

Please keep this Annual Newsletter with other documents related to your ECA Membership. This Newsletter contains important disclosures and other information, including certain financial reports, rules and policies.

EVERGREEN COMMONS ASSOCIATION, INC.

2017

ANNUAL NEWSLETTER and MEMBERSHIP MEETING NOTICE

The annual meeting of Evergreen Commons Association will be held:

Thursday, February 16, 2017 at 7:00 p.m.

Multipurpose Room
Pasadena Avenue Elementary School
4330 Pasadena Avenue, Sacramento, CA

Business to be conducted at the meeting includes reports on Association activities and accomplishments and action on budget related items. A membership vote is part of the meeting.

For members intending to vote in person, a voting opportunity will be available at the meeting from 6:45 until 7:15 PM. Ballots will be provided to Members who did not previously send in their ballot. Whether voting in person or by mail, each Member may cast only one ballot per lot. Counting of the ballots at the Annual Meeting will be under the supervision of Member Jeff Brodd.

Every year Directors are elected by the membership to fill expiring Board director terms. There are currently two openings on the Board for 2017. This year we have four nominations. This is great news!! Past interest in serving on the Board has been troubling and concerns were raised that we might have to solicit the assistance of an outside non-volunteer Board which would have cost the Association a hefty fee. This is not the case this year. Thank you to those who stepped forward this year and to those Directors who continue to serve on the Board.

As usual, this annual newsletter includes the 2017 pro-forma budget. This budget requires no change in our regular assessments. Quarterly assessments will remain at \$140 for 2017. The park maintenance assessment of \$40 per lot [to be assessed in July 2017] remains the same, with credit for this amount given to those lots where homeowners invest at least four (4) hours at the Annual Park Work Day (scheduled for Saturday, April 29, 2017).

Also included in this newsletter are the minutes of the 2016 Annual Meeting. Please take a few minutes to review the minutes as the membership will be voting to approve these minutes at the Annual Meeting. Other information in this newsletter provides details on the following:

- Pro-forma Budget for 2017.
- Assessments and reserve funding.
- Capital projects reserve analysis and ten-year spending plan.
- Year-end income/expense statement for 2016.

- Minutes of the 2016 Annual Meeting.
- Notice of Association insurance coverage.
- Notice of the right to minutes of Board meetings.
- Statement of where names and addresses of current members are located.
- Statement describing the Association's policies and practices on enforcing liens.
- Rights or legal remedies in payment of assessments.
- Operating Rules & Policies, including internal and alternative dispute resolution policies
- Operating Rule – Common Area Use
- Board Candidates

EVERGREEN COMMONS ASSOCIATION - 2017 PRO FORMA BUDGET

INCOME		
Assessments		
	Regular Assessments	64,400.00
	Less Discounts	(1,000.00)
	Late Fees	700.00
	Other/Special	1,750.00
<i>Total Assessments</i>		65,850.00
Interest Earned		300.00
<i>Total Int. Earned</i>		300.00
<i>Total Other Income</i>		200.00
TOTAL INCOME		66,350.00
EXPENSE		
Administration		
	Insurance	6,400.00
	Professional Services	7,200.00
	Taxes and Licenses	1,300.00
	Admin. Expenses	1,600.00
<i>Total Admin.</i>		16,500.00
Operations		
	Park	16,000.00
	Pool	12,000.00
	Social	2,850.00
	Utilities	10,000.00
<i>Total Operations</i>		40,850.00
TOTAL EXPENSE		57,350.00
Replacement Reserve Contribution		9,000.00
NET OPERATING MARGIN		0.00

Our projected annual operating expenses and reserve contributions total \$66,350.

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

ASSESSMENTS

The *current* regular assessment per separate interest (individual lot) is \$140.00 *per quarter*. Assessments are owed by the owner of record on the day they become due. Quarterly assessments are due on the following dates each year.

<u>Assessed/Due on</u>	<u>Delinquent on</u>
January 1	January 16
April 1	April 16
July 1	July 16
October 1	October 16

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.

Park Maintenance Assessment (commonly referred to as the “work day assessment”) is \$40 and due on the following date.

<u>Assessed*/Due on</u>	<u>Delinquent on</u>
June 16	July 16

*The Park Maintenance Assessment is waived if the owner of the lot contributes 4 hours of time toward Park Work Day each year. If owed, the assessment will appear on the owners’ July 1 statements.

The Association is required to give notice of the addresses to which Members may send their payments, and must include an address that can accept overnight delivery. The following address is currently used for all payments.

