



February 2020

Dear Homeowner,

This letter is written on behalf of the Rancho San Clemente Community Association Board of Directors. Enclosed is the following information pertinent to the 2020-2021 fiscal year.

Civil Code §	Title
5300(b)-(b)(1)	Pro Forma Operating Budget for fiscal year 2020-2021 prepared on a modified accrual basis.
5300(b)(2) & 5565	Summary of the Association's Reserves prepared in 2019
5300(b)(3) & 5550(b)(5)	Summary of the Board-adopted Reserve Funding Plan for 2020-2021
5300(b)(6)	Statement of Mechanism for Funding Reserves to Repair or Replace Major Components
5300(b)(7)	Statement Addressing Procedures Used to Calculate and Establish Reserves
5570	Assessment and Reserve Funding Disclosure Summary
5300(b)(9)	Summary of the Association's Insurance Information
5655 & 5730	Statement of Assessment Collection Policies and Address for Overnight Payment of Assessments
5600-5730	Statement of Association's Policies and Practices in Enforcing Lien Rights
5850	Statement of Association's Discipline Policy and Schedule of Penalties
5900 & 5965	Summary of Association's Dispute Resolution Procedures (ADR and IDR)
4765	Summary of Procedures for Architectural Review
5300(b)(4)	Statement of Deferral/Decision to Not Undertake Repair or Replacement of Major Component(s)
5300(b)(5)	Statement of Anticipated Special Assessment(s)
5300(b)(8)	Statement of Association(s) Outstanding Loans
4035	Statement of Name and Address of Person Designated to Receive Official Communications to Association
4040	Statement of Members' Ability to Have Notices Sent to up to Two Different Addresses
4041	Annual Request for Owner's Address
4045	Statement of the Posting Location for General Notices
4045	Notice of Members' Right to Receive General Notices by Individual Delivery
4950	Notice of Members' Right to Minutes
4530	Statement of Charges For Escrow Documents through <a href="http://www.homewisedocs.com">www.homewisedocs.com</a>

With the new fiscal year for your Association, your Board of Directors has reviewed the operating budget with the goal of providing efficient operations and funding adequate reserves to meet long-term requirements. Based on this review, the Board has determined that the assessment will remain the same at \$149.00 per quarter.



February 2020  
2020-2021 Annual Budget  
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No special assessments are anticipated at this time for the upcoming 2020-2021 fiscal year.

The enclosed items are being provided to you in compliance with State law. You may wish to keep these items available in the event you elect to sell or refinance your home. Most lenders are now requiring that these items be submitted to them as part of the mortgage approval process.

A complete copy of the reserve study is available. Should you wish to obtain a copy please feel free to contact our office by calling (949) 245-2753. Owners may also request copies of meeting minutes at a reasonable rate for the copying, and handling charge.

Respectfully,

A handwritten signature in dark ink, appearing to be 'Sheryl Sharp', written over a horizontal line.

Sheryl Sharp, CMCA, AMS  
Chief Operations Officer

Enclosures

**RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION**  
**APPROVED BUDGET**  
**April 1, 2020 ~ March 31, 2021**

			2020-21	2020-21
ACCT	DESCRIPTION	UNIT/QRTR	UNIT/MONTH	ANNUAL
INCOME				
4110	HOMEOWNERS ASSESSMENTS	\$149	\$89,549	\$1,074,588
4225	LEGAL FEES (Collections)	1.66	1,000	12,000
4245	LATE FEES	0.44	264	3,168
4246	FINANCE CHARGE (Collections)	0.21	125	1,500
4270	RENTAL INC. (License Use Agreements & Verizon)	0.48	291	3,492
4297	TREE REMOVAL EXPENSE BY OWNER	0.00	0	0.00
	TOTAL INCOME	151.80	\$91,229	\$1,094,748
EXPENSES				
GENERAL & ADMINISTRATIVE				
5115	AUDIT/1099	0.17	100	1,200
5120	RESERVE STUDY	0.08	50	600
5150	INSURANCE	1.58	947	11,364
5155	LEGAL	2.55	1,530	18,360
5156	LEGAL FEES (Collections)	1.16	700	8,400
5158	MISC. ADMINISTRATIVE	0.28	170	2,040
5160	OFFICE EXPENSE (Postage, printing etc.)	2.00	1,200	14,400
5162	WEB SITE SERVICE	0.08	50	600
5165	PROFESSIONAL MANAGEMENT	12.48	7,500	90,000
5171	BAD DEBT	0.17	100	1,200
5175	STENO SERVICES	0.30	180	2,160
5178	PROPERTY TAXES	0.04	23	276
5180	TAXES, FEDERAL	0.74	445	5,340
5195	TAXES, STATE	0.37	225	2,700
	Total General & Administrative	\$22.00	13,220	\$158,640
COMMON AREA				
5223	FIRE ABATEMENT - CITY	3.49	2,100	25,200
5224	TREE REMOVAL/REPLACEMENT	0.35	208	2,496
5225	TREE REMOVAL EXPENSE BY OWNER	0.00	0	0.00
5226	TREE TRIMMING	4.16	2,500	30,000
5227	LANDSCAPE EXTRAS	3.33	2,000	24,000
5228	LANDSCAPE MAINTENANCE CONTRACT	49.65	29,841	358,092
5229	LANDSCAPE/EXTRA LABOR - JUNE/JUL/AUG	3.12	1,875	22,500
5230	IRRIGATION SYSTEM	4.16	2,500	30,000
5235	BACKFLOW SERVICES	0.12	75	900
5245	PEST CONTROL	1.83	1,100	13,200
5256	GENERAL REPAIRS & MAINTENANCE	0.42	250	3,000
5280	LIGHTING MAINTENANCE	0.12	75	900
5290	UTILITIES ELECTRIC	0.54	325	3,900
5295	UTILITIES WATER	24.96	15,000	180,000
	Total Common Area	\$96.25	57,849	\$694,188
	TOTAL OPERATING EXPENSES	\$118.25	71,069	\$852,828
RESERVES				
RESERVE ALLOCATIONS				
8120	IRRIGATION - Controllers	2.67	1,606	19,272
8125	LIGHTING - Monument	0.07	42	504
8126	MISCELLANEOUS CONTINGENCY	1.61	966	11,592
8130	LANDSCAPE - Replacement/Improvement	1.44	864	10,368
8140	PAINTING - Monument	0.28	169	2,028
8149	STUCCO WALL - Monument	0.06	37	444
8150	SIGN REPLACEMENT - Monument	0.12	74	888
8151	SLOPES - Long Term Maintenance	4.58	2,750	33,000
8155	SLOPES - Miscellaneous/Swales/Gutters	12.73	7,650	91,800
8169	WROUGHT IRON - Monument	0.09	52	624
8170	FIRE ABATEMENT - OCFA	9.90	5,950	71,400
	TOTAL RESERVE ALLOCATIONS	\$33.54	\$20,160	\$241,920
	TOTAL OPERATING & RESERVES	\$151.80	\$91,229	\$1,094,748
	Number of Billable Units:	1,803		
	Number of Living Units:	2,214		
	2020/2021 Assessment Per Unit Per Quarter:	\$149		

