



December 1, 2021

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

Re: **2022 DISCLOSURES OR SUPPLEMENTAL
INFORMATION – Policy Statement**

**2022 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 2022 Pro Forma Operating Budget. **The 2022 Regular Assessment is \$263.80 for all Owners**, or annually, \$1,055.20. 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 three associations that are non-annexed, which are Rio Bravo Golf Course Master Homeowners Association, Rio Bravo Fairways Homeowners Association, and Casa Club HOA. The Board previously treated Casa Club HOA as an ‘annexed member’ for purposes of the budget; however, due an agreement and billing controversy with Casa Club HOA, that is no longer the case. The Fuller Apartments land is designated as inactive at this time.

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

All Owners are invited to the Board of Directors meetings, which are set forth in the enclosed 2022 Calendar of Events for RBCA. Please refer to www.rbcahoa.org for meeting updates, agendas, meeting minutes, governing documents, Security Gate Protocols, fee schedules, policies and procedures, and much more.

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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 2225 E Street, Suite 201, Bakersfield, California 93301, unless otherwise designated. Due to COVID-19 conditions, meetings have been held through Zoom via video conferencing. It is unknown at this time when regular physical meetings will resume.

The name and title of your current Board of Directors are Fred Wiley, President; Mark Hall, Vice President and Chief Financial Officer; and Phil Crosby, Secretary. The 2022 Board of Directors election is scheduled for December 14, 2021. The names of your 2022 Board of Directors will be mailed to you with the January 2022 First Quarter Reminders following the December 14, 2021, Annual Meeting & Election.

Delegates for Subsidiary Associations (also known as Delegate Districts) 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 pursuant to the Bylaws and Election Rules.

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 cost-sharing. The purpose of this notice to you is to provide you the financial aspects of our combined cost-sharing.

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 our office. 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

12-1-21 RBCA 2022 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
2225 E Street, Suite 201
Bakersfield, California 93301-3837

*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 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.

- **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 2022, 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)

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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
2225 E Street, Suite 201
Bakersfield, California 93301-3837

- **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**

2022 Calendar of Events

January 11, 2022 – Tuesday	Board Meeting Accounting Reconciliation & Debt Review Formation of Committees
February 8, 2022 – Tuesday	Board Meeting
March 8, 2022 – Tuesday	Pre-Meeting Physical Inspection of Common Areas Review of 2021 Financial Statements
April 12, 2022 – Tuesday	Board Meeting
May 10, 2022 – Tuesday	Board Meeting
June 14, 2022 – Tuesday	Board Meeting
July 12, 2022 – Tuesday	Board Meeting
July 13, 2022	Notice of Nomination Procedures and Deadline Mailing Date
August 9, 2022 – Tuesday	Board Meeting
August 12, 2022	Nomination Deadline
August 16, 2022	Internal Dispute Resolution (IDR) Notice Date
August 19 – 29, 2022	Select Inspector of Elections between
August 31, 2022	IDR Completion Date and Preparation of Lists



September 2, 2022	Pre-Ballot Notice Date
September 13, 2022 – Tuesday	Board Meeting Pre-Meeting Physical Inspection of Common Areas 2023 Operating Budget Preparation 2023 Calendar of Events Preparation
September 29, 2022	Voter List and Candidate Registration List Correction Deadline
October 4 – 10, 2022	Ballot and Election Rule Mailing Date and Finalize Voter List
October 11, 2022 – Tuesday	Board Meeting 2023 Operating Budget and Annual Disclosures
November 8, 2022 – Tuesday	Annual Board Meeting Voting Deadline and Ballot-Counting Meeting Organizational Meeting – Election of Officers
November 23, 2022	Election Results Deadline
December 13, 2022 – Tuesday	(Reserved)

* Board Meetings are held at Rio Bravo Country Club and through Zoom unless otherwise indicated or updated at meetings or through separate notices.



DISCLOSURES AND SUPPLEMENTAL INFORMATION – Annual Budget Report

The 2019 and 2020 financial information are under review by a Certified Public Accountant and will be mailed to Owners. A copy will be made available in the Documents tab of <http://www.rbcahoa.org/documents/documents.htm>. The Board previously contracted with Andrea R. Hill, CPA as its Certified Public Accountant but she reported an inability to complete the financials due to illness. The Board subsequently contracted with Joyce Jimenez, Jimenez and Company, as the new Certified Public Accountant and is awaiting the completion of the financials.

