# KERRIGAN RANCH II COMMUNITY ASSOCIATION

November 2025

**2026 Operating Budget**: Enclosed, please find the budget for the period of January 1, 2026-December 31, 2026. As you can see, the Association Board of Directors have approved a modest increase in monthly assessments due to the increased costs of insurance based on the Association's loss history related to pending litigation.

**The monthly dues will remain unchanged at $215.00 per home per month.**

**Interim HOA Fees** This budget, as approved by the Board, is based upon anticipated costs for the next year. California Civil Code allows Board of Directors, without a vote of the membership, to increase HOA fees up to 20% over the annual HOA fee of the prior year and to impose a 5% special assessment of the current year's budgeted annual expenses. If the budget as adopted is insufficient to meet the association's actual expenses, the board reserves the right to make an interim adjustment in the HOA fees, up to the annual limits allowed by civil code.

**Special Assessment** At the present time, the board does not anticipate a special assessment in the New Year. Special Assessments may be needed in the future to pay for unforeseen operating expenses or for reserve expenditures if the reserve funding is insufficient to meet the costs.

**Cash Position** As of September 30, 2025, there was $101,951.02 in operating cash and $751,484.41 in reserves.

**Reserves** The reserves will be funded at $4,484.00 per month, which is less than the recommended amount of $7,879.57. A copy of the most recent reserve study summary is enclosed. This reserve study estimates that the reserves are currently 96% funded. Also enclosed is the "Assessment and Reserve Study Funding Disclosure." The full reserve study and funding plan is available to any member upon request.

**Deferral Disclosure Statement** The Board of Directors has determined not to defer repairs or replacement of any Major Component with the remaining life of thirty (30) years or less.

**Reserve Funding Plan, Special Assessment** The Board of Directors is not contemplating a special assessment as part of the Reserve Funding Plan. The reserve funding plan is attached.

**Delinquency Policy** The delinquency policy is enclosed. Please refer to the Association's CC&Rs for additional information.

NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

## ASSESSMENTS AND 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 non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial 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 non-judicial 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 non-judicial 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 non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial 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)

**Schedule of Fines for Violating Governing Documents or Association Rules** The policy regarding fines is outlined in the "Rules and Regulations." Updates to the Rules & Regulations Violation Policy regarding fine caps under new Civil Codes and AB 130 are also attached.

**Security Disclaimer** Members should notify the Association of any dangerous or insecure areas. Residents are reminded that they are responsible for the safety and security of their property and their persons and should not rely on the Association. It is hoped that the systems to limit access to the property provide some deterrence to crime. However, no matter what steps are taken, the property can never be completely safe and secure. For example, it is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their own neighbors, for guests of residents to commit crimes. As a result, the property is not and can never be free of crime and we cannot guarantee your safety or security. Accordingly, you should NOT rely on the association to protect you from loss or harm. Instead, you should provide for your own security by taking common sense precautions such as carrying insurance against loss; keeping your doors locked; keeping your personal property secure; refusing to open the door to strangers; asking workers for identification; avoiding dangerous situations; locking your vehicles.

**Insurance** This document contains a general description of coverage's but is not a statement of contract. For a more detailed description of the policy conditions and exclusions, please consult the policy itself or contact your insurance professional.

At your own expense, owners should carry insurance for real and personal property damage or loss for unit improvements and contents, and premises liability for bodily injury and property damage. In addition, owners should carry insurance for loss of their units and coverage for any loss assessments which might be levied against them in the event of an earthquake or loss.

Here are a few examples of losses that would not be covered under the master policy and that illustrate why you need to carry your own insurance:

→ Your freezer ice maker leaks and damages your unit and/or another unit
→ A fire occurs and your personal property is damaged
→ A fire occurs, your unit is damaged, and you or your tenants have to move out while the unit is being rebuilt
→ There is an earthquake and your personal property is damaged

Whether or not there is negligence, if damage, including but not limited to fire, water damage, mold or other structural damage, should arise as a result an act or omission of a resident or invites or out of failure, leaking, overflow or any other reason of any component which is within the scope of the unit and its exclusive use common area and/or an individual's property, including but not limited to vehicles, stoves, flex lines, angle stops, shut-off valves, toilets, sinks, bathtubs, showers, ice makers, dishwashers, mixer valves, tub drain overflows, caulking, tub surrounds, shower pans, individual water heaters, washing machines, dryer and dryer vent hook-ups, is any, or the appurtenant lines which are solely for the use of that unit, ***the unit owner will be responsible for the deductible on a covered loss or the total cost of the damage repairs if not a covered loss. If another unit is damaged, that owner's recourse is against the offending unit owner, not the association***. If the cause of the damage is related to a component within the scope of the association's maintenance and repair responsibilities, the association will absorb the master policy deductible. ***THE MASTER POLICY DOES NOT COVER YOUR PERSONAL PROPERTY OR UNIT UPGRADES OR YOUR PERSONAL LIABILITY. CHECK WITH YOUR INSURANCE AGENT TO BE SURE YOUR INDIVIDUAL POLICY COVERS THESE TYPES OF LOSSES.***

If you have tenants in your unit, you need to advise them to purchase a renter's policy. You also need to advise your insurance agent that you are renting out your unit so that they can tailor your individual policy to your needs.

You are advised to annually evaluate your individual owner's policy in relationship to the coverage and deductibles provided for in the Association's Master Policy. All owners should review their individual policies to make sure that there is adequate "real property" coverage.

The summary of the Association's master insurance is enclosed. Note that the Association does not carry earthquake or flood insurance. Individual earthquake and flood coverage is likely available from your own insurance agent/broker. You should discuss these coverage's with him/her to determine the extent purchasing such coverage would protect your investment.

**The summary of the Association's policies of insurance provides only certain information as required by Section 5310(a)(7) 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 payment 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 the 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 agent /broker for appropriate additional coverage.**

**Internal Dispute Resolution and Alternative Dispute Resolution** The California Legislature has adopted guidelines for resolution of disputes between associations and members and between members, prior to taking disputes to court. The procedures adopted by the Association are enclosed.

**Requirements of Architectural Approval** the requirements for association approval of physical changes to a unit are enclosed.

**Overnight Payments** The Association's mailing address for overnight payment of assessment is: 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887.

**Written Communication** The name and address of the person designated to receive official communications for the Association: StoneKastle Community Management, 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887. Association members may submit a written request to StoneKastle Community Management in order to have notices sent to up to two different addresses, to change and/or update their contact information on file, request all general notice items be provided by individual delivery, opt out of the membership list, or receive all reports in full. Written requests may be mailed to 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887, faxed to 866-575-0549 or emailed to **info@stonekastle.com**. (Civil Code 4040)

**Secondary Address** California Civil Code gives members the right to submit a request for collection notices to be sent to a secondary address. Send such request by certified mail to StoneKastle Community Management, Inc., Attn: Secondary Address request, 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887.

**Board Meeting Minutes** In accordance with the California Civil Code, board meeting minutes are available as follows: The approved minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors of an association, other than an executive session, shall be available to members within thirty (30) days of the meeting. The approved minutes proposed minutes or summary minutes shall be distributed to any member of the association upon request and upon reimbursement of the association's cost of mailing that distribution. In accordance with the Civil Code, minutes of your association's board meetings may be obtained from StoneKastle Community Management, Inc. Minutes may also be obtained on-line at the association's website.

**General Notices** General notices from the Association to the members will be posted at the following location in the community (Civil Code 4045): At the entrances or the community portal.

