

VARSITY PARK HOMEOWNERS ASSOCIATION

GM Management Inc.

40 W. Easy St. Suite # 1

Simi Valley, CA 93065

805 526 0303 ; 805 856 2200 (fax)

[johnsnee@gmmanagement.com](mailto:johnsnee@gmmanagement.com); [www.gmmanagement.com](http://www.gmmanagement.com)

July 16, 2022

Dear Varsity Park Homeowners,

The Board of Directors of the Varsity Park Homeowners Association (VPHOA) is required to provide homeowners once a year with a copy of the 2022-2023 Budget and relevant documents and disclosures that keep you informed and/or complies with applicable California Civil Code. This year, we are completing this process in two steps. You received a letter dated July 1, wherein it was explained that the **dues had to be increased to \$504/month, effective 8/1/2022**, as the first step in this process and the current letter is the second step and includes the budget and the updated insurance information.

These two steps were required because Farmers Insurance gave VPHOA late notice that they could not offer to renew the insurance policy because reinsurance was unavailable due to a fire risk score of 76 out of 100. To comply with law, Farmers extended the current insurance coverage to July 16, 2022. VPHOA has obtained a replacement insurance policy that took effect on July 16, 2022 avoiding any lapse in coverage. An executive summary of the impact of the non-renewal of insurance is as follows:

FINDINGS:

1. The insurance broker knew May 2, 2022 that Farmers had decided not to renew but did not inform VPHOA until June 3, 2022 making it an near impossible 3 week task to gain help from other insurance brokers to put together a complex insurance policy.
2. The driver in the non-renewal notice is the wildfire risk rating of 76/100 and Farmers not being able to find a reinsurance company that would offer a policy when the wildfire risk rating is that high.
3. VPHOA sought help from three other brokers.
4. Through these brokers we found that the Insurance System engages in "Restraint of Trade" practices – designed to force insured to deal with only one broker.
5. The prior broker (Pufahl Insurance with major help from Joe Smigiel, CIRMS President JS insurance Inc.) put together a legally conforming package which VPHOA elected to accept.
6. Regarding the other brokers who started late and were stymied because of insurance system roadblocks, they helped VPHOA a great deal; but, were not able to present a better package before the deadline. But VPHOA did confirm:
  - a. Only insurance option to VPHOA is expensive multi-level "wedding cake" insurance policy using primary carriers. "Wedding cake" is an analogy used to illustrate that the insurance is done in multiple layers.
  - b. The cost estimates obtained from two of the three other brokers were not less than the Pufahl/Smigiel proposal that was accepted
  - c. Common area insured value dropped to \$60M vs. prior \$85M Farmers. This is because interior of buildings must be excluded from high risk insurance policy coverage. This rule also applies to earthquake insurance unless CC&Rs state otherwise the interior rebuild is the responsibility of the homeowner. The \$85M Farmers estimate included homeowner interior items such as cabinets, rest rooms, showers, flooring, kitchen, etc.
  - d. The \$60M common area building insured value (excluding interior rebuild costs) was determined by submitting information to an insurance industry third-party company Marshal in Swift who used their program to calculate the \$60M insured value number used by the industry.
  - e. The resulting \$60M insurance policy and \$60M estimate of common area insured value meets CC&R requirements to have 100% insurance coverage.

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- f. Homeowner Rebuild Interior HO6 Insurance:  $\$97,276/\text{home} = \$25\text{M}/257 = (\$85\text{M} - \$60\text{M})/2$  is the cost estimate of the amount that has been shifted to the homeowner to fund rebuild if a major loss occurs. The homeowner is obliged to purchase HO6 insurance to pay for above estimated \$97K interior unit construction related rebuild cost (or the estimate that owner and the HO6 carrier decide is appropriate coverage).
- Homeowner Special Assessment HO6 Insurance: \$50,000 deductible for common area insured assets will be per unit/loss event vs. prior \$10,000 per/loss event. Again, the homeowner is obliged to purchase HO6 insurance to cover this special assessment risk of loss if a major loss occurs.
- g. Compare insurance costs 2022 vs. 2021 up ~\$500,000.

## RESOLUTION

7. Raise dues 20% to \$504, effective 8/1/2022 and use emergency operations funds to cover the cost of insurance.
8. Lump sum payments at first of fiscal year will be paid from reserves. Payments from operations account back to reserves account will be made as required so that payback is accomplished by end of year.

### Additional Information/Background:

1. VPHOA due/fees are increased the full 20% to \$504/month because of major increase in insurance. A special assessment funding approach was also considered along with taking out a loan and making lower monthly payments over a longer term.
2. The increased cost of insurance and related factors:
  - a. Farmers non-renewal -
    - i. The Farmers agent was notified May 3, 2021 and VPHOA was notified June 2, 2022 that the existing Farmers insurance policy would not be renewed. The current insurance contract was extended to July 16, 2022 to address legal requirements of the number of days advance notice must be given before insured's insurance policy ends.
    - ii. For sites > \$50M value (Farmer's VPHOA insured value was \$85M base) two (2ea) insurance companies must write policies. The base policy is written by a primary insurer like Farmers and the second policy is written by a reinsurance company. The primary insurers have staff that critically review and assess risk while reinsurance companies deal only with numbers.
    - iii. Farmers wanted to renew the VPHOA policy but could find no reinsurer who would sign a policy because the VPHOA site has been assigned a brush wildfire risk of 76/100. Note: Wildfire brush risk scores are purchased from independent 3<sup>rd</sup> party contractors who have developed fire risk codes for insurance industry similar to earthquake and flood risk codes. In this case brush area exists south of the 118 freeway and that is what is being said is the cause of VPHOA high score.
  - b. VPHOA replacement insurance coverage is limited to very high cost Options –high insurance rates must be paid to multiple primary insurers who are willing to partially insure the site – using this approach a reinsurer is not required. VPHOA had been initially advised by brokers that the estimate for full coverage using this “wedding cake” option is \$1.5M vs. \$133K the current rate. CC&Rs and financial institutions that support mortgages require full insurance coverage.
3. Root cause of non-renewal is Multi-billion dollar Wildfire losses: Insurance industry has had to pay out billions due to wildfire losses. As a consequence reinsurance companies must reduce the number of existing policies so that their financial exposure is in line with their dramatically reduced net worth. The approach they have taken is run brush fire risk score code when a renewal comes up and writes reinsurance policies

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for only brush fire risk  $\leq$  50s. Since VPHOA brush fire risk score is reported to be 76/100, no reinsurance company will write the required reinsurance for a standard policy.

4. How long it will take to get back to normal primary insurer and reinsurance policy is unknown.
  - a. The fire risk score of 76/100 appears to be overstated. One approach to obtain correct value is to calculate value for each address. But, this approach is not going to bring the score down to the 50s which is required in today's environment by reinsurance companies to write a policy.
  - b. The single fire risk score 76/100 generated by a simplistic computer code appears to be the only consideration by the current insurance industry relative to the decision to non-renew. They ignore the fact that VPHOA dramatically reduced site fire risk in 2021 by bringing the site trees into compliance with Ventura County Fire Department Fire (VCFD) Area Defense code. Once in the high risk category, the California Insurance Commissioner allows carriers to impose major insurance constraints. For example, it appears that HOAs, can only purchase high cost specialty high risk insurance that excludes rebuild of interior unless specific stated otherwise in CC&Rs. Because of recent changes in California insurance code, all carriers are obliged to give credit for selected fire resistant features on the home such as non-combustible soffits. Notwithstanding, it appears that, if VPHOA planned fire proof soffits were in place, that would have had no impact on throwing HOA into the high risk fire category requiring high cost specialty "wedding cake" insurance.
5. Civil Code 5610 Findings and Resolution letter: The facts above and other information will be incorporated in a final Findings and Resolutions letter that will restate the information in this document per requirements of Civil Code 5610:

"Board shall pass a resolution containing written findings as to the necessity of the extraordinary expense involved and why the expense was not or could not have been reasonably foreseen in the budgeting process"

Subjects addressed in this letter in order they appear are as follows:

