The Community Association of Bernardo Heights

DATE: November 12, 2026

TO: THE MEMBERSHIP — Community Association of Benardo Heights (CABH)

FROM: THE BOARD OF DIRECTORS

RE: ANNUAL POLICY STATEMENT & BUDGET FOR FISCAL YEAR BEGINNING: January 1, 2027

In compliance with California Civil Code, we are sending you a budget summary for the fiscal year beginning January 1, 2027, This report includes a copy of the annual budget, a letter from the CABH Board of Directors Treasurer which highlights a 5% increase to this year's budget. Included is the Reserve Funding Disclosure Summary per California Code § 5570, the CABH Deferred Maintenance Schedule and The Community Association of Benardo Heights FY: 2027 Sub-Association Allocation Schedule.

Also Included in this mailer is the Notice of Election, Call for Candidates Letter, & 2027 Election Meeting Dates.

In accordance with California Civil Code Section 5310, The Association's full Annual Budget Report includes the following documents. To obtain your copy of the **full** Annual Budget Report you may request one at the CABH onsite office, or you may download an electronic copy at www.bernardoheights.org

- 2027 Fiscal Year Budget
- CABH Sub Association 2027 Monthly Assessments Schedule
- Summary Pages of the Reserves Summary
- Reserve Assessment and Funding Disclosure Summary
- CABH Deferred Maintenance Disclosure
- The Association does not have an outstanding loan.
- Association's current Assessment and Billing Collection Policy
- Notice of Assessments and Foreclosure Policy
- Alternative Dispute Resolution
- Internal Dispute Resolution Procedure
- Architectural Submittal and Appeal Process
- FHA Certification Mandatory Disclosure Statement
- VA Certification Mandatory Disclosure Statement
- Civil Code § 5300(b)(12) Disclosure
- Discipline Policy
- Fine Schedule
- Summary of the Association's Insurance Coverage

To assist with the preparation of the budget, the Association retained the services of a professional reserve analyst to review the funding program for the Association and provide recommendations for future funding of the reserve accounts." A summary of the study is provided for your review and copies of the complete reserve study are available upon request. The board has determined that the Association's reserves will be funded in the upcoming fiscal year via regular assessments.

The CABH Board of Directors does not anticipate any special assessment will be required to replace unanticipated events, which may have an impact on assessments

ADDITIONAL DISCLOSURES

All owners have a right to obtain a copy of minutes of the Regular General Session Board of Directors Meetings. Minutes will be made available ay the CABH on site office for a fee and are available at The CASH website: www.bernardoheights.org

Official communication to the Association from any member should be sent to:

Frank Squires, General Manager
Community Association of Bernardo Heights
16150 Bernardo Heights Parkway
San Diego, CA. 92128
858-451-3580
Frank.Squires©associa.us

Civil Code allows General Notices to the membership to be posted in a prominent location that has been designated by the Association and that is accessible to all members. As such, please be advised that the Association has designated the Clubhouse bulletin board as the location for posting of General Notices.

Please be advised that the Association has also designated its Clubhouse bulletin board for the location where Pesticide Notifications will be posted for the Association. Please note the posting location is subject to change.

Thank you for your continued support of the Association. If you should have any questions regarding the enclosed information, please contact your General Manager, Frank Squires at Professional Community Management, an Associa Company 858-451-3580.

** Please note that Neither the board, nor management, are reserve study experts and must rely on third parties for information related to reserve funding and these disclosures.*

Sincerely,

Frank Squires
General Manager
For The Community Association of Bernardo Heights

Enclosures

COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS
2027 BUDGET SUMMARY
Fiscal Year January 1, 2027, through December 31, 2027

The financial responsibility of CABH is to maintain and improve the Community Center facilities, slopes, parkways, and parks, as well as manage a wide range of recreation programs within the Bernardo Heights community. The planned costs for 2027 and the corresponding income are recorded in the enclosed 2027 operating budget. The budget also includes funding to maintain adequate reserves to repair and replace all assets of CABH, as required by law. Our reserve study is updated annually with an on-site inspection every three years. The financial package includes the latest summary of our current reserve study.

It is our pleasure to report that our financial situation continues to be sound, and we are able to present a budget that will allow us to meet our objectives to maintain our facilities and properties, while keeping expenses and assessments as low as possible.