For regular assessment payments by mail:

EVERGREEN COMMONS ASSOCIATION
C/O RIVERSIDE MANAGEMENT ASSOC.
PO BOX 25165
SANTA ANA, CA 92799-5165

For overnight delivery:

EVERGREEN COMMONS ASSOCIATION
C/O RIVERSIDE MANAGEMENT AND FINANCIAL SERVICES
1380 LEAD HILL BLVD., STE 201
ROSEVILLE, CA 95661

Payment addresses and procedure are subject to change. Members will be notified of any changes prior to being effective.

RESERVE FUNDING

Based upon the most recent reserve study and other information available to the Treasurer, currently projected reserve account balances are sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 10 years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time and are subject to change with future analyses.

All major components are included in the reserve study and are included in the calculation.

COMPONENTS	REPLACEMENT/ REPAIR COST	LIFE	REMAINING	REQUIREMENT
Pools	\$65,000	20	14	\$19,500
Pool Equipment	\$10,000	10	3	\$7,000
Pool Deck	\$30,000	20	4	\$24,000
Pool Solar System	\$8,000	15	6	\$4,800
Pool House	\$60,000	20	14	\$18,000
Landscaping	\$60,000	20	15	\$15,000
Fencing and Gates	\$50,000	20	13	\$17,500
Playground, Court, and Equipment	\$40,000	20	6	\$28,000
TOTAL	\$323,000			\$133,800

The reserve analysis is updated annually to provide assurance that adequate reserve funds are available to maintain our common area facilities and equipment. As projects are completed the estimated remaining life is adjusted.

The estimated amount required in the reserve fund for the current fiscal year is \$133,800 based in whole or in part on the last reserve study or update prepared by the Budget Committee as of January 2011. The current reserve fund balance is \$106,123, resulting in reserves being 79 percent funded at this time. The amount of reserves on balance per lot is \$915. While there is a deficit in our current calculated reserves, our ten year reserve funding and spending plan has our replacements fully funded at the time they are needed. At this time, no special assessments are anticipated to be necessary in 2017.

The long-term nature of reserve funding requires certain assumptions and predictions to be made about future events. For example, each item, such as a building or swimming pool, has to be evaluated as to its present age, projected replacement cost, and estimated remaining life. Estimated replacement costs have to be adjusted for possible increases (ie: inflation), especially if replacement will occur many years in the future.

In accordance with state law and sound management practices, it is the policy of the Association to maintain reserve-funding levels sufficient to pay for capital replacement, repairs and enhancements, as they are required.

The reserve analysis is updated annually to provide assurance that adequate reserve funds are available to maintain our common area facilities and equipment. As projects are completed the estimated remaining life is adjusted.

The Ten-Year Funding and Spending Plan is updated each year as necessary. We adjusted the plan for replacement (resurface and repair) of the basketball court this year.

PROJECTED 2016 CAPITAL AND RESERVES TEN-YEAR FUNDING AND SPENDING PLAN

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Pools										
Pool Equipment		1,000		1,000		1,000		1,000		
Pool Deck			30,000							
Pool Solar										
Pool House		1,000		1,000		1,000		1,000		
Pool Area Furniture	1,000		1,000							
Landscaping & Park	8,200	1,000			1,000			1,000		
Fencing & Gates		1,000		1,500		1,500		1,500		1,500
Parking Lot & Sidewalks	1,000		1,000		4,000		1,000		1,000	
Playground Equipment			2,000				2,000		2,000	
Annual Expenditure	10,200	4,000	34,000	3,500	5,000	3,500	3,000	4,500	3,000	1,500
Cost Increase Factor 4%	816	480	5,440	700	1,200	980	960	1,620	1,080	540
Total Projected Cost	11,016	4,480	39,440	4,200	6,200	4,480	3,960	6,120	7,080	3,540

Reserve, Beginning	106,123	104,107	108,627	78,187	82,987	85,787	90,307	95,347	98,227	100,147
Estimated Increase	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000
Estimated Decrease	-11,016	-4,480	-39,440	-4,200	-6,200	-4,480	-3,960	-6,120	-7,080	-3,540
Estimated Reserve, End	104,107	108,627	78,187	82,987	85,787	90,307	95,347	98,227	100,147	105,607

2016 YEAR END INCOME AND EXPENSE SUMMARY

	2016 BUDGET	2016 ACTUAL
INCOME		
Assessments		
Regular Assessments	64,400.00	64,960.00
Less Discounts	(1,000.00)	(980.00)
Late Fees	700.00	712.90
Special Assessments	1,750.00	3,040.00
<i>Total Assessments</i>	65,850.00	67,732.90
Interest Earned	300.00	22.39
<i>Total Int. Earned</i>	300.00	22.39
Other Income	200.00	175.00
Fines	0.00	200.00
Collections	0.00	700.00
<i>Total Other Income</i>	200.00	1,075.00
TOTAL INCOME	66,350.00	68,830.29
EXPENSE		
Administration		
General Admin	1,800.00	1,897.55
Professional Services	7,200.00	7,200.00
Taxes, Licenses, Fees	1,000.00	1,836.12
Bad Debt	0.00	450.00
<i>Total Admin.</i>	10,000.00	11,383.67
Operations		
Insurance	6,000.00	6,220.64
Park	16,000.00	17,451.89
Pool	12,500.00	11,292.39
Social	3,850.00	2,305.05
Utilities	9,000.00	10,059.25
<i>Total Operations</i>	47,350.00	47,329.22
TOTAL OPERATING EXPENSE	57,350.00	58,712.89
Reserve Contribution	9,000.00	9,000.00
NET OPERATING MARGIN		1,117.40

