2026 Budget, Reserve Study
and Membership Disclosures

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Introduction: The Budgeting Process & 2026 Assessment Information

Each year, the LMVA Board of Directors (Board) prepares an annual budget that estimates the association's revenue and expenses for the upcoming year. This estimation is based on several factors, including the past year's expenses, historical averages, recurring contract costs, utility usage and rates, and the appropriate savings (reserves) each month.

For the 2026 fiscal year, the Board has determined that an increase of 7.8% is required to responsibly meet the Association's financial needs. Effective January 1, 2026, the bi-annual assessment for all Lake Mission Viejo Association homes will be $193.

The following are key factors contributing to the need for this year's assessment increase:

- Repair and Replacement of original Lake and dam components
- Capital Funding of the water treatment project
- Replacement of obsolete technology and systems
- Payroll increase due to minimum wage inceases and merit increases
- Increase insurance costs
- Replenishing reserve funding used for repair and replacement of aging assets.

Lake Mission Viejo ASSOCIATION

2026 ANNUAL BUDGET

	OPERATING REVENUE		
3010	MEMBERSHIP ASSESSMENTS	$	9,671,777
3015	LAKE FRONTAGE FEES	$	91,609
3020	BOAT STORAGE FEES	$	78,950
3025	BOAT RENTALS	$	281,000
3030	RETAIL MERCHANDISE SALES	$	17,800
3035	PASSES & PERMITS	$	174,000
3038	FACILITY USAGE FEES	$	144,000
3043	VENDING MACHINE SALES	$	2,800
3050	REVENUE - OTHER	$	646,000
3055	MEMBER SERVICES REVENUE	$	16,750
3060	INTEREST INCOME	$	435,000
3070	CONTRACT PROGRAMS	$	47,000
3080	RECREATION - REVENUE	$	102,500
3095	CONCERTS - REVENUE	$	72,000
	TOTAL REVENUES	$	11,781,186
	COST OF SALES		
4010	SALES OFFICE COST OF SALES	$	13,350
4050	RECREATION COST OF SALES	$	35,875
	TOTAL COST OF SALES	$	49,225
	GROSS MARGIN	$	11,731,961
	OPERATING EXPENSES		
5001	FULL TIME PAYROLL	$	1,971,990
5007	PART TIME PAYROLL	$	2,132,342
5009	OVERTIME WAGES	$	26,000
5010	GROUP INSURANCE	$	479,973
5011	PAYROLL EXPENSES	$	419,782
5012	401K	$	78,000
5013	WORKERS COMP	$	170,004
5014	EMPLOYEE RELATIONS	$	26,450
5015	EMPLOYEE DEVELOPMENT	$	15,720
5016	HUMAN RESOURCES	$	22,420
5020	VEHICLE EXPENSES	$	6,500
5022	GASOLINE BULK PURCHASES	$	19,400
5023	TRAVEL	$	1,750
5024	OFFICE SUPPLIES	$	15,600
5025	SUBSCRIPTIONS & DUES	$	4,215
5026	PRINTING	$	102,000
5028	MEMBERSHIP SUPPLIES	$	10,750
5030	TELEPHONE	$	48,840
5031	ELECTRICITY/GAS	$	90,192
5032	WATER DRINKING AND IRRIGATION	$	99,100
5044	UNIFORMS & LAUNDRY	$	34,200
5045	CONTRACT SERVICES	$	251,518
5050	POSTAGE & FREIGHT	$	96,332
5051	INSURANCE	$	484,474
5052	TITLE / RECORDING FEES	$	7,280
5053	LICENSES	$	56,957
5054	PROPERTY TAXES	$	2,545
5059	LEGAL & AUDITOR FEES	$	241,500
5062	PROFESSIONAL FEES	$	90,511
5064	CONCERTS	$	696,450
5065	SPECIAL EVENTS	$	180,950
5066	COMPUTER EXPENSE	$	231,990
5069	ADMIN. BANK CHARGES	$	67,410
5071	LIFEGUARD SUPPLIES & EQUIP.	$	22,720
5074	APW CAPITAL COST	$	294,276
5075	FISH STOCKING	$	50,000
5076	WATER QUALITY & LAB TESTING	$	54,172
5077	WATER LAKE REFILL	$	850,248
5078	WATER QUALITY MAINTENANCE	$	34,000
5079	LANDSCAPE EXTRAS	$	86,000
5080	LANDSCAPE MAINTENANCE	$	303,420
5081	PARKING LOT MAINTENANCE	$	2,100
5082	POWER BOAT MAINTENANCE	$	4,000
5083	RENTAL FLEET MAINTENANCE	$	32,000
5084	MAINT. SUPPLIES & REPAIRS	$	16,000
5085	SANITATION SUPPLIES	$	20,210
5086	DOCK MAINTENANCE	$	10,000
5087	STRUCTURE MAINTENANCE	$	43,250
5088	HARDSCAPE MAINTENANCE	$	16,000
5091	CAPITAL EXPANSION	$	200,000
5092	LONG TERM REPLACEMENT	$	1,502,000
5095	MISCELLANEOUS EXPENSES	$	7,920
5098	BAD DEBTS	$	-
5099	(OVER)/SHORT	$	500
7001	RETAINED EARNINGS	$	-
	TOTAL OPERATING EXPENSES	$	11,731,961
	NET INCOME (LOSS)	$	(0.00)