Our largest annual expense is maintaining the community slopes and parkways. The cost of landscape and tree maintenance, water & electricity, irrigation maintenance, and landscaping replenishment represents about 50% of the total operating budget. The anticipated water rate increase for 2027 is 14.5%. However, we continue to replace high volume water plants with more drought tolerant plants, in conjunction with changing regular sprinklers to a drip irrigation system. This greatly decreases our water usage. To date, we have received a total of $227,036 in rebates from SoCal for turf replacement. Our goal is to reduce water usage wherever possible and maintain an attractive community. We continue to work with our current landscape maintenance firms to ensure a competitive rate without affecting the quality of the work being performed.

For the past several years, we have been fortunate to have a full-time maintenance worker. This allows us to do more preventative maintenance and save money on many repairs that normally would have been contracted out. Our insurance rates have increased, but we strive to keep our facility premiums at a manageable rate. We continue to rely on competitive bidding for operational and reserve expenses, which has helped us to contain costs while securing quality contractors.

Our cell tower agreement with Vertical Bridge/Eco-Site is still in place and we are receiving monthly payments. The annual income for the Association is currently $70,488.

We have made every effort to maintain costs, whenever possible. However, to maintain our Reserve Account, our contribution will increase this coming year. In addition, due to rising costs, the total assessment amount will increase by about 5%. The actual dollar amount in fees depends on your sub association's acreage and number of units. The Board will continue to be diligent in the management of the CABH assets and keep costs down whenever possible.

We continue to work with Associa/PCM, our management company. Also, our on-site management team remains the same.

For specific details, the full budget can be viewed or downloaded from our CABH website, *www.bernardoheights.org* Once on the site, you will see a banner directing you on how to view the budget. Please be assured that our Management team, your elected Board members, and Committee volunteers continually strive to keep our Bernardo Heights community a place of pride and value for all residents.

On behalf of the Board of Directors
Debbie Kurth, CABH Treasurer

CABH BUDGET FY: 2027			
	2026	2027	2027
INCOME	**Budget**	**ANNUAL**	MONTHLY
Residential Assessments	2,381,128.18	2,500,184.59	208,348.72
Rebate Income			
Application Fees		70.00	5.83
Key Fees	1,800.00	1,800.00	150.00
Transfer Fees	22,000.00	25,000.00	2,083.33
Room Rental Fees	15,000.00	18,000.00	1,500.00
Tennis Rentals	480.00	1,000.00	83.33
Collection Processing Fees	100.00	360.00	30.00
NSF Service Fees		60.00	5.00
Late Fees & Interest	100.00	250.00	20.83
Antenna Income	67,480.80	70,488.00	5,874.00
Miscellaneous Income	18,000.00	25,000.00	2,083.33
Interest Earned - Operating Accounts	28,000.00	3,000.00	250.00
Interest Earned - Reserve Accounts			
TOTAL INCOME	**2,534,088.98**	**2.645,212.59**	**220.434.38**
EXPENSES			
Administrative			
General Administrative	15,000.00	15,000.00	1,250.00
Application/Processing	100.00	100.00	8.33
Dues & Subscriptions	1,000.00	750.00	62.50
Office Supplies	5,000.00	4,000.00	333.33
Records Storage	500.00	360.00	30.00
Reserve Studies	2,800.00	1,300.00	108.33
Education	600.00	500.00	41.67
Other Administrative Services	1,000.00	1,300.00	108.33
Miscellaneous Admin Expenses	1,500.00	1,000.00	83.33
Contingency	16,789.66	15,000.00	1,250.00
Communications			
Community Events	20,000.00	18,500.00	1,541.67
Printing & Copying	**10,000.00**	9,000.00	750.00
Postage	3,500.00	1,500.00	125.00
Newsletter Services	500.00	100.00	8.33
Payroll & Benefits			
Administrative Salaries	182,529.00	154,374.00	12,864.50
Maintenance Salaries	61,400.00	66,560.00	5,546.67
Recreation Salaries	103,000.00	163,361.51	13,613.46
Health Benefits	22,815.00	28,080.00	2,340.00
Payroll Taxes	38,110.00	40,553.00	3,379.42
Workers Compensation	18,000.00	20,000.00	1,666.67
Payroll Expense Other	29,355.00	31,685.00	2,640.42
Insurance			
Insurance Premiums	28,588.05	32,738.00	2,728.17
General Liability Insurance Premiums	53,576.00	56,750.00	4,729.17
Workers Comp Insurance Premiums	372.00	373.00	31.08
Utilities			
Electric Service	67,000.00	76,000.00	6,333.33

