
Special Assessment	Section 4525(a)(4)	\$5.00	
Emergency Assessment	Section 4525(a)(4)	\$5.00	
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	\$5.00	
Approved changes to assessments	Section 5300 and 4525(a)(4), (8)	\$5.00	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	\$5.00	
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	\$5.00	
Notice of violation	Sections 5855 and 4525(a)(5)	\$15.00	
Required statement of fees	Section 4525	No charge	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$20.00	

\*The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.