Lake Mission Viejo Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending December 31, 2026
The notes at the end of this Disclosure Summary should be read in conjunction with the information provided.

(1) The regular assessment for the 2026 fiscal year per ownership interest is **$193.00 every 6 months due on January 1st and July 1st**

Note: Waterfront property owners will be charged an additional assessment every six (6) months, over and above the $193 regular assessment of $3.86 per foot of lakefront associated with their property.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the association's Board of Directors (the "Board") and/or members:

Date assessment will be due:	**Amount per ownership interest per month or year** (If assessments are variable, see note immediately below):	**Purpose of the assessment:**
N.A.		

Total:___________

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached report.

(3) Based upon the most recent reserve study, dated October 23, 2025, 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 __**X**__ No ______

(4) If the answer to #3 is "no," what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not been approved by the Board or the members?

Approximate date assessment will be due:	**Amount per ownership interest per month or year:**
N.A.	

Total:_______________

Lake Mission Viejo Association
Assessment and Reserve Funding Disclosure Summary
For the fiscal year ending December 31, 2026
The notes at the end of this Disclosure Summary should be read in conjunction with the information provided.

(5) All major components are included in the reserve study and are included in its calculations. However, the following major assets are excluded from the reserve study calculations for the following reasons:

Major asset:	**Reason this major asset was not included:**
Compliance & dive boats	Replacement will be made by “used” boats
Airless paint sprayer	Will not be replaced
Lighting at Marguerite & Alicia	Maintained by City of Mission Viejo
Lake & Dam (complete replacement)	Indeterminate life and cost

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is **$10,542,816**, based in whole or in part on the last reserve study or update prepared by Advanced Reserve Solutions, Inc. as of January 1, 2026. The projected reserve fund cash balance at the end of the current fiscal year is **$8,118,825**, resulting in reserves being **77%** funded at this date. The current deficiency in the reserve fund represents **$96.81** per ownership interest.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, a reserve funding plan has been developed – see the attached projections. The assumed long-term before-tax interest rate earned on reserve funds is **0.00%** per year and the assumed long-term inflation rate applied to major component repair and replacement costs is **3.00%** per year. Full reserve study available upon request.

NOTES:
(A) The financial representations set forth in this summary are based on the best estimates of the preparer and the Board at that time. The estimates are subject to change. (B) For the purposes of understanding this Disclosure Summary: (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement. (2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in the study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary. (3) The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided. (4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund reserves in accordance with this calculation. (5) Based on reserve studies or the occurrence of one or more unanticipated events, the Board could increase regular assessments and/or levy special assessments, consistent with the provisions of the CC&Rs and applicable law, to fund additional reserves as it deems necessary. For example, the information contained in this Disclosure Summary includes (i) estimates of replacement value and life expectancies of the components and (ii) assumptions regarding future events. Estimates are projections of a future event based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this Disclosure Summary. Therefore, the actual replacement cost and remaining life may vary from this report and summary and the variation may be significant. Additionally, inflation and other economic events may impact this report and summary, particularly over an extended period of time (such as thirty (30) years) and those events could have a significant and

negative impact on the accuracy of this Disclosure Summary and, further, the funds available to meet the association's obligation for repair and/or replacement of major components during their estimated useful life.

