William Mills TTEE
605 Jubilee Lane Unit F | Simi Valley, CA 93065
t: 805.390.0509 | e: wmills99@protonmail.com

September 23, 2026

VIA EMAIL

Cantrice Court Condominium Owners' Association
Board of Directors
c/o Mark Reynders, President
ctreynders@aol.com

Cantrice Court Condominium Owners' Association
c/o Jeff Gollihar
Community One Property Management
jeffg@communityonepm.com

Johanna Deleissegues, Esq.
Adams | Stirling PLC
Counsel for the Association
jdeleissegues@adamsstirling.com

Re: FORMAL DEMAND - INDEPENDENT REPLACEMENT-COST VALUATION; $164/SQ. FT. STATEMENT OF VALUES; POTENTIAL OWNER EXPOSURE

This correspondence and its exhibits are being transmitted to the Association President, Association management, and Association counsel in connection with the parties' pending mediation/ADR. It is intended to place the Association and its representatives on direct notice of the insurance valuation issue and the supporting evidence. Nothing in this correspondence waives any claim, defense, objection, remedy, evidentiary position, or right arising outside the mediation process.

Dear Members of the Board:

The insurance record is now materially clearer. The Association's August 28, 2026 signed Statement of Values ("SOV") has been reviewed. It is attached as Exhibit A. The SOV assigns $164.00 per residential square foot across the Cantrice Court residential buildings, lists 164,543 residential building square feet, assigns $26,985,216 to the residential buildings, assigns $5,723,200 to garages, and states total insured value of $32,708,416. The issue is therefore no longer what valuation was used. The issue is whether $164 per square foot is a professionally supportable current replacement-cost valuation for the property the Association is obligated to insure.

The SOV also contains an internal discrepancy that should be reconciled. It reports 164,543 residential square feet and a uniform $164.00-per-square-foot valuation, but reports total residential replacement cost of $26,985,216. Multiplying the stated square footage by $164 produces $26,985,052 - a difference of exactly $164, or one square foot. The building schedule appears to locate that discrepancy in the 605 Jubilee Lane entry, which lists 9,981 building square feet but a building replacement-cost value corresponding to 9,982 square feet at $164. This small discrepancy does not determine the proper replacement value, but it further demonstrates the need to identify and document how the SOV was prepared and verified. See Exhibit A.

The 2020 First Amendment to the CC&Rs is also clear as to the allocation of responsibility. Section 12.1(b) requires the Association to maintain master or blanket fire and casualty coverage for not less than 100% of the current replacement cost, without deduction for depreciation, of the Condominium Buildings, Condominium Common Area, and other covered improvements. The amendment establishes a minimum "bare walls" scope and excludes owner items such as flooring, cabinets, fixtures, improvements, and personal belongings. See Exhibit B. In other words, owners insure specified interior property, but the

Association remains responsible for obtaining the required replacement-cost insurance for the property within the Association's insurance scope.

Only the Association, acting through its Board and authorized professionals, can change the Association's SOV or insurance placement. Owners cannot amend scheduled values or bind replacement-cost coverage for the Association. The Board may rely on competent professionals, but it remains responsible for ensuring that the insurance required by the governing documents is actually obtained and maintained.

The Board must make a reasonable, informed inquiry into the valuation.

The Association's replacement-cost covenant is legally enforceable. California Civil Code section 5975 provides that the covenants and restrictions in a declaration are enforceable equitable servitudes and may be enforced by an owner against the Association. It also provides for reasonable attorney's fees and costs to the prevailing party in an action to enforce the governing documents. (Civ. Code, § 5975, subds. (a), (c).) The requirement in Section 12.1(b) that the Association maintain coverage for not less than 100% of current replacement cost is therefore not merely aspirational; it is a recorded governing-document obligation subject to enforcement.

California Corporations Code section 7231 separately requires each director of a nonprofit mutual benefit corporation to perform director duties in good faith, in the corporation's best interests, and with the care, including reasonable inquiry, that an ordinarily prudent person in a like position would use under similar circumstances. A director may rely on competent officers, counsel, accountants, and other experts, but that protection is conditioned on good faith and reasonable inquiry when the circumstances indicate that further inquiry is warranted. (Corp. Code, § 7231, subds. (a), (b).) The Board therefore may retain and rely on a qualified replacement-cost appraiser, broker, engineer, contractor, or other expert; it should not simply accept an unsupported scheduled value without determining that the value is professionally supportable.

The California Supreme Court likewise conditions judicial deference to an HOA board's discretionary decision on the board acting upon reasonable investigation, in good faith, within its authority, and with regard for the best interests of the association and its members. (Lamden v. La Jolla Shores Clubdominium Homeowners Assn. (1999) 21 Cal.4th 249, 265.) This demand does not ask the Board to accept my valuation or any internet benchmark as the Association's final replacement cost. It asks the Board to cause the Association's own competent professionals to determine and document the current replacement cost of the property the Association must insure.

President Reynders personally signed the $164 valuation submission

The August 28, 2026 insurance application and attached SOV were signed on behalf of the Association by Board President Mark J. Reynders. The SOV he signed uses $164.00 per residential square foot throughout the residential buildings. This is therefore not merely an unidentified broker worksheet. The central record question is straightforward: what appraisal, estimate, broker recommendation, software output, professional opinion, or other information did President Reynders and the Board review and rely upon before submitting that valuation on behalf of the Association?

