



January 1, 2011

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

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Dear Owners:

Please find enclosed the above referenced documents required under California Civil Code; and the First Amended and Restated Declaration of Covenants, Conditions, and Restrictions for Rio Bravo, A Master Planned Community, or both. For simplicity, each section and/or document identifies the requiring disclosure authority. The name of the association for our community is the Rio Bravo Community Association (“RBCA”). The words “Owner” and “Members” are used interchangeably in this notice.

The Board of Directors unanimously approved the 2011 Pro Forma Operating Budget, approved the annual assessment to be billed quarterly for Regular Assessments. Additionally, the Board approved a 10% discount to any Owner that pays in full the total annual assessment prior to February 1, 2011. If you wish to pay annually, annexed Owners must pay \$388.20 (includes discount of \$43.13). Non-annexed Owner amounts will vary, please call number below for the amount.

Accordingly, the Regular Assessment for Annexed Owners is \$107.83 per quarter and for Non-Annexed Owners \$75.01 per quarter. Again, billing will be sent quarterly in advance at the beginning of each calendar quarter except that the first quarter billing will be mailed out on January 1, 2011; however, the due date for the First Quarter 2011 will be February 1, 2011, to allow Owners to review the 2011 Pro Forma Operating Budget.



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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 has added the Fuller Apartments project as an annexed member, a development west of Casa Club Drive at Donald Street, and this new annexed member is factored into the budget.

All actions taken by the Board of Directors is consistent with the Restated Declaration of Covenants, Conditions, and Restrictions (CC&R), and the Golf Club Reciprocal Use and Easement, Maintenance Agreement were recorded in the office of the County Recorder for the County of Kern on April 20, 2001, under document numbers 0201053275, 0201053274, respectively, and governing law.

All Owners are invited to the 2011 Board of Directors meetings generally held on the third Tuesday of the month at 5:15 p.m. Please refer to www.rbcaho.org for meeting updates and the agenda, which are posted at least four days prior to the meetings. Meetings are held at Rio Bravo Country Club, 15200 Casa Club Drive, Bakersfield, California 93306. The names of your 2011 Board members will be Mark Hall, Stephen Greenfield, and A & E Union, Inc., which currently has designated Trinidad Hernandez as its duly authorized representative.

As a reminder, 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. Delegates are elected annually by Owners within the Subsidiary Association. Delegates for Merchant Builders are usually appointed until all lots in the Subsidiary Association are sold by the Merchant Builder 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 Associations and RBCA.

RBCA Board of Directors can be any Member or non-Member that is nominated by the Nominating Committee and elected by the Delegates and the Declarant. The Declarant for RBCA is A & E Union, Inc.

If you are annexed Member, you have a Subsidiary Association that provides its own disclosures about your Subsidiary Association separate and distinct from Rio Bravo Community Association.



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Please note that RBCA's annual disclosures do not replace or supplement any required disclosures any Subsidiary Association's disclosure requirements.

If you are a non-annexed Member, your homeowners association has partnered with RBCA for purposes of full or partial cost sharing. The primary purpose of this notice to you is to provide you the financial aspects of our combined cost sharing. Please note that this notice does not replace or supplement any required disclosures for any non-annexed associations.

The documents and information that follow provide additional details. These disclosures do not categorize any Merchant Builders or Subsidiary Associations not set forth in the 2011 Pro Forma Operating Budget as annexed or non-annexed. Ownership and development changes are dynamic and will likely change the makeup of the RBCA community. The RBCA Board will adapt its actions accordingly.

Included for your review is a set of the last Financial Statements (2009). Also, the latest update to the Security Protocols is being included for your review. You may submit comments regarding the Security Protocols during the next thirty (30) days by contacting RBCA or attending the February 2011 Board meeting.

Although an effort to ensure the accuracy of these administrative and financial 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 2010 Condominium Bluebook. If you have any questions, please call or email me at the contact references on this letterhead.

