



November 30, 2019

**Rio Bravo Community Association Owners (Annexed)
Principals for Non-Annexed Partners**

Re: **2020 DISCLOSURES OR
SUPPLEMENTAL INFORMATION –
Policy Statement**

**2020 DISCLOSURES AND
SUPPLEMENTAL INFORMATION –
Annual Budget Report**

Dear Owners:

Please find enclosed the above referenced disclosures and supplemental information, most of which are required under California Civil Code; and the Restated Declaration of Covenants, Conditions, and Restrictions [for] Rio Bravo, A Master Planned Community (the “CC&Rs”), and the Golf Club Reciprocal Use and Easement, Maintenance Agreement (the “Reciprocal Easement”) recorded on April 20, 2001, as document numbers 0201053275, 0201053274, respectively. Each section that follows identifies the authority mandating disclosures as appropriate. The name of the association for our community is the Rio Bravo Community Association (“RBCA”). The words “Owner” and “Members” are used interchangeably in these disclosures.

The Board of Directors approved the 2020 Pro Forma Operating Budget. **The 2020 Regular Assessment for Annexed Owners is \$184.75 per quarter; and for Non-Annexed Owners \$125.46 per quarter.** (Annually it is \$739.00 & \$501.84, respectively.) Again, billing will be sent quarterly in advance at the beginning of each calendar quarter except that when the normal billing date falls on a weekend or holiday, the billing will be mailed on the first weekday prior to the weekend or holiday. Payment is due on the 1st of each calendar quarter (January 1, April 1, July 1, and October 1) regardless of receipt of quarterly invoice, and will be considered past due on the 16th of each calendar quarter.

There are two associations that are non-annexed, which are Rio Bravo Golf Course Master Homeowners Association and Rio Bravo Fairways Homeowners Association. The Board treats the Fuller Apartments project and Casa Club HOA as ‘annexed members’ for purposes of the budget although Fuller Apartments is designated as inactive now.

All actions taken by the Board of Directors is consistent with the CC&Rs, the Reciprocal Easement, and governing law.

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All Owners are invited to the Board of Directors meetings, which are set forth in the enclosed 2020 Calendar of Events for RBCA. Please refer to www.rbcahooa.org for meeting updates, agendas, meeting minutes, governing documents, Security Gate Protocols, fee schedules, policies and procedures, and much more.

Meeting agendas will be posted at the Security Gate Guard Station a week prior to the meeting but in no case less than four days prior to the meetings. Meeting minutes will be posted within 30 days of the meeting. Meetings are generally held at Rio Bravo Country Club, 15200 Casa Club Drive, Bakersfield, California 93306, or the management office at 1430 Truxtun Avenue, Fifth Floor, Bakersfield, California 93301, unless otherwise designated.

The name, title, and term of your current Board of Directors are: Mark Hall, President; Fred Wiley, Vice President and Chief Financial Officer; and Phil Crosby, Secretary. The 2020 Board of Directors election is scheduled for December 18, 2019. The names of your 2020 Board of Directors will be mailed to you with the January First Quarter Reminder following the December 18, 2020, Annual Meeting & Election. In 2020, the Board of Directors will be adopting new Election Rules. Information about the new Election Rules will follow in the meeting notices.

Delegates for Subsidiary Associations represent Owners in the respective Subsidiary Association. There is a Delegate and an Alternate Delegate for each Subsidiary Association and / or Merchant Builder. The Alternate Delegate acts in absence of the Delegate. Generally, your Delegate represents a vote for each lot in your Subsidiary Association on Owner matters before the RBCA Board of Directors and provides critical input in all other matters. Owners within the Subsidiary Association annually elect Delegates. Delegates for Merchant Builders are usually appointed until all lots in the Subsidiary Association are sold to Owners and the transition from Merchant Builder to Owner is complete. It is important that you make your vote count in electing your respective Delegates to represent the mutual interests of your Subsidiary Association and RBCA.

RBCA Board of Directors can be any Member nominated by the Nominating Committee and elected by the Delegates.

If you are an annexed Member, you also belong to a Subsidiary Association that provides its own disclosures about your Subsidiary Association separate and distinct from Rio Bravo Community Association. Please note that RBCA's annual disclosures do not replace or supplement any required disclosures from any Subsidiary Association.



If you are a non-annexed Member, your homeowners' association has partnered with RBCA for purposes of full or partial cost-sharing. The purpose of this notice to you is to provide you the financial aspects of our combined cost-sharing.

These disclosures do not categorize any Merchant Builders or Subsidiary Associations not set forth in the 2020 Pro Forma Operating Budget as annexed or non-annexed.

The primary purpose of these disclosures is to provide you annual policy statements and budget reports by RBCA, so you understand why you pay assessments, how much you pay, and how the money is utilized by RBCA. The documents and information that follow provide additional details. You may express any comments you have regarding these disclosures by contacting RBCA.