Lake Mission Viejo Association

Executive Summary
Directed Cash Flow Method

Client Information

Account Number	01106
Version Number	2
Analysis Date	10/23/2025
Fiscal Year	1/1/2026 to 12/31/2026
Number of Units	25038

Global Parameters

Inflation Rate	3.00%
Annual Contribution Increase	3.00%
Investment Rate	0.00%
Taxes on Investments	0.00%
Contingency	5.00%

Community Profile

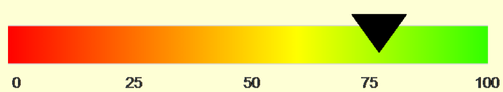
The North Beach facility (NB), including the administration building and maintenance area, was annexed to the association during 1978. The East Beach facility (EB) was constructed during 1985. The North Beach Clubhouse was constructed in February 2004.

Many of the components in this analysis have been replaced. Whenever possible, we have used the exact month and year of replacement for the placed-in-service date. When this information was not available, we have used the January of the year in which an item was replaced.

The number of units shown herein is a projection as of August 2025; this number increases each year.

ARS site visits: September 17, 2024; August 2021; June 2018; May 2015; May 2012 and July 2009

Adequacy of Reserves as of January 1, 2026



Anticipated Reserve Balance	**$8,118,825.00**
Fully Funded Reserve Balance	**$10,542,815.99**
Percent Funded	**77.01%**
Deficit per Unit	**$96.81**

Funding for the 2026 Fiscal Year	**Annual**	**Monthly**	**Per Unit Per Month**
Member Contribution	**$1,502,000**	**$125,166.67**	**$5.00**
Interest Contribution	**$0**	**$0.00**	**$0.00**
Total Contribution	**$1,502,000**	**$125,166.67**	**$5.00**

Lake Mission Viejo Association
Membership Disclosure Summary
Sorted by Category

Major Reserve Components	Current Cost	Assigned Reserves	Remaining Life Range	Useful Life Range
010 Automobile	$466,500	$415,469	0-6	10-20
020 Carpeting/Flooring	$99,779	$55,708	1-16	5-20
030 Small Equipment	$497,885	$271,177	0-25	1-30
040 Snack Bar Equipment	$174,700	$81,505	1-18	10-40
050 Asphalt & Concrete	$2,668,856	$2,225,668	0-5	1-20
060 Boats	$1,150,425	$710,920	0-19	2-20
070 Boat Batteries & Motors	$186,150	$138,558	0-4	1-5
080 Tractors	$130,500	$96,155	1-6	7-10
090 Sand	$294,000	$294,000	0	5
100 Mini Trucks/Carts	$217,350	$71,059	0-4	5-10
110 Maintenance Equipment	$558,450	$451,271	0-16	3-30
120 Fencing, Railing & Gates	$1,626,017	$616,077	0-26	20-40
130 Recreation Structures	$3,977,880	$830,775	0-18	5-40
140 Access Equipment	$20,325	$11,603	0-10	10
150 Landscape & Irrigation	$206,000	$503,693	1	15
160 Lighting	$757,430	$42,659	0-30	15-30
170 Lake & Related Equipment	$236,500	$476,067	0-4	3-40
180 Air Conditioning Equipment	$177,550	$130,734	0-9	10
190 Painting	$253,000	$166,239	0-5	5-10
200 Component Renovations	$0	$142,879	n.a.	n.a.
Contingency	n.a.	$386,611	n.a.	n.a.
Total	$13,699,297	$8,118,825	0-30	1-40

