

Clearlake Keys Property Owners Association Inc.

TO: All parcel owners in the Clearlake Keys Subdivision

November 17, 2015

FROM: The Board of Directors, Clearlake Keys Property Owners Association

SUBJECT: Annual Disclosures, assessments, and other information for 2016

Enclosed please find the following information that your association is required by state law to supply each year.

Additionally, the yearly assessments will be due on January 1, 2016. In accordance with association By-Laws and the CC&Rs, the amount of the assessment **has increased to \$59.31 for 2016**. This reflects an overall increase of .1% for the Cost of Living (The year ending June 2015 was used). An invoice for your assessment will be sent to you in December 2015.

The Association's assessment collection procedure and schedule is:

JANUARY 1: Payment of annual assessment is due. If payment is not received by:

FEBRUARY 1: The Account becomes delinquent and a late fee of \$10.00 is applied. If payment is not received by:

MARCH 1: Interest in the amount of 1% per month will be applied for this and each month subsequent until the account is paid in full. If payment is not received by:

APRIL 1: A Notice of Intent to Lien will be sent (unless the Association already has a lien on the property) and Notary, document preparation and mailing fees will be added to the amount due.

If not paid within 30 days, **AFTER APRIL 30:** A lien will be placed on the property, recorded with the County Recorder, and notary and filing fees added to the amount due.

PLEASE NOTE: You have the right to designate a secondary address to which the Association must send any collection notices. Please send any such requests to the Association's address below. Make sure that you include your name and the address or APN of the property. You may dispute charges on your invoice by writing to the address below. The Association is required to provide a fair, reasonable, and expeditious procedure for resolving disputes between the Association and its members by submitting the dispute to alternative dispute resolution pursuant to California Civil Code sections 1369.510 - 1369.590.

RECEIVING MINUTES: Minutes of all open meetings of the board are available to members within 30 days of the meeting. The minutes, proposed minutes or summary minutes may be obtained at: www.clearlakekeyspoa.com or by contacting the President, Joe Stella at 707-998-3613 or e-mail: info@keyspoa.com. In addition, the minutes, proposed minutes or summaries will be distributed to any member upon request.

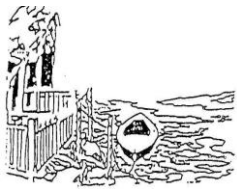
Following is the summary of the Clearlake Keys POA Revenue and Expense Budget for calendar year 2016

Keys POA Revenue 2016

Assessments and Fees	\$ 46,560
Contributions	\$ 14,000
Interest	\$ 120
Misc & Lien Fees Recovered	\$ 600
Total Revenue	\$ 61,280

Keys POA Expenses 2016

Fleet, Fuel and Repairs	\$ 17,500
Insurance	\$ 18,000
Legal, County and State Fees	\$ 4,420
Printing, Postage, Office, Utilities	\$ 8,220
Reserve Funds	\$ 5,200
Equipment Fund	\$ 5,750
Awards, Activities & Misc	\$ 690
Projects	\$ 1,500
Total Expenses:	\$ 61,280



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The following is the summary of the Clearlake Keys POA Reserve Funding Study.

Association:	Clearlake Keys POA	
Location:	Clearlake Oaks, CA	
# Units:	831	
Report Period:	1-1-2015 to 12-31-2015	
Projected Reserve Starting Balance:		\$65,465
Fully Funded Reserve Balance:		\$66,965
Average Reserve Deficit/Surplus per unit:		\$0
Percent Funded at 12-31-15:		100%
Projected Annual Reserve Contribution:		\$3,700

This is a full reserve projection based on equipment inspection May 19, 2015. The average annual reserve contribution is a part of normal General Fund expenditures.

You may request a line-item revenue and expense budget, a detailed copy of the Reserve study or copies of the association's board minutes by writing to: PO Box 1329, Clearlake Oaks CA 95423. The association will arrange for a copy to be picked up by you.

Summary of the POA's insurance coverage

Carrier:	Coverage:	\$ Amount	Expiration:
Starr Indemnity & Liability	AD&D	\$25,000	12-1-2016
Philadelphia	General Liability	\$3,000,000	12-1-2016
Philadelphia	Umbrella	\$1,000,000	12-1-2016
Liberty Insurance Underwriters	D&O	\$2,000,000	12-1-2016
Philadelphia	Vehicles	\$1,000,000	12-1-2016
Philidelphia	Fleet	\$1,000,000	12-1-2016

THIS SUMMARY of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 of the civil code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this insurance, 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.