Certification by the Federal Housing Administration (FHA) may provide benefits to members of an Association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not a condominium project. The Association of this common interest development is not certified by the Federal Housing Administration (FHA).

Certification by the Department of Federal Affairs (VA) may provide benefits to members of an Association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development is not a condominium project. The Association of this common interest development is not certified by the Department of Federal Affairs (VA).

Annual Policy Statement Pursuant to the new Civil Code Section 5320, an association may distribute a summary of the Annual Policy Statement. To request a full copy of the Annual Policy Statement, please send a written request to StoneKastle Community Management.

Board of Directors
Kerrigan Ranch II Community Association

# MANAGING AGENT DISCLOSURE

In Accordance with Section 11504 of the Business & Professions Code, Agent hereby discloses the following:

1. Your community Manager Lori Berger is a certified common interest development manager.

2. This manager has been certified with CAMICB since October 2015 and is active and in good standing.

3. This common interest manager's office location is at StoneKastle Community Management; 22722 Old Canal Rd. Unit B, Yorba Linda, CA 92887.

4. This manager does hold an active real estate license.

StoneKastle

Community Management, Inc.

22722 Old Canal Rd, Unit B, Yorba Linda, CA 92887 Ph: 714-395-5245 Fax: 866-575-0549

**KERRIGAN RANCH II COMMUNITY ASSOCIATION**
**OPERATING BUDGET**
**JANUARY 1, 2026 - DECEMBER 31, 2026**
**BASED ON 234 UNITS**

| | | ANNUALLY | MONTHLY | UNIT |
|---|---|---|---|---|
| **INCOME** | | | | |
| 4010 | ASSESSMENTS | 603,717 | 50,310 | 215.00 |
| 4050 | ARCHITECTURAL FEES | 3,220 | 268 | 1.15 |
| | **TOTAL INCOME** | **606,937** | **50,578** | **216.15** |
| **EXPENSES** | | | | |
| | **UTILITIES** | | | |
| 5020 | ELECTRICITY | 5,775 | 481 | 2.06 |
| 5060 | WATER | 120,000 | 10,000 | 42.74 |
| | **TOTAL UTILITIES** | **125,775** | **10,481** | **44.79** |
| | **LAND MAINTENANCE** | | | |
| 5220 | CONTRACT LANDSCAPE | 268,692 | 22,391 | 95.69 |
| | **TOTAL LAND MAINT.** | **268,692** | **22,391** | **95.69** |
| | **CONTRACTS/MAINTENANCE** | | | |
| 5380 | COMMON AREA MAINTENANCE | 2,332 | 194 | 0.83 |
| 5505 | LIGHTING - HOLIDAY | 7,700 | 642 | 2.74 |
| | **TOTAL CONTRACTS/ MAINT.** | **10,032** | **836** | **3.57** |
| | **ADMINISTRATION** | | | |
| 5805 | ARCHITECTURAL FEES | 2,335 | 195 | 0.83 |
| 5809 | ARCHITECTURAL LEGAL MATTERS | 14,941 | 1,245 | 5.32 |
| 5810 | AUDIT/TAX RETURNS | 1,390 | 116 | 0.50 |
| 5830 | COLLECTION/DELINQUENCY | 400 | 33 | 0.14 |
| 5860 | DUE/LICENSES/FEES | 132 | 11 | 0.05 |
| 5870 | FEDERAL TAXES | 600 | 50 | 0.21 |
| 5875 | STATE TAXES | 1,400 | 117 | 0.50 |
| 5890 | INSURANCE | 35,977 | 2,998 | 12.81 |
| 5900 | LATE SERVICE FEES | 2,015 | 168 | 0.72 |
| 5910 | LEGAL SERVICE | 19,105 | 1,592 | 6.80 |
| 5915 | LEGAL SERVICE-COLLECTION | 1,000 | 83 | 0.36 |
| 5930 | MANAGEMENT SERVICE | 50,868 | 4,239 | 18.12 |
| 5935 | MANAGEMENT-ADMINISTRATIVE | 2,405 | 200 | 0.86 |
| 5970 | PRINTING/MAILING/SUPPLIES | 4,080 | 340 | 1.45 |
| 5990 | RESERVE STUDY | 504 | 42 | 0.18 |
| 5996 | SOCIAL | 11,000 | 917 | 3.92 |
| 5998 | WEBSITE | 480 | 40 | 0.17 |
| | **TOTAL ADMINISTRATION** | **148,632** | **12,386** | **52.93** |
| | **RESERVE DEPOSITS** | | | |
| 6410 | CONTINGENCY | 2,008 | 167 | 0.72 |
| 6470 | IRRIGATION | 8,508 | 709 | 3.03 |
| 6490 | LANDSCAPE | 14,751 | 1,229 | 5.25 |
| 6910 | TREE REPLACEMENT | 28,539 | 2,378 | 10.16 |
| | **TOTAL RESERVE DEPOSIT** | **53,806** | **4,484** | **19.16** |
| **TOTAL EXPENSES** | | **606,937** | **50,578** | **216.15** |

Kerrigan Ranch II Community Association
Yorba Linda, California
RDA Owner's Summary

| | |
|---|---|
| Report Date | November 4, 2025 |
| Version | 012 |
| Account Number | 13127 |
| Budget Year Beginning | 1/ 1/26 |
| Ending | 12/31/26 |
| Total Units Included | 234 |
| Phase Development | 19 of 19 |

Parameters:

| | |
|---|---|
| Inflation | 3.50% |
| Annual Contribution Increase | 3.50% |
| Investment Yield | 4.00% |
| Taxes on Yield | 30.00% |
| Contingency | 3.00% |

Reserve Fund Balance as of 1/ 1/26: $748,803.00

## Project Profile & Introduction

For budgeting purposes, unless otherwise indicated in this report, we have used January 2005 as the basis for aging all the original components examined in this analysis.

The streets, street lighting, horse trails and equestrian fencing located throughout the association is publicly maintained.

RDA Field Inspection: August 23, 2023

## RDA Summary of Calculations

| | |
|---|---|
| Monthly Contribution to Reserves Required: ( $33.67 per unit per month) | $7,879.57 |
| Average Net Monthly Interest Contribution This Year: | 1,719.11 |
| Net Monthly Allocation to Reserves 1/ 1/26 to 12/31/26: ( $41.02 per unit per month) | $9,598.68 |