Lake Mission Viejo Association

Projections
Directed Cash Flow Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2026	$8,118,825	$1,502,000	$0	$2,209,052	$7,411,773	$9,799,032	76%
2027	$7,411,773	$1,547,060	$0	$1,207,288	$7,751,545	$10,165,156	76%
2028	$7,751,545	$1,593,472	$0	$1,213,879	$8,131,137	$10,573,085	77%
2029	$8,131,137	$1,641,276	$0	$766,665	$9,005,748	$11,500,562	78%
2030	$9,005,748	$1,690,514	$0	$1,323,067	$9,373,196	$11,894,785	79%
2031	$9,373,196	$1,741,230	$0	$3,299,552	$7,814,874	$10,191,451	77%
2032	$7,814,874	$1,793,467	$0	$957,826	$8,650,514	$11,002,899	79%
2033	$8,650,514	$1,847,271	$0	$415,820	$10,081,965	$12,459,209	81%
2034	$10,081,965	$1,902,689	$0	$1,477,749	$10,506,904	$12,853,782	82%
2035	$10,506,904	$1,959,769	$0	$1,028,170	$11,438,503	$13,783,996	83%
2036	$11,438,503	$2,018,562	$0	$1,338,021	$12,119,045	$14,445,684	84%
2037	$12,119,045	$2,079,119	$0	$937,991	$13,260,174	$15,599,891	85%
2038	$13,260,174	$2,141,493	$0	$1,721,017	$13,680,649	$15,982,870	86%
2039	$13,680,649	$2,205,738	$0	$652,704	$15,233,682	$17,575,193	87%
2040	$15,233,682	$2,271,910	$0	$3,461,089	$14,044,503	$16,239,781	86%
2041	$14,044,503	$2,340,067	$0	$3,138,798	$13,245,773	$15,258,447	87%
2042	$13,245,773	$2,410,269	$0	$1,146,128	$14,509,914	$16,450,681	88%
2043	$14,509,914	$2,482,577	$0	$964,561	$16,027,930	$17,924,662	89%
2044	$16,027,930	$2,557,054	$0	$1,795,300	$16,789,685	$18,595,678	90%
2045	$16,789,685	$2,633,766	$0	$817,835	$18,605,616	$20,396,957	91%
2046	$18,605,616	$2,712,779	$0	$4,378,493	$16,939,902	$18,456,261	92%
2047	$16,939,902	$2,794,162	$0	$2,551,601	$17,182,463	$18,489,814	93%
2048	$17,182,463	$2,877,987	$0	$1,786,091	$18,274,360	$19,410,863	94%
2049	$18,274,360	$2,964,327	$0	$1,178,415	$20,060,272	$21,077,084	95%
2050	$20,060,272	$3,053,257	$0	$2,089,040	$21,024,489	$21,871,014	96%
2051	$21,024,489	$3,144,854	$0	$5,699,353	$18,469,990	$18,848,800	98%
2052	$18,469,990	$3,239,200	$0	$1,479,502	$20,229,688	$20,366,326	99%
2053	$20,229,688	$3,336,376	$0	$2,060,438	$21,505,626	$21,370,080	101%
2054	$21,505,626	$3,436,467	$0	$1,016,229	$23,925,865	$23,604,516	101%
2055	$23,925,865	$3,539,561	$0	$906,571	$26,558,855	$26,098,178	102%

Major Component Repairs Disclosure - 2025

The Association's Reserve Study lists and describes all assets owned by the Association and the plan for funding and replacing those assets based on their estimated useful life. Often, with regular maintenance and care, an asset may last many years beyond its estimated useful life. Each year, the Association reviews and inspects all components listed as having zero years remaining useful life and determines a plan to prioritize those replacement projects. Project priority is based on the need for the component to be replaced and the time needed to plan, approve, and complete the project. The following components were determined by management and the Board to not need replacement in the previous year, and their repair, replacement or restoration was deferred to the following year (or longer).

COMPONENT	NOTES
Automobile - Chevy, Express Van	Deferred - Component inspected and is in serviceable condition
Badge Printing Systems	Deferred - Component inspected and is in serviceable condition
Chairs - Concert	Deferred - Component inspected and is in serviceable condition
Multi-Media Monitor	Deferred - Component inspected and is in serviceable condition
Multi-Media Projector	Deferred - Component inspected and is in serviceable condition
Radios - Base Station	Deferred - Component inspected and is in serviceable condition
Radios - Hand Held Units (Mutual Aid)	Deferred - Component inspected and is in serviceable condition
Asphalt - Seal Coat & Restripe, Area 1	Deferred - Component inspected and is in serviceable condition
Asphalt - Seal Coat & Restripe, Area 2	Deferred - Component inspected and is in serviceable condition
Asphalt - Seal Coat & Restripe, Area 3	Deferred - Component inspected and is in serviceable condition
Asphalt - Seal Coat & Restripe, Area 4	Deferred - Component inspected and is in serviceable condition
Boats - Boston Whaler, LG-30	Deferred - Component inspected and is in serviceable condition
Boats - Party, #07	Deferred - Component inspected and is in serviceable condition
Boats - Party, #08	Deferred - Component inspected and is in serviceable condition
Motors - Honda O/B, LG-30	Deferred - Component inspected and is in serviceable condition
Motors - Honda O/B, LG-40	Deferred - Component inspected and is in serviceable condition
Motors - Party Boats	Deferred - Component inspected and is in serviceable condition
Motors - Trolling	Deferred - Component inspected and is in serviceable condition
Beach Sand - EB	Deferred - Component inspected and is in serviceable condition
Beach Sand - NB	Deferred - Component inspected and is in serviceable condition

