

TALEGA

February 27, 2026

Dear Talega Homeowners:

For more than 25 years, TALEGA has cultivated a premier community that blends welcoming amenities, high-quality services, and recreational experiences. The volunteer Boards and Committees are committed to guiding TALEGA in a manner that protects the Corporation's value, relevance, and viability.

With the guidance and oversight of the Board of Directors, the Budget and Finance Committee builds the annual budget to address the costs associated with managing TALEGA'S anticipated expenses, insurance requirements, high-quality services, and long-term success. These factors shape the annual assessment rate.

- **Effective April 1, 2026, the monthly master assessment will remain at \$267.00 per home per month to cover the expenses necessary to operate the Association for FY 2026-2027.**

Master Association and Cost Centers or Special Benefits Areas (SBAs)

The master association is the corporation that oversees the entire association, including its cost centers or special benefits areas (SBAs). All members of the master association pay assessments to maintain common area components defined in the association's governing documents as master association responsibilities. Members of the cost centers or SBA's pay another assessment in addition to the regular master association assessment to maintain areas identified in the governing documents as benefiting only members within that cost center or SBA.

SBA gate assessments remain as follows for FY 2026-2027:

Careyes	\$64 SBA + \$267 Master = \$331
Catania North	\$42 SBA + \$267 Master = \$309
Catania / Vittoria	\$26 SBA + \$267 Master = \$319
Lucia/Altura	\$80 SBA + \$267 Master = \$347

As part of the Annual Budget Report, the following items are being provided to all owners:

- Annual 2026-2027 Budget
- Annual Reserve Study Executive Summary
- Assessment and Reserve Funding Disclosure Summary
- 30 Year Funding Plan for Reserves
- Insurance Disclosure Summary
- Annual Policy Statement and Exhibits

Please contact management at 949-361-8466 or TALEGA@ciramail.com should you have any questions or if you would like to request of the complete pro forma operating budget provided to you at the association's expense or a copy of the complete reserve study plan.

Sincerely,

Board of Directors
Talega Maintenance Corporation

Talega Maintenance Corporation
CONSOLIDATED
2026 - 2027 Budget Final

TMC_2026-2027 Budget_V1R6_12042025_1840_Final CONSOLIDATED			2026 - 2027 BUDGET Monthly	2026 - 2027 BUDGET Annual
1	Revenues			
2		Regular Assessments		
3		Homeowner Assessment Revenue	885,105	10,621,260
4		Apartment Assessment Revenue	48,327	579,924
5		Assessment Revenue SBAs	12,060	144,720
6		Reserve Contributions		
7		Asphalt Reserves	(123,220)	(1,478,637)
8		Main Reserves	(119,361)	(1,432,336)
9		SBAs Reserves	(3,878)	(46,532)
10		Other Revenue		
11		Collection Revenue	5,667	68,000
12		Late Payment Fees	1,667	20,000
13		Architectural Plan Revenue	2,688	32,250
14		Easement Agreement	875	10,500
15		Expense Recovery Revenue	189	2,267
16		Miscellaneous Revenue	24	285
17		Operating Interest Revenue	8,333	100,000
18		Recovery On Bad Debt	0	0
19		CC&R Violations/Fines	546	6,550
20		Gate Card Revenue	231	2,775
21	TOTAL Revenues		719,252	8,631,026
22				
23	Expenses			
24	Direct Operating Expenses			
25		Utilities		
26		Electricity Main	23,833	286,000
27		Electricity SBAs	0	0
28		Water	116,667	1,400,000
29	TOTAL Utilities		140,500	1,686,000
30				
31	Landscape Maintenance			
32		Backflow Maintenance	167	2,000
33		Booster Pump Maintenance	917	11,000
34		Contract Landscape Service	144,534	1,734,408
35		Landscape Service Contingency	12,500	150,000
36		Detention Basin Maintenance	1,667	20,000
37		Irrig Control Data Lines	4,108	49,296
38		Landscape Replacement	13,667	164,000
39		Landscape Supplies	667	8,000
40		Mulching	250	3,000
41		Sprinkler Repair	15,000	180,000

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				BUDGET	BUDGET
				Monthly	Annual
42			Street Tree Replacements	0	0
43			Trail Maintenance	3,500	42,000
44			Tree Maintenance	45,500	546,000
45			TOTAL Landscape Maintenance	242,475	2,909,704
46					
47			Swim & Athletic Club		
48			S&A - Annual Pool Inspection	156	1,869
49			S&A - Building Alarm System	160	1,920
50			S&A - Building Maintenance	1,875	22,500
51			S&A - Electricity	7,917	95,000
52			S&A - Fire Sprinkler Monitoring	167	2,000
53			S&A - Gas	6,917	83,000
54			S&A - Gate Card Access System	250	3,000
55			S&A - Heating & Air Conditioning	150	1,800
56			S&A - Janitorial Service	5,167	62,000
57			S&A - Janitorial Supplies	375	4,500
58			S&A - Lighting	63	750
59			S&A - Misc Office Expense	375	4,500
60			S&A - Office Equipment Maint	316	3,791
61			S&A - Office Supplies	344	4,125
62			S&A - Pest Control	0	0
63			S&A - Plumbing Repairs	400	4,800
64			S&A - Pool Attendants	3,417	41,000
65			S&A - Pool Maintenance	4,010	48,125
66			S&A - Pool Repairs	542	6,500
67			S&A - Pool Supplies	4,260	51,125
68			S&A - Refuse Collection	0	0
69			S&A - Sport Court Maintenance	117	1,400
70			S&A - Staff Uniforms	125	1,500
71			S&A - Tel/Internet/Cable	2,167	26,000
72			S&A - Water	1,331	15,975
73			TOTAL Swim & Athletic Club	40,598	487,180
74					
75			Common Area		
76			Access Gates Pools	100	1,200
77			Access Gates SBAs	1,458	17,500
78			Capital Improvements	22,917	275,000
79			Concrete Repairs	400	4,800
80			Contribution - Conservancy	7,288	87,456
81			Contribution - Road Bridge	7,288	87,456
82			Dog Waste Bags	2,708	32,500

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TMC_2026-2027 Budget_V1R6_12042025_1840_Final CONSOLIDATED				2026 - 2027	2026 - 2027
				BUDGET	BUDGET
				Monthly	Annual
83			Fencing Repair	158	1,900
84			Fountain Service Careyes	313	3,750
85			Geotechnical Services	0	0
86			Handyman Expense	400	4,800
87			Handyman Expense SBAs	67	800
88			Intercoms SBAs	604	7,250
89			License Plate Camera	6,875	82,500
90			Light Repairs	10,417	125,000
91			Light Repairs SBAs	100	1,200
92			Mailboxes	500	6,000
93			Parking Patrol Service	10,000	120,000
94			Pedestrian Gates SBAs	175	2,100
95			Pest Control	204	2,450
96			Signs	625	7,500
97			Staff Uniforms	100	1,200
98			Storm Drain Maint	10,417	125,000
99			Street Signs	42	500
100			Street Sweeping Service	5,250	63,000
101			Tot Lot Inspection	400	4,800
102			Tot Lot Repairs	304	3,650
103			Trash Service	417	5,000
104			Vandalism Repairs	208	2,500
105			TOTAL Common Area	89,734	1,076,812
106					
107			Saluda Recreation		
108			Saluda - Annual Pool Insp	87	1,047
109			Saluda - Building Maintenance	342	4,104
110			Saluda - Contract Lighting	67	800
111			Saluda - Electric	1,700	20,400
112			Saluda - Gas	3,542	42,500
113			Saluda - Handyman	21	250
114			Saluda - Janitorial	1,875	22,500
115			Saluda - Janitorial Supply	96	1,150
116			Saluda - Pest Control	0	0
117			Saluda - Plumbing Repairs	104	1,250
118			Saluda - Pool Attendants	1,658	19,901
119			Saluda - Pool Maintenance	1,917	23,004
120			Saluda - Pool Repairs	117	1,400
121			Saluda - Pool Supply	1,433	17,200
122			Saluda - Refuse Collection	267	3,204
123			Saluda - Sewer Lift Station	750	9,000

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				BUDGET	BUDGET
				Monthly	Annual
124			Saluda - Water	206	2,475
125			TOTAL Saluda Recreation	14,182	170,185
126					
127			Tierra Grande Recreation		
128			Grande - Annual Pool Insp	86	1,035
129			Grande - Building Maintenance	344	4,125
130			Grande - Contract Lighting	42	500
131			Grande - Electric	2,269	27,225
132			Grande - Gas	1,006	12,075
133			Grande - Janitorial Rec	1,344	16,125
134			Grande - Janitorial Supplies	50	600
135			Grande - Pest Control	0	0
136			Grande - Plumbing Rec	19	225
137			Grande - Pool Attendants	1,658	19,901
138			Grande - Pool Maint Rec	1,760	21,125
139			Grande - Pool Repairs	69	825
140			Grande - Pool Supplies	938	11,250
141			Grande - Water	688	8,250
142			TOTAL Tierra Grande Recreation	10,272	123,261
143			TOTAL Direct Operating Expenses	537,762	6,453,142
144					
145			Administration Expenses		
146			Professional Fees		
147			Architectural Consultant	3,854	46,250
148			Consultant Services	3,000	36,000
149			CPA Services	325	3,900
150			General Counsel Service	10,417	125,000
151			Horticultural Consultant	10,533	126,400
152			Legal - Collections	7,094	85,125
153			Rsv Study Consultant Main	600	7,200
154			Rsv Study Consultant SBAs	177	2,125
155			Special Project Management	0	0
156			TOTAL Professional Fees	36,000	432,000
157					
158			Management Fees		
159			Management Fee Main	4,344	52,133
160			Management Fee SBAs	807	9,680
161			Reimbursables Main	4,677	56,125
162			Staff Comp & Related Costs	91,233	1,094,797
163			TOTAL Management Fees	101,061	1,212,735
164					

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			BUDGET	BUDGET
			Monthly	Annual
165		Admin & Misc Expenses		
166		Franchise Tax Board	2	20
167		Property Tax	184	2,212
168		Bad Debt Expense	845	10,145
169		Bank Fees		0
170		Insurance	40,768	489,221
171		Administrative Misc	1,452	17,425
172		Board Meeting Expense	1,010	12,125
173		Office Supplies	350	4,200
174		** Taxes & Licenses **	0	0
175		Operating Contingency Main	16,667	200,000
176		TOTAL Admin & Misc Expenses	61,279	735,348
177				
178		TOTAL Administration Expenses	198,340	2,380,083
179				
180		TOTAL Expenses	736,102	8,833,225
181				
182		NET SURPLUS (DEFICIT)	(16,850)	(202,199)