President Reynders's signature does not itself establish individual liability. It does make his knowledge, inquiry, and reliance directly relevant. The Board should therefore identify and preserve what he reviewed before signing the submission, what professional advice he received, who supplied or selected the $164 figure, what inquiry was undertaken before signature, and what action the Board takes now that the valuation has been specifically challenged.

The present record requires that inquiry. The signed 2026 SOV uses $164 per residential square foot, while available Los Angeles multifamily core-and-shell data begins above that amount. Those benchmarks do not establish Cantrice Court's final replacement cost, but they are enough to require documented professional verification rather than assumption.

The $164 figure now requires immediate professional verification

A Q1 2025 Los Angeles construction-cost report published by Builders United lists multifamily "Core & Shell Only" construction at a low of $185 per square foot and a high of $388 per square foot. The report describes that category as ground-up core-and-shell construction excluding interior buildout. See Exhibit D. That published range is not a Cantrice Court appraisal, and core-and-shell is not necessarily identical to the precise property the Association must insure under the amended CC&Rs. It is an external reasonableness check. Even its $185 low end is $21 per square foot, or approximately 12.8%, above the $164 figure used in the Association's SOV.

The Builders United benchmark itself dates from Q1 2025. Construction costs did not stop there. Turner Construction's national Building Cost Index increased from 1,459 in Q1 2025 to 1,552 in Q2 2026, an increase of approximately 6.4%. Mechanically applying that change to the $185 low-end benchmark produces approximately $197 per square foot. Turner measures national nonresidential construction and cautions that its index may not reflect regional conditions; accordingly, $197 is not offered as Cantrice Court's replacement cost. It illustrates why a 2026 determination of "current replacement cost" should use current professional cost data rather than an unexplained historical assumption. See Exhibit H.

RAND's 2025 study of multifamily housing production provides independent context. RAND reports Los Angeles Metro market-rate hard construction costs of $259 per net rentable square foot, expressed in 2019 dollars. See Exhibit E. RAND's measure is not identical to the Association's insurance scope and includes costs that may extend beyond the Association's bare-walls responsibility, so I do not present $259 as the proper Cantrice Court replacement-cost figure. It nevertheless corroborates that Southern California multifamily physical construction costs can materially exceed $164 per square foot.

The City of Simi Valley also states that Ordinance No. 1366 adopted the 2025 California code family effective January 1, 2026, including the Building, Electrical, Mechanical, Plumbing, Energy, Existing Building, CALGreen, and Wildland-Urban Interface codes. See Exhibit F. The precise code requirements applicable after a particular covered loss are fact-specific, but a competent replacement-cost appraisal should account for the current regulatory environment rather than simply assume that a 1996 building can be reconstructed today at historical assumptions.

Illustrative owner exposure if the residential valuation is materially low

The following table is an exposure illustration, not a prediction of a future special assessment. It changes only the residential-building valuation and leaves garage and other values unchanged. It assumes, solely to make the magnitude understandable, that any entire residential valuation gap ultimately had to be funded equally by the Association's 98 units. Actual owner exposure after a loss would depend on the actual replacement cost, cause and extent of loss, all policy layers and terms, deductibles, sublimits, the Helix margin clause, reserves, recoveries, borrowing, and any other available funds.

Scenario	Residential benchmark	Implied residential value	Gap vs. SOV	Illustrative gap / 98 units
Low	$185/sq. ft.	$30,440,455	$3,455,239	$35,258
Midpoint	$286.50/sq. ft.	$47,141,569.50	$20,156,353.50	$205,677
High	$388/sq. ft.	$63,842,684	$36,857,468	$376,097

For additional context only, applying RAND's $259/NRSF figure to the same 164,543 square feet would produce an illustrative residential value of $42,616,637, a $15,631,421 difference from the current residential SOV, or approximately $159,504 per unit under the same hypothetical equal-allocation assumption. Again, RAND is corroborative context, not the Cantrice Court appraisal that the Board must obtain.

The Helix margin clause increases the importance of accurate scheduled values

The Helix excess policy provides $9,806,516 per occurrence excess of $22,901,900 per occurrence, subject to the policy terms. Its Margin Clause Endorsement states that Helix's liability for any one building, structure, or business personal property at any one location will not exceed 110% of the individually stated values shown in the latest SOV or other documentation on file, subject also to applicable policy limits. See Exhibit C. This does not mean 110% of the SOV is the total recovery available from all insurance layers. It does mean that the accuracy of the scheduled values can directly affect the operation of the excess coverage. A 10% margin does not cure a materially understated base value.

Formal demand

The Association now has actual notice of a specific valuation concern, and the signed submission identifies the director who executed it. In light of the enforceable replacement-cost covenant, the statutory duty of reasonable inquiry, and the external evidence calling $164 per square foot into question, I demand that the Board promptly create a clear record of the basis for that valuation and correct it if professional analysis does not support it. Specifically:

- At a properly noticed Board meeting, formally determine whether the existing $164-per-square-foot residential valuation is supported by a current professional replacement-cost analysis sufficient to satisfy Section 12.1(b), and memorialize the basis for that determination in the Association's records.
- Retain a qualified, independent replacement-cost appraiser or other equivalently qualified valuation professional to determine the current replacement cost of the property the Association is required to insure under Section 12.1(b), expressly scoped to the amended bare-walls allocation of responsibility.
- Obtain a written building-by-building valuation, including the residential structures, garages, common-area improvements, and any other property included within the Association's insurance responsibility, with the methodology and material assumptions disclosed.
- Identify exactly what President Reynders and the Board relied upon before the August 28, 2026 application and SOV were signed and submitted, including every appraisal, estimator output, software report, worksheet, broker or carrier recommendation, contractor or engineering analysis, email, memorandum, or other material supporting the $164-per-square-foot figure; identify who selected or calculated that figure; and, if no professional replacement-cost analysis existed before signature, state that expressly.
- Reconcile the internal discrepancy between the SOV's stated 164,543 residential square feet and its $26,985,216 residential replacement-cost total, including the apparent one-square-foot discrepancy in the 605 Jubilee Lane entry, and identify which figure is correct.
- If the independent valuation supports values above the present SOV, promptly correct the SOV and obtain written confirmation from the primary and excess insurers or brokers identifying the effect on limits, scheduled values, attachment, premium, endorsements, and the Helix Margin Clause.
- Obtain a written layer-by-layer explanation from the Association's broker addressing how the $22,901,900 underlying layer, the $9,806,516 Helix excess layer, the 110% Margin Clause, deductibles, sublimits, and scheduled building values would operate in representative single-building and multi-building losses.
- Preserve all records concerning the selection, calculation, review, approval, signature, transmission, and acceptance of the 2026 SOV, including President Reynders's communications and all communications with management, directors, brokers, carriers, underwriters, consultants, appraisers, contractors, engineers, and agents concerning replacement cost or scheduled values.

- Place the replacement-cost valuation and insurance adequacy issue on a properly noticed open Board agenda so owners can be informed of the professional valuation, the basis for the current insurance program, and any corrective action required.

Please respond in writing no later than September 30, 2026. Identify the professional analysis that supported the $164 figure when President Reynders signed the SOV, or state plainly that no such analysis existed; reconcile the one-square-foot/$164 internal SOV discrepancy; and confirm whether the Board will obtain an independent current replacement-cost analysis now. Please identify the professional retained or the timetable for retention and state what corrective action will be taken if the current SOV is not supported.

This is a prevention issue, not a hindsight issue. The time to determine whether the scheduled values satisfy the Association's current-replacement-cost obligation is before a catastrophic loss. The Board now has specific notice of the $164 valuation issue and an opportunity to investigate it professionally and correct it if necessary. The record created from this point forward will speak for itself.

Nothing in this letter waives any right, claim, defense, records right, governing-document right, insurance objection, assessment objection, ADR position, or judicial remedy. All rights are reserved.

Sincerely,

William Mills TTEE
William Mills

Enclosures: Exhibits A-H

CANTRICE COURT CONDOMINIUM OWNERS ASSOCIATION - SOV

Bldg #	Street Address	City	State - Zip	# of Stories	# of Units	Year Built	Building SF	Attached Garage SF	2Car Garages	Building RC	Garage RC	Price Per Living SF	Businss Personal P	Business Income	TIV
															1
1	302 Hedge Row Lane A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
2	308 Hedge Row Lane A-F	Simi Valley	CA 93065	2	6	1996	9982	2400	6	$1,637,048	$350,400	$164.00	N/A	N/A	$1,987,448
3	320 Hedge Row Lane A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
4	600 Xanadu Way A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
5	313 Quails Pass Way A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
6	605 Jubilee Lane A-F	Simi Valley	CA 93065	2	6	1996	9981	2400	6	$1,637,048	$350,400	$164.00	N/A	N/A	$1,987,448
7	619 Jubilee Lane A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
8	625 Jubilee Lane A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
9	633 Jubilee Lane A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
10	318 Wild Clover Way A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
11	622 High Plains Lane A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
12	638 High Plains Lane A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
13	647 Cardinal Ridge Lane A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
14	657 Cardinal Ridge Lane A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
15	652 Cardinal Ridge Lane A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
16	663 Lariate Lane A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
17	670 Lariate Lane A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
18	510 Sonata Way A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
19	530 Sonata Way A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
20	540 Sonata Way A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
21	521 Sonata Way A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
22	549 Sonata Way A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
23	585 Sonata Way A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
24	697 Lariate Lane A-C	Simi Valley	CA 93065	2	3	1996	4991	1200	3	$818,524	$175,200	$164.00	N/A	N/A	$993,724
25	687 Lariate Lane A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
26	677 Lariate Lane A-D	Simi Valley	CA 93065	2	4	1996	6655	1600	4	$1,091,420	$233,600	$164.00	N/A	N/A	$1,325,020
27	Pool House	Simi Valley	CA 93065	1	0	1996	1500	0	0	$246,000	$0	$164.00	N/A	N/A	$246,000
															$32,708,416
	Totals						164,543.00	39,200.00						0	
										$26,985,216	$5,723,200				$32,708,416

Signature: Mark J. Reynders

Name: Mark J, Reynders

Title: Cantrice Court COA Board President

Date: 08/28/2026 08:52AM US/Pacific

EXHIBIT A

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Lingl & Joshi, PLC
3075 E. Thousand Oaks Blvd.
Thousand Oaks, CA 91362

20200724-00109682-0 1/7
Ventura County Clerk and Recorder
MARK A. LUNN
07/24/2020 04:23:27 PM
1649500 $107.00 HA

(Space Above for Recorder's Office)

FIRST AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE CANTRICE COURT CONDOMIMIUM OWNERS' ASSOCIATION

This is an amendment to the Declaration of Covenants, Conditions and Restrictions for Cantrice Court Condominiums ("Declaration"). The Declaration was recorded as instrument number 90-156534 on October 18, 1990 in the Official Records of the County of Ventura, State of California. This amendment, made July 1, 2020, by the Cantrice Court Condominium Owners' Association, a California non-profit mutual benefit corporation ("Association") is made with reference to the following facts:

A. The Association Property consists Lots 35 and 36 of Tract 4153 in the City of Simi Valley, County of Ventura, state of California, as per map recorded in Book 115, Pages 45 through 62 of Miscellaneous Records (Maps) and Lot Line Adjustment recorded on October 1 ,1990 as Document No. 90- 144599 of Official Records, in the Office of the County Recorder of Ventura.