1. VPHOA SITE STATUS REPORT AND RELATED INFORMATION JUNE 2022
2. VPHOA OPERATIONS REMINDERS
3. THE 2022-2023 BUDGET FOR VPHOA
4. THE ASSESSMENT & RESERVE FUNDING DISCLOSURE SUMMARY (Civil Code 5570).
5. THE ASSOCIATIONS CURRENT DELINQUENCY & COLLECTION POLICY (Civil Code 5730).
  - a. VARSITY PARK SOUTH HOMEOWNERS ASSOCIATION PROCEDURE FOR COLLECTING ASSESSMENTS IN ARREARS
  - b. ASSESSMENTS AND FORECLOSURE
6. PROCEDURES UNDER THE LAW RELATING TO ALTERNATIVE DISPUTE RESOLUTION (ADR & IDR) (Civil Code 5925 - 5965).
7. THE ASSOCIATION'S CURRENT INSURANCE COVERAGE (Civil Code 5300b).
8. HOMEOWNER INFORMATION SHEET – ASSOCIATION MEMBERS MUST PROVIDE CONTACT INFORMATION TO THE HOA (Civil Code 4041).
9. VPHOA NOMINATION FORM (Civil Code 5100-5145).
10. VPHOA HOMEOWNER IMPROVEMENT PROPOSAL FORM
11. NOTICE REGARDING SECONDARY ADDRESSES

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12. NOTICE OF MEMBER'S OPTION TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY
13. NOTICE OF MEMBER'S RIGHT TO RECEIVE COPIES OF MEETING MINUTES
14. NOTICE TO MEMBERS REGARDING ABILITY TO OPT-OUT OF HAVING NAME ON MEMBERSHIP LIST
15. LITIGATION DISCLOSURE

The monthly assessment **is increased to \$504** per unit, per month for the 2022-2023 fiscal year, effective **August 1, 2022**. This increase in assessments is necessary to fund an anticipated increase in the Association's annual insurance premiums summarized above;

**Important:** If you have set up automatic payments through your bank, or if you have setup automatic payments through the Appfolio online portal and did not select the option to pay the balance in full every month, then you will need to update the dues amount before August 1, 2022. You will be notified of the final dues amount that will be effective August 1, 2022 in the mid-July letter that will be sent to all owners.

The VPHOA site manager and official representative for service of process is John Snee of GM Management Inc. for questions, concerns, etc. contact:

John Snee  
GM Management Inc.  
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The above address is also the address designated for meeting with site manager and payment of assessments.

Board meetings: Board meetings are scheduled to be held every month at Campus Park Dr. Clubhouse (where notice is posted) on the 4<sup>th</sup> Tuesday except when only one meeting is held 1<sup>st</sup> week of December to deal with impact of holidays. Site Manager John Snee attends every other month. Again, board meeting notices are posted at the VPHOA Clubhouse 15078 Campus Park Dr.

Sincerely,

Varsity Park Homeowners  
The Board of Directors

### **1. VPHOA SITE STATUS REPORT AND RELATED INFORMATION JULY 2022**

The overall appearance and condition of the site continues to improve through continuing combined efforts of the VPHOA homeowners and board, GM Management and contractor partners. Discussion follows:

**GM Management New Site Manager:** John Snee and GM Management took over management of the VPHOA site February 1, 2021. The transition has been relatively smooth considering challenges related to 1/19/2021 wind storm and other factors. VPHOA follows best business practice and statutory law with the following procedures:

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1. HOA-related business/questions/concerns may be directed to the offices of GM Management by phone call or email.
2. No one is permitted to approach board members to discuss HOA business outside of a board meeting. Such business may only be addressed with the board/management at an HOA meeting.

**COVID-19 Pandemic:** In response to the world wide COVID-19 pandemic in mid-March 2020 non-essential businesses were closed and persons were required to stay at home. In June 2021 government began lifting prior imposed restrictions. A basic assumption of this report is that site operation is back to normal indefinitely.

Regarding the availability of the three clubhouses for homeowner reservation and board meetings:

1. Campus Park and Penn clubhouse now open for homeowner reservation
2. Marquette clubhouse will continue to be unavailable for homeowner reservation for the indefinite future. The handyman team is making major repairs at the site and the Marquette clubhouse is temporarily serving as a workshop.

**Tree Initiative/Tree Management Project - 1<sup>st</sup> Step** removal of 48 trees and aggressive trimming of balance completed October 2021. The project brought VPHOA into very close alignment with Ventura County Area Fire Defense Code.

**High Priority Roof Re-shingle Project:** VPHOA Board is working to a plan to re-shingle the entire site starting 2022 and finishing no later than 2023. See letter written in advance of April 26, 2022 board meeting and earlier discussion of driving factors that have been considered:

1. Best Shingle – Rubberized asbestos performs better than asbestos only. Malarkey makes an excellent rubberized shingle and that is the manufacturer that sells them west of the Rocky Mountains.
2. Attic Ventilation/Cool Roofs and Home Structure: Lifetime of shingles is dependent on proper attic ventilation (which also keeps air conditioning cost down in the home). Analysis of adequacy of present attic ventilation is underway. Expectations are that required improvement will be achieved by mounting solar exhaust fan on roof as part of re-shingle process.
3. Warranty and Related Shingle Install Procedure: Critical path item. Different warranties require different procedures which it is well known that many roofing companies and/or their front line workers do not follow. Critical elements are:
  - a. Ice and water shield – prevents environmental related damage around edges of roof
  - b. Proper drip edge that is properly installed – prevents water from running down and damaging side of building. Drip edge was never previously installed correctly at VPHOA site and that is why costs for repair of fascia have been high historically.
  - c. Shingle underlayment (sheet that covers roof deck prior to nailing on shingle) that should be able to breath because of the way building was built.
4. Licensed Roofing Specialty Contractor and Malarkey Certified: Critical path item
5. Request for Proposal and Bid and Award Cycle: Critical path item. The best case scenario is that a contract award may be possible in the September 2022 time frame.

### HOMEOWNER OPERATIONS & REPAIR

**Water Conservation:** The state of California has declared drought condition. VPHOA is complying with rules of engagement flowed down by the state. It is greatly appreciated that everyone is playing a part fixing leaks, refraining from washing cars, washing down driveways and patios, etc.

**Architectural Requests:** Architectural Request Forms must be filled out and submitted to GM Management for changes in appearance of your home. The Architectural request forms may be obtained from GM Management or downloaded from the VPHOA web site - <http://www.varsityparksouth.com/forms.php>.

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If homeowners have any questions or require help getting started on improving personal use items such as fences, backyard tree trimming, fixing a leaky toilet or wish to help the association by joining or forming a committee effort, please contact GM Management.

The majority of architectural requests are for relatively routine replacement of fences, windows, front screen doors and routing of air conditioner lines outside the home. In keeping with the changing times, approved colors for screen doors and porch lighting fixtures are now white (or off-white) or bronze. In some cases exact replacements of conforming items will not require approval. The board is now accepting proposal for remove wood and replace with vinyl fences color to be consistent with warm glow paint color in the rules.

Requests to install small video monitors at front door and garage doors to identify visitors are being approved within guidelines. Please contact GM Management for the information.

### **VPHOA MAINTENANCE AND UPGRADE PROJECTS**

#### **OTHER PROJECTS RECENTLY COMPLETED AND PROJECTS UNDERWAY**

**Landscape Improvement:** Because of the removal of 48 large trees and aggressive trimming of the others, the site appearance has improved. It is foreseeable that the drought conditions will cause damage. Until there is a well-founded business case to do otherwise, selected landscape improvements will be deferred. For example in locations trees were removed, grass will not be planted until after drought conditions are lifted.

**Handyman Team:** Handyman Jacek Zacharczuk and Jered Encinas have carried out extensive carpentry, plumbing and other repairs across the site.

**Pool Major Repair and Maintenance:** Maintenance projects continued at all three pools.

**Site Sidewalk Repair, Maintenance and/or Remove and Replace:** Urgent projects to eliminate trip hazards and other problems with sidewalks are ongoing.

**Clubhouse/Pool Facilities Operational Adjustments:** Operations are back to pre COVID-19 conditions.

**Repair of Damaged Area Lighting Poles & Fixtures:** Area lighting maintenance projects continue.

**VPHOA Security Cameras:** Security cameras were installed in strategically selected location in 2021-2022. Additional cameras will be installed as supported by business case.