CAREYES - 2026 - 2027 Operating Budget			
	Description	2026 - 2027 Proposed Budget Monthly	2026 - 2027 Proposed Annual Budget
\$ 18.50	Reserve Contribution	777	9,324
\$ 64.00	Assessment	2,688	32,256
42	Homes		
3	Auto Gates		
2	Pedestrian Gates		
1	Fountains		
REVENUE			
	GATE SBA-4A CAREYES	2,688	32,256
TOTAL REVENUE		2,688	32,256
RESERVE CONTRIBUTION			
GENERAL RESERVES			
	GENERAL RESERVES	777	9,324
TOTAL RESERVE CONTRIBUTION		777	9,324
AVAILABLE OPERATING REVENUE		1,911	22,932
DIRECT OPERATING EXPENSES			
COMMON AREA			
	HANDYMAN EXPENSE	44	528
	ACCESS GATES	258	3,100
	ENTERPHONES / INTERCOMS	100	1,200
	LIGHT REPAIRS	27	324
	FOUNTAIN SERVICE	425	5,100
	PEDESTRIAN GATES	47	564
TOTAL COMMON AREA		901	10,816
TOTAL DIRECT OPERATING EXPENSES		901	10,816
ADMINISTRATION EXPENSES			
PROFESSIONAL FEES			
	RESERVE STUDY CONSULTANT SRVC	150	1,800
TOTAL PROFESSIONAL FEES		150	1,800
MANAGEMENT FEES			
	MANAGEMENT FEES SBAs	126	1,512
TOTAL MANAGEMENT FEES		126	1,512
TOTAL ADMINISTRATION		276	3,312
TOTAL OPERATING EXPENSES		1,177	14,128
NET INCOME/(LOSS)		734	8,804

CAREYES 2026-2027 Pro Forma Operating

CATANIA - 2026 - 2027 Operating Budget				
	Description		2026 - 2027 Proposed Budget Monthly	2026 - 2027 Proposed Annual Budget
\$ 9.00	Reserve Contribution		468	5,616
\$ 42.00	Assessment		2,184	26,208
51	Homes			
2	Auto Gates			
1	Pedestrian Gates			
0	Fountains			
REVENUE				
	GATE SBA-6A CATANIA		2,184	26,208
TOTAL REVENUES			2,184	26,208
RESERVE CONTRIBUTION				
GENERAL RESERVES				
	GENERAL RESERVES		468	5,616
TOTAL RESERVE CONTRIBUTION			468	5,616
AVAILABLE OPERATING REVENUE			1716	20,592
DIRECT OPERATING EXPENSES				
COMMON AREA				
	HANDYMAN EXPENSE		17	204
	ACCESS GATES		285	3,240
	ENTERPHONES / INTERCOMS		100	1,200
	LIGHT REPAIRS		38	456
	PEDESTRIAN GATES		42	504
TOTAL COMMON AREA			482	5,784
TOTAL DIRECT OPERATING EXPENSES			482	5,784
ADMINISTRATION EXPENSES				
PROFESSIONAL FEES				
	RESERVE STUDY CONSULTANT SRVC		150	1,800
TOTAL PROFESSIONAL FEES			150	1,800
MANAGEMENT FEES				
	MANAGEMENT FEES SBAs		153	1,836
TOTAL MANAGEMENT FEES			153	1,836
TOTAL ADMINISTRATION			303	3,636
TOTAL OPERATING EXPENSES			785	9,420
NET INCOME/(LOSS)			931	11,172

CATANIA 2026-2027 Pro Forma Operating

VITTORIA-CATANIA - 2026 - 2027 Operating Budget				
	Description		2026 - 2027 Proposed Budget Monthly	2026 - 2027 Proposed Annual Budget
\$ 8.00	Reserve Contribution		920	11,040
\$ 26.00	Assessment		2,990	35,880
115	Homes			
2	Auto Gates			
2	Pedestrian Gates			
0	Fountains			
REVENUE				
	GATE 6B/6C-CATANIA/VITTORIA		2,990	35,880
TOTAL REVENUE			2,990	35,880
RESERVE CONTRIBUTION				
GENERAL RESERVES				
	GENERAL RESERVES		920	11,040
TOTAL RESERVE CONTRIBUTION			920	11,040
AVAILABLE OPERATING REVENUE			2,070	24,840
OPERATING EXPENSES				
COMMON AREA				
	HANDYMAN EXPENSE		52	624
	ACCESS GATES		386	4,360
	ENTERPHONES / INTERCOMS		125	1,500
	LIGHT REPAIRS		34	408
	PEDESTRIAN GATES		95	1,140
TOTAL COMMON AREA			692	8,302
ADMINISTRATION EXPENSES				
PROFESSIONAL FEES				
	RESERVE STUDY CONSULTANT SRVC		150	1800
TOTAL PROFESSIONAL FEES			150	1,800
MANAGEMENT FEE				
	MANAGEMENT FEES SBAs		345	4,140
TOTAL MANAGEMENT FEES			345	4,140
TOTAL ADMINISTRATION EXPENSES			495	5,940
TOTAL OPERATING EXPENSES			1,187	14,242
NET INCOME/(LOSS)			883	10,598

VITTORIA/CATANIA TAL5 2026-2027 Pro Forma Operating

LUCIA / ALTURA - 2026 - 2027 Operating Budget				
	Description		2024 - 2025 Proposed Budget Monthly	2024 - 2025 Proposed Annual Budget
\$ 29.00	Reserve Contribution		1,537	18,444
\$ 80.00	Assessment		4,240	50,880
53	Homes			
4	Auto Gates			
4	Pedestrian Gates			
0	Fountains			
REVENUE				
	LUCIA GATE ASSESSMENT		4,240	50,880
TOTAL REVENUE			4,240	50,880
RESERVE CONTRIBUTION				
GENERAL RESERVES				
	GENERAL RESERVES		1,537	18,444
TOTAL RESERVE CONTRIBUTION			1,537	18,444
AVAILABLE OPERATING REVENUE			2,703	32,436
OPERATING EXPENSES				
COMMON AREA				
	HANDYMAN EXPENSE		37	444
	ACCESS GATES		529	6,340
	ENTERPHONES / INTERCOMS		375	4,500
	LIGHT REPAIRS		101	1,212
	PEDESTRIAN GATES		166	1,992
TOTAL COMMON AREA			1,208	14,498
ADMINISTRATION EXPENSES				
PROFESSIONAL FEES				
	RESERVE STUDY CONSULTANT SRVC		150	1,800
TOTAL PROFESSIONAL FEES			150	1,800
MANAGEMENT FEE				
	MANAGEMENT FEES SBAs		159	1,908
TOTAL MANAGEMENT FEES			159	1,908
TOTAL ADMINISTRATION EXPENSES			309	3,708
TOTAL OPERATING EXPENSES			1,517	18,206
NET INCOME/(LOSS)			1186	14,230

LUCIA / ALTURA 2026-2027 Pro Forma Operating

(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 03/31/2027

1. The current average regular Assessment per ownership interest is: **\$253.03 per month.**

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

2. Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

4. If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
-	-	-

Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$15,148,480, based in whole or in part on the last reserve study or update prepared by RealManage as of 2026-02-10. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$9,359,197, resulting in reserves being 62% at this date.

7. 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 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2026-2027	\$1,432,336	\$34.12	\$5,237,694	\$5,852,100	\$11,687,914	50%
2027-2028	\$1,475,306	\$35.15	\$2,726,928	\$4,809,530	\$10,754,015	45%
2028-2029	\$1,519,565	\$36.20	\$690,635	\$5,847,419	\$11,935,205	49%
2029-2030	\$1,565,152	\$37.29	\$1,683,333	\$5,960,771	\$12,176,450	49%
2030-2031	\$1,612,107	\$38.41	\$466,782	\$7,367,434	\$13,726,492	54%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 4.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

Summary of Association Reserves

CA Civil Code §5565

Talega Maintenance Corporation

Units: 3,498 | Start Date: 4/1/2026

Property Description		Financial Summary	
Property Name:	Talega Maintenance Corporation	Starting Reserve Balance:	\$9,359,197
Location:	San Clemente, CA	Fully Funded Reserve Balance:	\$15,148,480
Project Type:	Master Association	Percent Funded:	62%
Number of Units:	3498	Current Replacement Cost:	\$21,129,816
Age of Project:	26 Year(s)	Deficit/Surplus vs. Fully Funded Reserve:	(\$5,789,283) or (\$1,655.03) Per Unit Avg

Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2026-2027	\$1,432,336	\$34.12	\$5,237,694	\$5,852,100	\$11,687,914	50%
2027-2028	\$1,475,306	\$35.15	\$2,726,928	\$4,809,530	\$10,754,015	45%
2028-2029	\$1,519,565	\$36.20	\$690,635	\$5,847,419	\$11,935,205	49%
2029-2030	\$1,565,152	\$37.29	\$1,683,333	\$5,960,771	\$12,176,450	49%
2030-2031	\$1,612,107	\$38.41	\$466,782	\$7,367,434	\$13,726,492	54%
2031-2032	\$1,660,470	\$39.56	\$5,519,371	\$3,726,052	\$10,168,833	37%
2032-2033	\$1,710,284	\$40.74	\$1,193,944	\$4,401,762	\$11,011,100	40%
2033-2034	\$1,761,593	\$41.97	\$2,728,058	\$3,592,037	\$10,351,506	35%
2034-2035	\$1,814,440	\$43.23	\$2,031,960	\$3,513,849	\$10,443,705	34%
2035-2036	\$1,868,874	\$44.52	\$607,908	\$4,940,588	\$12,061,680	41%
2036-2037	\$1,924,940	\$45.86	\$1,596,678	\$5,473,039	\$12,767,686	43%
2037-2038	\$1,982,688	\$47.23	\$1,203,644	\$6,486,586	\$13,959,359	46%
2038-2039	\$2,042,169	\$48.65	\$1,057,648	\$7,750,260	\$15,398,609	50%
2039-2040	\$2,103,434	\$50.11	\$1,365,409	\$8,813,055	\$16,627,339	53%
2040-2041	\$2,166,537	\$51.61	\$634,368	\$10,728,389	\$18,711,096	57%
2041-2042	\$2,231,533	\$53.16	\$924,611	\$12,490,585	\$20,625,567	61%
2042-2043	\$2,298,479	\$54.76	\$3,622,103	\$11,640,112	\$19,888,220	59%
2043-2044	\$2,367,433	\$56.40	\$1,913,988	\$12,568,230	\$20,959,350	60%
2044-2045	\$2,438,456	\$58.09	\$2,855,104	\$12,645,978	\$21,166,641	60%
2045-2046	\$2,511,610	\$59.83	\$1,597,055	\$14,084,663	\$22,751,520	62%
2046-2047	\$2,586,958	\$61.63	\$1,436,055	\$15,821,971	\$24,627,620	64%
2047-2048	\$2,664,567	\$63.48	\$3,374,609	\$15,730,607	\$24,643,473	64%
2048-2049	\$2,744,504	\$65.38	\$1,312,806	\$17,820,163	\$26,866,046	66%
2049-2050	\$2,826,839	\$67.34	\$1,243,247	\$20,148,233	\$29,312,005	69%
2050-2051	\$2,911,644	\$69.36	\$3,028,352	\$20,835,121	\$30,080,301	69%
2051-2052	\$2,998,994	\$71.45	\$11,230,861	\$13,272,022	\$22,513,306	59%
2052-2053	\$3,088,963	\$73.59	\$3,920,782	\$12,954,448	\$22,341,633	58%
2053-2054	\$3,181,632	\$75.80	\$512,214	\$16,195,432	\$25,771,375	63%
2054-2055	\$3,277,081	\$78.07	\$5,125,590	\$14,957,771	\$24,650,844	61%
2055-2056	\$3,375,394	\$80.41	\$2,463,758	\$16,485,949	\$26,339,954	63%