RDA Reserve Management Software

# Kerrigan Ranch II Community Association
## RDA Owner's Summary

REPORT DATE: November 4, 2025
VERSION: 012
ACCOUNT NUMBER: 13127

| DESCRIPTION | USE LIFE | +/- | REM LIFE | CURRENT COST | FULLY FUNDED RESERVES | ASSIGNED RESERVES |
|---|---|---|---|---|---|---|
| Access Roads - Overlay | 24 | +3 | 6 | 39,000 | 30,333 | 30,333 |
| Access Roads - Repair & Slurry Seal | 4 | 0 | 0 | 4,100 | 4,100 | 4,100 |
| *** CATEGORY SUMMARY: | | | | 43,100 | 34,433 | 34,433 |
| Paint - Mailboxes | 4 | +5 | 2 | 14,570 | 11,332 | 11,332 |
| Paint - Monument Areas | 4 | +1 | 1 | 5,923 | 4,738 | 4,738 |
| Paint - Wrought Iron | 4 | 0 | 0 | 25,467 | 25,467 | 25,467 |
| *** CATEGORY SUMMARY: | | | | 45,959 | 41,537 | 41,537 |
| Fencing - Wrought Iron | 20 | +7 | 6 | 235,808 | 183,406 | 183,406 |
| Walls - Repairs | 25 | +4 | 8 | 32,451 | 23,499 | 23,499 |
| *** CATEGORY SUMMARY: | | | | 268,259 | 206,905 | 206,905 |
| Mailbox - Structures | 24 | 0 | 17 | 122,850 | 35,831 | 13,950 |
| *** CATEGORY SUMMARY: | | | | 122,850 | 35,831 | 13,950 |
| Surveillance System - Unfunded | 10 | 0 | 7 | 0 | 0 | 0 |
| *** CATEGORY SUMMARY: | | | | 0 | 0 | 0 |
| Signs - Fencing, Wood | 16 | +11 | 6 | 12,075 | 9,392 | 9,392 |
| Signs - Lighting | 15 | +9 | 3 | 26,176 | 22,904 | 22,904 |
| Signs - Monument | 25 | 0 | 25 | 17,192 | 0 | 0 |
| Signs - Trellis | 25 | 0 | 21 | 43,691 | 6,495 | 0 |
| *** CATEGORY SUMMARY: | | | | 99,134 | 38,790 | 32,296 |
| Irrigation - Backflow Devices | 30 | 0 | 9 | 24,024 | 16,817 | 16,817 |
| Irrigation - Booster Pumps, 2022 | 15 | 0 | 11 | 45,760 | 12,203 | 12,203 |
| Irrigation - Booster Pumps, 2025 | 15 | 0 | 14 | 6,295 | 182 | 182 |
| Irrigation - Booster Pumps, Orig | 15 | +9 | 3 | 183,040 | 160,160 | 160,160 |
| Irrigation - Controllers | 15 | 0 | 10 | 80,080 | 26,693 | 26,693 |
| Irrigation - Enclosures | 30 | 0 | 9 | 24,024 | 16,817 | 16,817 |
| *** CATEGORY SUMMARY: | | | | 363,223 | 232,872 | 232,872 |
| Landscape - Improvements | 25 | 0 | 4 | 0 | 130,000 | 130,000 |
| Landscape - Slopes, Replace/Refurb | 1 | 0 | 0 | 20,000 | 20,000 | 20,000 |
| Landscape - Tree Replacement | 1 | 0 | 0 | 15,000 | 15,000 | 15,000 |
| *** CATEGORY SUMMARY: | | | | 35,000 | 165,000 | 165,000 |

## Kerrigan Ranch II Community Association
**RDA Owner's Summary**

| DESCRIPTION | USE +/- LIFE | REM LIFE | CURRENT COST | FULLY FUNDED RESERVES | ASSIGNED RESERVES |
|---|---|---|---|---|---|
| TOTAL ASSET SUMMARY: | | | 977,525 | 755,369 | 726,993 |
| CONTINGENCY @ 3.00%: | | | | 22,661 | 21,810 |
| GRAND TOTAL: | | | | 778,030 | 748,803 |

Percent Fully Funded: 96%

# Kerrigan Ranch II Community Association

Assessment and Reserve Funding Disclosure Summary
For the Fiscal Year January 1, 2026 through December 31, 2026

(1) The regular assessment per ownership interest is $215.00 per month. *Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page N/A of the attached summary.*

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

| Date assessment will be due: | Amount per ownership interest per month or year (If assessments are variable, See note immediately below): | Purpose of the assessment: |
|---|---|---|
| N/A | | |
| | Total: $ | |

*Note: If assessments vary by the size of the type of ownership interest, the assessment applicable to this ownership interest may be found on page N/A of the attached report.*

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **NO**

(4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

| Approximate date assessment will be due: | Amount per ownership interest per month or year: |
|---|---|
| January through December 2042 | $384 per unit, per month |
| | Total $1,078,272 |

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is $778,030 based in whole or in part on the last reserve study or update prepared by Reserve Data Analysis California, LLC as of November 4, 2025. The projected reserve fund cash balance at the end of the current fiscal year is $748,803 resulting in reserves being 96 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is $N/A. The current deficiency in reserve funding expressed on a per unit basis is $125.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is (b), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is (a), leaving the reserve at (c) percent funding. *(See recommendation below)*

| Year Ending | Projected Reserve Balance (a) | Estimated Amount Required in Reserves (b) | Percent Fully Funded (c) |
|---|---|---|---|
| 2026 | 799,421 | 824,728 | 97 % |
| 2027 | 877,905 | 900,164 | 98 % |
| 2028 | 953,262 | 972,311 | 98 % |
| 2029 | 815,918 | 824,532 | 99 % |
| 2030 | 876,266 | 730,996 | 120 % |

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

| Year Ending | Projected Reserve Balance (a) | Percent Fully Funded (b) |
|---|---|---|
| 2026 | 758,147 | 92 % |
| 2027 | 792,505 | 88 % |
| 2028 | 818,761 | 84 % |
| 2029 | 623,967 | 76 % |
| 2030 | 628,015 | 86 % |

At the time this summary was prepared, the assumed long-term before tax interest rate earned on reserve funds was 4% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.5% per year.

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

**Kerrigan Ranch II Community Association**
RDA Standard Projections

REPORT DATE: November 4, 2025
VERSION: 012
ACCOUNT NUMBER: 13127

Beginning Accumulated Reserves: $748,803

| YEAR | CURRENT REPLACEMENT COST | ANNUAL CONTRBTN | ANNUAL INTEREST CONTRBTN | ANNUAL EXPENDTRS | PROJECTED ENDING RESERVES | FULLY FUNDED RESERVES | PERCENT FULLY FUNDED |
|---|---|---|---|---|---|---|---|
| '26 | 977,525 | 94,555 | 20,629 | 64,567 | 799,421 | 824,728 | 97% |
| '27 | 1,011,738 | 98,098 | 22,741 | 42,355 | 877,905 | 900,164 | 98% |
| '28 | 1,047,149 | 103,723 | 24,735 | 53,101 | 953,262 | 972,311 | 98% |
| '29 | 1,083,800 | 112,610 | 20,814 | 270,767 | 815,918 | 824,532 | 99% |
| '30 | 1,121,732 | 116,022 | 18,417 | 74,092 | 876,266 | 730,996 | 120% |
| '31 | 1,160,993 | 76,461 | 24,463 | 48,603 | 928,587 | 820,254 | 113% |
| '32 | 1,201,628 | 99,356 | 15,892 | 413,587 | 630,248 | 532,233 | 118% |
| '33 | 1,243,685 | 98,114 | 17,881 | 44,530 | 701,714 | 631,910 | 111% |
| '34 | 1,287,214 | 113,051 | 17,741 | 127,754 | 704,752 | 651,105 | 108% |
| '35 | 1,332,266 | 114,128 | 18,025 | 121,258 | 715,647 | 682,561 | 105% |
| '36 | 1,378,896 | 129,084 | 16,780 | 182,884 | 678,627 | 654,248 | 104% |
| '37 | 1,427,157 | 135,509 | 17,656 | 117,907 | 713,885 | 699,210 | 102% |
| '38 | 1,477,107 | 148,880 | 19,406 | 97,565 | 784,606 | 772,604 | 102% |
| '39 | 1,528,806 | 154,772 | 22,440 | 64,001 | 897,817 | 889,699 | 101% |
| '40 | 1,582,314 | 165,056 | 25,034 | 90,428 | 997,479 | 988,230 | 101% |
| '41 | 1,637,695 | 166,029 | 28,775 | 58,637 | 1,133,645 | 1,129,834 | 100% |
| '42 | 1,695,015 | 177,862 | 31,278 | 111,958 | 1,230,828 | 1,225,485 | 100% |
| '43 | 1,754,340 | 182,266 | 28,930 | 293,919 | 1,148,105 | 1,136,645 | 101% |
| '44 | 1,815,742 | 187,449 | 21,354 | 480,692 | 876,216 | 851,942 | 103% |
| '45 | 1,879,293 | 180,657 | 25,280 | 67,288 | 1,014,864 | 1,004,563 | 101% |
| '46 | 1,945,068 | 198,997 | 27,714 | 128,474 | 1,113,101 | 1,104,106 | 101% |
| '47 | 2,013,146 | 205,759 | 29,289 | 174,255 | 1,173,894 | 1,165,324 | 101% |
| '48 | 2,083,606 | 218,309 | 32,391 | 131,397 | 1,293,197 | 1,281,665 | 101% |
| '49 | 2,156,532 | 219,169 | 37,322 | 77,214 | 1,472,475 | 1,467,386 | 100% |
| '50 | 2,232,011 | 234,021 | 40,608 | 147,427 | 1,599,677 | 1,592,569 | 100% |
| '51 | 2,310,131 | 240,005 | 39,212 | 326,587 | 1,552,306 | 1,539,224 | 101% |
| '52 | 2,390,986 | 247,345 | 24,254 | 809,950 | 1,013,956 | 977,091 | 104% |
| '53 | 2,474,670 | 236,189 | 29,300 | 88,605 | 1,190,840 | 1,172,933 | 102% |
| '54 | 2,561,284 | 261,157 | 32,354 | 169,176 | 1,315,176 | 1,298,701 | 101% |
| '55 | 2,650,929 | 267,275 | 37,126 | 128,048 | 1,491,530 | 1,481,992 | 101% |

