4668 Nebo Drive, La Mesa, California 91941-5200
www.helmmanagement.com

THE HELM MANAGEMENT CO.

(619) 589-6222 - Fax: (619) 466-6499
thehelm@helmmanagement.com

May 28, 2026

«First_Name» «Last_Name»
«Street_» «Address_1» «Unit_»
«Address_2»
«City», «State» «Zip_Code»

Del Rey Homeowners Association

2026/2027 Annual Budget Report

Dear Del Rey Owner:

As the registered owner of a unit at Del Rey, you are entitled to receive pertinent information in regards to the Association on an annual basis as directed by California Civil Code. The following information was approved by your Board of Directors for membership distribution:

- *2026/2027 Pro-Forma Operating Budget*
  Please note: The monthly Association Dues for 2026/2027 will increase by an average of 3.9% per unit owned. The increase will become effective July 2026. Your July Statement will be distributed in late June.
- *Reserve Study Summary Update as of fiscal year end, June 2026.*
- *Assessment and Reserve Funding Disclosure Summary*
- *Required, Recommended and Optional Member Notices and Disclosures per Applicable Codes*
- *Internal Dispute Resolution / Alternative Dispute Resolution Letter*
- *Del Rey Fine Schedule*
- *Del Rey Collection and Lien Policy*
- *Del Rey FHA and VA Eligibility Disclosures*

In compliance with California Civil Code §4041, the above mailing address has been determined to be your primary mailing address for all correspondence. Owners are obligated to update the Association with this information at least once per year. If the above address is incorrect, please notify our office in writing. We will continue to use this address until advised differently.

Should you have any questions, please contact The Helm Management Co., and ask to speak your association contact, Alex Rochon, (619) 589-6222 x 142 or send an email with any questions to alex@helmmanagement.com.

Sincerely,

Alex Rochon. CMCA®, AMS®
Association Manager

Del Rey Homeowners Association				
	Account	Description	2025/2026 Budget	2026/2027 Budget
Operating Accounts				
Income Accounts				
Income				
	40-40023-00-01	Special Assessment Backflow	$0.00	$0.00
	40-40025-00-00	Assessments	$423,190.50	$439,715.50
	40-40175-00-00	Late, Lien and Billing Charges	$0.00	$0.00
	40-40180-00-00	Delinquent Interest	$0.00	$0.00
	40-40200-00-00	Common Area Access Devices	$0.00	$0.00
	40-40225-00-00	Water Reimbursement	$0.00	$0.00
	40-40230-00-00	Parking Rental	$0.00	$0.00
	40-40235-00-00	Move In and Move Out Fee	$0.00	$0.00
	40-40245-00-00	Club House Rental	$0.00	$0.00
	40-40250-00-00	Interest	$0.00	$0.00
	40-40260-00-00	Laundry	$10,000.00	$11,000.00
	40-40265-00-00	Fines & Damages	$0.00	$0.00
	40-40270-00-00	Storage	$0.00	$0.00
	40-40280-00-00	ACR Fees	$0.00	$0.00
	40-40300-00-00	Miscellaneous	$0.00	$0.00
	40-40310-00-00	Bike Registration Fees	$0.00	$0.00
	40-40325-00-00	Pet Registration Fees	$0.00	$0.00
Income Accounts Total			**$433,190.50**	**$450,715.50**
Expense Accounts				
General & Administrative				
	58-58075-04-00	Insurance	$40,438.00	$40,509.00
	58-58078-04-00	Insurance-Earthquake	$24,000.00	$21,200.00
	58-58100-04-00	Audit and Tax Preparation	$1,485.00	$1,485.00
	58-58125-04-00	State and Federal Taxes	$1,329.00	$1,766.00
	58-58200-04-00	Legal	$3,000.00	$5,000.00
	58-58225-04-00	Management Fee	$20,400.00	$21,800.00
	58-58250-04-00	Licenses, Permits and Fees	$3,500.00	$3,750.00
	58-58350-04-00	Postage, Copies and Office Supplies	$1,750.00	$1,750.00
	58-58575-04-00	Bad Debt	$0.00	$0.00
Services				
	60-60025-05-00	Landscape	$17,280.00	$17,500.00
	60-60030-05-00	Carpet Cleaning	$2,815.50	$2,815.50
	60-60050-05-00	Tree Trimming	$2,500.00	$2,500.00
	60-60075-05-00	Landscape Extras	$500.00	$500.00
	60-60100-05-00	Pest & Termite	$5,139.96	$5,800.00
	60-60105-05-00	Termite	$0.00	$0.00
	60-60125-05-00	Janitorial	$23,500.00	$23,500.00
	60-60150-05-00	Pool and Spa Maintenance	$7,850.00	$10,500.00
	60-60160-05-00	Window Washing	$1,100.00	$1,100.00
	60-60175-05-00	Waste Disposal	$19,913.04	$22,500.00
	60-60180-05-00	Elevator	$9,000.00	$8,000.00
	60-60200-05-00	Courtesy Patrol	$4,860.00	$4,860.00
	60-60500-05-00	Fire Prevention System	$6,200.00	$6,500.00
	60-60510-05-00	Maintenance Contract	$0.00	$0.00
	60-60580-05-00	Cameras	$1,880.00	$1,880.00
Repairs & Maintenance				
	68-68025-09-00	Irrigation System Repair	$500.00	$500.00
	68-68050-09-00	Pool and Spa Repair	$500.00	$500.00
	68-68110-09-00	Gate Repair	$1,500.00	$1,500.00
	68-68125-09-00	Plumbing Repair	$15,000.00	$15,000.00
	68-68128-09-00	Water Intrusion	$3,000.00	$3,000.00
	68-68175-09-00	Common Area Repair	$15,000.00	$18,000.00
Supplies				
	70-70025-10-00	Landscaping Supplies	$400.00	$400.00
	70-70075-10-00	Janitorial Supplies	$200.00	$200.00
	70-70125-10-00	Electrical and Hardware Supplies	$1,500.00	$1,500.00
Utilities				
	76-76025-13-00	Water	$25,000.00	$30,000.00
	76-76055-13-00	Sewer	$19,000.00	$20,000.00
	76-76075-13-00	Electricity	$32,000.00	$32,000.00
	76-76100-13-00	Gas	$19,500.00	$20,000.00
	76-76125-13-00	Telephone	$1,250.00	$2,500.00
	76-76150-13-00	Cable/Internet	$0.00	$0.00
Contingency				
	80-80000-14-00	Contingency	$1,000.00	$1,000.00
Reserves				
	82-82100-14-00	Reserves	$99,400.00	$99,400.00
Expense Accounts Total			**$433,190.50**	**$450,715.50**