CABH BUDGET FY: 2027			
	2026	2027	2027
	Budget	**ANNUAL**	MONTHLY
Gas Service	36,000.00	40,000.00	3,333.33
Water Service	654,537.32	650,000.00	54,166.67
Trash and Recycling Service	7,920.00	9,000.00	750.00
Telephone Service	3,300.00	3,700.00	308.33
Landscaping			
Grounds & Landscaping - Contract	576,290.28	596,460.48	49,705.04
Landscape Repair & Maintenance	3,500.00	7,500.00	625.00
Tree Maintenance	97,849.68	100,784.47	8,398.71
Tree Removal	13,000.00	20,000.00	1,666.67
Landscape Other			
Irrigation Repair & Maintenance	15,000.00	10,000.00	833.33
Irrigation Other	12,500.00	11,142.00	928.50
Backflow Device Inspection	5,000.00	7,500.00	625.00
Property & Protection			
Safety & Security	9,000.00	9,000.00	750.00
Security System Repair & Maintenance	1,000.00	1,000.00	83.33
Operations			
Permits & Licenses	1,700.00	1,760.00	146.67
Uniforms	500.00	500.00	41.67
Contracted Services			
Janitorial Services	44,204.77	42,924.00	3,577.00
Pest Control	840.00	840.00	70.00
Pool Management	22,200.00	22,500.00	1,875.00
Repair & **Maintenance**			
Electrical Supplies/Repair & Maintenance	500.00	400.00	33.33
Equipment Rental/Repair & Maintenance	2,500.00	1,500.00	125.00
Fitness Equipment Repair & Maintenance	3,000.00	3,500.00	291.67
General Repair & Maintenance	20,000.00	20,000.00	1,666.67
HVAC Supplies/Repair & Maintenance	1,500.00	1,500.00	125.00
Janitorial Supplies & Maintenance	15,000.00	12,500.00	1,041.67
Pool Supplies/Repair & Maintenance	30,000.00	32,500.00	2,708.33
Recreation Supplies/Repair & Maintenance	1,500.00	500.00	41.67
Tennis Court Repair & Maintenance	2,500.00	2,000.00	166.67
Other Supplies/Repair & Maintenance	1,000.00	5,000.00	416.67
Professional Services			
Audit & Tax Services	2,200.00	2,300.00	191.67
Legal Services	16,500.00	8,000.00	666.67
Legal Services - Collections		600.00	

CABH BUDGET 2027			
	2026	2027	2027
	Budget		**MONTHLY**
Management Fees	30,552.00	31,464.00	2,622.00
Other Professional Services	1,280.00	3,000.00	250.00
Reimbursable Expenses			
Reimbursable Bank Service Fee			
Reimbursable Delinquency Processing			
Taxes			
Federal Income Tax	25,000.00	28,000.00	2,333.33
State Income Tax	15,000.00	13,000.00	1,083.33
Reserve Expenses			
Bank Fees/NSF	-	-	-
Irrigation Expenses	28,600.00	35,128.71	2,927.39
Landscape Expenses	9,102.00	11,416.27	951.36
Pools & Spas Expenses	29,647.00	34,224.48	2,852.04
Recreation Center Expenses	23,917.00	32,446.42	2,703.87
Signs Expenses	12,357.00	14,014.02	1,167.84
Tennis Court Expenses	2,691.00	3,627.25	302.27
Park Expenses	15,673.22	13,393.17	1,116.10
General Expenses	56,693.00	61,702.81	5,141.90
BUDGET SUMMARY			
Total Administrative/Communication	78,289.66	68,410.00	5,700.83
Total Payroll & Benefits	455,209.00	504,613.51	42,051.13
Total Insurance	82,536.05	89,861.00	7,488.42
Total Utilities	768,757.32	778,700.00	64,891.67
Total Landscaping	723,139.96	753,386.95	62,782.25
Total Property & Protection	10,000.00	10,000.00	833.33
Total Operations & Contracted Services	69,444.77	68,524.00	5,710.33
Total Repairs & Maintenance	77,500.00	79,400.00	6,616.67
Total Professional Services	50,532.00	45,364.00	3,780.33
Total Reimbursable Expenses	-		
Total Taxes	40,000.00	41,000.00	3,416.67
Total Reserve Expenses	178,680.22	205,953.13	17,162.76
TOTAL BUDGET SUMMARY	**2,534,088.98**	**2,645,212.59**	**220,434.38**