# Rancho San Clemente Community Association

## Assessment and Reserve Funding Disclosure Summary For the Fiscal Year April 1, 2020 through March 31, 2021

- (1) The regular assessment per ownership interest is \$149 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 \_\_\_\_ 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 or year (If assessments are variable, See note immediately below):	Purpose of the assessment:
N/A		
	Total: \$	

*Note: If assessments vary by the size of the 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**
- (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 or year:
n/a	n/a
	Total n/a

- (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 \$1,192,460, based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of December 16, 2019. The projected reserve fund cash balance at the end of the current fiscal year is \$1,197,424, resulting in reserves being 100 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$N/A. The current deficiency in reserve funding expressed on a per unit basis is \$0.
- (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 (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. *(See recommendation below)*

Year Ending	Projected Reserve Balance (a)	Estimated Amount Required in Reserves (b)	Percent Fully Funded (c)
2019-20	\$1,225,116	\$1,211,026	101%
2020-21	\$1,286,465	\$1,269,091	101%
2021-22	\$1,359,789	\$1,341,500	101%
2022-23	\$1,301,230	\$1,271,778	102%
2023-24	\$1,362,449	\$1,331,661	102%

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be (a), leaving the reserve at (b) percent funding. *(See approved budget below)*

Year Ending	Projected Reserve Balance (a)	Percent Fully Funded (b)
	Please See Above	

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 1% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2% per year.

*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. The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which may become subject in connection of this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or any third party.*

Rancho San Clemente Community Assn  
San Clemente, California  
RDA Owner's Summary

Report Date	December 16, 2019	Parameters:	
Version	032	Inflation	2.00%
Account Number	4356	Annual Contribution Increase	2.00%
Budget Year Beginning	4/ 1/20	Investment Yield	1.00%
Ending	3/31/21	Taxes on Yield	30.00%
Total Units Included	1802	Contingency	5.00%
Phase Development	8 of 8	Reserve Fund Balance as of	
		4/ 1/20:	\$1,197,424.00

Project Profile & Introduction

For budgeting purposes, unless otherwise indicated in this report, we have used April 1986 as the basis for aging all the original components examined in this analysis.

RDA Field Inspections: November 28, 2017

RDA Summary of Calculations

Monthly Contribution to Reserves Required:	\$19,521.25
( \$10.83 per unit per month)	
Average Net Monthly Interest Contribution This Year:	638.13
Net Monthly Allocation to Reserves 4/ 1/20 to 3/31/21:	\$20,159.38
( \$11.19 per unit per month)	

RDA Reserve Management Software  
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RESERVE DATA ANALYSIS • (714) 434-8396

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Rancho San Clemente Community Assn  
RDA Owner's Summary

REPORT DATE: December 16, 2019  
 VERSION: 032  
 ACCOUNT NUMBER: 4356

DESCRIPTION	USE LIFE	+/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
Lighting - Monument, 1998	12	0	0	1,917	1,917	1,917
Lighting - Monument, 2011	10	0	1	1,917	1,725	1,917
Lighting - Monument, 2014 Tree	10	0	4	2,493	1,461	1,461
*** CATEGORY SUMMARY:				6,327	5,104	5,295
Painting - Monuments	3	0	2	6,800	1,700	2,958
*** CATEGORY SUMMARY:				6,800	1,700	2,958
Signs - Monument	25	+12	3	14,140	12,994	12,994
Signs - No Trespassing	20	0	15	3,835	959	959
*** CATEGORY SUMMARY:				17,975	13,952	13,952
Stucco Walls - Monument	25	0	4	7,508	6,307	6,307
*** CATEGORY SUMMARY:				7,508	6,307	6,307
Wrought Iron Fencing - Monument	18	+4	4	9,548	7,765	7,765
*** CATEGORY SUMMARY:				9,548	7,765	7,765
Irrigation - Backflow Dev (1) 2015	25	0	20	3,343	669	669
Irrigation - Backflow Dev (10) 2008	25	0	13	11,510	5,525	5,525
Irrigation - Backflow Dev (2) 1994	25	0	0	2,304	2,304	2,304
Irrigation - Backflow Dev (2) 2013	25	0	18	2,304	645	645
Irrigation - Booster Pumps (5)	24	0	14	20,085	8,369	8,369
Irrigation - Calsense Monitoring	5	0	1	16,390	13,112	16,390
Irrigation - Controllers (26)	15	0	9	131,141	49,743	49,743
Irrigation - Enclosures (26)	30	0	7	81,042	62,132	62,132
Irrigation - Upgrade Reserve	30	0	0	50,000	50,000	50,000
*** CATEGORY SUMMARY:				318,119	192,499	195,777
Landscape - Replace/Refurbish	20	0	3	120,000	102,000	102,000
Recycled Water - Refurbishment	20	0	15	35,000	8,750	8,750
*** CATEGORY SUMMARY:				155,000	110,750	110,750
Fire - Abatement	1	0	0	70,000	70,000	70,000
Slopes - Long Term Maintenance	30	+14	10	825,130	637,600	637,600
Slopes - Swales & Gutters	1	0	0	90,000	90,000	90,000
*** CATEGORY SUMMARY:				985,130	797,600	797,600

Rancho San Clemente Community Assn  
RDA Owner's Summary

DESCRIPTION	USE +/- LIFE	REM LIFE	CURRENT COST	FULLY FUNDED RESERVES	ASSIGNED RESERVES
TOTAL ASSET SUMMARY:			1,506,407	1,135,677	1,140,404
CONTINGENCY @ 5.00%:				56,784	57,020
GRAND TOTAL:				1,192,460	1,197,424