Summary of Association Reserves

CA Civil Code §5565

Talega Maintenance Corporation

Units: 3,498 | Start Date: 4/1/2026

Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Concrete Surfaces	1-6	0-4	\$198,364	\$99,736	\$59,605	\$161,429	\$59,424
Fencing, Gates & Rails	4-30	0-23	\$2,012,753	\$900,072	\$168,948	\$1,456,826	\$168,435
Irrigation Systems	4-30	0-17	\$1,335,936	\$558,420	\$124,410	\$903,840	\$124,031
Landscaping	6-20	1-17	\$3,093,690	\$1,300,948	\$192,914	\$2,105,670	\$192,327
Lighting	15-25	0-17	\$7,393,349	\$3,856,412	\$311,704	\$6,241,858	\$310,757
Miscellaneous	4-40	0-17	\$560,485	\$173,129	\$66,037	\$280,220	\$65,836
Park Areas	3-18	0-16	\$1,071,890	\$241,719	\$72,305	\$391,238	\$72,085
Pool - Lap Pool (TSAC)	3-25	0-7	\$761,025	\$419,824	\$66,523	\$679,513	\$66,321
Pool - Rec Pool (TSAC)	3-25	0-13	\$899,985	\$485,819	\$67,930	\$786,331	\$67,724
Pool - Saluda	3-30	0-8	\$943,538	\$452,910	\$73,952	\$733,065	\$73,727
Pool - Splash Park	8-25	0-19	\$608,586	\$78,140	\$33,949	\$126,474	\$33,846
Pool - Tierra Grande	3-30	0-10	\$801,009	\$310,644	\$63,542	\$502,799	\$63,349
Talega Swim & Athletic Club - Exterior	4-30	0-18	\$1,039,553	\$275,726	\$92,133	\$446,280	\$91,853
Talega Swim & Athletic Club - Interior	4-25	0-9	\$409,652	\$205,698	\$42,751	\$332,936	\$42,621
		Totals	\$21,129,816	\$9,359,197	\$1,436,703	\$15,148,480	\$1,432,336

(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 03/31/2027

1. The current average regular Assessment per ownership interest is: **\$35.23 per month.**

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

2. Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

4. If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
-	-	-

Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$18,120,093, based in whole or in part on the last reserve study or update prepared by RealManage as of 2026-02-10. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$4,827,168, resulting in reserves being 27% at this date.

7. 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 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2026-2027	\$1,478,637	\$35.23	\$1,501,529	\$4,996,905	\$18,304,636	27%
2027-2028	\$1,522,996	\$36.28	\$1,107,086	\$5,621,009	\$18,936,617	30%
2028-2029	\$1,568,686	\$37.37	\$1,220,136	\$6,201,370	\$19,507,811	32%
2029-2030	\$1,615,747	\$38.49	\$1,139,932	\$6,934,756	\$20,216,546	34%
2030-2031	\$1,664,219	\$39.65	\$1,428,094	\$7,452,994	\$20,688,665	36%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 4.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

Summary of Association Reserves

CA Civil Code §5565

Talega Maintenance Corporation - Asphalt

Units: 3,498 | Start Date: 4/1/2026

Property Description		Financial Summary	
Property Name:	Talega Maintenance Corporation - Asphalt	Starting Reserve Balance:	\$4,827,168
Location:	San Clemente, CA	Fully Funded Reserve Balance:	\$18,120,093
Project Type:	Master Association	Percent Funded:	27%
Number of Units:	3498	Current Replacement Cost:	\$34,587,832
Age of Project:	26 Year(s)	Deficit/Surplus vs. Fully Funded Reserve:	(\$13,292,925) or (\$3,800.15) Per Unit Avg

Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2026-2027	\$1,478,637	\$35.23	\$1,501,529	\$4,996,905	\$18,304,636	27%
2027-2028	\$1,522,996	\$36.28	\$1,107,086	\$5,621,009	\$18,936,617	30%
2028-2029	\$1,568,686	\$37.37	\$1,220,136	\$6,201,370	\$19,507,811	32%
2029-2030	\$1,615,747	\$38.49	\$1,139,932	\$6,934,756	\$20,216,546	34%
2030-2031	\$1,664,219	\$39.65	\$1,428,094	\$7,452,994	\$20,688,665	36%
2031-2032	\$1,714,146	\$40.84	\$1,415,798	\$8,055,428	\$21,227,709	38%
2032-2033	\$1,765,570	\$42.06	\$1,404,100	\$8,746,344	\$21,836,272	40%
2033-2034	\$1,818,537	\$43.32	\$1,708,698	\$9,208,233	\$22,191,895	41%
2034-2035	\$1,873,093	\$44.62	\$1,953,673	\$9,494,371	\$22,349,678	42%
2035-2036	\$1,929,286	\$45.96	\$2,331,314	\$9,464,077	\$22,168,353	43%
2036-2037	\$1,987,164	\$47.34	\$1,485,229	\$10,354,613	\$22,899,539	45%
2037-2038	\$2,046,779	\$48.76	\$2,581,951	\$10,222,923	\$22,570,914	45%
2038-2039	\$2,108,183	\$50.22	\$1,193,997	\$11,564,309	\$23,711,339	49%
2039-2040	\$2,171,428	\$51.73	\$1,514,974	\$12,696,465	\$24,606,162	52%
2040-2041	\$2,236,571	\$53.28	\$452,024	\$15,024,561	\$26,674,986	56%
2041-2042	\$2,303,668	\$54.88	\$198,504	\$17,772,812	\$29,120,887	61%
2042-2043	\$2,372,778	\$56.53	\$2,144,468	\$18,716,601	\$29,691,325	63%
2043-2044	\$2,443,962	\$58.22	\$1,141,451	\$20,793,825	\$31,369,152	66%
2044-2045	\$2,517,281	\$59.97	\$1,907,007	\$22,248,058	\$32,367,676	69%
2045-2046	\$2,592,799	\$61.77	\$2,107,415	\$23,633,072	\$33,250,385	71%
2046-2047	\$2,670,583	\$63.62	\$4,003,673	\$23,218,643	\$32,268,898	72%
2047-2048	\$2,750,700	\$65.53	\$1,705,858	\$25,213,128	\$33,689,061	75%
2048-2049	\$2,833,221	\$67.50	\$2,156,237	\$26,912,177	\$34,754,210	77%
2049-2050	\$2,918,218	\$69.52	\$2,058,844	\$28,865,226	\$36,019,892	80%
2050-2051	\$3,005,765	\$71.61	\$0	\$33,085,715	\$39,514,464	84%
2051-2052	\$3,095,938	\$73.75	\$1,154,134	\$36,389,783	\$41,997,534	87%
2052-2053	\$3,188,816	\$75.97	\$2,185,008	\$38,869,259	\$43,567,888	89%
2053-2054	\$3,284,480	\$78.25	\$58,914	\$43,714,106	\$47,452,058	92%
2054-2055	\$3,383,015	\$80.59	\$4,878,244	\$43,937,537	\$46,567,978	94%
2055-2056	\$3,484,505	\$83.01	\$6,583,742	\$42,533,816	\$43,982,222	97%

Summary of Association Reserves

CA Civil Code §5565

Talega Maintenance Corporation - Asphalt

Units: 3,498 | Start Date: 4/1/2026

Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Asphalt Surfaces	30-30	0-29	\$34,587,832	\$4,827,168	\$1,152,928	\$18,120,093	\$1,478,637
		Totals	\$34,587,832	\$4,827,168	\$1,152,928	\$18,120,093	\$1,478,637

(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 03/31/2027

1. The current average regular Assessment per ownership interest is: **\$64.00 per month.**

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

2. Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

4. If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
2042	\$143,708	\$3,421.62

Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$124,911, based in whole or in part on the last reserve study or update prepared by RealManage as of 2026-02-10. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$126,442, resulting in reserves being 101% at this date.

7. 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 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2026-2027	\$9,324	\$18.50	\$35,771	\$104,524	\$108,156	97%
2027-2028	\$9,604	\$19.06	\$68,433	\$48,699	\$57,747	84%
2028-2029	\$9,892	\$19.63	\$2,026	\$58,670	\$74,731	79%
2029-2030	\$10,189	\$20.22	\$4,733	\$66,581	\$89,956	74%
2030-2031	\$10,494	\$20.82	\$48,688	\$30,287	\$60,899	50%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 4.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

Summary of Association Reserves

CA Civil Code §5565

Talega - Careyes Gate Cost Center

Units: 42 | Start Date: 4/1/2026

Property Description		Financial Summary	
Property Name:	Talega - Careyes Gate Cost Center	Starting Reserve Balance:	\$126,442
Location:	San Clemente, CA	Fully Funded Reserve Balance:	\$124,911
Project Type:	Planned Unit Development	Percent Funded:	101%
Number of Units:	42	Current Replacement Cost:	\$149,619
Age of Project:	22 Year(s)	Deficit/Surplus vs. Fully Funded Reserve:	\$1,531 or \$36.46 Per Unit Avg

Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2026-2027	\$9,324	\$18.50	\$35,771	\$104,524	\$108,156	97%
2027-2028	\$9,604	\$19.06	\$68,433	\$48,699	\$57,747	84%
2028-2029	\$9,892	\$19.63	\$2,026	\$58,670	\$74,731	79%
2029-2030	\$10,189	\$20.22	\$4,733	\$66,581	\$89,956	74%
2030-2031	\$10,494	\$20.82	\$48,688	\$30,287	\$60,899	50%
2031-2032	\$10,809	\$21.45	\$6,138	\$36,263	\$75,349	48%
2032-2033	\$11,133	\$22.09	\$3,169	\$45,838	\$93,860	49%
2033-2034	\$11,467	\$22.75	\$5,327	\$53,935	\$111,288	48%
2034-2035	\$11,811	\$23.44	\$43,068	\$24,210	\$90,968	27%
2035-2036	\$12,166	\$24.14	\$6,909	\$30,540	\$107,904	28%
2036-2037	\$12,531	\$24.86	\$2,566	\$41,925	\$130,461	32%
2037-2038	\$12,907	\$25.61	\$49,202	\$6,582	\$106,319	6%
2038-2039	\$13,294	\$26.38	\$5,249	\$15,050	\$127,402	12%
2039-2040	\$13,693	\$27.17	\$7,776	\$21,687	\$147,214	15%
2040-2041	\$14,103	\$27.98	\$2,888	\$33,994	\$173,375	20%
2041-2042	\$14,526	\$28.82	\$6,748	\$43,288	\$197,087	22%
2042-2043	\$14,962	\$29.69	\$116,572	(\$58,322)	\$109,154	0%
2043-2044	\$15,411	\$30.58	\$8,752	(\$51,662)	\$130,426	0%
2044-2045	\$15,873	\$31.50	\$3,251	(\$39,040)	\$158,812	0%
2045-2046	\$16,350	\$32.44	\$80,100	(\$102,790)	\$109,730	0%
2046-2047	\$16,840	\$33.41	\$3,449	(\$89,399)	\$138,986	0%
2047-2048	\$17,345	\$34.42	\$53,091	(\$125,145)	\$118,873	0%
2048-2049	\$17,866	\$35.45	\$3,659	(\$110,938)	\$149,984	0%
2049-2050	\$18,402	\$36.51	\$24,275	(\$116,812)	\$161,733	0%
2050-2051	\$18,954	\$37.61	\$72,715	(\$170,572)	\$124,909	0%
2051-2052	\$19,522	\$38.73	\$11,086	(\$162,136)	\$151,455	0%
2052-2053	\$20,108	\$39.90	\$5,723	(\$147,751)	\$185,348	0%
2053-2054	\$20,711	\$41.09	\$9,621	(\$136,661)	\$217,300	0%
2054-2055	\$21,333	\$42.33	\$4,369	(\$119,697)	\$256,709	0%
2055-2056	\$21,973	\$43.60	\$12,478	(\$110,202)	\$290,070	0%

Summary of Association Reserves

CA Civil Code §5565

Talega - Careyes Gate Cost Center

Units: 42 | Start Date: 4/1/2026

Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Common Area	1-15	0-1	\$42,327	\$40,138	\$4,733	\$39,652	\$2,781
Fencing & Gates	8-15	0-4	\$95,938	\$83,675	\$9,018	\$82,661	\$5,299
Lighting	12-12	11-11	\$7,969	\$672	\$664	\$664	\$390
Painting & Repairs	2-4	1-1	\$3,385	\$1,957	\$1,452	\$1,934	\$853
		Totals	\$149,619	\$126,442	\$15,866	\$124,911	\$9,324

(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 03/31/2027

1. The current average regular Assessment per ownership interest is: **\$42.82 per month.**

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

2. Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

4. If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
2033	\$105,288	\$2,064.47

Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$59,472, based in whole or in part on the last reserve study or update prepared by RealManage as of 2026-02-10. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$50,178, resulting in reserves being 84% at this date.

7. 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 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2026-2027	\$5,616	\$9.18	\$31,685	\$25,595	\$38,828	66%
2027-2028	\$5,784	\$9.45	\$16,652	\$15,534	\$33,354	47%
2028-2029	\$5,958	\$9.74	\$2,745	\$19,433	\$42,355	46%
2029-2030	\$6,137	\$10.03	\$1,275	\$25,169	\$53,465	47%
2030-2031	\$6,321	\$10.33	\$2,912	\$29,652	\$63,557	47%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 4.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

Summary of Association Reserves

CA Civil Code §5565

Talega - Catania North Gate Cost Center

Units: 51 | Start Date: 4/1/2026

Property Description		Financial Summary	
Property Name:	Talega - Catania North Gate Cost Center	Starting Reserve Balance:	\$50,178
Location:	San Clemente, CA	Fully Funded Reserve Balance:	\$59,472
Project Type:	Planned Unit Development	Percent Funded:	84%
Number of Units:	51	Current Replacement Cost:	\$74,393
Age of Project:	21 Year(s)	Deficit/Surplus vs. Fully Funded Reserve:	(\$9,294) or (\$182.24) Per Unit Avg

Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2026-2027	\$5,616	\$9.18	\$31,685	\$25,595	\$38,828	66%
2027-2028	\$5,784	\$9.45	\$16,652	\$15,534	\$33,354	47%
2028-2029	\$5,958	\$9.74	\$2,745	\$19,433	\$42,355	46%
2029-2030	\$6,137	\$10.03	\$1,275	\$25,169	\$53,465	47%
2030-2031	\$6,321	\$10.33	\$2,912	\$29,652	\$63,557	47%
2031-2032	\$6,510	\$10.64	\$3,808	\$33,595	\$73,374	46%
2032-2033	\$6,706	\$10.96	\$30,229	\$10,945	\$56,627	19%
2033-2034	\$6,907	\$11.29	\$19,883	(\$1,853)	\$50,399	0%
2034-2035	\$7,114	\$11.62	\$40,137	(\$34,876)	\$23,499	0%
2035-2036	\$7,328	\$11.97	\$1,523	(\$29,071)	\$35,953	0%
2036-2037	\$7,547	\$12.33	\$3,477	(\$25,001)	\$47,166	0%
2037-2038	\$7,774	\$12.70	\$5,577	(\$22,804)	\$56,965	0%
2038-2039	\$8,007	\$13.08	\$3,689	(\$18,486)	\$69,427	0%
2039-2040	\$8,247	\$13.48	\$23,742	(\$33,981)	\$62,044	0%
2040-2041	\$8,495	\$13.88	\$3,914	(\$29,400)	\$75,313	0%
2041-2042	\$8,750	\$14.30	\$1,818	(\$22,469)	\$91,601	0%
2042-2043	\$9,012	\$14.73	\$50,845	(\$64,301)	\$58,358	0%
2043-2044	\$9,282	\$15.17	\$1,929	(\$56,948)	\$74,992	0%
2044-2045	\$9,561	\$15.62	\$4,405	(\$51,792)	\$90,080	0%
2045-2046	\$9,848	\$16.09	\$28,349	(\$70,293)	\$81,481	0%
2046-2047	\$10,143	\$16.57	\$8,498	(\$68,648)	\$93,606	0%
2047-2048	\$10,447	\$17.07	\$44,453	(\$102,654)	\$69,615	0%
2048-2049	\$10,761	\$17.58	\$4,958	(\$96,851)	\$86,154	0%
2049-2050	\$11,084	\$18.11	\$7,952	(\$93,719)	\$100,692	0%
2050-2051	\$11,416	\$18.65	\$64,408	(\$146,711)	\$58,120	0%
2051-2052	\$11,759	\$19.21	\$33,850	(\$168,803)	\$46,368	0%
2052-2053	\$12,111	\$19.79	\$5,580	(\$162,271)	\$64,023	0%
2053-2054	\$12,475	\$20.38	\$2,592	(\$152,389)	\$85,946	0%
2054-2055	\$12,849	\$21.00	\$5,920	(\$145,460)	\$105,778	0%
2055-2056	\$13,234	\$21.62	\$2,750	(\$134,976)	\$130,171	0%

Summary of Association Reserves

CA Civil Code §5565

Talega - Catania North Gate Cost Center

Units: 51 | Start Date: 4/1/2026

Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Fencing & Gates	6-15	0-6	\$68,944	\$47,794	\$7,794	\$56,646	\$4,417
Lighting	12-12	11-11	\$2,862	\$201	\$239	\$239	\$135
Painting & Repairs	2-2	0-0	\$1,421	\$1,199	\$710	\$1,421	\$403
Reserve Contingency	1-1	0-0	\$1,167	\$985	\$1,167	\$1,167	\$661
		Totals	\$74,393	\$50,178	\$9,909	\$59,472	\$5,616

(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 03/31/2027

1. The current average regular Assessment per ownership interest is: **\$26.00 per month.**

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

2. Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

4. If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
-	-	-

Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$67,754, based in whole or in part on the last reserve study or update prepared by RealManage as of 2026-02-10. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$94,833, resulting in reserves being 140% at this date.

7. 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 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2026-2027	\$11,040	\$8.00	\$33,102	\$76,123	\$46,265	165%
2027-2028	\$11,371	\$8.24	\$41,069	\$48,876	\$16,243	301%
2028-2029	\$11,712	\$8.49	\$3,225	\$59,488	\$24,626	242%
2029-2030	\$12,064	\$8.74	\$1,710	\$72,429	\$35,157	206%
2030-2031	\$12,426	\$9.00	\$3,422	\$84,510	\$44,588	190%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 4.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

Summary of Association Reserves

Talega - Vittoria / Catania South Gate Cost Center

CA Civil Code §5565

Units: 115 | Start Date: 4/1/2026

Property Description		Financial Summary	
Property Name:	Talega - Vittoria / Catania South Gate Cost Center	Starting Reserve Balance:	\$94,833
Location:	San Clemente, CA	Fully Funded Reserve Balance:	\$67,754
Project Type:	Planned Unit Development	Percent Funded:	140%
Number of Units:	115	Current Replacement Cost:	\$76,191
Age of Project:	19 Year(s)	Deficit/Surplus vs. Fully Funded Reserve:	\$27,079 or \$235.47 Per Unit Avg

Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2026-2027	\$11,040	\$8.00	\$33,102	\$76,123	\$46,265	165%
2027-2028	\$11,371	\$8.24	\$41,069	\$48,876	\$16,243	301%
2028-2029	\$11,712	\$8.49	\$3,225	\$59,488	\$24,626	242%
2029-2030	\$12,064	\$8.74	\$1,710	\$72,429	\$35,157	206%
2030-2031	\$12,426	\$9.00	\$3,422	\$84,510	\$44,588	190%
2031-2032	\$12,798	\$9.27	\$1,814	\$99,094	\$56,315	176%
2032-2033	\$13,182	\$9.55	\$3,630	\$112,802	\$66,890	169%
2033-2034	\$13,578	\$9.84	\$20,373	\$110,383	\$60,917	181%
2034-2035	\$13,985	\$10.13	\$36,567	\$91,764	\$38,474	239%
2035-2036	\$14,405	\$10.44	\$2,042	\$108,045	\$51,321	211%
2036-2037	\$14,837	\$10.75	\$4,086	\$123,333	\$62,863	196%
2037-2038	\$15,282	\$11.07	\$8,785	\$134,894	\$70,336	192%
2038-2039	\$15,740	\$11.41	\$4,334	\$151,924	\$83,057	183%
2039-2040	\$16,213	\$11.75	\$24,326	\$149,725	\$76,021	197%
2040-2041	\$16,699	\$12.10	\$4,598	\$168,057	\$89,558	188%
2041-2042	\$17,200	\$12.46	\$9,037	\$183,106	\$99,410	184%
2042-2043	\$17,716	\$12.84	\$83,725	\$123,101	\$33,123	372%
2043-2044	\$18,247	\$13.22	\$2,586	\$143,999	\$48,929	294%
2044-2045	\$18,795	\$13.62	\$5,175	\$163,651	\$63,067	259%
2045-2046	\$19,359	\$14.03	\$29,047	\$160,316	\$53,581	299%
2046-2047	\$19,939	\$14.45	\$5,491	\$181,466	\$68,630	264%
2047-2048	\$20,538	\$14.88	\$2,911	\$206,704	\$87,360	237%
2048-2049	\$21,154	\$15.33	\$5,825	\$230,607	\$104,241	221%
2049-2050	\$21,788	\$15.79	\$12,525	\$249,281	\$115,335	216%
2050-2051	\$22,442	\$16.26	\$58,680	\$222,289	\$79,848	278%
2051-2052	\$23,115	\$16.75	\$34,683	\$219,382	\$68,658	320%
2052-2053	\$23,809	\$17.25	\$6,556	\$245,755	\$86,768	283%
2053-2054	\$24,523	\$17.77	\$3,476	\$277,053	\$109,277	254%
2054-2055	\$25,259	\$18.30	\$6,955	\$306,804	\$129,583	237%
2055-2056	\$26,016	\$18.85	\$3,688	\$341,852	\$154,589	221%

