

Date: November 10, 2022
To: The Bridges Community Association
From: The Board of Directors
Re: Fiscal Year (January 1, 2023-December 31, 2023) Annual Budget Report and Annual Policy Statement Summaries

Dear Members,

Pursuant to Civil Code Section 5320, the Association is providing you with the following summary of the Annual Budget Report and Annual Policy Statement. If you wish to obtain a full copy of the Annual Budget Report and Annual Policy Statement, please contact Association Manager Yasmine Johnson at (858) 495-0900 or via email at yjohnson@waltersmanagement.com with your request.

The Annual Budget Report and Annual Policy Statement contains the names of all of the reports, statements and summaries the Association is required to provide pursuant to law and/or the governing documents.

Summary of the Annual Budget Report and Annual Policy Statement

I. Annual Budget Report

1. Pro Forma Operating Budget has been prepared for fiscal year 2023

In order to maintain the financial integrity of our Association and to meet the ongoing maintenance costs which increase with the aging process, beginning on January 1, 2023, for the overall Community Association, the monthly assessment will increase by ~19% to a monthly assessment amount of \$630.00 per ownership interest. The primary reason for this increase in assessments is due to increases in labor / staffing costs, including the addition of two additional full-time patrol staff to the community. As such, the Shared Use budgeted allocation increased by 58% to accommodate those increased costs. Per the Shared Use Agreement, the Golf Club and the Community Association each share in the Shared Use expenses. ***A copy of the map identifying areas of shared use is enclosed.***

If you are part of the Villas Cost Center, your assessment will increase by approximately 16% to \$380 per ownership interest, per month, due primarily to increases in landscape costs to continue improving the overall curb appeal of the community. Further details are provided under separate cover.

If you are part of the Groves Cost Center, your additional assessment will increase by approximately 19% to \$406 per ownership interest, per month, due primarily to increased reserve allocations in an effort to bring the funding levels closer to full funding as recommended by the reserve analyst. Further details are provided under separate cover.

If you are part of the Tennis SBA Cost Center, your additional assessment will increase to \$200.00 per ownership interest, per month. This is due to increased allocations to the reserve funding as

recommended by the reserve analyst and to fund landscaping costs. Further details are provided under separate cover.

2. Summary of the Association's Reserves

Based the Reserve Study conducted by Association Reserves pursuant to Civil Code Section 5550(a), The Bridges Association's reserves are 102.4% funded which falls within the amount considered financially healthy. A summary of the Reserve Study has been included. A copy of the full Reserve Studies is available upon request.
3. Summary of the Board Adopted Bridges Reserve Funding Plan

The Board contracts annually with a third-party reserve study provider to perform the Annual Reserve Study and funding plan. The Board's plan for fiscal year beginning January 1, 2023 is to fund the Bridges' reserves without a special assessment. This will be accomplished by funding \$9,465.67 per month from the current assessment in order to meet the Association's obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less. This does not include those components that the Board has determined will not be replaced or repaired.
4. Statement of Deferral/Decision to Not Undertake Repair/Replacement of Major Component(s)

In accordance with Civil Code section 5300(b)(4) and as of the date of this letter, the Board of Directors does not plan to defer repairs or replacement of any major components.
5. Statement of Anticipated Special Assessment(s)

As of the date of this letter, the Board of Directors does not anticipate that a special assessment will be required to repair, replace or restore any major components or to provide adequate reserves.
6. Statement of Mechanism of Funding Reserves to Repair or Replace Major Components

The Board of Directors uses the following mechanism to fund reserves to repair or replace major components: For the fiscal year beginning January 1, 2023; the Board has elected to fund the reserves by allocating \$9,465.67 per month from the assessments collected. Please refer to the enclosed Pro Forma Budget and Reserve Disclosures.
7. Statement Addressing Procedures Used to Calculate and Establish Reserves

Reserves are calculated pursuant to Civil Code section 5550(a) and the Board had a reserve study last conducted on 09/09/2022.
8. Statement of Association(s) Outstanding Loans

The Association has no outstanding loans.
9. Insurance Disclosure Information

The Association currently meets the minimum Civil Code requirements for insurance to provide the statutory limitations from liability for officers and directors and for the members if persons are injured on the common area. Please refer to the insurance certificate provided by DiNino Insurance Agency.
10. Assessment and Reserve Funding Disclosure

The regular Bridges 2023 assessment per ownership interest is **\$630/month**. The reserve funding disclosure is enclosed with this mailing.

II. Annual Policy Statement

1. Statement of Name and Address of Person Designated to Receive Official Communications on behalf of the Association.
Yasmine Johnson, CCAM
Association Manager
Walters Management
9665 Chesapeake Drive, Suite 300
San Diego, CA 92123
2. Statement of Members' Ability to Have Notices Sent to an Additional Address
Owners have a right to submit a secondary address to the association for the purpose of receiving (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.
3. Statement of the Posting Location for General Notices
The location designated for posting of a General Notice is at the entry gate and the Association's website at:
(<http://www.waltersmanagement.com>)
4. Notice of Members' Rights to Receive General Notices by Individual Delivery
Upon request, Members may receive general notices by individual delivery.
5. Notice of Members' Right to Minutes
The minutes or a summary of minutes of a Board meeting, other than an executive session, shall be available to members within 30 days of the meeting.
6. The Statement of Assessment Collection Policies under Civil Code section 5730 has been included for your review.
7. The Statement of Policy for Collection of Delinquent Accounts has been included for your review.
8. The Statement of Association's Discipline Policy and Schedule of Penalties has been included for your review.
9. The Summary of Association's Dispute Resolution Procedures (ADR and IDR) have been included for your review.
10. The Association's Procedures for Architectural Review has been included for your review.
11. Statement of Address for Overnight Payment of Assessments
The Bridges Community Association
CIT
c/o: Walters Management
4950 S. 48th Street
Phoenix, AZ 85040
12. Miscellaneous Disclosures as required by law or governing documents
 - A. Preparation of an Annual Review: The Bridges Community Association contracts with a third party licensee of the California State Board of Accountancy to perform an Annual Review prepared in accordance with generally accepted accounting principles. A copy of the report performed

by the CPA shall be distributed to the membership within one hundred and twenty days (120) after the close of the fiscal year.

- B. Disclosure of Senior Community Status: The Bridges Community Association is not a Senior Community.
- C. Asbestos Disclosure: This disclosure is not applicable to The Bridges Community Association.
- D. Disclosure and Accounting of Reserves Borrowed for Litigation: The Bridges Community Association did not require the borrowing of funds from reserves for the purpose of litigation.
- E. Disclosure of Rental Restrictions: The Bridges has no rental restrictions as detailed in CC&R Section 10.1.1.
- F. Community Service Association Disclosure: This disclosure is not applicable to The Bridges.
- G. Business & Professions Codes Section 11500 – 11506 disclosure. This disclosure is included and considered a part of the Annual Disclosure requirements.
- H. FHA/VA Disclosure: The Bridges is not a condominium association, so this disclosure is not applicable
- I. AB690 Disclosure: This disclosure is included and considered a part of the Annual Disclosure requirements.

Should you have any questions or comments related to the budget or any of the enclosed disclosures, please do not hesitate to contact the Board of Directors, The Bridges Community Association, c/o Walters Management, 9665 Chesapeake Drive, Suite 300, San Diego, CA 92123. Your Board of Directors thanks you for your continued trust and confidence.