2025/2026 Assessments	$ 470.21
2026/2027 Assessments	$ 488.57
% Change	3.9%

Unit #	2025/2026	2026/2027
101	$ 602.44	$625.86
102	$ 548.15	$569.80
103	$ 388.40	$403.44
104	$ 362.30	$376.32
105	$ 388.40	$403.44
106	$ 511.61	$532.06
107	$ 388.40	$403.44
108	$ 548.15	$569.80
109	$ 382.14	$396.84
111	$ 511.61	$532.06
112	$ 548.15	$569.80
113	$ 388.40	$403.44
114	$ 362.30	$376.32
115	$ 388.40	$403.44
116	$ 511.61	$532.06
117	$ 388.40	$403.44
118	$ 548.15	$569.80
119	$ 382.14	$396.84
201	$ 511.61	$532.06
202	$ 548.15	$569.80
203	$ 388.40	$403.44
204	$ 493.86	$513.37
205	$ 388.40	$403.44
206	$ 511.61	$532.06
207	$ 388.40	$403.44
208	$ 548.15	$569.80
209	$ 433.30	$450.71
210	$ 611.84	$635.39
211	$ 511.61	$532.06
212	$ 548.15	$569.80
213	$ 388.40	$403.44
214	$ 493.86	$513.37
215	$ 388.40	$403.44
216	$ 511.61	$532.06
217	$ 388.40	$403.44
218	$ 548.15	$569.80
219	$ 433.30	$450.71
301	$ 511.61	$532.06
302	$ 548.15	$569.80
303	$ 388.40	$403.44
304	$ 493.86	$513.37
305	$ 388.40	$403.44
306	$ 511.61	$532.06
307	$ 388.40	$403.44
308	$ 548.15	$569.80
309	$ 433.30	$450.71
310	$ 611.84	$635.39
311	$ 511.61	$532.06
312	$ 548.15	$569.80
313	$ 388.40	$403.44
314	$ 493.86	$513.37
315	$ 388.40	$403.44
316	$ 511.61	$532.06
317	$ 388.40	$403.44
318	$ 548.15	$569.80
319	$ 433.30	$450.71
401	$ 511.61	$532.06
402	$ 674.48	$701.35
403	$ 388.40	$403.44
404	$ 367.52	$381.82
405	$ 388.40	$403.44
406	$ 511.61	$532.06
407	$ 388.40	$403.44
408	$ 548.15	$569.80
409	$ 433.30	$450.71
410	$ 611.84	$635.39
411	$ 511.61	$532.06
412	$ 548.15	$569.80
413	$ 388.40	$403.44
414	$ 493.86	$513.37
415	$ 388.40	$403.44
416	$ 511.61	$532.06
417	$ 388.40	$403.44
418	$ 548.15	$569.80
419	$ 433.30	$450.71

EXECUTIVE SUMMARY
For the Fiscal Year Ending June 30, 2026

The following information is a condensed summary of the current full reserve study, to be conducted every 3 years (physical inspection necessary) and reviewed annually. It is intended to provide the general information for inclusion with the annual budget information to be distributed to the homeowners, and is prepared in compliance with California Civil Codes 5550-5580. Reference to the complete study provides detailed estimates of individual remaining lives, current costs, and projected future replacement costs.