Percent Fully Funded: 100%

**Rancho San Clemente Community Assn**  
Asset Listing - Summary by Category

REPORT DATE: December 16, 2019  
 VERSION: 032  
 ACCOUNT NUMBER: 4356

DESCRIPTION	REM LIFE	CURRENT COST	MONTHLY CONTRIBUTION	NET MONTHLY ALLOCATION
Lighting - Monument, 1998	0	1,917	14.51	14.56
Lighting - Monument, 2011	1	1,917	2.07	3.20
Lighting - Monument, 2014 Tree	4	2,493	23.85	24.78
*** CATEGORY SUMMARY:		6,327	40.43	42.54
Painting - Monuments	2	6,800	167.01	169.28
*** CATEGORY SUMMARY:		6,800	167.01	169.28
Signs - Monument	3	14,140	46.80	54.55
Signs - No Trespassing	15	3,835	18.78	19.40
*** CATEGORY SUMMARY:		17,975	65.58	73.95
Stucco Walls - Monument	4	7,508	32.74	36.54
*** CATEGORY SUMMARY:		7,508	32.74	36.54
Wrought Iron Fencing - Monument	4	9,548	46.87	51.56
*** CATEGORY SUMMARY:		9,548	46.87	51.56
Irrigation - Backflow Dev (1) 2015	20	3,343	13.48	13.91
Irrigation - Backflow Dev (10) 2008	13	11,510	48.03	51.42
Irrigation - Backflow Dev (2) 1994	0	2,304	9.07	9.10
Irrigation - Backflow Dev (2) 2013	18	2,304	9.38	9.79
Irrigation - Booster Pumps (5)	14	20,085	85.98	91.15
Irrigation - Calsense Monitoring	1	16,390	17.67	27.32
Irrigation - Controllers (26)	9	131,141	859.75	891.62
Irrigation - Enclosures (26)	7	81,042	304.75	342.09
Irrigation - Upgrade Reserve	0	50,000	168.98	169.52
*** CATEGORY SUMMARY:		318,119	1,517.09	1,605.92
Landscape - Replace/Refurbish	3	120,000	624.84	686.54
Recycled Water - Refurbishment	15	35,000	171.36	177.03
*** CATEGORY SUMMARY:		155,000	796.20	863.57
Fire - Abatement	0	70,000	5,930.93	5,950.00
Slopes - Long Term Maintenance	10	825,130	2,369.33	2,750.08
Slopes - Swales & Gutters	0	90,000	7,625.49	7,650.00
*** CATEGORY SUMMARY:		985,130	15,925.75	16,350.08
TOTAL ASSET SUMMARY:		1,506,407	18,591.67	19,193.44
CONTINGENCY @ 5.00%:			929.58	965.94
GRAND TOTAL:			19,521.25	20,159.38



**Rancho San Clemente Community Assn**  
**RDA Standard Projections**

REPORT DATE: December 16, 2019  
VERSION: 032  
ACCOUNT NUMBER: 4356

Beginning Accumulated Reserves: \$1,197,424

YEAR	CURRENT REPLACEMENT COST	ANNUAL CONTRBTN	ANNUAL INTEREST CONTRBTN	ANNUAL EXPENDTRS	PROJECTED ENDING RESERVES	FULLY FUNDED RESERVES	PERCENT FULLY FUNDED
20-1	1,506,407	234,255	7,658	214,221	1,225,116	1,211,026	101%
21-2	1,536,535	235,140	8,082	181,873	1,286,465	1,269,091	101%
22-3	1,567,266	238,281	8,582	173,539	1,359,789	1,341,500	101%
23-4	1,598,611	245,439	8,146	312,144	1,301,230	1,271,778	102%
24-5	1,630,583	247,002	8,567	194,350	1,362,449	1,331,661	102%
25-6	1,663,195	251,779	9,084	184,161	1,439,151	1,408,507	102%
26-7	1,696,459	256,160	9,535	198,644	1,506,202	1,476,327	102%
27-8	1,730,388	259,122	9,466	276,881	1,497,909	1,466,759	102%
28-9	1,764,996	259,168	9,980	195,433	1,571,624	1,549,380	101%
29-0	1,800,296	262,578	9,438	347,940	1,495,699	1,475,184	101%
30-1	1,836,302	285,327	2,988	1,200,867	583,146	502,793	116%
31-2	1,873,028	292,182	3,418	230,157	648,589	556,271	117%
32-3	1,910,488	291,485	4,050	205,350	738,774	643,184	115%
33-4	1,948,698	296,382	4,583	221,866	817,872	720,061	114%
34-5	1,987,672	305,026	4,969	249,880	877,987	774,506	113%
35-6	2,027,426	309,187	5,280	267,606	924,849	817,209	113%
36-7	2,067,974	317,734	5,816	242,146	1,006,253	894,310	113%
37-8	2,109,334	322,888	6,464	233,560	1,102,045	988,549	111%
38-9	2,151,520	324,395	7,154	231,810	1,201,785	1,093,078	110%
39-0	2,194,551	327,509	7,855	233,090	1,304,059	1,204,988	108%
40-1	2,238,442	334,270	8,457	252,824	1,393,962	1,304,794	107%
41-2	2,283,211	341,727	8,990	270,254	1,474,426	1,394,859	106%
42-3	2,328,875	344,603	9,621	262,118	1,566,533	1,502,507	104%
43-4	2,375,452	361,902	8,988	452,255	1,485,168	1,415,880	105%
44-5	2,422,961	378,027	8,307	475,375	1,396,127	1,310,113	107%
45-6	2,471,421	383,421	9,167	266,277	1,522,438	1,433,675	106%
46-7	2,520,849	399,374	9,822	306,553	1,625,082	1,524,224	107%
47-8	2,571,266	398,934	10,777	273,102	1,761,691	1,660,214	106%
48-9	2,622,691	406,152	11,548	303,182	1,876,209	1,774,668	106%
49-0	2,675,145	417,147	12,343	309,545	1,996,154	1,892,715	105%

NOTE: In some cases, the projected ending reserves may exceed the fully funded reserves during years following high expenditures. This is a result of the provision for a contingency in the report, which in the projections, is never expended. The contingency is continually adjusted according to present needs and any excess is redistributed among all assets considered.

# **2019 – 2020 Insurance Disclosure Statement**

(As required by California Civil Code Section 5300)

## **RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION**

The California Civil Code Section 5300 requires that the Association send insurance disclosure statement to each of its members. Accordingly, we are providing you the following information in compliance with the Civil Code.

The following is a summary of the association's insurance coverage for policy period 2019 – 2020:

**Coverage for Items 1, 2, 5, 6, & 8 below are provided by:**      **Prendiville Insurance Agency**  
**Phone: (949) 487-9696 / fax: (949) 487-9626**

### **1. Property Insurance: Policy # 60673-56-82**

- |     |                                     |                                      |
|-----|-------------------------------------|--------------------------------------|
| (A) | Insurance carrier:                  | <u>Mid-Century Insurance Company</u> |
| (B) | The type of insurance:              | <u>Property (PUD)</u>                |
| (C) | The policy limits of the insurance: | <u>\$400,499</u>                     |
| (D) | The amount of deductible, if any:   | <u>\$1,000</u>                       |
| (E) | The policy term is:                 | <u>03/25/2019 – 03/25/2020</u>       |

### **2. Liability Insurance: Policy # 60673-56-82**

- |     |                                     |   |
|-----|-------------------------------------|---|
| (A) | Insurance carrier:                  | <u>Mid-Century Insurance Company</u>                                      |
| (B) | The type of insurance:              | <u>Commercial General Liability</u>                                       |
| (C) | The policy limits of the insurance: | <u>\$3,000,000 Per Occurrence</u><br><u>\$6,000,000 General Aggregate</u> |
| (D) | The amount of deductible, if any:   | <u>N/A</u>  |
| (E) | The policy term is:                 | <u>03/25/2019 – 03/25/2020</u>  |