Although an effort to ensure the accuracy of these disclosures was made, the Board of Directors reserves the right to correct, update, or otherwise modify these disclosures. References to California Civil Code sections are taken from the Condominium Bluebook and/or from the website: www.davis-stirling.com.

Ownership and development changes are dynamic and will likely change the makeup of the RBCA community. The RBCA Board will adapt its actions accordingly.

If you have any questions, please call, or email me. The contact information is listed below in this letterhead.

Respectfully submitted,

Mario Valenzuela, President
HOA Management Solutions, Inc. for
Rio Bravo Community Association

MV:

Enclosures

11-30-19 RBCA 2020 Annual Disclosures Final



DISCLOSURES OR SUPPLEMENTAL INFORMATION – Policy Statement

- **Declaration, Articles & Bylaws (Governing Documents) Availability**

If requested by an Owner in writing, within 10 days, RBCA will provide a true and correct copy of the CC&Rs; Bylaws, and an Estoppel Certificate required under CC&Rs § 6.13(A)(5), or other related documents. There is a nominal fee for this request if a physical copy is desired. Complimentary copies are available online at www.rbcahoa.org.

- **Designated Recipient for Rio Bravo Community Association**

You are hereby notified pursuant to California Civil Code § 4035, that RBCA has designated HOA Management Solutions, Inc. to receive official communications on its behalf.

Mailing Address

Rio Bravo Community Association
14500 Casa Club Drive
Bakersfield, California 93306-9506

Physical Address* (Overnight Mail/Deliveries)

HOA Management Solutions, Inc.
Attention: Rio Bravo Community Association
1430 Truxtun Avenue, Fifth Floor
Bakersfield, California 93301-5243

*Reception personnel are available during business hours. Appointments are encouraged for Management.

- **Right to Submit Second Address**

You are hereby notified pursuant to California Civil Code § 4040(b), that you have the right to designate a second address for purposes of receiving certain documents set forth in California Civil Code § 5300, Annual Budget Report; California Civil Code § 5650, Debt of Owner; Late Charges and Interest; and California Civil Code § 5710, Foreclosure Procedure. You must submit your request in writing.

- **Owner Requirement to Update Contact Information and Property Status**

You are hereby notified pursuant to California Civil Code § 4041 to provide an annual update to your contact information and property status. More specifically, your address or addresses to which notices from RBCA are to be delivered; An alternate or secondary address to which notices from RBCA are to be delivered; the name and address of your legal representative, if

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any, including any person with power of attorney or other person who can be contacted in the event of your extended absence; and the status of your property, such as whether you are the owner-occupier, the property is rented out, the parcel is developed but vacant, or if the parcel is undeveloped land.

- **General Notice Location**

You are hereby notified pursuant to California Civil Code § 4045(a)(3), the location designated for posting of a general notice will be at the Security Guard Station at the main entry at 14500 Casa Club Drive, Bakersfield, California 93306-9506. Additionally, information and notices will be available online at www.rbcahoa.org.

- **Right to Individual Delivery**

You are hereby notified pursuant to California Civil Code § 4040(b), that you have the right to have general notices delivered individually. Individual delivery includes first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. If a recipient consents in writing, individual delivery includes E-mail, facsimile, or other electronic means. The consent may be revoked, in writing, by the recipient.

- **Right to Attend Meetings & Receive Minutes**

Every Member has the right to attend board meetings. Rio Bravo Community Association is a transparent organization that complies with Common Interest Development Open Meeting Act California Civil Code § 4900.

You have the right to receive copies of the Minutes pursuant to California Civil Code § 4950(b). Copies of all minutes, except executive sessions, are available to all Owners within (30) days of a meeting and are posted online at www.rbcahoa.org in the Documents tab. Additionally, in 2020 Rio Bravo Community Association will be adopting a new records retention policy. Additional information will follow in meeting notices.

- **Late & Delinquent Collection Policies**

You are hereby notified pursuant to California Civil Code § 5730 of the assessment collection policy, as follows:



The Late & Delinquent Collection Policy statement is required each fiscal year under California Civil Code § 5310(a)(7) and CC&RS § 6.13(A)(4). This policy statement sets forth RBCA policies regarding late and delinquent collection and the enforcement of lien rights and other remedies for the default of assessments, as follows:

1. Applicable Articles:

Article 8.12, 8.13, 8.14, 8.15, 8.16, and 8.17 set forth the detailed provisions of this Late & Delinquent Collection Policy.

2. Due Date:

Assessments are due on the first (1st) day of each billing period. In 2020, the billing period is at the beginning of each calendar quarter (January, April, July, and October). The billing period can change or be prorated at any time and is generally prorated by month. Changes occur when a weekend, holiday, or there is an incomplete billing on the regularly scheduled billing date. If there is a change to the billing period, you will be notified.

3. Late Policy:

Assessments are late if not received by the fifteenth (15th) of the month. After the 15th, a late charge of ten dollars (\$10.00) or 10% applies, whichever is greater. Interest at the annual rate of 12% (or 1% per month) shall apply thirty (30) days after the due date.

