



Kentwood Home Guardians

Community building community...

www.kentwoodhomeguardians.com

April 23, 2021

Dear Kentwood Home Guardians Member,

In compliance with California Civil Code §5300, this letter provides a Summary of the Kentwood Home Guardians ("KHG") Annual Budget report (the "Budget") for the fiscal year beginning June 1, 2021, as well as a Summary of our Annual Policy Statement ("Annual Policy Statement"). The Budget and Annual Policy Statement (collectively herein the "Full Report") can be found on our website at www.kentwoodhomeguardians.com/full-report-2021. All members are entitled, at no cost to themselves, to obtain a printed copy of the full report by submitting your request by email to infor@kentwoodhomeguardians.com (please use "Full Report" in the subject line).

The Budget reflects the efforts of your Board of Directors to maintain and enhance KHG's quality of life and property values, while at the same time keeping expenditures in line with revenues. Our focus continues to be modernizing KHG's office operations and communications. Both projects are expected to lower future operating costs. Additionally, we are taking steps to explore ways to update our Declarations of Protective Restrictions ("DPRs") to conform to modern life. We invite you to refamiliarize yourself with the DPRs on our website at www.kentwoodhomeguardians.com/governance/dprs-retrictions. The DPRs are legal restrictions on the deed to your property and enforceable by law. Our DPRs were drafted in the 1940s and are largely unchanged since that time.

SUMMARY OF FULL REPORT:

Annual Budget Report

1. **Pro Forma Budget** – Our Budget is enclosed and shows the estimated revenue from membership assessments and KHG's anticipated upcoming expenses on an accrual basis.
2. **Reserve Summary** – The Full Report provides a summary of KHG's reserve account.
3. **Reserve Funding Plan** – The Full Report provides a summary of KHG's reserve funding plan.
4. **Major Component Repairs** – No repairs are needed or planned.
5. **Anticipated Annual Assessments** – No special assessments are planned. Please note, this does not remove the potential that a special assessment may become necessary at a later time.
6. **Reserve Funding Mechanism** – Our reserve needs are fully funded at this time, as shown in the Full Report.
7. **Procedure for Calculating Reserves** – The Full Report lists the procedures used for calculating and establishing the reserves used to defray the future repair, replacement, or additions to any components KHG is obligated to maintain and other information required by Civil Code §5570. Currently, our components consist of three strip lots.
8. **Outstanding Loans** – KHG has no outstanding loans.
9. **Insurance Summary** – The Full Report includes a summary of the Association's insurance policies.
10. **Assessment & Reserve Form** – Enclosed.
11. **Charges for Documents Provided** – The Full Report includes a list of the charges KHG imposes for request of documents, escrow demands, and other documents listed in Civil Code §4528.

//

Annual Policy Statement

- 12. KHG's Designated Recipient** – In accordance with Civil Code §4035, our Designated Contact Person is our Office Manager, who can be reached at info@kentwoodhomeguardians.com (Audrey Melton is presently our Office Manager).
- 13. Member's Right to Receive Individual Notice at Two Separate Addresses** – this is to inform you that you are permitted to submit a written request to our Designated Recipient (See #12) to have KHG notices and communications sent to up to two different addresses.
- 14. General Notice Location** – KHG is permitted to designate a location(s) within the community to provide general notices, as permitted, to members. The Association's General Notice location is the window of our office at 8921 S. Sepulveda Blvd., Ste. 118, Westchester, CA 90045. We also post on our website at www.kentwoodhomeguardians.com and send to our email list.
- 15. Right to Individual Delivery** – All members have a right to receive communications provided by General Delivery (under Civil Code §4045) by Individual Delivery instead (either by U.S. Mail or email, if the member has provided an electronic consent form).
- 16. Right to Receive Minutes** – This is to inform all members that you have a right to receive copies of KHG's open meeting minutes upon request for the same. If you wish to request the minutes, please contact our Designated Recipient (see #12). Please note that we also post minutes on our website.
- 17. Collection Policy** – The Full Report includes a copy of our Collection Policy.
- 18. Lien Policy** – The Full Report includes a statement about the Association's policies and practices regarding its enforcement of its lien rights and other legal remedies in connection with a member's default in the payment of their assessments owed.
- 19. Rules Enforcement Policy** – The Full Report includes a copy of the Association's Enforcement Policy and a Schedule of Fines, if any.
- 20. Dispute Resolution Procedures** – The Full Report includes a summary of the Association's Internal Dispute Resolution (IDR) processes pursuant to Civil Code §§5900, et seq. and Alternative Dispute Resolution processes pursuant to Civil Code §§5925, et seq.
- 21. Architectural Standards** – The Full Report includes KHG's Architectural Standards and processes.
- 22. Overnight Payments** – Here is the mailing address for Members if they wish to overnight payments of any dues of assessment owed: Kentwood Home Guardians, 8921 S. Sepulveda Blvd., Suite 118, Westchester, CA 90045 (please check our website first to confirm that address hasn't changed).
- 23. Miscellaneous** – KHG retains the services of a Certified Public Accountant to perform an annual review of the Association's financial statements in accordance with Generally Accepted Accounting Principles and to express an opinion based on his review. Copies of this review will be made available to members no later than 120 days from the close of our fiscal year on May 31, 2021.

Sincerely,

Kentwood Home Guardians Board of Directors