



NOTICE OF UPCOMING SPECIAL ASSESSMENTS FOR RIO BRAVO

PLEASE READ, THIS NOTICE IMPACTS FINANCIAL OBLIGATIONS OF ANNEXED OWNERS UNDER RIO BRAVO COMMUNITY ASSOCIATION'S CC&RS; AND NON-ANNEXED OWNERS UNDER CERTAIN SHARED AGREEMENTS THAT ENSURE THE CONTINUITY OF THE SECURITY GATE

This Notice will explain:

- How much will the Special Assessment be and why do we need to raise funds?
- Why do we need a Special Assessment and why is there a need for two?
- When will the Special Assessment take effect?
- Will there be a meeting to discuss the Special Assessment?
- Possible solutions to minimize the need for future Special Assessments and maintain existing services.
- Rio Bravo Community Association's Role.

How much will the Special Assessment be and why do we need to raise funds?

Several events took place in recent months, and in each case, the Rio Bravo Community Association Board of Directors ("Board") have worked extensively to resolve. First, the former security guard company, M&S Security, increased fees from \$21.00 per hour to \$25.00 per hour after the Board had approved the 2020 operating budget. This sudden increase exceeded \$35,000 per year. This resulted in the termination of the decade-long relationship with M&S Security, and the creation of a new contract with R. Stanley Security. Fortunately, we were able to keep most of the same personnel. Second, at least three entities have refused to pay their full billable share albeit the two entities have continued to pay an arbitrary amount; and one entity has stopped paying its billings for 2019. The Board is actively involved in addressing the Rio Bravo Community Association's legal rights and remedies relative to the situation. These three entities have caused a revenue shortage of over \$100,000. Third, the Board made landscaping improvements at the corner of Highway 178 and Miramonte costing \$19,559.00 and the party that agreed to pay for the damage caused failed to pay. The Board through feedback from its subsidiary associations has been informed that most residents find that maintaining the security gate is a top priority. As such, the Board needs to raise roughly \$145,000 in the form of Special Assessments. The Board has borrowed from its reserve funds to keep the guard station operating.



Why do we need a Special Assessment and why is there a need for two?

Due to a time period that must pass after approval of new Election Rules the Board cannot vote on a Special Assessment that exceeds 5% of its operating budget. On April 14, 2020, the Board approved the proposed Election Rules and mailed them out to the Members for comment. However, the Board can vote on a 5% Special Assessment after providing proper notice. This is the notice of the 5% assessment, which is \$42.32 for each lot. Amongst all 379 lots, the Board (comprised of Board members and Delegates) can vote and raise \$16,040 to hold operations over until the Board can properly vote on the larger assessment in approximately 4 months for \$129,000 or \$340.00 per lot.

When will the Special Assessment take effect?

The Board will be looking to approve the 5% Special Assessment on Wednesday, May 27, 2020, at a Special Meeting. Assessment billings will follow shortly after. You are welcome to attend this meeting so you may ask questions relative to the proposed 5% assessment that were not explained in this Notice. As to the second assessment, the Board will take no action until the end of August 2020 as this assessment requires a certain period to pass. The May 27, 2020 is NOT the meeting for the Special Assessment exceeding 5% of the budget. You will be notified with ample time of the date and time of that meeting as it will be a membership meeting for those members that are annexed.

Will there be a meeting to discuss the Special Assessment?

The Board will have a Special Meeting May 27, 2020, at 4:00 p.m. You are invited to attend; however, considering the current COVID-19 pandemic guidelines, the Board may have to host this meeting online via video conferencing. If you would like to be invited to the May 27, 2020, meeting, which will be on video conferencing Information on video conferencing, please email you name (owner's only), and address to office@rbcahoa.org. You will then be provided instructions and a link to the video conferencing via Zoom.

Possible solutions to minimize the need for future Special Assessments & maintain existing services.

This is the first time in 15 years that the Board has been placed in a position to make a Special Assessment since its operational existence. The Board and many residents purchased their homes at Rio Bravo because of the golf course community and have supported Rio Bravo Country Club for years and continue to support it with the current LLC ownership.



Of the communities that surveyed their homeowners, security services are paramount. The Rio Bravo Community is best served if it can maintain its services independently and one potential solution is to bring all the different associations inside the gate (and adjoining) under one roof. Savings from such an action would come from economies of scale and unneeded duplication of services, such as one management company, one insurance carrier, one street sweeping account, one landscaping account, etc. These savings will prevent the situation we are under and it can be made part of a community integration agreement with a goal to be under one roof in, say 5 years. The governing documents can be redrafted to ensure in existing communities will have a voice and vote under one roof. In effect, we can make Rio Bravo Community the master planned community it was intended to be instead of having 8 or 9 separate communities spending separate funds for the services just mentioned. It's the right thing to do and the smart thing to do, and it is worth a serious discussion.

Rio Bravo Community Association's Role.

Rio Bravo Community Association is the association that covers the guard station including staffing twenty-four hours per day and the transponder system that regulates the appropriate entry into the community. It also covers the maintenance and repair of Casa Club Drive, landscaping and grass surrounding the guard station area and the landscaping on the east side of Miramonte from Las Palmas Drive to the corner of Highway 178 and Miramonte. We receive no governmental services for the maintenance and repairs of the above. There are three Board members that are elected by the Delegates from each of the annexed communities within Rio Bravo. Each subsidiary association has a Delegate seat on the Board. Rio Bravo Community Association's assessments "shall be used exclusively to promote the recreation, health, safety and welfare of the Members, to improve, replace, repair, operate, and maintain the Common Area." CC&Rs Article XII, § 8.3(a). Remember, it is our community and our governance.

This Notice was mailed to each owner inside the Rio Bravo Country Club Gated Community to ensure you get this Notice. Thank you for taking the time to read this Notice, and for contacting your subsidiary association Delegate to express your views on how you want your Delegate to vote. Non-annexed parties can contact the Board by emailing at: office@rbcahoa.org or by fax to 661-577-4345.

Board of Directors Rio Bravo Community Association

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