4. Delinquent Policy:

RBCA may impose a lien against an Owner's parcel for delinquent assessments plus any costs of collection, including attorney's fees, late charges, and interest by notifying the Owner through Certified Mail of the delinquent assessment and providing an itemization of such.

The notification of delinquent policy enforcement must include the principal owed, attorney fees, late fees, reasonable costs of collection, the method of calculation, and collection practices utilized, but not limited to.

5. Collection Policy:

After complying with the Delinquent Policy by recording an assessment lien for longer than thirty (30) days, RBCA may enforce the lien by foreclosure proceedings with all costs further incurred to be charged to the Owner.



6. Personal Liability:

All assessments, late charges, interest and costs of collection, including attorney fees, are the personal obligation of the Owner of the Property at the time of the assessment or other sums are levied according to California Civil Code § 5650(a).

7. Returned Check Charges:

The return check charge shall be \$25 and then increases pursuant to California Civil Code § 1719 and shall be added to the account of any member whose check to the Association is returned dishonored by the member's bank.

8. Waiver of Charges:

If a member's account becomes delinquent and the Association is required to incur certain charges due to the member's delinquency, the Association's policy is to not waive the delinquent member's payment to these charges. Other Association Members should not have to pay for the collection charges incurred due to an individual member's delinquency.

9. Collection Timeline:

The following collection timeline will apply to delinquent accounts.

NON-JUDICIAL FORECLOSURE COLLECTION TIMELINE	
Due Date (All dates applicable following quarterly billing.)	1 st Day
Past Due	16 th Day
Late Fee Imposed	16 th Day
Late Reminder	25 th Day
AFTER 30-DAYS	
Finance Charge Imposed	31 st Day
Courtesy Call	31 st Day
Collection Monitoring	31 st Day
Monitoring Fee	31 st Day
Pre-Lien Notice & IDR	35 th Day
Courtesy Call	45 th Day
AFTER 60-DAYS	
Propose on Regular Meeting agenda	30 days after Pre-Lien Notice
Vote to lien in open session	During Regular Meeting
Notate decision in minutes or writing	After Meeting
Record Lien	After Board vote



Send Recorded Copy of Lien via Certified Mail	Within 10 days after recording
Set on Executive Meeting agenda	30 days after recording lien
Vote to foreclose, NOD and NOS	During Executive Session
Notate decision in minutes or writing	After meeting
AFTER 100-DAYS	
15-Day Notice of Intent to Foreclose	
AFTER 120-DAYS	
Record Notice of Default	Assessments must be at least \$1,800 or 12 months' delinquent
Send Recorded Copy of Notice of Default via Certified Mail	Within 10 days after recording
Personal Service of Recorded Notice of Default	Immediately after recording, serve same as a Summons
AFTER 160-DAYS	
Record Notice of Sale	Must be 90 days after Notice of Default is recorded
Publish and Post Notice of Sale	Must be done 3 weeks prior to sale
Sale Conducted	
Record Certificate of Sale	After Sale
AFTER 185-DAYS	
Mail copy of Certificate of Sale	
AFTER 275-DAYS	
Issue Trustee's Deed	After 90-day redemption period expires

In lieu of proceeding to a nonjudicial foreclosure sale against the property, the Board may elect to proceed with a judicial suit for collection of the delinquencies, including judicial foreclosure. All fees and costs associated with the foreclosure or judicial suit for collection shall be charged to the delinquent homeowner's account.

- **Assessment and Foreclosure Notice**

The following notice regarding assessments and foreclosure is required under California Civil Code § 5730 and 4040(b).

NOTICE
ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies



only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

ASSESSMENTS AND NONJUDICIAL FORECLOSURE

The failure to pay association assessments may result in the loss of an owner's property without court action, often referred to as nonjudicial foreclosure. When using nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the lien is not paid. Assessments become delinquent 15 days after they are due, unless the governing documents of the association provide for a longer time. (§§ 5600(a), 5605(a), 5605(c) and 5650(a) of the Civil Code)

In a nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (§§ 5600(a), 5605(a), 5605(c) and 5650(a) of the Civil Code)

The association must comply with the requirements of § 5650(a) of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (§ 5650(a) of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail. Among these documents, the association must send a description of its collection and lien enforcement procedures and the method of 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. (§ 5650(a) of the Civil Code)

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. (§ 5650(a) of the Civil Code) The collection practices of the association may be



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

PAYMENTS

When an owner makes a payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (§ 5650(a) of the Civil Code)

An owner may dispute an assessment debt by giving the board of the association a written explanation and the board must respond within 15 days if certain conditions are met. An owner may pay assessments that are in dispute in full under protest, and then request alternative dispute resolution. (§ 5650(a) of the Civil Code)

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (§ 5650(a) of the Civil Code)

- **Address for Overnight Payments**

You are hereby notified pursuant to California Civil Code § 5655 that the mailing address for overnight payment of assessments is:

HOA Management Solutions, Inc.
Attention: Rio Bravo Community Association
1430 Truxtun Avenue, Fifth Floor
Bakersfield, California 93301-5243

- **Monetary Fine Policy**

Monetary Fine Policy disclosure is required under California Civil Code § 5850.