B. The Project consists of ninety-eight (98) Condominiums, with each Condominium having appurtenant to it a membership in the Association.

C. WHEREAS, the Owners in the Association desire to amend the CC&Rs to remove some obsolete provisions, to reduce the percentage required to approve future amendments, and to control the common insurance expense;

NOW, THEREFORE, the owners approve the following amendments to the Declaration:

I. ARTICLE XII IS DELETED IN ITS ENTIRETY AND REPLACED WITH THE FOLLOWING AMENDED LANGUAGE:

Section 12.1 Types. The Association shall obtain and continue in effect in its own name, for the benefit of the Owners, the following types of insurance:

(a) a comprehensive public liability policy insuring the Association, its agents, and the Owners against liability incident to the ownership or use of the Common

Area or any other Association-owned or maintained real or personal property. The amount of general liability insurance that the Association shall carry at all times shall not be less than the minimum amounts specified by California Civil Code §§5800 and 5805, as may be amended from time to time.

(b) A master or blanket policy of fire and casualty insurance with extended coverage endorsed for not less than one hundred percent (100%) of the current replacement cost without deduction for depreciation, of all of the Condominium Buildings, and Condominium Common Area within the Project and all other improvements thereto. At minimum, the coverage shall be what is commonly referred to as "bare walls" and not include portions of the Unit including, but not limited to, flooring, cabinets, fixtures, improvements, or any personal belongings.

(c) Fidelity coverage against dishonest acts on the part of directors, officers, employees, volunteers, trustees, managers or any other persons who handle the funds of the Association. Such fidelity bonds shall name the Association as obligee, shall be written in an amount that is no less than the combined amount of the reserves of the association and total assessments for three months, and shall contain waivers of any defense based on the exclusion of persons who serve without compensation from any definition of "employee" or similar expression.

<u>Section 12.2 Waiver by Members</u>. As to each of said policies, which will not be voided or impaired thereby, the Members hereby waive and release all claims against the Association, the Board, and agents and employees of each of the foregoing, with respect to any loss covered by such insurance, whether or not caused by negligence of, or breach of any agreement by, said persons, but only to the extent of insurance proceeds received in compensation for such loss.

<u>Section 12.3 Other Insurance; Annual Review</u>. The Association may purchase such other insurance as it may deem necessary or desirable to protect the interests of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

<u>Section 12.4 Premiums. Proceeds and Settlement</u>. Insurance premiums for any insurance coverage obtained by the Association pursuant to this Article shall be a Common Expense to be included in the Association Regular Assessments levied by the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried, or otherwise disposed of as provided in the Article entitled "Destruction of Improvements" in this Declaration. Each Owner, irrevocably appoints the Association or the Insurance Trustee, as attorney-in-fact for purposes of procuring, negotiating, accepting, compromising, releasing, settling, distributing and taking other related actions in connection with any insurance policy maintained by the Association and any losses or claims related thereto and agrees to be bound by the actions. The Board is appointed attorney-in-fact by each Owner to

negotiate and agree on the value and extent of any loss under any policy carried by the Association. The Board is granted full right and authority to compromise and settle any claims or enforce any claim by legal action or otherwise and to execute releases in favor of any insured.

Section 12.5 Abandonment of Replacement Cost Insurance. Unless at least two-thirds of the First Beneficiaries or Owners have given their prior written approval, the Association shall not be entitled to fail to maintain the extended coverage fire and casualty insurance required by this Article.

Section 12.6 Requirements of FHLMC. Notwithstanding the foregoing provisions of this Article, the Association shall continuously maintain in effect such casualty, flood and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for condominium projects established by the Federal Home Loan Mortgage Corporation, so long as it is a First Beneficiary or Owner within the property except to the extent such coverage is not available or has been waived in writing by the foregoing entity.

Section 12.7 Tenants Obligation to Insure. To the extent an Owner rents or leases their Unit to other person(s), the lease shall require that the tenant procure and maintain an adequate HO-4 policy, also known as renter's/tenant's insurance, during their tenancy. Owners are required to maintain a copy of such insurance coverage and provide the same to the Association upon request by the Association.

Section 12.8 Obligation of Owners to Insure. The Association does not insure the individual Units nor any improvements thereto or fixtures therein. Every Member shall procure and continuously maintain an adequate HO-6 policy, also known as a "Homeowners 6" or "Condominium Unit Owner Policy", to cover their liability for damage to persons or property occurring inside their individual Unit, personal property, and fixtures and improvements to their Unit: provided, however, such other policies shall not adversely affect or diminish any coverage under any insurance obtained by the Association. Under no circumstance shall the Association be required to pay for any damage to Owner's property, or loss incurred by that Owner, resulting from the Owner's failure to maintain adequate insurance. Minimum limits for HO-6 coverage shall be included in the Rules and Regulations but the Board shall not be permitted to eliminate or reduce the amount of coverage to below $100,000 for building/dwelling coverage and $300,000 for liability.