Community Association of Bernardo Heights
2027 Assessments

ALLOCATION SCHEDULE

ASSOCIATION	2026 MONTHLY ASSESSMENT	ACRES	UNITS	UNIT SLOPE	ASSOC. SLOPE	UNIT OTHER	ASSOC. OTHER	NEW UNIT	**2027 MONTHLY ASSESSMENT**	OVER PRIOR YEAR	% OVER PRIOR YEAR	PER UNIT/MO.
Bernardo Crest (Apartments)	7,843.76	16.73	144.00	14.48	2,084.91	42.83	6,168.20	57.31	**8,253.12**	409.35	5.22%	2.84
Bernardo Greens	7,711.32	12.34	154.00	9.99	1,537.83	42.83	6,596.55	52.82	**8,134.38**	423.06	5.49%	2.75
Bernardo Village	7,092.40	18.83	119.00	19.72	2,346.62	42.83	5,097.34	62.55	**7,443.95**	351.56	4.96%	2.95
Bernardo Vistas	4,300.35	13.12	67.00	24.40	1,635.03	42.83	2,869.93	67.24	**4,504.96**	204.61	4.76%	3.05
Chateau Bernardo	5,652.97	16.28	91.00	22.29	2,028.83	42.83	3,897.96	65.13	**5,926.80**	273.82	4.84%	3.01
Fairway Heights (N)	4,050.21	11.73	65.00	22.49	1,461.81	42.83	2,784.26	65.32	**4,246.07**	195.86	4.84%	3.01
Fairway Heights (S)	2,483.02	6.15	43.00	17.82	766.42	42.83	1,841.89	60.66	**2,608.31**	125.30	5.05%	2.91
Fairway Pointe	6,503.86	26.23	82.00	39.86	3,268.81	42.83	3,512.45	82.70	**6,781.26**	277.40	4.27%	3.38
Fairway Vistas	2,844.40	6.80	50.00	16.95	847.42	42.83	2,141.74	59.78	**2,989.16**	144.76	5.09%	2.90
La Serena	6,240.95	12.51	117.00	13.32	1,559.01	42.83	5,011.67	56.16	**6,570.68**	329.73	5.28%	2.82
Ladera Bernardo	3,483.82	10.06	56.00	22.39	1,253.69	42.83	2,398.75	65.22	**3,652.44**	168.62	4.84%	3.01
Las Brisas Condos	11,548.86	33.23	186.00	22.26	4,141.16	42.83	7,967.26	65.10	**12,108.43**	559.56	4.85%	3.01
Las Brisas Homes	6,548.48	21.97	96.00	28.52	2,737.93	42.83	4,112.14	71.35	**6,850.06**	301.59	4.61%	3.14
Las Floras Condos	8,744.20	22.13	150.00	18.39	2,757.87	42.83	6,425.21	61.22	**9,183.08**	438.88	5.02%	2.93
Las Floras Homes	9,133.40	32.59	128.00	31.73	4,061.41	42.83	5,482.85	74.56	**9,544.25**	410.86	4.50%	3.21
Lomas Bernardo	4,047.25	7.08	79.00	11.17	882.32	42.83	3,383.95	54.00	**4,266.26**	219.01	5.41%	2.77
Los Rios	7,670.98	20.60	128.00	20.06	2,567.20	42.83	5,482.85	62.89	**8,050.05**	379.06	4.94%	2.96
Masters Hill	12,275.27	26.63	224.00	14.82	3,318.66	42.83	9,594.98	57.65	**12,913.65**	638.38	5.20%	2.85
Mira La Paz	9,579.73	20.72	175.00	14.76	2,582.15	42.83	7,496.08	57.59	**10,078.23**	498.51	5.20%	2.85
Palazzo Bernardo	2,907.87	6.99	51.00	17.08	871.10	42.83	2,184.57	59.92	**3,055.67**	147.80	5.08%	2.90
Parview Estates	5,880.39	14.51	102.00	17.73	1,808.25	42.83	4,369.14	60.56	**6,177.40**	297.01	5.05%	2.91
Silvergate	6,701.58	11.00	133.00	10.31	1,370.83	42.83	5,697.02	53.14	**7,067.86**	366.28	5.47%	2.75
St. Andrews	3,105.46	8.61	51.00	21.04	1,072.99	42.83	2,184.57	63.87	**3,257.56**	152.10	4.90%	2.98
Summers on the Green	8,097.67	25.42	124.00	25.55	3,167.87	42.83	5,311.51	68.38	**8,479.38**	381.71	4.71%	3.08
The Overlook (Apartments)	10,913.89	16.79	220.00	9.51	2,092.39	42.83	9,423.65	52.35	**11,516.04**	602.14	5.52%	2.74
The Villas at Diamonte Blanca	5,015.59	15.68	77.00	25.38	1,954.06	42.83	3,298.28	68.21	**5,252.34**	236.75	4.72%	3.07
Tierra Del Sol	7,142.76	16.93	126.00	16.74	2,109.84	42.83	5,397.18	59.58	**7,507.02**	364.26	5.10%	2.89
Villa Ladera	4,499.36	13.43	71.00	23.57	1,673.66	42.83	3,041.27	66.41	**4,714.93**	215.57	4.79%	3.04
Villa Venusto	1,927.50	5.23	32.00	20.37	651.77	42.83	1,370.71	63.20	**2,022.48**	94.98	4.93%	2.97
Vista de Bernardo	5,324.37	16.89	81.00	25.99	2,104.85	42.83	3,469.62	68.82	**5,574.47**	250.10	4.70%	3.09
Woodcrest Heights	9,155.69	22.53	159.00	17.66	2,807.72	42.83	6,810.73	60.49	**9,618.44**	462.75	5.05%	2.91
TOTAL	198,427.35	509.74	3381		63,524.41		144,824.30		**208,348.72**	9,921.37		
AVERAGE/ASSOC.	6,614.24	16.99	112.70		2,117.48		4,827.48		**6,944.96**			
AVERAGE/UNIT	58.69	0.15			18.79		42.83		**61.62**			
TOTAL ANNUAL ASSESSMENT	2,381,128.18								**2,500,184.59**			