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

# KERRIGAN RANCH II COMMUNITY ASSOCIATION ASSESSMENT COLLECTION POLICY

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined 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&Rs and Civil Code Section 5320(a),(b), the following are the Association's assessment practices and policies:

1. Assessments, late charges, interest and collection costs, including any attorneys' fees, are the personal obligation of the owner of the property at the time the assessment or other sums are levied (Civil Code Section 5650 (a), 5660.

2. Regular monthly assessments are due and payable on the first day (1st) of each month. A courtesy billing statement is sent each month to the billing address on record with the Association. **However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received.** All other assessments, including special assessments, are due and payable on the date specified by the Board on the Notice of Assessment, which date will not be less than thirty (30) days after the date of notice of the special assessment.

3. Any payments made shall be first applied to assessments owed and only after the assessments owed are paid in full, shall such payments be applied to late charges, interest, and collection expenses, including attorneys' fees, unless the owner and the Association enter into an agreement providing for payments to be applied in a different manner.

4. Assessments not received within fifteen (15) days of the stated due date are delinquent and shall be subject to a late charge of Ten Dollars ($10.00) or ten percent (10%) of the delinquent assessment.

5. An interest charge at the rate of twelve percent (12%) per annum will be assessed against any outstanding balance, including delinquent assessments, late charges and cost of collection, which may include attorneys' fees. Such interest charges shall accrue thirty (30) days after the assessment becomes due and shall continue to be assessed each month until the account is brought current.

6. If a special assessment is payable in installments and an installment payment of that special assessment is delinquent for more than thirty (30) days, all installments will be accelerated and the entire unpaid balance of the special assessment shall become immediately due and payable. The remaining balance shall be subject to a late charge and interest as provided above.

7. A first notice of past due assessment ("late letter") will be prepared and mailed once an assessment becomes delinquent. A $17.00 dollar ($17.00) charge for the late letter will be made against the delinquent owner's account.

8. If an assessment is not received within forty-five (45) days after the assessment becomes delinquent, the Association or its designee, in the event the account is turned over to a collection agent, will send a pre-lien letter to the owner as required by Civil Code Section 5650(a), 5660 by certified and first class mail, to the owner's mailing address of record advising of the delinquent status of the account, impending collection action and the owner's right to request that the Association participate in some form of internal dispute resolution process ("IDR"). The owner will be charged a fee for the pre-lien letter. Notwithstanding the provisions of this Paragraph, the Association may (i) send a pre-lien letter to a delinquent Owner at any time when there is an open escrow involving the Owner's Unit/Lot, and/or (ii) issue a pre-lien letter immediately if any Special Assessment becomes delinquent.

9. If an owner fails to pay the amounts set forth in the pre-lien letter and fails to request IDR within thirty (30) days of the date of the pre-lien letter, the Board shall decide, by majority vote in an open meeting, whether to authorize StoneKastle Community Management to record a lien for the amount of any delinquent assessments, late charges, interest and/or costs of collection, including attorneys' fees, against the owner's property. If the Association authorizes StoneKastle Community Management to record a lien against the owner's property, the owner will be charged for the fees and costs of preparing and recording the lien. The lien may be enforced in any manner permitted by law, including, without limitation, judicial or non-judicial foreclosure (Civil Code Section 5735, 5700(a), 5710(c)).

10. Once the matter has been transferred to Community Legal Advisors (CLA), CLA may be authorized to enforce the lien thirty (30) days after recordation of the lien and may be authorized to foreclose the lien by non-judicial foreclosure sale when either (a) the delinquent assessment amount totals One Thousand, Eight Hundred Dollars ($1,800) or more, excluding accelerated assessments and specified late charges and fees or (b) the assessments are delinquent for more than twelve (12) months the Association's agent shall initiate foreclosure upon the assessment lien, or, in lieu of foreclosure against the Property, the Board may elect to proceed with a judicial action for collection of the unpaid assessments. All fees and costs associated with the foreclosure and/or the judicial action for collection shall be charged to and payable by the delinquent Owner(s).

11. The decision to foreclose on a lien must be made by a majority of the Board of Directors in an Executive Session meeting and the Board of Directors must record their votes in the minutes of the next open meeting of the Board. The Board must maintain the confidentiality of the delinquent owner(s) by identifying the matter in the minutes by only the parcel number of the owner's property. Prior to initiating any foreclosure sale on a recorded lien, the Association shall offer delinquent homeowners the option of participating in IDR or Alternative Dispute Resolution ("ADR").

12. An owner is entitled to inspect the Association's accounting books and records to verify the amounts owed pursuant to Corporations Code Section 8333.

13. In the event it is determined that the owner has paid the assessments on time, the owner will not be liable to pay the charges, interests, and costs of collection associated with collection of those assessments.

14. An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to ALS for delivery to the Association pursuant to Civil Code Section 5900 *et seq.* The Association shall respond in writing within fifteen (15) days of the postmark date of the request. Further, the owner may make a written request to meet with the Board to discuss a payment plan, and the Board shall meet with the owner at an executive session within forty-five (45) days of the postmarked date of the request, if the request is mailed within fifteen (15) days of the postmarked date of the intent to lien letter, otherwise the Board may appoint a committee of one or more members to meet with the owner.

15. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Section 5925 *et seq.* before the association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate a judicial foreclosure.

16. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to StoneKastle Community Management to be considered by the Board of Directors. An owner may also request to meet with the Board in executive session to discuss a payment plan if the payment plan request is mailed within fifteen (15) days of the postmark date of the pre-lien Letter. The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. Payment plans shall not interfere with the Association's ability to record a lien on an owner's separate interest to secure payment for the owner's delinquent assessments. If the Board authorizes a payment plan, it may incorporate payment of ongoing assessments that accrue during the payment plan period. If a payment plan is approved, additional late fees from the homeowner will not accrue while the owner remains current under the terms of the payment plan. If the owner breaches an approved payment plan, the Association may resume its collection action from the time the payment plan was approved.

17. 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.

18. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and costs of collection, including attorneys' fees, must be paid in full to the Association.

19. There is no right of offset. An owner may not withhold assessments owed to the Association on the alleged grounds that the owner is entitled to recover money or damages from the Association for some other obligation.

20. The Association shall charge the owner a Twenty-Five Dollar ($25.00) fee for the first check tendered to the Association that is returned unpaid by the owner's bank and Thirty-Five Dollars ($35.00) for each subsequent check passed on insufficient funds. If the check cannot be negotiated, the Association may also seek to recover damages of at least One Hundred Dollars ($100.00), or, if higher, three (3) times the amount of the check up to One Thousand, Five Hundred Dollars ($1,500.00).

21. Owners have the right to provide a secondary address for mailing for purposes of collection to the Association. The owner's request shall be in writing and shall be mailed to the Association in a way that shall indicate that the Association has received it. An owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.

22. All charges listed herein are subject to change upon thirty (30) days' prior written notice.

23. Until the owner has paid all amounts due, including delinquent assessments, late charges, interest and costs of collection, including attorneys' fees, the Board of Directors may suspend the owner's right to vote, and suspend the owner's right to use the Association's recreational facilities after providing the owner with a duly noticed hearing pursuant to Civil Code Section 4820. However, any suspension imposed shall not prevent the delinquent owner from the use, benefit and pleasure of the owner's lot.

24. If a partial payment is received which is less than the entire unpaid balance owed on the member's account, including the collection charges, provided the Notice of Delinquent Assessment Lien has not been recorded, the partial payment may be credited to the oldest outstanding balances on the member's account and the remaining unpaid balance shall be subject to this Procedure for collection. **At this point the account is sent to collection, all payments for delinquent accounts must be made to the Association's collection agent on behalf of the Association, and certified funds may be requested. Once the account is sent to collection, payment in full may be required, unless a payment plan is accepted by the Association. If partial payments are received, these may be returned to the homeowner unless remaining sums due are immediately paid as requested by the collection agent.**

25. **The mailing address for overnight payment of assessments is: Kerrigan Ranch II Community Association c/o StoneKastle Community Management, 22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887.**

## KERRIGAN RANCH II COMMUNITY ASSOCIATION

## ENFORCEMENT POLICY

If the Board of Directors of the Association receives a complaint from a member of the Association or observes that an alleged violation of the Association's governing documents has taken place, then the following steps shall be taken:

1. Notice of Violation. In its discretion, the Board may send a letter to the owner of the residence explaining the nature of the violation and the date upon which the alleged violation must be cured to avoid further action.

2. Notice of Hearing. If the violation is not cured within the timeframe set forth in the Notice of Violation letter, or, depending on the nature and severity of the violation, the Board decides to proceed directly to a hearing, a Notice of Hearing will be sent to the owner of the residence. The Notice of Hearing will include the following information: (a) the alleged violation, (b) the provision of the Association's governing documents that was allegedly violated, (c) a list of sanctions that may be imposed, and (d) the time, date and place of the Board meeting at which the violation will be addressed in a hearing in executive session. The Notice of Hearing shall be sent at least fifteen (15) days prior to the scheduled hearing date.

3. Hearing. On the date and at the time set forth in the Notice of Hearing letter, the Board of Directors will meet in executive session, regardless of whether the alleged violating owner is in attendance, to discuss and evaluate the evidence that has been presented by the complaining party, the alleged violating owner (either by written statement, evidence, or personal testimony) and any witnesses. The alleged violating owner shall have an opportunity to address the Board in his or her defense.

4. Disciplinary Action. If the Board of Directors, after evaluating all the evidence presented, finds that a violation has occurred, then the Board may impose disciplinary action against the violating owner by (a) levying a monetary penalty in accordance with the Association's Fine Schedule, (b) suspending the owner's membership privileges, and (c) taking any other disciplinary or corrective action authorized by the governing documents; however, this does not relieve the owner's obligation to pay all assessments levied by the Association or to otherwise comply with the governing documents. Any such suspension shall be for a period of time not exceeding thirty (30) days for any non-continuing violation. In the case of a continuing violation, such suspension may continue for as long as the violation continues.

5. Written Findings. Within fifteen (15) days following the hearing, the Board of Directors shall provide the owner with a written notice of its findings and any disciplinary action imposed against the owner, and no action against the owner may take effect prior to five (5) days after the hearing.

6. Internal Dispute Resolution. If the violation is not cured, the Association will proceed with "meet and confer" procedures pursuant to Civil Code Section 5915.

7. Legal Action. If the violation is not cured after Internal Dispute Resolution is offered, the matter will be turned over to the Association's attorney to commence legal action (alternative dispute resolution and/or litigation). Depending on the severity of the violation or other special circumstances, the Board may refer the matter to legal counsel at any time during the enforcement process.

## FINE SCHEDULE

After Notice and a Hearing, the following monetary penalties may be imposed against an owner for the following violations of the Association's governing documents:

1. Levy a **Special Assessment** in the amount of $200.00 for the first thirty (30) day period of any violation; $200.00 for the second thirty (30) days of a continuing violation; $200.00 for the third and any additional thirty (30) days of a continuing violation **(except for the specific violations below).**

**a. Prohibited (Recreational) Vehicles**: Levy a Special Assessment in the amount of $500.00 for the first infraction, $500.00 for the second infraction, $1,000.00 for the third infraction, and $1,000.00 for every subsequent infraction. Infractions are **not limited to a rolling timeframe; each infraction remains permanently on record and adds up as each infraction occurs**. Prohibited (recreational) vehicles include but are not limited to: boats, ATVs, trailers, jet skis, motorhomes, fifth wheelers, etc. (CC&Rs, Article II, Section 2.52.)

**b. Architectural Violations**: Installation of Unapproved Improvements, Unauthorized Exterior Changes, and Failure to Maintain Property (examples include installation of unapproved landscaping, painting your home an unapproved color, overgrown vegetation and weeds, dead lawn, dilapidated roofing): Levy a Special Assessment in the amount of $500.00 for the first thirty (30) day period of the infraction; $500.00 for the second thirty (30) days; $1,000.00 for the third thirty (30) days; $1,000.00 for every subsequent thirty (30) day period. (CC&Rs, Article II, Section 2.1.6; Article II, Section 2.9.2; Article V, Section 5.3.1)

**c. Initial Landscape Violations**: Levy a Special Assessment in the amount of $500.00 for the first thirty (30) day period of the infraction; $500.00 for the second thirty (30) days; $1,000.00 for the third thirty (30) days. (CC&Rs, Article II, Section 2)

**d. Leasing/Renting Procedures/Short Term Rental Rules Violations**: Levy a Special Assessment for violations of the Leasing/Renting Procedures/Short Term Rental Rules as follows:

- First Occurrence: $500.00.
- Second Occurrence: $2,000.00 or, at the option of the Association, $1,0000.00 per day of the violating rental.
- Third and Any Subsequent or Continuing Occurrence: $3,000.00 or, at the option of the Association, $1,500.00 per day of the violating rental.