### **3. Earthquake Insurance: N/A**

- |     |                                     |                            |
|-----|-------------------------------------|----------------------------|
| (A) | Insurance carrier:                  | <u>N/A</u>                 |
| (B) | The type of insurance:              | <u>Earthquake Coverage</u> |
| (C) | The policy limits of the insurance: | <u>N/A</u>                 |
| (D) | The amount of deductible, if any:   | <u>N/A</u>                 |
| (E) | The policy term is:                 | <u>N/A</u>                 |

### **4. Flood Insurance: N/A**

- |     |                                     |                       |
|-----|-------------------------------------|-----------------------|
| (A) | Insurance carrier:                  | <u>N/A</u>            |
| (B) | The type of insurance:              | <u>Flood Coverage</u> |
| (C) | The policy limits of the insurance: | <u>N/A</u>            |
| (D) | The amount of deductible, if any:   | <u>N/A</u>            |
| (E) | The policy term is:                 | <u>N/A</u>            |

**5. Fidelity Insurance (Fidelity Bond/Employee Dishonesty) Coverage: Policy # 60673-56-82**

- (A) Insurance carrier: Mid-Century Insurance Company
- (B) The type of insurance: Crime
- (C) The policy limits of the insurance: \$1,300,000
- (D) The amount of deductible, if any: \$1,000
- (E) The policy term is: 03/25/2019 – 03/25/2020

**6. Directors & Officers Liability Insurance Coverage: Policy # 60673-56-82**

- (A) Insurance carrier: Mid-Century Insurance Company
- (B) The type of insurance: D&O Liability
- (C) The policy limits of the insurance: \$2,000,000 Per Occurrence  
\$2,000,000 Per Aggregate
- (D) The amount of deductible, if any: \$1,000
- (E) The policy term is: 03/25/2019 – 03/25/2020

**7. Umbrella Liability Insurance Coverage: N/A**

- (A) Insurance carrier: N/A
- (B) The type of insurance: Umbrella Liability
- (C) The policy limits of the insurance: N/A  
N/A
- (D) The amount of deductible, if any: N/A
- (E) The policy term is: N/A

**8. Workers' Compensation Insurance Coverage: Policy # A0959-86-83**

- (A) Insurance carrier: Mid-Century Insurance Company
- (B) The type of insurance: Workers' Compensation Insurance
- (C) The policy limits of the insurance: \$1,000,000
- (D) The amount of deductible, if any: N/A
- (E) The policy term is: 03/25/2019 – 03/25/2020

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (b)(9) of Section 5300 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.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/18/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Prendiville Insurance Agency 24661 Del Prado, Suite 3 License #0740433 Dana Point CA 92629	<b>CONTACT NAME:</b> <b>PHONE</b> (A/C, No, Ext): (949) 487-9696 <b>FAX</b> (A/C, No): (949) 487-9626 <b>E-MAIL</b> <b>ADDRESS:</b>  <b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Mid-Century Insurance Company <b>NAIC #</b> 21687
<b>INSURED</b> Rancho San Clemente Community Association  c/o Curtis Management Company 5050 Avenida Encinas, Suite 160 Carlsbad CA 92008	<b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>

**COVERAGES****CERTIFICATE NUMBER:** Cert ID 6107**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> *D&O is Claims Made <input checked="" type="checkbox"/> D&O Deductible \$1000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	60673-56-82	03/25/2019	03/25/2020	EACH OCCURRENCE \$ 3,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 75,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 3,000,000 GENERAL AGGREGATE \$ 6,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000 D&O Liability* \$ 2,000,000
A	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY	Y	60673-56-82	03/25/2019	03/25/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$					EACH OCCURRENCE \$ AGGREGATE \$ \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A	N/A	PENDING	03/25/2019	03/25/2020	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	<b>Fidelity Bond</b>	Y	60673-56-82	03/25/2019	03/25/2020	Fidelity Bond Deductible \$1,000 \$ 1,300,000
A	<b>Property (R/C)</b>		60673-56-82	03/25/2019	03/25/2020	Property Deductible \$1,000 \$ 400,499

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Curtis Management Company, Inc. is Named as Additional Insured as Their Interests May Appear, as Respects: Auto Liability, CGL, D&O Liability, and Fidelity Bond.

Property Coverage Applies to Common Area Structures Only (No Property Coverage for Residential Units).  
1,802 Unit PUD. 125% Extended Replacement Cost. Wind & Hail Coverage is Included.

\*CANCELLATION: 30 DAY NOTICE, EXCEPT 10 DAY NOTICE FOR NON-PAYMENT OF PREMIUM.

**CERTIFICATE HOLDER****CANCELLATION**

Curtis Management Company, Inc.

5050 Avenida Encinas,  
Suite 160  
Carlsbad CA 92008

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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## RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION COLLECTION POLICY

**Procedure Due Date:** Assessments are due on the first (1st) day of each quarter. In compliance with Civil Code §5655 All payments are applied first to the oldest assessments owed, then when those are paid in full, payments shall be applied to the fees and costs of collection, then attorney's fees, then late charges or interest. *The billing statement is a courtesy provided to homeowners: assessments are due whether you receive a bill or not. Neither the Board of Directors nor Management is responsible for lost or slow movement of mail.*

**Delinquencies 30 Days Past Due:** Any assessment not paid within thirty (30) days after the due date shall be delinquent. *If received after that date and time, a late charge not exceeding ten percent (10%) of the delinquent assessment or Ten Dollars (\$10.00), whichever is greater, is incurred and charged to the homeowner's account. In addition, the Association shall be entitled to recover its reasonable costs incurred in collecting delinquent assessments, including reasonable attorney's fees and interest at the rate of ten percent (10%) per annum on all such unpaid delinquent assessments, costs and fees commencing thirty (30) days after the assessment becomes due.* Checks returned by the bank will bear a \$20.00 service charge assessed to the owner's account.

**Delinquencies 106 Days Past Due:** A Fair Debt Collection letter will be sent to the delinquent owner. If payment is not received within thirty (30) days after the Fair Debt Collection letter has been sent, a Pre-lien letter will be sent to the delinquent owner by certified mail pursuant to California Civil Code informing them that the Association shall record a lien against the homeowner's property in the event full payment is not received within **thirty (30) days**. The delinquent owner shall bear all costs and attorney fees associated with collecting the delinquent sum.

**Delinquencies 136 Days Past Due:** With Board approval, a **Notice of Delinquent Assessment Lien** shall be prepared and recorded against the homeowner's property on behalf of the Association. The delinquent homeowner's account shall be charged for the fees and costs associated with the preparation and recording of the assessment lien.

**Delinquencies 166 Days or More Past Due:** With Board approval, the delinquent account is assigned to the Association's attorney to prepare an **Intent to Commence Collection** letter to the delinquent homeowner advising that the attorney shall initiate collection upon the assessment lien unless full payment is received within **thirty (30) days**. The attorney's fees and costs associated with the Intent to Commence Collection letter will be charged to the delinquent homeowner's account. All further communications for the collection of the delinquent account are to be through the Association's attorney.

