

R-Ranch Property Owners Association

PO Box 71

Hornbrook, CA 96044

(530)475-3495



November 10, 2023

How time flies! Here we are again preparing for the 2024 year. The attached documents are the annual notices that are required by our By-Laws and CC&Rs to send to owners. Full versions of the documents are available on the website or by contacting Headquarters. Be on the lookout for the 2024 assessment and trailer storage invoices to be mailed in December. Assessments and storage payments will be due by February 1, 2024, and late on February 16, 2024. Following is the Annual Assessment Statement from the Board of Directors:

**The Assessment for the year 2024 will be \$1,375.00.**

The Board of Directors met on October 2nd, 2023, October 21st, 2023, and November 1st, 2023 to discuss and adopt the annual Budget for the operating year of 2024. Due to overall increases in the operational expenses of R-Ranch POA, as well as the anticipation that our insurance premium will be around \$430,000.00, the Board has determined that an assessment increase is necessary. The Board and Staff worked very hard to cut expenses and increase marketing/sales efforts to enable as small an increase as possible. The assessment for 2024 is roughly an 8% increase from 2023.

Sincerely,

R-Ranch POA

# 2024 Budget Summary

<u>INCOME</u>		
· ASSESSMENT, LATE FEES, ETC. REVENUE	\$	1,345,125.00
(Assmt. Revenue based on 960 shares @ \$1,375.00/share)		
· PROCESSING FEES - Bank Card Use Fee	\$	15,000.00
· Share Return Fee	\$	7,000.00
· OFFICE REVENUE	\$	2,100.00
· R-Store Merchandise	\$	2,892.60
· MISC	\$	10.00
· SHOOTING FACILITY	\$	9,820.00
· DONATIONS	\$	1,550.00
Total 3401 · LEASE REVENUE	\$	10,000.00
· SPECIAL EVENT REVENUE	\$	3,700.00
· HEADQUARTERS A-FRAME	\$	14,000.00
· River House Income	\$	12,000.00
· Cottonwood Rental	\$	6,000.00
· FEE REVENUE	\$	155,640.00
· VENDING REVENUE	\$	4,500.00
· INTEREST	\$	30,600.00
Total 3700 · STABLES REVENUE	\$	36,200.00
· Sales Tax Paid	\$	(2,500.00)
<b>Total Income</b>	<b>\$</b>	<b>1,653,637.60</b>

<u>EXPENSE</u>		
· ICE PURCHASE	\$	7,000.00
· Trailer Storage Expense	\$	37,000.00
· R-Store Expense	\$	5,000.00
· VENDING MACHINE EXP.	\$	1,500.00
· PAYROLL	\$	682,000.00
· HUMAN RESOURCE CONSULTANT	\$	3,600.00
· ADVERTISING	\$	12,500.00
· STAFF EXPENSE	\$	500.00
· DUES & SUBSCRIPTIONS	\$	1,500.00
· ENTERTAINMENT	\$	4,900.00
· INSURANCE	\$	430,250.00
· LEGAL AND PROFESSIONAL FEES	\$	60,700.00
· RECORDING FEES	\$	5,500.00
· Copier Lease	\$	12,000.00
· HEADQUARTERS OFFICE	\$	50,000.00
· REPAIRS & SERVICES EXP.	\$	40,000.00
· POTTY PUMP	\$	750.00
· LAUNDRY	\$	150.00
· SUPPLIES EXP	\$	50,450.00
· UTILITIES	\$	206,700.00
· TAXES	\$	53,200.00
· MAJOR REPAIRS	\$	6,000.00
· STABLE EXPENSE	\$	69,312.10
· GUN CLUB	\$	10,725.50
· ROADS	\$	1,000.00
<b>Total Expense</b>	<b>\$</b>	<b>1,752,237.60</b>
· SALE OF SHARE	\$	125,000.00
2% of collected assessments to Reserve Acct.	\$	26,400.00

**Net \$**

This is a summary of the budget. A complete pro forma operating budget including reserve study and board meeting minutes are available for review at the Association's principal office located at 225 Ditch Creek Road, Hornbrook, CA 96044. Upon written request, a complete copy of the pro forma budget, reserve study or any meeting minutes will be furnished to you via first-class mail (a \$25.00 processing fee will apply). The complete budget (and board meeting minutes) are also located on the R-Ranch website at [www.r-ranchca.com](http://www.r-ranchca.com), in the member portal. You will need to request a login and password to access the member portal.