Gem People Mover	Deferred - Component inspected and is in serviceable condition
Air Compressor - Horizontal	Deferred - Component inspected and is in serviceable condition
Air Compressor - Vertical	Deferred - Component inspected and is in serviceable condition
Fuel Pump	Deferred - Component inspected and is in serviceable condition
Generators - Honda	Deferred - Component inspected and is in serviceable condition
Water Quality - UV Sterilizer	Deferred - Component inspected and is in serviceable condition
Welder - Miller Matic	Deferred - Component inspected and is in serviceable condition
Park Benches - EB	Deferred - Component inspected and is in serviceable condition
Shade Structure - NB	Deferred - Component inspected and is in serviceable condition
Signage - Facilities	Deferred - Component inspected and is in serviceable condition
Trash Receptacles	Deferred - Component inspected and is in serviceable condition
Access - Barrier Arm, EB	Deferred - Component inspected and is in serviceable condition
Fish Cleaning Station - Refurbish	Deferred - Component inspected and is in serviceable condition
Lake - Aeration, Piping	Deferred - Component inspected and is in serviceable condition
Lake - Water Refill Pipe & Components	Deferred - Component inspected and is in serviceable condition
Air Cond - Ductless (NB; 2011)	Deferred - Component inspected and is in serviceable condition
Air Cond - Split System, 3 Ton	Deferred - Component inspected and is in serviceable condition
Air Cond - Split System, 4 Ton	Deferred - Component inspected and is in serviceable condition
Air Cond - Split System, 5 Ton	Deferred - Component inspected and is in serviceable condition
Air Cond - Split System, 5 Ton	Deferred - Component inspected and is in serviceable condition

Lake Mission Viejo ASSOCIATION

ANNUAL POLICY STATEMENT

The name and address of the person designated to receive official communications to the Lake Mission Viejo Association is the General Manager on behalf of:

Lake Mission Viejo Association,
22555 Olympiad Road, Mission Viejo, CA 92692.

California Civil Code permits the Association to provide General Notices to the membership via newsletter, billing statement messages, or posting in a prominent location.

Effective November 1, 2014, if LMVA chooses to post notices, they will be located at 22555 Olympiad Road, Mission Viejo, CA 92692 on the bulletin board in the main breezeway adjacent to the Administration building. If you would like all notices, including general notices, to be sent to you by individual delivery, please notify the Association's General Manager in writing at the address referenced above. Members may submit a request in writing to have notices sent to up to two different specified addresses of their choice.

Members have the right to receive copies of meeting minutes. Please notify the Association's General Manager in writing at the address referenced above. 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.

Overnight payment of assessments may be mailed to the address referenced above (Attn: Billing Dept.) Regular payments should be sent to PO Box 52342, Phoenix, AZ 85072-2342

Any construction within the 15 foot drainage easement area surrounding LMV is subject to an LMVA architectural review and must not compromise the swale's drainage configuration. Only homeowners of single-family, lakefront lots may be granted an easement, by the LMVA Management Committee, to construct one (1) dock anchored to the shoreline. Architectural plans for docks may be submitted to the LMVA Management Committee for approval.

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Lake Mission Viejo Association Insurance Disclosure Summary

Policy Term: September 1, 2025 – September 1, 2026

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 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 agent for appropriate additional coverage.