Respectfully submitted,

Mario Valenzuela, Authorized Agent
For Rio Bravo Community Association Board of Directors

MV:

Copy: Board of Directors File

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REQUIRED DISCLOSURES AND SUPPLEMENTAL INFORMATION – Administrative

- **Master Declaration, Articles, & Bylaws**

Master Declaration, Master Association Articles, Master Association Bylaws, and notice of availability of a statement regarding an Estoppel Certificate required under CC&R Section 6.13(A)(5).

If requested by an Owner in writing, within 10 days, RBCA will provide a true and correct copy of the Master Declaration or CC&Rs entitled The Restated Declaration of Covenants, Conditions, and Restrictions (CC&R), recorded on April 20, 2001, as document number 0201053275; Master Association Bylaws, and Master Association Rules, if any, including a copy of the Estoppel Certificate, Section 8.13. There is a nominal fee for this request.

- **Alternate Dispute Resolution**

Alternative Dispute Resolution Notice required under California Civil Code, Section 1369.590 and CC&R Section 6.13(A)(6).

"Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 1369.520 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**

RBCA has adopted as its Internal Resolution Procedure, California Civil Code, Section 1363.840, as follows:

“1363.840. (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.”

- **Late & Delinquent Collection Policies**

The Late & Delinquent Collection Policy statement is required each fiscal year under California Civil Code, Section 1365(e) and CC&R Section 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 month.

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% 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.

- **Monetary Fine Policy**

Monetary Fine Policy disclosure is required under California Civil Code, Section 1363(g-h).

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.

- **Assessment and Foreclosure Notice**

The following notice regarding assessments and foreclosure is required under California Civil Code, Section 1365.1.

“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. (Sections 1366 and 1367.1 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. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 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. (Section 1367.1 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. (Section 1367.1 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. (Section 1367.1 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. (Section 1367.1 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. (Sections 1366.3 and 1367.1 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. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)”

- **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, Section 1363.05.

Right to Receive Minutes disclosure is required each upon delivery of the pro forma operating budget pursuant to California Civil Code, Section 1363.05(e) and CC&R Section 6.13(A)(2)(e).

Copies of all minutes, except executive sessions, are available to all board members within (30) days of a meeting upon request by contacting the management company.

- **Current Insurance Summary**

Right to receive insurance summary required pursuant to California Civil Code, Section 1365(f) and CC&R Sections 6.13(A)(7) through 6.13(A)(10).

The insured is: A & E Union, Inc. including Rio Bravo Community Association
The type of insurance is: General Liability, Comprehensive, Excess Legal Liability, & Medical
The policy limit is: \$1,000,000 per incident, \$2,000,000 general aggregate, 5,000,000
Excess/Umbrella, Property 4,000,000, Personal Property 400,000
(E&O pending)
The deductible amount is: \$1,000.00



The carrier is: SAFECO Insurance Company
The policy number is: 01-CI-07127210

“This summary of the association's policies of insurance provides only certain information, as required by subdivision (f) of Section 1365 of the 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 association will update their coverage information upon receipt by the carrier, which will be sent by separate cover.

- **Reserve Study Summary**

Right to receive reserve study summary required pursuant to California Civil Code, Section 1365 in conformance with California Civil Code, Section 1365.5 and CC&R Sections 6.13(A)(1)(b) and 6.13(A)(2)(b).

A copy of November 2009 reserve study summary performed by Walla Services is included. The full Reserve Study report is available at www.rbcahoa.org. A new Reserve Study will be procured in 2012. The 2011 Pro Forma Operating Budget incorporates the recommended reserve allocation as part of its reserve component.

- **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.



- **Right to Submit Second Address**

You are hereby notified pursuant to California Civil Code, Section 1367.1(k), that you have the right to designate a second address for purposes of receiving collection notices. You must submit your request in writing.

- **Architectural Review Procedures**

You are hereby notified pursuant to California Civil Code, Section 1378 that most architectural review matters are handled by the respective Subsidiary Associations, and to the extent RBCA review such architectural matters, it will act consistent with Section 1378. All architectural review matters directed at RBCA can be addressed in writing to the Board of Directors.