**Termite Inspections:** Grayson Termite completed the last round of termite inspections in 2018. A new cycle is not planned to begin this fiscal year. Selected inspections and repairs will continue to be made on a case by case basis. The procedure for a homeowner to request a special termite inspection is to complete the homeowner improvement proposal form and submit it to GM Management for approval.

**Alley Sprinkler System Conversion Spray to Drip:** This project is on hold. It is related to water conservation and avoiding damage to asphalt in the alleys.

#### **VIOLATION WALKTHROUGHS:**

GM Management has increased the frequencies of walkthroughs throughout the community in an effort to resolve homeowner violation issues and increase the homes/community overall curb appeal.

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**VPHOA HOMEOWNER IMPROVEMENT REQUESTS (HIP)**

When a homeowner believes that the VPHOA should fix a common area problem (roof leak, tree roots blocking sewer, landscaping, etc.) or has a suggestion for improving on operations procedures, please submit your proposal on the VPHOA Homeowner Improvement Proposal (HIP) form. A representation of the form is provided at the end of this document. The actual form can be obtained on the VPHOA web page <https://varsityparksouth.com/forms.php> or obtained at the GM Management office.

**UPCOMING ASSOCIATION EVENTS**

**Calling for New Board Member Candidates & Related Election Your Vote Is Critical:** This packet includes a nomination form for the upcoming Association Election which will be held at 6:00 P.M. on October 25, 2022 and the form can be found on page 20 of this document. There are three seats that are up for nomination this year.

If you choose to nominate yourself or nominate someone else, please fill out the form at the end of this document and send the filled out form back to GM Management.

Once nomination forms are received they will be processed per a new law that went into effect January 2020.

**Your Vote Is Critical:** Ballots will be sent out in September with the Election Meeting scheduled for October 25, 2022. All shall greatly appreciate you joining other in sending in a ballot to make sure that the required 51% voting participation is reached first time through and the meeting can be held as planned.

**2. VPHOA OPERATIONS REMINDERS**

**GENERAL NOTICE LOCATION:**

Notices are posted at the VPHOA Clubhouse 15078 Campus Park Dr.

**GARBAGE PICKUP**

The regular scheduled trash pickup day was changed and it is now on Mondays. Garbage cans should be placed in the alleys no earlier than 5 pm on Sunday. Garbage cans are to be removed from sight from the common area by midnight on Mondays and stored out of sight. **THIS IS ALSO A CITY ORDINANCE.**

**POOL RULES (FOR ALL LOCATIONS)**

- The pools are common areas for all of us to enjoy.
- Pool rules are posted at the site. Also, pool rules are available at the GM Management office.
- Smoking is prohibited in the pool areas.
- Please keep, both the pools and restrooms, clean after use.

**HOME MAINTENANCE, CONFORMANCE WITH CC&Rs and CURB APPEAL**

Home maintenance is still needed on several homes within the Association. Please review the exterior of your homes and perform any needed work on the following, including, but not limited to: home doors and windows, garage doors, fences, gates, canopies, umbrellas, backyard trees, hedges, foliage, flowers and fauna, and any other changes to the exterior. Please note that any desired changes (changes to the skyline) to the current design must be submitted as an Architectural Request prior to the commencement of any alterations. The Board will do its

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utmost to expedite any architectural application. Submissions are not required for repair or like-with-like replacement; but, only if no changes are made and existing are in conformance with the current rules. Major repairs (Plumbing, Electrical, and Structural) must be permitted by local Building Code Enforcement.

GM Management regularly surveys the site and records problems and sends a notice to the homeowner/occupant of the problem with maintenance, conformance with CC&R and/or curb appeal. Please respond immediately in compliance with the notice and in alignment with association documents of incorporation, etc. to avoid fines. Please contact GM Management immediately if you have a question about the notice.

### HOA MONTHLY MEETINGS

COVID-19 restrictions have been eliminated. VPHOA regular monthly meetings are held monthly at the Campus Park Clubhouse on the fourth Tuesday of the month at 6:00 PM. All are welcome! If you have any questions or issues please come to a meeting or contact GM Management.

### PARKING

A VPHOA and Moorpark City continue to work together on parking enforcement, ticketing, towing and ending the practice by some residents of using the site as a "storage lot" for abandoned and/or rarely driven vehicles. A major improvement in compliance has resulted.

### APPLICABLE VEHICLE CODE/VPHOA RULES INCLUDE:

- 1) Guest parking is restricted to guests. But currently the VPHOA Board has agreed to forbear on ticketing and towing except for attempts to "store" a vehicle and other violations.
- 2) Cars parked for over 72 hours in the complex without moving will be subject to towing. (CVC 22658. A, 21107.5, & 21107.8)
- 3) Cars parked illegally on Penn, Varsity, Marquette, and in the 118 alley will be ticketed by the Moorpark Police for non-compliance - local ordinances. (CVC 22658. A, 21107.5, & 21107.8)
- 4) Cars illegally parked in the red zones throughout the complex will be subject to ticketing and towing by Moorpark Police department. [The 118 alley has a hydrant adjacent to an unattached garage, which has a "stay-out" zone directly west of the hydrant.] (CVC 22500.1, 21107.5, & 21107.8)
- 5) Moorpark city rules regarding unattached trailers apply. (MMC Title 10, 10.04.200)

### MOVING PODS

Portable containers are now available to support moving – called "moving pods". Pods are not cars. VPHOA operates in conformance with parking code. In the case of pods, VPHOA is currently allowing pods to occupy a parking space in the street up to three days. After 72 hours it will be treated as a dumped item and a fine will be issued to the homeowner responsible. VPHOA complies with Moorpark City code and cannot give permission to occupy parking spaces other than the homeowner driveway.

### HOMEOWNER CONDO/TOWNHOME INSURANCE POLICY

Insurance carried by the Association **DOES NOT** cover homeowner personal property, the interior of your unit, nor your personal liability. Homeowners are encouraged to purchase a Condo/Town Home Insurance policy, known as an HO6 Policy, with "Loss Assessment" coverage. See page 1 for more discussion of impact due to notice that site is 76/100 fire risk.



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Please be advised that the present primary and earthquake insurance coverage states that the insurer will not fund replacement of interior sheetrock, kitchen and bath cabinets, sinks and toilet, flooring, paint and bath systems if they are damaged due to major loss event.

For homeowners that rent your unit to others, Tenant/Landlord and Renters Policy provide protection relative to your possessions, and loss of use as well as other factors.

### ASSOCIATION ARCHITECTURAL & OTHER RULES AND REGULATIONS

Clubhouse rental procedures have been updated. New clubhouse rental forms must be signed by the homeowners, as well as renters. Otherwise, rules & regulations remain the same. As a reminder: front screen door colors for new installations are white and/or antique bronze. See the VPHOA rules that can be downloaded from the web page for a copy of the rules. The rules specify the front door light replacement. The Board has also approved the installation of backyard fences made of composites that are of a conforming design, i.e. homeowners show that the resulting fence system is strong and sturdy, appropriate tan color, look, height, etc. Relative to timely approval of architectural request forms, please recognize that the Board will relatively automatically approve clearly stated conforming requests. In this regard, attachments of example photos and copies of marked up brochures are normally required, especially with window and door replacement.

### ILLEGAL DUMPING AND BULK ITEM PICKUP

Dumping throughout The Association is not only in violation of the VPHOA CC&R's but is also against the law as per California State Penal Code 374.3 which makes illegal dumping on public and private property punishable by a fine up to \$10,000. Also, pursuant to Section 117555 of the California health and Safety Code, a person who dumps illegally is punishable by up to six months on jail. It is to be noted that as homeowners of the VPHOA you are afforded the opportunity to have 3 bulk/large items picked up two times each year **FOR FREE**. Pickups can be coordinated via Waste Management by contacting them at (805) 522-9400 and providing your mailing address. If you have any questions or issues, please contact GM Management. Items left on the curb after trash day will be considered an act of **DUMPING. (\$250 FINE)**.