Summary of Cost of Inventory

Base Identification Component Inventory Groupings	Estimated Remaining Useful Life	Estimated Replacement Costs	Annual Account Requirement	Accumulated Account Requirement	Allocation of Fund Balance	Percent of Fund Balance
Paving and Surfacing	1-22	$ 124,000	$ 7,600	$ 104,800	$ 55,833	13.50%
Fences, Walls and Gates	14	93,800	5,643	78,280	41,704	10.05%
Structural and Pest Controls	14	60,000	3,022	26,756	14,254	3.44%
Roof & Waterproofing	12-22	135,000	4,876	106,943	56,975	13.73%
Flooring	12	310,000	9,667	196,667	104,776	25.25%
Painting and Coverings	1-7	51,100	2,504	24,529	13,068	3.15%
Specialties and Electric	9-14	108,000	8,583	89,083	47,460	11.44%
Site Facilities, Equip. & Furnishings	7	5,500	220	4,400	2,344	0.56%
Aquatic Facilities	1-13	14,000	1,158	10,042	5,350	1.29%
Elevators	1-12	47,719	3,683	37,163	19,799	4.77%
Plumbing, Mechanical and Utility	14-22	107,500	12,431	36,080	19,222	4.63%
Systems Communications & Security	2	27,500	3,750	8,750	4,662	1.12%
Contingency		41,250	3,717	30,383	16,187	3.90%
Aquascaping		0	6,250	25,000	13,319	3.21%
Totals		1,125,369	73,105	$ 778,875	$ 414,953	100.00%

Summary of Financial Position

Accumulated Deficit	$ 363,923	Per Unit	$ 4,852.30
Percentage Funded as of the Year End:		53.28%	
Current Annual Funding (from Budget)		$ 99,400	
Actual Cash Balance: April 30, 2026		$ 398,386	
Anticipated Funding to Year End:		16,567	
Anticipated Expenditures to Year End:		-	
Actual Cash Balance: June 30, 2026		$ 414,953	

Summary of the Funding Plan

	*Annual	**Current	***Recommended
Dollar Amount Per Unit, Per Month (All Funding options assume a 1.5% increase per year)	81.23	110.44	110.44

* Annual Reserve Account Requirement: Annual Reserve allocations should adequately fund reserves with no deficits.

* **Current Annual Funding: Current Regular Reserve allocations should adequately fund reserves with no deficits.

This over view summary we have prepared for you is based on our best estimate of anticipated funding and distributions from the reserve funds through the current fiscal year ending June 30, 2026. The related reserve funding projection for the 30-year period goes from YEAR to YEAR. It is based on compilation of information provided by current management and a consultant's most likely estimates at the time of inspection, as described in the physical analysis portion of the report. The Annual Account Requirement is based on the cost of each component divided by its total useful life. The Accumulated Account Requirement is the annual requirement multiplied by the number of expended years. The Difference between the Accumulated Requirement total and the Actual Cash Balance may indicate a deficit or surplus, which would be expressed in the Percentage Funded.

There has not been an audit or review of the accompanying analysis performed. Therefore, no expressed opinion or form of assurance is offered. We assume no responsibility to update this report for events or circumstances occurring after the date of issuance of this report.

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

(1) Regular Assessments –
Assessments to members are $470.21 per unit per month for the year ending June 30, 2026.
*If assessments vary by the size or type of unit, the applicable assessment rates may be found in the Association's Annual Budget and/or can be provided by the Associations/management agency.

(2 Special Assessment --
Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, which have been approved by the Board and/or members.

Date Assessment is Due	Average Amount/ Per Unit	Purpose of this Assessment is to Fund or Supplement the Replacement Costs of:

(3) Reserve Account Balances –
Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balance 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 _______

(4) Additional Assessments –
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 of directors or the members?

(Not applicable, proceed to #5)

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

(6) Current Funding Comparisons –
As of the current reserve study or update, the balance in the actual cash balance is projected to be $414,953. Based on the method of calculation in paragraph (4) of the subdivision (b) of Section 5570 of the Civil Code, the estimated accumulated account requirement is $778,875. The percentage funding is: 53.28%.

(7) Funding over next 5 Budget Years –
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 projected to be:

$591,031	$651,104	$612,761	$474,621	$375,408

The projected reserve fund cash balance at the end of each of those years is projected to be, taking into account only assessments already approved and other known revenues, as follows:

	$257,552	$345,794	$335,756	$225,030	$151,287
% Funded	43.58%	53.11%	54.79%	47.41%	40.30%

If the recommended reserve funding plan is approved by the Association and implemented, the projected reserve fund cash balance at the end of each of those years would be:

	$257,552	$345,794	$335,756	$225,030	$151,287
% Funded	43.58%	53.11%	54.79%	47.41%	40.30%

Note: The financial representations set forth in this summary are based on best estimates of the preparer at the time. These estimates are subject to change.

