May 31, 2026

Dear 22 Station Homeowner,

At the May 20, 2026, 22 Station Board meeting, the Board approved the 22 Station FY 2026-2027 Budget. The level of total Assessments is expected to remain unchanged year over year. The budget for FY2026-2027 matches Assessments with planned and likely operating expenses and for reserve funds for planned Common Area improvements. In accordance with the Civil Code and the governing documents of the 22 Station Owners Association, the Association's Annual Budget Report and Annual Policy Statement are provided herein.

The Annual Budget Report and Policy Statement contain a set of documents.

Annual Budget Report

- FY 2026-27 First Ascent Budget for July 1, 2026-June 30, 2027
- FY 2026-27 Assessments by Unit Type, Assessment Schedule, and Payment Options
- FY 2026-27 Reserve Study Summary and Reserve Fund Disclosure Summary
- Insurance Disclosure & Earthquake Insurance Disclosure Statement
- Association FHA & VA Statement

Annual Policy Statement

- Notice of Person Receiving Communications to the Association
- Notice of Right to Request an Alternative Mailing Address
- Notice of Posting Location by General Notice and Right to Receive General Notices by Individual Delivery
- Notice of Right to Receive Copies of Meeting Minutes
- Notice of Priority of Assessment Payments, Receipts and Overnight Assessment Payment Address
- Procedure for Opting Out of Electronic Voting
- Delinquent Payment Policy
- Assessment Collection Policy
- Alternative Dispute Resolution and Internal Dispute Resolution Procedures
- Unit renovation/Alteration Procedure & Application

This report is also available on the Association website www.22station.com/annual-disclosure/.

Please contact Stacia Lange with any questions, by phone at (530) 584-6208 or by email at stacialange@palisadestahoe.com.

Sincerely,

22 Station Owners Association Board of Directors

22 STATION OWNERS ASSOCIATION
FY 2026-27 Budget
(July 1, 2026 - June 30, 2027)

OPERATING FUND

Revenue		
	Residential Assessments	932,024
	Commercial Assessments	386,639
	Res CC Assessments	1,529,013
	Commercial CC Assessments	153,991
	Late Charge/Interest	-
	Master Assoc UL Garage	72,000
	Master Assoc Snowmelt	30,000
	Miscellaneous Income	-
	Interest Income	-
	Total Revenue	3,103,667
Expenses		
Utilities & Maintenance		
	Electricty	745,000
	Gas	320,000
	Water	205,000
	Sewer/Septic	103,000
	Cable TV	23,000
	Elevators	35,000
	Elevator Repair	10,000
	Roof	30,000
	Lighting	5,000
	Painting & Staining	150,000
	Fire System	15,000
	Boiler	10,000
	Plumbing	25,000
	HVAC	15,000
	Spa/Areas	25,000
	Snow Removal	120,000
	Contracts	5,798
	Landscaping	15,000
	Window Cleaning	30,000
	Pest Control	15,000
	Supplies	30,000
	Miscellaneous	15,000
	Unit Repairs	2,500
	Windows and Doors	15,000
	Insurance Work	-
	Reserve Study	-
	Total Utilities & Maintenance	1,964,298
General & Administrative		
	Property Management	365,000
	Insurance	650,000
	Legal	40,000
	Accounting	45,000
	License & Inspection Fees	15,000
	Office Expenses	2,000
	Telephone	20,000
	Annual Meeting	1,500
	Board Expense	-
	Miscellaneous Expense	1,500
	Taxes	-
	Total General & Administrative	1,140,000
	Total Expenses	3,104,298
	Net Revenue Over (Under) Expenses	(631)

RESERVE FUND

Estimated Beginning Fund Balance as of 7/1/2026	3,313,426
Dues	812,892
Interest	13,898
Expense	1,880,565
Net Revenue Over (Under) Expenses	(1,053,775)
Estimated Ending Fund Balance as of 6/30/2027	2,259,651

GARAGE FUND

Estimated Beginning Fund Balance as of 7/1/2026	176,228
Contributions	55,523
Interest	915
Expense	42,024
Net Revenue Over (Under) Expenses	14,414
Estimated Ending Fund Balance as of 6/30/2027	190,642

22 Station Owners Association
Fiscal 2026-2027 Assessments
(July 1, 2026 - June 30, 2027)

	FY 2026-27 (July 1, 2026 - June 30, 2027) Assessments		FY 2025-26 (July 1, 2025 - June 30, 2026) Assessments	
	Monthly	Quarterly	Monthly	Quarterly
Studio				
Residential Base	479.23	1,437.68	509.83	1,529.48
Residential CC	761.30	2,283.88	809.89	2,429.66
Reserve	346.83	1,040.48	267.63	802.90
Total Assessment	1,587.36	4,762.04	1,587.35	4,762.04
1 Bedroom				
Residential Base	476.65	1,429.97	507.08	1,521.24
Residential CC	748.14	2,244.42	795.90	2,387.68
Reserve	342.58	1,027.75	264.41	793.22
Total Assessment	1,567.38	4,702.14	1,567.38	4,702.14
2 Bedroom				
Residential Base	526.44	1,579.32	560.04	1,680.13
Residential CC	859.14	2,577.41	913.98	2,741.93
Reserve	386.21	1,158.63	297.77	893.30
Total Assessment	1,771.79	5,315.36	1,771.79	5,315.36
3 Bedroom				
Residential Base	608.77	1,826.32	647.63	1,942.89
Residential CC	1,139.75	3,419.25	1,212.50	3,637.50
Reserve	478.76	1,436.28	367.15	1,101.46
Total Assessment	2,227.28	6,681.85	2,227.28	6,681.85
Penthouse				
Residential Base	710.61	2,131.82	755.96	2,267.89
Residential CC	1,441.58	4,324.75	1,533.60	4,600.80
Reserve	583.70	1,751.09	446.32	1,338.97
Total Assessment	2,735.89	8,207.66	2,735.89	8,207.66
Commercial				
Commericial Base	585.81	1,757.45	623.20	1,869.63
Commercial CC	233.32	699.96	248.21	744.64
Reserve	192.49	577.48	140.21	420.62
Total Assessment	1,011.62	3,034.89	1,011.62	3,034.89

Assessment Schedule

Assessment Period		Billing Date	Due Date
Q1	July - September	1st week in June	July 31st
Q2	October - December	1st week in September	October 31st
Q3	January - March	1st week in December	January 31st
Q4	April - June	1st week in March	April 30th

*Late fees of 10% are assessed 15 days after the due date

Payment Options

Bill.com	Rentpayment.com	Mail Payment:
Preferred payment method. Invoices are emailed quarterly, follow payment link in email to setup autopay. No fees.	Navigate to this website, search for the HOA, setup account, select a payment method. Only option for payment by Credit Card. Fees apply to all transactions.	First Ascent Owners Association PO Box 2025 Olympic Valley, CA 96146

Reserve Study Summary
22 Station Owners Association
Fiscal Year Starting July 1, 2026 - 27

The intent of the 22 Station Owners Association Reserve Study is to ensure that adequate funding is available to meet the scheduled maintenance and replacement of the Association's common area, physical property and assets without the need for a special assessment. It is important to note that the board does not intend to defer the repair and replacement of any listed assets over the next 30 years. Additionally, an asset may need to be repaired or replaced as needed even if not listed for such action in a specific year.

Summary

Changes in the actual replacement cost or remaining life of a component could significantly impact future reserve funding. Therefore, an annual analysis is recommended to ensure proper reserve funding is in place. A physical site inspection was not conducted.

The 22 Station Owners Association Board of Directors has directed Hughes Reserves & Asset Management to conduct a reserve study analysis. The management team has 24/7 access to the Hughes Reserves proprietary online "CapExReserves™" solution which utilizes the component funding method also known as Cash Flow Funding. Typically, components with a cost of $1,000 or more and a useful life greater than 1 year and not more than 30 years were identified. Components with a useful life greater than 30 years are not included in this analysis. However, as the project ages, additional components may need to be added to the Reserve Study.