# R-Ranch Hornbrook POA Reserve Study Summary

Reserves for January 1, 2024-December 31, 2024

**Current Reserve Balance: \$56,245.43**

**Total Reserves Necessary to be Fully Funded: \$1,680,095**

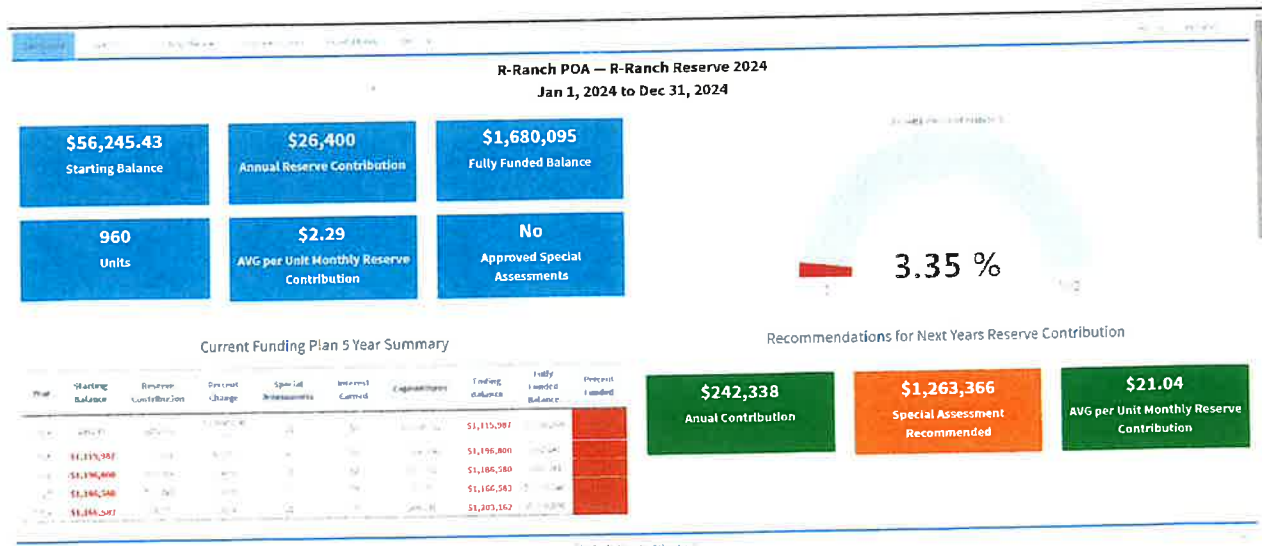
**Percent Currently Funded: 3.35%**

**Annual Contribution to Reserve Account: \$26,400**

The procedures used to complete this reserve study included: on-site inspection, reviewing the previous R-Ranch reserve study for 2023, referring to online construction formulas, searching online for current average sales prices of the components, utilizing depreciation charts and online searching to determine useful life of components, and inputting all data into the FJ Strategic Reserve Study Software. The average remaining years of asset life were based on each asset's current condition or last time it was replaced or repaired compared to industry standards. Costs for repairs were based on the assumption that we would handle most work in-house. An average cost of living increase of 3% was used to calculate the expected replacement cost of each component for 30 years into the future, ending with the year 2053. There is currently \$56,245.43 in the reserve account, which is significantly below the estimated amount needed to meet future repair and maintenance needs. Based on this reserve study, the replacement/repair costs would be \$1,680,095 in 2024, \$692,481 in 2025, and \$804,481 in 2026. The total estimated amount that should be set aside in 2024 for future needs, many of which are immediate, would be \$1,680,095. The current reserve is 3.35% of next year's estimated requirement. Please keep in mind that although many of our components are technically beyond their useful life, they are still functioning adequately so their replacement during 2024 is not anticipated.

**At this time the Board does not anticipate the need for a special assessment in 2024.**

**The full reserve study is available in the member portal of [www.r-ranchca.com](http://www.r-ranchca.com), or by written request submitted to Headquarters.**



## **R-Ranch Property Owners Association**

### **Collections, Delinquency, and Suspension of Access Policies**

#### **Use of R-Ranch Policy**

Use of the R-Ranch properties, services, utilities, resources, lodging, elections, and activities is restricted to Owners in Good Standing, their Associate Members, and sponsored Guests.