- **2022 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 2022 RBCA Pro Forma Operating Budget is set forth below along with the Annexed and Non-Annexed Assessment Determination Worksheet.

INCOME			
	<u>Members</u>	<u>Lots</u>	
4020	Generic Service / Fee Income		0.00
4025	Interest / Finance Charge		0.00
4035	Late Charge		0.00
4045	Transponder		0.00
4040	Administrative Fee		0.00
4105	Rio Vista Community Association	44	46,428.80
4110	Rio Vista Estates Community Association	28	29,545.60
4115	Rio Vista Estates Community Association Phase 3	22	23,214.40
4125	The Manors at Rio Bravo	37	39,042.40
4130	Highpointe Rio Bravo 224, LP / Estates of Rio Bravo	28	29,545.60
4135	RBCC LLC 20% Security Gate		58,395.20
4135	RBCC LLC 30% Common Facilities		14,542.50
4135	RBCC LLC 30% Reserves Common Facilities		9,191.40
4135	RBCC LLC 30% Reserves Security Gate		1,081.40
4140	Montagna Homeowners Association	57	60,146.40
4205	Casa Club Homeowners Association	30	31,656.00
4310	Rio Bravo Golf Course Master HOA	79	83,360.80
4315	Rio Bravo Fairways HOA	52	54,870.40
	Income Adjustment - Pending Collection		(83,210.50)
	(Rounding Adjustment)		0.00
	Total Income	377	\$397,810.40



General & Administrative		
6005	Bad Debts	500.00
6011	Bank Charges	50.00
6020	Accounting Services	1,100.00
6022	Accounting Website Subscription	450.00
6030	Corporation Regulatory Fees	50.00
6031	Corporation Taxes	60.00
6035	Management	19,000.00
6040	Insurance	8,700.00
6045	Website Maintenance	300.00
6050	Legal Services	8,000.00
6051	Legal Costs	2,500.00
6060	Office Expense	450.00
6062	Copying & Printing	1,675.00
6063	Postage & Shipping	700.00
6075	Property Records Subscription	160.00
6091	Meeting Facilities	2,400.00
	Contingency	58,176.00
	Gate Portal Subscription	7,300.00
	Gate Portal Supplies	6,500.00
7076	Other Supplies	1,850.00
	Subtotal	119,921.00
Utilities		
6070	Telephone	1,240.00
6071	Hosting	240.00
6073	Electricity	3,200.00
6074	Water - potable	600.00
	Water - Irrigation	7,400.00
	Internet	1,300.00
	Subtotal	13,980.00
Grounds		
6085	Repairs and Maintenance	1,900.00
6087	Landscaping Maintenance	11,250.00
6088	Landscaping Repairs	3,000.00
7059	Pressure Cleaning	100.00
7056	Air Conditioning & Heating	200.00
7057	Plumbing	100.00
	Subtotal	16,550.00
Guard Station - Contract		



7085	Security Guards		198,000.00
		Subtotal	198,000.00
	Reserves		
9106	Reserve Funding Allocation		28,045.00
9110	Reserve Loan Prepayment		21,314.40
		Subtotal	49,359.40
	Carryover Credit		0.00
GRAND TOTAL			\$397,810.40
NET INCOME			\$0.00

ASSESSMENT DETERMINATION WORKSHEET

REGULAR ASSESSMENT AMOUNT

Total budget	397,810.40
Annual - Divided by 377 Owners / Lots	1,055.20
Quarterly	263.80
Monthly	87.93

- 2022 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, except Casa Club HOA, to continue paying toward the Security Gate and / or Common Facilities. Although the non-annexed parties had a history of making their payments prior to 2019, the amount and frequency of payments have not kept pace with the amount billed by RBCA, and also because the RBCA Board voted to bill all Owners within the Rio Bravo Community equally at the time it adopted the 2021 budget. RBCA billed all Owners equally for the 2022 budget too. RBCA will work with non-annexed parties to secure their respective payment; however, the failure of non-annexed parties by way of their respective homeowner associations to pay their share may mean RBCA may seek to bill non-annexed homeowners individually in order to maintain their ability to use the security gate transponder system. RBCA may be required to reduce services or find other cost cutting savings or specially assesses annexed members if non-annexed members continue to pay less than they are billed. RBCA has also filed one lawsuit thus far and is preparing to file others to ensure all Owners pay equally. As a reminder, RBCA billed all Owners the same because the Rio Bravo



Community overwhelmingly (81.3%) felt that all Owners should pay equally RBCA budget to keep the Security Gate. RBCA will continue to seek a written cost-sharing agreement with non-annexed parties.