Summary of Association Reserves

CA Civil Code §5565

Talega - Vittoria / Catania South Gate Cost Center

Units: 115 | Start Date: 4/1/2026

Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Fencing & Gates	6-15	0-1	\$68,370	\$90,020	\$7,565	\$64,316	\$8,135
Lighting	12-12	11-11	\$4,781	\$558	\$398	\$398	\$429
Painting & Repairs	2-2	0-0	\$1,475	\$2,065	\$738	\$1,475	\$793
Reserve Contingency	1-1	0-0	\$1,565	\$2,190	\$1,565	\$1,565	\$1,683
		Totals	\$76,191	\$94,833	\$10,265	\$67,754	\$11,040

(a) Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending 03/31/2027

1. The current average regular Assessment per ownership interest is: **\$80.00 per month.**

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

2. Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
-	-	-

Note: If Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes No

4. If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
-	-	-

Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
-	-

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$144,839, based in whole or in part on the last reserve study or update prepared by RealManage as of 2026-02-10. The projected reserve fund cash Balance at the beginning of the current fiscal year is \$130,563, resulting in reserves being 90% at this date.

7. 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 5 budget years found in column E, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, found in column D, leaving the reserve at percent funding found in column F. Please see the projected five-year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
	A	B	C	D	E	F
2026-2027	\$18,444	\$29.00	\$57,195	\$96,260	\$111,894	86%
2027-2028	\$18,997	\$29.87	\$32,102	\$86,743	\$104,454	83%
2028-2029	\$19,567	\$30.77	\$7,041	\$102,990	\$123,272	84%
2029-2030	\$20,154	\$31.69	\$79,987	\$46,080	\$68,208	68%
2030-2031	\$20,759	\$32.64	\$7,470	\$61,478	\$86,894	71%

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term interest rate earned on reserve funds was 4.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

(b) For the purposes of preparing a summary pursuant to this section:

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.
- (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.
- (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.

Summary of Association Reserves

CA Civil Code §5565

Talega - Lucia / Altura Gate Cost Center

Units: 53 | Start Date: 4/1/2026

Property Description		Financial Summary	
Property Name:	Talega - Lucia / Altura Gate Cost Center	Starting Reserve Balance:	\$130,563
Location:	San Clemente, CA	Fully Funded Reserve Balance:	\$144,839
Project Type:	Planned Unit Development	Percent Funded:	90%
Number of Units:	53	Current Replacement Cost:	\$172,175
Age of Project:	17 Year(s)	Deficit/Surplus vs. Fully Funded Reserve:	(\$14,276) or (\$269.36) Per Unit Avg

Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2026-2027	\$18,444	\$29.00	\$57,195	\$96,260	\$111,894	86%
2027-2028	\$18,997	\$29.87	\$32,102	\$86,743	\$104,454	83%
2028-2029	\$19,567	\$30.77	\$7,041	\$102,990	\$123,272	84%
2029-2030	\$20,154	\$31.69	\$79,987	\$46,080	\$68,208	68%
2030-2031	\$20,759	\$32.64	\$7,470	\$61,478	\$86,894	71%
2031-2032	\$21,382	\$33.62	\$9,182	\$76,381	\$105,107	73%
2032-2033	\$22,023	\$34.63	\$7,925	\$93,816	\$125,913	75%
2033-2034	\$22,684	\$35.67	\$38,331	\$81,608	\$116,799	70%
2034-2035	\$23,364	\$36.74	\$72,453	\$34,802	\$73,065	48%
2035-2036	\$24,065	\$37.84	\$1,523	\$59,188	\$101,897	58%
2036-2037	\$24,787	\$38.97	\$8,920	\$77,741	\$124,823	62%
2037-2038	\$25,531	\$40.14	\$10,190	\$96,497	\$147,998	65%
2038-2039	\$26,297	\$41.35	\$9,463	\$117,528	\$173,517	68%
2039-2040	\$27,086	\$42.59	\$45,770	\$103,171	\$163,329	63%
2040-2041	\$27,898	\$43.87	\$10,039	\$125,514	\$190,591	66%
2041-2042	\$28,735	\$45.18	\$1,818	\$157,990	\$228,119	69%
2042-2043	\$29,597	\$46.54	\$91,781	\$100,883	\$175,122	58%
2043-2044	\$30,485	\$47.93	\$1,929	\$134,045	\$214,124	63%
2044-2045	\$31,400	\$49.37	\$133,930	\$34,827	\$119,407	29%
2045-2046	\$32,342	\$50.85	\$54,652	\$13,464	\$104,609	13%
2046-2047	\$33,312	\$52.38	\$24,184	\$23,313	\$121,886	19%
2047-2048	\$34,311	\$53.95	\$2,171	\$57,028	\$163,526	35%
2048-2049	\$35,341	\$55.57	\$12,717	\$82,386	\$196,759	42%
2049-2050	\$36,401	\$57.23	\$14,529	\$107,990	\$230,366	47%
2050-2051	\$37,493	\$58.95	\$116,265	\$31,962	\$161,473	20%
2051-2052	\$38,618	\$60.72	\$65,257	\$6,068	\$144,370	4%
2052-2053	\$39,776	\$62.54	\$14,313	\$32,283	\$180,584	18%
2053-2054	\$40,969	\$64.42	\$2,592	\$72,720	\$231,356	31%
2054-2055	\$42,199	\$66.35	\$15,185	\$103,182	\$272,121	38%
2055-2056	\$43,464	\$68.34	\$2,750	\$148,838	\$328,402	45%

Summary of Association Reserves

CA Civil Code §5565

Talega - Lucia / Altura Gate Cost Center

Units: 53 | Start Date: 4/1/2026

Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Common Area	1-1	0-0	\$1,167	\$1,052	\$1,167	\$1,167	\$1,025
Fencing & Gates	6-15	0-5	\$159,343	\$124,115	\$16,572	\$137,686	\$14,562
Lighting	12-12	11-11	\$6,195	\$465	\$516	\$516	\$454
Painting & Repairs	2-2	0-0	\$5,470	\$4,931	\$2,735	\$5,470	\$2,403
		Totals	\$172,175	\$130,563	\$20,990	\$144,839	\$18,444

**2025 – 2026 Insurance Disclosure Statement
as required by CA Civil Code Section 5300**

TALEGA MAINTENANCE CORPORATION AGENT: MARSH McLENNAN AGENCY

The following is a summary of a portion of the association's insurance coverage for policy period 2024-2025. Note, the policies listed below are policies where Marsh McLennan Agency is recognized as broker.

1. Earthquake/Flood Coverage, Policy Number PE706659

Insurance Carrier: Palomar Excess & Surplus Ins. Co.
Coverage Type: Earthquake & Flood
Policy Limits: \$10,625,453 Blanket Limit (Real Property)
Deductible: \$50,00 per occurrence
Policy term: 04/01/2025 – 04/01/2026

2. Workers Compensation, Policy Number 2025010673301Y

Insurance Carrier: Pennsylvania Manufacturers' Assoc. Insurance Co. Workers
Coverage Type: Compensation
Policy Limits: \$1,000,000 (CA Statutory) N/A
Deductible:
Policy term: 04/01/2025 – 04/01/2026

3. Directors & Officers, Policy Number TMS1005137251

Insurance Carrier: Starr Indemnity & Liability Company
Coverage Type: Directors & Officers Liability
Policy Limits: \$3,000,000
Deductible: \$10,000
Policy term: 12/01/2025 – 04/01/2027

4. Excess/Umbrella Liability, Policy Number G74457964002

Insurance Carrier: Westchester Surplus Lines Insurance Co. Excess/Umbrella
Coverage Type: \$5,000,000 each occurrence / \$5,000,000 aggregate
Policy Limits:
Deductible: 04/01/2025 – 04/01/2026
Policy term:

5. Crime/Employee Theft Coverage, Policy Number: PHSD1834153006 (Layer 1)

Insurance Carrier: Philadelphia Insurance Company Crime/Employee Theft
Coverage Type: Coverage
Policy Limits: \$5,000,000
Deductible: \$25,000
Policy term: 12/01/2024 – 04/01/2026

6. Crime/Employee Theft Coverage, Policy Number: 618831695 (Layer 2)

Insurance Carrier: CNA Crime/Employee Theft Coverage
Coverage Type: \$5,000,000
Policy Limits: N/A
Deductible:
Policy term: 12/01/2024 – 04/01/2026

7. Crime/Employee Theft Coverage, Policy Number: 018232862 (Layer 3)

Insurance Carrier: Ohio Casualty Insurance Co. (Liberty Mutual)
Coverage Type: Crime/Employee Theft Coverage
Policy Limits: \$5,000,000
Deductible: \$10,000
Policy term: 04/01/2025 – 04/01/2026

8. Crime/Employee Theft Coverage, Policy Number: 018233480 (Layer 4)

Insurance Carrier: Ohio Casualty Insurance Co. (Liberty Mutual)
Coverage Type: Crime/Employee Theft Coverage
Policy Limits: \$4,600,000
Deductible: N/A
Policy term: 04/01/2025 – 04/01/2026

9. Property and General Liability Coverage, Policy Number: 41-LX-0189545901

Insurance Carrier: Lexington Insurance Company (via AmWins) Property and
Coverage Type: General Liability
Policy Limits: \$2,000,000
Deductible: \$10,000
Policy term: 04/01/2025 – 04/01/2026

10. Hired and Non Owned Automobile Coverage, Policy Number: 02-CA-044252398-1

Insurance Carrier: Granite State Ins. Co. Hired and Non Owned Automobile
Coverage Type: Hired and Non Owned Liability
Policy Limits: \$1,000,000
Deductible:
Policy term: 04/01/2025 – 04/01/2026