An Owner in Good Standing is defined as an Owner that is current on all Assessments, Special Assessments, and Special Individual Assessments (otherwise known as Fines or Fees), and whose rights are not suspended due to Disciplinary Action. Owners in good standing are entitled to all the rights and privileges afforded them in the Governing Documents, and may use the Ranch properties and facilities, vote in elections, participate in meetings and events, and may bring their Associate Members and Guests to the R-Ranch with them.

#### **Delinquency Policy**

In keeping with the CC&Rs Article 4, R-Ranch Property Owners Association has the right and duty to collect monies owed to the Association, enforce timely payment of monies owed, and to impose disciplinary action when monies are not paid.

**Owners shall pay all Assessments, Special Assessments, and Special Individual Assessments when due to remain an Owner in Good Standing.**

Annual Assessments are invoiced on January 1st each year, and are due by February 1st. Annual Assessments are considered delinquent if not paid in full by February 16th, and a late fine of 10% of the Assessment will be applied, unless an Owner has signed up for an automatic payment plan. Owners that remain current on an approved payment plan shall be considered Owners in Good Standing and enjoy all the rights and privileges thereof.

Special Assessments may be imposed by the Association from time-to-time within the guidelines of the Governing Documents. Special Assessments are due within 30 days of billing, and are considered delinquent on the 46th day after billing. Delinquent Special Assessments are subject to a late fine of 10% of the Special Assessment amount.

Special Individual Assessments can be fines imposed as disciplinary action, expenses incurred by the Association in gaining member compliance, or fees for materials or optional services furnished by R-Ranch (including electrical service). Special Individual Assessments are due within 30 days of billing, and are considered delinquent on the 46th day after billing. Delinquent Special Individual Assessments are subject to a late fine of \$25.

Owners shall have the right to dispute charges within 30 days of billing. If the Owner demonstrates that the amount has been paid, or that there was an error on the part of R-Ranch in the billing, the amount shall immediately be credited, or the error immediately corrected.

### **Collections Policy**

All unpaid amounts are considered delinquent on the 46th day after billing, and the account is subject to collection activities in accordance with this policy and the governing documents. Collection activities are at the discretion of the Board of Directors and include, but are not limited to, referral to a collection agency, reporting to credit bureaus, foreclosure of the share, liens against the deed, and/or seizure of any property owned by the shareholder which is on R-Ranch property. Owners may avoid further collection attempts by either paying the amount due in full (including the late fines), or by signing up for an automatic payment plan with R-Ranch. Any cost incurred by R-Ranch in the collection of amounts due, including attorney fees if applicable, will result in a Special Individual Assessment against the shareholder equal to said cost. This collection policy shall apply equally to all regular assessments, special assessments, or special individual assessments made or assessed by the Association against an Owner. CC&Rs section 4.6.

### **Temporary Suspension, Gate Access and Electricity Shut-Off Policy**

Owners must be in Good Standing to have access to any portion of the R-Ranch properties, services, activities, utilities, etc. If an Owner is not in Good Standing due to delinquency of payment, their gate access will be revoked, their electrical plug will be removed from the pedestal at their campsite and the pedestal will be locked, and the Owner will be required to immediately remove all of their personal property and vacate R-Ranch.

**Any temporary suspension of Owner Rights is comprehensive, and applies to all Owners and Associate Owners on the share.** Any use of the facilities, utilities, or resources of R-Ranch, or entry onto the properties of R-Ranch while suspended shall be considered trespassing and will result in additional disciplinary action, unless said entry is for the attendance of a Board Hearing for this matter. Additionally, the right to vote in elections of R-Ranch is suspended until an Owner regains Good Standing status. Suspension includes but is not limited to the following: A suspended Owner cannot come onto the Ranch (even as the guest of another owner), cannot use electricity or water from any source, cannot ride the horses, cannot use the gun range, cannot use the fishing ponds, cannot use the off-road trails, cannot use the campsites or lodges or bathrooms, cannot use the swimming pool or rental homes, cannot use the lineshacks or other lodging options, cannot vote, cannot store personal property at R-Ranch, cannot pasture horses, and cannot use any other portion of the R-Ranch properties or services or amenities or utilities or resources.