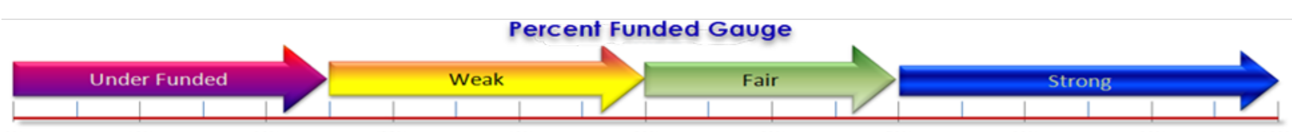
The analysis assumes that no unusual conditions will occur, such as vandalism, unusual use, obsolescence and acts of God. Measurements and quantities were obtained by count, measurement, or estimations from information provided by the Hughes Reserves component database, local contractors, management team, consultant's reports and actual experience.

The 22 Station Owners Association funds its reserve account through its annual reserve assessment allocations and interest from invested reserve monies. The Board determines the annual reserve assessment based on information provided to the Board and in accordance with prudent business practices. Reserve monies are invested in the direction of the Board in accordance with the approved reserve and capital investment policy. Because the budget for the following year is being prepared, the ending balance for the current fiscal year reserve fund is estimated and based on the Boards best knowledge of reserve revenue income and expenditures during the current year.

The analysis includes a physical inspection of the components at least every three years, prior year expenditures, estimated useful life, changes in components, and changes in revenues or expenses. Because the 22 Station Owners Association Reserve Study is a live working document it therefore requires ongoing analysis to be performed to ensure the integrity of the report. CapExReserves™ provides the ability to update the reserve study online at any time.

Based on the expenditure and funding levels over the next thirty years found in the reserve study financial exhibits, the association does not need to forecast a Special Assessment to cover any project reserve shortfall. (See Thirty Year Cash Flow Summary).

Hughes Reserves utilizes the Cash Flow or "Pooling Method" of collecting reserve funds which combines all reserve funds and distributes these funds to individual components as their replacement comes due or is necessary. Funds that are pooled together in the Cash Flow method include the beginning balance, contributions to the reserve funds and interest earned on reserve fund investments. These pooled funds are matched against reserve expenditures for a period of thirty years from the date of the fiscal year being analyzed via CapExReserves™. This helps to illustrate that adequate funds are available for the full analysis period. The closer the Association is to the 50% to 100% funding level the less likely the Association will ever require a special assessment. The reserve study serves as an annual fiscal planning tool which assists the Board in making prudent business decisions regarding capital/reserve expenditures. Hughes' recommendation is to strive to fund the reserves as close to the 100% funding level helping to ensure the goals of the Association are met.



www.hughesreserves.com

California Assessment and Reserve Funding Disclosure Summary
22 Station Owners Association
For Fiscal Year Beginning:
7/1/26

				Total Number of Units/Assessments	206

1) Note: If assessments vary by the size or type of unit, the assessment applicable are as follows:

The annual current (**2025-2026**) assessment per unit (see below)	Unit Type	Assessment/Quarter	No. of Assessments	No. of Units	Annually
Assessment #1	Studio	4,762.04	4	4	76,192.64
Assessment #2	1 Bedroom	4,702.14	4	63	1,184,939.28
Assessment #3	2 Bedroom	5,315.36	4	67	1,424,516.48
Assessment #4	3 Bedroom	6,681.85	4	16	427,638.40
Assessment #5	Penthouse	8,207.66	4	1	32,830.64
Assessment #6	Commercial	3,034.89	4	55	667,675.80
				206	3,813,793.24

The annual current (**2026-2027**) assessment per unit (see below)	Unit Type	Assessment/Quarter	No. of Assessments	No. of Units	Annually
Assessment #1	Studio	4,762.04	4	4	76,192.64
Assessment #2	1 Bedroom	4,702.14	4	63	1,184,939.28
Assessment #3	2 Bedroom	5,315.36	4	67	1,424,516.48
Assessment #4	3 Bedroom	6,681.85	4	16	427,638.40
Assessment #5	Penthouse	8,207.66	4	1	32,830.64
Assessment #6	Commercial	3,034.89	4	55	667,675.80
				206	3,813,793.24

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 Due	Total Amount Per Unit (If assessments are variable, see note below)	Purpose
N/A	N/A	N/A

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

The Association's Board of Directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve study professionals, CPAs and/or other professionals and is relying upon this information, financial data and reports pursuant to Corporations Code 7231 in providing the association membership the information contained in this Assessment Reserve Funding Disclosure Summary. The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information supplied to the Association's Board of Directors from said professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancies of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain pursuant to the Association's CC&R's.

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 that have not yet been approved by the board or the members?

Approximate Fiscal Year Assessment Will Be Due	Total Amount Per Unit

Increases to reserve contributions are projected to maintain a positive cash flow over a thirty year period.

5) All major components are included in the reserve study and are included in its calculations. However, the following major components, which are included in the Reserve Study, are NOT included in the existing Reserve Funding.

Major Component	Remaining Useful Life (yrs)	Reason Not Included
Major Building Structures	Life of the Project	

6) Based in whole or in part on the last reserve study or update prepared by Hughes Reserves & Asset Management, LLC. as of fiscal year end and 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 to be fully funded is: *	$7,378,126
The projected reserve fund cash balance at the end of the current fiscal year is:	$3,313,426
Based on this balance in reserves the Association percent funded level is:	44.91%
If an alternate, but generally accepted, method of calculation is also used, i.e. pooling method, the required reserve amount is:	N/A

The financial representations set forth in this summary are based on the best estimates of the preparer at the time and information provided by the Association. Estimates are subject to change.

Per Davis-Sterling Common Interest Development Act the current ending reserve balance divided by the current replacement cost expressed as a percent is: 39.67%

**This number is calculated based on a straight line method, wherein, each component must stand alone, not utilizing the cash flow method of funding, also know as the pooling method.*

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 five budget years is See Row "A" Below, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is See Row "B" Below, leaving the reserve at See Row "C" Below percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be See Row "D" Below, leaving the reserve at See Row "E" Below percent funding. 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.

	7/1/26	**7/1/27**	**7/1/28**	**7/1/29**	**7/1/30**
A - Fully Funded(Recommended)	$ 7,378,126	$ 7,894,096	$ 7,754,724	$ 7,740,885	$ 7,677,583
B- Reserve Cash Balances	$ 3,313,426	$ 2,258,881	$ 2,233,214	$ 2,302,360	$ 2,298,528
C-Percent Funded	44.91%	28.61%	28.80%	29.74%	29.94%
D-Approved Reserve Plan	$ 3,313,426	$ 2,258,881	$ 2,436,945	$ 2,965,505	$ 3,423,383
E-Percent Funded	44.91%	28.61%	31.43%	38.31%	44.59%
Section 5565 The current deficiency in reserve funding per ownership interest, as calculated by statutory formula, is:					($19,732)
This is calculated as the current estimate of the straight-line liability as of the beginning of the fiscal year which is:					$ 7,378,126
less the current amount of accumulated cash reserves actually set aside as of that date, divided by number of owners which is:					206

Section 5300 (b)(4)
The Association's Board of Directors has deferred or determined not to undertake repairs or replacements over the next 30 years as follows: None.
Section 5300 (b)(5)
The Association's Board of Directors as of the date of the study, does not anticipate the levy of a special assessment for the repair, replacement or restoration of the major components.
Section 5300 (b)(8) The Association has an outstanding loan as follows: None

Update fiscal year beginning	7/1/26
Number of owners, 7/1/2026	206
Annual capital assessments, 7/1/2026	$ 812,124
Average CY assessment/owner	$ 3,942
Average increase/owners	930.08
Inflation rate	3.50%
Interest rate on investments	0.50%
Tax rate on investment income	0.00%

