

Surfside III Condominium Owners Association

November 02, 2020

Dear Community Member:

Please be advised that our Association is required to distribute financial information to all members on an annual basis per California Civil Code 1365. This information updates each member on the operating budget for the next fiscal year as well as information on collection procedures, insurance disclosures and documents that are available to each member. We have tried to make this information as comprehensive as possible while presenting it in a format that we hope is easy to understand. If you should have any questions, please feel free to contact Lordon Management for additional information at (626) 967-7921.

Enclosed please find a copy of the pro forma operating budget for the next year. The Board of Directors has reviewed the budget and has attempted to keep the dues as low as possible while still meeting the operating expenses and future reserve requirements for the association. The assessment fee levels for the next year are included as well as any anticipated special assessments.

It is important for our community to collect assessment fees on timely basis in order to meet our operating expenses. If a homeowner becomes delinquent in his/her assessment fees, the following collection procedure will be used:

1. All payments are due on the 1st of the month.
2. Payments will be subject to late and/or interest fees if payment is not received by the 25th of the month.
3. For all late payments, a late fee and/or interest fees will be assessed, as the law allows in the following amount: \$40.90 plus interest at 7.00%.
4. A demand letter will be sent to the owner notifying them of the impending lien and allowing 30 days to submit payment in full. A demand letter fee of \$40.00 will be added to the owners account.
5. A lien will be placed on the property if an account is not paid within 60 days of the original due date.
6. If a lien is prepared against the account, a lien fee of \$200.00 will be assessed against the owner's account.
7. Foreclosure proceedings will begin upon recordation of the lien. All legal/lien processing fees and costs will be billed to the owner's account as part of the legal action. All payments are applied to the oldest amounts first, including late fees.
8. An NSF fee will be assessed against the account for any returned checks.

The association will perform an annual review or audit each year. A copy of this information will be submitted to the unit owner approximately 120 days after the end of the fiscal year.

A homeowner may also receive a copy of the monthly board meeting minutes by submitting a written request to Lordon Management. Please note that the association may charge a fee to cover the costs of duplication and mailing.

In addition, Civil Code Section 1369 deals with the enforcement of the governing documents for the

association. The association or a member of the association can file a lawsuit for Declaratory Relief or Injunctive Relief, either exclusively or in conjunction with a claim for Monetary Damages not to exceed \$5,000 (other than for Association assessments), the parties shall endeavor to submit the matter to Alternative Dispute Resolution prior to the filing of lawsuit. There are certain conditions in this code that must be met. Please note that failure to comply with the pre-filing requirements of Section 1369 may result in the loss of your rights to sue the association or a member of the association regarding the enforcement of the governing documents. You may contact Lordon Management for additional information pertaining to this code.

We thank you for your support of our community. It takes the interest, involvement and cooperation of the association members in order for our association to be successful.

If you should have questions on any of this information, please feel free to contact Lordon Management for assistance at (626) 967-7921.

Sincerely,

Surfside III Condominium Owners Association

Surfside III Condominium Owners Association

ACCEPTED BUDGET

Budget Period: 01/01/2021 - 12/31/2021

Units: 309

Assessment Fee: \$473.54

<u>Account Name</u>	<u>GL Number</u>	<u>Current Monthly Budget</u>	<u>Accepted Monthly Budget</u>	<u>Accepted Annual Budget</u>
INCOME				
INCOME - ASSESSMENT INCOME				
Regular assessments	50100	141,831.00	146,157.00	1,753,884.00
TOTAL INCOME - ASSESSMENT INCOME		141,831.00	146,157.00	1,753,884.00
INCOME - OTHER MEMBER INCOME				
Late charge assessments	50400	70.00	121.00	1,452.00
Lien assessments	50500	60.00	409.00	4,908.00
Legal assessments	50600	600.00	401.00	4,812.00
Parking assessments	50700	200.00	98.00	1,176.00
Nsf check collection	50800	300.00	408.00	4,896.00
Resident Key/gate card income	51000	200.00	134.00	1,608.00
TOTAL INCOME - OTHER MEMBER INCOME		1,430.00	1,571.00	18,852.00
INCOME - OTHER INCOME				
Violation / Fine	51200	50.00	78.06	936.72
Interest income	51300	3,399.00	1,396.25	16,755.00
Reimbursement income	51500	25.00	98.00	1,176.00
Move In/Move Out Registration Fee	52700	235.00	167.00	2,004.00
TOTAL INCOME - OTHER INCOME		3,709.00	1,739.31	20,871.72
TOTAL INCOME		146,970.00	149,467.31	1,793,607.72
EXPENSES				
EXPENSES - ADMINISTRATIVE				
Accounting & Audit Services	60100	165.00	283.00	3,396.00
Study reserve	60101	125.00	125.00	1,500.00
Payroll service	60103	385.00	320.00	3,840.00
Bank/Other Fees	60200	80.00	76.00	912.00
Office Expense	60205	800.00	1,040.00	12,480.00
Office equipment (computers)	60206	100.00	20.00	240.00
Legal expense, reimbursable	60300	500.00	418.00	5,016.00
Legal	60303	1,500.00	1,632.00	19,584.00
License,fees and permits	60400	150.00	454.00	5,448.00
Employee Extra (uniforms, etc.)	60510	265.00	230.00	2,760.00
Bonuses	60513	125.00	110.00	1,320.00
Management services	60600	1,700.00	1,700.00	20,400.00
Management services extras	60601	80.00	50.00	600.00
Board Management Expense	60603	225.00	20.00	240.00
Printing & postage	60800	1,000.00	820.00	9,840.00
Assessment refunds	60900	0.00	47.00	564.00
Non-sufficient fund checks	61000	300.00	612.00	7,344.00