REQUIRED DISCLOSURES AND SUPPLEMENTAL INFORMATION – Financial

All 2009 financial information has been reviewed by our accountant, Andrea Hill, Certified Public Accountant. Sometime before April 30, 2011, the 2010 financial information will be reviewed and distributed to you.

- **2011 RBCA Operating Budget**

The pro forma operating budget is required under California Civil Code, Section 1365(a) and CC&R Section 6.13(A) (2). The 2011 RBCA Pro Forma Operating Budget is enclosed for your review along with the Annexed and Non-Annexed Assessment Determination Worksheet in this Financial Section or on the budget documents. The 2009 Financial Statements are included for your review as well.

- **2011 RBCA Operating Budget – Security Gate Summary**

The operating budget required under California Civil Code, Section 1365(a) and CC&R Section 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 2011; however, there can be no guarantee. RBCA continues to seek to enter into a cost-sharing agreement with non-annexed parties for these obligations.

- **Anticipated Special Assessments Statement**

Right to receive a statement as to whether the Board anticipates a special assessment is required under California Civil Code, Section 1365(a)(3)(A) and CC&R Section 6.13(A)(2)(c).

The Board does not anticipate levying a special assessment in 2011.

- **2011 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.



Description of Items	Existing Fee	New Fees
ASSESSMENTS		
Annexed Regular Assessment – Quarterly	\$108.21	\$107.83
Annexed Special Assessment	None	No Change
Non-Annexed Regular Assessment – Quarterly	\$80.37	\$75.01
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	\$10.00	No Change
Ownership Transfer Fee without Notice	\$40.00	No Change
Copy / Print cost, per page - black and white	.08	.10
Copy / Print cost, per page - color	.25	.39
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	\$50.00	Actual Fees*
File Preparation for Legal Filings – Superior Court of Liens	Varies	No Change
Court Appearances – Small Claims, Superior Court, or Other	-	Actual Fees
Notice of Lien	\$85.00	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	No Change
Transponder Deposit	\$95.00	\$10.00
Transponder Fee – Vehicle Transfer, not Replacement	\$35.00	\$30.00

*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.

Assessment and Reserve Funding Disclosure Summary

Rio Bravo Community Association Bakersfield, CA

Summary Information Based On Reserve Study Analysis Dated November 30, 2009

Pursuant to California Civil Code Sections 1365 and 1365.2.5 of the Davis-Stirling Common Interest Development Act, the Board is providing the following assessment and reserve fund summary information to the Homeowners. If a Homeowner 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 some of 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, 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 (*)

Total Regular Assessment Per Quarter/Lot	317 Annexed Lots (146.62) - 161 Non-Annexed Lots (104.46)	
Portion of Regular Assessment Allocated to Reserve Fund Per Quarter/Lot		\$11.60
Approved Special Assessments Per Unit/Lot	(refer to page 2)	\$0.00

(*) All regular and special assessments vary by lot type.

Estimated Year-End Reserve Fund Position on December 31, 2009

Total Major Component Replacement Cost	\$450,130
Total Reserve Cash Funds Set Aside	\$65,333
Reserve Fund's Average Annual Rate of Return	2.50%

Based on Component Total Replacement Cost

Total Reserve Fund (Deficiency) or Overage	(\$384,797)
Reserve Fund (Deficiency) or Overage Per Unit/Lot	(\$805)
Percentage Funded Comparing Estimated Cash Set Aside to Total Replacement Cost	14.51%

Based on Component Total Liability or "Wear-Out" Period ()**

Total Reserve Fund Liability	\$273,763
Total Reserve Fund (Deficiency) or Overage	(\$208,430)
Reserve Fund (Deficiency) or Overage Per Unit/Lot	(\$436)
Percentage Funded Comparing Reserve Cash Funds Set Aside to Component "Wear-Out" Period	23.86%