Sincerely,
On Behalf of the Board of Directors



Yasmine Johnson, CCAM®
Community Association Manager
The Bridges Community Association

Enclosures

The Bridges Community Association
 Monthly Assessment Fees
 January 1, 2023 – December 31, 2023

Master Association

Description	
HOA Assessment	\$ 630.00

Villas Cost Center I

Description	
The Villas Assessment	\$ 380.00
Master HOA Assessment	\$ 630.00
Total	\$ 1,010.00

Groves Cost Center II

Description	
The Groves Assessment	\$ 406.00
Master HOA Assessment	\$ 630.00
Total	\$ 1,036.00

Tennis Center SBA Cost Center III

Description	
Tennis Center Assessment	\$ 200.00
Master HOA Assessment	\$ 630.00
Total	\$ 830.00

The Bridges Community Association (236 units)
Approved Budget
January 1 - December 31, 2023

	2022 ANNUAL BUDGET	2023 ANNUAL BUDGET	2023 MONTHLY BUDGET	2023 PER UNIT / MONTH	% CHANGE	% OF BUDGET
REVENUE						
Assessments	1,500,960.30	1,784,160.00	148,680.00	630.00	19%	100.00%
Unrefundable ARC Deposits	0.00	0.00	0.00	0.00	0.00	0.00%
Fines	0.00	0.00	0.00	0.00	0.00	0.00%
Collection Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00%
Sign Income	0.00	0.00	0.00	0.00	0.00	0.00%
Interest Income	0.00	0.00	0.00	0.00	0.00	0.00%
TOTAL REVENUE	1,500,960.30	1,784,160.00	148,680.00	640.86	19%	100.00%
EXPENSES						
UTILITIES						
Electricity	4,350.00	5,000.00	416.67	1.77	15%	0.28%
Water Irrigation	117,270.00	140,000.00	11,666.67	49.44	19%	7.85%
TOTAL UTILITIES	121,620.00	145,000.00	12,083.33	52.08	19%	8.13%
REPAIRS & MAINTENANCE						
Repairs & Maintenance	22,000.00	20,000.00	1,666.67	7.06	-9%	1.12%
Private Streets and Drives	21,500.00	22,500.00	1,875.00	7.94	5%	1.26%
Shared Use Expense	840,320.00	1,042,480.00	86,873.33	368.11	24%	58.43%
Pest Control	1,500.00	1,500.00	125.00	0.53	0%	0.08%
Landscape Maintenance	200,000.00	210,000.00	17,500.00	74.15	5%	11.77%
Landscape Supplies	20,500.00	30,000.00	2,500.00	10.59	46%	1.68%
Tree Trimming	20,000.00	20,000.00	1,666.67	7.06	0%	1.12%
Tree Spraying	13,000.00	13,000.00	1,083.33	4.57	0%	0.73%
Brush Management	34,000.00	34,000.00	2,833.33	12.01	0%	1.91%
TOTAL REPAIRS & MAINTENANCE	1,172,820.00	1,393,480.00	116,123.33	492.05	19%	78.10%
ADMINISTRATIVE						
Administrative Expenses	16,000.00	15,000.00	1,250.00	5.30	-6%	0.84%
Annual Meeting Expense	2,000.00	2,000.00	166.67	0.71	0%	0.11%
Onsite Consultant	30,000.00	36,000.00	3,000.00	12.71	20%	2.02%
Audit & Tax Preparation	1,000.00	1,400.00	116.67	0.49	40%	0.08%
Legal Services	3,500.00	3,920.00	326.67	1.38	12%	0.22%
Collection Expense	900.00	1,000.00	83.33	0.35	11%	0.06%
Reserve Study	800.00	800.00	66.67	0.28	0%	0.04%
Insurance	10,140.00	11,250.00	937.50	3.97	11%	0.63%
Social Fund	19,500.00	19,500.00	1,625.00	6.89	0%	1.09%
Community Management	34,197.00	35,222.00	2,935.17	12.44	3%	1.97%
Architectural Assistant	6,000.00	6,000.00	500.00	2.12	0%	0.34%
TOTAL ADMINISTRATIVE	124,037.00	132,092.00	11,007.67	46.64	6%	7.40%
TOTAL OPERATING EXPENSES	1,418,477.00	1,670,572.00	139,214.33	589.89	18%	93.63%
RESERVES	80,323.00	113,588.00	9,465.67	40.11	41%	6.37%
TOTAL OPERATING & RESERVE	1,498,800.00	1,784,160.00	148,680.00	630.00	19%	100.00%
NET INCOME/LOSS	2,160.30	0.00	0.00	0.00	-	0.00%



The Bridges Community Association - Master

Report #: 14591-15

Rancho Santa Fe, CA

of Units: 241

Level of Service: Update "No-Site-Visit"

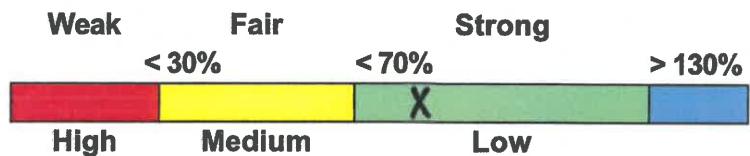
January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

Projected Starting Reserve Balance	\$956,496
Currently Fully Funded Reserve Balance	\$1,127,788
Average Reserve Deficit (Surplus) Per Unit	\$711
Percent Funded	84.8 %
Recommended 2023 Monthly Full Funding Contribution	\$12,300
Alternate minimum contributions to keep Reserve above \$0	\$11,200
Most Recent Reserve Contribution Rate	\$6,694

Reserve Fund Strength: 84.8%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	1.00 %
Annual Inflation Rate	3.00 %

This is an Update "No-Site-Visit", based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Because your Reserve Fund is at 84.8 % Funded, this means the association's special assessment and deferred maintenance risk is currently Low. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of Reserve cash-flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contribution rate to more-closely match the annual rate of deterioration occurring to your Reserve components.

Components have been added here for the annexation area at Calle Ponte Bella.

No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
MASTER				
103	Concrete Surfaces - Repair	8	0	\$20,500
201	Asphalt - Resurface (Main)	28	8	\$940,000
202	Asphalt - Seal/Repair (Main)	4	0	\$123,500
203	Asphalt - Repair (Main)	8	7	\$190,000
203	Golf Course Crossings - Replace	28	8	\$44,500
320	Calle Ponte Bella Bdg Lts - Replace	25	7	\$30,000
324	Mail House Lights - Replace	25	7	\$3,850
403	Mailboxes - Replace	18	3	\$52,000
501	Walls - Repair	30	9	\$9,750
502	Calle Messina Chain Link - Replace	30	12	\$59,500
503	Metal Fence/Gates - Replace	32	15	\$52,000
1001	Backflow Devices - Replace	20	3	\$10,000
1003	Irr Controllers - Replace	15	8	\$6,950
1006	Elec Mtr Pedestals - Repl(HOA)	30	12	\$39,000
1006	Irrig Pedestal - Replace (2005)	30	12	\$2,900
1006	Irrig Pedestal - Replace (2015)	30	22	\$2,900
1107	Metal Fence/Gates - Repaint	6	3	\$10,750
1115	Stucco Walls - Fog Coat	20	4	\$3,900
1402	Signage - Replace	15	0	\$31,500
1810	Radar Signs - Replace	8	0	\$22,000
SHARED WITH CC1 - VILLAS				
1001	Backflow Devices - Replace(HOA/CC1)	20	2	\$5,000
1003	Irr Controllers - Replace (HOA/CC1)	15	2	\$6,950
1006	Elec Mtr Pedestal - Repl(HOA/CC1)	30	12	\$3,900
1006	Irrig Pedestals - Repl(HOA/CC1)	30	12	\$5,800
CALLE PONTE BELLA				
201	Asphalt - Resurface	28	27	\$35,450
202	Asphalt - Seal/Repair	4	3	\$3,720
203	Golf Cart Crossing - Repair	28	27	\$17,850
209	Concrete Swale/Curb - Repair	8	7	\$1,120
28 Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