Actual income and expenses are based on an accrual accounting method. This method accounts for all items accrued for the year whether or not such amounts were received or paid in that year. For example it may include assessments for 2016 that were actually paid to the Association in late 2015, and vendor payments for goods or services purchased in 2016 but not paid for until January of 2017. State Law requires us to use the accrual method for budgeting.

On an accrual basis our actual financial results show that we were overfunded by \$1,117.40 for 2016.

The Association is a non-profit corporation but is subject to taxes on certain income. Our accountant uses a cash accounting method to prepare our taxes.

MINUTES
ANNUAL MEMBERSHIP MEETING
THURSDAY, FEBRUARY 25, 2016 7:00PM
PASADENA SCHOOL

1. Call to Order and Establishment of Quorum

The secretary Samira Al-Qazzaz sitting for President Dick Pryor called the meeting to order at 7:00 pm. Thirty members attended the meeting including Board members; Ann Billington, Suzan Krale, Marvin Potts and Samir Al-Qazzaz. Vice president Rob Kerr was able to attend the last 15 minutes of the meeting. Claudette Ostrander, the treasurer was absent. Jeff Brodd (voting inspector) announced that 49 ballots were received. A quorum for the meeting was established.

2. Welcome and Introductions

Samira welcomed the members for attending the meeting and asked the present Board members to introduce themselves.

3. Closing of Poll to be Announced at 7:15

Ann announced the polls are closed at 7:17 (Jeff was to do that)

4. Reports and Comments from the 2015 Board Members

a. President

Samira read Dick's written report. He thanked the Board members for making 2015 a productive year and for making his job easier by working together. He acknowledged Audrey Blake for her efforts in putting together the newsletter every month. Dick said we are grateful for the fantastic job George Daniel did in updating ECA's web and encourage the members to visit the web and browse through. He thanked all ECA members for being vigilant in keeping watchful eyes on our park and neighborhood.

Dick expressed concern over lack of members' participation in serving on the Board. He explained that this may lead the Board to consider hiring a full-time management company which would mean considerable increase in the monthly assessment to cover this budgetary expense.

In his report, Dick also talked about the importance of volunteering to help with the different social events, such as Easter egg hunt, work day in the park, the 4th of July celebration and the ice cream social. The lack of volunteers may lead to cancellation of these community activities.

b. Vice President/ Neighborhood Watch

Later in the meeting, Rob Kerr spoke of the Neighborhood Watch program. He said there was no serious offenses, crimes or vandalism acts to report and that things seemed to be calm throughout 2015.

c. Treasurer

In a written statement read by Samira, Claudette summarized the finance scene during 2015 beginning with a balance of \$122,743.00 and ending with \$142,983.76. \$9,000 was added to our reserve fund as planned. Our reserve account with SAFE Credit Union total is \$103,869.97. There were no major unexpected expenditures during the year.

Claudette wrote that by working with Riverside Management, and ECA's members, and by setting up payment plans where necessary, we ended the year with only \$2,000 in delinquencies. She clarified that this figure floats month to month depending on when assessments are received. There are only two members that are more than 2 quarters in arrears and Riverside Management is working with them to bring their accounts up to date.

She concluded on a positive note as she noted that our association is in healthy financial condition.

d. Secretary

Samira Al-Qazzaz expressed that working with the Board members has been an enjoyable experience. She encouraged the members to volunteer to serve on the Board asserting that it is easy and satisfying.

e. Park and Pool

Marvin Potts reported that there were no major problems at the park and pool areas during 2015. Due to growing trees and their roots we are facing the problem of fixing broken pipes. And due to drought conditions the lawn is kept on the brown side but not dead. We are concentrating on watering the trees and bushes. There was lots of grinding of lifted cement done during the year.

He referred to projects that will hopefully be accomplished in 2016: basketball court will be refinished. Redo the restrooms floors (the bidding process started in 2015). Pouring concrete pad for both BBQ's.

Other announcements: Work Day is set for Saturday, April 30th. The county has increased pool fees to \$1,240 from \$800. We are still looking for a pool assistant.