TALEGA MAINTENANCE CORPORATION
Adopted March 10, 2026

**SUMMARY OF POLICIES AND PROCEDURES OF LIEN RIGHTS AND
OTHER LEGAL REMEDIES FOR DEFAULT IN PAYMENT OF ASSESSMENTS**

- 1. Regular and Special Assessments.** Regular assessments are due and payable, in advance, on the first day of each month. If imposed, special assessments, capital improvement assessments, compliance assessments, reconstruction assessments, and reimbursement assessments (collectively “assessments”) shall be due and payable on the due date specified by the Board of Directors (hereinafter “Board”) of the Talega Maintenance Corporation (hereinafter “Association”). Assessments, interest, late charges, collection costs, and reasonable attorney fees, if any are imposed, are the personal obligation of the person who is the Owner of the Lot or Unit at the time when the assessment or other charge fell due.
- 2. Late Charges.** Assessments are delinquent fifteen (15) days after they become due. A late charge of ten dollars (\$10.00) or ten percent (10%) of the assessment, whichever is greater, may be applied if payment in full of any assessment is not received fifteen (15) days after the payment is due.
- 3. Interest.** Interest at the annual rate of twelve percent (12%) may be charged on all delinquent amounts that are not paid within thirty (30) days after they become due.
- 4. Additional Charges, Costs and Attorney Fees.** Pursuant to California *Civil Code* section 5650(b), Association is entitled to recover reasonable collection costs, including reasonable attorney fees, incurred in connection with collection of delinquent assessments. Costs may include, but are not limited to, publication, recording, posting, service, and mailing.
- 5. Application of Payments on Delinquent Assessments.** Payments received on delinquent assessment accounts will be applied first to the regular or special assessments owed, and then applied to reimbursement assessments, collection costs, administration fees, attorney fees, late charges, interest, and any other amount due to the Association in connection with collection of delinquent assessments.
- 6. Intent to Lien Letter.** Any Owner who is delinquent in the payment of his or her assessments may be referred to the Association’s management company or the Association’s attorney for collection and will receive an Intent to Lien letter, via certified mail. The letter will be sent at least thirty (30) days prior to a Notice of Delinquent Assessment Lien (“Lien”) being recorded against the delinquent Owner’s property, and will notify the Owner of record in writing of the following pursuant to California *Civil Code* section 5660(a)-(f):

 - (a) A general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount;
 - (b) An itemized statement of the amounts owed, including delinquent assessments, fees and reasonable costs of collection, reasonable attorney fees, late charges, and interest charges, if any;
 - (c) The Owner’s right to inspect the Association’s records to verify the debt;

- (d) The Owner's right to request a meeting with the Board, as set forth below;
- (e) That the Owner will not be liable for late charges, interest, and costs of collection if it is determined that the assessment was paid on time to the Association;
- (f) The Owner's right to dispute the debt by submitting a written request for dispute resolution to the Association pursuant to the Association's meet and confer program (known as Internal Dispute Resolution or "IDR") pursuant to California *Civil Code* section 5910;
- (g) The Owner's right to request Alternative Dispute Resolution (hereinafter "ADR") with a neutral third party pursuant to California *Civil Code* section 5935 before the Association may initiate foreclosure against the Owner.

7. Owner's Dispute of Debt/Request for Meeting with Board Prior to Lien/Commencement of Small Claims Lawsuit. Pursuant to California *Civil Code* sections 5660 (a)-(f) and 5658, the Owner has the following rights:

- (a) Meet and Confer. Prior to recording a lien, the Association shall offer and, if so requested by the Owner, participate in dispute resolution pursuant to the Association's IDR program and California *Civil Code* section 5910.
- (b) Request to Meet with Board to Discuss Payment Plan. The Owner may submit a written request to meet with the Board to discuss a payment plan for the debt owed. The Association will provide any standards it has adopted regarding payment plans to Owners. The Board will meet with the Owner in executive session in conjunction with a regularly scheduled Board meeting, within 45 days of the postmark of the request if such was mailed no later than 15 days after the postmark of the Intent to Lien letter. If there is no regularly scheduled Board meeting within that period, the Board may designate a committee of one or more members to meet with the Owner.
- (c) Payment Under Protest and Commencement of Small Claims Action. In addition to pursuing dispute resolution pursuant to California *Civil Code* sections 5910 and 5658, the Owner may pay under protest the disputed amount and all other amounts levied, including any fees and reasonable costs of collection, reasonable attorney fees, late charges, and interest, if any, and may thereafter commence an action in Small Claims Court provided the amount in dispute does not exceed the jurisdictional limits of that Court.

8. Lien/Notice of Delinquent Assessment. If the delinquent Owner does not bring the account current within thirty (30) days of the Intent to Lien letter, and unless a dispute over such debt has been resolved or a payment plan has been entered into as set forth above, a Lien will be recorded against the Owner's property upon a majority of the Board voting to approve recording the Lien in an open meeting. The Board shall record the vote in the minutes of that meeting. Confidentiality shall be maintained by identifying the property by parcel number in those minutes. The President or other person designated by the Association, including the Association's managing

agent or the Association's legal counsel, shall sign the Lien. The Lien shall include an itemized statement of the charges included in the amount of the Lien including the delinquent assessments and all other sums owed, such as late charges, costs and reasonable attorney fees, a legal description of the property, the name of the record Owner, and the name and address of the trustee authorized to enforce the Lien by sale. A copy of the itemized statement of charges shall be recorded with the Lien.

A copy of such Lien will be mailed to every person whose name is shown as an Owner of the separate interest in the Association's records within 10 days of the date the Lien is recorded. Upon receipt of a written request by an Owner (mailed in a manner indicating the Association has received the same such as by certified mail) identifying a secondary address to which the Owner wishes collection notices to be sent, the Association shall also send additional copies of any required collection notices to such secondary address. The Lien is subject to non-judicial foreclosure, and the property may ultimately be foreclosed upon and sold without court action to satisfy the debt owed. Reasonable collection costs incurred in connection with preparing and recording the Lien may be included in the amount of the Lien.

9. Dispute of Charges After Lien. Prior to initiating foreclosure for delinquent assessments, the Association shall offer the Owner and, if so requested by the Owner, shall participate in the Association's IDR program pursuant to California *Civil Code* section 5910 or ADR with a neutral third party pursuant to California *Civil Code* section 5935. The decision to pursue dispute resolution or a particular type of ADR shall be the choice of the Owner (binding arbitration is not available if the Association pursues judicial foreclosure.)

10. Foreclosure. If the delinquent Owner does not bring the account current after the Lien has been recorded, and after the foregoing offers of dispute resolution have been presented, a majority of the Board may vote to initiate foreclosure on the Lien in an executive session meeting of the Board. The Board may only authorize foreclosure on a Lien for those regular, special, reimbursement assessments which are of an amount equal to or exceeding one thousand eight hundred dollars (\$1,800) exclusive of late charges, fees, costs of collection, attorney fees, and interest, **or** which are more than twelve (12) months delinquent. The Board shall record the vote in the minutes of the next meeting of the Board open to all members. Confidentiality shall be maintained by identifying the property by parcel number in those minutes.

The Board shall also vote to approve foreclosure on a Lien which vote shall occur at least thirty (30) days prior to any public sale of the Owner's separate interest property. The Board shall deliver notice of the decision to foreclose by personal service on the Owner or the Owner's legal representative if the Owner occupies the separate interest, or by first class mail, postage pre-paid to non-occupant Owners at the most current address shown on the association's books. These limits do not apply to timeshares or assessments owed by developers.

Non-judicial foreclosure will then be commenced by the Association's law firm pursuant to the Declaration (a/k/a CC&Rs), and California *Civil Code* sections 5700(a), 5710(a), 5735, and 5710(c)(1)-(2), and 2924, *et seq.* as follows:

- (a) "Initiate Foreclosure"-Notice of Default and Election to Sell. A Notice of Default and Election to Sell (hereinafter "NOD") will be recorded with the County Recorder's Office which puts the property into foreclosure. The Association cannot continue with the non-judicial foreclosure on the property for ninety (90) days from the date the NOD is recorded. The

delinquent Owner is responsible for all fees and costs incurred to initiate foreclosure in addition to the delinquent assessments, late charges, and interest.

- (b) “Approve Foreclosure”- Notice of Sale. If the delinquency is not cured within ninety (90) days of the NOD being recorded, and upon receipt of approval and authorization of the action by the Board pursuant to a vote, the attorney will proceed by recording, publishing, and posting a Notice of Sale (hereinafter “NOS”). The delinquent Owner is responsible for all fees and costs incurred to prepare, record, publish and post the NOS, in addition to the delinquent assessments, late charges and interest.

11. Partial Payments. Any assessment payments received from a delinquent Owner will be applied to that Owner's account. However, absent receipt of payment in full of all amounts due, the Association will proceed with any collection action initiated against the Owner's separate interest or the delinquent Owner personally pursuant to and consistent with the requirements of California statutory and case law unless the payments are remitted pursuant to a written payment plan approved by the Board.

12. Redemption. An Owner may redeem the property foreclosed upon by the Association by paying all amounts due and owing within ninety (90) days of the date of the foreclosure sale.

13. Suspension of Privileges. The Association may, at any time after an Owner is more than sixty (60) days delinquent in the payment of an assessment, determine to suspend a delinquent Owner's privileges including but not limited to the privilege to use common area facilities and amenities. The Association may not take that action until it has provided the delinquent Owner with Notice and an Opportunity to be Heard at a due process violation hearing before the Board and has otherwise complied with the requirements of Civil Code § 5855. Any privilege suspended pursuant to this Section will not be reinstated until all delinquent amounts owed have been paid in full.

14. Lawsuit. The Association may, at any time, determine to file a personal lawsuit against the delinquent Owner to recover all delinquent charges pursuant to relevant law. All costs and attorney fees in connection with the lawsuit, in addition to the delinquent charges and other collection costs, will be sought from the delinquent Owner.

15. Release of Liens Upon Payment. Within twenty-one (21) days of payment in full of all delinquent assessments and charges, or if it is determined that a Lien previously recorded was recorded in error, the attorney will prepare a Release of Lien which will be recorded with the County Recorder's Office, and will provide Owner with a copy of such release or notice that the delinquent assessment has been satisfied.

16. Right to Receipt. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide same which shall indicate the date of payment and person who received such payment.

17. **Overnight Payments.** Payments may be made by overnight mail to the following address:

<u>If Account is being handled by Management:</u>	<u>If Account is being handled by Attorney:</u>
Talega Maintenance Corporation c/o GrandManors Collection Services RealManage/GrandManors/CiraConnect 5114 Balcones Wood Dr., Suite 307-317 Austin, TX 78759	Talega Maintenance Corporation c/o Delphi Law Group, LLP Attn: Collections Department 5868 Owens Ave., Ste. 200 Carlsbad, CA 92008 Telephone: 844-433-5744 Facsimile: 760-820-2696

TALEGA

**Talega Maintenance Corporation
Annual Policy Statement
Fiscal Year April 1, 2026 -March 31, 2027**

This annual policy statement is being provided to you in accordance with the requirements of California Civil Code (§) 5310.

1. The name and address of the person designated to receive official communications to the Association, pursuant to Section 4035:

Real Manage/Grand Manors, Attention: Talega Maintenance Corporation, 6400 International Parkway, Suite 1000, Plano, TX 78093-8212.