RBCA Monetary Fine Policy is fully detailed in Article 6.6 entitled Right To Impose Sanctions For Violations Of The Master Declaration. The Monetary Fine Policy schedule is as follows:



1. A Notice of Correction will be mailed to the last known address of record for an Owner; however, it may be physically delivered depending on the nature of violation;
2. A Notice of Correction and Sanction will be sent under the same procedure as Paragraph 1 but must include a First-Class mailing with a fine amount of \$50.00 and a description of the violation alleged, the procedure to be heard before the RBCA board, and if a hearing is held, the disposition of the RBCA board must be mailed within 15 days;
3. A Notice of Correction and Suspension of privileges to the Common Areas may be sent at the discretion of the RBCA board as an alternative to Paragraph 2 or in addition to Paragraph 2 provided the suspension does not exceed thirty (30) days;
4. RBCA may take those additional actions allowed under Article 6.6; and
5. RBCA may, at its sole discretion, apply this Monetary Fine Policy out of sequence depending on the actual circumstances at hand.

Please note: Special Assessments may be imposed for specific violations outlined in the CC&Rs.

- **Non-Compliance Complaint Policy**

All complaints regarding non-compliance must be made in writing and signed by an Owner. The management company will dispose of all complaints and maintain such complaints private. The management company or any Owner may request the Board of Directors to address the complaint. The Board of Directors will conduct a hearing where the complaint may be reviewed and addressed.

- **Dispute Resolution Procedures Summary**

You are hereby notified pursuant to California Civil Code §§ 5965, 5850 of the dispute resolution procedures, as follows:

Alternative Dispute Resolution Notice required under California Civil Code § 5965.



The Alternate Dispute Resolution requirements are set forth in detail in the CC&Rs § 6.13(A)(6). Notwithstanding the requirements of § 6.13(A)(6), an association or a member may not file an enforcement action in court unless the parties submit their dispute to alternative dispute resolution under § 6.13(A)(6) of the CC&Rs. Alternative dispute resolution does not apply to Small Claims actions and other limitations may apply.

"Failure of a member of the association to comply with the alternative dispute resolution requirements of § 5930 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

Internal Resolution Procedure, California Civil Code § 5915.

“5915. (a) This section applies in an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

(b) Either party to a dispute within the scope of this article may invoke the following procedure:

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

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

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

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

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

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



- (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
- (2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.
- (d) A member of the association may not be charged a fee to participate in the process.”

- **Architectural Review Procedures**

You are hereby notified pursuant to California Civil Code § 4765 that most architectural review matters are handled by the respective Subsidiary Associations, and to the extent RBCA reviews such architectural matters, it will act consistent with § 4765. All architectural review matters directed at RBCA can be addressed in writing to the Board of Directors.

- **Community Website / DwellingLive Portal**

RBCA provides a Community Website and access to the DwellingLive Portal, which is available at www.rbcahoa.org. The Community Website provides many resources, including agendas, minutes, important notices, the Security Gate Protocols, annual disclosures, budgets, forms, and more for the current and past years. The DwellingLive Portal allows Owners to manage the visitor access of your guests, including vendors, residents, and other visitors; and much more. The Community Website is not exhaustive and is a progressive resource that should be consulted often.

- **Calendar**

2020 Calendar of Events

January 14, 2020 Tuesday	Board Meeting Accounting Reconciliation & Debt Review Formation of Committees Secure Bid on Election Rules Update
February 11, 2020 Tuesday	Board Meeting Circulate Proposed Election Rules Update
March 10, 2020 Tuesday	Pre-Meeting Physical Inspection of Common Areas Review of 2019 Financial Statements 1 st Solicitation of Board of Director Nominees Approve Election Rules



April 14, 2020 Tuesday	Board Meeting
May 12, 2020 Tuesday	Board Meeting
June 9, 2020 Tuesday	Board Meeting 2 nd Solicitation of Board of Director Nominees
July 14, 2020 Tuesday	Board Meeting
August 11, 2020 Tuesday	Board Meeting Review of Nominees for 2021-2022 Board
September 15, 2020 Tuesday	Board Meeting Pre-Meeting Physical Inspection of Common Areas 2021 Operating Budget Preparation 2021 Calendar of Events Preparation
October 13, 2020 Tuesday	Board Meeting Mailing of Ballots
November 10, 2020 Tuesday	Board Meeting Election of Board of Directors / Vote Count 2021 Operating Budget and Annual Disclosures
December 8, 2020 Tuesday	Annual Board Meeting Election of Officers

* Board Meetings are held at Rio Bravo Country Club unless otherwise indicated. January and February's meeting scheduled a week later due to holidays.