Marvin thanked Joel for all his help in running the pool and making sure the water level is OK. He also thanked Suzan Krاله for dead-heading flowers in the park when needed.

f. Social

Suzan announced the Easter egg-hunt is scheduled for Saturday, March 26. She reminded members to consider volunteering to help with the different social activities and mentioned that the Sign-up sheets are on the reception table in the back.

She reported that there were many reservations to use the park & pool for occasions such as baby shower, graduation, weddings, etc.

g. Architectural

Ann reported that walkthroughs were conducted by Board members and letters of noncompliance were mailed out to few owners. She feels these efforts were effective. One general observation was that rental property showed more noncompliance compared to owner occupied.

5. Member Issues/Comments

A member inquired whether the Board receives notification of new owners in the neighborhood.

Also there were few comments regarding the 4th of July celebration and the catered food expenses.

6. Election Results

Jeff Brodd announced that a total of 49 ballots were collected and counted; 35 mailed to Riverside Management and the rest hand-delivered at the meeting. There was no voting for candidates because there were no candidates' nominations.

There were 39 yes votes for amending the Bylaws to eliminate the term limits for directors serving on the Board. Those against the repeal were ten.

7. Door Prizes and Gift of Appreciation

Rob Kerr presented Audrey Blake with a \$50 gift certificate from Amazon, a token of the Association's appreciation for her outstanding work as the ECA's monthly newsletter editor.

Suzan Krاله was presented with a thank you note for her service on the Board during 2015 as a social chair.

A \$50 Visa gift card will be mailed to George Daniel for his unconditional help with ECA's web.

Two door prizes were awarded. The get-out-of-workday certificate was won by Lynn Seal and a \$25 gift certificate from ACE Hardware was won by April Keck.

8. Adjournment

Vice president Rob Kerr adjourned the meeting at 7:40.

SUMMARY OF CURRENT INSURANCE COVERAGE

Evergreen Commons Association purchases a comprehensive package of insurance policies to protect Association Members from the financial risks of operating a non-profit organization and ownership of common areas; generally the facilities within our park. While limited coverage is extended to the Association's individual Members, this extension is generally only for third-party liability due to a Member's acts or participation in Association sponsored events or activities. **THERE IS NO COVERAGE FOR A MEMBER'S PERSONAL PROPERTY OR LIABILITY UNDER THESE POLICIES.**

The Association's insurance is through the Truck Insurance Exchange of the Farmers Insurance Group of Companies (Farmers), a carrier rated A (excellent) by A.M. Best. With the exception of our workers compensation coverage, all of the policies summarized below are from Farmers.

Evergreen Commons Association's **General Liability Policy** provides coverage limits of \$2,000,000 per occurrence/\$4,000,000 in annual aggregate for covered losses. Our policy includes coverage for Personal and/or Advertising Injury, Premises/Operations, Products/Completed Operations, Extended Bodily Injury Liability, among other coverage. Medical Payments are covered to \$5,000 per occurrence. Homeowners are named as additional insured; this insurance, however, does not extend to the separate interests of the individual homeowners. San Juan Unified School District is also named insured for our annual meeting only.

In addition to General Liability, Evergreen Commons Association has coverage for **Directors & Officers Liability** with limits of \$1,000,000 per occurrence and annual aggregate. Referred to as error and omissions coverage, it protects the Association's Board of Directors' from claims against decisions and actions when acting in their elected capacities.

Evergreen Commons Association's **Property Insurance** coverage includes our pool cabana, pool equipment, signage, basketball and playground equipment. Coverage provides for replacement cost valuation as long as the buildings are fully insured. Currently, our limit is \$240,000. This policy excludes damage from floods and earthquake.

Evergreen Commons Association has purchased **Employee Dishonesty Insurance** as part of our coverage, which protects Association funds from, for example, misappropriation or embezzlement, among other circumstances. While we don't have employees *per se*, we do have volunteers (such as directors and officers) and a contract with a management company that has access to certain Association money accounts. It should be noted here that our management company only has access to certain

accounts that are funded as needed to cover our immediate expenses. Currently our coverage limit is \$10,000.

Evergreen Commons Association has purchased **Umbrella Liability** coverage from Farmers with \$1,000,000 limits. Umbrella coverage is an additional limit of insurance that ‘sits on top’ of the other insurance coverage listed above and affords greater protection to the Association assets and membership.

Evergreen Commons Association has purchased **Workers Compensation** insurance, provided by Farmers Insurance, carried by Mid Century Insurance Company. The policy has \$1,000,000 limits. The Board’s decision to purchase a Workers Compensation policy to protect the Association from the possibility of work-related injuries from our volunteers who participate in our annual park work day, other Association sponsored work on our common property and uninsured contractors was made after consultation with our insurance agents.

Each of these policies has deductibles and/or insurance covenants that are the responsibility of the Association.

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.