The Villas Cost Center I (59 units)
Budget: January 1 - December 31, 2023

	2022 ANNUAL BUDGET	2123 ANNUAL BUDGET	2023 MONTHLY BUDGET	2023 PER UNIT / MONTH	% CHANGE	% OF BUDGET
REVENUE						
Assessments	232,224.00	269,040.00	22,420.00	380.00	16%	100.00%
TOTAL REVENUE	232,224.00	269,040.00	22,420.00	380.00	16%	100.00%
EXPENSES						
UTILITIES						
Electricity	1,000.00	1,000.00	83.33	1.41	0%	0.37%
Water Irrigation	36,782.00	46,000.00	3,833.33	64.97	25%	17.10%
TOTAL UTILITIES	37,782.00	47,000.00	3,916.67	66.38	24%	17.47%
REPAIRS & MAINTENANCE						
Repairs and Maintenance	6,500.00	6,360.00	530.00	8.98	-2%	2.36%
Landscape Maintenance	108,768.00	110,880.00	9,240.00	156.61	2%	41.21%
Landscape Supplies	21,000.00	35,000.00	2,916.67	49.44	67%	13.01%
Tree Trimming	29,770.00	35,000.00	2,916.67	49.44	18%	13.01%
Property Management	4,800.00	4,800.00	400.00	6.78	0%	1.78%
TOTAL REPAIRS & MAINTENANCE	170,838.00	192,040.00	16,003.33	271.24	12%	71.38%
TOTAL OPERATING EXPENSES	208,620.00	239,040.00	19,920.00	337.63	15%	88.85%
RESERVES	35,160.00	30,000.00	2,500.00	42.37	-15%	11.15%
TOTAL OPERATING & RESERVE	243,780.00	269,040.00	22,420.00	380.00	10%	100.00%
NET INCOME/LOSS	-11,556.00	0.00	0.00	0.00	-	0.00%



The Bridges Community Association - CC1: The Villas
Rancho Santa Fe, CA
Level of Service: Update "No-Site-Visit"

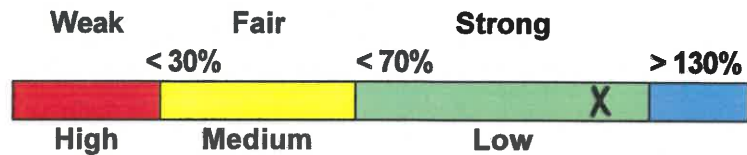
Report #: 14591-15
of Units: 59
January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

Projected Starting Reserve Balance	\$217,433
Currently Fully Funded Reserve Balance	\$178,043
Average Reserve Deficit (Surplus) Per Unit	(\$668)
Percent Funded	122.1 %
Recommended 2023 Monthly Full Funding Contribution	\$3,860
Alternate minimum contributions to keep Reserve above \$0	\$3,570
Most Recent Reserve Contribution Rate	\$1,967

Reserve Fund Strength: 122.1%



Risk of Special Assessment:

High Medium Low

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves00 %
Annual Inflation Rate	3.00 %

This is an Update "No-Site-Visit", based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Because your Reserve Fund is at 122.1 % Funded, this means the association's special assessment and deferred maintenance risk is currently Low. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of Reserve cash-flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contribution rate to more-closely match the annual rate of deterioration occurring to your Reserve components.

No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
THE VILLAS CC1				
321	Landscape Lights - Partial Replace	1	0	\$5,650
1021	Olive Trees - Treat	1	0	\$9,050
1901	Landscape - Refurbish (A)	7	5	\$210,000
1901	Landscape - Refurbish (B)	7	0	\$87,000
SHARED WITH MASTER				
1001	Backflow Devices - Replace(HOA/CC1)	20	2	\$5,000
1003	Irr Controllers - Replace (HOA/CC1)	15	2	\$6,950
1006	Elec Mtr Pedestal - Repl(HOA/CC1)	30	12	\$3,900
1006	Irrig Pedestals - Repl(HOA/CC1)	30	12	\$5,800
8 Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

The Groves Cost Center II (11 units)
Approved Budget
January 1 - December 31, 2023

	2022 ANNUAL BUDGET	2023 ANNUAL BUDGET	2023 MONTHLY BUDGET	2023 PER UNIT / MONTH	% CHANGE	% OF BUDGET
REVENUE						
Assessments	45,012.00	53,592.00	4,466.00	406.00	19%	100.00%
TOTAL REVENUE	45,012.00	53,592.00	4,466.00	406.00	19%	100.00%
EXPENSES						
UTILITIES						
Electricity	135.00	135.00	11.25	1.02	0%	0.25%
Water Irrigation	23,500.00	26,000.00	2,166.67	196.97	11%	48.51%
TOTAL UTILITIES	23,635.00	26,135.00	2,177.92	197.99	11%	48.77%
REPAIRS & MAINTENANCE						
Landscape Maintenance	15,600.00	16,000.00	1,333.33	121.21	3%	29.86%
Property Management	3,600.00	3,600.00	300.00	27.27	0%	6.72%
TOTAL REPAIRS & MAINTENANCE	19,200.00	19,600.00	1,633.33	148.48	2%	36.57%
			0.00			
TOTAL OPERATING EXPENSES	42,835.00	45,735.00	3,811.25	346.48	7%	85.34%
RESERVES	2,177.00	7,857.00	654.75	59.52	261%	14.66%
TOTAL OPERATING & RESERVE	45,012.00	53,592.00	4,466.00	406.00	19%	100.00%
NET INCOME/LOSS	0.00	0.00	0.00	0.00	-	0.00%



The Bridges Community Association - CC2: The Groves

Report #: 14591-15

Rancho Santa Fe, CA

of Units: 11

Level of Service: Update "No-Site-Visit"

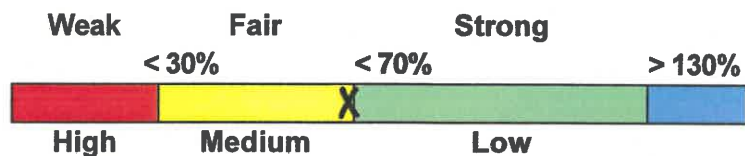
January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

Projected Starting Reserve Balance	\$26,114
Currently Fully Funded Reserve Balance	\$36,942
Average Reserve Deficit (Surplus) Per Unit	\$984
Percent Funded	70.7 %
Recommended 2023 Monthly Full Funding Contribution	\$2,410
Alternate minimum contributions to keep Reserve above \$0	\$2,280
Most Recent Reserve Contribution Rate	\$181

Reserve Fund Strength: 70.7%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	0.00 %
Annual Inflation Rate	3.00 %

This is an Update "No-Site-Visit", based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Because your Reserve Fund is at 70.7 % Funded, this means the association's special assessment and deferred maintenance risk is currently Low. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of Reserve cash-flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contribution rate to more-closely match the annual rate of deterioration occurring to your Reserve components.

