

OTAY RANCH FIVE COMMUNITY ASSOCIATION

November 19, 2012

To: All Members of Otay Ranch Five Community Association
From: Board of Directors
Re: Important News about 2013 Assessments; Annual Disclosures; Results of Delegate Elections and Appointments; Annual Meeting and Board Election; Ballots for Board Election; Information regarding Fences; Special District Meetings and Meeting of Delegates; Park Rules Amendment

Dear Otay Ranch Five Homeowner:

The purpose of this letter is to update you on what is happening in our community.

Notice of Decrease in 2013 Assessments

In case you have not heard the great news ... The number of homeowners delinquent in paying their Otay Ranch Five assessments has been cut by more than 56% during the past 11 months. As a result, **the Association will be able to reduce monthly assessments to \$100 per month commencing January 2013** while maintaining the same standard of maintenance and the services currently provided to our community. At the same time, the Association will be able to allocate more funds to reserves so that the Association will have the money necessary to make future needed repairs to the common area and common maintenance area without having to levy special assessments and/or borrow money.

Annual Disclosures

Enclosed with this letter are the following documents and information pertaining to Otay Ranch Five Community Association:

- ✓ Budget for Fiscal Year 2013 Prepared on an Accrual Basis;
- ✓ Assessment and Reserve Funding Disclosure;
- ✓ Reserve Study Summary;
- ✓ Policy for Collection of Delinquent Accounts;
- ✓ Notice Regarding Assessments and Foreclosure;
- ✓ Formal and Informal Dispute Resolution Policies
- ✓ Insurance Disclosure Information
- ✓ Summary of Insurance Policies
- ✓ Architectural Disclosures
- ✓ Availability of Minutes
- ✓ Distribution of Mailing List Information

- ✓ Accommodations for Persons with Disabilities
- ✓ Safety and Security Issues

Please review and retain this documentation and information for your future reference. If you have any questions regarding any of the annual disclosures, you are invited to contact the Board to obtain clarification on the same.

Results of Delegate Elections and Appointments

The Delegate Elections were scheduled for the Madera, Oakridge and The Willows districts on Saturday, November 17, 2012 at 10:00 a.m. at the Association's clubhouse. Quorum was not obtained at these meetings, so the Board appointed the following volunteers to serve as the Delegates and Alternate Delegates for these districts:

<u>District</u>	<u>Delegate</u>	<u>Alternate Delegate</u>
Madera	Luis Sanchez	Thomas Raynor
Oakridge	William Parlatto	Michelle Curtin
The Willows	Steven Rivera	Maria Lalas

Because insufficient volunteers stepped forward to serve as Delegates and Alternate Delegates in the following districts, Delegate Elections were not held in these districts. Instead, as provided for in the Bylaws, the Board appointed the following homeowners as the Delegates and Alternate Delegates for these districts. These homeowners will serve as Delegates and Alternate Delegates for a two year period commencing November 17, 2012.

<u>District</u>	<u>Delegate</u>	<u>Alternate Delegate</u>
Alder Run	Geneveve Tolentino	Steve Lopez
Mendocino Trails	Ricky Sorrell	Lalo Hirsch
Remington	Claudia Marcela Carrera	Andrea Taheri
Sagecrest	Dr. Jorge L. Pastrana	James Hunter
Sycamore Grove	Kelly Brown-Albahi	Joseph Boehm
The Vineyards	Joaquin Rivera	Marc Rozak
Wild Iris	Will Cozza	Dave Stambaugh

As previously mentioned, the Delegates and Alternate Delegates for the project associations are the project association presidents and vice-presidents respectively.

The Board would like to thank all of the homeowners who agreed to help the Association and their fellow district members by becoming a district Delegate or Alternate Delegate.

Annual Meeting and Board Election

Just a reminder, the district meetings of the members for the purpose of electing three (3) homeowners to the Association's Board of Directors are scheduled concurrently for **Tuesday, January 22, 2013, at 6 p.m. in the clubhouse**. The PURPOSE of these meetings is to open, count and tabulate the votes to elect three directors, who will each serve a two year term on the Board.

THE DEADLINE FOR RECEIVING MEMBER BALLOTS IS MONDAY, JANUARY 21, 2012, AT 5:00 P.M. You may mail your ballot so that it arrives prior to this deadline or hand-deliver your ballot to Joaquin Rivera, one of the three homeowners appointed as Inspectors of Election for the Board election, at 1950 Moss Landing Avenue, Chula Vista, CA 91913.

Balloting materials and instructions on how to vote are enclosed. At the time this letter was prepared, the candidates known to be running for election to the Board are: Kelly Brown-Albahri, William Cozza and Chris Lewis.