- **Litigation / Collection Impacts on Budget**

RBCA continues to have a billing dispute with Rio Bravo Country Club, LLC and this dispute is now before the Kern County Superior Court, case # BCV-21-101426. The dispute has had an impact your operating budget.

RBCA has a dispute with Casa Club HOA and the RBCA Board has authorized the filing of a lawsuit. RBCA believes that the 120-day notice requirement under the CC&RS, Article 6.16(B) is not applicable because the dispute related to assessments under Article 6.16(D). Nevertheless, RBCA hereby provides an estimated legal fee costs of up to \$50,000 to prosecute a civil complaint related to the collection of assessment due under a deed agreement with Casa Club HOA to pay 10% of Common Facilities and an equal share of guard related cost. The deed agreement also provided a waiver of time. Because of the arrangement with legal counsel, RBCA will only have to pay actual costs of prosecuting the litigation, and interest on legal fees. Legal fees will be billed at the conclusion of case.

- **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).

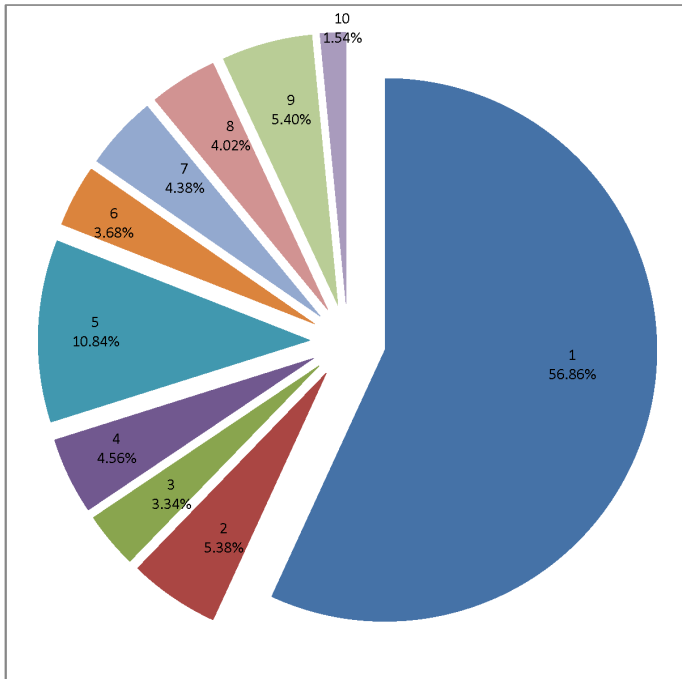
A copy of the February 2020 Reserve Study Report, summary pages, from the reserve study performed by Reserve Study Specialist is included below. The 2022 Pro Forma Operating Budget incorporates approximately 78% of the recommended 2022 reserve study allocation amount - \$28,045 of \$36,045. As a result of concerns by some Delegates, RBCA voted as part of the budget to add \$21,314 toward repayment of prior loans from reserves that were used to keep the Security Gate opened at the end of 2019 and in 2020. The loans borrowed from reserves totaled \$85,000. The RBCA Board voted for a budget that would maintain security gate operations as best as possible while incorporated recommended reserved allocations, and commencing the repayment of the reserve loans. Any member may review and download the full reserve study report from RBCA at www.rbcahoa.org.

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.



PRESENT % ANNUAL LIABILITY OF MAIN EXPENSE CATEGORY

RIO BRAVO CA



1- ROAD MAINTENANCE	56.86%
2- CONCRETE REPAIR	5.38%
3- FENCES & WALLS	3.34%
4- LIGHTING	4.56%
5- LANDSCAPING	10.84%
6- SURVEILLANCE SYSTEM	3.68%
7- GUARDHOUSE	4.38%
8- VEHICLE BARRIERS	4.02%
9- VEHICLE TRANSPONDER	5.40%
10- OTHERS	1.54%



ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY¹

RIO BRAVO CA Feb 29, 2020, For the Fiscal Year Ending Dec 31, 2019

For 2022, the regular assessment is \$263.80.