Section 12.9 Required Waiver. All policies of physical damage insurance obtained by the Association shall provide for waiver of the following rights to the extent such waivers are obtainable from the respective insurers:

a) Any defense based on co-insurance;
b) Any right of set-off, counterclaim, apportionment, proration or contribution by reason of other insurance not carried by the Association;

c) Any invalidity, other adverse affect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any named insured or the respective agents, contractors or employees of any insured;
d) Any right of the insurer to repair, rebuild or replace and, in the event any improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance policy the lesser of the replacement value of the improvements insured or the fair market value thereof;
e) Notice of the assignment by any Owner of his interest in the insurance by virtue of a conveyance of any Condominium; and
f) Any right to require any assignment of any deed of trust to the insurer.

<u>Section 12.10 Association Insurance Deductible</u>. In any loss that is sustained by the Association that is attributable to an Owner, either as a result of the Owner's negligence or failure of a component under the Owner's control, the owner shall be obligated to pay any deductible incurred by the Association and shall indemnify and hold the Association harmless from any claims made by any other Owners within the development for such negligence or failure of component. In the event of any damage to an Owners Unit caused by the negligence of the Association or by the failure of a component under the Association's control, the Association shall be limited to pay only up to $500 of any deductible for a policy carried by Owner per Section 12.8.

<u>Section 12.11 Notice of Cancellation</u>. Any policy of insurance described in this Article and obtained by the Association shall provide that such policy shall not be cancelled or materially amended or modified, nor shall the coverage thereof be reduced, without thirty (30) days' prior written notice to the Board. The association shall, as soon as reasonably practicable, provide individual notice to all members if any of the policies have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, as to any of those policies. If the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse."

II. AMEND PORTION OF CC&R SECTION 15.5

- <u>Remove the portion of section 15.5 which reads as follows:</u>

"<u>15.5 Two-Thirds Vote of First Beneficiaries or Owners of Condominiums</u>. Except as provided by statute in case of condemnation or substantial loss to the Units or Common Area, unless at least two-thirds (2/3) of the First Beneficiaries under deeds of trust encumbering Condominiums (based upon one vote for each first deed of trust owned), or Owners (other than Declarant) of the individual Condominiums have given their prior written approval, the Association shall not be entitled to do any of the following:"

- And replace with the following:

"15.5 Vote of First Beneficiaries. Except as provided by statute, unless at least fifty-one percent (51%) of the First Beneficiaries under deeds of trust encumbering Condominiums have given their approval, or not objected to a proposed change after being provided notice thereof, the Association shall not be entitled to do any of the following:"

III. REPLACE SECTION 17.2 WITH THE FOLLOWING:

"17.2 Amendment. Subject to the other provisions of this Declaration, including, without limitation, the rights of First Beneficiaries and/or beneficiaries, this Declaration may be amended only by an instrument approved by not less than fifty-one percent (51%) of the total voting power of the Association."

CERTIFICATION

We, the undersigned duly elected President and Secretary of the Cantrice Court Condominium Owners' Association, do hereby certify that this First Amendment was approved on July 1, 2020 by the approval of 73 members, in excess of what is required by section 17.2 of the Declaration.

____________________ DATE: 7/8, 2020
Alla Brezkovny
President

____________________ DATE: 7/8, 2020
William Mills
Secretary

[NOTARY ACKNOWLDEGMENTS FOLLOW]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Ventura)

On 8th July 2020 before me, Joseph W. Palaski, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared William Mills
~~Name(s)~~ Name of ~~Signer(s)~~ Signer

who proved to me on the basis of satisfactory evidence to be the ~~person(s)~~ person whose ~~name(s)~~ name is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized ~~capacity(ies)~~ capacity, and that by his/~~her/their~~ ~~signature(s)~~ signature on the instrument the ~~person(s)~~ person, or the entity upon behalf of which the ~~person(s)~~ person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

JOSEPH W. PALASKI
Notary Public - California
Ventura County
Commission # 2279430
My Comm. Expires Mar 2, 2023

Signature Joseph W. Palaski
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Amendment CCR Document Date: 7-1-20

Number of Pages: 5 Signer(s) Other Than Named Above: Alla Brezkouny

Capacity(ies) Claimed by Signer(s)

Signer's Name: William Mills	Signer's Name:
☒ Corporate Officer — Title(s): Secretary	☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other:	☐ Other:
Signer Is Representing: Cantrice Court C.D.A	Signer Is Representing:

EXHIBIT B

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Ventura)

On 8th July 2020 before me, Joseph W. Palaski, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Alla Brezkovny
Name~~(s)~~ of Signer~~(s)~~

who proved to me on the basis of satisfactory evidence to be the person~~(s)~~ whose name~~(s)~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature~~(s)~~ on the instrument the person~~(s)~~, or the entity upon behalf of which the person~~(s)~~ acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

JOSEPH W. PALASKI
Notary Public - California
Ventura County
Commission # 2279430
My Comm. Expires Mar 2, 2023

Signature ____________________
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

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Description of Attached Document
Title or Type of Document: Amendment CCR Document Date: 7-1-20
Number of Pages: 5 Signer(s) Other Than Named Above: William Mills

Capacity(ies) Claimed by Signer(s)

Signer's Name: Alla Brezkovny
☒ Corporate Officer — Title(s): President
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other:
Signer Is Representing: Cantrice Court C.O.A

Signer's Name:
☐ Corporate Officer — Title(s):
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other:
Signer Is Representing:

EXHIBIT B

WOWS FIRE INSURANCE SERVICES
CDI #6011634

DECLARATIONS PAGES

POLICY NUMBER	MMUSA104839WO2026
PRODUCER NAME	Wows Fire Insurance Services
CARRIER NAME	Helix Underwriting Partners USA Ltd on behalf of PartnerRe Insurance Solutions Bermuda Ltd
NAME INSURED	Cantrice Court COA c/o Community One Property Management
MAILING ADDRESS	241 Frank West Circle, Ste 200, Stockton, CA 95206
POLICY PERIOD	08/31/2026-08/31/2027

COVERAGE	$ 9,806,516 (100%) part of $ 9,806,516 per Occurrence Excess of $ 22,901,900 per Occurrence Which in turn is excess of Policy Deductibles
Real and Personal Property as more fully defined in the Policy Form	
PERILS: All Risks of Direct Physical Loss or Damage including Named Windstorm and Severe Convective Storm/Hail; excluding all Earthquake, Flood and Machinery Breakdown as more fully defined in, but not limited to, the Policy Form	
POLICY PREMIUM & FEES	
PREMIUM	$35,000.00
SURPLUS LINES TAX	$1,086.75
STAMPING FEE	$65.21
BROKER FEE	$1,225.00
TOTAL	$37,376.96
MINIMUM EARNED	50%
Company Fees are fully earned. Premium is 100% minimum down.	

Form or Endorsement - Description	
HXUS APXS – 00 25	Excess Property Insurance Coverage Policy
HXUS CPXS – MEP ENDORSEMENT	MINIMUM EARNED PREMIUM ENDORSEMENT
HXUS CPXS – TOTAL LOSS ENDORSEMENT	TOTAL LOSS ENDORSEMENT
HXUS CPXS 200	WAR AND CIVIL WAR EXCLUSION
HXUS CPXS 201	MARGIN CLAUSE
HXUS CPXS 202	CRITICAL INFRASTRUCTURE INTERRUPTION
HXUS CPXS 203	COMMUNICABLE DISEASE EXCLUSION
HXUS CPXS 204	RADIOACTIVE EXPLOSION AND NUCLEAR EXCLUSION
HXUS CPXS 205	BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION
HXUS CPXS 206	LAND AND WATER CONTAMINANT EXCLUSION
HXUS CPXS 207	SANCTIONS LIMITATION EXCLUSION
HXUS CPXS 208	APPLICATION OF SUBLIMTS
HXUS CPXS 209	INSURER LIABILITY CLAUSE
HXUS CPXS 210	MICROORGANISM EXCLUSION
HXUS CPXS 211	ASBESTOS EXCLUSION
HXUS CPXS 212	CYBER AND DATA EXCLUSION
HXUS CPXS 213	TERRORISM EXCLUSION
HXUS CPXS 213(D)	TRIA NOT PURCHASED ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARGIN CLAUSE ENDORSEMENT

It is understood and agreed that the following terms and conditions apply to this Policy:

In no event shall liability under this Policy arising out of any one occurrence for any one Building, any one Structure or Business Personal Property at any one location exceed 110% of the individually stated values for such property as shown in the latest Statement of Values or other documentation on file with the Company, nor shall liability exceed any specific Limit of Insurance applying to any insured loss, coverage or location(s).

If, at the time of loss, the values shown on the latest Statement of Values or other documentation on file with the Company are not individually stated for each Building, each Structure or Business Personal Property at each location:

1. The value for each Building and Structure will be developed by multiplying the reported Building and Structure values that includes the value of the individual Building or Structure that is damaged, by the proportion that the square footage of that individual Building or Structure bears to the total square footage of all Buildings and Structures contemplated in that reported Building and Structure value.
2. The value of Business Personal Property at each location will be developed by multiplying the reported Business Personal Property value that includes the value of Business Personal Property at the individual location of damage, by the proportion that the square footage of all Buildings and Structures at that individual location bears to the total square footage of all Buildings and Structures at all locations contemplated in that reported Business Personal Property value.

Los Angeles Construction Cost Benchmark - Q1 2025

Source: Builders United, Los Angeles, CA Construction Cost Report (Updated April 23, 2025)

URL: https://buildersunited.com/wp-content/uploads/2025/05/CCR-Los-Angeles-Q1-2025.pdf

Relevant category

Residential - Multi-Family - Core & Shell Only Construction.

Published range

$185 per sq. ft. LOW / $388 per sq. ft. HIGH.

Scope shown by publisher

The report describes core-and-shell-only construction as full ground-up construction of the core and shell on a ready-to-build parcel, excluding land acquisition costs.

Relevance to Cantrice Court

This is an external Los Angeles-area hard-construction benchmark that is closer to the Association's amended bare-walls responsibility than a fully finished condominium cost. The $185 low end is $21/sq. ft. (about 12.8%) above the $164 residential SOV rate.

Limitations / use in this packet

The publisher states that the figures are estimates of current building costs, actual costs can vary, and professional advice should be obtained. This exhibit is benchmark evidence, not a Cantrice Court replacement-cost appraisal.

RAND Los Angeles Multifamily Hard-Cost Benchmark

Source: Jason M. Ward & Luke Schlake, RAND Corporation, The High Cost of Producing Multifamily Housing in California: Evidence and Policy Recommendations (2025), Table 3.3

URL: https://www.rand.org/content/dam/rand/pubs/research_reports/RRA3700/RRA3743-1/RAND_RRA3743-1.pdf

Relevant finding

RAND reports Los Angeles Metro market-rate hard construction costs of $259 per net rentable square foot.