On November 1st, 2023, in a duly called and noticed meeting of the Board of Directors, the Board determined that as there is "no material question regarding the violator or whether a violation has occurred (CC&Rs 9.5d)" when determining that an account is delinquent, the Association may temporarily suspend an Owner's rights to access the R-Ranch property without holding a Board hearing first, provided that notice of the suspension is provided in advance. Owners shall be notified in writing at least 15 days in advance of any suspension of use due to delinquent payment. Notice shall be given in person to any Owner currently on the Ranch, as

well as by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the notice has been deposited in the United States Postal Service, first class postage prepaid, addressed to the Owner at the last mailing address provided in writing to the Association. Any Owner so notified shall have the right to request a Board Hearing to avoid having their access rights suspended. This request must be received in writing by the Board at least 5 days before the suspension is scheduled to begin.



# **2009 California Civil Code - Section 1369.510-1369.590 :: Article 2. Alternative Dispute Resolution**

## **CIVIL CODE**

### **SECTION 1369.510-1369.590**

1369.510. As used in this article: (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties. (b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes: (1) Enforcement of this title. (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code). (3) Enforcement of the governing documents of a common interest development. 1369.520. (a) An association or an owner or a member of a common interest development may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article. (b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure. (c) This section does not apply to a small claims action. (d) Except as otherwise provided by law, this section does not apply to an assessment dispute. 1369.530. (a) Any party to a dispute may initiate the process required by Section 1369.520 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following: (1) A brief description of the dispute between the parties. (2) A request for alternative dispute resolution. (3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected. (4) If the party on whom the request is served is the owner of a separate interest, a copy of this article. (b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request. (c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party. 1369.540. (a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties. (b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration. (c) The costs of the alternative dispute resolution shall be borne by the parties. 1369.550. If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods: (a) The period provided in Section 1369.530 for response to a Request for Resolution. (b) If the Request for Resolution is accepted, the period provided by Section 1369.540 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties

pursuant to Section 1369.540. 1369.560. (a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied: (1) Alternative dispute resolution has been completed in compliance with this article. (2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution. (3) Preliminary or temporary injunctive relief is necessary. (b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties. 1369.570. (a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code. (b) The costs of the alternative dispute resolution shall be borne by the parties. 1369.580. In an enforcement action in which fees and costs may be awarded pursuant to subdivision (c) of Section 1354, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable. 1369.590. (a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include the following language: "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." (b) The summary shall be provided either at the time the pro forma budget required by Section 1365 is distributed or in the manner prescribed in Section 5016 of the Corporations Code. The summary shall include a description of the association's internal dispute resolution process, as required by Section 1363.850.



## California Civil Code 1354

§ 1354. Covenants and restrictions in declaration as equitable

servitudes; enforcement; alternative dispute resolution

(a) The covenants and restrictions in the declaration shall be enforceable equitable servitudes, unless unreasonable, and shall inure to the benefit of and bind all owners of separate interests in the development. Unless the declaration states otherwise, these servitudes may be enforced by any owner of a separate interest or by the association, or by both.

(b) A governing document other than the declaration may be enforced by the association against an owner of a separate interest or by an owner of a separate interest against the association.

(c) In an action to enforce the governing documents, the prevailing party shall be awarded reasonable attorney's fees and costs.

NO FLAT CANCELLATION

KINSALE INSURANCE COMPANY

2035 Maywill Street, Suite 100

Richmond, VA 23230

## COMMERCIAL GENERAL LIABILITY DECLARATIONS

Policy Number: 0100178341-1  
Producer Number: 10530  
Name and Address: AmWINS Access - Woodland Hills, CA  
21550 Oxnard Street, Suite 1100  
Woodland Hills, CA 91367

NAMED INSURED:	R Ranch Property Owners Association
MAILING ADDRESS:	PO Box 71 Hornbrook, CA 96044
POLICY PERIOD:	FROM 02/07/2023 TO 02/07/2024 at 12:01 AM at the address of the named insured as shown above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

LIMITS OF INSURANCE		
Each Occurrence Limit	\$1,000,000	Any one occurrence
Damages to Premises Rented to You Limit	\$100,000	Any one premises
Medical Expense Limit	Excluded	Any one person
Personal & Advertising Injury Limit	\$1,000,000	Any one person or organization
General Aggregate Limit	\$2,000,000	
Products / Completed Operations Aggregate Limit	\$2,000,000	

DESCRIPTION OF BUSINESS	
DESCRIPTION OF OPERATIONS:	Dude Ranch
BUSINESS TYPE:	Corporation