### CURRENT ASSOCIATION FINE SCHEDULE

The fine schedule below took effect August 1, 2017. Homeowners who wish to discuss a fine are to contact GM Management or attend a monthly Board Meeting.

#### The following is a list of the fine schedule for violation of the Association's Use, Maintenance or Architectural Design Restrictions:

Violation to the general rules:

1. First violation – written notice
2. Second violation - \$50.00 fine
3. Third Violation - \$250.00 fine
4. Fourth Violation - \$500.00 fine
5. Continued violation - \$100.00 per week

Automatic Fines Per Occurrence:

1. Failure to pick up dog waste and/or dog off leash: Automatic \$100.00 per occurrence
2. Illegal dumping of large items or hazardous waste (This includes Moving Pods): Automatic \$250.00 plus removal costs

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3. Disturbances and/or dangerous activity (This includes violation of rules at rented Clubhouses and violations of statutory law such as graffiti, interference in performance of contractor, vandalism, etc.): Automatic \$250.00 per occurrence

**Nothing in this Fine Schedule shall affect the Association's ability to enforce its governing documents at any time through legal action.**

**HOA DUES PAYMENT OPTIONS:**

1. Online Portal - Please email [appfolio@gmmanagement.com](mailto:appfolio@gmmanagement.com) to request the link to activate your online portal where you can make one-time payments and schedule recurring payments. Be sure to include your account number in the subject line when you send the email to [appfolio@gmmanagement.com](mailto:appfolio@gmmanagement.com).

2. You can also setup payments using your bank's Bill Pay page on their website. Be sure to include your account number where indicated. The payee information is as follows:

Varsity Park HOA  
P.O. Box 51408  
Los Angeles, CA 90051-5708

By Mail

Or you can pay by mail with a personal check by sending your payment to the following address (be sure to include your account number on the check):

Varsity Park HOA  
P.O. Box 51408  
Los Angeles, CA 90051-5708

You will receive a monthly billing statement unless you opt to receive all such communications electronically through your online portal.

**3. 2022-2023 BUDGET FOR VPHOA**

(See following pages)

V3	Account Name	Annual Budget 2021-2022	Budgeted Monthly 2021-2022	Budgeted Monthly Per Unit	Annual Budget 2022-2023	Budgeted Monthly 2022-2023	Budgeted Monthly Per Unit
<b>Income</b>							
4100	Cabana Rental Income	5,200	433	1.69	5,200	433	1.69
4110	Association Dues	1,295,280	107,940	420.00	1,554,336	129,528	504.00
4220	Reserve for Delinquency	(50,400)	(4,200)	(16.34)	(60,480)	(5,040)	(19.61)
4460	Late Fee	4,500	375	1.46	4,500	375	1.46
4465	Interest Charge	350	29	0.11	350	29	0.11
4480	Collection Letter	2,000	167	0.65	2,000	167	0.65
4500	Fines	500	42	0.16	500	42	0.16
4700	Miscellaneous Income	100	8	0.03	100	8	0.03
	<b>Total Income</b>	<b>1,257,530</b>	<b>104,794</b>	<b>407.76</b>	<b>1,506,506</b>	<b>125,542</b>	<b>488.49</b>
<b>Expense</b>							
<b>Landscape Expenses</b>							
6051	Landscape Contract	105,600	8,800	34.24	99,420	8,285	32.24
6052	Supplies	1,100	92	0.36	1,100	92	0.36
6053	Irrigation Repairs	30,000	2,500	9.73	30,000	2,500	9.73
6054	Fertilization	2,250	188	0.73	2,250	188	0.73
6055	Plant Installation	1,000	83	0.32	1,000	83	0.32
6057	Trees-Trimming/Removal/Replacements	13,000	1,083	4.22	13,000	1,083	4.22
6058	Landscape Repairs	2,000	167	0.65	12,000	1,000	3.89
6065	Landscape Extras	6,000	500	1.95	6,000	500	1.95
6066	Backflow Testing & Repair	350	29	0.11	350	29	0.11
	<b>Total Landscape Expenses</b>	<b>161,300</b>	<b>13,442</b>	<b>52.30</b>	<b>165,120</b>	<b>13,760</b>	<b>53.54</b>
<b>Pool Expenses</b>							
6062	Pool Repairs	5,000	417	1.62	2,400	200	0.78
6063	Pool Supplies	0	0	0.00	4,800	400	1.56
6064	Pool Permit	1,103	92	0.36	1,103	92	0.36
	<b>Total Pool Expenses</b>	<b>6,103</b>	<b>509</b>	<b>1.98</b>	<b>8,303</b>	<b>692</b>	<b>2.69</b>
<b>Repairs &amp; Maintenance</b>							
6077	Light Repairs	1,000	83	0.32	1,000	83	0.32
	Pest Control	0	0	0.00	0	0	0.00
6076	Pest Control - Termites	10,000	833	3.24	5,000	417	1.62
6140	General Repairs	4,000	333	1.30	0	0	0.00
6146	Roof Repair	3,500	292	1.13	8,000	667	2.59
6176	Street Sweeping	8,200	683	2.66	10,800	900	3.50
6071	Site Operations	6,000	500	1.95	6,000	500	1.95
6142	Plumbing	2,300	192	0.75	2,300	192	0.75
6145	Key/Lock Replacement	200	17	0.06	200	17	0.06
6167	Fungus/Dry Rot Repairs	0	0	0.00	0	0	0.00
	<b>Total Repairs &amp; Maintenance</b>	<b>35,200</b>	<b>2,933</b>	<b>11.41</b>	<b>33,300</b>	<b>2,775</b>	<b>10.80</b>
<b>Insurance</b>							
6091	Property	133,775	11,148	43.38	475,628	39,636	154.22
	Excess Property, G.L., D&O, Fid., Umb.				203,382		
6092	Earthquake Insurance	64,710	5,393	20.98	69,367	5,781	22.49
6094	Worker's Compensation	2,665	222	0.86	3,364	280	1.09
	<b>Total Insurance</b>	<b>201,150</b>	<b>16,763</b>	<b>65.22</b>	<b>751,741</b>	<b>45,697</b>	<b>177.81</b>
<b>General &amp; Admin</b>							
6192	Bank Fees	150	13	0.05	150	13	0.05
	Reserve Study	3,000	250	0.97	0	0	0.00
6101	Legal Fees	1,500	125	0.49	1,500	125	0.49
6102	Accounting & Audit	5,250	438	1.70	4,000	333	1.30
6104	Office Expenses	3,000	250	0.97	3,000	250	0.97
6125	Employee Payroll	83,200	6,933	26.98	83,200	6,933	26.98
	<b>Total G&amp;A</b>	<b>96,100</b>	<b>8,008</b>	<b>31.16</b>	<b>91,850</b>	<b>7,654</b>	<b>29.78</b>
<b>Management Fees</b>							
	Copies/Printing	739	62	0.24	2,040	170	0.66

6111	Management Fees	48,582	4,049	15.75	59,760	4,980	19.38
	Postage/Delivery	4,000	333	1.30	5,180	432	1.68
	<b>Total Management Fees</b>	<b>53,321</b>	<b>4,443</b>	<b>17.29</b>	<b>66,980</b>	<b>5,582</b>	<b>21.72</b>
	<b>Taxes</b>						
6161	Annual Taxes	23,000	1,917	7.46	28,800	2,400	9.34
		<b>23,000</b>	<b>1,917</b>	<b>7.46</b>	<b>28,800</b>	<b>2,400</b>	<b>9.34</b>
	<b>Utilities</b>						
6171	Electricity	16,150	1,346	5.24	20,400	1,700	6.61
6172	Gas	600	50	0.19	480	40	0.16
6173	Water	241,000	20,083	78.15	264,000	22,000	85.60
6174	Trash	94,128	7,844	30.52	87,960	7,330	28.52
	<b>Total Utilities</b>	<b>351,878</b>	<b>29,323</b>	<b>114.10</b>	<b>372,840</b>	<b>31,070</b>	<b>120.89</b>
	<b>Reserves</b>						
6182	Reserve Contribution	316,800	26,400	102.72	256,800	21,400	83.27
		<b>316,800</b>	<b>26,400</b>	<b>102.72</b>	<b>256,800</b>	<b>21,400</b>	<b>83.27</b>
	<b>Other</b>						
	Wind Storm Recovery	4,000	333	1.30	0	0	0.00
		<b>4,000</b>	<b>333</b>	<b>1.30</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total Operating Expense</b>	<b>1,248,852</b>	<b>104,071</b>	<b>404.95</b>	<b>1,775,734</b>	<b>131,029</b>	<b>509.84</b>
	<b>Net (Income less expense)</b>	<b>8,678</b>	<b>723</b>	<b>(2.81)</b>	<b>(269,228)</b>	<b>(5,487)</b>	<b>21.35</b>

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4. THE ASSESSMENT & RESERVE FUNDING DISCLOSURE SUMMARY (Civil Code 5570).