Dollar basis

RAND states that the table's costs are adjusted to 2019 dollars.

Independent context

The study analyzes completed multifamily projects and separately reports hard costs, soft costs, and land costs across regions.

Relevance to Cantrice Court

The $259 figure is not a bare-walls insurance appraisal and should not be substituted for one. It independently demonstrates that Los Angeles multifamily physical-construction costs can materially exceed $164 per square foot.

Limitations / use in this packet

RAND's NRSF measure and project scope differ from the Association's insurance scope. This exhibit is corroborative context only, not the requested professional valuation.

City of Simi Valley - Current Building-Code Environment

Source: City of Simi Valley, Municipal Codes and Ordinances - Codes Adopted by City Ordinance No. 1366

URL:
https://www.simivalley.org/departments/environmental-services/building-safety-division/municipal-codes-and-ordinances

Effective date

January 1, 2026.

Codes identified by the City

2025 California Building, Electrical, Mechanical, Plumbing, Energy, Historical Building, Existing Building, Referenced Standards, CALGreen, and Wildland-Urban Interface Codes, plus the 2024 International Property Maintenance Code.

Relevance to replacement cost

A competent current replacement-cost analysis should consider the regulatory environment applicable to reconstruction. The exact code upgrades or requirements after a particular loss are fact-specific and should be addressed by the professional valuation.

Limitations / use in this packet

This exhibit establishes the City's current code adoption and effective date. It does not state that every listed code provision would apply to every post-loss reconstruction scenario.

Illustrative Residential Valuation-Gap and Owner-Exposure Calculations

Source: Calculated from the Association's signed SOV and published benchmark figures

Source references: See Exhibits A, D, and E.

Base figures

Residential building area: **164,543 sq. ft. |** Current residential SOV: **$26,985,216 |** Units: **98**.

Internal SOV note: 164,543 x $164 = $26,985,052, which is $164 less than the reported residential SOV total. The building schedule appears to place the one-square-foot discrepancy in the 605 Jubilee Lane entry. The calculations below use the SOV's reported $26,985,216 residential total as the comparison baseline so the illustration remains tied to the Association's own stated value.

Scenario	Benchmark	Implied residential value	Gap vs. reported SOV	Illustrative gap / 98 units
Low	$185/sq. ft.	$30,440,455	$3,455,239	$35,258
Midpoint	$286.50/sq. ft.	$47,141,569.50	$20,156,353.50	$205,677
High	$388/sq. ft.	$63,842,684	$36,857,468	$376,097
RAND context	$259/NRSF	$42,616,637	$15,631,421	$159,504

Limitations / use in this packet

These calculations are illustrations only. They are not predictions of any special assessment and do not establish Cantrice Court's actual replacement cost. They revalue only the residential-building component; garages and other property are left unchanged. Actual owner exposure would depend on loss facts, insurance recoveries, policy terms, deductibles, sublimits, reserves, borrowing, and other funds.

Turner Construction Cost Escalation Context - Q1 2025 to Q2 2026

Source: Turner Construction Company, Turner Building Cost Index

Q1 2025 source: https://www.turnerconstruction.com/insights/building-costs-increase-in-the-first-quarter-of-2025

Q2 2026 source: https://www.turnerconstruction.com/insights/high-growth-sectors-continue-to-drive-u-s-construction-activity

Cost-index archive: https://www.turnerconstruction.com/cost-index

Quarter	Turner Building Cost Index	Published characterization
Q1 2025	1,459	National nonresidential building-cost index
Q2 2026	1,552	National nonresidential building-cost index

Mechanical escalation illustration

Index change: **(1,552 / 1,459) - 1 = approximately 6.4%**.

Applying that percentage mechanically to the Builders United Q1 2025 low-end Los Angeles multifamily core-and-shell benchmark of $185/sq. ft. produces approximately **$197/sq. ft.**.

Relevance

The Association's governing documents require insurance based on **current replacement cost**. The Builders United benchmark is dated Q1 2025. Turner's published index provides independent evidence that construction costs continued to rise between Q1 2025 and Q2 2026, supporting the need for a current professional valuation rather than an unexplained historical assumption.

Important limitations

Turner states that its Building Cost Index measures the **nonresidential building construction market in the United States**, is determined on a nationwide basis, and may not reflect regional conditions in a particular quarter. Accordingly, neither the 6.4% index change nor the resulting approximately $197/sq. ft. figure is presented as Cantrice Court's replacement cost. This exhibit is escalation context only.

Published data points

Turner reported a Q1 2025 index value of **1,459** and a Q2 2026 index value of **1,552**. Turner states that its index considers labor rates and productivity, material prices, and competitive market conditions on a nationwide basis.

WILLIAM MILLS TTEE
605 Jubilee Lane Unit F
Simi Valley, CA 93065
t: 805.390.0509 | e: wmills99@protonmail.com

INFORMAL CERTIFICATE OF TRANSMISSION / PROOF OF SERVICE

Insurance Valuation Demand - Cantrice Court Condominium Owners' Association

I, William Mills, declare:

I am over 18 years of age. On September 23, 2026, I transmitted a true and correct PDF copy of the following document, together with its referenced exhibit packet:

FORMAL INSURANCE VALUATION DEMAND - $164 PER SQUARE FOOT STATEMENT OF VALUES, REPLACEMENT-COST COMPLIANCE, AND REQUEST FOR PROFESSIONAL SUPPORT

The transmission was made by email to the Association President, Association management, and Association counsel so that the issue is presented to the Association and its representatives in connection with the parties' pending mediation/ADR and preserved as a contemporaneous notice record.