No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
THE GROVES CC2				
1001	Backflow Device - Replace	20	2	\$2,500
1003	Irr Controller - Replace	15	2	\$3,475
1006	Elec Mtr Pedestal - Replace	30	12	\$7,800
1808	Trees - Trim/Replace	1	0	\$27,000
4 Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

TheTennis Center SBA Cost Center III (4 units)
Approved Budget
January 1 - December 31, 2023

	2022 ANNUAL BUDGET	2023 ANNUAL BUDGET	2023 MONTHLY BUDGET	2023 PER UNIT / MONTH	% CHANGE	% OF BUDGET
REVENUE						
Assessments	8,640.00	9,600.00	800.00	200.00	11%	100.00%
TOTAL REVENUE	8,640.00	9,600.00	800.00	200.00	11%	100.00%
EXPENSES						
UTILITIES						
Electricity	240.00	240.00	20.00	5.00	0%	2.50%
Water Irrigation	720.00	720.00	60.00	15.00	0%	7.50%
TOTAL UTILITIES	960.00	960.00	80.00	20.00	0%	10.00%
REPAIRS & MAINTENANCE						
Landscape Maintenance	3,600.00	3,600.00	300.00	27.27	0%	37.50%
Property Management	1,200.00	1,200.00	100.00	25.00	0%	12.50%
TOTAL REPAIRS & MAINTENANCE	4,800.00	4,800.00	400.00	100.00	0%	50.00%
			0.00			
TOTAL OPERATING EXPENSES	5,760.00	5,760.00	480.00	120.00	0%	60.00%
RESERVES	2,880.00	3,840.00	320.00	80.00	NA	40.00%
TOTAL OPERATING & RESERVE	8,640.00	9,600.00	800.00	200.00	11%	100.00%
NET INCOME/LOSS	0.00	0.00	0.00	0.00	-	0.00%



The Bridges Community Association - CC3: TennisCenterSBA

Report #: 14591-15

Rancho Santa Fe, CA

of Units: 5

Level of Service: Update "No-Site-Visit"

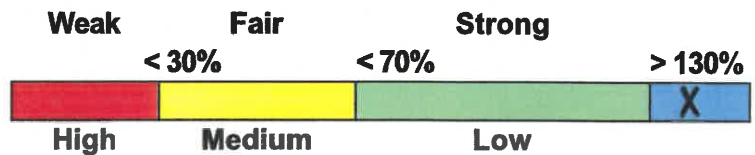
January 1, 2023 through December 31, 2023

Findings & Recommendations

as of January 1, 2023

Projected Starting Reserve Balance	\$19,319
Currently Fully Funded Reserve Balance	\$11,903
Average Reserve Deficit (Surplus) Per Unit	(\$1,483)
Percent Funded	162.3 %
Recommended 2023 Monthly Full Funding Contribution	\$641
Alternate minimum contributions to keep Reserve above \$0	\$610
Most Recent Reserve Contribution Rate	\$424

Reserve Fund Strength: 162.3%



Risk of Special Assessment:

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves	0.00 %
Annual Inflation Rate	3.00 %

This is an Update "No-Site-Visit", based on a prior Report prepared by Association Reserves for your 2022 Fiscal Year. No site inspection was performed as part of this Reserve Study.

This Reserve Study was prepared by a credentialed Reserve Specialist (RS).

Because your Reserve Fund is at 162.3 % Funded, this means the association's special assessment and deferred maintenance risk is currently Low. The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of Reserve cash-flow problems.

Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contribution rate to more-closely match the annual rate of deterioration occurring to your Reserve components.




No assets appropriate for Reserve designation were excluded.

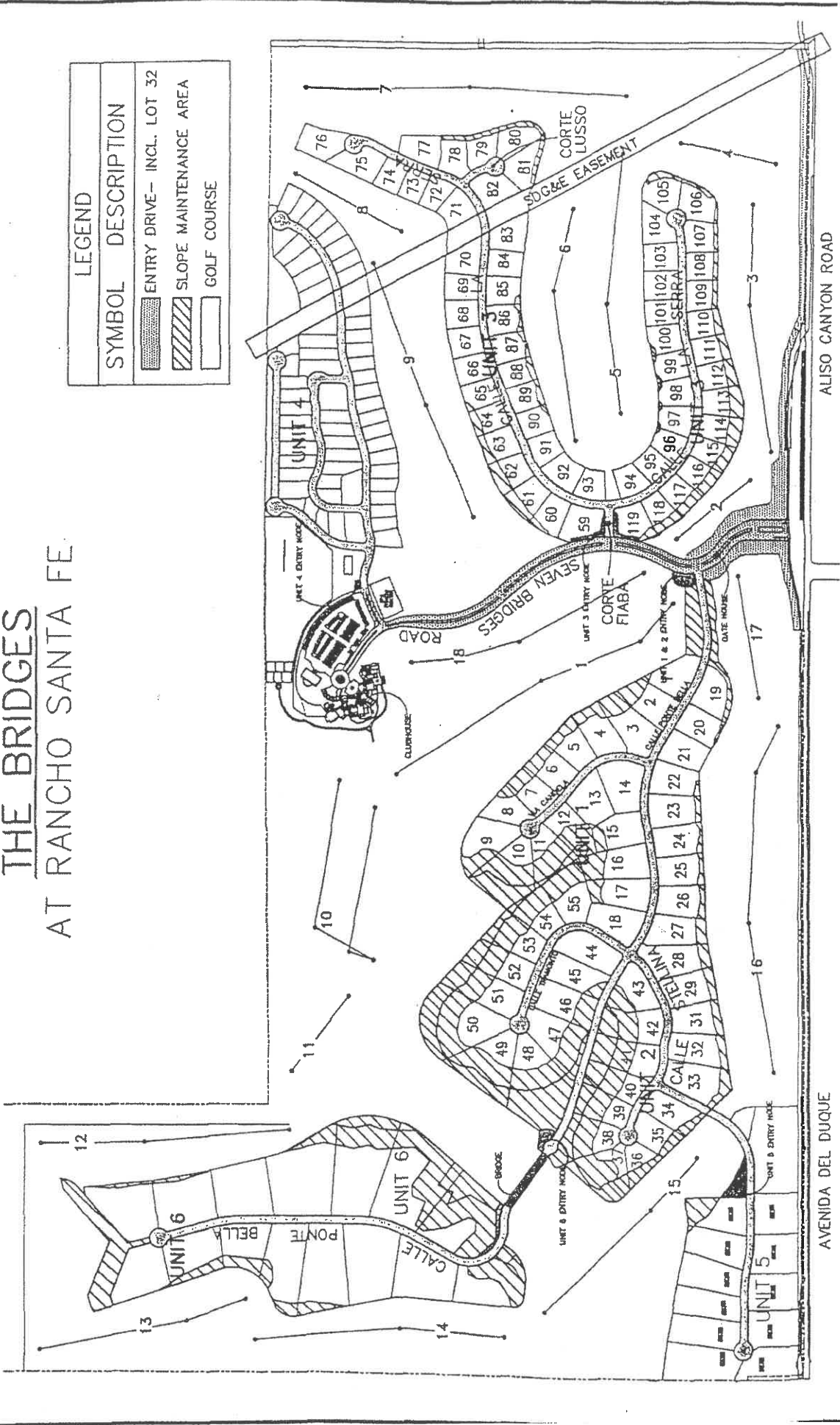
#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost
TENNIS CENTER SBA				
504	Entry/Exit Gates - Replace	30	25	\$29,500
1506	Wall Lights - Replace	15	10	\$3,250
1551	Access/Security Systems - Replace	6	5	\$22,700
1553	Gate Operators - Replace	10	9	\$14,700
TCSBA 50/50 SPLIT WITH CLUB				
1583	Meter Pedestal - Replace	30	25	\$3,900
5 Total Funded Components				

Note 1: Yellow highlighted line items are expected to require attention in this initial year.

EXHIBIT "B" To Shared Use Agreement

THE BRIDGES AT RANCHO SANTA FE

LEGEND	
SYMBOL	DESCRIPTION
	ENTRY DRIVE - INCL. LOT 32
	SLOPE MAINTENANCE AREA
	GOLF COURSE



THE BRIDGES COMMUNITY ASSOCIATION
MEMBER NOTIFICATION REQUIREMENTS

GENERAL LIABILITY POLICY SUMMARY

1. Name of Insurer: Farmers Insurance Group of Companies Policy date: 4/21/22 to 4/21/23
2. Limit: \$1,000,000 Each Occurrence Limit: \$2,000,000 Aggregate Deductible: \$0

PROPERTY POLICY SUMMARY

1. Name of the Insurer: Farmers Insurance Group of Companies Policy date: 4/21/22 to 4/21/23
2. Limit: Common Area Only \$649,000 Deductible: \$1,000

The insurance does not extend to real property improvement to the separate interests.