**ANNUAL FINANCIAL REVIEW**

A financial review of the Association was performed in August 2021. Interested owners may request and obtain copies of the full report at no cost. Owners may also request copies of the meeting minutes as well as a copy of the Reserve Study for the cost of reproduction.

(See following pages)

## RESERVE STUDY SUMMARY

**ASSOCIATION INFORMATION:**

Name of Association: **Varsity Park HOA**  
 Location: **MOORPARK, CA**  
 Number of Units: **257**  
 Approximate Age of Complex: **44**

**This report recommends contributions for Budget Year:**

Beginning: **AUGUST 1, 2022**  
 Ending: **JULY 31, 2023**

Reserve Study Report Date: **JUNE 16, 2022**  
 Current Fiscal Year End: **JULY 31, 2022**

**CURRENT FUNDS SUMMARY:**

Projected Reserve Balance at Current Fiscal Year End: **\$2,978,800**  
 Ideal Reserve Balance at Current Fiscal Year End: **\$4,581,850**

**PERCENT FUNDED:** **65%**

**CURRENT RESERVE CONTRIBUTIONS:**

	Annual	Monthly	Monthly Per Unit
2022 Budgeted Reserve Contribution:	<b>\$316,800</b>	<b>\$26,400</b>	<b>\$102.72</b>

### RECOMMENDATIONS FOR BUDGET YEAR 2023

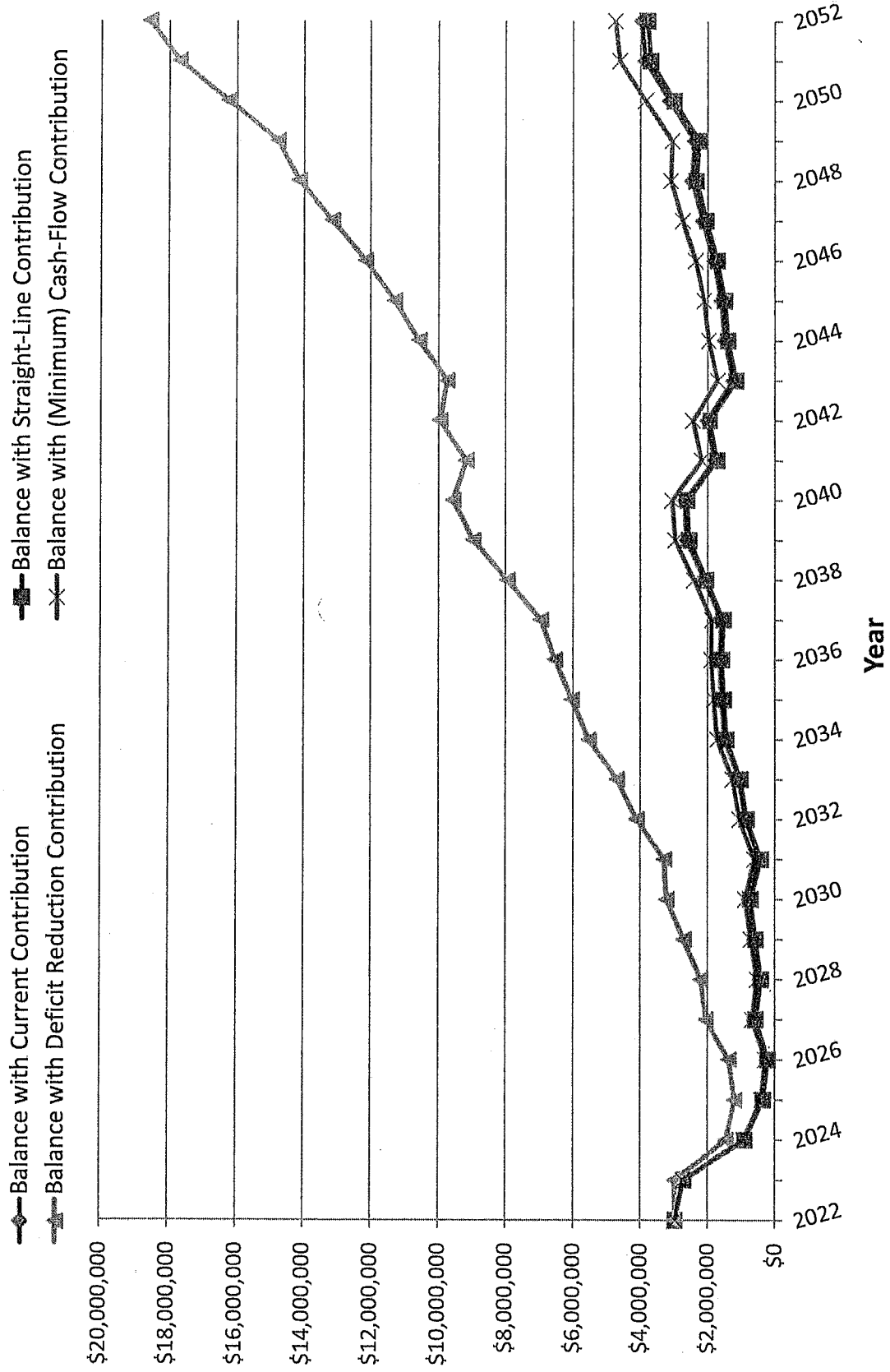
**RESERVE CONTRIBUTION MODELS:**

2023 J.D. Brooks Recommendation in Box

	Annual	Monthly	Monthly Per Unit
2023 Straight-Line Contribution:	<b>\$313,946</b>	<b>\$26,162</b>	<b>\$101.80</b>
2023 Deficit Reduction Contribution:	<b>\$578,593</b>	<b>\$48,216</b>	<b>\$187.61</b>
2023 Cash-Flow (Minimum) Contribution:	<b>\$330,883</b>	<b>\$27,574</b>	<b>\$107.29</b>