DISCLOSURES AND SUPPLEMENTAL INFORMATION – Annual Budget Report

The 2018 financial information has been reviewed by a Certified Public Accountant, and a full copy of the financials are were previously mailed to Owners. A copy is available in the Documents tab of www.rbcahoa.org. The Board previously retained Jerry W. Kemp, CPA for financial statements preparation and tax return preparation; however, Mr. Kemp retired and on November 1, 2019, Andrea R. Hill, CPA acquired Mr. Kemp's practice. The Board intends to maintain Andrea R. Hill as its Certified Public Accountant.

- **2020 RBCA Pro Forma Operating Budget**

The pro forma operating budget is required under California Civil Code § 5300(b)(1) and CC&Rs § 6.13(A) (2). The 2020 RBCA Pro Forma Operating Budget is set forth below along with the Annexed and Non-Annexed Assessment Determination Worksheet.

Income		
4105 Rio Vista Community Association		32,515.29
4110 Rio Vista Estates Community Association		36,949.20
4120 Estates of Rio Bravo		738.98
4125 The Manors at Rio Bravo (Four Fairways)		27,342.40
4130 Highpoint Rio Bravo Communities 224, L.P.		20,691.55
4135 Rio Bravo Country Club LLC		71,790.50
4140 Montagna Homeowners Association		42,122.08
4205 Casa Club Fairways Homeowners Association		22,169.52
4210 Fuller Apartment Homes		738.98
4305 Rio Bravo Golf Course Master Homeowners Association		39,645.64
4310 Rio Bravo Fairways Homeowners Association		26,095.86
Total Income	\$	320,800.00
Gross Profit	\$	320,800.00
Expenses		
6000 COMMON FACILITIES		
6005 Bad Debts CF		3,000.00
6011 Bank Charges		50.00
6020 Accounting Services CF		1,015.00
6022 Accounting Website Subscription		450.00
6030 Corporation Regulatory Fees		50.00



6031 Corporation Taxes		60.00
6035 Management CF		18,000.00
6040 Insurance CF		4,700.00
6045 Website Maintenance CF		300.00
6050 Legal Services		12,000.00
6051 Legal Costs		250.00
6060 Office Expense CF		250.00
6062 Copying & Printing CF		1,700.00
6063 Postage & Shipping CF		700.00
6070 Telephone CF		240.00
6071 Hosting		240.00
6073 Electricity Street Lights		1,600.00
6075 Property Records Subscription		160.00
6085 Repairs and Maintenance CF		1,000.00
6087 Landscaping Maintenance CF		1,000.00
6091 Meeting Facilities CF		1,680.00
Total 6000 COMMON FACILITIES	\$	48,445.00
7000 SECURITY GATE		
7004 Gate Contingency		10,000.00
7015 Management G		1,000.00
7036 Office Supplies G		200.00
7040 Gate Portal Subscription		7,500.00
7041 Gate Portal Supplies		6,500.00
7045 Telephone G		1,000.00
7046 Water G		7,400.00
7047 Internet G		950.00
7048 Electricity Guard		1,600.00
7055 Repairs and Maintenance G		500.00
7056 Air Conditioning & Heating		400.00
7057 Plumbing		150.00
7059 Pressure Cleaning		150.00
7060 Gate Repairs		2,000.00
7066 Landscaping Maintenance G		11,000.00
7067 Landscaping Repairs G		3,000.00
7076 Other Supplies		500.00
7085 Security Guards		185,000.00
7090 Meeting Facilities G		720.00



Total 7000 SECURITY GATE	\$	239,570.00
Total Expenses	\$	288,015.00
Net Operating Income	\$	32,785.00
Other Expenses		
9100 RESERVES		
9106 Reserve Funding Allocation CF		27,860.00
9107 Reserve Funding Allocation G		4,925.00
Total 9100 RESERVES	\$	32,785.00
Total Other Expenses	\$	32,785.00
Net Other Income	-\$	32,785.00
Net Income	\$	0.00

ANNEXED & NON-ANNEXED ASSESSMENT DETERMINATION WORKSHEET

Security Gate		239,570.00
RBCC LLC portion 20%	47,914.00	
Total Gate		191,656.00
Divided by 379 Owners / Lots		505.69
Per Month Average		42.14
Per Quarter Billing		126.42
Common Facilities		48,445.00
RBCC LLC portion 30%	14,533.50	
Total Common Facilities		33,911.50
Divided by 379 Owners / Lots		89.48
Per Month Average		7.46
Per Quarter Billing		22.37
Reserve Allocation Fund		32,785.00
RBCC LLC Common Facilities portion 30%	8,358.00	
RBCC LLC Security Gate portion 20%	985.00	
Total Reserve Allocation		23,442.00
Divided by 379 Owners / Lots		61.85
Per Month Average		5.15
Per Quarter Billing		15.46
Non-Annexed Adjusted Subtotals		
Total Post-RBCC Guard, Common & Reserve		249,009.50
Annual - Divided by 379 Owners / Lots		657.02