22 Station Owners Association
Thirty-Year Cash Flow/Capital Budget Summary
July 1, 2026
Financial Exhibit

Year	Annual Percent Change to Capital / Reserve Assessment	Capital / Reserve Account Beginning Balance	Expired Useful Life of Components Expressed in Dollars aka "Fully Funded"	Percent Ratio of Fully Funded Value to Capital / Reserve Balance	Annual Dollar Change to Capital / Reserve Assessments	Annual Member Capital / Reserve Assessment	Annual Avg. Capital / Reserve Assessment / Interval	Change in Avg. Annual Capital / Reserve Assessment / Interval	Monthly Avg. Capital / Reserve Assessment / Interval	Change in Avg. Monthly Capital / Reserve Assessment / Interval	Estimated Interest, Net of Tax	Annual Expenditures	Capital Contingency	Ending Balance
7/1/26	30.88%	3,313,426	7,378,126	44.91%	191,596	812,124	3,942	930	329	78	13,896	(1,880,565)	-	2,258,881
7/1/27	25.02%	2,258,881	7,894,096	28.61%	203,223	1,015,347	4,929	987	411	82	11,710	(848,993)	-	2,436,945
7/1/28	25.02%	2,436,945	7,754,724	31.43%	254,029	1,269,376	6,162	1,233	514	103	13,472	(754,289)	-	2,965,505
7/1/29	0.00%	2,965,505	7,740,885	38.31%	-	1,269,376	6,162	-	514	-	15,932	(827,430)	-	3,423,383
7/1/30	0.00%	3,423,383	7,677,583	44.59%	-	1,269,376	6,162	-	514	-	19,992	(119,143)	-	4,593,609
7/1/31	0.00%	4,593,609	8,302,845	55.33%	-	1,269,376	6,162	-	514	-	16,859	(3,712,881)	-	2,166,963
7/1/32	0.00%	2,166,963	5,583,855	38.81%	-	1,269,376	6,162	-	514	-	12,697	(524,545)	-	2,924,491
7/1/33	0.00%	2,924,491	6,077,479	48.12%	-	1,269,376	6,162	-	514	-	16,450	(538,167)	-	3,672,151
7/1/34	0.00%	3,672,151	6,582,315	55.79%	-	1,269,376	6,162	-	514	-	20,580	(381,772)	-	4,580,334
7/1/35	0.00%	4,580,334	7,256,010	63.12%	-	1,269,376	6,162	-	514	-	25,318	(303,024)	-	5,572,003
7/1/36	-10.01%	5,572,003	8,012,674	69.54%	(127,014)	1,142,362	5,545	(617)	462	(51)	29,450	(506,292)	-	6,237,524
7/1/37	-10.01%	6,237,524	8,511,310	73.29%	(114,313)	1,028,049	4,991	(555)	416	(46)	33,487	(108,145)	-	7,190,916
7/1/38	-10.01%	7,190,916	9,482,104	75.84%	(102,882)	925,167	4,491	(499)	374	(42)	37,681	(234,600)	-	7,919,164
7/1/39	0.00%	7,919,164	10,339,504	76.59%	-	925,167	4,491	-	374	-	41,710	(79,390)	-	8,806,651
7/1/40	0.00%	8,806,651	11,352,350	77.58%	-	925,167	4,491	-	374	-	45,914	(172,890)	-	9,604,842
7/1/41	0.00%	9,604,842	12,280,387	78.21%	-	925,167	4,491	-	374	-	48,616	(688,597)	-	9,890,028
7/1/42	0.00%	9,890,028	12,643,487	78.22%	-	925,167	4,491	-	374	-	50,581	(472,744)	-	10,393,032
7/1/43	0.00%	10,393,032	13,331,564	77.96%	-	925,167	4,491	-	374	-	52,600	(671,159)	-	10,699,640
7/1/44	0.00%	10,699,640	13,857,848	77.21%	-	925,167	4,491	-	374	-	55,105	(282,346)	-	11,397,565
7/1/45	0.00%	11,397,565	14,769,827	77.17%	-	925,167	4,491	-	374	-	58,198	(441,143)	-	11,939,787
7/1/46	0.00%	11,939,787	15,540,647	76.83%	-	925,167	4,491	-	374	-	53,166	(3,538,470)	-	9,379,650
7/1/47	0.00%	9,379,650	12,120,975	77.38%	-	925,167	4,491	-	374	-	45,478	(1,493,364)	-	8,856,931
7/1/48	0.00%	8,856,931	12,077,517	73.33%	-	925,167	4,491	-	374	-	45,221	(550,453)	-	9,276,866
7/1/49	0.00%	9,276,866	13,001,223	71.35%	-	925,167	4,491	-	374	-	44,963	(1,493,763)	-	8,753,233
7/1/50	0.00%	8,753,233	13,053,607	67.06%	-	925,167	4,491	-	374	-	45,527	(220,801)	-	9,503,126
7/1/51	0.00%	9,503,126	14,387,532	66.05%	-	925,167	4,491	-	374	-	47,436	(957,037)	-	9,518,692
7/1/52	0.00%	9,518,692	14,985,665	63.52%	-	925,167	4,491	-	374	-	49,085	(328,672)	-	10,164,272
7/1/53	0.00%	10,164,272	16,266,476	62.49%	-	925,167	4,491	-	374	-	48,578	(1,822,455)	-	9,315,562
7/1/54	0.00%	9,315,562	16,146,888	57.69%	-	925,167	4,491	-	374	-	47,190	(680,445)	-	9,607,473
7/1/55	0.00%	9,607,473	17,200,746	55.85%	-	925,167	4,491	-	374	-	48,672	(671,152)	-	9,910,161

22 Station Owners Association
AICPA Report by Category
July 1, 2026

Percent Funded: 44.91%

Category	Minimum Remaining Service Life	Maximum Remaining Service Life	Est. Current Replacement Cost	Average Percent of Expired Service Life by Category	Est. Future Replacement Cost	Fiscal Year Beginning Balance Allocation by Category	Annual Assessment Allocation by Category	Monthly Assessment Allocation by Category	Expired Useful Life of Component in Dollars aka "Fully Funded"
Communication	0.34	17.54	285,040	62.86%	399,220	80,464	32,429	2,702	179,173
Deck	1.92	5.92	45,000	70.50%	52,011	14,248	4,225	352	31,727
Decorator Items	6.92	14.03	20,000	39.11%	25,374	3,513	2,061	172	7,822
Doors	0.92	28.92	175,750	70.45%	224,417	55,607	18,230	1,519	123,822
Electrical	3.03	14.17	89,350	71.28%	123,097	28,600	9,999	833	63,685
Electrical	15.92	15.92	75,000	104.10%	129,682	35,063	10,534	878	78,075
Elevators	0.92	17.92	1,837,920	89.19%	2,154,537	736,186	175,016	14,585	1,639,291
Exercise Equipment	0.92	0.92	15,000	97.63%	15,481	6,577	1,258	105	14,644
Exterior Siding Components	0.92	2.92	120,000	90.05%	125,318	48,529	10,180	848	108,062
Fences and Gates	2.92	2.92	14,775	97.65%	16,335	6,479	1,327	111	14,428
Floor Covering-Treatment	0.92	9.17	391,540	57.81%	505,613	101,645	41,072	3,423	226,337
Furnishings-Equipment	0.83	2.92	55,120	86.74%	57,459	21,470	4,667	389	47,809
Hot Water Systems	0.92	12.92	93,000	93.32%	122,354	38,974	9,939	828	86,785
Hot Water Systems Shared 97%	0.34	6.92	896,765	99.00%	931,915	398,701	75,701	6,308	887,802
HVAC	0.92	27.50	246,400	95.00%	275,638	105,119	22,390	1,866	234,072
Landscaping	0.50	3.92	8,500	67.72%	9,092	2,585	739	62	5,756
Life Safety	0.92	2.92	66,500	95.47%	72,310	28,510	5,874	489	63,485
Misc. Equipment	6.92	16.34	83,050	97.62%	105,367	36,408	8,559	713	81,070
Plumbing	0.92	2.92	13,500	67.93%	14,595	4,118	1,186	99	9,170
Pumps-Motors-Filters	1.92	1.92	120,000	96.57%	128,190	52,043	10,413	868	115,885
Reserve Study Inspections	1.09	1.09	3,000	66.22%	3,114	892	253	21	1,986
Restrooms	7.92	8.92	332,000	77.27%	443,755	115,205	36,047	3,004	256,531
Roofing	0.34	6.92	2,898,795	93.47%	3,539,112	1,216,789	287,487	23,957	2,709,469
Signage	0.50	7.92	31,255	98.16%	33,564	13,777	2,726	227	30,679
Snow Melt Systems	0.50	14.34	106,400	89.66%	115,862	42,841	9,412	784	95,395
Spa	0.92	8.34	328,750	80.66%	374,263	119,081	30,402	2,533	265,163
Windows	4.34	26.92	-	0.00%	-	-	-	-	-
			8,352,410		**9,997,676**	**3,313,426**	**812,124**	**67,677**	**7,378,126**