OFFICERS AND DIRECTORS

Director Seat	Term Expires	Holder	Office/Assignment
1	2019	Marvin Potts	Park Pool
2	2019	Richard Pryor	Neighborhood Watch
3	2019	Samira Al-Qazzaz	Secretary
4	2017	S. Claudette Ostrander	Treasurer
5	2017	Diane Sparks	President
6	2018	Brenda Joyner	Social
7	2018	Rob Kerr	Vice President

Director Seats # 1, 2, 3. Election is scheduled for 2019, 2022, 2025, 2028

Director Seats # 4, 5. Election is scheduled for 2017, 2020, 2023, 2026

Director Seats # 6, 7. Election is scheduled for 2018, 2021, 2024, 2027

NOTICE OF RIGHT TO COPIES OF MINUTES

Members of Evergreen Commons Association have the right to obtain copies of the minutes of meetings of the Board of Directors. Copies may be obtained by contacting the Secretary or Treasurer.

Location of Names and Addresses of Current Members

The record of the names and addresses of current Members of Evergreen Commons Association is maintained by the Secretary who can be contacted by mail at 4427 Park Green Ct. Sacramento, CA 95821.

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)"

EVERGREEN COMMONS ASSOCIATION POLICIES AND OPERATING RULES

The following policies and operating rules are published annually.

1. ALTERNATIVE DISPUTE RESOLUTION POLICY
2. ELECTION AND VOTING
3. COMMON ARE USE (PARK AND POOL)
4. PARK AND POOL RESERVATION POLICY
5. PARKING
6. EXPENDITURE APPROVALS

New policies and rules, or changes to existing policies and rules that are adopted between annual publications will be announced in the Association's periodic newsletters.

ALTERNATIVE DISPUTE RESOLUTION POLICY

California Civil Code requires the Association or an individual Member of the Association to offer to resolve any dispute they may have with regard to enforcement of the Governing Documents through a non-judicial procedure (such as mediation or arbitration) before filing a lawsuit in superior court.

Per California Civil Code, the quote below must appear in this publication.

"Failure by a member of the association to comply with the pre-filing requirements of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or applicable law."

REQUEST FOR RESOLUTION

Prior to the filing of litigation for the purpose of obtaining a court order to enforce or interpret the Governing Documents, whether initiated by an individual owner or the Association, it is required that the parties endeavor to submit their dispute to a form of Alternative Dispute Resolution such as mediation or arbitration.

Any party wishing to initiate this process must do so by serving on the other party to the dispute a Request for Resolution, which includes the following information:

- A complete description of the dispute between the parties;
- A request for alternative dispute resolution; and
- A notice that the party receiving the Request for Resolution is required to respond thereto within 30 days of receipt or it will be deemed rejected.

The request for Resolution can be delivered via certified mail or personally served by any individual over 18 years of age who is not a party to the dispute.

If Alternative Dispute Resolution is accepted by the party upon whom the request is served, the process is required to be completed within 90 days of receipt, unless both parties agree in writing to extend the time. The costs of the process are to be borne by the parties.

FILING LITIGATION

In the event the other party to the dispute responds that they are not willing to participate in Alternative Dispute Resolution or fails to respond within the 30-day period, litigation may be initiated. Besides filing the complaint, which initiates the lawsuit, the plaintiff must also file a certificate stating that they have complied with the requirements outlined above. The failure to file a certificate is a basis for immediate dismissal of the lawsuit.

EXCEPTIONS

The law does provide certain exceptions to this procedure. In other words, there are circumstances where the Request for Resolution does not have to be made prior to filing a lawsuit. The following is a numbered summary of those situations:

1. At the time of filing the lawsuit there is 120 days or less left to the expiration of the statute of limitations.
2. The action is for collection of homeowner association assessments.
3. The lawsuit, in addition to seeking enforcement of the governing documents, is also seeking damages in excess of \$5,000.
4. The circumstances require an emergency court order such as a temporary restraining order.
5. A determination by the court that dismissal of the action for failure to comply with the Request for Resolution procedure would result in substantial prejudice to one of the parties.

CONSULT YOUR OWN ATTORNEY

This is only a summary of law, as the Association is required by law to provide.

Changes in law may have occurred since the formation of this summary. If you have specific concerns regarding your rights and responsibilities under the law, you should review applicable law and seek legal counsel of your own choice.

EVERGREEN COMMONS ASSOCIATION ELECTION AND VOTING RULES

Pursuant to California Civil Code section 5105, the Evergreen Commons Association (“Association”) hereby adopted the following Association Rules Regarding Elections and Voting:

VOTING

There is one (1) class of voting Membership. All Members in good standing as of the record date for the election shall be entitled to vote, however in no case shall any lot be permitted to cast more than one (1) vote per issue or open Director seat. Elections with respect to matters

specified in California Civil Code Section 5100(a) shall be conducted via secret ballot. Voting by proxy is not allowed and cumulative voting is prohibited.