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

Recommended Reserve Fund Allocations/Special Assessments

A & E Union, Inc. 30% Share of Annual Reserve Fund Allotment	\$7,375.00
Homeowners 70% Share of Annual Reserve Fund Allotment	\$17,208.00
Total Recommended Annual Reserve Fund Allotment	\$24,583.00
Reserve Fund Allocation Per Quarter/Lot (based on 70% annual share and 347 annexed lots)	\$12.40
Annual Percentage of Increase or (-Decrease) From Current Total Allocation	8.40%
Annual Allocation Percentage Increase (thereafter)	6.70%
Projected Special Assessments Per Unit/Lot (refer to page 2)	\$0.00

Assessment and Reserve Funding Disclosure Summary

Rio Bravo Community Association Bakersfield, CA

Reserve Fund Transfers to Operating Account

<u>Due Date</u>	<u>Amount Due Reserves</u>	<u>Purpose of Transfer</u>
	\$0.00	

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 Due Per Unit/Year</u>	<u>Purpose of Assessment</u>
	\$0.00	
	\$0.00	<u>Total</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>
Asphalt Rejuvenator, Topein C	2	study recommends to use asphalt seal coat
Asphalt Surface Treatment, chip seal	7	study recommends asphalt replacement in 11 years

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>Est. Amount Per Unit</u>	<u>Purpose For Additional Funds</u>
	\$0.00	
	\$0.00	<u>Total</u>

5-Year Projected Reserve Fund Position

Year Ending	Ideal Ending Balance	<u>Current Funding Plan</u>		<u>Study's Funding Plan</u>		<u>Notes</u>	<u>Approved Funding Plan</u>	
		Fund Balance	Percentage Funded	Fund Balance	Percentage Funded		Fund Balance	Percentage Funded
2010	\$280,684	\$70,734	25.2%	\$72,638	25.9%		\$72,638	25.9%
2011	\$288,504	\$76,522	26.5%	\$82,025	28.4%		\$82,025	28.4%
2012	\$314,374	\$99,822	31.8%	\$110,771	35.2%		\$110,771	35.2%
2013	\$342,681	\$124,997	36.5%	\$143,403	41.8%		\$143,403	41.8%
2014	\$371,868	\$150,461	40.5%	\$178,512	48.0%		\$178,512	48.0%