Reserve Summary

(As required by California Civil Code Section 5565)

COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS

SCT Reserve Consultants, Inc. is pleased to provide this Level II Reserve Study (Site Visit Update Report). In order to comply with the California Civil Code, specifically the Davis-Stirling Common Interest Development Act, Section 5565, we are providing the following information to the Homeowners within COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS.

The following study has been prepared with several assumed factors taken into account: a 3.00% inflation rate; a 2.00% return on investment (interest earned); taxes on interest earned is paid for through the operating fund; an estimated remaining life of each reserve component; and an estimated current replacement cost of each reserve component.

As of December 31, 2026, the estimated ending reserve fund balance is $1,634,000 and the estimated current replacement cost is $4,771,849 for the portfolio of reserve components. The projected future replacement cost of the portfolio is $7,342,445, calculated at an annually compounded inflation rate of 3.00%. The Association's level of funding which is based upon the estimated ending reserve fund balance divided by the reserve components' fully funded amount is 56.78%. This is referred to as Percent Funded. The Association would be 100.00% funded if there were $2,877,616.59 in the reserve fund.

The current deficiency *(or surplus if the number is in parenthesis)* in reserve funding expressed on a per unit basis is $356.54. This is calculated by subtracting the ending balance ($1,634,000) from the 100% funded figure ($2,877,616.59), then divided by the number of ownership interests (3488). There is currently no requirement to be fully funded.

Our original analysis of the cash flow for this association indicated future inadequate funding if there were no annual increases to the Reserves. It is our understanding the Board of Directors will allocate a monthly amount of $17,162.76 starting in 2027 ($4.92 per unit per month for each of the 3488 ownership interests) towards the reserve fund. To offset the over/under cash results of the report, we recommend and have included changes of 10.00% starting in 2028 for 12 years, 4.31% starting in 2040 for 1 year and 3.00% starting in 2041 for 16 years. The change is scheduled to take effect in the year 2028. The Board of Directors may change the amount; however, it will impact the level of funding on reserves. These numbers, by themselves, are not a clear indicator of financial strength and could indicate underfunding, overfunding, or adequate funding.

The following table represents additionally required information pursuant to the Davis-Stirling Common Interest Development Act, Section 5565.