UMBRELLA

3. Name of Insurer: Federal Insurance Company Policy date: 4/21/22 to 4/21/23
2. Policy Limit: \$10,000,000 Each Occurrence Limit: \$10,000,000 Aggregate Retained Limit: \$0
Retained limit paid by insured when loss covered by this policy and not covered by underlying policy.

DIRECTOR AND OFFICER LIABILITY SUMMARY

1. Name of the Insurer Farmers Insurance Group of Companies Policy date: 4/21/22 to 4/21/23
2. Policy Limit: \$1,000,000 Each Occurrence Limit: \$1,000,000 Aggregate Deductible: \$1,000 Each Loss

EARTHQUAKE AND FLOOD COVERAGE SUMMARY

1. Name of Insurer: NONE
Policy date:
2. Policy Limit: \$
3. Deductible: \$

FIDELITY BOND

1. Name of Insurer: Farmers Insurance Group
Policy date: 4/21/22 to 4/21/23
2. Policy Limits: \$2,000,000
3. Deductible: \$20,000

WORKER'S COMPENSATION

1. Name of Insurer: Mid-Century Insurance Company Policy date: 4/21/22 to 4/21/23
2. Policy Limit: \$1,000,000/\$1,000,000/\$1,000,000
3. Deductible: N/A

This summary of the association's policies of insurance provides only certain information, as required by 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.

THE BRIDGES AT RANCHO SANTA FE COMMUNITY ASSOCIATION ASSESSMENT COLLECTION POLICY

Prompt payment of assessments by all owners is critical to the financial health of the Association. Accordingly, the Board of Directors takes its obligations under the Declaration of Covenants, Conditions and Restrictions ("CC&R's") and the California Civil Code to enforce the members' obligation to pay assessments very seriously. The Board has adopted this Collection Policy in an effort to discharge that obligation in a fair, consistent and effective manner. All policies and practices outlined below shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and applicable sections of the California Civil Code, the following is the Association's Assessment Collection Policy:

1. Regular monthly assessments are due and payable on the *first* day of each month. It is the responsibility of the owner of record to pay each assessment in full each month regardless of receipt of a statement. All other assessments, including special assessments, are due and payable on the date specified by the Board in the notice of assessment.
2. Assessments, late charges, interest and reasonable fees and collection costs, including attorney's fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied. (Civil Code Sections 5650 and 5660).
3. Payments are posted as of the date received at the Association's business office. Assessments are delinquent *fifteen (15) days* after they become due. Delinquent assessments shall be subject to a late charge equal to ten percent (10%) of the unpaid assessment or ten dollars (\$10.00), whichever is greater. Interest on all sums imposed in accordance with this Assessment Collection Policy including the delinquent assessments, reasonable fees and costs of collection and reasonable attorneys fees shall be at a rate of 12% per year, commencing *thirty (30) days* after the assessment becomes due (Civil Code Section 5650).
4. Any payments made shall be first applied to the assessments owed, and only after the assessments owed are paid in full, shall the payments be applied to late charges, interest, or collection expenses. (Civil Code Sections 5650, 5675, 5685(a) and 5725(a)).
5. If the assessment is not paid *within fifteen(15) days* of the due date, the Association will send a certified letter ("Notice of Intent to Lien") to the delinquent homeowner's addresses of record, including primary and secondary addresses provided to Association by Owner, informing the owner of the following:
 - (a) a general description of the Association's lien enforcement procedures and the method of calculation of the amount;
 - (b) a statement that the homeowner has the right to inspect Association records pursuant to California Corporations Code Section 8333;

- (c) The following statement in 14-point boldface type:
"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.";
- (d) an itemized statement of the charges owed by the homeowner, including items on the statement indicating the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorneys' fees, any late charges, and interest, if any;
- (e) a statement that the homeowner will not be liable to pay charges, interest, and collection costs, if it is determined the assessment was paid on time to the Association;
- (f) the homeowner's right to request a meeting with the board of directors to discuss a payment plan pursuant to Civil Code Section 5665);
- (g) the homeowner's right to dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's "meet and confer" program required pursuant to Civil Code Sections 5900 and 5915; and
- (h) the homeowner's right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5925 through 5965 before the Association may initiate foreclosure against the homeowner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

The letter described in this Paragraph 5 will be sent to the delinquent homeowner at least **thirty (30)** days prior to recording a lien against the delinquent homeowner's separate interest. The cost of the letter will be billed to the delinquent homeowner's account. All further costs, including reasonable attorneys' fees, are also the delinquent homeowner's responsibility. (Civil Code Section 5660)

6. *Within fifteen (15) days* from the date of the postmark of the Notice of Intent to Lien, a delinquent homeowner may submit a written request to the Association to meet with the Board to discuss a payment plan for the amount set forth in the Notice of Intent to Lien. The Board shall meet with the delinquent homeowner in executive session within **forty-five (45) days** of the date of the postmark of the request. (Civil Code Section 5665) If there is no regularly scheduled Board meeting during this period, then the Board may designate a committee of one or more Board members to meet with the owner.

7. If the delinquent homeowner fails to pay the amount set forth in the Notice of Intent to Lien (a) within *thirty (30) days* of the date of the postmark of the Notice of Intent to Lien, or (b) in the event the delinquent homeowner submits a request to meet, as set forth in No. 6 above, within *sixty (60) days* of the date of the postmark of the Notice of Intent to Lien, then the Board may decide that a lien will be recorded against the homeowner's separate interest. Such decision must be made by the Board and may not be delegated to an agent of the Association. The Board's decision to record a lien must be by a majority vote of the Board members in an open meeting, and the Board's vote shall be recorded in the minutes of that meeting. (Civil Code Section 5673) The delinquent homeowner will be charged for the lien costs associated with preparation and recordation of the lien. (Civil Code Sections 5740, 5675, 5685(a) and 5725(a)) An itemized statement of the charges owed by the Owner must be recorded together with the lien. (Civil Code Sections 5675, 5685(a) and 5725(a)).

8. A copy of the recorded lien shall be sent via certified mail to every person who is shown as an owner of the separate interest in the Association's records no later than *ten (10) calendar days* after recordation. (Civil Code Sections 5685(a) and 5725(a)) Notices shall also be sent to any secondary address provided by Owner.

9. After recordation of the lien, payment must be made in cash, money order or cashiers check.

10. No assessment lien may be foreclosed until (a) the amount of the delinquent assessments secured by the lien (exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees or interest) equals or exceeds \$1,800.00, or (b) the assessments are more than twelve (12) months delinquent. If the Association chooses to record a lien under these circumstances, it shall, prior to recording the lien, offer the homeowner an opportunity to "meet and confer" regarding the delinquency, in accordance with Civil Code Section 5900 or participate in alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925. The decision to pursue dispute resolution or a particular type of alternative dispute resolution is the Owner's choice; however, binding arbitration shall not be available if the Association intends to initial judicial foreclosure. (Civil Code Section 5720).

11. The decision to initiate foreclosure of a lien must be made by the Board and may not be delegated to an agent of the Association. The Board's decision to foreclose a lien must be by a majority vote of the Board members in executive session, and the Board's vote shall be recorded in the minutes of the next meeting of the Board that is open to all members. The Board shall maintain the confidentiality of the homeowners by identifying the matter in the minutes by the parcel number of the separate interest, rather than the name of the homeowners. A Board vote to approve foreclosure of a lien shall take place at least *thirty (30) days* prior to any public sale. (Civil Code Section 5705(c)).

12. The Board shall provide notice of its decision to foreclose on an assessment lien by (a) personal service to the homeowner if the homeowner occupies the separate interest, or to the homeowner's legal representative, or (b) first class mail, postage prepaid, at the most current address for the homeowner shown on the books of the Association, including primary and any secondary address provided by owner, if the homeowner does not occupy the separate interest. (Civil Code Section 5705(d)).