DEL REY HOMEOWNERS ASSOCIATION
SUMMARY OF INSURANCE COVERAGE

<table>
<tr><td colspan="3">TRAVELERS PROPERTY CASUALTY CO. OF AMERICA
Policy Active: 6/12/25– 6/12/26*</td></tr>
<tr><td rowspan="2">Type: Building
Policy Limits: $15,375,075
Deductible: $10,000 per occurrence

Type: Directors & Officers
Policy Limits: $1,000,000</td><td>Type: Liability
Policy Limits: $1,000,000</td><td rowspan="2">UNDERWRITERS AT LLOYD'S

Type: Earthquake
Policy Limits: $15,647,935
Deductible: 10% per unit
Policy Active: 10/01/2025-10/01/2026</td></tr>
<tr><td>Type: Fidelity Bond
Policy Limits: $475,000</td></tr>
</table>

∗Policies expected to renew with similar rates.

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.

DESIGNATED PERSON TO RECEIVE ASSOCIATION COMMUNICATIONS

All official communications to the Association shall be sent to: Board President, Del Rey Homeowners Association c/o The Helm Management Co. 4668 Nebo Drive, La Mesa, CA 91941.

NOTICES TO MEMBER

Members have the right to receive Association notices at up to two addresses. Written request must be made to the Association to receive notices at multiple locations.

RIGHT TO OBTAIN MINUTES

The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, or any meeting of the board of directors of an association, other than an executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member of the association upon request and upon reimbursement of the association's costs for making that distribution. Minutes may be obtained by written request to The Helm Management Co.

RIGHT TO OBTAIN ANNUAL REPORT

A review of the financial statement of the association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross income to the association exceeds seventy-five thousand dollars ($75,000). A copy of the review of the financial statement shall be distributed within 120 days after the close of each fiscal year.

ARCHITECTURAL CHANGES DISCLOSURE

Any work that is to be completed either on the interior or the exterior of a separate interest must be reviewed and approved per the Association's CC&Rs. The Board of Directors or Architectural Committee may review plans for submission prior to approval. For more information, please review the CC&Rs. For a copy of an approved Architectural Change Request Form, please contact The Helm Management Co.

SECURITY DISCLAIMER

As much as we would like it to be, the Association can never be free of crime. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their neighbors, for guests of residents to commit crimes, and for employees to commit crimes. As a result, the Association is not and can never be free of crime and cannot guarantee your safety or security. You should NOT rely on the Association to protect you from loss or harm--you should provide for your own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; refusing to open your door to strangers; installing a peep hole in your front door; asking workmen for identification; installing a security system; locking your car; etc.

GENERAL NOTICE DISCLOSURE

The Association has established the following designated place for posting of a general notice to all members: By elevators. Each Association member has the option to receive general notices via individual delivery if a member opts to do so and so notifies the Association in writing.

<u>DEL REY HOMEOWNERS ASSOCIATION</u>
<u>ALTERNATIVE DISPUTE RESOLUTION PROCEDURES</u>
(CALIFORNIA CIVIL CODE SECTIONS 5900, ET SEQ AND 5925, ET SEQ.)

I. California Civil Code section 5900, *et seq. ("Internal Dispute Resolution")*

California Civil Code section 5900, et seq. applies to a dispute between the Association and an Owner involving their rights, duties or liabilities under California Civil Code § 5900, under the Nonprofit Mutual Benefit Corporation Law, or under the governing documents of the Association.

Either party to a dispute within the scope of Civil Code § 5900, et seq., may invoke the following procedure:

A. The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

B. An Owner may refuse a request to meet and confer; however, the Association may not refuse a request to meet and confer.

C. The Board shall designate a member of the Board to meet and confer.

D. The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.

E. 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. (California Civil Code § 5915(b).)

A written agreement reached under section 5900 referenced above binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied: (1) The agreement is not in conflict with law or the governing documents of the Association; and (2) the agreement is either consistent with the authority granted by the Board to its designee or the agreement is ratified by the Board. (California Civil Code § 5915(c).)

II. California Civil Code section 5925, *et seq. ("Alternative Dispute Resolution")*

California Civil Code section 5925, et seq., requires that prior to filing an enforcement action, an association or an owner shall endeavor to submit their dispute to alternative dispute resolution pursuant to section 5925, et seq.

The Association or an Owner may not file an enforcement action in the Superior Court unless the parties have endeavored to submit their dispute to alternative dispute resolution, consistent with California Civil Code sections 5925, et seq., and other successor California statutes and law. This prelitigation requirement applies to enforcement actions in the Superior Court solely for (1) declaratory relief; (2) injunctive relief; (3) writ relief; and (4) relief in conjunction with a claim for monetary damages not in excess of five thousand dollars ($5,000.00). This prelitigation requirement does not apply to Small Claims actions and assessment disputes. (California Civil Code § 5930.)