**J.D. BROOKS**  
RESERVE STUDIES

### Thirty-Year Reserve Balance Projections



# VARSITY PARK HOA

CURRENT FISCAL YEAR END: JULY 31, 2022  
NUMBER OF UNITS: 257

## RESERVE COMPONENT INVENTORY

CATEGORY	RESERVE COMPONENT	QUANTITY	UNIT TYPE	UNIT COST	REPAIR / REPLACE COST	USEFUL LIFE	RMNG. LIFE	STRAIGHT-LINE ANNUAL CONTRIBUTION@F.Y.E.2022	IDEAL BALANCE @F.Y.E.2022	PROJECTED BALANCE @F.Y.E.2022	DEFICIT	DEFICIT REDUCTION ANNUAL CONTRIBUTION
<b>ROOFING</b>												
	COMPOSITION SHINGLE	352,400	SqFT	4.10	1,444,800	30	2	48,160	1,396,640	1,396,640	-	48,160
	FLAT ROOFS -GARAGES	10	ALLOW	4000	40,000	20	1	2,000	40,000	40,000	-	2,000
	FLAT ROOFS -GARAGES	12	ALLOW	4000	48,000	20	2	2,400	45,600	45,600	-	2,400
	FLAT ROOFS -GARAGES	26	ALLOW	4000	104,000	20	3	5,200	93,600	63,650	(29,950)	15,183
	CLUBHOUSES -COMPOSITION	3	ALLOW	5360	16,080	30	22	536	4,824	-	(4,824)	755
	CLUBHOUSES -FLAT	3	ALLOW	6180	18,540	20	12	927	8,343	-	(8,343)	1,622
<b>PAINTING</b>												
	STUCCO	257	ALLOW	1130	290,410	12	6	24,201	169,406	-	(169,406)	52,435
	WOOD SIDING & TRIM	63	ALLOW	1550	97,650	6	1	16,275	97,650	97,650	-	16,275
	WOOD SIDING & TRIM	65	ALLOW	1550	100,750	6	2	16,792	83,958	83,958	-	16,792
	WOOD SIDING & TRIM	129	ALLOW	1550	199,950	6	3	33,325	133,300	90,646	(42,654)	47,543
	WOOD REPAIRS	63	ALLOW	510	32,130	6	1	5,355	32,130	32,130	-	5,355
	WOOD REPAIRS	65	ALLOW	510	33,150	6	2	5,525	27,625	27,625	-	5,525
	WOOD REPAIRS	129	ALLOW	510	65,790	6	3	10,965	43,860	29,826	(14,034)	15,643
	METAL WALL-TOP FENCE	1,400	LNFT	7.20	10,080	6	3	1,680	6,720	4,570	(2,150)	2,397
	METAL POOL FENCE	650	LNFT	16.60	10,790	5	4	2,158	4,316	-	(4,316)	3,237
	CLUBHOUSE EXTERIORS	3	ALLOW	3300	9,900	6	3	1,650	6,600	4,488	(2,112)	2,354
	CLUBHOUSE INTERIORS	3	ALLOW	3600	10,800	12	3	900	9,000	6,120	(2,880)	1,860
<b>ASPHALT PAVING</b>												
	MAIN ROADS -TYPE 2 SEAL	108,000	SQFT	0.72	77,760	10	3	7,776	62,208	42,302	(19,906)	14,411
	MAIN ROADS -REPLACE	108,000	SQFT	3.10	334,800	40	19	8,370	184,140	-	(184,140)	18,062
	DRIVES / PARKING -SEAL	243,000	SQFT	0.21	50,000	4	3	12,500	25,000	17,000	(8,000)	15,166
	DRIVES / PARKING -REPLACE	75,000	SQFT	3.10	232,500	30	9	7,750	170,500	-	(170,500)	26,694
	DRIVES / PARKING -REPLACE	77,000	SQFT	3.10	238,700	30	19	7,957	95,480	-	(95,480)	12,982
	DRIVES / PARKING -REPLACE	91,000	SQFT	3.10	282,100	30	21	9,403	94,033	-	(94,033)	13,881
<b>CONCRETE</b>												
	SWALES & WALKS REPAIRS	1	ALLOW	30900	30,900	10	3	3,090	24,720	16,810	(7,910)	5,727
	CONCRETE POOL DECKING	8,700	SQFT	14.90	129,630	55	11	2,357	106,061	-	(106,061)	11,999
<b>DECKING</b>												
	BALCONY DECKS -SEAL	164	UNITS	260	42,640	6	2	7,107	35,533	35,533	-	7,107
	BALCONY DECKS -SURFACE	164	UNITS	770	126,280	18	6	7,016	91,202	-	(91,202)	22,216
	BALCONY RAILS OPERATING MAINTENANCE EXPENSE											
<b>FENCING</b>												
	METAL WALL TOP FENCE	1,400	LNFT	41.00	57,400	40	19	1,435	31,570	-	(31,570)	3,097
	METAL POOL FENCE 25%	650	LNFT	78.00	12,675	5	4	2,535	5,070	-	(5,070)	3,803



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5. **THE ASSOCIATIONS CURRENT DELIQUENCY & COLLETION POLICY** (Civil Code 5730; 4040(b))

a. **VARSIY PARK SOUTH HOMEOWNERS' ASSOCIATION PROCEDURES FOR COLLECTING ASSESSMENTS IN ARREARS**

Assessments are the life blood of the association. If any owner does not pay, the other owners have to cover the shortfall. Thus, it is important to pay on time. Assessments are based on the annual budget and are used to pay for the association's obligations as per the governing documents. Delinquencies are subject to collection costs, attorney's fees, late fees and interest. There are various ways to collect assessments including court action and foreclosure processes.

Monthly assessments are due on the first of each month. A late fee of 6% shall be assessed on all Association assessments delinquent over thirty (30) days. Delinquent Association dues, late fees, and unpaid fines may be enforced by the Board of Directors through the commencement of a Small Claims or other civil court action. All costs associated with such action, including reasonable attorney's fees, where necessary, will be borne by the delinquent homeowner.

Pursuant to the Davis-Sterling Common Interest Act of 1984, as amended and found in California Civil Code, Title 6, Common Interest Developments, Sections 5655, 5660, 5685(b), 5690, 5700(a), 5705 and 5725, delinquent assessments may be collected by placing a lien in the amount of such delinquent dues against the delinquent homeowner's home. Should the Board of Directors elect to impose a lien, or pursue a small claims action, for delinquent assessments, the below listed procedures will be followed:

1. A letter will be mailed, certified mail, advising the members that their assessments are 45 days or more behind and that they have 30 days to bring themselves current or a lien will be filed against their property. Owners are subject to any and all costs this action incurs.
2. If payment in full is not received within 30 days from the date of this letter, and after approval by the Board of Directors in an open session meeting, a lien will be filed against their property and a certified copy will be sent to all recorded owner(s). The owner shall be subject to reasonable fees related to collections.
3. If no resolution from the owner(s), is received within 30 days from the recordation date of the lien, the Association may, upon approval by the Board of Directors, proceed with judicial or non-judicial foreclosure or other legal action. All fees incurred by such actions will be charged to the delinquent account. *An interest rate, pursuant to the Association's CC&R's, of 6% per annum will also be charge to the outstanding assessments.*

b. **NOTICE FOR ASSESSMENTS AND FORECLOSURE**

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. You may wish to consult a lawyer if you dispute an assessment.

**ASSESSMENTS AND FORECLOSURE**

Assessments become delinquent 30 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure.

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Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, referred to as nonjudicial foreclosure or private sale. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more and is more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 5705 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. Civil Code Section 5700(a).

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

The association must comply with certain requirements of the Civil Code when collecting delinquent assessments. If the association fails to follow the requirements, it may not record a lien on the owner's property until it has satisfied those requirements, and any costs associated with failure to comply shall be borne by the Association. Civil Code Section 5690.

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

An owner has a right to review the association's records to verify the debt. Corporations Code Section 8333.

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. Civil Code Section 5685(b).

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

### PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. Civil Code Section 5655.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Chapter 10 (commencing with Section 5900) of Part 5 of Division 5 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in said Chapter 10 (commencing with Section 5925) of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. Civil Code Section 5660(c).

### MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to

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satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. Civil Code Section 5665(a).

The board of directors must meet with an owner in executive session within 45 days of the postmark of an owner's request or as otherwise set out in Civil Code Section 5665(b).

6. PROCEDURES UNDER THE LAW RELATING TO ALTERNATIVE DISPUTE RESOLUTION (ADR & IDR) PER 5925 THROUGH 5965

In the event of a dispute between an Owner and the Board of Directors, either party may request the other party to meet and confer in an effort to resolve the dispute. The request must be in writing.

The Owner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.

The Board of Directors shall designate one or more members of the Board to meet and confer.

The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

A resolution of the dispute agreed by the parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

An agreement reached under this procedure binds the parties and is judicially enforceable if both of the following conditions are satisfied:

1. The agreement is not in conflict with law or the governing documents of the Association.
2. The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.

An Owner may not be charged a fee to participate in the dispute resolution procedure.

### **ALTERNATIVE DISPUTE RESOLUTION**

The term "alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedures that involve a neutral party in the decision making process. The form of alternative dispute resolution may be binding or nonbinding, with the voluntary consent of the parties.

The term "enforcement action" means a civil action or proceeding other than a cross-complaint.

Neither the Association nor any owner may file an enforcement action in superior court unless the parties have attempted to submit the dispute to alternative dispute resolution. This applies only to enforcement actions that are solely for declaratory, injunctive, or writ relief, or for that relief in connection with a claim for monetary damages not in excess of \$5,000. This restriction does not apply to small claims court actions.