LINE OF COVERAGE	NAME OF INSURER	POLICY NUMBER	LIMITS OF LIABILITY		DEDUCTIBLE
Property	Lexington Ins Co	41LX02755988615	Blanket Building & BPP Limit Property In The Open	***$11,635,650*** ***$1,280,450***	***$10,000*** ***$10,000***
General Liability	Lexington Ins Co	41LX02755988615	General Aggregate Per Occurrence	***$2,000,000*** ***$1,000,000***	***NONE***
Inland Marine	Lexington Ins Co	41LX02755988615	Scheduled Equipment Limit	***$452,700***	***$1,000***
Automobile Liability	New Hampshire Ins Co	01CA01904565315	Auto Liability - CSL	***$1,000,000***	***Comp $2,000*** ***Collision $2,000***
Crime Coverage	Travelers Casualty & Surety Co	105987584	Loss Limit	***$5,000,000***	***$50,000***
Excess Crime	The Hanover Ins Co	BD21072003	Excess over $5M Crime	***$3,000,000***	***NONE***
Directors & Officers	Everest National Ins Co	VN00000276251	Limit of Coverage	***$2,000,000***	***$25,000***
Employment Practices	Everest National Ins Co	VN00000276251	Limit of Coverage	***$2,000,000***	***$50,000***
Umbrella Policy	National Union Fire Ins Co	29UD01285622815	Aggregate Limit	***$5,000,000***	***$10,000***
Excess Liability	Evanston Ins Co	MKLV1EUE102188	Aggregate Limit	***$5,000,000***	***NONE***
Excess Liability	StarStone Specialty Ins Co	CSX00068391P04	Aggregate Limit	***$10,000,000***	***NONE***
Workers Compensation (eff 12/15/24-12/15/25)	Cypress Ins Co	LAWC525966	EL Limit	***$1,000,000***	***NONE***
Cyber	Lloyd's Syndicate	MI128CYLA251	Limit of Coverage	***$2,000,000***	***$2,500***
Difference in Conditions	Evanston Insurance Company	MKLV5PPR000853	Limit of Coverage	***$5,000,000***	***EQ: 5% ($25k min)*** ***Flood: $100,000***

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LINE OF COVERAGE	NAME OF INSURER	POLICY NUMBER	LIMITS OF LIABILITY		DEDUCTIBLE
Boats/Hull (eff 2/19/25-2/19/26)	Markel American Ins Co	MTD00000525052	Hull TIV	***$486,650***	***Per Vessel $1,000***
Marina GL	Atlantic Specialty Ins Co	TRL417010	Watercraft Liability	***$1,000,000***	***$2,500***

Key Information regarding Association's Master Policy:

- The common area buildings and structures are covered. The master policy carries "Special Form" coverage, which includes fire, lightning, windstorm, hail, explosion, riot, aircraft and vehicle damage, smoke, vandalism, falling objects, the weight of ice, snow or sleet, collapse, sudden rapid water escape of overflow from plumbing or appliances, frozen pipes, and convector units.
- No coverage is provided for wear and tear, deterioration, damage by insects or animals, settling or cracking of foundation, walls, basements, or roofs. There is no coverage for damage caused by repeated leaking or seeping from appliances or plumbing. This includes leaking from around the shower, bathtub, toilet, or sink. These events are properly classified as maintenance items. This policy contains full details on coverages, limitations, and exclusions.

Lenders/Mortgage Companies

If your lender needs verification of insurance for the Association, please have them send an email request to: coi@bbrown.com

Claims

- If you have a claim that you believe needs to be submitted to the association policy, you must first notify the association manager or a board member as Brown & Brown only accepts claims from an association manager or a designated member of the board of directors.
- A claim that involves your personal property should be submitted to your homeowner's insurance carrier. Claims are not accepted directly from a unit owner.

ASSESSMENT COLLECTION POLICY

LAKE MISSION VIEJO ASSOCIATION

The prompt payment of Assessments by all members of the Lake Mission Viejo Association ("Association") is critical to the financial health and viability of the Association. The Association is obligated under its recorded Declaration of Covenants, Conditions and Restrictions ("Declaration") and California law to levy and collect Assessments sufficient to perform its obligations. This Assessment Collection Policy ("Collection Policy") it utilized by the Association to enforce the prompt payment of Assessments by members; it sets forth the Association's policies and practices in enforcing lien rights and other legal remedies for a member's default in the payment of Assessments, pursuant to the Declaration and the California Civil Code.

Unless otherwise provided in this Collection Policy, capitalized terms within this Collection Policy shall have the same meaning as such terms are defined in the Declaration.

1. Assessments, late charges, interest and collection costs, including any attorney's fees, are the personal obligation of the Owner of the property at the time the Assessment or other sums are levied. (*Cal. Civ. Code* § 5650(a).)

2. General Assessments (which include Common Assessments and Lakefront Assessments) are levied during the calendar year in equal semi-annual installments, on January 1 and July 1. General Assessments are due and payable on the date which they are levied. A courtesy billing statement may be sent to the billing address on record with the Association. However, it is the Owner of record's responsibility to timely pay each Assessment when due regardless of whether any such billing statement is received.