Any party to a dispute may initiate Alternative Dispute Resolution under this section by serving on another party to the dispute a Request for Resolution. Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the Request. The Request for Resolution must include:

A. A brief description of the dispute between the parties;

B. A request for alternative dispute resolution; and,

C. A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt of the request, or it will be deemed rejected. (California Civil Code § 5935.)

The party receiving a Request for Resolution has 30 days following receipt to accept or reject alternative dispute resolution. If not accepted within 30 days the Request may be deemed rejected. (California Civil Code § 5935(c).) If alternative dispute resolution is accepted, it must be completed within 90 days of the date of receipt of the acceptance by the party initiating the Request, unless extended by written stipulation signed by both parties. (California Civil Code § 5940.)

At the time of filing a civil action, the party filing the action shall file with the complaint a certificate stating that alternative dispute resolution has been completed in compliance with California Civil Code section 5950. Failure to file a certificate may be grounds for a demurrer or motion to strike unless the Court finds that dismissal of the action for failure to comply with this requirement would result in substantial prejudice to one of the parties pursuant to section 430.10 of the California Code of Civil Procedure. (California Civil Code § 5950(b).)

The cost of the alternative dispute resolution hearing must be borne equally by the parties. (California Civil Code § 5940(c).) Refusal to share costs equally constitutes rejection of alternative dispute resolution, regardless of prior acceptance.

Failure of a Member of the Association to comply with the alternative dispute resolution requirements of California Civil Code §5930, et seq., may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law. (California Civil Code § 5965(a).)

Very truly yours,

Del Rey Homeowners Association Board of Directors

ASSOCIATION
FINE SCHEDULE

The Rules & Regulations are issued by the Board of Directors as authorized by the governing documents of the Association.

For a complete copy of the Rules and Regulations, please contact The Helm Management Co. at (619) 589-6222. All inquires shall be addressed to the Board of Directors in writing via The Helm Management Co.

DEL REY HOMEOWNERS ASSOCIATION
COLLECTION POLICY

The Del Rey Homeowners Association (the "Association") has the right and duty under the Association's governing documents and California law to impose and collect assessments so that the Association can, among other things, manage, maintain and operate your development.

Timely payment of assessments is of critical importance to the Association. Although most property Owners consistently pay their assessments on time, the failure of any Owner to pay assessments when due creates a cash-flow problem for the Association and causes those Owners who make timely payments of their assessments to bear a disproportionate share of the Association's financial obligations. Therefore, to encourage the prompt payment of assessments and as required by law and/or the Association's governing documents, the Board of Directors has enacted the following policies and procedures (this "Collection Policy") concerning collection of delinquent assessment accounts, subject to Civil Code section 4340, et seq., if applicable.

1. **DUE DATES.** All Regular Assessments shall be due and payable, in advance, in equal monthly installments, on the first day of each month. Special Assessments shall be due and payable on the due date specified by the Board in the notice imposing the assessment or in the ballot presenting the special assessment to the members for approval. In no event shall a Special Assessment be due and payable earlier than thirty (30) days after it is imposed.

2. **PAYMENT / RECEIPTS / OVERNIGHT PAYMENT LOCATION.** The Association will be the collectors of the assessments (current and delinquent), late charges, interest, and collection costs (which may include attorneys' fees). Assessments may be paid by personal check, bank drafts, cashier's checks and/or money orders, as well as by electronic payment, if available. A charge of $50.00, in addition to late fees, if applicable, will be assessed against any account whose check has been returned for Non-Sufficient Funds (NSF). When an Owner makes a payment, the Owner may request a receipt and the Association will provide such receipt, which will indicate the date of payment and person who received such payment. (Civil Code section 5655.) Any Owner is entitled to inspect the Association's accounting books and records. Any request for a receipt of payment must be submitted directly to the Association's business address (separately from any actual payment). Overnight payment of assessments may be sent/delivered to the following address:

The Helm Management Co.
4668 Nebo Drive
La Mesa, CA 91941

3. **APPLICATION OF PAYMENTS.** Payments received on delinquent assessments shall be applied to the Owner's account in the following order of priority: First, the principal on the assessments owed; then to accrued interest and late charges; then to attorneys' fees; then the title company and foreclosure service company charges and other reasonable costs of collection. Payments on account of principal shall be applied in reverse order so that the oldest arrearages are retired first.

4. **LATE CHARGE:** All assessments shall be delinquent if not paid within **fifteen (15) days** after they become due and will result in the imposition of a late charge of **ten percent (10%) of the delinquent assessment or ten dollars ($10.00), whichever is greater**. Furthermore, the Association shall be entitled to recover any reasonable collection costs, including attorneys' fees, that the

Association then incurs in its efforts to collect the delinquent sums.

5. LATE LETTER. If a delinquent assessment payment is not paid within **thirty (30) days** after it becomes due, a late letter or current ledger may be sent to the Owner reminding the Owner of his or her delinquent account status. The Association, however, is in no way required to send a late letter or ledger before sending a pre-lien letter referenced below.