A party to a dispute may initiate the alternative dispute resolution process by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

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1. A brief description of the dispute between the parties.
2. A request for alternative dispute resolution.
3. A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.
4. If the party on whom the request is served is an owner, a copy of Civil Code Sections 5925 through 5965.

The Request for Resolution must be by personal service, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served with actual notice of the request.

A party on whom the Request for Resolution was served has 30 days to accept or reject the request. If a party does not accept the request within 30 days, the request will be deemed rejected by the party.

If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless the period is extended by written agreement signed by both parties.

The costs of the alternative dispute resolution will be borne by the parties.

In an enforcement action in which attorneys' fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

**WARNING: FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 5930 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.**

THE PROCEDURE THAT VPHOA FOLLOWS IS (**Minimum Requirements of IDR Procedure**) OF THE FOLLOWING CODES: Note that the "**Minimum Requirements of IDR Procedure**" is contract law guidance/baseline recommended approach for dispute resolution between parties to a contract and VPHOA has met the criteria to have established IDR procedures in alignment and thus does not default to Civil Code Section 5915 explained in the second part of the text.

## INTERNAL DISPUTE RESOLUTION (IDR)

An association is required to provide a "fair, reasonable, and expeditious procedure for resolving a dispute" between the association and a member involving the rights, duties or liabilities under the Davis-Stirling Act or the association's governing documents. (*Civ. Code §§ 5900, 5905.*) This procedure is referred to as "Meet and Confer" and more commonly as "Internal Dispute Resolution"

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(IDR). The purpose of IDR is to provide a non-judicial forum to resolve disputes between a member and the association that will not result in a fee or a charge to the member.

### Notice of IDR Procedure in Annual Policy Statement

An association's annual policy statement must include a description of the association's IDR procedure. (*Civ. Code* §§ 5310(a)(9), 5920.)

### Minimum Requirements of IDR Procedure

The IDR procedure established by an association must, at a minimum, satisfy all of the following requirements: (*Civ. Code* § 5910.)

- **Invoking IDR** – The procedure may be invoked by either party to the dispute, and a request to invoke the IDR procedure must be in writing. (*Civ. Code* § 5910(a).)
- **Deadlines & Timeline for Action by Association** – The IDR procedure must provide for prompt deadlines, and must state the maximum time for the association to act on a request to invoke IDR. (*Civ. Code* § 5910(b).)
- **Participation in IDR** – If IDR is invoked by a member, the association must participate in IDR. If IDR is invoked by the association, the member may elect not to participate in IDR. If the member participates but the dispute is resolved other than by agreement of the member, the member must have the right of appeal to the board. (*Civ. Code* § 5910(c)-(d).)
- **Written Resolution is Binding & Enforceable** – If a written resolution is signed by both parties to IDR, that resolution is binding and judicially enforceable provided that it is not in conflict with the law or the association's governing documents. (*Civ. Code* § 5910(e).)
- **Explaining Positions & Attorney Assistance** – The IDR procedure must provide a means by which the member and the association may explain their respective positions. The member and the association may be assisted by an attorney or another person in explaining their positions, at their own cost. (*Civ. Code* § 5910(f).)
- **No Fee Charged to Member** – A member of the association may not be charged a fee to participate in IDR. (*Civ. Code* § 5910(g).)

### Default IDR Procedure

If an association does not establish its own IDR procedure that satisfies the requirements discussed above, Civil Code Section 5915 establishes the following default IDR procedure:

- The party may request the other party to meet and confer in an effort to resolve the dispute. The request must be in writing. (*Civ. Code* § 5915(b)(1).)
- A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer. (*Civ. Code* § 5915(b)(2).)
- The board must designate a director to meet and confer. (*Civ. Code* § 5915(b)(3).)
- The parties must meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring. (*Civ. Code* § 5915(b)(4).)
- A resolution of the dispute agreed to by the parties must be memorialized in writing and signed by the parties, including the board designee on behalf of the association. That written resolution is binding and judicially enforceable so long as the agreement (1) is not in conflict with the law or the association's governing documents, and (2) is either consistent with the authority granted by the board to its designee or is ratified by the board. (*Civ. Code* § 5915(b)(5)(c).)
- A member may not be charged a fee to participate in IDR. (*Civ. Code* § 5915(d).)

### Written Resolution Obtained in IDR

As referenced above, a written resolution signed by the parties to IDR is binding and judicially

VARSIY PARK HOMEOWNERS ASSOCIATION

GM Management Inc.

40 W. Easy St. Suite # 1

Simi Valley, CA 93065

805 526 0303 ; 805 856 2200 (fax)

[johnsnee@gmmanagement.com](mailto:johnsnee@gmmanagement.com); [www.gmmanagement.com](http://www.gmmanagement.com)

enforceable provided that it is (1) not in conflict with the law or the association's governing documents, and (2) is within the board's authority (or the authority given to the board's designee) and/or is ratified by the board. (Civ Code §§ 5910(e), 5915(c).)

7. THE ASSOCIATION'S CURRENT INSURANCE COVERAGE (Civil Code 5300b)**Attention Homeowners:**

Please be advised that the Association's property insurance policy has changed from "walls-in" to "bare-walls" coverage. This means that if there is a catastrophic event requiring reconstruction of the building, you will be responsible to replace your interior "betterments and improvement," which means you need to make sure that you have an HO6 insurance policy to pay for the reconstruction of your interior, including your bathroom and kitchen cabinets, toilet(s), faucets, etc., flooring, light fixtures, paint and texture, etc.

**JS INSURANCE, INC.**

738 CAMINO DURANGO, THOUSAND OAKS, CA. 91360

(805) 857-1490

LICENSE #0C68398

Effective January 1, 1997, California Civil Code Section 5300 (b)(9) requires that Associations send an insurance disclosure statement to each of its members within sixty (60) days preceding the beginning of the Association's fiscal year. Our Association carries the following coverage's:

**VARSIY PARK HOA, INC**

Insurance Disclosure – SB1525

**PROPERTY:**

INSURER: Accelerant Specialty Insurance Company

TERM: 07/16/2022 – 07/16/2023

POLICY NUMBER: S0001PR000038-00

PROPERTY COVERAGE: \$40,000,000

PROPERTY DEDUCTIBLE: \$50,000 per unit

SEWER/DRAIN BACKUP: \$100,000

This summary of the Association's policies of insurance provides only certain information, as required by Section 5300 (b)(9) of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate coverage.

**Varsity Park Homeowners Association, Inc.**

**Insurance Disclosure Notice**

Effective January 1, 2018, California Civil Code Section §5300 requires that the Association send an Annual Budget Report to each of its members within 30 to 90 days before the end of its fiscal year.

**Excess Property: (Common Area Only)**

Limit of Coverage: \$20,000,000

Insurer(s): Landmark American Insurance Company – Policy # LHD429021  
Kinsale Insurance Company – Policy # 0100198874

Palomar Excess and Surplus Insurance Company – Policy # CENPP-22-2023031-00

Policy Term: July 16, 2022 thru July 16, 2023

**General Liability: (Common Area Only)**

Limit of Coverage: \$1,000,000 Per Occurrence / \$2,000,000 Annual Aggregate

Insurer: James River Insurance Company – Policy # 00133235-0

Deductible: \$2,500 (Per Occurrence)

Policy Term: July 16, 2022 thru July 16, 2023

**Community Association Management Liability Coverage**

Limit of Coverage: \$2,000,000 For All Claims

Insurer: Travelers Casualty and Surety Company of America – Policy #107669762

Deductible: \$2,500

Policy Terms: July 16, 2022 thru July 16, 2023

**Fidelity and Computer Fraud/Funds Transfer Fraud:**

Limit of Coverage: \$2,250,000 For All Claims

Insurer: Travelers Casualty and Surety Company of America – Policy #107669762

Deductible: \$22,000

Policy Terms: July 16, 2022 thru July 16, 2023

**Umbrella Liability:**

Limit of Coverage: \$25,000,000

Insurer: Fireman's Fund Insurance – Policy # USL00213321U-22328

Deductible: None

Policy Terms: July 16, 2022 thru July 16, 2023

**EARTHQUAKE:**

Limit of Coverage: \$15,000,000 Loss limit

Insurer: Homesite Insurance Company & Lloyd's of London – Policy # DSP2100602

Deductible: 17.5%, Subject to \$50,000 Minimum per occurrence

Policy Terms: July 1, 2022 thru July 1, 2023

**WORKERS COMPENSATION:**

Limit of Coverage: \$1,000,000 – Homeowners Association – Not Building Operations

Insurer: Mid-Century Insurance Company – Policy # A0949-51-81

Policy Terms: April 28, 2022 thru April 28, 2023

Per Civil Code §5300 (b)(9), a summary of the association’s property, general liability, earthquake, flood and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit and the amount of the deductible, if any.