EQUAL ACCESS

In order to ensure fair campaigning procedures, all candidates and points of view are entitled to equal access to Membership. Members shall have equal access to meeting places, newsletters, websites, and all other Association media, for purposes reasonably related to the election and at no cost to candidates. Newsletter and website publications shall notify all candidates and Members of upcoming election periods and deadlines for submitting articles, which periods and deadlines shall be determined by the Board of Directors.

Submissions for distribution to the membership shall not be edited for content; however, formatting modifications may be consistently applied to all submissions based on space restrictions. Formatting restrictions shall be determined by the Board at the time of notification, but may include, for example, that newsletter and website submissions may be restricted to no more than 200 words and bulletin board submissions may be restricted to one 8-1/2" x 11" flyer.

The Association, its directors, officers, and agents shall be immune from liability for the content of such communications.

QUALIFICATIONS TO SERVE ON THE BOARD OF DIRECTORS

Candidates for the Board of Directors must be Members of the Association, and only one (1) Member per Lot shall be eligible to serve on the Board at any one time. A Member seeking to serve on the Board of Directors must not be subject to any disciplinary action by the Association at the time of his or her nomination and must be current in the payment of all assessments.

Owners in litigation with the Association and convicted felons are not eligible. The number of Directors to be elected is determined by Article VII, Section 2 of the Association Bylaws.

NOMINATIONS TO THE BOARD

At least sixty (60) days prior to the date set for commencement of voting, the Nominating Committee shall prepare a list of candidate names for placement on the secret ballot. Additionally, Members who meet the qualification requirements listed above may nominate themselves to run for Board of Directors' seats (without the requirement of nomination by the Association's Nominating Committee or petitioning of other Members) so long as the Member informs the Nominating Committee or the Board of Directors in writing of this intent to run at least forty-five (45) days in advance of the election date. The names of all qualified nominees who have timely informed the Board of their intention to be a candidate shall be placed on the ballot.

LIMITATION ON ELECTIONEERING

No candidate for Director or representative of a candidate, and no proponent, opponent, or representative of a proponent or opponent, of an initiative, referendum, or recall measure, or of a

proposed governing document amendment, shall solicit the vote of any Member, or do any electioneering, while in the residence or in the immediate presence of the Member, and during the time he or she knows the Member is voting.

VOTING BY SECRET BALLOT

For those matters requiring that a vote of Membership be conducted using secret ballots, such secret ballots shall be distributed to Membership by first-class mail or personal delivery at least thirty (30) days prior to the deadline for voting or meeting of Membership to decide the matter to be voted upon. All solicitations of secret ballots shall set forth the proposed action(s) and provide opportunity to specify approval or disapproval of any proposal and shall indicate the following: (i) the quorum requirement for valid action; (ii) the time by which the written ballot must be received by the Election Inspectors by mail or personal delivery; and (iii) the percentage of affirmative votes required by the relevant provision(s) of the Declaration of Covenants, Conditions, and Restrictions or the Bylaws to approve the measure. Secret ballots shall use the double envelope method to assure the secrecy of the vote, i.e., the ballot itself is not signed but is placed in a plain envelope which is sealed and placed in a second envelope which is addressed to the Election Inspector(s) and which, in the upper left corner, identifies the Member by name and address or separate interest identifier that entitles him or her to vote, and is signed and dated by the Member.

In order to cast a vote, a Member must either (i) deliver (by mail or hand delivery) the completed secret ballot to the election inspector(s) or (ii) attend the meeting (if any) and complete and submit the secret ballot at that time (but in no instance may a Member submit a secret ballot at a meeting after the election inspector(s) has commenced tabulation of the ballots). Ballots must remain under the control of the election inspector(s), in a secure place, and unopened until the meeting at which the votes are officially counted. The election inspectors shall determine the authenticity and validity of all ballots. Once a ballot is received by the Election Inspectors, it shall be irrevocable.

At no time shall any person solicit a Member's completed secret ballot for the purpose of mailing or hand delivering that ballot to the election inspector on the Member's behalf.

ELECTION INSPECTOR(S)

The Board of Directors shall appoint either one (1) or three (3) independent and impartial third party election inspectors to conduct elections. Election inspectors may be Members of the Association, but they may not be Board Members, candidates for the Board, or related to Board Members or candidates for the Board. Nor may a business entity currently employed by or under contract with the Association for any compensable services be an independent third party unless expressly authorized by rules of the Association adopted pursuant to Section 5105(a)(5).