Total Post-A & E Guard, Common & Reserve	249,009.50
Subtracting Non-Annexed Adjustment	67,031.26
Subtotal	181,978.25
Annual - Divided by 379 Owners / Lots	480.15

Annexed Post-Adjustment Totals

Annexed Owners / Lots multiplied by 248	119,078.11
Adding Non-Annexed Adjustment	67,031.26
Subtotal	186,109.37
Subtracting 2 lots for 2 Non-Annexed HOAs	2,841.36
Subtotal	183,268.00
Divided by 248 Owners / Lots	738.98
Per Month Average	61.58
Per Quarter Billing	<u>\$184.75</u>

Non-annexed Post-Adjustment Totals

Non-annexed Owners / Lots multiplied by 131	62,900.13
Adding 2 Annexed lots for 2 Non-Annexed HOAs	2,841.36
Subtotal	65,741.50
Divided by 131 Owners / Lots	501.84
Per Month Average	41.82
Per Quarter Billing	<u>\$125.46</u>

RBCC LLC Portion

Security Gate	47,914.00
Common Facilities	14,533.50
Reserve Allocation Fund	9,343.00
Subtotal	71,790.50
Per Month Average	5,982.54
Per Quarter Billing	<u>\$17,947.63</u>



- **2020 RBCA Operating Budget – Security Gate Summary**

The operating budget required under California Civil Code § 5300(b)(1) and CC&R § 6.13(A) (2) referred to above has a unique component – the Security Gate Expense Summary as part of the budget. This summary provides the expenses of the Security Gate separately and as part of the overall budget.

There is no written agreement with the non-annexed parties to continue paying toward the Security Gate and / or Common Facilities. All the non-annexed parties have committed to making their respective payment and have a history of making said payments for the Security Gate on an annual basis although payments are made monthly or quarterly. RBCA does not anticipate any non-annexed party terminating their Security Gate contribution for 2020; however, there is a billing dispute with one non-annexed party that has been referred to legal counsel and may be in litigation before the end of 2019.

RBCA also has a billing dispute with Rio Bravo Country Club, LLC and this dispute has and will continue to have an impact on the operating budget if not resolved. RBCA is taking appropriate steps resolve the billing dispute, collect upon RBCA’s billing, and position itself in the best interest of Owners. However, despite RBCA efforts, this billing dispute may require a special assessment and/or cost cutting efforts in 2020 if not resolved. RBCA will continue discussions with non-annexed associations to work toward having all associations under RBCA. Alternatively, RBCA continues to operate under the established practice, and will seek a written cost-sharing agreement with non-annexed parties for guard and gate entry obligations.

M & S Security Services, Inc. – the company providing guard service has an hourly rate of \$18.50 per hour per guard. Guard staff wages may be increased in 2020

- **Reserve Study Summary / Funding Plan / Major Component Repairs / Calculations / Assessment & Reserve Form**

This reserve study summary notice is provided pursuant to California Civil Code § 5300(b)(3) in conformance with California Civil Code § 5565 and CC&Rs §§ 6.13(A)(1)(b) and 6.13(A)(2)(b).

A copy of the February 2016 Reserve Study Report, summary pages, from the reserve study performed by Walla Services is included below. The 2020 Pro Forma Operating Budget

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incorporates the recommended reserve study allocations and RBCA will maintain the 2019 reserve allocation amount of \$32,785 for fiscal year 2020, which exceeds recommendations. Any member may receive the full reserve study reports upon request from RBCA, available on the Community Website at www.rbcahoa.org. The updated Reserve Study is being provided by Reserve Study Specialist and will be uploaded to the Documents tab of www.rbcahoa.org soon. Upon receipt of the updated 2020 Reserve Study, RBCA will determine if a change to the budget is needed.

RBCA funds reserves from the quarterly assessments. An unforeseen event could cause the RBCA to consider a special assessment and/or a loan to deal with such unforeseen event. The reserve study summary notice provides calculations utilized to create the reserve study projections. The Assessment & Reserve Form provided pursuant to California Civil Code § 5570 is included in the reserve summary below.



Assessment and Reserve Funding Disclosure Summary

Fiscal Year Ending: December 31, 2015

Rio Bravo Community Association Bakersfield, CA

Summary Information Based On Reserve Study Analysis Dated February 15, 2016

Pursuant to California Civil Code Sections 5300, 5565 and 5570 of the Davis-Stirling Common Interest Development Act, the Board is providing the following assessment and reserve fund summary information to Association Members. If an Association Member would like additional information, the complete Reserve Study Analysis is on file with the Association records.

Information contained in the Reserve Study Analysis recently conducted by Walla Services, a company that specializes in reserve fund analysis, provided the necessary information for this assessment and reserve fund summary. The study's findings and recommended funding plan was based on visually inspecting and evaluating accessible major components this association is obligated to maintain. Sources used for estimating current replacement costs was from the Saylor Construction Cost Estimating System, certain contractor bids and/or actual costs of any recently completed projects.