**Delinquencies 176 or More Days Past Due:** With Board approval, such lien may be foreclosed by judicial or non-judicial procedures, not less than 30 days after recordation, and for all liens recorded after January 1, 2006, in compliance with Civil Code §5705 and §5720. All fees and costs associated with the foreclosure shall be charged to the delinquent homeowner's account. Full payment must be made before the Association will release the lien. With Board approval, the Board reserves the right to seek collection of delinquent assessments, late charges, interest, fees and costs in Small Claims Court.

After filing of a lien, a delinquent owner who disputes the assessment may choose to pay under protest the entire disputed assessment, late charges, interest, fees and costs within 30 days. This must be done in writing and sent by certified mail with the payment. The Association will then provide notice to the owner that the dispute may be resolved through alternative dispute resolution, civil action, or other procedures. This option is available up to two times per year or up to three times in five years.

Upon payment in full of all sums owing to the Association, including costs and attorney fees, the Association shall cause a "release" to be filed with respect to any lien that may have been recorded. Upon receipt of a written request by an owner identifying a secondary address for purposes of collection notices, the association shall send additional copies of any notices required by Civil Code §4040 to the secondary address provided. The owner's request shall be in writing and shall be mailed to the association in a manner that shall include the association has received it. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the association shall only be required to send notices to the indicated secondary address from the point the association receives the request.

**IMPORTANT NOTICE: If your separate interest is placed in foreclosure because you are behind in your assessments, it may be sold without court action.**

Please be advised, debtors have certain rights under the Federal Fair Debt Collection Practices Act. The Association may use an agent for the purposes of collection of debts. Any information provided to the Association or its agents will be used for the purpose of collection of the debt. Debtors have thirty (30) days from the date of the Intent to Lien Notice to contest and seek verification of the debt. The act does not prohibit the Association from continuing its efforts to collect the debt during the thirty (30) days. Thus, the Association will proceed with the lien as stated in this policy, unless the debtor seeks verification of the debt within thirty (30) days of the notice. If the debtor seeks verification of the debt within thirty (30) days of the notice, the Association will stay collection efforts during that period of time it is providing the required information.

Payments on delinquent accounts may be sent overnight to:  
Rancho San Clemente Community Association  
C/o Curtis Management Company, 5050 Avenida Encinas, Suite 160  
Carlsbad, CA 92008

**RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION**  
**STATEMENT OF ASSOCIATION'S POLICIES AND PRACTICES IN ENFORCING LIEN RIGHTS**

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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 FORECLOSURE**

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in § 5730 of the Civil Code. When using judicial or 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 amounts secured by the lien are not paid. (§5600-§5730 of the Civil Code)

In a judicial or 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. (§5610 and §5650 of the Civil Code)

The association must comply with the requirements of §5650 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 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide to the owner of record with certain documents by certified mail, including 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 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 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 of the Civil Code) An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Civil Code §5658. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Civil Code §5670, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

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

## **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a timeshare 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. (§5665 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 with the payment plan standards of the association, if they exist. (§5665 of the Civil Code)



**RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION**

**ENFORCEMENT POLICY**

***Adopted March 9, 2017***

**\*\*\*IMPORTANT NOTE\*\*\*** This Enforcement Policy applies only to Rancho San Clemente Community Association's ("RSCCA") enforcement of its governing documents. This policy in no way obligates and/or requires RSCCA to enforce the governing documents of any sub-association located within RSCCA.

1. When a violation of RSCCA's governing documents is noted, a letter will be sent to the homeowner regarding the violation and a time limit set to remedy the situation.
2. If the violation continues after the specified date, a notice will be issued to the homeowner, a hearing date set and the amount of the fine to be assessed and charged to the owner.
3. If the violation is not resolved by the specified date, the Board may order a service to be performed and bill the homeowner for costs incurred (if applicable).
4. The homeowner may request a reasonable extension of time by contacting the management company, Curtis Management, in writing. Such a written request must be sent via U.S. Mail and/or electronic mail and be received by the Association's management company at least seven days prior to the hearing.
5. Owners are responsible for tenant and guest infractions of RSCCA's governing documents and will be held liable for payment of any penalty assessments levied for his tenant or guest's violation, as well as reasonable costs, if applicable, incurred by RSCCA for the repair and/or replacement of any damages caused to RSCCA property. It is the owner's responsibility to collect any assessments/costs from tenants that have been assessed to the owner's account.
6. **FINE SCHEDULE:** The Board may fine up to the following amounts per infraction:

1st Fine:	\$100.00
2nd Fine (same rule/CC&R violation):	\$250.00
3rd Fine (same rule/CC&R violation):	\$500.00

Legal action may be taken by the Board of Directors, if deemed necessary, at any time during the enforcement proceedings outlined above. If RSCCA property is damaged the total cost(s) to complete the repair will be assessed to the owner of the responsible unit.



**RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION  
INFORMATION FOR OWNERS REGARDING THE LAW ON DISPUTES BETWEEN  
HOMEOWNER ASSOCIATIONS AND ASSOCIATION MEMBERS**

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Dear Homeowner:

Amended in January 2005, California Civil Code §5900 through §5965 requires certain types of disputes between homeowner associations and their members, or between members themselves, to be submitted to arbitration or mediation (collectively called "Alternative Dispute Resolution"). This law first went into effect January 1, 1994, and prohibits the filing of a lawsuit until after certain conditions have been met. This law will affect you if you have a dispute with the Association or with another homeowner.

The law applies only to disputes regarding the Association's "governing documents", which include the CC&R's, By-Laws, Articles of Incorporation, and Rules and Regulations. Further, it applies only to two types of cases. The first type of case is "declaratory relief." In this type of case a party is asking the court to declare or interpret the parties' rights or obligations under one or more of the governing documents. The second type of case is "injunctive relief". Here, a party is asking the court to order the other party to do something, or to stop doing something. Either type of case may also include a claim for money damages as long as it does not exceed \$5,000.00. The new law does not apply to cases, which seek only money damages, or to cases involving assessments.

The Alternative Dispute Resolution procedure is commenced by serving upon the other party an offer to submit the dispute to arbitration or mediation. The offer is called a "Request for Resolution". The law requires that this document contain certain mandatory language.

The party receiving a Request for Resolution has thirty (30) days to respond. If the party accepts it, the arbitration or mediation must be completed within ninety days. If the offer is refused, the other party may then file its lawsuit. Refusing arbitration or mediation does carry a risk. If the court awards attorneys' fees and costs, it may consider the party's refusal to participate in arbitration or mediation when considering the amount of the award.