The election inspector(s) shall: (a) determine the number of Members entitled to vote; (b) receive ballots; (c) hear and determine all challenges and questions arising out of or in connection with the right to vote; (d) determine existence of valid quorum for election purposes; (e) count and tabulate the ballots; (f) determine when the voting shall begin and end; (g) determine the results of the election; (h) report results to the Board; and (i) perform any acts as

may be proper to conduct the election with fairness to all Members in accordance with all applicable laws and rules. The sealed ballots shall remain in the custody of the inspector(s) until counted. If there are three (3) inspectors, the decision or act of a majority shall be effective in all respects as the decision or act of all. The election inspector(s) may appoint and oversee additional persons to assist in counting and tabulating votes.

All votes shall be counted and tabulated by the election inspector(s) in public at a properly noticed open meeting of the Board of Directors or Members. Any Member may witness the counting and tabulation of the votes.

Within fifteen (15) days of the election, the Board of Directors shall report the results of the election in a communication directed to all Members. Ballots shall be retained by the election inspector(s) for nine (9) months following the election at which time the ballots shall be retained by the Association for at least twelve (12) months following the date of the election. In the event of a recount or other challenge, the election inspector(s) or the Association shall, upon written request, make the ballots available for inspection and review.

OPERATING RULE –COMMON AREA USE

adopted by Board of Directors, January 16, 2017, Effective 30 days thereafter

Common Area Rules of Use.

The Common Area of the Evergreen Commons Association consists of those amenities, shared by all Evergreen Commons Association Lots (“Households”) and their residents, located at 4427 Park Green Court and commonly referred to as the ‘Park and Pool.’ However, the Association Common Area also includes the access walkways and gates, guest parking lot on Park Green Ct., the western green, basketball court, barbecues, pool house, children’s play area, the eastern green and all walkways, benches, tables, trash receptacles, etc. located throughout.

1. Common Area hours of use:
 - a. Sunday through Thursday - 7 a.m. to 10 p.m.
 - b. Friday and Saturday - 7 a.m. to 11 p.m.
2. All Common Area gates **MUST be CLOSED AND LOCKED** unless entering or exiting.
3. No use of marijuana in any form anywhere in the Common Area; this includes smoking, ‘vaping’ and/or the consumption of marijuana products including food items.
4. No glass containers anywhere in the Common Area.
5. Children under the age of 12 years **MUST** be accompanied by their parent or other responsible person who is age 15 years or older (i.e. grandparent, babysitter). The behavior in the Common Area of all children is the responsibility of their parent, whether or not present.

6. Each Association Household (Lot) is allowed up to ten (10) people, including Household residents, in the Common Area without prior reservation or Board of Directors approval.
7. Association Households and/or Residents may not have events/parties in the Common Area without prior written approval from the Board or its representative/s. An “event” is any activity in the Common Area by an Association Resident involving 11 or more people. All Association Residents wishing to have 11 or more people use the Common Area, shall complete the ***Reservation Request & Liability Release*** and follow the Common Area Event Reservation Policy. (*See Section B below*)
8. Guests – any person who is not a regular resident of an Association Household is a “guest”.
 - a. Guests MUST be accompanied by an Association Resident at all times.
 - b. Guests under 15 years old MUST be accompanied by an adult Association Resident.
 - c. Baby sitters may not bring guests.
 - d. Association Residents, whether or not present, are responsible for all damage and rule violations of their guests.
9. Pets: Pets in the Common Area must be leashed and accompanied by the pet owner. Association Residents are required to cleanup any mess left by their pets or the pets of their guest/s.
10. Audio/visual equipment may be used in the Common Area, however neither the content nor volume may be disturbing to others in the vicinity.
11. The Association-issued Lot tag with key/s must be carried by the Association Resident while in the Common Area at all times and/or produced upon request by any other Association Resident. Duplication of keys and other Association identification or furnishing either to non-residents is strictly prohibited.
12. Any Association Resident may insist that anyone violating the rules leave the Common Area. Any person so notified must comply.

POOL AREA: The following Operating Rules are specific to the Pool area, however all rules that apply to the Common Area are applicable to the Pool area as well, including use of audio/visual equipment and number of guests.

13. Prohibited Pool Activities: running, pushing, dunking, diving into the shallow pool or wading pool, or other hazardous or unsafe activity.
14. No smoking of any kind is permitted in the Pool area. This includes ‘e-cigarettes’, ‘vaping’, etc.
15. No pets are permitted in the pool area.
16. No bicycles, skateboards, scooters, drones (i.e. aerial remote-controlled device) or rollerblades may be used inside the pool area.
17. Only clean swimming attire may be worn in the pool. NO street clothes or diapers permitted. Specially designed swim diapers are permitted. Shower before entering the pool.

Violation of these Rules may result in an enforcement action as provided for in the Evergreen Commons Assoc. Conditions, Covenants and Restrictions (CC&Rs).

