



March 2, 2006

Dear Owner,

In compliance with the California Civil Code 1365, attached please find the Stoneybrook Villas Owners Association budget for the fiscal year ending March 31, 2007.

The budget reflects the efforts of the Board of Directors to maintain and enhance the Association's common areas and facilities in order to preserve the quality of the Stoneybrook Villas Owners Association while at the same time keeping expenditures in line.

The Board of Directors has made every effort to prevent an increase for this fiscal year, however, the Directors determined an increase in assessments was unavoidable.

Therefore, a 20% increase will be effective April 1, 2006, and the assessments increase will be:

| | |
|---------------------|------------------------------------|
| Current Assessment: | \$205.76 will increase to \$246.91 |
| | \$225.75 will increase to \$270.90 |
| | \$239.27 will increase to \$287.12 |

In addition to the budget, please find the following:

1. Alternative Dispute Resolution
2. Internal Dispute Resolution
3. Updated Pages of the Assessment Collection Policy
4. Violation and Fine Policy
5. Insurance Disclosure

The Board of Directors retained the services of a professional reserve analyst to review the funding program for the Association and provide recommendations for future funding. Once approved, the summary will be sent to the membership.

Copies of the Board of Directors' Meeting Minutes are available to all members for inspection at any reasonable time at the on-site Manager's office. Minutes can also be mailed to you within thirty days following the meeting date with all copying and mailing costs at your expense.

Sincerely,

The Board of Directors


Morgen Hardigree
Executive Assistant

Enclosure

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REC'D 3-3-2006