13. A nonjudicial foreclosure is subject to a *ninety (90) day* right of redemption. (Civil Code Section 5715).

14. Nothing herein limits or otherwise affects the Association's right to proceed in any lawful manner to collect any delinquent sums owed to the Association and the Association may turn the matter over to legal counsel at any time.

15. The mailing address for overnight payment of assessments is:

The Bridges Community Association
CIT
4950 S 48th Street
Phoenix, AZ 85040

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2006. 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 Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 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. (Sections 5700 through 5720 of the Civil Code, inclusive)

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 area damaged by a member or a member's guests, if the governing documents provide for this. (Section 5725 of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with Section 5650) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting

delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, 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. (Section 5660 of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 5685 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, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 5655 of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, 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 Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not

initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, 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 collection, if it is established that the assessment was paid properly on time. (Section 5685 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a time-share interest 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 exists. (Section 5665 of the Civil Code)

The board 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. (Section 5665 of the Civil Code)

Violation Procedure and Fine Policy

Violation of any provision of the Declaration, Architectural Guidelines or Rules and Regulations may result in fines. The following is the Schedule of Fines as adopted by the Board of Directors:

First Violation	\$100.00
Second Violation	\$150.00
Third Violation	\$200.00
Violation of Section 10.1.1	\$5,000.00
Speeding Violation	\$100.00

A continuous fine for a continuous violation may be imposed at the discretion of the Board until the violation is corrected.

All violations witnessed by a homeowner must be submitted in writing to the Board in care of Walters Management. You must include your name, address and telephone number with the complaint. You must also include the name and/or address of the individual(s) you are complaining about.

In accordance with the Declaration and the Bylaws of the Bridges at Rancho Santa Fe Homeowners Association, should a violation be determined by the Board at a duly held hearing, a fine may be imposed upon an Owner for each individual violation, if more than one.

The Board may also suspend the right of such Owner to vote his/her membership and/or common area privileges in the Association, under such circumstances as the Board may specify, for a period not to exceed thirty (30) days for each such violation; provided, however, that before invoking said suspension, the Board shall provide the Member fifteen (15) days' written notice of the charge and shall provide an opportunity for the Member to be heard before the Board, in person, or in writing, not less than five (5) days before the date of the charge and/or suspension.

Any notice which is given by mail must be sent by first class or registered mail to the Owner at his/her most recent address shown on the records of the Association.

SPEEDING VIOLATIONS

Vendors, Delivery Companies, etc

Vendors, delivery companies, etc will be issued citations with a fine of \$100.00 and be provided with a copy of a form letter from Walters Management instructing them to send payment for the penalty in the envelope provided by the patrol officer within 30 days or they and the company they work for/represent will be denied access until fines are paid.

Construction

The General Contractor will be responsible for any fines levied for contractor's employees, sub-contractors, vendors and deliveries. Access will be denied until fines are paid.

Residents

- a. Each property will receive two warnings before a hearing is scheduled.
- b. Owners will only be responsible for fines levied against full or part time employees (such as nannies, caregivers, etc), but not personnel such as landscape maintenance that provide service to multiple homes.
- c. Homeowners will not be responsible for fines levied against a guest but will receive a copy of the citation and can use one of their two warnings on behalf of their guest. If the homeowner chooses not to use one of their warnings, the guest will be notified the next time they visit the community that a citation was written for speeding or failure to stop at a stop sign. The guest will be given a copy of the citation and letter stating that if they receive another citation for speeding or failure to stop at a stop sign, they must pay a \$100.00 fine or be denied access into the community until the fine is paid.

Alternative Dispute Resolution (ADR)

The California Legislature has established a public policy in this state that encourages the use of Alternative Dispute Resolution ("ADR") to resolve conflicts that arise in condominiums, planned developments, and other common interest developments. The law requires each association to distribute a summary of California Civil Code Sections 5925, 5930, 5935, 5940, 5945, 5950, 5955, 5960, and 5965 to its members annually either at the time the annual budget is distributed or in the manner specified in Section 5016 of the Corporations Code.

Rather than attempt to summarize the law, which may result in a misunderstanding of what the law states, we are providing a copy of Civil Code Sections 5925, 5930, 5935, 5940, 5945, 5950, 5955, 5960, and 5965 in their entirety below. PLEASE NOTE: FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 5930 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.

Alternative Dispute Resolution

Civil Code §5925. ADR Definitions.

(a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other non-judicial 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 act.
- (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.

Civil Code §5930. ADR Prerequisite to Litigation.

(a) An association or a member 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.

Civil Code §5935. Request for Resolution.

(a) Any party to a dispute may initiate the process required by Section 5930 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 member, 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.

Civil Code §5940. Time to Complete ADR Process.

(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.

Civil Code §5945. Tolling of Statute of Limitations.

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 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

Civil Code §5950. Certification of ADR Efforts.

(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 are 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.

Civil Code §5955. Stay of Litigation for Dispute Resolution.

(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.

Civil Code §5960. Attorney's Fees.

In an enforcement action in which attorney's fees and costs may be awarded, 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.

Civil Code §5965. Annual ADR Notice.

(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 5930 of the Civil Code may result in the loss of the member's 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 included in the annual policy statement prepared pursuant to Section 5310.

INFORMAL DISPUTE RESOLUTION

Procedural Requirement: Effective January 1, 2005, and in accordance with Civil Code §5915 every association is required to provide a "fair, reasonable and expeditious" procedure for resolving disputes between the association and its members to enforce the Davis-Sterling Act, the Corporations Code provisions relating to associations, or the association's governing documents.

This policy applies to a dispute between the Association and a member involving their rights, duties, or liabilities under the Davis-Sterling Act, under the provisions of the Corporations Code relating to mutual benefit corporations (commencing with Corporations Code Section 7110), or under the Association's governing documents.

The adoption of this policy does not replace the current Alternative Dispute Resolution (ADR) Policy in effect for this association, but adds an additional method for resolving disputes between the hearing process and ADR.

Meet and Confer Procedure

(a) Either party to a dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The board shall designate a director to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

(b) An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

(1) The agreement is not in conflict with law or the governing documents of the common interest development or association.

(2) The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.

(c) A member may not be charged a fee to participate in the process.

SECTION II.

Design Review Procedure and Submittal Requirements

To carry out the design goals and objectives of The Bridges community, a comprehensive design review process, administered by the DRC has been established. This design review process applies to the design and construction of your residence and all other Improvements constructed or installed on your homesite ("Improvements").

General Design and Review Requirements

A. Professional Design
It is imperative that an owner retain competent professional services for the planning and design of all Improvements. Each design team must combine a thorough analysis of a particular homesite and the Owner's special needs, with the skill to translate these factors into an Improvement concept and design that is effectively conveyed to the DRC. Therefore, all plans and specifications submitted to the DRC must be prepared by or under the supervision of an Architect and a Landscape Architect licensed to practice in California. All plans in all submittals must be wet stamped and signed by the responsible professional.

B. Conditions of Approval

When DRC approval of plans and specifications is required, the DRC may condition its approval on such changes as it deems appropriate and may require submission of additional plans and specifications or other information or materials

prior to approving or disapproving plans and specifications.

C. Limitations on Approvals, No Waiver

The DRC's review of plans and specifications only extends to conformance with the Master Declaration and these Guidelines. By approving plans and specifications neither the Declarant, the Master Association, its Members and Board of Directors, nor their agents, assume liability or responsibility for the architectural or engineering design of the Improvement, or for any defect in any structure constructed from the Owner's plans and specifications. Further, approval by the DRC of any designs or plans shall not be deemed to be a waiver of the DRC's right to withhold approval of any similar design or plan subsequently or additionally submitted. Failure to enforce any development standards shall not constitute a waiver of such standards.