2. A "**continuing violation/occurrence**" is a violation that has never been cured and continues to exist or a violation that is repeated after being cured as a result of receipt of a Notice of Hearing.

**Approved by the Board 9/12/17**

# AB 130
## $100 Fine Caps, Hearing Procedures, and Prohibited ADU Fees

**Synopsis:** AB 130 was a housing bill passed with urgency by the State legislature that is now in effect. This bill makes significant changes to governance by implementing new fine limits, hearing procedures, and ADU/JADU fee restrictions. These changes, made without any input from industry experts, will dramatically and negatively impact homeowners' associations.

### Changes to Fines and Hearing Procedures

**Summary Highlights:**

- A one-hundred-dollar ($100) fine limit has been set notwithstanding the fine amounts stated in your current fine policy, unless a reasonable fine amount is imposed for a violation that may result in an adverse health or safety impact to the common area or another owner's property.
- For any health or safety fine, before the fine can be imposed, a board of directors is now required to make written findings specifying the adverse health or safety impact in an **open** board meeting.
- Before any fine or reimbursement assessment is imposed, violators must be given the opportunity to cure their violations.
- The violator and the association have to attempt to resolve the violation with a written agreement. If no agreement is reached, then the violator has the opportunity to request internal dispute resolution ("IDR").
- Hearing decisions must now be issued within fourteen (14) days instead of fifteen (15) days.

**Comments & Recommendations:** Many questions and issues are created with this new law (fines, IDR demands, hearings, curing violations, and health and safety impacts), all of which should be discussed with legal counsel. We also suggest that associations review and revise their fine and hearing policies to avoid confusion and conflicts with the new law.

### Reasonable Restrictions for ADU/JADU Do Not Include Fees or Other Financial Requirements

**Summary:** Civil Code § 714.3 is property law regarding ADU/JADU restrictions. Previously, only "reasonable restrictions" could be imposed on the construction of an ADU/JADU with some guidance provided. But now the law expressly adds, "'[r]easonable restrictions' shall not include any fees or other financial requirements."

**Comments & Recommendations:** The question is how broad is this prohibition on fees and does it apply to every situation. Until this new law is settled, we suggest you consult with your legal counsel to discuss what may or may not work for your association.

**Amended/New Sections:** Civil Code §§ 5850, 5855 (fine caps and hearing procedures). Civil Code § 714.3 (ADU fees).

**Effective Date:** June 30, 2025

LABARRE/OKSNEE INSURANCE

# Kerrigan Ranch II Comm Assn.
# INSURANCE SUMMARY DISCLOSURE

Pursuant to Section 5300 (b)(9) of the California Civil Code, the Association is providing you with the following information regarding its insurance policies. Pursuant to Civil Code Section 5300 (a), this summary is being distributed not less than 30 days nor more than 90 days preceding the beginning of the Association's fiscal year.

| | | |
|---|---|---|
| **I.** | **GENERAL LIABILITY INSURANCE** | |
| A. | Name of Insurer: | Lio Insurance |
| B. | Policy Limits: | $1,000,000 per occurrence; $2,000,000 aggregate |
| C. | Amount of Deductible (if any): | $0 |
| D. | Policy dates: | 8/23/2025 - 8/23/2026 |
| E. | Umbrella coverage, if applicable: | $5,000,000 |
| F. | Umbrella carrier: | Federal Insurance |
| G. | Policy dates: | 8/23/2025 – 8/23/2026 |
| **II.** | **PROPERTY INSURANCE** | |
| A. | Name of Insurer: | Covington Specialty Insurance |
| B. | Policy Limits: | $260,000 |
| C. | Amount of Deductible: | $1,000 |
| D. | Policy dates | 8/23/2025 - 8/23/2026 |
| **II.** | **EARTHQUAKE INSURANCE** | None |
| A. | Name of Insurer: | |
| B. | Policy Limits: | |
| C. | Amount of Deductible: | |
| D. | Policy dates | |
| **III.** | **FLOOD INSURANCE** | None |
| A. | Name of Insurer: | |
| B. | Policy Limits: | |
| C. | Amount of Deductible: | |
| D. | Policy dates | |
| **IV.** | **FIDELITY BOND INSURANCE** | |
| A. | Name of Insurer: | PMA Insurance Group |
| B. | Policy Limits: | $900,000 |
| C. | Amount of Deductible: | $1,000 |
| D. | Policy dates | 8/23/2025 - 8/23/2026 |

**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.**

Pursuant to Section 5810 of the California Civil Code, if the association receives any notice of nonrenewal of a policy described in the annual budget report, the association shall immediately notify its members if replacement coverage will not be in effect by the date the existing coverage will lapse.

# Kerrigan Ranch II Community Association

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

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

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

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

Property Address: ______________________________

Owner of Property: ______________________________

Owner's Mailing Address: ______________________________
*(if known or different from property address)*

Provider of the **Section 4525** Items:

| StoneKastle Escrow Department | Administrator | StoneKastle Community Management, Inc | 7-23-2025 |
|---|---|---|---|
| Print Name | Position or Title | Association or Agent | Date Form Completed |

Check or Complete Applicable Column or Columns Below:

| Document | Civil Code Section Included | Fee for Document | Not Available (N/A) or Not Applicable (N/App) |
|---|---|---|---|
| Articles of Incorporation (or statement that not incorporated) | Section **4525(a)(1)** | $35.00 | |
| CC&Rs | Section **4525(a)(1)** | $55.00 | |
| Bylaws | Section **4525(a)(1)** | $35.00 | |
| Operating Rules | Section **4525(a)(1)** | $25.00 | |
| Age Restrictions, if any | Section **4525(a)(2)** | | Refer to the Demand |
| Rental Restrictions, if any | Section **4525(a)(9)** | $10.00 | Refer to CC&Rs |
| Annual Budget Report (or summary, including Reserve Study) | Sections **5300** and **4525 (a)(3)** | $75.00 | |
| Assessment and Reserve Funding Disclosure Summary | Sections **5300** and **4525 (a)(4)** | | Included in Budget |
| Financial Statement Review | Sections **5305** and **4525(a)(3)** | $85.00 | |
| Assessment Enforcement Policy | Sections **5310** and **4525(a)(4)** | | Included in Budget |
| Insurance Summary | Sections **5300** and **4525 (a)(3)** | | Included in Budget |
| Regular Assessment | Section **4525(a)(4)** | | Refer to the Demand |
| Special Assessment | Section **4525(a)(4)** | $10.00 | Refer to the Demand |
| Emergency Assessment | Section **4525(a)(4)** | | Refer to the Demand |

**Kerrigan Ranch Community Association**

| Document | Civil Code Section Included | Fee for Document | Not Available (N/A) or Not Applicable (N/App) |
|---|---|---|---|
| Other Unpaid Obligations of Seller | Sections **5675** and **4525(a)(4)** | | Refer to the Demand |
| Approved Changes to Assessments | Sections **5300** and **4525(a)(4), (8)** | | Included in Budget |
| Settlement Notice Regarding Common Area Defects | Sections **4525(a)(6), (7)** and **6100** | | Refer to the Demand |
| Preliminary List of Defects | Sections **4525(a)(6), 6000** and **6100** | | Refer to the Demand |
| Notice(s) of Violations | Sections **5855** and **4525(a)(5)** | | Refer to the Demand |
| Required Statement of Fees | Section **4525** | $202.00 | aka Demand |
| Minutes of Regular Board Meetings (conducted over the previous 12 months, if requested) | Section **4525(a)(10)** | $85.00 | |
| **Total fees for these documents:** | | **$ $617.00** | |

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

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

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

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

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

# Kerrigan Ranch II Community Association

Dear Association Member:

For approximately the last (9) years, California Community Associations and their homeowners have been required to participate in certain Alternative Dispute Resolution ("ADR") procedures prior to initiating certain types of litigation between them. Beginning on January 1, 2005, newly-enacted Civil Code Sections 5900-5920 require that, in addition to ADR, Associations also offer an Internal Dispute Resolution ("IDR") procedure for most disputes that may arise between the Association and a homeowner.

