



Park Mediterrania Owners Association

C/O Lordon Management Company

Date: November 14, 2013

To: Park Mediterrania Owners

From: Park Mediterrania Board of Directors

Re: **2014 Annual Budget Increase \$25.00**

As most of you are aware, Park Mediterrania has not had a budget increase in several years.

As the property gets older, the maintenance of the community increases such as: roof repairs, the common area plumbing, tree trimming, asphalt repairs, re-slurry of the private streets, red curb & white striping of the parking stalls, a financial plan for the old tennis court area, pool maintenance such as new pumps and motors, painting of the pool wrought iron, replacing the old entry system at the pool gate and replacement of 30 year old irrigation timers is just some of the major components the association is facing financially.

The roofs, which are the association's responsibility would need to have approximately \$125,000 per year per the reserve study to fully fund the replacement of all roofs as this should have been done for the last 15+ years. This does not include maintenance repairs, only replacement. We know that it is impossible to do this large of an increase at this point so all future Boards will need to review and address this on an annual basis.

Monthly operating expenses have also increased: utilities, contracted maintenance, postage, cleaning up vandalism such as graffiti, paying extra fees for owner/tenants who choose to dump large items in the trash bins, vandalism at the pool such as pulling out the pool lights and wires from the actual pool are a few of the monthly operating expenses which have also increased our monthly budget.

The Board of Directors for many years has attempted to maintain the community without increasing the annual budget or monthly assessment fees, they have done this due to the understanding that many owners were having financial difficulties during the economic downturn. However, as we know at some point in time it becomes necessary for the Association to address the increasing costs that the community is faced with, repairs that are necessary for any deferred maintenance as well as looking at the reserve levels needed to fund replacement costs in the future.

Along with the unexpected cost, which is noted above, we have also noted that owners have expressed their desire to have items around the community repaired, painted and replaced. The

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Board understands the desire to have these repairs done but also can only authorize the repairs, as funds are available in our budget.

We appreciate your support of the Board in regards to this matter and we will continue to address all emergency or safety needs first then all other projects and owner request will be added to our project list and prioritized for action by the Board of Directors and the professionals, our vendors.

This is a decision that we do not take lightly but have taken considerable amount of time in reviewing our financial position and the steps we must begin to take in order to meet our budgetary needs. **Please be advised that the assessment fees will be increased by \$25.00 per month effective January 1, 2014.** Please review the enclosed budget thoroughly.

We appreciate your understanding and support of the Board and Association on this very important matter. If you have any questions, please feel free to call Maria Rubalcava at (626) 967-7921 Ext. 3370 or email: mrubalcava@lordonmanagement.com.

You are also encouraged to attend the January 22, 2014 Association Meeting with questions or concerns.

Sincerely,
Park Mediterrania Owners Association
Board of Directors

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