The study's reserve funding requirements and recommendations were based on a modified straight-line calculation method. The calculation method starts by multiplying the number of years a component has been in service by the component's current replacement cost divided by the component's estimated useful life. This calculation is then adjusted each year by the following long-term assumptions; interest earnings of present and projected fund balances, estimated component replacement years and future component replacement costs based on an average construction industry inflation factor. The study also projected estimated reserve cash flows over the next thirty (30) years based on both the study's recommended funding plan and current funding levels.

Current Regular and Approved Special Assessments

(All regular and special assessments vary by ownership interest size or type.)

Quarterly Regular Assessment Per Ownership Interest	359 Annexed Lots (114.81) - 131 Non-Annexed Lots (92.55)
Portion of Regular Assessment Allocated to Reserve Fund	359 Annexed Lots (12.50) - 131 Non-Annexed Lots (9.67)
Approved Special Assessments Per Ownership Interest	(refer to page 2) \$0.00

Current Reserve Fund Balance/Interest Earnings and Inflation Rates

Total Reserve Fund Balance on June 29, 2015	\$25,242
Average Long-Term Annual Rate of Return on Reserve Funds	0.75%
Long-Term Annual Construction Index Inflation Rate	3.00%

Estimated Year-End Reserve Fund Position on December 31, 2015

Total Major Component Replacement Cost	\$405,600
Total Cash Reserve Funds Set Aside	\$58,566

Based on Component Total Replacement Cost

Total Reserve Fund (Deficiency) or Overage	(\$347,034)
Reserve Fund (Deficiency) or Overage Per Ownership Interest	N/A
Percentage Funded Comparing Estimated Cash Set Aside to Total Replacement Cost	14.44%

Based on Component Liability or "Wear-Out" Period

("Wear-Out" Period refers to the total years that components have been in service.)

Total Reserve Fund Liability	\$79,978
Total Reserve Fund (Deficiency) or Overage	\$21,412
Reserve Fund (Deficiency) or Overage Per Ownership Interest	359 Annexed Lots (32.57) - 131 Non-Annexed Lots (25.17)
Percentage Funded Comparing Reserve Cash Funds Set Aside to Component "Wear-Out" Period	73.23%

Recommended Reserve Fund Allocations and Special Assessments

Quarterly Reserve Fund Allocation Per Ownership Interest	359 Annexed Lots (9.70) - 131 Non-Annexed Lots (7.49)
Percentage of Increase or (-Decrease) From Current Allocation	-22.46%
Annual Allocation Percentage Increase (thereafter)	5.00%
Projected Special Assessments Per Ownership Interest	(refer to page 2) \$0.00



Assessment and Reserve Funding Disclosure Summary

Fiscal Year Ending: December 31, 2015

Rio Bravo Community Association Bakersfield, CA

Reserve Funds Used For Operating Expenses or Funds Not Deposited

<u>Due Date</u>	<u>Amount Due Reserves</u>	<u>Purpose of Transfer</u>
N/A	\$31,899.00	Developer default has delayed transfer of funds from operating account to reserve account for 2014.

Loans From Outside Sources

<u>Original Loan Amount</u>	<u>Amount Outstanding</u>	<u>Annual Payment</u>	<u>Interest Rate</u>	<u>Loan Payoff Date</u>	<u>Lending Institution</u>	<u>Purpose of Loan</u>
\$0.00	\$0.00	\$0.00	0.00%			

Approved Special Assessments

<u>Assessment Due Date</u>	<u>Amount Per Ownership Interest Per Year</u>	<u>Purpose of Assessment</u>
	\$0.00	
	\$0.00	<u>Total of Assessments</u>

Major Components Listed in Study and Not Funded or Deferred for Repairs and/or Replacement

<u>Major Component</u>	<u>Useful Remaining Life (yrs)</u>	<u>Reason Not Funded</u>
None		

Currently Projected Reserve Account Balances

1) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's repair and replacement obligations of major components during the next thirty (30) years? **YES** **NO**

2) If the answer to #1 above is **NO**, what additional assessments or other contributions to the reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or members?

<u>Year of Assessment</u>	<u>Estimated Amount Per Ownership Interest</u>	<u>Purpose For Additional Funds</u>
	\$0.00	
	\$0.00	<u>Total of Assessments</u>

5-Year Projected Reserve Fund Position

<u>Year Ending</u>	<u>Required Reserve Funds</u>	<u>Threshold Funding</u>		<u>Study's Funding Plan</u>		<u>Notes</u>	<u>Approved Funding Plan</u>	
		<u>Fund Balance</u>	<u>Percentage Funded</u>	<u>Fund Balance</u>	<u>Percentage Funded</u>		<u>Fund Balance</u>	<u>Percentage Funded</u>
2016	\$94,431	\$67,727	71.7%	\$73,227	77.5%	Board approved 2016 reserve funding plan.	\$67,727	71.7%
2017	\$118,220	\$86,178	72.9%	\$97,475	82.5%		\$86,178	72.9%
2018	\$146,519	\$108,917	74.3%	\$126,320	86.2%		\$108,917	74.3%
2019	\$170,445	\$126,987	74.5%	\$150,822	88.5%		\$126,987	74.5%
2020	\$166,519	\$117,042	70.3%	\$147,649	88.7%		\$117,042	70.3%



- **Anticipated Special Assessments Statement**

This special assessment notice is provided pursuant California Civil Code § 5300(b)(4) and CC&Rs § 6.13(A)(2)(c). The Board does anticipate a special assessment in 2020 if the billing dispute with Rio Bravo Country Club, LLC is not resolved.