We have also enclosed all of the candidates' qualifications statements that were submitted to the Association. In accordance with Section 1363.03 of the California Civil Code, the Association has not edited, redacted or otherwise altered the statements submitted. We trust that these statements will help you to decide how you wish to cast your votes.

Prior to voting, please review the enclosed Instructions to Voters carefully. Failure to follow these instructions could result in the invalidation of your ballot.

Each member may cast three (3) votes for the election of directors. Cumulative voting is allowed subject to the following restriction, so members may cast more than one (1) vote for a specific candidate(s) provided that the total votes cast do not exceed three (3) votes. Please note that in accordance with Corporations Code Section 7615(b), cumulative voting may only be used when voting for those candidates whose name(s) appear on the Official Ballot. Cumulative voting may not be used for write-in candidates (i.e., a maximum of one (1) vote may be cast for any one write-in candidate). Fractional voting is not allowed.

Because the actual votes will be cast by the Delegates or Alternate Delegates for each district and all member ballots collected prior to the Annual Meeting, no nominations from the floor will be accepted at the Annual Meeting and no ballots cast after the deadline for voting has passed will be accepted.

Before the Official Ballots cast for the election of Directors can be counted and tabulated for a district, Article 5 Section 5.2.6 of the Bylaws requires that a quorum of the voting power for that district be established. **In accordance with Bylaws Section 5.2.6, the presence of 25% of the total voting power of a district must be present at the January 22, 2013 meeting of members either in person, by proxy, or by secret ballot for a quorum to be established to hold that meeting and count the votes for that district.**

The Annual Meeting of the Delegates is scheduled for **Sunday, January 27, 2013 at 11:00 a.m. at the clubhouse**. At this meeting, the Delegate or Alternate Delegate for each district will submit the results of the member vote for his or her district so that the Inspectors of Election can tally the votes across districts and determine which candidates have been elected to the Board.

The actions of the Board of Directors are important to our community. We hope that you will take the time to exercise your right to vote.

Special District Meetings and Special Meeting of Delegates

Just a reminder that the Special District Meetings of Members and Special Meeting of the Delegates to count the votes on whether to recall the Board, and, potentially, elect a new Board will be conducted on Sunday, November 25, 2012. The Special District Meetings of Members will be held on November 25th at 10:00 a.m. at the clubhouse.

The Special Meeting of the Delegates will be held on November 25, 2012 at 11:00 a.m. at the clubhouse. At this meeting, the Delegates/Alternative Delegates will formally cast their members' votes on these measures and the Inspector of Election will tally the votes and announce the outcome of the measures.

If the Board is recalled, 5 new Board Members will be elected to serve the remaining portion of the current term periods. In other words, 3 of the elected directors will serve until the annual meeting and election, which will be held on January 27, 2013, and the other 2 elected directors will serve until next year's annual meeting and election.

Addition to Consolidated Architectural Guidelines – Wrought Iron Fence Colors

At the November 5, 2012 Board Meeting, the Board formally voted to adopt the Consolidated Architectural Guidelines that were sent to all homeowners on September 27th for review and comment. This document was created to incorporate all of the architectural rules adopted by the Association over the years into one document for the convenience of homeowners. It was also created to: 1) clarify some of the existing rules; 2) provide homeowners with an updated form to request approval on their proposed architectural alterations; 3) revise several rules to ensure their consistency with the CC&Rs and current law; and 4) remind homeowners of the construction materials and vegetation that cannot be used within our community. A copy of this document was enclosed with the letter we sent you on November 8, 2012.

The Board has been asked to include in the Consolidated Architectural Guidelines the specifications on the paint to be used to re-paint the wrought iron fences in our community. Accordingly, the Board has updated page 3 of the Consolidated Architectural Guidelines to include this information. (A copy of the revised page 3 is enclosed with this letter. Please replace page 3 of the Consolidated Architectural Guidelines sent to you with this page.)

Please note, because the amendment to **page 3** only articulates an architectural guideline already in existence, the amendment is not subject to a 30 day member comment period (Civil Code Section 1357.120). The Consolidated Architectural Guidelines are in effect.

Adoption of Amendment to Park Rules

The following amendment to the Association's Park Rules was duly adopted at the November 17, 2012 open session Board Meeting and is now in effect:

"No household trash, furniture, landscape waste, pet waste, debris or any other items may be dumped, deposited or otherwise disposed of in or around the Otay Ranch Five park, including in or around the trash bins located therein. No animals, animal remains or other organic materials may be dumped, deposited or otherwise disposed of in or around any portion of the park. The park trash bins are for the use of park visitors and Association vendors only."

A complete copy of the Park Rules, as amended, are enclosed with this letter.

Thank you for taking the time to read this letter and keep apprised of what is happening in our community.

Sincerely,
Board of Directors,
Otay Ranch Five Community Association