D. Deposits and Fees

Each homesite submittal will require a non-refundable initial cash review fee of \$5,000. In addition there will be a \$25,000 cash construction deposit to be submitted at the Pre-Construction Conference. The deposit, or its unused balance, will be returned to you under the construction deposit release conditions described in Section VII of these Guidelines. The initial review fee must be paid prior to Preliminary Review. At the Committee's

discretion, additional review fees may be charged if the cost of such review will exceed the initial review fee.

Review fees and construction deposits for additions and alterations are described on a separate fee schedule available from the Master Association. The amount of fees and deposits may change without notice.

E. Other Approvals

It is the sole responsibility of the Owner, Owner's Architect and Owner's builder to design and construct the Improvements in accordance with the approved plans and with all applicable governmental codes, laws, ordinances and regulations including those of the County of San Diego. In addition, certain Improvements, such as drainage and slope encroachments, will require the review and approval of the owner or manager of the Golf Course Property, as provided in the Master Declaration.

F. Plan Size

All plans submitted must be of one sheet size, not larger than 30 inches by 42 inches.

G. Compliance Inspection

Inspections of work in progress and issuance of Notices of Non-compliance may be made by the DRC or its designated representatives. Absence

of such inspection and notification during construction does not constitute either DRC approval of the work in progress or compliance with these Guidelines.

H. Subsequent Changes

Construction of additional Improvements to a homesite or residence, changes during construction or after completion of an approved Improvement, including landscaping and paint color modification, must be submitted to the DRC for approval prior to making such changes or additions.

I. Communication with DRC

Results of plan reviews will not be discussed over the telephone or in person by members of the DRC with an Owner or the Owner's Architect. No Owner, Architect or Builder shall have the right to attend any meeting of the DRC, other than Preliminary Plan review, unless specifically requested by the DRC. Any response an Owner may wish to make regarding the results of a design review must be addressed to the DRC in writing, in care of the Master Association Manager.

Submittal and Review Procedure

A. Method and Content of Submittals

All packages submitted to the DRC must be submitted by an Owner of a homesite or his appointed representative, and mailed or delivered to the DRC in care of the Manager of the Master Association. The DRC will not review incomplete submissions, which will be returned to the applicant with a checklist noting the areas of deficiency. All submittals must consist of five (5) sets of prints.

B. Timing of Review

The DRC has 45 days from receipt of a complete submittal from an Owner, to approve, conditionally approve or disapprove the submittal. If the DRC fails to approve, conditionally approve, or disapprove the plans submitted by the Owner within 45 days after receipt of all materials requested, such plans and specifications shall be deemed approved. No construction may begin prior to receipt of DRC approval or the end of the 45 day period, whichever occurs first.

C. Preliminary Plan Submittal

The Preliminary Plan shall consist of the following:

1. Site plan/floor plan(s) (1/8"=1'-0" scale) indicating:

- a) Property Boundaries
 - b) Setbacks and easements
 - c) Building Footprint(s)
 - d) Existing pad elevation(s) and proposed finish floor elevation(s).
 - e) Existing and proposed contours, slopes and natural features.
 - f) Site access.
(An additional site plan may be submitted at a smaller scale to indicate entire property).
2. Conceptual elevation (1/8"=1'-0" scale) indicating proposed architectural character.
 3. Design Review Application. (Attached as Exhibit 'A')
 4. Design review fee.

D. Preliminary Plan Review

The Preliminary Plan shall be reviewed with the Owner and the Architect to discuss and resolve questions regarding building requirements or the interpretation of the Guidelines.

E. Design Development Plan Submittal

After Preliminary Plan approval is obtained from the DRC, the following documents are to be submitted for Design Development Plan review:

1. Architectural Site Plan, showing the entire property, setbacks and easements, the residence footprint, driveways and parking areas; existing and proposed topography; proposed finished floor elevations; and special terrain features to be preserved. (Minimum 1"=10'-0" Scale)
2. Grading and Drainage Plan, showing lot boundaries, existing topography (2-foot contours or less), major terrain features, existing trees, edge of pavement or curb, utility locations, proposed grades and underground drainage system. Site plans, which require grading in excess of 200 cubic yards of earth, must be designed and wet stamped by a licensed Civil Engineer. (minimum scale 1"= 10'-0")
3. Site Sections, longitudinal and transverse, from property line to property line, indicating existing slopes, spot elevations and structures. Indicate sections on site plan.
4. Floor Plan(s) showing proposed finished floor elevations with overall dimensions. (1/4" = 1'-0" scale)
5. All Exterior Elevations showing both existing and proposed grade lines, plate heights, ridge heights, and roof pitch. Indicate overall building height from pre-existing grade. (1/4" = 1'-0" scale)
6. Roof Plan (1/8"=1'-0" minimum scale).
7. In addition to the exterior elevations in Item 5 above, a "conceptual drawing" showing the most prominent and descriptive view of the home, in perspective, and on the actual site. This drawing must show all major existing site features and topography in scale. It must also clearly show all architectural elements.
8. Major architectural details such as, but not limited to:
 - Roof overhang(s)
 - Windows & Doors
 - Chimney(s)
 - Trellises
 - RailingsAll details must be referenced on elevations.
9. If the Committee deems it appropriate due to complexity of design, a study model may be required (same scale as site plan) which accurately depicts all the proposed improvements and their relationship to the site.

10. Any other drawings, materials, or samples requested by the Committee.

11. Conceptual Landscape Plan(s) to include existing vegetation, proposed planting, paving areas and materials, pools, spas, fencing, walls, erosion control measures, and design development details of major landscape elements, such as site walls, fences, entry monuments, etc. (1" = 10'-0" minimum scale)

12. Color Board. Samples of all exterior materials and colors, identified with manufacturer's name, color, and/or number mounted on an 8½" x 11" (maximum size) heavy stock cardboard. Sample boards shall include Owner's, Architect's and Builder's name, as well as the homesite and phase numbers. Samples of exterior materials such as stone should be submitted via the use of photographs that show color and coursing patterns.

13. On-site staking of building corners and other improvements may be required by the Committee.

F. Design Development Plan Review

The DRC will review the Design Development Plan, described in Section E above, and will respond in writing, with the Committee's conditions and comments.

G. Final Design Submittal

After Design Development Plan approval is obtained from the Committee, the following documents are to be submitted for final review:

1. Complete construction documents (1/4"= 1'-0" scale) for the residence and all other structures including:
 - a) All items noted in Section E.
 - b) All utility locations, electric meter and gas meter locations.
 - c) Exterior building lighting plan and fixture cut sheets.
 - d) Construction details and specifications.
 - e) Solar panels (if applicable); Indicate proposed location of solar panels and impact on site or building elevations.
2. Complete landscape construction documents (1"=10'-0" minimum scale) including:
 - a) Landscape site plan showing hardscape, paving, walls, fences, pools, water features and all other landscape elements.

- b) Planting plan showing location, size and type of all proposed plants.
 - c) Construction details of all landscape elements.
 - d) Landscape lighting plan and fixture cut sheets.
3. Complete civil engineering construction documents (1"=10'-0" minimum scale)

H. Final Design Review

If, in the opinion of the Committee, the submittal is a logical and direct development of the approved Design Development Plan drawings and is in compliance with these Guidelines, approval will be granted in writing.

Should the design be at substantial variance with the Design Development Plan drawings or violate any of these Guidelines, disapproval or continuance may result, and a revised submittal will be required.

I. Re-submittal of Plans

In the event of disapproval or continuance by the Committee of either a Preliminary, Design Development or a Final Design Plan submittal, a re-submission of plans must follow the same procedures as an original submittal.

J. Pre-Construction Conference

After Final Design Plan approval, but prior to commencing construction, the Owner and Builder must meet with a representative of the Committee to review construction procedures, to execute the Construction Agreement (Exhibit 'C'), tender the construction deposit and coordinate his/her activities in The Bridges at Rancho Santa Fe.