3. Each General Assessment which is not paid within thirty (30) days from the due date shall be deemed "delinquent". All other Assessments, including Special Assessments and Reimbursement Assessments, are due and payable on the date specified by the Board on the Notice of Assessment, and shall be delinquent if not paid within thirty (30) days after the due date. An Assessment is considered paid the day payment is received by the Association.

4. Owners may submit secondary addresses to the Association for the purpose of delivery of collection notices, pursuant to California Civil Code section 5260(b).

5. Any payments made shall be first applied to Assessments owed, and only after the Assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the Owner and the Association enter into an agreement providing for payments to be applied in a different manner. (*Cal. Civ. Code* § 5655(a).)

6. Assessments which are delinquent shall be subject to a late charge of five percent (5%) of the delinquent Assessment or five dollars ($5), whichever is greater. (*Cal. Civ. Code* § 5650(b).)

7. Interest charges at the rate of six percent (6%) per annum will be assessed against any outstanding balance including delinquent Assessments, late charges, and cost of collection, which may include attorneys' fees. Such interest charges shall accrue thirty (30) days after the Assessment becomes due and shall continue to be assessed each month until the account is brought current. (*Cal. Civ. Code* § 5650(b).)

8. If a Special Assessment is payable in installments and an installment payment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the Special Assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.

9. If an Assessment is delinquent, the Association or its designee may send one or more delinquency notices to the Owner. The Owner may be charged a fee for any such delinquency notice to recover the Association's costs incurred in connection therewith. (*Cal. Civ. Code* § 5650(b)(1).) The Association may also send a pre-lien letter to the Owner as required by California Civil Code section 5660 by certified and first class mail, to the Owner's mailing address of record. The pre-lien letter will advise the Owner of the delinquent status of the account, of the impending collection action, and of the Owner's right to request that the Association participate in some form of internal dispute resolution process ("IDR"). The Owner will be charged a fee for the pre-lien letter to recover the Association's costs incurred in connection therewith. (*Cal. Civ. Code* § 5650(b)(1).) Notwithstanding the provisions of this paragraph, the Association may (i) send a pre-lien letter to a delinquent Owner at any time when there is an open escrow involving the Owner's property, and/or (ii) issue a pre-lien letter immediately if any Special Assessment becomes delinquent.

10. If an Owner fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within thirty (30) days of the pre-lien letter, the Board will authorize its collection agent to record a "Notice of Delinquent Assessment" (an "Assessment Lien") against the Owner's property for the amount of any delinquent Assessments, late charges, interest and/or costs of collection, including attorneys' fees. The Owner will be charged for the fees and costs of preparing and recording the Assessment Lien, as well as for releasing the Assessment Lien when the account is brought current. The Assessment Lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure. (*Cal. Civ. Code* § 5700(a).)

11. Prior to the release of any Assessment Lien, or dismissal of any legal action, all Assessments, late charges, interest, and costs of collection, including attorney's fees, must be paid in full to the Association.

12. Pursuant to the Association's governing documents, the Board may suspend the membership rights and privileges of an Owner during the period of time such Owner is delinquent in the payment of Assessments, as well as the collection costs, late charges, interest and attorney's fees imposed in connection with the Assessment delinquency. Such suspension shall be imposed following the applicable notice and hearing requirements under California law.

13. If a check is returned for insufficient funds, the Owner will be charged a ten dollar ($10) fee. Post-dated checks will not be accepted.

14. The mailing address for the overnight payment of Assessments is:

LAKE MISSION VIEJO ASSOCIATION
22555 Olympiad Rd
Mission Viejo, CA 92692

Should a delinquent account be referred to a collection service, the collection service will provide the proper address for the overnight payment of Assessments and sums toward the delinquent amount then in collection.

15. The Association has selected a third-party assessment collection vendor ("Vendor") as its collection agent and foreclosure trustee for delinquent accounts that have been referred by the Association to Vendor for collection.

16. An Owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to California Civil Code section 5205.

17. If it is determined that an Owner has paid the Assessments on time, the Owner will not be liable to pay the late charges, interest and costs of collection.