22 Station Owners Association, Inc.

PO Box 2635
Olympic Valley, CA 96146

May 31st, 2026

Annual Insurance Disclosure Statement

The current property insurance policy with Vicko/QBE/Intact/Homeland expires June 30, 2026. Although 22 Station has not received a renewal offer, this is anticipated. 22 Station is seeking additional Property and Casualty (P&C) Insurance policy offers. As of the publication of this disclosure package, 22 Station has not contracted for a P&C policy for 2026-27. 22 Station will disclose this information separately when available. The coverages and premiums may be different, and deductible may be higher.

The Associations Fidelity/Crime coverage with Hanover, with a $3.25MM limit, is valid through April 1, 2028. Coverage for General Liability, Umbrella and D&O expire on July 1, 2026. Renewals are being sought and an updated summary of insurance will be sent to owners once these policies are bound.

This summary of the Association's policies of insurance should not be considered a substitute for the complete policy and terms and conditions contained in the policies of insurance. Any Association member may upon request and payment of reasonable duplication charges, obtain copies of these policies. Although the Association maintains the policies of insurance specified in this summary, the Association's policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage. To manage risk prudently, Homeowners should, and are expected, to have HO6 insurance.

22 Station Owners Association, Inc.

PO Box 2635
Olympic Valley, CA 96146

May 31st, 2026

Earthquake Insurance Disclosure Statement

The 22 Station Association insurance policy does not have an Earthquake endorsement. The 22 Station Association since inception has not had an Earthquake endorsement, even though the CC&R's state that the Association shall carry Earthquake insurance unless a Majority of the Owners elect not to carry such insurance.

The CC&R's also state that the Board has the power and right to deviate from the insurance requirements in any manner that the Board, in its discretion, to be in the best interests of the Association.

Board has requested Earthquake endorsement proposals from the 22 Station insurance broker. For $10 million of coverage, the annual premium would be $80,000 and the deductible would be $4.0 million. If HOA purchased an Earthquake endorsement and filed a claim in the event of damages caused by an earthquake, any claim would have to exceed the deductible, and any claim payment from the insurance company would be less the deductible. The deductible amount would be recovered by a Special Assessment to be paid by all Homeowners.

After reviewing the terms of the Earthquake endorsement, the Board concluded that it was not in the best interests of the Association to purchase the Earthquake endorsement, and the Association will continue to self-insure Earthquake risk.

22 STATION OWNERS' ASSOCIATION

FHA Statement

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 a condominium project. As of May 28, 2026, the association of this common interest development is not certified by the Federal Housing Administration.

VA Statement

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 a condominium project. As of May 28, 2026, the association of this common interest development is not certified by the federal Department of Veterans Affairs.

For additional info, please visit:

- FHA Website: https://entp.hud.gov/idapp/html/condlook.cfm
- VA Website: https://lgy.va.gov/lgyhub/

22 STATION OWNERS ASSOCIATION
NOTICE TO HOMEOWNERS

1. NOTICE OF PERSON RECEIVING COMMUNICATIONS TO THE ASSOCIATION

Civil Code Section 4035 Document Delivery to Association

- If a provision of this act requires that a document be delivered to an association, the document shall be delivered to the person designated in the annual policy statement, prepared pursuant to Section 5310, to receive documents on behalf of the association. If no person has been designated to receive documents, the document shall be delivered to the president or secretary of the association.
- A document delivered pursuant to this section may be delivered by any of the following methods:
  - By email, facsimile, or other electronic means, if the association has assented to that method of delivery.
  - 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.
  - By first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service center
  - Stacia Lange is the individual designated to receive 22 Station Owner Association documents
    - Email: stacialange@palisadestahoe.com
    - Mail: Attn: Stacia Lange
22 Station Owners Association
1750 Village East Rd
P.O. Box 2635
Olympic Valley, CA 96146
    - Physical Delivery can be made via the Front Desk at the above address.

2. NOTICE OF RIGHT TO REQUEST ALTERNATIVE MAILING ADDRESS

Civil Code Section 4040 Notice or Delivery to Individuals

- If a provision of this act requires that an association deliver a document by “individual delivery” or “individual notice,” the document shall be delivered by one of the following methods:
  - 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.
  - Email, facsimile, or other electronic means, if the recipient has consented, in writing or by email, to that method of delivery. The consent may be revoked, in writing or by email, by the recipient
- Members may submit a request to have the association documents and notices sent to up to two (2) different specified addresses.

- Request for a second address must be sent in writing to Stacia Lange.
    - Email: stacialange@palisadestahoe.com
    - Mail: Attn: Stacia Lange
      22 Station Owners Association
      1750 Village East Rd
      P.O. Box 2635
      Olympic Valley, CA 96146

3. Notice of Location for Posting of General Notice and Notice to Receive General Notices by Individual Delivery

Civil Code Section 4045 General Delivery or Notice

- If a provision of this act requires "general delivery" or "general notice," the document shall be provided by one or more of the following methods:
    - Any method provided for delivery of an individual notice pursuant to Section 4040.
    - Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this section.
    - Posting the printed document in a prominent location that is accessible to all members, if the location has been designated for the posting of general notices by the association in the annual policy statement. 22 Station does not have a physical posting location.
    - If the association maintains an internet website for the purpose of distributing information on association business to its members, by posting the notice on the association's internet website in a prominent location that is accessible to all members if designated as a location for posting general notices in the annual policy statement prepared pursuant to Section 5310. General notices may be posted to the 22 Station website: https://22station.com/documents/
- Notwithstanding subdivision (a), if a member requests to receive general notices by individual delivery, all general notices to that member, given under this section, shall be delivered pursuant to Section 4040. The option provided in this subdivision shall be described in the annual policy statement, prepared pursuant to Section 5310
- To request individual delivery of general notices please provide request in writing to Stacia Lange.
    - Email: stacialange@palisadestahoe.com
    - Mail: Attn: Stacia Lange
      22 Station Owners Association
      1750 Village East Rd
      P.O. Box 2635
      Olympic Valley, CA 96146

4. Notice of Right to Receive Copies of Meeting Minutes

Civil Code Section 4950 General Delivery or Notice

- The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any board meeting, other than an executive session, shall be available to members within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any member upon request and upon reimbursement of the association's costs for making that distribution.