Assessment and Reserve Funding Disclosure Summary

Rio Bravo Community Association Bakersfield, CA

Component Inventory From Reserve Study

<i>Components</i>	<i>Est. Useful Life (yrs)</i>	<i>Present Life (yrs)</i>	<i>Est. Remaining Life (yrs)</i>	<i>Est. Quantity</i>	<i>Current Replacement Cost</i>	<i>Future Replacement Cost</i>
<u>STREET</u>						
Asphalt Replacement (Casa Club Drive)	40	29	11	105,428 sf	\$305,750	\$401,170
Asphalt Rejuvenator, Topein C	refer to page 2			105,428 sf	\$0	\$0
Asphalt Surface Treatment, chip seal	refer to page 2			105,428 sf	\$0	\$0
Asphalt Surface Treatment, seal coat	5	N/A	2	105,428 sf	\$12,660	\$13,301
Fire Lane Painting	5	N/A	2	836 lf	\$800	\$841
Lane Stripping, single center	5	1	2	3,434 lf	\$4,300	\$4,518
Curbs/Gutters, concrete (2')	45	29	16	7,124 lf	\$18,880	\$28,027
Entrance Driveway, precast pavers	15	1	14	4,252 sf	\$40,400	\$57,084
Signage, speed limit (wood)	25	N/A	7	4 ea	\$1,400	\$1,664
<u>STREETLIGHTS</u>						
Concrete Pole, w/lantern head (repairs)	35	29	6	10 ea	\$6,000	\$6,958
Concrete Pole, w/lantern head (repairs)	35	0	35	1 ea	\$600	\$1,424
Metal Pole, standard city model (repairs)	35	2	33	1 ea	\$600	\$1,356
<u>VEHICLE TRANSPONDER SYSTEM</u>						
Antenna, Sirit Identity Flex ANT-01	10	0	10	1 ea	\$900	\$1,152
Antenna Pole (12')	30	0	30	1 ea	\$1,500	\$3,146
Cabinet, stainless steel, NEMA Type 3R, V.I.T.	30	0	30	1 ea	\$2,200	\$4,615
Cooling Fans	5	0	5	2 ea	\$300	\$339
Multi-Channel Reader, Sirit Identity Flex CB-II	12	0	12	1 ea	\$5,000	\$6,724
Multi-Output Power Supply, Altronix AL600ULM	12	0	12	1 ea	\$1,250	\$1,681
Reader Interface/Controller, VertX V2000	12	0	12	1 ea	\$1,500	\$2,017
Transponders, Identity Flex TAG 4	12	0	12	600 ea	\$13,800	\$18,559
<u>VEHICLE BARRIER GATES</u>						
Arms, Magnetic Autocontrol MSB-5N-030 (10')	15	0	15	2 ea	\$700	\$1,014
Operators, Magnetic Autocontrol MIB-30	15	0	15	2 ea	\$7,700	\$11,152
Loop Detectors	15	0	15	2 ea	\$500	\$724
<u>FENCES/WALLS - Main Entrance</u>						
Fence, metal tube (5.5')	30	29	1	161 lf	\$9,420	\$9,656
Pillar Repairs, stucco (1'x1'x7')	30	29	1	7 ea	\$2,100	\$2,153
Painting, fence/pillars	5	N/A	1	1,967 sf	\$1,580	\$1,620
<u>GUARDHOUSE</u>						
AC/Heater, wall, Goldstar	8	N/A	7	1 ea	\$350	\$416
Building Repairs	30	29	1	1 ls	\$1,500	\$1,538
Canopy, canvas	12	9	3	1 ea	\$1,200	\$1,292
Fixtures/Misc.	35	29	6	1 ls	\$1,200	\$1,392
Floors, linoleum tile	30	29	1	189 sf	\$1,200	\$1,230
Lights, single head flood	12	4	8	1 ea	\$150	\$183
Lights, double head flood	12	4	8	3 ea	\$530	\$646
Lights, ceiling/recess	30	29	1	6 ea	\$900	\$923
Painting, exterior	8	7	1	660 sf	\$1,150	\$1,179
Painting, interior	10	N/A	1	675 sf	\$600	\$615
Roof, concrete tile	45	29	16	225 sf	\$1,510	\$2,242

Component Inventory From Reserve Study (cont.)

<i>Components</i>	<i>Est. Useful Life (yrs)</i>	<i>Present Life (yrs)</i>	<i>Est. Remaining Life (yrs)</i>	<i>Est. Quantity</i>	<i>Current Replacement Cost</i>	<i>Future Replacement Cost</i>	
					Totals:	\$450,130	\$592,550

NOTE: *The financial representations set forth in this reserve fund summary are based on the best estimates of the preparer. These estimates are subject to change without notice.*

Rio Bravo Community Association
2011 Pro Forma
Operating Budget

Members (lots)		2011
A & E Union, Inc. - 30% Common / Reserves	\$	30,343.20
A & E Union, Inc. - 20% Security Gate	\$	29,652.00
Vista Montagna	57	24,585.78
Estates of Rio Bravo	1	431.33
Rio Vista	44	18,978.50
Rio Vista Estates	28	12,077.22
22 Basano, LLC	22	9,489.25
Rio Bravo Heights/Whitaker/Renegade Hills, LLC	139	59,954.79
Rio Bravo Enclaves, LLC	26	11,214.57
Fuller Apartments	1	431.33
Casa Club	30	12,939.88
Non-Annexed HOA - Security Gate	131	39,306.15
(Rounding Adjustment)		-
Total Income	479	249,404.00