18. Any Owner who is unable to pay Assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors ("Board"). An Owner may also make a written request to meet with the Board in executive session to discuss a payment plan. If the Owner requests to meet with the Board to discuss a payment plan within fifteen (15) days of receiving the pre-lien letter, then the Board shall meet with the owner within forty-five (45) days of the postmark on the Owner's request, unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate a committee of one or more members to meet with the owner. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.

19. An Owner is entitled to dispute the Assessment debt by submitting a written request for dispute resolution to the association pursuant to the association's "meet and confer" program required in Article 2 (commencing with Section 5900) of Chapter 10 of the California Civil Code.

20. Prior to initiating foreclosure against the Owner's property, the Owner is entitled to submit a written request for alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10 of the California Civil Code, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

21. Statements mailed from the Association's management office or billing service provider to a delinquent Owner are a courtesy and MAY NOT REFLECT all collection costs, attorneys' fees or other charges, or payments received by the Association's collection Vendor.

NOTICE OF COLLECTION PROCEDURE

(*Pursuant to Cal. Civ. Code* § 5730)
LAKE MISSION VIEJO ASSOCIATION

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.

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 California 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 FORECLOSURE

Assessments become delinquent 15 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. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. 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 than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the California 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. (*Cal. Civ. Code* §§ 5700 through 5720.)

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 area damaged by a member or a member's guests, if the governing documents provide for this. (*Cal. Civ. Code* § 5725.)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the California 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. (*Cal. Civ. Code* § 5675.)

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. An owner has a right to review the association's records to verify the debt. (*Cal. Civ. Code* § 5660.)

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. (*Cal. Civ. Code* § 5685.)

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, the owner 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. (*Cal. Civ. Code* § 5655.)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the California 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 Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the California 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. (*Cal. Civ. Code* § 5685.)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest 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 exists. (*Cal. Civ. Code* § 5665.)

The board 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. (*Cal. Civ. Code* § 5665.)

Lake Mission Viejo ASSOCIATION

FEE AND FINE SCHEDULE

UPDATED May 28, 2025

BOAT RENTALS	**HOURLY RATE**
15' Row	$6.00
15' Electric	$8.00
Sailboat	$8.00
Single Kayak	$6.00
Tandem Kayak	$8.00
Pedal Boat	$6.00
Party Boat	$30.00
Fishing Pontoon	$30.00
Tracker	$11.00
SUP	$13.00
Electric Motor	$4.00
Battery	$11.00/day

SPECIAL SENIOR BOAT RENTAL RATES (Ages 62+)

Available Monday – Thursday, excluding holidays

- Summer Season – 50% off non-Party Boat rentals, 8:00am – Noon.
- Non-Summer Season – 50% off all Boat Rentals, all day.

Summer Season is from Memorial Day weekend through Labor Day weekend

PICNIC RENTALS	**RATE**
Reserved Picnic Tables	$10.00 per day, per table (max 2)
East Beach Upper Group Picnic Area	$300 per day
North Beach Picnic Shelters	$150 per reservation

GUEST PASSES	**RATE**
Daily Guest Pass (8 and older)	$5.00
Senior Daily Guest Pass (Member 62+)	$2.50
North Beach Concert Day Pass	$20.00
Temporary Facility Access Card	$10.00

FISHING PERMITS	**RATE**
Daily Fishing Permit	$9.00

MEMBERSHIP FEES	**FEE**
Lake ID Badge – New or Replace (8 and older)	$10.00
Tenant Transfer Fee	$75.00
New Owner Transfer Fee	$300.00
Grant Deed	$10.00
Market Dock Key	$5.00 + $35.00 Deposit
Trailer Storage Access Card	$10.00 Deposit

LMVA FINE SCHEDULE

Violations of the Lake Mission Viejo Association Rules & Regulations may result in the following fines, as determined by the Board of Directors.

DESCRIPTION	**FINE**
Level 1 – Minor Violation • Examples: minor boat compliance, fishing rules, swimming violations, glass, pets.	$25.00
Level 2 – Multiple or Significant Violations • Examples: unregistered watercraft, failure to comply with staff instructions.	$100.00

Level 3 – Multiple or Severe Offenses • Examples: Reckless boating, driving, threatening or abusive behavior	$250.00
Level 4 – Multiple or Egregious Offenses • Examples: unauthorized boat launch, damage to property, severe behavior, harassment	$500.00
Repeated Violations of Same Offense	Fine to be Doubled