- (1) The regular assessment per ownership interest is \$157.53 per quarter
 Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page N/A of the attached summary.
- (2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the Board and/or members:

Date assessment will be Due:	Amount per Ownership Interest per Month <small>(If Assessments are variable, see note immediately below):</small>	Purpose of the Assessment
No planned assessments at this time.		
	Total:	

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

- (3) Based upon the most recent reserve study and other information available to the Board of Directors, will currently projected reserve account balances be sufficient at the end of each year to meet the Association's obligation for repair and/or replacement of major components during the next 30 years?

Yes* X No

**With the repayment of loans from Reserves and other forms of recoveries.*

NOTE: If the association does not adopt the recommended 30-year funding plan in this reserve study the answer to the question #3 could be NO.

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

Approximate Date Assessment will be Due:	Amount per Ownership Interest per Month:

¹ Civil Code, Section 5570 effective January 1, 2014



ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

RIO BRAVO CA Feb 29, 2020, For the Fiscal Year Ending Dec 31, 2019

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$140,647, based in whole or in part on the last reserve study or update prepared by Reserve Study Specialists as of Feb 29, 2020. The projected reserve fund cash balance at the end of current fiscal year is \$53,456, resulting in reserves being 38.01% percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$53,456. (See attached explanation)
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is (SEE ATTACHED 30 YEAR FUNDING PLAN) and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (SEE ATTACHED 30 YEAR FUNDING PLAN) leaving the reserve at (SEE ATTACHED 30 YEAR FUNDING PLAN) percent funding. If the Reserve Funding Plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (SEE ATTACHED 30 YEAR FUNDING PLAN), leaving the reserve at (SEE ATTACHED 30 YEAR FUNDING PLAN) percent funding.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 0.10 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00 percent per year.

- (1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- (2) "Major component" has the meaning used in Section 55530 [sic; s/b 5550]. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

[Civil Code Section 5570 (b)(4) referred to paragraphs (6) and (7) provides : "For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the Board to fund in accordance with this calculation."]

DISCLAIMER: The information contained in this disclosure is a PROJECTION ONLY. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.