COMMON FACILITIES

General & Administrative

Accounting*	\$	1,750.00
Bookkeeping Software License*		380.00
Office*		450.00
Postage*		700.00
Printing*		1,250.00
Property Research License*		200.00
Website Hosting**		240.00
Insurance		500.00
Legal Services*		4,000.00
Management*		11,500.00
Reserve Study		-
Bank Charges*		15.00
Regulatory Filing*		50.00
Taxes*		350.00
Uncollected Bad Debt Fund*		2,500.00
Tract Billing Contingency*		42,000.00
Uncollected Reserve Allocation Fund*		-

Utilities

Electricity - Street Lights	\$	1,250.00
Telephone - Voicemail/Fax		200.00
Water		

Grounds

Landscape Repairs/Supplies:		6,840.00
Landscape As Needed Services		-
Repairs		-
New Construction		-
Street Sweeping/Maintenance		4,290.00
TOTAL COMMON FACILITIES	\$	78,465.00

RETAINED INCOME FUND

Reserve Allocation		22,679.00
TOTAL RETAINED INCOME FUND	\$	22,679.00

SECURITY GATE

General & Administrative

Accounting		
Management		960.00
Office Supplies		1,500.00
Cable Internet		950.00
Gateworks Software System Package		7,200.00
Gate Contingency		-

Utilities

Electricity - Guard Station		1,750.00
Telephone		1,050.00
Water		350.00

Grounds - Guard Station

Guards		134,500.00
Air Conditioning / Heating Maintenance		
Plumbing		
Building Maintenance		
Pressure Cleaning	\$	-
Other Supplies		-
TOTAL SECURITY GATE	\$	148,260.00

GRAND TOTAL	Page 1	249,404.00
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Rio Bravo Community Association
2011 Pro Forma Operating Budget
Annexed and Non-Annexed Assessment Determination Worksheet

Security Gate		\$ 148,260.00
A & E portion 20%	\$29,652.00	
Total Gate		\$118,608.00
Divided by 479 Owners / Lots		\$247.62
Per Month Average		\$20.63
Per Quarter Billing		\$61.90

Common Facilities		\$ 78,465.00
A & E portion 30%	\$23,539.50	
Total Common Facilities		\$54,925.50
Divided by 479 Owners / Lots		\$114.67
Per Month Average		\$9.56
Per Quarter Billing		\$28.67

Reserve Allocation Fund		\$ 22,679.00
A & E portion 30%	\$6,803.70	
Total Reserve Allocation		\$15,875.30
Divided by 479 Owners / Lots		\$33.14
Per Month Average		\$2.76
Per Quarter Billing		\$8.29

Non-Annexed Adjustment - Adjustment		
Total Post-A & E Guard, Common & Reserve		\$189,408.80
Annual - Divided by 479 Owners / Lots		\$395.43
Total Post-A & E Guard, Common & Reserve		\$189,408.80
Non-Annexed Adjustment	\$	54,195.58
Subtotal		\$135,213.22
Annual - Divided by 479 Owners / Lots		\$282.28

Annexed Post-Adjustment Totals

Annexed Owners / Lots multiplied by 348		\$98,234.24
Adding Non-Annexed Adjustment		\$54,195.58
Subtotal		\$152,429.82
Subtracting 2 lots for 2 Non-Annexed HOAs		\$2,327.17
Subtotal		\$150,102.65
Divided by 348 Owners / Lots		\$431.33
Per Month Average		\$35.94
Per Quarter Billing		\$107.83

Non-annexed Post-Adjustment Totals

Non-annexed Owners / Lots multiplied by 131		\$36,978.98
Adding 2 Annexed lots for 2 Non-Annexed HOAs		\$2,327.17
Subtotal		\$39,306.15
Divided by 131 Owners / Lots		\$300.05
Per Month Average		\$25.00
Per Quarter Billing		\$75.01

Declarant A&E Union, Inc. Portion

Security Gate		\$29,652.00
Common Facilities		\$23,539.50
Reserve Allocation Fund		\$6,803.70
Subtotal		\$59,995.20
Per Month Average		\$4,999.60
Per Quarter Billing		\$14,998.80