2. Members may submit a written request to have notices sent to up to two different specified addresses, pursuant to Section 4040. Such a request must be delivered to the Association via email at TALEGA@ciramail.com or in writing to the Talega onsite office.
3. Pursuant to subdivision (a) of Section 4045, general notices from the Association to the Members will be posted at the Talega Swim & Athletic Clubhouse bulletin board.
4. Members may receive general notices by individual delivery, pursuant to subdivision (b) of Section 4045. Such a request must be delivered to the Association via email at TALEGA@ciramail.com or in writing to the Talega onsite office.
5. Pursuant to subdivision (b) of Section 4950, Association members may request copies of minutes by submitting a written request via email to TALEGA@ciramail.com or in writing to the Talega onsite office. Such minutes, draft minutes or a summary of the minutes will be available no later than thirty (30) days after the meeting.
6. The statement of assessment collection policies required by Section 5730 are attached hereto (Exhibit A).
7. A statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments are attached hereto (Exhibit B).
8. A statement describing the Association's discipline policy including the schedule of penalties for violations of the governing documents pursuant to Section 5850. (Exhibit C).
9. A summary of dispute resolution procedures is attached hereto (Exhibit D).
10. A summary of any requirements for association approval of a physical change to property, pursuant to Section 4765 is attached hereto (Exhibit E).
11. The mailing address for overnight payment of assessments, pursuant to Section 5655 is:

Real Manage/Grand Manors, Attention: Accounts Receivable, 6400 International Parkway, Suite 1000, Plano, TX 78093-8212

TALEGA

12. Information regarding FHA Certification (Exhibit F).
13. Information regarding VA Certification (Exhibit G).
14. PLEASE NOTE: If your preferred contact method is email, it will be presumed that you have opted in to vote by electronic secret ballot unless you opt out in writing to the Association. Please be advised that you may change your preferred method of voting no later than (90) days before an election and will receive notice at least (30) days prior to this deadline reminding you of your right to opt out of voting by electronic secret ballot notwithstanding that your preferred delivery method is email.

VII. ENFORCEMENT GUIDELINES AND PROCEDURES

Any complaint that is an alleged violation of the TMC Governing Documents will be processed according to the procedure outlined herein.

- A. Discuss with your neighbors issues and concerns which are bothering you is the first step in this process. Please refer to the Neighbor Dispute Policy. If you find you have difficulty dealing with your neighbor over a problem, contact your Management Company or local neighborhood delegate for assistance. TMC cannot guarantee it will be able to help resolve the issue, but may be able to offer guidance.
- B. Talega Maintenance Corporation may institute enforcement proceedings upon the submission by a Member of the Corporation of a written Rules and Violation Report or TMC will start enforcement as described in CC&Rs 12.1.1 and subject to the Fine Levels and Enforcement Schedule described herein. In the event Management directly witnesses a violation or a Member of the Corporation files a Rules and Violation Report and TMC determines that the alleged conduct, if substantiated, constitutes a violation of the TMC Governing Documents, TMC will take the following steps:
 - (1) FIRST ACTION: A violation letter will be sent describing the alleged violation, stating the date to resolve such violation, and providing notice of hearing date and location in the event the violation is not resolved.
 - (2) SECOND ACTION: Owner will be notified within 15 days following the hearing of the decision rendered by the Board or the Enforcement Committee and any disciplinary action imposed as noted below in Item C. A second letter of violation will be sent with a notice of hearing date to the Owner if violation remains unresolved (excluding Level 4 violation).
 - (3) THIRD ACTION: Owner will be notified within 15 days following the hearing of the decision rendered by the Board or the Enforcement Committee and any disciplinary action imposed as noted below in Item C. A third letter of violation will be **sent** with a notice of hearing date to the Owner if the violation continues to remain unresolved (excluding Level 4 violation)
 - (4) IDR/ADR: Owner will be notified within 15 days following the hearing of the decision rendered by the Board or the Enforcement Committee and any disciplinary action imposed as noted below in Item C. A final letter of violation will be sent with a notice of invite to IDR (Internal Dispute Resolution. Informal meeting with the Board or designated Board Member(s)). If IDR is rejected, the association will follow civil code offering ADR (Alternative Dispute Resolution. Mediation or arbitration) and then file a lawsuit.

No hearing will be set less than fifteen (15) days from date of the written notice for the hearing.

The owner may be present in person or provide a written response to the alleged violation at a hearing before the Board or Enforcement committee.

- C. The Owner will be notified as to the decision rendered by the Board or the Enforcement Committee as a result of the hearing no more than 15 days following the hearing. If the Owner is found to be in violation of the Master Association's documents, the Board may, in accordance with the TMC Governing Documents: (a) pursue a monetary fine; (b) seek remedy by use of alternative dispute resolution such as mediation or arbitration; (c) levy a Compliance Assessment; (d) suspend or condition the Owner's right to use any recreation facilities the Master Association owns; (e) suspend the Owner's voting privileges as a member; (f) enter upon a residence to make the necessary repairs, or perform maintenance which is the responsibility of the Owner; (g) record a notice of noncompliance encumbering the Owner's residence; (h) seek remedy by initiation of a lawsuit; and/or (i) any combination thereof.

A violation is defined as an act in conflict with the CC&Rs, Bylaws, Rules and Regulations and Architectural Guidelines of the Master Association. Please be sure to read the CC&Rs and these other documents carefully.

NOTE: Should a violation occur which imposes a financial obligation on the Master Association (TMC) the party responsible for said violation shall be required to reimburse, by way of a Compliance Assessment, the Master Association (TMC) for this financial obligation. If, for example, a party damages a fence, tree or any other Master Common Property, repair and replacement costs will be charged to that party. The owner may also be responsible for legal fees and/or reimbursement of costs to the Master Association in accordance with the TMC Governing Documents and applicable law.

Fine Levels and Enforcement Schedule

If the result of a hearing is a monetary fine, the fine will be placed in accordance with the attached levels of fine schedule. Fines imposed may range from \$100 up to \$10,000 and will include suspension of clubhouse, facility, event, and community sponsored activity privileges. The table below shows examples of fines for the levels of Notice to Comply.

Notice to Comply	1 st Action	2 nd Action	3 rd Action
<ul style="list-style-type: none"> • Level 1- Home Maintenance & Unsightly <p>First letter sent, 30 days to resolve violation and invited to hearing.</p>	<p>Hearing before Enforcement Committee. Fine imposed of \$100 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve and invite to a second hearing.</p>	<p>Hearing before Enforcement Committee. Fine imposed of \$200 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve and invite to third hearing.</p>	<p>Hearing before Enforcement Committee. Fine imposed of \$300 up to \$10,000 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve; then proceed to IDR/ADR lawsuit.</p>
<ul style="list-style-type: none"> • Level 2 - Vehicles & Parking <p>First letter sent, 30 days to resolve violation and invited to hearing.</p>	<p>Hearing before Enforcement Committee. Fine imposed of \$200 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve and invite to a second hearing.</p>	<p>Hearing before Enforcement Committee. Fine imposed of \$300 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve and invite to third hearing.</p>	<p>Hearing before Enforcement Committee. Fine Imposed \$400 up to \$10,000 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve; then proceed to IDR/ADR lawsuit.</p>
<ul style="list-style-type: none"> • Level 3A- Architectural <p>First Letter sent, 30 days to resolve violation and invited to hearing.</p>	<p>Hearing before Enforcement Committee. Fine imposed of \$300 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve and invite to a second hearing.</p>	<p>Hearing before Enforcement Committee. Fine imposed of \$400 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve and invite to third hearing.</p>	<p>Hearing before Enforcement Committee. Fine imposed \$500 up to \$10,000 and suspension of clubhouse, facility, event, and community sponsored activity privileges. 30 days to resolve; then proceed to IDR/ADR lawsuit.</p>

<ul style="list-style-type: none"> Level 3B- Common Area <p>First Letter sent, 30 days to resolve violation and invited to hearing.</p>	<p>Hearing before Board. Fine imposed of \$1,000.00 up to \$10,000 and suspension of clubhouse, facility, event, and community sponsored activity privileges; plus cost of repairs and/or replacement cost.</p>	<p>Invite to IDR/ADR and suspension of clubhouse, facility, event, and community sponsored activity privileges.</p>	<p>File lawsuit and suspension of clubhouse, facility, event, and community sponsored activity privileges.</p>
<ul style="list-style-type: none"> Level 4* - Quality of Life <p>Letter sent, no less than 15 days to resolve violation and immediate invite to hearing before the Board of Directors.</p>	<p>Hearing before Board. \$500 to \$10,000 fine imposed and suspension of clubhouse, facility, event, and community sponsored activity privileges. The Board at its sole discretion shall set an appropriate further period to resolve, which shall not exceed 30 days.</p>	<p>Invite to IDR/ADR</p>	<p>File Lawsuit and suspension of clubhouse, facility, event, and community sponsored activity privileges.</p>
<ul style="list-style-type: none"> Level 5- Delinquency <p>Letter sent, 30 days to cure violation and invite to hearing.</p>	<p>Hearing results in suspension of clubhouse, facility, event, and community sponsored activity privileges until account is paid in full.</p>		

Violation Fines and Enforcement Guidelines - These are provided as examples only.

Level 1 - HOME MAINTENANCE & UNSIGHTLY	
<ul style="list-style-type: none"> Basketball Backboards, Tetherball or other Sports Equipment 	<ul style="list-style-type: none"> Toys, bikes, skate ramps, etc. on street, sidewalk or driveway apron
<ul style="list-style-type: none"> Signs, For sale/lease/rent 	<ul style="list-style-type: none"> Non-compliant garage sales, estate sales, pop up sales
<ul style="list-style-type: none"> Overwatering 	<ul style="list-style-type: none"> Window coverings
<ul style="list-style-type: none"> Garage Usage 	<ul style="list-style-type: none"> TrashCans
<ul style="list-style-type: none"> Unsightly Items 	<ul style="list-style-type: none"> Home Repairs/Maintenance
<ul style="list-style-type: none"> Minor Landscape Maintenance 	<ul style="list-style-type: none"> Construction Debris
<ul style="list-style-type: none"> Oil Stains (minor) 	<ul style="list-style-type: none"> Satellite Dish/Cable
<ul style="list-style-type: none"> Holiday Lighting 	
<ul style="list-style-type: none"> Pet-off leash, clean up 	

Level 2 - VEHICLES & PARKING	
• Garage Use	
• Vehicle Repairs	
• Oil Stains on Driveway (major)	
• Improper Parking	
• Prohibited Vehicles - trailers, boats, motorhome per legal documents	

Level 3-ARCHITECTURAL & COMMON AREAS	
• Notice of Completion	• Landscape Maintenance
• Temporary Structures	• NoPlans
• Landscape Incomplete	Common Area Damage
• No Plans - Improvement not within Guidelines	Common area Encroachment
• Landscape Not Installed	

Level 4- NUISANCE-QUALITY OF LIFE	
• Nuisance Noise	• Short Term Rental of Property
Smoking Nuisance	• Excessive speeding while driving on private streets
• Business Conducted from Residence in violation of CC&Rs	• Excessive dog barking
• BBQ Smoker	

Level 5 - DELINQUENT ASSESSMENTS	
• 4 months delinquent in assessments	

The preceding are samples of violations and are not inclusive of all violations. Talega Maintenance Corporation has the sole and absolute discretion to determine whether a violation shall be handled under Level I, Level 2, Level 3, or Level 4.