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Miscellaneous expense	62000	35.00	42.00	504.00
Wireless access point	63100	35.00	35.00	420.00
TOTAL EXPENSES - ADMINISTRATIVE		7,570.00	8,034.00	96,408.00
EXPENSES - LOAN SERVICING				
Loan Servicing Principle	64001	25,465.00	27,720.87	332,650.44
Loan Servicing Interest	64002	22,000.00	20,307.00	243,684.00
TOTAL EXPENSES - LOAN SERVICING		47,465.00	48,027.87	576,334.44
EXPENSES - SALARY ADMINISTRATIVE				
Office Salaries Gross	60502	6,489.00	4,635.00	55,620.00
TOTAL EXPENSES - SALARY ADMINISTRATIVE		6,489.00	4,635.00	55,620.00
EXPENSES - SALARY PAINTING				
Paint Maintenance Salary Gross	60509	2,815.00	3,708.00	44,496.00
TOTAL EXPENSES - SALARY PAINTING		2,815.00	3,708.00	44,496.00
EXPENSES - SALARY MAINTENANCE				
Maintenance Salaries Gross	60501	6,810.00	6,425.00	77,100.00
Clubhouse Salaries Gross	60503	0.00	1,300.00	15,600.00
TOTAL EXPENSES - SALARY MAINTENANCE		6,810.00	7,725.00	92,700.00
EXPENSES - SALARY PORTER				
Porter Salaries Gross	60512	0.00		
TOTAL EXPENSES - SALARY PORTER		0.00		
EXPENSES - INSURANCE				
Fidelity bond	70100	120.00	109.00	1,308.00
Insurance master policy	70300	4,900.00	5,800.00	69,600.00
Worker's compensation	70400	1,250.00	1,400.00	16,800.00
Insurance-earthquake	70500	8,060.00	8,700.00	104,400.00
D & O/Cyber insurance	70700	508.00	597.58	7,170.96
Medical insurance	74900	250.00	0.00	0.00
TOTAL EXPENSES - INSURANCE		15,088.00	16,606.58	199,278.96
EXPENSES - TAXES				
Payroll taxes	75100	1,647.00	944.00	11,328.00
State & federal taxes	75400	3.00	199.30	2,391.60
TOTAL EXPENSES - TAXES		1,650.00	1,143.30	13,719.60
EXPENSES - CONTRACTED SERVICES				
Contracted elevator service	80201	1,280.00	1,563.00	18,756.00
Elevator repairs	80202	313.00	155.00	1,860.00
Contracted gardening service	80301	4,000.00	4,100.00	49,200.00
Landscape - Irrigation	80302	200.00	300.00	3,600.00
Gardening extras/supplies	80303	200.00	250.00	3,000.00
Tree Trimming	80304	300.00	450.00	5,400.00

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Landscape replacement	80317	25.00	250.00	3,000.00
Pest Control	80500	200.00	39.99	479.88
Contracted pest control servic	80501	300.00	480.00	5,760.00
Pest control extras/supplies	80503	150.00	30.00	360.00
Contracted termite control	80505	350.00	325.00	3,900.00
Contracted Termite Control Treatment	80509	200.00	485.00	5,820.00
Contracted pool & spa service	80601	250.00	653.00	7,836.00
Pool & spa repairs	80602	100.00	160.00	1,920.00
Pool & spa extras/supplies	80603	200.00	30.00	360.00
Landscape Supplies	80617	25.00	40.00	480.00
Alarm Monitoring	80707	100.00	282.00	3,384.00
Contracted software	81002	150.00	20.00	240.00
TOTAL EXPENSES - CONTRACTED SERVICES		8,343.00	9,612.99	115,355.88
EXPENSES - MAINTENANCE				
Unit Maintenance/Repair	63000	705.00	250.00	3,000.00
Gate Repairs	86000	250.00	300.00	3,600.00
Fire Alarm	86101	200.00	300.00	3,600.00
Furnishings Communal	86200	100.00	150.00	1,800.00
Bldg Maint and Repairs	86300	2,000.00	350.00	4,200.00
Equipment maintenance	86302	300.00	300.00	3,600.00
Contingency repairs	86303	3,331.00	7,000.00	84,000.00
Lighting maintenance	86500	85.00	800.00	9,600.00
Resident Locks & keys	86600	170.00	55.00	660.00
Maintenance supplies	86700	1,600.00	350.00	4,200.00
Painting	86800	1.00	800.00	9,600.00
Plumbing	87000	4,400.00	1,907.00	22,884.00
Roof	87100	88.00	450.00	5,400.00
Structural Maintenance/Repair - Communal	87111	2,000.00	6,000.00	72,000.00
Signs	87300	100.00	100.00	1,200.00
Landscape - Tree	87600	1,000.00	300.00	3,600.00
Sewer Line Cleanouts	88301	1,500.00	1,000.00	12,000.00
Landscaping- Maintenance	88701	4,416.00	250.00	3,000.00
Gutters	89300	375.00	350.00	4,200.00
TOTAL EXPENSES - MAINTENANCE		22,621.00	21,012.00	252,144.00
TOTAL EXPENSES BEFORE RESERVES		118,851.00	120,504.74	1,446,056.88
EXPENSES - PROVISION FOR RESERVES				
Structure Maintenance/Repair - Communal	98800	28,119.00	28,962.57	347,550.84
TOTAL EXPENSES - PROVISION FOR RESERVES		28,119.00	28,962.57	347,550.84
EXPENSES - UTILITY EXPENSE				

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Contracted internet	81001	0.00		
TOTAL EXPENSES - UTILITY EXPENSE		0.00		
TOTAL EXPENSES		146,970.00	149,467.31	1,793,607.72
BUDGET SURPLUS / (DEFICIT)			0.00	