The following is an overview of the now statutorily-required ADR and IDR procedures/requirements. Please be advised that the referenced Civil Code Section may be subject to varying interpretations. As such, this summary represents the current interpretation of one industry law firm based upon currently available information. Each homeowner should consult with his/her own attorney regarding appropriate compliance with the requirements in the newly-enacted Civil Code Sections if/when any disputes arise.

i. INTERNAL DISPUTE RESOLUTION ("IDR") PROCEDURES

Civil Code Section 5900 requires that Community Associations provide a fair, reasonable, and expeditious procedure for resolving disputes between an Association and any homeowner involving the Member's rights, duties, or liabilities under the Davis-Stirling Act, the Nonprofit Mutual Benefit Corporation Law, or under the governing documents of the Common Interest Development or Association. Unless you are notified otherwise, the Association will continue to provide fair, reasonable and expeditious procedures for resolving disputes by adopting the IDR procedure set forth in California Civil Code Section 5915, which is summarized as follows:

A. Either party to the dispute (either the Member or the Association), may deliver a written request to the other party seeking to meet and confer in an effort to resolve the dispute. A homeowner may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
B. The Association's Board of Directors shall designate a member of the Board of Directors to meet and confer.
C. 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.
D. A resolution of the dispute agreed to by all parties shall be memorialized in writing and signed by the parties, including the Board designee on behalf of the Association.

E. An agreement reached using these procedures will bind 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, and (2) The agreement is either consistent with the authority granted by the Board of Directors to its designee or the agreement is ratified by the Board of Directors.

F. A member of the Association may not be charged a fee to participate in this process.

## II. ALTERNATIVE DISPUTE RESOLUTION ("ADR")

If the parties cannot resolve a dispute through the use of IDR procedures referenced above (or elect not to initiate those procedures), the parties, under many circumstances, are required to attempt to resolve the dispute via ADR. Pursuant to California Civil Code Section 5925, California Community Association and their individual Members are required to participate in ADR prior to initiating certain types of lawsuits. In accordance with California Civil Code Section 5965, you are advised that The 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.

### A. WHAT IS ADR?

"Alternative Dispute Resolution" or "ADR" means mediation, arbitration, conciliation, or other non-judicial procedure that involves a neutral party in the decision-making process. The form of ADR is established by/through the voluntary consent of the parties.

### B. SCOPE OF ADR REQUIREMENTS

The ADR provisions of Civil Code Section 5925-5965 apply only to enforcement actions filed by either homeowners of the Community Association against the other which (1) seek the enforcement of the Davis-Stirling Act, The Association's governing documents, or enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), and (2) seek only the declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of Five Thousand Dollars ($5,000.00). It does not apply to a small claims action, and except as otherwise provided by law, does not apply to assessment disputes.

### C. ADR COMPLIANCE PROCEDURES:

1. The Request of Resolution.

An Association or an owner or 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 ADR. Any party to a dispute may initiate the process by serving a Request for Resolution on all other parties to the dispute. The Request for Resolution shall include all of the following:

a) A brief description of the dispute between the parties;
b) A request for ADR;
c) A notice that the party receiving the Request for Resolution is required to respond within thirty (30) days of receipt or the request will be deemed rejected; and;
d) If the party on whom the request is served is the owner of a separate interest, a copy of the applicable Civil Code sections.

2. Service of the Request for Resolution.

The request for Resolution must be served 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.

3. Response to a Request for Resolution.

A party served with a Request for Resolution has thirty (30) days following service to accept or reject the request. If a party does not accept or request within that period, the request is deemed rejected. If the party served accepts the request, the parties are required to complete the ADR within ninety (90) days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties. The costs of the ADR are shared by the parties.

4. Tolling.

If a request for resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation to file the enforcement action is (a) the period provided for the response to the Request for Resolution (thirty (30) days after service), and (b) if the Request for Resolution is accepted during the period provided for completion of ADR (ninety (90) days), including any extension of time agreed to by the parties.

5. Requirements for Filing a Lawsuit.

At the time of commencement of an enforcement action (lawsuit), the party commencing the action must file, with the initial pleading, a certificate stating that one or more of the following conditions is satisfied: a) ADR has been completed in compliance with the article, b) One of the other parties of the dispute did not accept the terms offered for ADR, or c) preliminary or temporary injunctive relief is necessary. Failure to file a certificate 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.

D. RAMIFICATIONS OF A REFUSAL TO PARTICIPATE IN ADR:

If a party refuses to participate in ADR before the lawsuit is filed, the Court may, pursuant to Civil Code Section 1369.580, take that refusal into consideration in determining the amount of attorney's fees and costs which may ultimately be awarded to the prevailing party at the conclusion of any subsequent lawsuit.

Adopted by the Board of Directors November 2008

# *KERRIGAN RANCH II HOMEOWNERS ASSOCIATION*

## SUMMARY OF ARCHITECTURAL CONTROL PROCEDURES

Dear Kerrigan Ranch II Homeowner,

California Civil Code requires an Association annually publish a notice that describes the types of architectural changes that require Association approval. This is only a summary of the Association's Architectural Guidelines, therefore, owners are also encourage to refer to the Association's CC&Rs, Rules and Regulations, Full Copy of the Architectural Guidelines and any other governing documents that pertain to improvements. Please contact management ***prior*** to commencing your project to ensure all guidelines are met.

A. <u>No Exterior Additions and Changes without Prior Approval.</u>
No landscaping, fence, wall, building, or other structure...shall be installed, modified, altered, commenced, constructed... until plans and specifications showing ...shall have been submitted to and approved in writing by the Architectural Committee... (CC&Rs Article V, Section 5.3.1).

B. <u>Submission Procedures/Plan Requirements.</u>
An Owner's architectural application shall be submitted only on the Association's Home Improvement Form. The completed Home Improvement Form, three (3) copies of the Owner's plans and specifications shall be submitted only to the Association's management agent, and not to any Association Director, Officer, or Committee member. The plans and specifications shall show the nature, kind, shape, color, size, materials, and location of the proposed improvements or alterations. The Committee may require such detail in plans and specifications submitted for its review as it deems proper, including without limitation, floor plans, site plans, drainage plans, elevation drawings, and description or samples of exterior materials or colors. Until the Committee receives all required plans and specifications, the application is not deemed complete, the Committee may postpone review of the application, and the thirty (30) day period within which the Committee must make its decision does not commence. (CC&Rs Article V, Section 5.3.2).

C. Approval Criteria. Approval shall be based, among other things, on adequacy of site dimensions; adequacy of structural design and material; conformity and harmony of external design with neighboring structures; effect of location and use of improvements on neighboring properties, improvements, operations and uses; aesthetic beauty; and conformity of the plans and specifications to the purpose and general plan and intent of the CC&Rs. The Architectural Committee is composed of volunteers and will not review applications to ensure compliance with building codes, or other local or state laws. The homeowner submitting plans shall have the duty to obtain any necessary building permits from the governmental agencies involved to ensure compliance with these codes. Any violations of these ordinances will be the responsibility of the homeowner to correct. (CC&Rs Article V, Section 5.3.3).