If a violation falls into multiple categories, then it will be handled as a violation of the more serious category. For example, a violation that qualifies both as a Level 3 "Short Term Rental of Property" violation and a Level 4 "Business Conducted from a Residence in violation of the CC&Rs" would be handled as a Level 4 violation.

A Member submitting a Rules and Violation Report which alleges all violations and in particular Level 4 violation must supplement the Report with appropriate substantiating documentation, including but not limited to, photos, video and/or time log of the complained of activity.

All violations will need to be resolved to the reasonable satisfaction of Talega Maintenance Corporation, which determination shall be within the sole and absolute discretion of Talega Maintenance Corporation.

If a violation is cleared and it re-occurs within twelve (12) months, Board reserves the right to regard the reoccurrence as a continuation of the prior violation and reinstate the enforcement action at its then-existing status in accordance with the TMC Governing Documents. The Board further reserves the right to hold any fine or other penalty in abeyance for an appropriate time, not to exceed twelve (12) months, pending no further recurrence of the violation.

Management has been given the right to grant extensions with discretion; all extensions will be documented in the homeowner's file. An extension shall not be regarded as a waiver by Management of any right to pursue any remedy in accordance with TMC Governing Documents.

Fine amounts may be modified from the examples above based on specific circumstances and facts, *e.g.* history of the violation, cooperation by the homeowner and multiple violations.

Talega Maintenance Corporation CC&Rs - Architectural Control**REFERENCES:**

1.3 Definition of Architectural Guidelines: Architectural Guidelines are the design standards, procedures, rules and guidelines.

3.1 Members of Committee: The Design Review Committee has the right and duty to promulgate Architectural Guidelines against which to examine any request made pursuant to this Article.

3.2.2 Issuance of Architectural Guidelines: The Design Review Committee maintains it has the right to issue and regularly update its Architectural Guidelines and will submit to the Board of Directors for review, comment and approval.

3.4.1 Improvements Requiring Approval: No construction, installation or alteration of an Improvement, included in our guidelines, within the Properties by an Owner or a Sub-association may be commenced until the plans and specifications therefore showing the nature, kind, shape, height, width, color, materials and location thereof have been submitted to and approved in writing by the Design Review Committee.

3.4.3 Standards for Approval: The Design Review Committee shall approve plans and specifications submitted only if it determines that (a) the installation, construction or alteration contemplated thereby in the locations indicated **will not** be detrimental to the appearance of the surrounding area of the Properties as a whole, (b) the appearance of any structure affected thereby will be in harmony with the surrounding structures, (c) the installation, construction or alteration will not detract from the beauty, wholesomeness and attractiveness of the Corporation Property or the enjoyment for the Members, and if applicable, (d) the maintenance of the development will not become a burden on the Master Association.

3.6 No Waiver of Future Approvals: The Design Review Committee's approval of any proposals, plans and specifications or drawings for any work done, proposed or in connection with any matter requiring the Design Review Committee's approval does not waive the right to withhold approval of any similar proposals, plans, specifications, drawings or matters subsequently submitted for approval.

ID. ABOUT THE REVIEW PROCESS

Plans will be reviewed by the **TMC Design Review Committee (DRC)** once each month. The date and time of the DRC meetings shall be set by the members of the Committee. If the DRC is unable to meet the quorum, it may require the meeting to be moved.

The Design & Review Coordinator will review each Submittal Package for completeness and consistency with the Architectural Guidelines Submittal Requirements. The Design Review Committee will not review incomplete submissions. Incomplete submissions will be returned to the applicant along with a copy of a checklist noting the areas of deficiency. The forty-five (45) day review period for proposed improvements will not commence until a complete submittal has been acknowledged by the Design Review Committee in writing.

The DRC approves or denies the submittal. Approval may be given with conditions.
(*CC&Rs Article III, Section 3.4.3.*)

FAILURE TO COMPLY

Failure to comply with the requirements and procedures set forth herein shall cause the review of your request to be delayed. To avoid delays, please work with your Design & Review Coordinator to ensure you include all required items in your submittal. An incomplete Submittal Package will not be reviewed by the DRC and will be returned to the Owner. If work has commenced prior to approval, there may be potential fines associated for failure to comply with architectural requirements and guidelines.

If a Notice of Completion (NOC) is denied, Owner is responsible for modifying improvements to be consistent with the guidelines and as outlined in the approval letter. Failure to receive NOC approval may result in a violation and potential fines. Owners are responsible for rectifying all outstanding that are not consistent with approved plans **within a sixty (60) day period.**

RESUBMITTAL REQUIREMENTS

Applicants shall have up to sixty (60) days from the date the denied plans are received in which to re-submit plans when required, due to incompleteness or denial of request. Applicants may submit revised plans by email to TALEGA@ciramail.com with the property address in the subject line. All re-submissions must reflect all changes and clarifications required by the DRC. Substantial changes to the original design, beyond those previously conditioned by the DRC, may require applicant to submit an additional review fee. Examples of substantial changes include, but are not limited to, additional structures or new features to the original plans.

FINAL APPROVAL

Decisions of the Design Review Committee and the reasons therefore shall be transmitted by email or by mail to the Applicant at the address set forth on the Property Improvement Form, within forty-five (45) days after receipt by the DRC of all forms, review fees and materials required by the DRC. No work shall commence on any Improvements without the final written approval of the Design Review Committee.

VII. AFTER THE REVIEW PROCESS.

Construction must proceed consistently with the approved drawings and the timeline as outlined in the Architectural Guidelines. If revisions are made to the approved plans, owners must submit for these changes to the proposed improvements prior to installation. Failure to submit for these changes / revisions to an improvement may result in the Owners having to remove or modify the improvement solely at the Owner's expense and potential fines through the violation process.

All work must be performed consistent with the Residence's construction standards and with the community's design and appearance. All work considered being of an unsightly finished nature or of lesser quality than the prevailing community standards shall be reworked to an acceptable appearance at Owner's expense.

If work has not commenced after one year following the original approval date, the request and approval will be deemed null and void and a new request must be submitted to the Design Review Committee (DRC) for review and approval.

Work shall continue in a scheduled manner. If delays are encountered, the Applicant must make a written request for an extension of the approval to the TMC, citing the reasons for the delay and the approximate time for continuing the project. Unless extensions are granted in writing, substantial construction must start within **six (6) months** and be completed within **twelve (12) months**. If a project has not commenced within **six (6) months** after approval, the application becomes null and void and must be resubmitted for approval. Extensions may be granted, if requested in writing to Management. Extensions may be granted for **ninety (90) days** at the discretion of the Management. Any request for extension to exceed the 90-day period will be reviewed on a discretionary basis by the DRC.

Starting and stopping work for extended periods of time is not permitted. The owner/applicant must prepare the property to protect the surrounding properties from erosion, damage, or unsightly conditions. Such work shall begin immediately upon approval of plans by the Association.

Observation of work in progress and issuance of notices of noncompliance may be made by the Design Review Committee or its designated representatives upon proper notification to the Owner/Applicant. The absence of such observation and notification during construction does not constitute either Design Review Committee approval of the work in progress or compliance with these Guidelines.

After construction is completed, the Owner shall submit a Notice of Completion (NOC) to the DRC within **thirty (30) days**. An on-site Notice of Completion Inspection will then be scheduled and performed by the Design Review Coordinator or the DRC's designated representative. Observations of completed Improvements may be made by the DRC or its designated representatives once the Owner has notified the DRC with a Notice of Completion. This notification should be made promptly after the Improvement's completion. If it is determined that the work was not done in substantial compliance with the final plan approved by the DRC, the Committee shall notify the Owner in writing of such noncompliance **within ten (10) business days** after its inspection, specifying in reasonable detail the particulars of noncompliance, and shall require the Owner to remedy the noncompliance. Failure to rectify a denied NOC may result in potential fines for failure to comply with the architectural guidelines and community character.

VIII. APPEAL PROCEDURE

In an event that the plans and specifications submitted to the DRC are disapproved, the applicant making said submission may appeal in writing to the Board of Directors of the Association.

The only Person with the right to appeal an application that has been rejected is the Applicant. "Adjacent Owners" and the Applicant are the only Persons who have the right to appeal any approved application.

If an applicant's proposal is disapproved by the DRC, pursuant to California Civil Code Section 4765 and Section 3.12.3 of the CC&Rs, the applicant may appeal the disapproval to TMC's Board of Directors. For the Board of Directors to reconsider the DRC's disapproval of the applicant's proposal, the applicant must submit a Notice of Reconsideration to the Design Review Coordinator no later than **the last Friday of the month** that the DRC disapproved the proposal by 5:00 p.m. on the tenth business day following the date on which the DRC mailed its disapproval to the applicant. The Notice of Reconsideration must contain a concise description of the reason for the appeal. Within **30 business days** following its receipt of the Notice of Reconsideration, the Board of Directors will schedule a reconsideration hearing for the applicant and advise the applicant of the reconsideration hearing date, which date must be no later than **60 calendar days** following the board's receipt of the Notice of Reconsideration. At the reconsideration hearing (which must, in accordance with California Civil Code Section 4765 take place at an open meeting of the board), the applicant will have an opportunity to explain to the board why the applicant feels that the DRC's disapproval should be overturned, specifically addressing the reasons the DRC gave for disapproving the proposal. The Board of Directors shall communicate its decision to the applicant in writing no later than **15 calendar days** following the reconsideration hearing.

TALEGA

EXHIBIT F

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

EXHIBIT G

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



**Homeowner Conveyance Fee Schedule - CA
As of November 1, 2024**

Conveyance Fees are Billed to Homeowner or Title Company Directly	Rate
Statement of Account, Special Assessment Payoff Calculation, Account Status, or Refinance	\$ 425
Conveyance Processing Fee	\$ 415
Resale Certificate Fulfillment Fee	\$ 510
Condominium Lender Questionnaire	\$ 355
Condominium Lender Questionnaire Rush Fees	- Less than 6 Day Expedited Delivery <6 day \$ 200 - Less than 4 Day Expedited Delivery <4 day \$ 300
Mortgage Loan Subordination Fee	\$ 250
Statement of Account or Resale Certificate Rush Fees	- Less than 5 Day Expedited Delivery <5day \$ 250 - Less than 3 Day Expedited Delivery <3day \$ 275 - Same Day Expedited Delivery Same day \$ 375
Conveyance Fee Surcharge for Delinquent Accounts	\$ 195
Request Update Fee	\$ 90

[1] Manager reserves the right to adjust these fees from time to time pursuant to market conditions

[2] Closign fees are billed directly to owners or title company requesting the service. If not paid directly by the owner for any reason, an equivalent amount is billed to the Association and subsequently added to the new owners ledger payable to the Association.