PARK AND POOL RESERVATION POLICY

1. Pool and Park are reserved on a first-come first-served basis.
2. Parties of 11 to 29 require a completed Reservation form & copy of insurance. Parties of 30 and up requires completed form and Board approval and must be submitted 30 days or more prior to the event. Also include copy of insurance and also requires a flyer to go out to all owners whose yards back up to the park. This is done as a courtesy by request of said homeowners.
3. All member dues must be current and written proof of liability insurance must be submitted prior to approval of any party in the park/pool. Tenants and lessees must obtain a copy of the liability insurance of the property from their landlord.
4. Only one party is allowed per day in the park or pool area.
5. The board or its representative must approve all parties. Approval is at the sole discretion of the board. Any event that would result in damage to park facilities will be prohibited.
6. All pool and park rules must be followed during sponsored events.
7. A liability release form must be signed by the sponsoring member prior to the event.
8. Pool activities may be reserved any day of the week..
9. Pool//Park may not be exclusively reserved. All homeowners will be able to use the park and pool during activities.
10. Both restrooms to be left clean and locked when leaving the area.
11. Repairing or replacing equipment damaged or broken during activity is the sole responsibility of the sponsoring member.
12. Areas used must be left clean. Failure to do so may result in imposing deposit fee prior to future events.
13. All gates must remain locked during activities. Someone should be at the

gate to admit guests.

14. Requests for reservations made less than one week prior to the event are not guaranteed. At least one week is required to ensure board approval.

15. All parties must bring bags to remove their own trash.

16. Failure to comply with any of these rules can result in a loss of rights to hold future parties in the park.

17. To ensure that all homeowners have the same chance to enjoy the park and pool, there will be a limit of six (6) reservations per property each calendar year.

18. Parties over thirty (30) people require full board approval with a thirty-day notice.

19. MEMBER DUES MUST BE PAID UP TO DATE TO RESERVE THE PARK

20. Failure to comply with any of these rules can result in a loss of rights to hold future parties in the park.

21. To ensure that all homeowners have the same chance to enjoy the park and pool, there will be a limit of six (6) reservations per property each calendar year.

22. Parties over thirty (30) people require full board approval with a thirty-day notice.

COMMON AREA PARKING RULES

These parking rules are applicable only to the common area parking lot on Park Green Ct. Parking on individual lots is subject to the applicable sections of the CC&Rs. *The Association does not regulate street parking.* Street parking laws and regulations are enforced by the county. Members/residents with concerns or complaints about vehicles parked on the street should contact Sacramento County Code Enforcement.

1. The common area parking lot on Park Green Ct. is private and for the use of ECA Members and guests only.
2. No public parking.
3. No overnight parking. No parking of any vehicles between 11:00PM and 6:00AM.

4. No parking of commercial vehicles or trailers at any time (except while providing services in the park).

Violators subject to Association enforcement and/or towing at owner's expense. Only persons authorized by the Board may initiate towing enforcement.

EXPENDITURE APPROVAL POLICY

Non-recurring expenditures of up to \$500 may be authorized by the President (or in the absence of the President, another Officer in the order of succession below).

Non-recurring expenditures of up to \$1,500 may be authorized by the President (or succeeding officer) and two other Directors.

Nothing in the above shall prevent an authorized Officer from seeking the approval of the Board for any expenditure at a regular, special, or emergency Board meeting.

The “order of succession” of Officers for the purpose of approving expenditures is the President, followed by the Vice President, then the Secretary, then the Treasurer. The succession does not include any assistant officers that may have been appointed by the Board.

2017 BOARD OF DIRECTORS CANDIDATES

KEVIN MASTIN - I would like to be considered as a member on the Board of Directors of the Evergreen Commons Association. I have lived in my home on Park Green Court for 2 years now and love the community very much! I enjoy meeting new neighbors and talking about current events and local topics with members of the Association.

For those reasons and to further expand my knowledge of the neighborhood, I would like to serve on the Board. Thank you for your consideration.

CLAUDETTE OSTRANDER - It has been my privilege to serve on the Board of Directors for the past few years I would like to continue for another term. I have lived in Evergreen Commons since 1971 and feel I have a lot of history that is a beneficial contribution to the Board. I have served as Treasurer for the past 3 years and would like to work with a new Treasurer to insure a smooth transition. While we have a management company to process our financials, the Treasurer is responsible to overseeing many aspects of our finances.

Your vote would be sincerely appreciated.

JACK MILLER - I have lived in Evergreen Commons for 3 years. I have previous experience serving on the board of a small 8 unit HOA in Modesto. I like the look and feel of our mid-century modern homes and wish it to stay that way. I would like to keep our HOA dues as low as possible. I also believe we should maintain an adequate reserve fund to meet long term needs.

BEN BOTE - Mr. Bote is a Member residing on Park Green Ct. At the time of printing, a candidate statement was not available.