The law contains a number of other technical provisions and requirements and it should be read in its entirety and discussed with your own legal counsel. It does, however, require us to quote the following language in this letter:

**"Failure by any member of the Association to comply with the alternative dispute requirements of §5930 of the California 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."**

Sincerely,

***Rancho San Clemente Community Association***

***Board of Directors***

## **RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION INTERNAL DISPUTE RESOLUTION PROCEDURES**

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Rancho San Clemente Community Association ("the Association") will continue to provide a fair, reasonable, and expeditious procedure for resolving disputes between an Association and any Member of the Association involving the Member's rights, duties, or liabilities under the Davis-Stirling Act, the Nonprofit Mutual Benefit Corporation Law, or under the governing documents of the Common Interest Development or Association. The procedures for dispute resolution, as now set forth in *California Civil Code §5900 through §5965*, are as follows:

1. Either party to the dispute may deliver a written request to the other party seeking to meet and confer in an effort to resolve the dispute.
2. A member of the 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 up to two Members of the Board of Directors 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. The parties may be assisted by an attorney or another person at their own cost when conferring.
5. A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the Board designees on behalf of the Association.
6. A written agreement reached using these procedures will bind the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:
  - (a) The agreement is not in conflict with law or the governing documents of the common interest development or Association.
  - (b) The agreement is either consistent with the authority granted by the Board of Directors to its designees or the agreement is ratified by the Board of Directors.
7. A Member of the Association shall not be charged a fee to participate in this process.

## **RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION ARCHITECTURAL REVIEW PROCESS**

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Please consider this to be your notice regarding the architectural process of the Rancho San Clemente Community Association. This notice is generated in compliance with California Civil Code §4765. The Association's architectural process is listed in Article IX on pages 44-50 of the "Covenants, Conditions & Restrictions & Reservation." Excerpts from this Article are provided below.

**Section 9.03. Review of Plans and Specifications.** Subject to Article XI of this Master Declaration, no construction, alteration, grading, addition, excavation, modification, decoration, redecoration or reconstruction of an Improvement in the Properties or other activity within the jurisdiction of the Architectural Committee pursuant to this Master Declaration (collectively "Construction Activities") shall be commenced or maintained by any Owner, until the plans and specifications therefore showing the nature, kind, shape, height, width, color, materials and location of the same shall have been submitted to the Architectural Committee and approved in writing by the Architectural Committee as follows:

(a) **Declarant.** Declarant need not seek approval of the Architectural Committee with respect to any of its activities until the Close of Escrow for the sale of the last Declarant-owned Lot or Condominium in the Properties from Declarant to (i) a Participating Builder, or (ii) a member of the public pursuant to a Final Subdivision Public Report issued by the DRE.

(b) **Participating Builders and Commercial and Apartment Area Owners.** All Participating Builders and Owners of Commercial and Apartment Areas must seek Architectural Committee approval in the manner herein provided for all Construction Activities for so long as a majority of the members of the Architectural Committee are appointees of Declarant; provided that Participating Builders should not be required to furnish any bonds or other security pursuant to this Section 9.03. At any time that a majority of the Architectural Committee members are not appointees of Declarant, then the Participating Builders and Owners of Commercial and Apartment Areas need not seek approval of the Architectural Committee with respect to any matter subject to Architectural Committee jurisdiction pursuant to this Master Declaration.

(c) **Sub-Associations and Other Owners.** Each Sub-Association and all Owners (other than as specified in Subsections 9.03 (a) and (b) above) must obtain Architectural Committee approval in the manner provided herein for any Construction Activity which visually impacts upon any portion of the Properties located outside the boundaries of the Condominium Project or Planned Development in which the Lot, Condominium or Common Area of such Owner or Sub-Association is located. If the Architectural Committee determines that any proposed Construction Activity will not visually impact upon any portion of the Properties located outside the boundaries of the applicable Condominium Project or Planned Development, and upon the request of the Owner or Sub-Associations proposing such Construction Activity, the Architectural Committee (or its representative designated pursuant to Section 9.04) shall furnish the Owner or Sub-Association with a certificate stating that such Construction Activity does not require Architectural Committee approval. Such certificate shall be conclusive upon the Master Association and the Owners and Sub-Associations as to the necessity of Architectural Committee approval for the Construction Activity described in such certificate.

Persons submitting plans and specifications to the Architectural Committee must obtain a dated, written receipt for such plans and specifications and furnish the Architectural Committee with the address to which communications from the Architectural Committee are to be directed.

The Architectural Committee shall consider and act upon any and all plans and specifications submitted for its approval under this Master Declaration and perform such other duties as are specified in this Master Declaration or are from time to time assigned to it by the Board, including the inspection of construction in progress to assure its conformance with plans approved by the Architectural Committee. The Architectural Committee shall approve plans and specifications submitted for its approval only if it deems that (a) the construction, alterations, or additions contemplated thereby in the locations indicated will not be detrimental to the appearance of the surrounding area or the Properties as a whole, (b) the appearance of any structure affected thereby will be in harmony with the surrounding structures, (c) the construction thereof will not detract from the beauty, wholesomeness and attractiveness of the Association Property or the enjoyment thereof by the Members, and (d) the upkeep and maintenance thereof will not become a burden on the Master Association.

The Architectural Committee may condition its approval of proposals or plans and specifications for any Improvement (1) upon the agreement by the person (referred to in this Section as "Applicant") submitting the same to furnish to the Architectural Committee a bond or other security acceptable to the Architectural Committee in an amount reasonably sufficient to (i) assure the completion of such Improvement or the availability of funds adequate to remedy any nuisance or unsightly conditions occurring as a result of the partial completion of such Improvement, and (ii) to protect the Master Association and the other Owners against mechanic's liens or other encumbrances which may be Recorded against their respective interests in the Properties or damage to the Association Property as a result of such work, (2) on such changes therein as it deems appropriate, (3) upon the agreement by the Applicant to grant appropriate easements to the Master Association for the maintenance of the Improvement, (4) upon the agreement of the Applicant to reimburse the Master Association for the cost of maintenance, or all four, and may require submission of additional plans and specifications or other information prior to approving or disapproving material submitted. The Architectural Committee may also issue rules or guidelines setting forth procedures for the submission of plans for approval, requiring a fee to accompany each application for approval (or request for a certificate stating that Architectural Committee approval is not required), or stating additional factors which will take into consideration in reviewing submissions. The Architectural Committee may provide that the amount of such fee shall be uniform, or that it may be determined in any other reasonable manner, such as based upon the reasonable cost of the construction, alterations or additions contemplated or the cost of architectural or other professional fees incurred by the Master Association in reviewing plans.