6. INTEREST. If an assessment payment is not paid within **thirty (30) days** of its original due date, interest may be imposed on all sums due, including the delinquent assessment, attorneys' fees, collection costs, and late charges, at an annual percentage rate of **twelve percent (12%)**, but in no event more than the maximum rate permitted by law.

7. SECONDARY ADDRESS. Upon receipt of a written request by an Owner identifying a secondary address for the purposes of assessment collection notices, the Association shall send collection notices required by this Collection Policy to the secondary address provided. The Owner's notice of a secondary address must be in writing and mailed to the Association in a manner that shall indicate that the Association has received it. The Association shall only send notices to the indicated secondary address at the point in time the Association receives the written request.

8. PRE-LIEN LETTER. Following the 30-day dispute period and once the Association sends verification/validation of the debt to the Owner (if so requested by the Owner), the Association may send the delinquent Owner a Pre-Lien Letter by regular first-class mail and certified mail, return receipt requested. The Pre-Lien Letter shall provide at least thirty (30) days' written notice to a delinquent Owner prior to recording an Assessment Lien and further provide an itemized statement of the charges owed, including a breakdown of the following items: (a) The principal amount owed; (b) any late charges with the method of calculation used to determine such charges; (c) any attorneys' fees incurred; and (d) a description of collection practices, including the right of the association to the reasonable costs of collection. A copy of the Association's collection policy shall be attached to the Pre-Lien Letter.

9. ALTERNATIVE DISPUTE RESOLUTION PROCESS.

a. Assessment Lien. Prior to recording an assessment lien, the Association shall offer the Owner and, if so requested by the Owner, the option of participating in dispute resolution, consistent with Civil Code sections 5910 and 5915, et seq. The Association's offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the Owner. An Owner who desires to accept the offer to "meet and confer" under this section shall elect such option by submitting a written request to the Association or the Association's legal counsel, which written request must be received by the Association within twenty (20) days from the date of the offer to "meet and confer." If the offer to "meet and confer" under sections 5910 and 5915, is accepted by the Owner, the Association shall designate a prompt date and time for the meet and confer, at a location that shall either be the Association's principal office or another convenient location as designated by the Association. The Association shall designate a Board officer, along with its Property Manager to participate in the meet and confer with the Owner.

b. Foreclosure. Prior to initiating foreclosure proceedings against an Owner's separate interest, the Association shall offer the delinquent Owner, and if so requested by the Owner, to meet and confer with a delinquent Owner (Civil Code sections 5910 and 5915) OR alternative dispute resolution (Civil Code section 5925, et seq.) to resolve any dispute related to the total amount of delinquencies owed by the delinquent Owner to the Association and/or the Association's Collection Policy ("ADR Offer"). The Association's ADR Offer shall either be placed within the Association's Pay or Lien Letter or in a separate written communication to the delinquent Owner. An Owner who wishes to accept the ADR Offer must do so by submitting his/her/its written request to facilitate the ADR that is elected with the Association, which written request must be received by the Association within thirty (30) days from the day the ADR Offer is submitted to the delinquent Owner. The Association shall designate a prompt date and time for the elected ADR. If a "meet and confer" is elected by the delinquent Owner, the Association shall designate a Board member, along with its Property Manager to participate in the meet and confer with the delinquent Owner. 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.

10. **SHOW CAUSE HEARING.** Additionally, the Association may elect to provide a delinquent Owner a written notice (either in the Pay or Lien Letter or in a separate written document, as determined by the Board of Directors) of a hearing before the Board of Directors, wherein the Owner shall be invited to show good cause why (a) the Owner's voting privileges; and/or (b) the Owner's privileges for use of the common area/recreational facilities (hereinafter collectively "Membership Privileges") should not be suspended for non-payment of the delinquent assessment(s) ("Show Cause Hearing"). The notice and hearing procedures shall be in accordance with the governing documents for the Association.

11. ASSESSMENT LIEN.

a. If the delinquent Owner does not bring his or her account current within the deadline set forth in the Pay or Lien Letter, the Board of Directors may proceed with recording an assessment lien against that Owner's separate interest.

b. 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. Prior to causing an assessment lien to be recorded, the Board of Directors must approve the recordation of an assessment lien against the delinquent Owner's separate interest. The Board of Directors for the Association shall approve the decision to record an assessment lien by a majority vote in an open meeting; the Board shall record the vote in the minutes of that meeting. The Board's action should refer to the Unit or account number of the property that is delinquent, rather than the name of the Owner.

c. The Assessment Lien shall be recorded in the County Recorder's Office itemizing all sums that are then delinquent, including the delinquent assessment(s), the then current monthly assessment amount which will also accrue and be a part of the lien, interest, late charges, collection costs and reasonable attorneys' fees. Any demand or claim of lien or lien on account of prior delinquencies shall be deemed to include subsequent delinquencies and amounts due on account thereof. Additional monies shall accrue under this claim at the rate of regular monthly or special assessments, plus permissible late charges, costs of collection and interest, accruing subsequent to the date of the originally recorded lien. Recording this notice creates a lien, which may be foreclosed upon by the Association.