Fiscal Year: January 1, 2027 through December 31, 2027

Category	Range of Full Useful Life	Range of Remaining Useful Life	Current Replacement Cost	Fund Balance on Jan 01, 2027	Reserve Allocation	Additional Revenue	Interest
Community Center, Clubhouse	4 to 50	0 to 23	$799,190	$257,328	$32,434	$0	$3,986
Community Center, Courts	10 to 50	0 to 48	$138,120	$28,079	$3,539	$0	$435
Community Center, Pools/Spa/Wader	4 to 40	0 to 18	$764,259	$271,666	$34,241	$0	$4,208
Community Center, Site	1 to 50	0 to 46	$1,360,399	$489,846	$61,741	$0	$7,588
Lucido Park	4 to 50	0 to 30	$480,917	$98,725	$12,443	$0	$1,529
Site, Irrigation	1 to 30	0 to 12	$574,350	$280,525	$35,358	$0	$4,346
Site, Landscape	1 to 20	0 to 17	$260,500	$92,271	$11,630	$0	$1,429
Site, Signage	10 to 50	1 to 41	$347,000	$108,494	$13,675	$0	$1,681
Utilities (SB900)	50 to 65	9 to 19	$0	$0	$0	$0	$0
View Point Park	4 to 28	1 to 22	$47,115	$7,065	$890	$0	$109
Totals:			**$4,771,849**	**$1,634,000**	**$205,953**	**$0**	**$25,312**

The complete reserve study is available by request from the Association.

Assessment and Reserve Funding Disclosure Summary
For the Fiscal Year Ending December 31, 2027

(As illustrated by California Civil Code Section 5570(a))

(1) The regular assessment per ownership interest is $_____ per month, *of which approximately **$4.92** is allocated to reserves, monthly.*

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. ***NOT APPLICABLE***

(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: ***SEE ANSWER BELOW TO QUESTION #4 WHICH SUGGESTS THERE WILL BE INCREASES IN REGULAR ASSESSMENTS FOR RESERVE FUNDING.***

Date assessment will be due:	Amount per ownership interest per month for one year:	Purpose of the assessment:
(Intentionally left blank)	***(Intentionally left blank)***	***(Intentionally left blank)***

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the following page of the attached summary. ***NOT APPLICABLE***

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Yes X **No** X

Yes, if the Association follows the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

No, if the Association does not follow the recommended future reserve contribution increases as outlined in the reserve study and disclosed in the table of question (4) with consideration to the note below*.

**Note: The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information provided by and supplied to the Association's Board of Directors and/or management. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the data of this disclosure summary. Therefore, the actual replacement cost and remaining life may vary from the reserve study and the variation may be significant. Additionally, inflation and other economic events may impact the reserve study, particularly over a thirty (30) year period of time which could impact the accuracy of the reserve study and the funds available to meet the association's obligation for repair and/or replacement of major components during the next thirty (30) years. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God cannot be accounted for and are excluded when assessing life expectancy of the components. The reserve study only includes items that the Association has a clear and express responsibility to maintain, pursuant to the Association's CC&Rs.*

(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(s) will be due (see **Funding Plan** column, next page):	Amount per ownership interest per month:
10.00% starting in 2028 for 12 years, 4.31% starting in 2040 for 1 year and 3.00% starting in 2041 for 16 years	**(Current amount) X (the increases)**

(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 5550, the estimated amount required in the reserve fund at the end of the current fiscal year is ***$2,793,886.63***, as of ***December 31, 2027***, based in whole or in part on the last reserve study or update prepared by ***SCT RESERVE CONSULTANTS, INC.*** The projected reserve fund cash balance at the end of the current fiscal year is ***$1,361,475.12***, resulting in reserves being ***48.73%*** percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required amount is ***$503,790***. (See explanation below).

Explanation: *Cash Flow Methodology - a method of developing a reserve funding plan where contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*

Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending December 31, 2027

(continued)

7) **See below: 30-Year Reserve Funding Plan Table**...Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5550 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is $*(see "100% Funded" column below)*, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is $*(see "Cash Flow" column below)*, leaving the reserve at *(see "Percent Funded" column below)* percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be $*(see "Cash Flow" column below)*, leaving the reserve at *(see "Percent Funded" column below)* percent funding. 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. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was **2.00%** per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was **3.00%** per year.