- Village HOA's email all approved minutes to members the month following approval.
- Owners requesting minutes per this notice may do so by emailing stacialange@palisadestahoe.com

5. Notice of Priority of Assessment Payments; Receipts; Overnight Payment

Civil Code Section 5655 Priority of Assessment Payments; Receipts; Overnight Payment

- Any payments made by the owner of a separate interest toward a debt described in subdivision (a) of Section 5650 shall first be applied to the assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest.
- When an owner makes a payment, the owner may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it.
- The association shall provide a mailing address for overnight payment of assessments and the address shall be provided in the annual policy statement.
  - The address to send payments via US Mail is:
    22 Station Owners Association
    P.O. Box 2635
    Olympic Valley, CA 96146
  - If sending payments overnight via a courier such as UPS or FedEx:
    Attn: Stacia Lange
    22 Station Owners Association
    1750 Village East Rd
    Olympic Valley, CA 96146

6. Procedure for Opting Out of Electronic Voting

Civil Code Section 5105 Election Rules

- The Association allows electronic voting. The Association has selected electronic voting as the default voting method for all homeowners.
- Election rules are available on the Association website at https://sites.google.com/view/firstascentoa/governing-documents.
- Any homeowner can choose to vote by paper ballot instead of electronically by completing the Paper Voting Opt-In Form on the Associations website at https://sites.google.com/view/firstascentoa/applications-forms and returning this form to the manager via US Mail before the statutory deadline.
  - The address to send the Paper Voting Opt-In Form vial US Mail is:
    Attn: Stacia Lange
    22 Station Owners Association
    PO Box 2635
    Olympic Valley, CA 96146

22 Station Owners Association

Delinquency Payment and Amenity Suspension Policies

Delinquent Payment Policy

Regular, Special, Limited, Property Tax and Default Assessments levied pursuant to the Associations Documents are delinquent if not paid within fifteen (15) days after they become due. If an Assessment is delinquent, the Association my recover all of the following:

a) the amount of the delinquent assessment

b) reasonable costs incurred in collecting the delinquent Assessment, including reasonable attorney's fees

c) A late charge not exceeding ten percent (10%) of the delinquent Assessment or Ten Dollars ($10.00), whichever is greater, and

d) interest on any delinquent Assessment and on reasonable costs of collection and late charges at an annual percentage rate equal to the lesser of (i) twelve percent (12%) or (ii) the highest rate allowable in accordance with the then applicable usury laws of the State of California, commencing thirty (30) days after the Assessment become due and continuing until paid.

An account that is 2 quarters past due will be sent to collection provided the past due amount is $1,800.00 or greater.

Amenity Suspension Policy

An Amenity Suspension Hearings will be held for account(s) that are not paying their regular and/or special assessments to the 22 Station Owners Association (Association).

The hearings will be held to determine whether to proceed with the next steps of enforcement which may include suspending privileges to use the Common Areas, included but not limited to whirlpool spas, sauna and fitness room and also the privilege to participate in Association affairs, including, but not limited to telephone, cable and internet access. These steps are authorized by the Association's CC&Rs Section 17.01(b)

Notification of the Amenity Suspension Hearing will be sent to homeowner(s) at least ten (10) days prior to the hearing and will include date, time and location of the hearings. At the hearings, homeowners will be given the opportunity to provide information in their defense, and the hearings will be held regardless of whether homeowners attend. And within fifteen (15) days of the hearings, homeowners will receive a letter advising them of the Board’s decision

These board hearings and any enforcement steps that Association takes as a result of the hearings are separate and distinct from, and have no effect whatsoever on, any action that the Association or its agents may have taken, may be taking, or may take with respect to collecting delinquent assessments from you, including, but not limited to, filing a lawsuit against you and recording and foreclosing on a lien against your unit.

22 STATION HOME OWNERS ASSOCIATION
ASSESSMENT COLLECTION POLICY

Each year your Association is obligated to distribute to its Members a statement of the Association's policies and practices in enforcing its legal right to collect assessments from Members who do not pay those assessments in a timely fashion. This Policy is being sent to you in compliance with that law.

1. **Summary of Association Assessment Authority Generally.**

Associations have a legal obligation to levy assessments: Civil Code section 1366(a) imposes an obligation on community associations to levy regular and special assessments on their members in amounts that are sufficient to perform the association's obligations under the governing documents and the Davis-Stirling Common Interest Development Act. Regular assessment increases typically occur on an annual basis as part of the routine budgeting process. Civil Code section 1365 requires that community associations distribute a budget to all members of the association not less than 45 or more than 60 days prior to the beginning of the fiscal year.

Limits on Board authority to levy regular and special assessments: Special assessments, by their nature, can either be imposed during the annual budget cycle to fund a non-recurring or extraordinary expense or such assessments can be levied at other times during the year when unanticipated expenses arise. So long as the Board of Directors makes a timely distribution of the annual budget, the Board has the discretion in any fiscal year to increase the regular assessment by as much as 20% over the amount of the regular assessment imposed during the immediately prior year. This authority to increase the regular assessment by any amount that is less than twenty percent more than the prior year's assessment can be exercised by the Board without necessity of obtaining member approval for the increase. Board-imposed special assessments cannot exceed (in the aggregate during any fiscal year) five percent of the association's budgeted gross expenses for the year in which the special assessment(s) is/are imposed.

Member approval requirements for certain assessments: Regular assessment increases and special assessments in excess of these percentage caps must be approved by the members. The required affirmative vote is a majority of the members who cast ballots, when ballots are received from at least fifty percent of all members. The Board of Directors of a community association is also prevented from increasing the amount of the regular assessment levied against its members without first obtaining member approval if the Board fails to distribute a budget to all members within the 15 day window prior to the beginning of the fiscal year that is imposed by section 1365(a) of the Civil Code.

The exception for "emergency assessments": An exception to these member approval requirements is carved out by Civil Code section 1366(b) for any assessment that would otherwise be a special assessment that the Board must levy to respond to an "emergency situation". The Code then identifies three types of emergency situations, namely (i) an extraordinary expense ordered by a court; (ii) an extraordinary expense that is needed to repair or maintain any portions of the development for which the association is responsible where a threat to personal safety is discovered; or (iii) an extraordinary expense needed to repair or maintain any portion of the development for which the association is responsible that could not have been reasonably foreseen by the board when it prepared and distributed the annual budget to the members. If the Board relies on this last type of "emergency situation" as a justification for imposing an assessment without member approval, the Board must adopt a resolution containing findings as to the necessity of the extraordinary expense and why the expense could not have been reasonably foreseen at the time the budget was prepared and distributed. All members must receive a copy of that resolution at they time they receive their notice of the assessment.

2. **Obligation to Notify Members of Regular Assessment Increases and Special Assessments.** Before your Board of Directors can increase the amount of the annual regular assessment or levy and collect a

special assessment from the members, the Association must first give all members a notice of the increase in the regular assessment or of the levy the special assessment. That notice must be given by first class mail not less than 30 or more than 60 days prior to the due date (Civil Code section 1366(d)). In the case of regular assessment increases, that notice would typically come as part of the annual budget distributed to all owners not less than 45 or more than 60 days prior to the beginning of the fiscal year (Civil Code section 1365; see paragraph 1, above). Because Civil Code section 1365 does not mandate that the annual budget of community associations be sent by first class mail, a separate mailing will be required to comply with the pre-assessment notice requirement if the budget is, for example, delivered to each member personally.

3. **Annual Obligation to Notify Members of the Association's Lien and Assessment Collection Procedures:** Civil Code section 1365(d) requires community associations to provide their members with a statement describing the association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of association assessments. This statement is in addition to the Civil Code 1365.1 notice described in paragraph 15 of this Policy and, like that statutory notice, this statement of collection policies and practices must be delivered to the members of our Association during the 60 day period immediately prior to the beginning of the Association's fiscal year. This document is intended to comply with both Civil Code sections 1365(d) and 1365.1.

4. **When Do Levied Assessments Become Delinquent?** The earliest permissible due date for a regular or special assessment is 15 days after the notice of assessment is given, unless the declaration of CC&Rs provides a longer time period for payment, in which case the longer time period shall apply (Civil Code section 1366(e)). The Declaration of CC&Rs for this development states that assessments are delinquent 15 days after the due date.