12. FORECLOSURE.

a. ADR Procedure. The Association, prior to initiating foreclosure proceedings against a delinquent Owner's separate interest, must comply with the alternative dispute resolution procedure set forth above (except that the timeline for the delinquent Owner to accept a meet and confer would be thirty (30) days from the date of the Owner's receipt of this pre-foreclosure offer) or alternative dispute resolution consistent with Civil Code sections 5925, 5910 and 5915. ("IDR/ADR Offer"). The Owner shall have thirty (30) days from the date of the IDR/ADR Offer to decide whether or not the Owner wishes to pursue dispute resolution or a particular type of alternative dispute resolution (except that binding arbitration is not available to any delinquent Owner if the Association intends to initiate a judicial foreclosure).

b. Board Approval. Prior to initiating foreclosure proceedings, the Board of Directors must, in executive session, approve the decision to proceed with foreclosure by a majority vote. The decision to initiate foreclosure of a lien for delinquent assessments that has been validly recorded 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 record the Board's executive session decision in the minutes of the next meeting of the Board open to the members by referencing the Unit or account number of the property that is delinquent, not the name of the delinquent Owner. A Board vote to approve foreclosure of a lien shall take place at least thirty (30) days prior to any public sale. The Board of Directors shall provide notice by personal service to an Owner of a separate interest who occupies the separate interest or to the Owner's legal representative, if the Board votes to foreclosure upon the separate interest. If the Owner does not occupy the subject lot/unit, the Board shall provide written notice via first-class mail to the most current address shown on the books of the Association.

c. Threshold. The Board of Directors shall not proceed with any form of foreclosure unless and until the amount of delinquent assessments (exclusive of any accelerated assessments, late charges, fees, costs of collection, attorneys' fees or interest) equals or exceeds One Thousand Eight Hundred Dollars ($1,800.00) or the assessments have been delinquent for more than twelve (12) months ("Threshold"). Once the Threshold has been met and all other requirements identified above have been completed, the Board may proceed with foreclosure of the assessment lien pursuant to the Association's governing documents and Civil Code sections 5700, 5705, 5710, 5715 and 5720. Unless otherwise provided herein, the procedure used shall be private foreclosure pursuant to Civil Code section 2924, et seq., and Civil Code sections 5700 and 5710. The foreclosure action shall include, but is not necessarily limited to the following procedures:

i. Notice of Default (NOD). A NOD will be recorded at the County Recorders office. The cost of all attorneys' fees and/or trustee's fees will be added to the debt.

ii. Notice of Trustee's Sale (NOS). If the delinquency is not paid within ninety (90) days after the NOD is recorded (and a lawsuit has not been filed), the Association will proceed with the recording and publishing of an NOS. The Owner is responsible for all publication, recording, posting and mailing costs, as well as attorneys' and/or trustee's fees.

iii. Sale of Property by Public Auction. If the trustee's sale proceeds, it is conducted as a public auction in the county in which the separate interest is located, during normal business hours on any business day. ANY OWNER WHOSE SEPARATE INTEREST IS IN FORECLOSURE IS URGED TO CONSULT WITH COMPETENT LEGAL COUNSEL OF THE OWNER'S SELECTION

IN ORDER TO BE PROPERLY ADVISED OF THE OWNER'S RIGHTS AND OPTIONS AND THE TECHNICAL REQUIREMENTS OF THE FORECLOSURE PROCESS.

iv. Right of Redemption. The Trustee's Sale shall be subject to a statutory right of redemption, which shall terminate ninety (90) days after the trustee's sale is completed

13. MONEY JUDGMENT OPTION. If the Association determines that the property is over-encumbered, or otherwise makes a determination that a lawsuit is appropriate, the Association may file a personal lawsuit against the delinquent Owner to recover all delinquent assessments owing to the Association. If a lawsuit is necessary to collect the delinquent assessments from the Owner, all expenses, costs and attorneys' fees in connection with said lawsuit, including but not limited to pre- and post- judgment costs for filing fees, personal service, witness fees, interest, execution of judgment and/or writ fees shall be recovered from the Owner defendant. The Association may also refer certain accounts to collection agencies.

14. RELEASE OF LIEN. When a delinquent Owner has paid in full all delinquent assessments and charges, the attorney shall prepare a Release of Lien, which shall be recorded in the County Recorder's Office within twenty-one (21) days of receipt of the sums necessary to satisfy the delinquent amount and mail a copy of the lien release to the Owner of the residential Lot.