D. Decision Timing.
If the Architectural Committee or its designated representatives, fails to approve or disapprove or fails to notify the applicant of the Committee's decision to approve or disapprove a complete submission of plans and specifications within thirty (30) days after the complete application has been submitted to the Committee, it shall be presumed that the Architectural Committee has approved such plans and specification. No purported oral or verbal approval of the Committee shall be permitted or effective, and any approval, to be binding upon the Committee and the Association, must be in writing. (CC&Rs Article V, Section 5.3.2).

E. Appeals.
So long as Declarant has the right to appoint and remove a majority of the Design Review Committee's Members, the Design Review Committee's decisions are final. There is no appeal to the Board. After Declarant's right to appoint the majority of the Design Review Committee's members expires, the Board shall adopt policies and procedures for appeal of the Design Review Committee decisions to the Board. (CC&Rs Article V, Section 5.10).

ADOPTED BY THE BOARD OF DIRECTORS FEBRUARY 2009

# KERRIGAN RANCH II COMMUNITY ASSOCIATION
# ARCHITECTURAL APPLICATION

Please complete this application and include this request along with your proposed home improvement plans and photos of the area(s) where the proposed improvements will occur. Please do not commence improvements until you have received architectural approval in writing. Application and plans can be submitted as hardcopies, PDF, or JPEG.

The fees are outlined below:

$35.00 – Application processing fee and
$250.00 – Architect fee is required for all projects other than painting
All checks are made payable to Kerrigan Ranch II Community Association.

| | |
|---|---|
| Homeowner Name: | Homeowner Signature: |
| Date of Submission: | |
| Street Address: | |
| Phone Number: | E-Mail Address: |

Description of Proposed Improvements: ______________________________

______________________________

- Patio Cover: Include location, design, dimensions, material and color.
- Front/Rear Landscape and Hardscape: Include drainage and sprinkler lines, plant palette and location of plants and trees.
- Permanent Barbeque/Free Standing Fireplace: Include dimensions, location and design.
- Patio slab: Include dimensions and finish.
- Pool/Spa: Include size, location and color.
- Satellite Dish: Provide size, location and color.
- Solar Panels: Provide size, location and color must be all black panels, black frames – all black in color.
- Fountain or Water Feature: Provide photo if possible. The fountain or water feature may not exceed the height of the perimeter walls.
- Front Walkways: Include width, color and materials proposed.
- Side Gates: Provide design, materials and color.
- Lighting: Must provide locations and wattage to ensure it will not cause a glare into the neighboring homes.

Architectural Committee:

The proposed project has been: APPROVED DENIED

Signature: ______________________ of the Architectural Committee. Date: __________

Comments/Conditions of Approval: ______________________________

Reason for Denial: ______________________________

If you have any questions, please contact your Management Representative:
StoneKastle Community Management
22722 Old Canal Rd., Unit B, Yorba Linda, CA 92887
(714) 395-5245

# KERRIGAN RANCH II COMMUNITY ASSOCIATION
# NOTICE OF COMPLETION

**To be submitted once all construction has been completed or within 6 months from the date a complete application was received and approved.**
**The NOC should be accompanied by Before and After Photos of the improvements.**

Notice is hereby given that: ______________________________________________

The undersigned is the Owner(s) of the property located at:

__________________________________      _________________________
(Street Address)      (Phone # - to schedule walk-thru)

The work of improvement on the described property was COMPLETED ON THE
______________ day of ________________ __________ in accordance with the
(date)      (month)      (year)

Design Review Committee's written approval of the above Owner's plans and submitted package and completion photos of the improved installation(s) are attached herewith.

______________________________
Signature of Owner

______________________________
Date

RETURN TO: Kerrigan Ranch II Community Association
c/o StoneKastle Community Management
22722 Old Canal Rd. Unit B
Yorba Linda, CA 92887
(714) 395-5245

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For DESIGN REVIEW COMMITTEE's Use Only:

Was the job completed within guidelines and without any violations?    Yes / No

If not, please explain: __________________________________________________

If so, Design Review Committee Members please sign and date:

_________________________________      ____________________
Design Review Committee Member      Date

_________________________________      ____________________
Design Review Committee Member      Date

# KERRIGAN RANCH II COMMUNITY ASSOCIATION

c/o StoneKastle Community Management, Inc.
22722 Old Canal Road, Unit B · Yorba Linda, CA 92887

October 2025

## ANNUAL NOTICE OF REQUEST FOR ADDRESS, REPRESENTATIVE, AND RENTAL STATUS

*Civil Code* Section 4041 requires each owner to provide written notice to the Kerrigan Ranch II Community Association ("Association") of the following information annually. Please provide the information in the form below and return the completed form to the Association at the address listed below within thirty (30) days. Note, you are not required to provide an e-mail address. If the information requested below is not provided, the property address of the owner's separate interest will be used for notices.

1. Name of member(s): ______________________________

2. Your property address within the Association:

| |
|---|
| |

**If you do not want to change your method of delivery for individual notices, you can SKIP TO OPTIONAL OPT-OUT OF SHARING OF INFORMATION section on this form**

3. If applicable, please provide indicate preferred method of delivery, IF DIFFERENT THAN YOUR PROPERTY ADDRESS:
*I hereby request all notices related to the Association NOT be sent to my property address, but rather one of the following:*

☐ Mailing Address: ______________________________

______________________________

☐ Email: Provide Address: ______________________________

☐ **Both** Mailing Address and Email provided above

4. Would you like to provide an alternate or secondary delivery method for receiving individual notices from the Association: ☐ **Yes** ☐ **No**

**If yes**, please provide the mailing or email address for alternate or secondary delivery of notices:

| |
|---|
| |

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

Please choose one:

- ☐ Legal representative
- ☐ Power of Attorney
- ☐ Contact person for extended absences

Name: ______________________________

Mailing Address:

______________________________

______________________________

Email Address:

______________________________

*If someone is authorized to act as a legal representative or is under a power of attorney for the property within the Association, please provide a copy of the applicable documentation to the address listed above so that the scope of the legal authority is known.*

6. Please check one of the following that applies to the property within the Association:

☐ Owner-occupied ☐ Developed, but vacant

☐ Rented ☐ Undeveloped

Changes and updates to the information provided above (or below) can be made by mailing the information to:

Kerrigan Ranch II Community Association
c/o StoneKastle Community Management, Inc.
22722 Old Canal Road, Unit B
Yorba Linda, CA 92887

Or by email to: info@stonekastle.com

## OPTIONAL OPT-OUT OF SHARING OF INFORMATION

The *California Civil Code* requires that the Association provide a member's e-mail and mailing address to other members upon request and for a valid purpose. This information may not be used for commercial purposes. If you do not want your name, email address, or mailing address to be disclosed to other members, you must "opt-out" in which case the Association will be required to provide an alternative means of allowing the members' communication to be provided to you. This may mean that members' communications are forwarded to you by the Association. The opt-out will remain in effect until changed by you.

I hereby **opt-out** of the sharing of the following information with other members of the Association:

- ☐ My name
- ☐ My Association property address
- ☐ My mailing address (if different from the Association property address)
- ☐ My e-mail address
- ☐ None of the above (all my information can be provided)