5. **What Expenses and Fees Can Be Recovered From a Delinquent Owner During the Assessment Collection Process?** Once an assessment becomes delinquent, your Association is entitled, by both the Davis-Stirling Act and our governing documents, to recover the following sums from you (Civil Code sections 1366(e) and 1367.1(d)):

(A) the amount of the delinquent assessment;

(B) reasonable costs incurred to collect the assessment (including reasonable attorney's fees).

(C) a late charge not exceeding 10 percent of the amount of the delinquent assessment or $10.00, whichever is greater;

(D) interest on all sums (assessments, costs, late charges and legal fees) at a rate not in excess of 12 percent per annum. Interest begins to accrue from and after the time the delinquent assessment is 30 days past due.

6. **Regardless of Whether the Association Records a Lien On Your Property During the Collection of Past-Due Assessments, All Owners Have a Personal Obligation to Pay Assessments and Charges.** Regular and special assessments, together with late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, determined in accordance with Civil Code section 1366, are a debt of the owner of the separate interest at the time that the assessment or other sums are levied (Civil Code section 1367(a)). Once delinquent, the assessment and other permitted costs of collection only become a lien on the owner's separate interest when a Notice of Assessment Lien is recorded in the Office of the County Recorder against the separate interest. Because these assessments and related charges constitute a personal obligation of each owner, the association has a right to look to the owner, personally, to pay the debt and may pursue collection of that debt in a court action (typically a small claims court proceeding). Your Association is not limited to seeking recovery of the delinquent assessment from the sale of the owner's lot in foreclosure.

7. Prerequisites for Recording a Notice of Delinquent Assessment; 30 Day Pre-Lien Notice to the Delinquent Owner. Before a Notice of Delinquent Assessment can be recorded in the chain of title to the lot or unit of a delinquent owner, the owner's association must send the owner a certified notice providing information regarding the sums claimed as being delinquent (Civil Code section 1367.1(a)). No lien can be recorded until 30 days after this notice has been given. This certified notice from the Association must include the following information:

(A) a general description of the collection and lien enforcement procedures of the Association and the method of calculation of the amount that is claimed to be owed (this summary of assessment collection procedures is intended to satisfy that disclosure requirement).

(B) a statement that the notified owner has the right to inspect the Association's records pursuant to Corporations Code section 8333;

(C) a statement in 14-point capital letters (or boldface type): **"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS. IT MAY BE SOLD WITHOUT COURT ACTION"**;

(D) an itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorneys fees, and late charges, and interest, if any;

(E) a statement that the owner shall not be liable to pay the charges, interests and costs of collection if it is determined that the assessment was paid on time to the association;

(F) a statement that the notified owner has a right to meet with the board (see part 9, below).

8. Application of Payments Made On Account of Delinquent Assessments. When an owner makes any payments on account of delinquent assessments and other amounts claimed as due and owing, the association must first apply the payment in reduction of the amount of delinquent assessments, and only after the assessment delinquency is paid in full can payments be applied to the fees and other costs (Civil Code section 1367.1(b)). With each payment the owner can request, and the association must provide, a receipt indicating the date of the payment and the person to whom the payment was made. The association must also provide its members with a mailing address for overnight payment of assessments. In the case of your Association, that overnight mailing address is as follows: 22 Station Owners Association, 1750 Village East Rd, PO Box 2025, Olympic Valley, CA 96146.

9. Owner's Right to Dispute Delinquency Amount or to Request a Meeting With the Board. Upon receipt of the section 1367.1(a) certified notice described in paragraph 7, above, the noticed owner has two possible courses of action that can be taken at this point in the collection process, namely:

(A) the owner has the right to dispute the debt stated in the pre-lien notice by submitting to the board of directors a written explanation of the reasons for his or her dispute regarding the claimed assessment delinquencies. The statute does not state a time limit on the right of an owner to provide this written explanation to the Board. However the statute states that the board has 15 days to respond, in writing, to the owner's protest (with the time period being computed the date of the postmark of the owner's explanation (if mailed) or within 15 days of receipt of the explanation) (Civil Code section 1367.1(c)); and/or

(B) the noticed owner has a right to request a meeting with the board of directors to discuss a payment plan for the delinquent assessment so long as the request for a meeting is made within 15 days following the postmark on the association's pre-lien notice to the owner (Ibid). That meeting must take place within 45 days (calculated from the postmark on the owner's request) and must be conducted in executive session (see discussion below). When an owner has made a timely request for a meeting to discuss a payment plan, the association must provide the requesting owner with the association's standards for payment plans, if any standards have been adopted. There is no statutory authorization for the board to delegate this meeting obligation to a property manager, but the board can designate a committee of one or more members to meet with the owner if there is no regularly scheduled board meeting that is scheduled to occur within 45 days of the owner's request. This right to demand a meeting with the board of directors is not available to developer/owners who are selling lots pursuant to a Department of Real Estate Public Report and yet become delinquent in the payment of assessments.

The meet and confer option that is now provided under Civil Code section 1367.1(c) is in addition to the owner's right to pay the delinquent sums under protest pursuant to Civil Code section 1366.3 (see part 11, below). That option to pay the claimed amounts under protest does not arise until after the Association has recorded a Notice of Delinquent Assessment (see next paragraph).

10. <u>**Association's Right to Record a Notice of Delinquent Assessment.**</u> Thirty days following the mailing by the Association to the defaulting owner of the certified pre-lien demand notice required by Civil Code section 1367.1(a) (see part 7, above), the Association is entitled to record, in the county where the development is located, a Notice of Delinquent Assessment (Civil Code section 1367.1(d)). This is the document that creates a lien against the delinquent owner's separate interest (lot or unit). Certain penalty assessments may not be collected by the use of lien and foreclosure remedies (see part 13, below). For all other assessments and sums that can be collected through the use of lien and foreclosure remedies, the recorded Notice of Delinquent Assessment which begins the lien process must include all of the following information:

(A) the amount of the assessment and the other sums that have been charged in accordance with Civil Code section 1366(e);

(B) a legal description of the owner's separate interest that is being liened;

(C) the name of the record owner(s) of that separate interest; and

(D) in order for the lien to be enforced by nonjudicial foreclosure as provided in Civil Code section 1367.1(g), the name and address of the trustee authorized by the association to enforce the lien by sale.

(E) The Notice of Delinquent Assessment must be signed by the person designated in the CC&Rs as having that authority, by the president of the Association, or by a person who is designated by the association as having authority to sign and record the Notice on behalf of the Association.

(F) The Notice of Delinquent Assessment must be mailed to all record owners of the liened separate interest within 10 days after its recordation. That mailing must be by registered or certified mail.

11. <u>**Owner's Option, Following Recordation of Notice of Delinquent Assessment, of Paying Amounts Claimed Due Under Protest.**</u> For a period of 30 days following the date when the Notice of Delinquent Assessment is recorded, no further action can be taken by the Association to enforce the lien. This 30 day forbearance requirement is stated in Civil Code section 1367.1(g) and is also implied by the fact that the owner(s) whose property is subjected to the lien have/has the right to pay the full amount of all liened assessments and other charges under protest. That right to pay the disputed amounts under protest must be tendered to the association by certified mail within 30 days from recordation of the association's Notice of Delinquent Assessment. The protest letter must be accompanied by payment of (A) the amount of the assessment in dispute; (B) the late charges imposed through the date of payment; (C) accrued and unpaid interest; and (D) all reasonable costs of collection and attorney's fees not to exceed $425.00. (Civil Code section 1366.3)