The Architectural Committee may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, landscaping plans, elevation drawings and description or samples of exterior material and colors. The Architectural Committee may further require that all plans and specifications first be approved by any Sub-Association having jurisdiction. Until receipt by the Architectural Committee of any required plans and specifications and any Sub-Association approval, the Architectural Committee may postpone review of any plan submitted for approval (or determination of exemption). Decisions of the Architectural Committee and the reasons therefore shall be transmitted by the Architectural Committee to the Applicant at the address furnished by the Applicant, within thirty (30) days after the date of receipt issued by the Architectural Committee for the final materials required by the Architectural Committee. Any application or request for certificate of exemption submitted pursuant to this Section shall be deemed approved, unless written disapproval or a request for additional information or materials by the Architectural Committee shall have been transmitted to the Applicant within thirty (30) days after the date of receipt by the Architectural Committee of all required materials.

Section 9.04. Meetings of the Architectural Committee. The Architectural Committee shall meet from time to time as necessary to perform its duties hereunder. The Architectural Committee may from time to time, by resolution unanimously adopted in writing, designate an Architectural Committee Representative (who may, but need not, be one of its members) to take any action or perform any duties for and on behalf of the Architectural Committee, except the granting of variances pursuant to Section 9.09 of this Article. In the absence of such designation, the vote of a majority of the members of the Architectural Committee, or the written consent of a majority of the members of the Architectural Committee taken without a meeting, shall constitute an act of the Architectural Committee.

Section 9.05. No Waiver of Future Approvals. The approval of the Architectural Committee of any proposals or plans and specifications or drawings for any work done or proposed or in connection with any other matter requiring the approval and consent of the Architectural Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings or matters subsequently or additionally submitted for approval or consent.

Section 9.06. Compensation of Members. The members of the Architectural Committee shall receive no compensation for services rendered, other than reimbursement by the Master Association for expenses incurred by the them in the performance of their duties hereunder.

Section 9.07. Correction of Defects. Inspection of work and correction of defects therein shall proceed as follows:  
(a) The Architectural Committee or its duly appointed representative may at any time inspect any Improvement for which approval of plans is required under this Article. However the Architectural Committee's right of inspection of Improvements for which plans have been submitted and approved shall terminate sixty (60) days after the work of Improvement has been completed and the respective Owner has given written notice to the Architectural Committee of such completion. The Architectural Committee's rights of inspection shall not terminate pursuant to this paragraph if plans for the work of Improvement have not previously been submitted to and approved (or determined exempt) by the Architectural Committee.

If, as a result of such inspection, the Architectural Committee finds that such Improvement was done without obtaining approval of the plans therefore or was not done in substantial compliance with the plans approved by the Architectural Committee, it shall notify the Owner in writing of failure to comply with this Article IX within sixty (60) days from the inspection, specifying the particulars of noncompliance. The Architectural Committee shall have the authority to require the Owner to take such action as may be necessary to remedy the noncompliance.

(b) If, upon the expiration of sixty (60) days from the date of such notification, the Owner has failed to remedy such noncompliance, the Architectural Committee shall notify the Board in writing of such failure. Upon Notice and Hearing as provided in the Bylaws, the Board shall determine whether there is a noncompliance and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a noncompliance exists, the Owner shall remedy or remove the same within a period of not more than forty-five (45) days from the date that notice of the Board ruling is given to the Owner. If the Owner does not comply with the Board ruling within that period, the Board, at its option, may Record a notice of noncompliance and may peacefully remedy the noncompliance, and the Owner shall reimburse the Master Association, upon demand, for all expenses incurred in connection therewith. If such expenses are not promptly repaid by the Owner to the Master Association, the Board shall levy a Special Assessment against such Owner for reimbursement as provided in this Declaration. The right of the Master Association to remove a non-complying Improvement or otherwise remedy the noncompliance shall be in addition to all other rights and remedies which the Master Association may have at law, in equity, or in this Master Declaration.

(c) If for any reason the Architectural Committee fails to notify the Owner of any noncompliance with previously submitted and approved plans within sixty (60) days after receipt of such written notice of completion from the Owner, the Improvement shall be deemed to be in accordance with such approved plans.

(d) All construction, alteration or other work shall be performed promptly and diligently as possible and shall be completed within one (1) year after the date on which the work commenced.

Section 9.08. Scope of Review. The Architectural Committee shall review and approve or disapprove all plans submitted to it for any proposed Improvement, alteration or addition, solely on the basis of the considerations set forth in Section 9.03 hereof. The Architectural Committee shall not be responsible for reviewing, nor shall its approval of any plan or design be deemed approval of, any plan or design from the standpoint of structural safety or conformance with building or other codes.

Section 9.09. Variances. The Architectural Committee may authorize variances from compliance with any of the architectural provisions of this Master Declaration or any Supplemental Declaration including, without limitation, restrictions upon height, size, floor area or placement of structures, or similar restrictions, when circumstances such as topography, natural obstructions, hardship, aesthetic or environmental considerations may require. Such variances must be evidenced in writing, must be signed by at least a majority of the members of the Architectural Committee, and shall become effective upon Recordation. If such variances are granted, no violation of the covenants, conditions and restrictions contained in this Master Declaration or any Supplemental Declaration shall be deemed to have occurred with respect to the matter for which the variance was granted. The granting of such variance shall not operate to waive any of the terms and provisions of this Master Declaration or of any Supplemental Declaration for any purpose except as to the particular property and particular provision hereof covered by the variance, nor shall it affect in any way the Owner's obligation to comply with all governmental laws and regulations affecting his use of the premises, including but not limited to zoning ordinances and Lot set-back lines or requirements imposed by the City, County or other governmental authority.

Section 9.10. Certain Exceptions. The provisions of this Master Declaration may be made less stringent as to any Commercial Lot if, and to the extent that, the Supplemental Declaration covering such Commercial Lot so provides. The Architectural Committee may also exempt certain types or classes of Improvements from the provisions of this Article IX under written guidelines or rules promulgated from time to time by the Architectural Committee if, in the exercise of the Architectural Committee's sole judgment, approval of such types or classes of Improvements is not required to carry out the purposes of this Master Declaration.

The Association must provide for the right of appeal at an open meeting of the Board of Directors, unless the denial was by the Board or a body that has the same membership as the Board of Directors.