<table>
<tr><th>Recipient</th><th>Capacity</th><th>Email</th></tr>
<tr><td>Mark Reynders</td><td>President / Board representative</td><td>ctreynders@aol.com</td></tr>
<tr><td>Jeff Gollihar</td><td>Community One Property Management</td><td>jeffg@communityonepm.com</td></tr>
<tr><td>Johanna Deleissegues, Esq.</td><td>Adams | Stirling PLC
Association counsel</td><td>jdeleissegues@adamsstirling.com</td></tr>
</table>

The email subject line used was: **“Formal Insurance Valuation Demand - $164/SF Replacement-Cost Issue - Cantrice Court.”**

I retained the sent-message record and any delivery, acknowledgment, or reply information. This certificate is intended as an informal contemporaneous record of transmission and is not represented as a Judicial Council proof-of-service form or as establishing compliance with any particular statutory service procedure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 23, 2026, at Simi Valley, California.

William Mills

William Mills

“Formal Insurance Valuation Demand - $164/SF Replacement-Cost Issue - Cantrice Court

From William Mills <WMills99@protonmail.com>

To ctreynders@aol.com, Johanna Deleissegues <JDeleissegues@adamsstirling.com>, Jeff Gollihar <jeffg@communityonepm.com>

Date Wednesday, September 23rd, 2026 at 9:48 AM

Mr. Reynders, Mr. Gollihar, and Ms. Deleissegues:

Attached are my formal insurance valuation demand and supporting Exhibits A-H concerning the Association’s 2026 Statement of Values and insurance program.

I am sending this first to **Mark J. Reynders, President of the Cantrice Court Condominium Owners’ Association; Jeff Gollihar, CCAM, Community Association Manager with Community One Property Management; and Johanna Deleissegues, Esq., Adams | Stirling PLC, counsel for the Association** because the issue is serious, the potential financial consequences to owners are substantial, and the Association should have the opportunity to address the underlying facts directly.

The core issue is now straightforward.

The Association’s August 28, 2026 signed Statement of Values uses **$164 per residential square foot** for the condominium buildings. The submission was signed on behalf of the Association by **Board President Mark J. Reynders**.

The Association’s amended CC&Rs require insurance for **not less than 100% of current replacement cost** for the property within the Association’s insurance responsibility.

Available construction-cost evidence raises a substantial question about whether $164 per square foot is professionally supportable as a current 2026 replacement-cost valuation.

Among the evidence attached:

- A Q1 2025 Los Angeles multifamily core-and-shell benchmark begins at approximately **$185 per square foot** and extends substantially higher.
- Turner Construction’s cost index increased approximately **6.4% between Q1 2025 and Q2 2026**, illustrating why a 2025 benchmark cannot simply be treated as a current-dollar figure.
- RAND independently reports substantially higher Los Angeles multifamily hard-construction costs, while I expressly acknowledge that its scope is not identical to the Association’s bare-walls obligation.
- Simi Valley is now operating under the 2025 California code family effective January 1, 2026.
- The Association’s own SOV contains a small internal inconsistency: the stated residential square footage, the $164-per-square-foot figure, and the reported residential replacement-cost total differ by exactly **$164, or one square foot**.

None of those outside benchmarks is being presented as the Cantrice Court appraisal.

That is the point of the demand.

The Association should have an actual, competent, current replacement-cost analysis supporting the values submitted to its insurers.

The formal demand asks the Board to identify exactly what appraisal, estimate, broker recommendation, software output, professional opinion, or other evidence was relied upon before the $164 figure was submitted and before President Reynders signed the application.

It also asks the Board to obtain an independent professional valuation if a current one does not already exist, reconcile the internal SOV discrepancy, and correct the scheduled values and insurance program if professional analysis establishes that they are inadequate.

The potential owner exposure is not something that should be ignored.

Using the published Los Angeles core-and-shell range only as an illustration, the difference between the Association's present residential valuation and alternative construction-cost scenarios ranges from approximately **$3.46 million at $185 per square foot to more than $36 million at the published high end**. If an entire hypothetical shortfall ever had to be borne equally by 98 owners, the resulting illustrative exposure ranges from approximately **$35,258 to $376,097 per unit**.

Those figures are not predictions of a future assessment. They demonstrate why the underlying valuation needs to be established correctly now rather than after a major loss.

The Helix excess policy makes the issue more significant because its 110% Margin Clause is tied to the individually stated property values in the SOV. Accurate scheduled values therefore are not merely bookkeeping entries.

I intend to make the formal demand and its supporting evidence available to Cantrice Court owners through the independent owner-information website so that owners can review the underlying documents and calculations themselves.

Before doing so, I am providing the Association, management, and counsel this direct notice and an opportunity to address the issue.

Please review the attached demand carefully and provide the requested written response by **September 30, 2026**.

This is a prevention issue, not a hindsight issue. If $164 per square foot is professionally supportable, the Association should be able to produce the analysis establishing that fact. If it is not, the valuation should be corrected before a catastrophic loss makes the consequences much harder to remedy.

William Mills TTEE
605 Jubilee Lane Unit F
Simi Valley, CA 93065
805.390.0509
wmills99@protonmail.com

Attachments:

1. Formal Insurance Valuation Demand
2. Exhibits A-H

1012.37 KB 1 file attached

20260923 Formal Insurance Valuation Demand.pdf 1012.37 KB