30-Year Reserve Funding Plan Table

	End of Year			Revenue			Expenditures
Year	100% Funded	Cash Flow	Percent Funded	Contribution, Interest	Contribution Unit/Month	Funding Plan	Components, Taxes, Deferred Exp
2026	$2,877,617	$1,634,000	56.78%				
2027	$2,793,887	$1,361,475	48.73%	$231,265	$4.92	0.00%	$503,790
2028	$2,610,575	$997,830	38.22%	$244,548	$5.41	10.00%	$608,193
2029	$2,827,761	$1,040,854	36.81%	$267,510	$5.95	10.00%	$224,486
2030	$3,064,655	$1,111,985	36.28%	$293,589	$6.55	10.00%	$222,457
2031	$3,226,305	$1,119,425	34.70%	$320,952	$7.20	10.00%	$313,512
2032	$3,456,203	$1,208,556	34.97%	$352,528	$7.92	10.00%	$263,397
2033	$3,609,175	$1,238,028	34.30%	$386,028	$8.72	10.00%	$356,556
2034	$3,808,258	$1,333,673	35.02%	$424,021	$9.59	10.00%	$328,376
2035	$3,571,279	$1,021,589	28.61%	$457,950	$10.55	10.00%	$770,033
2036	$3,553,046	$958,197	26.97%	$500,234	$11.60	10.00%	$563,626
2037	$3,521,208	$916,140	26.02%	$547,504	$12.76	10.00%	$589,561
2038	$3,615,991	$1,039,527	28.75%	$602,742	$14.04	10.00%	$479,355
2039	$3,749,647	$1,246,074	33.23%	$664,989	$15.44	10.00%	$458,441
2040	$3,642,454	$1,227,841	33.71%	$692,420	$16.11	4.31%	$710,653
2041	$3,478,935	$1,161,899	33.40%	$711,197	$16.59	3.00%	$777,138
2042	$3,786,813	$1,571,376	41.50%	$739,553	$17.09	3.00%	$330,076
2043	$4,065,394	$1,956,521	48.13%	$768,463	$17.60	3.00%	$383,318
2044	$3,950,350	$1,957,325	49.55%	$790,700	$18.13	3.00%	$789,896
2045	$4,161,997	$2,290,745	55.04%	$819,584	$18.67	3.00%	$486,164
2046	$4,545,207	$2,800,450	61.61%	$852,765	$19.23	3.00%	$343,060
2047	$4,584,986	$2,975,424	64.89%	$880,440	$19.81	3.00%	$705,467
2048	$4,400,795	$2,937,518	66.75%	$904,517	$20.41	3.00%	$942,422
2049	$4,787,676	$3,476,090	72.60%	$940,091	$21.02	3.00%	$401,519
2050	$5,251,221	$4,096,727	78.01%	$978,464	$21.65	3.00%	$357,827
2051	$4,842,355	$3,859,768	79.71%	$1,001,421	$22.30	3.00%	$1,238,381
2052	$4,888,544	$4,087,733	83.62%	$1,033,292	$22.97	3.00%	$805,327
2053	$5,291,525	$4,679,471	88.43%	$1,073,283	$23.66	3.00%	$481,545
2054	$5,824,357	$5,407,361	92.84%	$1,117,016	$24.37	3.00%	$389,125
2055	$6,130,992	$5,918,167	96.53%	$1,157,628	$25.10	3.00%	$646,823
2056	$6,447,819	$6,448,398	100.01%	$1,199,337	$25.85	3.00%	$669,106
			30-Year Sum:	**$20,954,030**			**$16,139,632**

The Community Association of Bernardo Heights

2026 DEFERRED MAINTENANCE DISCLOSURE

Civil Code requires the board to disclose any reserve components that have not been completed in accordance with last year's reserve analyst recommendations. The following major components were identified to be repaired or replaced, but the Association did not do so for reasons noted:

Component	***Reason for Deferral of Repairs***
Access System	Repairs as needed
Fitness equipment	Two treadmills replaced
HVAC	Repairs completed on an as-needed basis
Flooring vinyl	Rep-laced with wood flooring
Kitchen appliances	Good working condition
Restrooms components	God working condition
Painting Wood & Metal	Repairs completed on an as-needed basis
Restriping Pool Furniture	Good working condition
V-Ditches	Repair/replacement as needed
Roof Restrooms	Good working condition
Office Equipment	Replacement as needed.
Electronics TV	Replacement as needed.
Termite Treatment	Wood replaced on as needed basis
Tennis Courts	Resurfaced 7-2026
Termite Treatment	Wood replaced as needed.
Utility/Plumbing Lines	Repaired/replaced as needed.
Window Coverings	Good working order
Deck Mastic	Repairs to be scheduled,
Community Center Pools	Replace as needed
LP Park walkway	Repairs to be scheduled.
Upper pool chlorinator	Good working order.
Spa Light	Replaced
Wader pool resurface	To be scheduled.
Barbecue Grills	Good working order.
Furniture Umbrellas	Replaced as needed.
Furniture Picnic Tables	Replaced repaired as needed.