Upon receipt of a timely payment under protest, the Association is obligated to inform the owner that the owner has the right to resolve the dispute through the use of alternative dispute resolution as set forth in Civil Code section 1354 or through the use of other procedures to resolve the dispute that may be available through the association. Owners who are delinquent in the payment of assessments can only utilize this payment under protest procedure two times in any calendar year or three times in any five calendar years, unless the owner and the Association mutually agree to further ADR proceedings. If the ADR process results in a determination in favor of the owner (i.e., that the assessment levy was not done properly), the owner is entitled to an award of reasonable interest (no specific rate is stated) to be paid by the association on the total amount the owner paid under protest (Civil Code section 1366.3(b)). The Civil Code section 1354 ADR process may be binding or non-binding, depending on the proposal advanced by the proponent party and the ADR process begins with the service of a document termed a "Request for Resolution" that must include certain stated information. Once served, the Request for Resolution must be met with an acceptance or rejection of the ADR proposal from the receiving party within 30 days. If the ADR proposal is accepted, the statute contemplates a 90 day ADR process and if the proposal is rejected, the propounding party is free to seek redress by court action. It is the policy of this Association that any owner who exercises these payment under protest rights must include in his or her payment-under-protest notice, either a Request for Resolution that proposes a specific form of ADR or, in the alternative, a notice that the protesting owner would like to appear before the Board of Directors in the manner contemplated by paragraphs 9(A) or 9(B) of these collection policies. If the owner does not indicate a preference in his or her protest notice, the Association shall assume that the owner wishes to appear before the Board and the owner shall be notified of the date, time and location of that hearing.

12. <u>Pursuit of Non-Judicial Foreclosure to Collect Assessments.</u> Once all of these pre-foreclosure notice and hearing procedures have been satisfied (paragraphs 7 through 11, above) and a period of 30 days has elapsed since the Notice of Delinquent Assessment was recorded, the Association is authorized to enforce the lien through any means permitted by law, including sale by the court, sale by the trustee designated in the Notice of Delinquent Assessment, or sale by a trustee substituted pursuant to Civil Code section 2934(a) (Civil Code section 1367.1(g)). Any sale by a trustee in a non-judicial foreclosure must be conducted in accordance with Civil Code section 2924, 2924b and 2924c, applicable to the exercise of powers of sale in a mortgage or deed of trust and the fees of the trustee may not exceed the amounts prescribed in Civil Code section 2924c and 2924d.

Non-judicial foreclosure is a very detailed process which permits the trustee identified in the Association's Notice of Delinquent Assessment to sell the liened separate interest without necessity of filing a judicial foreclosure action in the Superior Court. The process begins with the recording of a Notice of Default (Civil Code section 2924c(b)). That recorded notice is then served on the owners of record of the property and other persons who have recorded a request for a copy of any Notice of Default. Once the Notice is recorded, a period of three months must elapse before a Notice of Sale can be recorded and served. During that period, the delinquent owner has a right to stop the process by paying the amounts in default in full (Civil Code section 2924c(a)). Once the three months have passed, the trustee can give Notice of Sale for a date that is at least 20 days later in accordance with very specific publication, posting and recording requirements imposed by Civil Code section 2924 f(b). The foreclosure statutes also provide for postponements of the process. Ultimately, if the trustee's sale proceeds it is conducted as a public auction in the county in which the separate interest is located, during normal business hours on any business day. **ANY OWNER WHOSE SEPARATE INTEREST IS IN FORECLOSURE IS URGED TO CONSULT WITH COMPETENT LEGAL COUNSEL OF THE OWNER'S SELECTION IN ORDER TO BE PROPERLY ADVISED OF THE OWNER'S RIGHTS AND OPTIONS AND THE TECHNICAL REQUIREMENTS OF THE FORECLOSURE PROCESS.**

13. <u>**Limitations on the Use of Non-Judicial Foreclosure to Collect Certain Monetary Charges or Penalty Assessments.**</u>

(A) <u>Limitations During the Period of Developer Control:</u> For so long as any separate interests in a common interest development are being sold pursuant to a Public Report issued by the California Department of Real Estate, any monetary penalty imposed by a community association as a disciplinary measure for a member's failure to comply with the development's governing documents or as a means of reimbursing the association for costs incurred by the association in the repair of damage to common areas and facilities by a member, or in bringing the member and his or her separate interest into compliance with the governing documents may not be characterized as an assessment that may become a lien against the member's separate interest that may be enforceable by a sale of the interest in accordance with the non-judicial foreclosure provisions of Civil Code sections 2924, 2924(b), and 2924(c). 10 Cal. Code of Regs. Section 2792.26(c). Assessment collection costs, late payment penalties and interest charges on delinquent assessments are not subject to this limitation. This Association **IS** _______ **IS NOT** ___**X**_____ under developer control as of the date of the distribution date of these procedures.

(B) Limitations Following the Period of Developer Control. Once all sales of subdivision interests pursuant to a Public Report have ended, Civil Code section 1367.1 (d) (now section 1367(b)) prohibits monetary charges imposed by an association as a means of reimbursing the association imposed by the association as a disciplinary measure for failure of a member to comply with the governing documents of the development (other than late payments for delinquent assessments) from being characterized or treated in the governing documents as an assessment that may become a lien against the owner's separate interest enforceable by non-judicial foreclosure pursuant to Civil Code sections 2924, 2924(b) and 2924(c). However the same Civil Code section permits the use of lien and non-judicial foreclosure remedies to collect monetary charges imposed by the association as a means of reimbursing the association for costs incurred by he association in the repair of damage to common areas and common facilities for which the member or the members' guests or tenants were responsible, BUT only if the governing documents specifically state that such lien and foreclosure remedies can be used.

14. Alternative of Pursuing Collection in a Small Claims Court Proceeding. Both Civil Code section 1367 (f) and 1367.1(h) permit community associations to sue delinquent owners personally (rather than pursuing lien and foreclosure remedies) or to take a deed in lieu of foreclosure on account of delinquent assessments. Due to the fact that most assessment collections involve amounts that are under $5000, the typical judicial remedy would be a small claims court action.

15. Consequences of Failing to Follow the Statutorily Mandated Notice and Other Procedures That Are a Prerequisite to Lien Recordation. If it is determined that a community association's lien previously recorded against an owner's separate interest was recorded on error, the parity who recorded the lien [typically the association] must, within 21 calendar days, record or cause to be recorded in the office of the County Recorder a lien release or notice of rescission and provide the owner of the separate interest with a declaration that the lien filing and recording was in error and a copy of the lien release or notice of rescission.

16. Annual Notice to Members of Assessment and Assessment Collection Rules: In support of the Civil Code assessment collection and enforcement rules summarized above, Civil Code section 1365.1 requires community associations to distribute to each member, during the 60 day period immediately preceding the beginning of the association's fiscal year, of a notice, printed in 12-point type, that reads as set forth in **Exhibit "A"** of this Collection Policy.

EXHIBIT "A"

CIVIL CODE SECTION 1365.1 NOTICE REGARDING COMMUNITY ASSOCIATION ASSESSMENT RIGHTS AND FORECLOSURE AND OTHER COLLECTION REMEDIES

Civil Code section 1365.1 requires that the following notice be provided to each member of an association operating within a California common interest development (as defined in Civil Code section 1351) during the 60-day period immediately preceding the beginning of the association's fiscal year. This notice must be printed in at least 12 point type:

NOTICE
ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND NONJUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as nonjudicial foreclosure. When using 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 lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (Sections 1366 and 1367.1 of the Civil Code)

In a 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. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of calculation the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (Section 1367.1 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is require to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

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

PAYMENTS

When an owner makes a payment, 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. (Section 1367.1 of the Civil Code)

An owner may dispute an assessment debt by giving the board of the association a written explanation, and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (Sections 1366.3 and 1367.1 of the Civil Code)

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association if they exist. (Section 1367.1 of the Civil Code)

SUMMARY OF CALIFORNIA STATUTES RELATING TO ALTERNATIVE DISPUTE RESOLUTION AND OF THE INTERNAL DISPUTE RESOLUTION PROCEDURES OF
22 STATION OWNERS ASSOCIATION, INC.