- **Deferred Maintenance**

The Board does not have any plans to defer maintenance within the RBCA community.

- **Loans**

There are no existing loans to RBCA by a third party at this time.

- **Current Insurance Summary**

This insurance summary notice is provided pursuant to California Civil Code § 4920 and CC&Rs §§ 6.13(A)(7) through 6.13(A)(10).

“This summary of the association's policies of insurance provides only certain information, as required by subdivision (a-b) of § 5300 of the California 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 broker or agent for appropriate additional coverage.”



The insured is: Rio Bravo Community Association
 The type of insurance cover, General Liability
 policy limit, and deductible Each Occurrence Limit \$1,000,000
 are: Personal and Advertising Injury Limit \$1,000,000
 General Aggregate Limit \$2,000,000
 Products/Completed Operations Aggregate Limit \$2,000,000
 Rented to You Limit \$100,000
 Medical Expense Limit (Any One Person) \$5,000

Property
 Building \$200,000 Wind/Hail \$1,000 Deductible \$1,000
 Business Pers Property \$35,000 Wind/Hail \$1,000 Deductible \$1,000
 Building \$200,000 Wind/Hail \$1,000 Deductible \$1,000
 Building \$50,000 Wind/Hail \$1,000 Deductible \$1,000

Umbrella Liability
 Each Occurrence Limit \$2,000,000
 Personal and Advertising Injury Limit \$2,000,000
 Products/Completed Operations Aggregate Limit \$2,000,000
 General Aggregate Limit \$2,000,000

The carriers are: Philadelphia Insurance Companies
 The policy numbers are: QN11260886

- **2020 Association Fee Schedule**

The Association Fee Schedule, in the table below, summarizes all key Assessment, Late Fee & Interests, Administrative Fees, Collection & Legal, and Security Gate fees. It is not exhaustive, rather, a summary of common fees. The Association can collect any fee authorized in the CC&Rs and the Fee Schedule is a guideline only.

Description of Items	Existing Fee	New Fees
ASSESSMENTS		
Annexed Regular Assessment – Quarterly	\$184.75	\$143.28
Annexed Special Assessment	None currently.	No Change



Non-Annexed Regular Assessment – Quarterly	\$125.46	\$112.30
Non-Annexed Special Assessment	None	No Change
LATE FEE & INTEREST		
Late Fee, greater of \$10.00 or 10%, assessed on 16 th day from billing	\$10.00/10%	No Change
Interest 12% per annum or 1% per month after 30 th days of billing	12% / 1%	No Change
ADMINISTRATIVE FEES		
Estoppel Certificate Per Lot	\$25.00	No Change
Collection Reminder	\$5.00	No Change
Collection Demand	\$15.00	No Change
Ownership Transfer Fee with Notice	\$50.00	No Change
Ownership Transfer Fee for Trusts, Spousal, or Decedent transfers		\$50.00
Ownership Transfer Fee without Notice	\$100.00	No Change
Copy / Print cost, per page - black and white	.10	No Change
Copy / Print cost, per page - color	.39	No Change
Any document on www.rbcahoa.org website not printed by RBCA.	Free	No Change
Research and project costs.	Varies*	No Change
COLLECTION & LEGAL		
File Preparation for Legal Filings – Small Claims or Liens	Actual Fees*	No Change
File Preparation for Legal Filings – Superior Court of Liens	Varies*	No Change
Court Appearances – Small Claims, Superior Court, or Other	Actual Fees*	No Change
Delinquency Notice	\$12.00	No Change
Pre-Lien Notice	\$85.00	No Change
Notice of Lien	\$125.00	No Change
Lien Recording Fee or Other Recorder’s Fee	Actual Fees	No Change
Court Fees	Actual Fees	No Change
Attorney’s Fees	Varies	No Change
SECURITY GATE		
Transponder Fee	\$30.00	\$40.00
Transponder Fee – Vehicle Transfer, not Replacement	\$30.00	No Change
Transponder Fee (hanging – limited)	\$40.00	\$60.00



*Fees denoted with “Varies” and “Actual Fees” depend on whether RBCA agents perform the activity or whether a third party performs the activity.

If an item is subject to sales taxes or if sales taxes are imposed, such taxes will be made part of the fee.

Corrections or updates to this Annual Disclosures will be updated via the newsletter, mailing inserts, or the RBCA website.