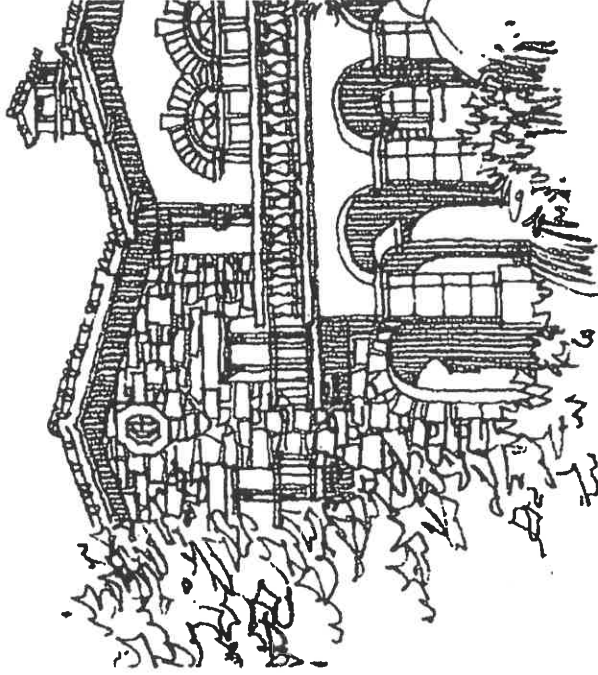
K. Commencement of Construction

After Owner's receipt of Final Design Plan approval, holding of the required Pre-Construction Conference with the Committee's representative, and satisfaction of all governmental review processes, the Owner must commence actual construction of the work pursuant to the approved plans within 90 days from the date of such DRC Final Design Review approval. If the Owner fails to begin construction of building foundations within this time period, any approval given shall be deemed revoked. The Owner must complete the construction of any Improvement on Owner's homesite within 18 months after commencing construction thereof, except and for so long as such completion is rendered impossible or would result in great hardship to the Owner due to labor strikes, fires, national emergencies or natural calamities.

L. Completion and Final Release

Upon completion of any residence or other improvement, and prior to move-in, the Owner must give written notice of completion to the Committee. Within 10 days of such notification, a representative of the Committee will review the residence or other improvements for compliance. If all improvements comply with the approved plans and these Guidelines, the Committee will issue a written Certificate of Completion to the Owner, constituting a final release of the improvements by the Committee within 10 days of the final building/landscape review.

If it is found that the work was not done in strict compliance with the approved plans or any portion of these Guidelines, the Committee will issue a written Notice of Non-compliance to the Owner within 10 days of the final review specifying the particulars of non-compliance. The Owner shall have 30 days from the date of Notice of Non-compliance within which to remedy the non-complying portions of his/her improvement. If, by the end of this time period, the Owner has failed to remedy the non-compliance, the Committee may recommend and the Master Association may take action to remove the non-complying improvements, as provided in the Master Declaration.



Manager Certification Disclosure

1973-2018
45 Years

November 10, 2022

The Bridges Homeowners Association
c/o Walters Management
9665 Chesapeake Drive, Suite 300
San Diego, CA 92123

Re: Annual Disclosure Letter for Certified Managers

Dear Board of Directors and Membership,

In accordance with the disclosure requirements of Business & Professions Codes Section 11500-11506 and Civil Code Section 5375, I am providing the Board of Directors with the following information:

1. I have met the requirements of Business and Professions Code Section 11502 and qualify as a certified common interest development manager.
2. The certification is held in my name. I received my certification from the California Association of Community Managers, Inc., on **July 1, 2011**, and my certification is current and in good standing. Their address is: CACM, 23461 South Pointe Drive, Ste. 200, Laguna Hills, CA 92653.
3. The location of my principal office is 9665 Chesapeake Drive, Suite 300, San Diego, CA 92123.
4. I do not hold an active Real Estate License.
5. I **do not** receive a referral fee or other monetary benefits from a third-party provider distributing documents pursuant to Sections 4528 and 4530 of the Civil Code.
6. I acknowledge that the disclosures provided to a member pursuant to Sections 4528 and 5300 of the Civil Code, and all documents provided thereunder, are the property of the association and not its managing agent or the agent's managing firm.

The law states I must provide this disclosure on an annual basis and/or prior to entering into or renewing a contract with a community association. I am also disclosing that the fidelity insurance of my management firm does not cover the operating and reserve funds of your association. Your association's fidelity insurance policy, if any, provides coverage for the funds.

You may confirm my certification with CACM by contacting 800-363-9771 or 949-916-2226 or via email at certification@cacm.org. Feel free to contact me directly if you have any questions. It is a pleasure serving you.

Sincerely,



Yasmine Johnson, CCAM®
Walters Management
9665 Chesapeake Drive, Suite 300
San Diego, CA 92123
858-495-0900

AB 690 - Disclosure of Costs Related to HOA Documents

In accordance with Civil Code and Business & Professions Code requirements, costs associated with requesting documents (generally requested through sale of property or refinance of mortgage) are outlined below:

Document	Civil Code Section	Fee for Document	Not Available (N/A) or Not Applicable (N/C)
Articles of Incorporation or statement of non-incorporated	Section 4525 (a)(1)	\$15.00	Available on Association Web-Portal
ByLaws	Section 4525 (a)(1)	\$20.00	Available on Association Web-Portal
CC&Rs	Section 4525 (a)(1)	\$25.00	Available on Association Web-Portal
Operating Rules	Section 4525 (a)(1)	\$15.00	Available on Association Web-Portal
Age Restrictions, if any	Section 4525 (a)(2)	\$0.00	Included within CC&Rs
Rental Restrictions, if any	Section 4525 (a)(9)	\$0.00	Included within CC&Rs and/or Rules
Annual Budget Report (or summary including Reserve Study)	Sections 5300 and 4525 (a)(3)	\$40.00	Distributed 30 days prior to Fiscal Year End and on Web-Portal
Assessment and Reserve Funding Disclosure Summary	Sections 5300 and 4525 (a)(4)	\$0.00	Included with Annual Budget Report
Financial Statement Review	Sections 5305 and 4525 (a)(3)	\$35.00	Distributed within 120 days of Fiscal Year End and on Web-Portal
Assessment Collection Policy	Sections 5310 and 4525 (a)(4)	\$0.00	Included with Annual Budget Report
Insurance Summary	Sections 5300 and 4525 (a)(3)	\$0.00	Included with Annual Budget Report
Regular Assessment	Section 4525 (a)(4)	\$0.00	Included with Annual Budget Report
Special Assessment	Section 4525 (a)(4)	\$0.00	Included with Annual Budget Report
Emergency Assessment	Section 4525 (a)(4)	\$0.00	Included with Annual Budget Report
Other Unpaid Obligations of Seller	Sections 5675 and 4525 (a)(4)	\$0.00	Addressed within Escrow or Refinance Request
Approved Changes to Assessments	Sections 5300 and 4525 (a)(4), (8)	\$0.00	Included with Annual Budget Report

Document	Civil Code Section	Fee for Document	Not Available (N/A) or Not Applicable (N/C)
Settlement Notice Regarding Common Area Defects	Sections 4525 (a)(6)(7) and 6100	\$0.00	Addressed within Escrow or Refinance Request
Preliminary List of Defects	Sections 4525 (a)(6) 6000 and 6100	\$0.00	Addressed within Escrow or Refinance Request
Notice(s) of Violations	Sections 5855 and 4525 (a)(5)	\$0.00	Addressed within Escrow or Refinance Request
Required Statement of Fees	Section 4525	\$155.00	Addressed within Escrow or Refinance Request or N/A
Minutes of Regular Board Meetings (for the past 12 months, if requested)	Section 4525 (a)(10)	\$55.00	Available by Request

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525

The owner (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 owner (seller).

An owner (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.

The same provisions apply for owners wishing to refinance their home loans.