SUMMARY OF CALIFORNIA CIVIL CODE <u>SECTIONS 1369.510 THROUGH 1369.590.</u>

PLEASE TAKE NOTICE: California Civil Code Sections 1369.510 through 1369.590 address your rights to sue the association or another member of the association regarding the enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act. The following is a summary of the provisions of Civil Code Sections 1369.510 through 1369.590, as enacted effective January 1, 2005.

In general, Civil Code Sections 1369.510 through 1369.590 encourage~~s~~ parties to a dispute involving enforcement of an association's governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act to submit the dispute to a form of alternative dispute resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost-effective resolution of such disputes, to better preserve community cohesiveness and to channel disputes away from our state's court system.

Under Civil Code Sections 1369.510 through 1369.590, the form of alternative dispute resolution may be binding or non-binding and the costs will be borne equally or as agreed to by the parties involved.

Any party to a dispute regarding enforcement of the governing documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act may initiate the process of ADR by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (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.

If the Request is accepted, the ADR must be completed within 90 days of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to the owner of a separate interest must include a copy of Civil Code Chapter 7, Article 2 (Alternative Dispute Resolution), Sections 1369.510 et seq., in its entirety.

FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 1369.520 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.

Should the association or an individual member wish to file a lawsuit for enforcement of the association's governing documents that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits of small claims court (as of January 1, 2012, ten thousand dollars ($10,000) for individuals or five thousand dollars ($5,000) for homeowner associations), the law requires the association or the individual to file a certificate with the court stating that one or more of the following conditions has been satisfied: (1) ADR has been completed in accordance with the statute; (2) one of the other parties to the dispute did not accept ADR; and/or (3) preliminary or injunctive relief is necessary. Failure to file this certificate can be grounds for dismissing the lawsuit. There are limited exceptions to the filing of this required certificate for small claims actions, or some assessment disputes.

Furthermore, in any lawsuit to enforce the governing documents, while the prevailing party may be awarded attorney's fees and costs, under Civil Code 1354, the court may consider <u>any</u> party's refusal to participate in ADR prior to the lawsuit being filed when it determines the amount of the award.

SUMMARY OF INTERNAL DISPUTE RESOLUTION PROCEDURES FOR 22 STATION OWNERS ASSOCIATION, INC.

Pursuant to Civil Code Section 1363.840 (Civil Code Section 1363.810, et seq.), either the Association or a Homeowner who is involved in a dispute regarding the Governing Documents, the non-profit mutual benefit corporation law, and/or the Davis-Stirling Common Interest Development Act may invoke the following procedure, which supplements the pre-litigation procedures described above (it does not replace such procedures):

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The association's board of directors shall designate a member of the board to meet and confer.

(4) 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.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

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

(i) The agreement is not in conflict with California law or the governing documents of the association.

(ii) 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.

(7) A member of the association may not be charged a fee to participate in the process.

22 STATION OWNERS ASSOCIATION, INC.
UNIT RENOVATION/ALTERATION PROCEDURE/SUBMISSION FORM

Background

Owners may improve or alter any improvements within the interior boundaries of their Unit provided that they do not impair the structural or acoustical integrity of any Common Area, any utilities or other systems servicing any portion of the Unit or any other Unit. (Section 10.06(e) of CCRs)

Procedure

To enable the 22 Station Board of Directors (Directors) to confirm compliance with the above, owner(s) wishing to renovate their unit(s) must submit to Directors:

- Completed Renovation/Alteration Form
- Proposed Renovation/Alteration Plans and Specifications
- Samples and/or brochures for any flooring changes, if applicable
- Proposed Commencement Date & Completion Date

Examples of renovations/alterations that require Board approval are:

- Installation of Hardwood Flooring
- Installation or Renovation of Tile/Slate Flooring
- Installation of Carpeting
- Renovation/Alteration pertaining to Electrical
- Renovation/Alteration pertaining to Plumbing
- Removal off door(s), walls, etc.

Note: *For flooring changes, flooring systems (subfloor, underlayment and flooring) must have an IIC (Impact Insulation Class) rating of >70.*

*A renovation that involves modification to any common areas owned by 22 Station Owners Association, may necessitate the owner(s) to execute a Construction and Maintenance Agreement with the 22 Station Owners Association.

The Board will forward notification of approval or disapproval. Approval notification will include

- Conditions of Approval, if any
- Commencement Date
- Completion Date
- Days of Operation
- Hours of Operation

Insurance

Evidence of Insurance must be provided to the Property Manager prior to commencement of work. Owner(s)'s contractor shall carry the following occurrence base Comprehensive General Liability or Commercial General Liability. Limits of liability for shall be:

Comprehensive General Liability

Not less than combined single limit for bodily injury, property damage and personal injury liability of $1,000,000 each occurrence and $1,000,000 aggregate.

Commercial General Liability, not less than:

- $1,000,000 each occurrence (combined single limit of bodily injury and property damage)
- $1,000,000 for personal injury liability
- $1,000,000 aggregate for products completed operations
- $1,000,000 general aggregate

Also required by Owner's contractor:

- Comprehensive Automobile Insurance Policy @ $1M
- Worker's Compensation Insurance Policy @ $1M

Any additions or changes (tenant improvements and betterments) made to any unit are not covered by the 22 Station Owners Association's insurance. In the event of catastrophe, the unit will be replaced as built. Coverage for any improvements or betterments is to be included in individual owner(s)'s personal insurance policy.

Additional Insured/Certificates of Insurance

22 Station Owners Association- PO Box 2635, Olympic Valley, CA 96146

Palisades Tahoe Hospitality (22 Station's Prop. Mgr.) PO Box 2025, Olympic Valley, CA

Palisades Village Neighborhood Company- PO Box 3735, Olympic Valley, CA 96146

Required Permits

It is the owner's responsibility to obtain required city and/or county building permits and any costs associated with the permits shall be borne by the owner(s) of the unit.

Construction Materials/ Debris

- Owner(s) and/or Contractor will not store any construction material, tools, furniture, etc., within any common area(s) of 22 Station Association's building(s), including the P1 garage area.
- Owner(s) and/or Contractor will remove any and all construction debris from the property at their expense and will not utilize residential or commercial dumpsters for trash or cardboard associated with the project.
- Contractor will be responsible for keeping common area hallways, elevators, garage, etc. clean of any construction material being used. Should PTH housekeeping or PVNC (for garage areas) need to perform additional clean-up, homeowner will be notified and charged accordingly.

Construction Parking

Owner(s) and/or contractors are limited to one unassigned parking space within the P1 garage area and will display a valid Owner or temporary parking permit so that we can identify all vehicles. During non peak periods, Owner(s) and/or Contractors may request access to an additional parking space if needed.

Construction Costs

- The cost of construction for the renovation shall be borne by the owner(s) of the unit.

Timeframes allowed for construction

- September 1 thru November 15
- April 15 thru June 15
- Between the hours of 9am-5pm, Monday-Friday
- No construction during holiday time periods
- No construction allowed on weekends
- ***Construction noise not to impact owner(s) and/or guest(s)…***

**Exceptions will be made on a case by case basis*

Owner/Unit #:____
Print name

Owner:____
Signature/Date

Contractor:____
Print name

Contractor:____
Signature/Date

22 STATION OWNERS ASSOCIATION, INC.
ARCHITECTURAL COMMITTEE APPLICATION

Owner ____

Address ____ Unit # _______________

Date ____Phone #________________

(PLEASE PROVIDE SAMPLES AND BROCHURES FOR ANY FLOORING CHANGES)

Submittal to the Architectural Committee, along with plans, for permission to:

DECISION

( ) Approved

( ) Disapproved

( ) Approved, subject to the following conditions in attached letter.

By ________________________________ Date _____________________

By ________________________________ Date _____________________

By ________________________________ Date _____________________

*P.O. Box 2635; Olympic Valley, CA96146 * Phone: 530-584-6232; fax: 530 584-6290*

May 2024