15. PAYMENT PLANS. An Owner of a separate interest which is not a timeshare or who is not a developer may, if mailed to the Association within fifteen (15) days of the postmark date of the pay or lien notice, submit a written request to meet with the Board to discuss a payment plan for the payment of any delinquency. The Association shall provide the Owner with the Association's standards for payment plans, if any exist. The Board shall meet with the Owner in executive session within forty-five (45) days of the postmark of the request, unless there is no regularly scheduled Board meeting within that period, in which case the Board shall 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 delinquent assessments from the time prior to entering into the payment plan. The Association shall have the power and authority to include (without limitation) the following elements/terms in any payment plan agreement that is reached with the Owner:

a. That Owner comply with the governing documents during the course of the payment plan agreement;
b. That Owner waive any defenses or claims related to the Association's collection efforts;
c. That the Association may place a lien against other real or personal property owned by Owner;
d. That Owner agrees to waive any homestead rights he/she may have relative to the delinquent assessments;
e. That Owner assign the Association all amounts owed under any rental/lease agreement; and,

f. That Owner be required to provide identifying information, including social security number,

driver's license number, off-site address(es), phone numbers, etc.

16. PARTIAL PAYMENTS. Once a delinquent account has been turned over to the Association's legal counsel, owners shall not send any assessment payments to the Association; such payments shall only be accepted by the Association's legal counsel. Any payments delivered to the collection agent shall be forwarded to the attorney's office. Owner is permitted to submit partial payment on the delinquent amount owed. The notice of assessment lien is not required to be amended by the Association, its attorney or trustee to reflect any partial payments made on the account of the delinquent Owner after its recordation, and any such partial payments received shall not be construed to invalidate the notice of assessment lien. The notice of assessment lien may be foreclosed upon as set forth herein even though the delinquent Owner has made one or more partial payments. The attorney shall then release the lien if and when payment in full has been made by the delinquent Owner.

17. PERSONAL OBLIGATION TO PAY ASSESSMENTS AND CHARGES. Assessments, together with late charges, reasonable fees and costs of collection, reasonable attorneys' fees, and interest determined in accordance with California Civil Code sections 5600 and 5605 and the Association's governing documents are a debt of the Owner of a separate interest (the Owner's lot) at the time that the assessment or other charges are levied. Whether or not the Association records a notice of delinquent assessment (lien) on your property, the Association has a right to look to the Owner, personally, to pay the debt and pursue collection of that debt in a court action. The Association is also entitled, upon compliance with the requirements of California law and provided certain criteria and procedures as specified by law are satisfied, to record a lien against your property and to take enforcement action to sell your property without court action by non-judicial foreclosure. The recording of a lien against your property does not limit the right of the Association to pursue any Owner personally for payment of all monies due.

18. COURTESY STATEMENTS AND TIMELY PAYMENTS. It is the Owner's responsibility to allow ample time to drop off or mail all monies due before the delinquency date. As a courtesy only, invoices or statements for regular assessments may be regularly sent to an Owner by first-class mail addressed to the Owner at his or her address as shown on the books and records of the Association. However, it is the Owner's responsibility to be aware of the assessment payment due dates and to pay any and all assessments when due, whether or not an invoice or statement has been sent. Owners should promptly advise the Association of any changes in the Owner's mailing address. The Association also reserves the right to send out coupon booklets in lieu of sending invoices or statements.

19. RIGHT TO REQUEST VALIDATION OF DEBT. An Owner has the right to request validation of the debt by notifying the Association in writing of such request within thirty (30) days of receipt of the Association’s Notification of Delinquent Assessment (“NODA”) sent to the Owner. (See Paragraph 8 above.) Upon such request being made, an account history or other document reflecting the delinquent balance will be forwarded to the Owner. Any information obtained in the collection process or obtained from an Owner will be used for the purpose of collecting any monies owed.

20. COMPLIANCE WITH CIVIL CODE SECTIONS 5730 AND 5310. The following notice is set forth to comply with the Civil Code.

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

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

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code).

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

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

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).

21. EFFECTIVE DATE OF THIS POLICY. This policy shall be deemed effective July 1, 2026 to be in compliance with Civil Code section 4340, et seq.

FHA Condominium Approval Status

California State Statute requires the disclosure of your HOA's FHA and VA approval status to unit owners. This information is deemed accurate at the time of this disclosure. However HUD/FHA may change the status without further notice.

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 a condominium project. The association of this common interest development IS NOT certified by the Federal Housing Administration.

As of now, certification by Federal Housing Administration only lasts for two years.

Condominium Name: Del Rey Homeowners Association

FHA ID: None
FHA Status: None
Expiration of FHA Approval: Never Approved

VA Condominium Approval Status

California State Statute requires the disclosure of your HOA's VA approval status to unit owners. This information is deemed accurate at the time of this disclosure.

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

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

As of now, certification by the federal Department of Veterans Affairs does not expire.

Condominium Name: Del Rey Homeowners Association

VA ID: 000376
VA Status: Approved
VA Expiration Date: VA Approval Is Permanent