30 YEAR RESERVE FUNDING PLAN (RECOMMENDED)

RIO BRAVO CA

Calendar Year	Starting Reserve	Total Annual Expenditure	Annual Reserve Contribution	Reserve Contribution Per Unit Per Month	Reserve Contribution Increase %	Contribution Increase Per Unit Per Month	Special Assessment	Interest Received	Tax on Interest	End of Year Balance	Fully Funded Balance	Percent Funded	Deficiency Surplus () Per Unit
	Balance												
2020	\$53,456	\$20,526	\$33,837	\$7.44	3.21	\$0.23	\$0	\$70	\$18	\$66,820	\$152,269	43.88%	\$225
2021	\$66,820	\$1,370	\$34,924	\$7.68	3.21	\$0.24	\$0	\$84	\$21	\$100,437	\$184,235	54.52%	\$221
2022	\$100,437	\$6,000	\$36,045	\$7.93	3.21	\$0.25	\$0	\$118	\$30	\$130,570	\$213,393	61.19%	\$219
2023	\$130,570	\$5,066	\$37,202	\$8.18	3.21	\$0.25	\$0	\$149	\$37	\$162,817	\$245,248	66.39%	\$217
2024	\$162,817	\$88,172	\$38,396	\$8.44	3.21	\$0.26	\$0	\$182	\$46	\$113,177	\$195,868	57.78%	\$218
2025	\$113,177	\$51,076	\$39,628	\$8.71	3.21	\$0.27	\$0	\$133	\$33	\$101,829	\$183,046	55.63%	\$214
2026	\$101,829	\$1,588	\$40,900	\$8.99	3.21	\$0.28	\$0	\$122	\$31	\$141,233	\$220,299	64.11%	\$209
2027	\$141,233	\$13,211	\$42,213	\$9.28	3.21	\$0.29	\$0	\$162	\$41	\$170,357	\$248,047	68.68%	\$205
2028	\$170,357	\$4,294	\$43,568	\$9.58	3.21	\$0.30	\$0	\$192	\$48	\$209,775	\$286,575	73.20%	\$203
2029	\$209,775	\$46,125	\$44,967	\$9.89	3.21	\$0.31	\$0	\$232	\$58	\$208,792	\$285,490	73.13%	\$202
2030	\$208,792	\$22,103	\$46,410	\$10.20	3.21	\$0.32	\$0	\$232	\$58	\$233,272	\$309,486	75.37%	\$201
2031	\$233,272	\$1,841	\$47,900	\$10.53	3.21	\$0.33	\$0	\$257	\$64	\$279,524	\$355,591	78.61%	\$201
2032	\$279,524	\$1,896	\$49,438	\$10.87	3.21	\$0.34	\$0	\$304	\$76	\$327,294	\$404,184	80.98%	\$203
2033	\$327,294	\$7,565	\$51,025	\$11.22	3.21	\$0.35	\$0	\$353	\$88	\$371,019	\$449,760	82.49%	\$208
2034	\$371,019	\$116,885	\$52,663	\$11.58	3.21	\$0.36	\$0	\$397	\$99	\$307,294	\$388,814	79.03%	\$215
2035	\$307,294	\$26,065	\$54,353	\$11.95	3.21	\$0.37	\$0	\$334	\$84	\$335,833	\$417,927	80.36%	\$217
2036	\$335,833	\$4,118	\$56,098	\$12.33	3.21	\$0.38	\$0	\$364	\$91	\$388,086	\$471,166	82.37%	\$219
2037	\$388,086	\$2,198	\$57,898	\$12.73	3.21	\$0.40	\$0	\$417	\$104	\$444,099	\$529,267	83.91%	\$225
2038	\$444,099	\$436,013	\$59,757	\$13.14	3.21	\$0.41	\$0	\$474	\$118	\$68,198	\$156,680	43.53%	\$233
2039	\$68,198	\$76,888	\$61,675	\$13.56	3.21	\$0.42	\$0	\$99	\$25	\$53,059	\$133,467	39.75%	\$212
2040	\$53,059	\$23,051	\$63,655	\$14.00	3.21	\$0.44	\$0	\$85	\$21	\$93,727	\$164,865	56.85%	\$188
2041	\$93,727	\$8,869	\$65,698	\$14.45	3.21	\$0.45	\$0	\$127	\$32	\$150,651	\$212,899	70.76%	\$164
2042	\$150,651	\$13,403	\$67,807	\$14.91	3.21	\$0.46	\$0	\$185	\$46	\$205,193	\$259,399	79.10%	\$143
2043	\$205,193	\$15,249	\$69,984	\$15.39	3.21	\$0.48	\$0	\$240	\$60	\$260,109	\$307,055	84.71%	\$124
2044	\$260,109	\$149,199	\$72,230	\$15.88	3.21	\$0.49	\$0	\$296	\$74	\$183,362	\$223,843	81.92%	\$107
2045	\$183,362	\$41,569	\$74,549	\$16.39	3.21	\$0.51	\$0	\$221	\$55	\$216,507	\$247,467	87.49%	\$82
2046	\$216,507	\$12,198	\$76,942	\$16.92	3.21	\$0.53	\$0	\$255	\$64	\$281,443	\$302,927	92.91%	\$57
2047	\$281,443	\$2,954	\$79,412	\$17.46	3.21	\$0.54	\$0	\$321	\$80	\$358,141	\$371,101	96.51%	\$34
2048	\$358,141	\$10,908	\$81,961	\$18.02	3.21	\$0.56	\$0	\$399	\$100	\$429,494	\$435,227	98.68%	\$15
2049	\$429,494	\$63,307	\$84,592	\$18.60	3.21	\$0.58	\$0	\$472	\$118	\$431,133	\$430,796	100.08%	(\$1)

- **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 not anticipate a special assessment in 2022 if the billing disputes, billing payments, or frequency of payments do not degrade further non-annexed associations.

- **Deferred Maintenance**

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



- **Loans**

There are no existing commercial loans to RBCA by a third party currently. RBCA did borrow from its reserve funds in 2019 and 2020 and approximately \$85,000 will be paid back over time with payments beginning in 2022.

- **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 are: Each Occurrence Limit \$1,000,000
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 number(s) are: 13944511

- **2022 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		
Regular Assessment – Quarterly (All Owners)	\$221.69	\$263.80
Non-Annexed Regular Assessment – Quarterly	N/A	N/A
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	No Change
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	\$40.00	No Change
Transponder Fee – Vehicle Transfer, not Replacement	\$20.00	No Change
Transponder Fee (hanging – limited)	\$60.00	No Change

*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.