**RANCHO SAN CLEMENTE COMMUNITY ASSOCIATION  
ANNUAL POLICY STATEMENT CIVIL CODE §5310 ADDITIONAL DISCLOSURES**

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**STATEMENT OF ASSOCIATION OUTSTANDING LOANS [CIV. CODE SECTION §5300(B)(8)]**

*The Association does not have any outstanding loans with an original term of more than one year.*

**DESIGNATED AGENT FOR RECEIPT OF ASSOCIATION MAIL [CIV. CODE SECTION §4035]**

*The name and address of the person designated to receive official communications on behalf of the Association is as follows:*

*Patrick Campbell, Managing Agent  
Curtis Management Company  
5050 Avenida Encinas, Suite 160  
Carlsbad, CA 92008  
(760) 643-2200*

**SECONDARY ADDRESSES FOR OWNERS [CIV. CODE §4040]**

*As provided in Civil Code §4040(b) owners have a right to receive (1) annual reports the Association is required to provide to owners and for (2) mailings and notices related to assessment payments, delinquencies and foreclosures at an additional address if they submit a secondary address to the Association. The owner's request must be in writing and must be sent to the Association in the manner provided in Civil Code §4035 and §5260.*

**POSTING LOCATION OF GENERAL NOTICES [CIV. CODE §5310]**

*The location designated for posting of a General Notice may be found inside the bulletin board at the corner of Calle Aguila and Calle Pastadero, San Clemente, CA.*

**INDIVIDUAL DELIVERY NOTICE [CIV. CODE §4045(B)]**

*Documents designated by the Civil Code as requiring General Delivery or General Notice will be delivered using one of the methods detailed in Civil Code section 4045(a). If a member of the Association wishes to receive these general notice documents by individual delivery, they must make such a request to the Association, and the Association will comply with the request.*

**AVAILABILITY OF MINUTES [CIV. CODE §4950]**

*The minutes or a summary of minutes of a Board meeting, other than an executive session are available to members within 30 days of the meeting. Minutes, proposed minutes, or summary of minutes will be distributed to any member upon written request and upon reimbursement of the Association's costs for making that distribution.*

*In order to make a request for a copy of minutes, members should contact the property manager via e-mail, fax and/or in writing.*

**ITEMS DEFERRED FOR MAINTENANCE, REPAIR OR REPLACEMENT [CIV. CODE §5300(B)(4)]**

*In accordance with Civil Code §5300(b)(4) and as of the date of this letter, the Board has chosen not to defer and will undertake replacement of any major component with a remaining life of 30 years or less.*

**ANNUAL REQUEST FOR OWNER'S ADDRESS  
FOR ASSOCIATION COMMUNICATIONS**

**RANCHO SAN CLEMENTE**

c/o Curtis Management Company  
5050 Avenida Encinas, Suite 160  
Carlsbad, CA 92008

Account #: RS-

Dear Homeowner,

Please note that Civil Code §4041 requires owners to provide the below information to the Association annually. Please complete this form and return it to the Association. You may return this form with your assessment payment or mail it to the address noted above.

**Please PRINT Legibly**

- (1) Names of Owner(s) \_\_\_\_\_

- (2) Address of property (Lot/Unit) within Association \_\_\_\_\_

- (3) The address or addresses to which notices from the Association are to be delivered. **Please understand that your billing statement and all notices will be mailed to this address.** \_\_\_\_\_

- (4) An alternate or secondary address to which notices from the Association are to be delivered. ***You are not required to designate a secondary address. If you designate a secondary address, this address will only be used to send assessment collection notices and the annual budget report/ annual policy statement.*** \_\_\_\_\_

- (5) The name and address of the owner's legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the owner's extended absence from the separate interest.

Attorney: \_\_\_\_\_

Person with Power of Attorney \_\_\_\_\_

(A copy of the power of attorney must be provided.)

Other Contact in the Event of Prolonged Absence \_\_\_\_\_

- (6) Please mark answers to the questions below:

Owner-occupied?      ☐ Yes    ☐ No

Rented or Leased?    ☐ Yes    ☐ No

Vacant?                ☐ Yes    ☐ No

Undeveloped Land?   ☐ Yes    ☐ No

Please note that pursuant to Civil Code §4041, if you fail to provide the information for notices as set forth in paragraphs (3) and (4), the last address provided in writing by the owner or, if none, the property address will be used for delivery of all Association communications.

Rancho San Clemente Board of Directors

## Rancho San Clemente Community Association

**4528.** The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

### CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525\*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address: \_\_\_\_\_

Owner of Property: \_\_\_\_\_

Owner's Mailing Address: \_\_\_\_\_  
(if known or different from property address)

Provider of the **Section 4525** Items:

<u>Cathleen Wetherby</u>	<u>Operations Manager</u>	<u>Curtis Management Company</u>	<u>1-6-2020</u>
Print Name	Position or Title	Association or Agent	Date Form Completed

Check or Complete Applicable Column or Columns Below:

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Articles of Incorporation (or statement that not incorporated)	Section <b>4525(a)(1)</b>	\$10.00	
CC&Rs	Section <b>4525(a)(1)</b>	\$25.00	
Bylaws	Section <b>4525(a)(1)</b>	\$10.00	
Operating Rules	Section <b>4525(a)(1)</b>	\$5.00	
Age Restrictions, if any	Section <b>4525(a)(2)</b>		
Rental Restrictions, if any	Section <b>4525(a)(9)</b>	\$0.00	
Annual Budget Report (or summary, including Reserve Study)	Sections <b>5300</b> and <b>4525 (a)(3)</b>	\$10.00	
Assessment and Reserve Funding Disclosure Summary	Sections <b>5300</b> and <b>4525 (a)(4)</b>		
Financial Statement Review	Sections <b>5305</b> and <b>4525(a)(3)</b>	\$25.00	
Assessment Enforcement Policy	Sections <b>5310</b> and <b>4525(a)(4)</b>		
Insurance Summary	Sections <b>5300</b> and <b>4525 (a)(3)</b>		
Regular Assessment	Section <b>4525(a)(4)</b>		
Special Assessment	Section <b>4525(a)(4)</b>	\$0.00	
Emergency Assessment	Section <b>4525(a)(4)</b>		



## Rancho San Clemente Community Association

Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App)
Other Unpaid Obligations of Seller	Sections <b>5675</b> and <b>4525(a)(4)</b>		
Approved Changes to Assessments	Sections <b>5300</b> and <b>4525(a)(4), (8)</b>		
Settlement Notice Regarding Common Area Defects	Sections <b>4525(a)(6), (7)</b> and <b>6100</b>		
Preliminary List of Defects	Sections <b>4525(a)(6), 6000</b> and <b>6100</b>		
Notice(s) of Violations	Sections <b>5855</b> and <b>4525(a)(5)</b>		
Required Statement of Fees	Section <b>4525</b>	<b>\$165.00</b>	
Minutes of Regular Board Meetings (conducted over the previous 12 months, if requested)	Section <b>4525(a)(10)</b>	<b>\$45.00</b>	
<b>Total fees for these documents:</b>		<b>\$ \$295.00</b>	

\*The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of **Section 4525** shall be charged separately.

Buyer and Seller may negotiate who pays document and disclosure fees.

The management company was not paid a referral fee by HomeWiseDocs as part of this transaction.

This is the minimum document offering required to meet CA statute 4525. You may opt to acquire additional documents including, but not limited to, Meeting Minutes, Reserve Studies, Insurance Declaration Pages, and/or property inspections not mandated by law but helpful to the prospective buyer(s) and/or their agent to make a more informed decision regarding the subject property.

Please note: The fees listed are an estimate and the actual fees charged for the documents may be different than this amount. Other fees including, but not limited to, Transfer Fees, Capital Contributions, Collection fees, etc. may be assessed to each property and will be disclosed on the Statement of Fees (Demand), and are not included within estimated charges outlined within this form.