“This Summary of the Association’s policies of insurance provides only certain information, as required by Section 5300 f the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association’s insurance policies and, upon written request and payment of reasonable duplication charges, obtain copies of those policies.

Although the association maintains the polices of insurance specified in this summary, the association’s policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other loss that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.



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**8. HOMEOWNER INFORMATION SHEET – ASSOCIATION MEMBERS MUST PROVIDE CONTACT INFORMATION TO THE HOA (Civil Code 4041.)**

Property Address:

Moorpark, CA 90320

\_\_\_\_\_

Names of all Property Owners Listed on Deed:

\_\_\_\_\_

\_\_\_\_\_

Main Owner Contact:

Name: \_\_\_\_\_

Phone: \_\_\_\_\_ Type: \_\_\_ Home \_\_\_ Cell \_\_\_ Office

E-mail Address: \_\_\_\_\_

Is the property occupied by the listed owner? (Circle One): Yes / No

If "No", please provide the owner's mailing address:

Number/Street: \_\_\_\_\_

City: \_\_\_\_\_

**Fill out and return completed form to:**

John Snee

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**9. VPHOA NOMINATION FORM**

Varsity Park Homeowners:

We would like to advise that the Varsity Park Homeowners Association Annual Meeting is tentatively scheduled for **Tuesday, October 25, 2022**. The purpose of this meeting is to elect one (3) Board Members who will each serve a (2) year term.

Those wishing to have their name placed on the ballot must return the nomination portion of this form to The Management Company, PO Box 392, Moorpark, CA 93020 no later than **Monday August 1, 2022** to ensure their inclusion in the ballot mailing. Nominations may also be made from the floor at the annual meeting.

Please note that the Board is also interested in participation from homeowners that may not want to run for a Board seat, however may want to volunteer their time on a committee. Individuals interested in joining or forming a committee are welcomed to contact the GM Management at 805 526 0303 in order to be considered.

Sincerely,  
Varsity Park Homeowners Association  
Board of Directors

\_\_\_\_\_ TearHere \_\_\_\_\_

I, \_\_\_\_\_ hereby submit my name for nomination to a position on the Board of Directors for the 2022-2023 term.

**Mission Statement:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Site Address: \_\_\_\_\_ Phone: \_\_\_\_\_ E-mail: \_\_\_\_\_

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**10. HIP Purpose:** Homeowner states proposed improvement\* and explain why it is appropriate that other homeowners support by VPHOA funds being expended in support of the improvement (Add pages, photos, attachments, etc. as appropriate for supporting detail). The form must be signed by the homeowner or sent via "verified/confirmed" email in order for Board to process.

Date: \_\_\_\_\_

**HOMEOWNER INFORMATION** (Association Member filing request)

Name \_\_\_\_\_

Address \_\_\_\_\_

E-Mail \_\_\_\_\_

Phone \_\_\_\_\_

**REQUEST DETAILS:** Succinctly describe the nature of the proposed. Provide adequate detail for Board follow-up and response

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Justification, Benefit, Business Case, Regulation:** If applicable, state related Rule and Regulation, CC&R, and/or by-law.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**WITNESS:** If applicable, provide name, address, and phone/other contact information for any witnesses

\_\_\_\_\_

**HOMEOWNER's SIGNATURE (Or "VERIFIED/CONFIRMED" email if submitted via email):**

\_\_\_\_\_

PLEASE SUBMIT COMPLETED FORM TO:

**John Snee**

**GM Management**

**40 W. Easy St. Suite # 1**

**Simi Valley, CA 93065**

**805 526 0303; 805 856 2200 (fax)**

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\*This includes addressing issues relative to site infrastructure, appearance, sustaining operations normal practices, etc.

- For report of issues or problems in the category of established routine repair and maintenance, please contact:  
The GM Management: (805) 526-0303; John Snee <[johnsnee@gmmanagement.com](mailto:johnsnee@gmmanagement.com)>  
For After hour Emergencies Only: John Snee at (805) 404-5166  
Rent-A-Recreation Room: (805) 526-0303
- Policy Changes and Strategic Planning Proposals/Requests: The path to resolution is through the homeowner committees and their leadership. Contact information for committee leaders can be obtained via John Snee at GM Management.

#### 11. NOTICE REGARDING SECONDARY ADDRESSES

Members have the right to submit to the Association a secondary address for purposes of delivering annual reports, annual policy notices and collection notices. A member's request must be in writing and delivered to the person designated by the Association to receive official communications by first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service center, or (if checked):

- (1) By email, facsimile, or other electronic means, if the association has assented to that method of delivery.
- (2) By personal delivery, if the association has assented to that method of delivery. If the association accepts a document by personal delivery it shall provide a written receipt acknowledging delivery of the document.

Upon the Association's receipt of such notice, the Association will mail any annual reports, annual policy notices and collection notices to both the member's primary and secondary addresses.

#### 12. NOTICE OF MEMBER'S OPTION TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY

Pursuant to Civil Code Section 4045(b), a member has the right to request to receive general notices by individual delivery. The term "individual delivery" means delivery by one of the following methods:

- (a) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. The document shall be addressed to the recipient at the address last shown on the books of the Association.
- (b) E-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.

#### 13. NOTICE OF MEMBER'S RIGHT TO RECEIVE COPIES OF MEETING MINUTES

Please be advised that California Civil Code Section 4950(b) requires that the Association notify all members of their right to have copies of the minutes of meetings of the Association's board of directors. The minutes, minutes proposed for adoption that are marked to indicate draft status or a summary of the minutes, of any meeting of the board of directors of the Association, other than executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary of minutes shall be distributed to any member of the Association upon request and upon reimbursement of the Association's costs for making that distribution. To obtain a copy of the minutes, proposed minutes or summary of minutes, please contact John Snee at GM Management (805) 526 0303.

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**14. NOTICE TO MEMBERS REGARDING ABILITY TO OPT-OUT OF HAVING NAME ON MEMBERSHIP LIST**

A member may request that the Association provide him or her with a copy of the membership list, including the names, property address, mailing address and, as of January 1, 2020, the email address, of each member. The member's request must be in writing and must set forth the purpose for which the list is requested, which purpose must be reasonably related to the requester's interests as a member of the Association. The Association will be obligated to provide the member with a copy of such membership list unless it reasonably believes that the member will use the information for another purpose.

Pursuant to Civil Code Section 5220, a member can "opt out" of having his or her name and address(es) included on a membership list which must be distributed to members upon request. If you would like to "opt out" of having your name and addresses included on a membership list which may be distributed to another member upon request, please complete the following form and return it to the Association. Please note that your "opt-out" will remain in effect until further notice from you.

-----  
Notice to Association

To Whom It May Concern,

Please remove my name and address(es) from the membership list in accordance with Civil Code Section 5220 until further written notice from me.

(check all that are applicable)

Name

Property Address

Mailing Address

Email Address

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

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**15. LITIGATION DISCLOSURE**

A former tenant of one of the units damaged in the 1/19/2021 wind storm has filed a negligence lawsuit against Moorpark City, the landlord owner of the unit, the association Management Company at the time (TMC) and VPHOA. The text of the lawsuit alleges that in 2020 Moorpark City denied her request to issue a permit for VPHOA to remove the tree that eventually fell on the unit. There is no indication in the lawsuit text or otherwise as far as VPHOA knows that the tenant or the landlord submitted a request to remove the tree either formally per procedure via a HIP or other written documentation or verbally via telecom to TMC. The VPHOA defense is being handled by Farmers Insurance.