Landscape Renovation	On going in conjunction with turf rebate program.
Playground Mulch	Completed/ along with new playground equipment

THE COMMUNITY ASSOCIATION AT BERNARDO HEIGHTS

Assessment and Billing Collection Policy

Approved: 02/25/2026 Adopted: 03/25/2026

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&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined herein 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 California Civil Code, the following are the Association's assessment practices and policies:

1. Assessments are billed monthly and are due and payable on the first day of each month. A courtesy billing statement is sent monthly 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 the receipt of a statement.** 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.

2. Assessments, late charges, interest, and collection costs, including any attorney fees, are the personal obligation of the owner(s) of the property at the time the assessment or other sums are levied, *per Civil Code Sections 5650(a) & 5660.*

3. 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 10%, whichever is greater*** for each delinquent assessment per unit. Additionally, a reminder "Notice of Past Due Assessment" will be prepared and mailed immediately following the past due date. A charge for the late letter will be made against the delinquent account. Additionally, an ***interest charge at the rate of 12% per annum*** will be assessed against any outstanding balance, including delinquent assessments, late charges, and cost of collection which may include attorney 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. If the assessment remains unpaid for 45 days after its original due date, a final reminder "Notice of Past Due Assessment" will be mailed.

4. 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 attorney's fees, unless the owner(s) and the Association enter into an agreement providing for payments to be applied in a different manner.

5. If an assessment is not received within sixty days after the assessment becomes delinquent, the Association or its designee, will send a ***"Demand Letter"*** to the owner(s) as required by *Civil Code Sections 5650(a) & 5660,* by certified and first-class mail, to the mailing address of record advising of the delinquent status of the account and that the account will be turned over to an attorney if not paid within 30 days. Owners have the right to request that the Association participate in some form of internal dispute resolution process ("IDR") and the right to request alternative dispute resolution ("ADR"). The owner will be charged a fee for the Demand Letter. Notwithstanding the provisions of this paragraph, the Association may (i) send a Demand 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 Demand Letter immediately if any special assessment becomes delinquent.

6. If any owner(s) fail(s) to pay the amounts set forth in the Demand Letter and fails to request IDR and ADR within ***thirty (30) days*** of the date of that letter, a ***Legal Package*** will be prepared for the attorney and will include the amount of any delinquent assessments, late charges, interest and/or costs of collection including attorneys' fees may be assessed against the property. The owner(s) will be charged for the fees and costs for the preparation for Legal Package.

7. Pursuant to the Association's Bylaws, the Board may suspend the membership rights and privileges of an owner during the period of time such owner is delinquent in the payment of assessments, as well as the collection costs, late charges, interest, and attorney's fees imposed in connection with the assessment delinquency. Such suspension shall be imposed following the applicable notice and hearing requirements under California law.

8. Any owner(s) who rents the property in question to a third party may be subject to the "assignment of rents" process through the judicial system wherein the Association collects the rents until the debt is repaid.

9. If there is a failure to bring the account current within the parameters specified in California Civil Code, the Board of Directors may resolve to foreclose on the property via the judicial or non-judicial foreclosure process.

10. All owners are entitled to inspect the Association's accounting books and records to verify the amounts owed on their property pursuant to *Corporations Code Section 8333*.

11. In the event it is determined that the owner(s) paid the assessments on time, the owner(s) will not be liable to pay the charges, interest, and costs of collection associated with the collection of those assessments.

12. Owner(s) unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. Owner(s) may also request to meet with the Board in executive session to discuss a payment plan. The owner may submit a written request to meet with the Board to discuss a payment plan after receiving the Demand Letter. The board "shall" meet with owners in executive session. The meeting must occur within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner (*Civil Code Section 5650(b).*The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests. If the Board agrees to accept a payment plan, a fee will be charged to the owner(s) to administer and monitor the payment plan.

13. Nothing herein limits or otherwise affects the Association's rights to proceed in any lawful manner to collect any delinquent sums owed to the Association.

14. Prior to the release of any lien, or dismissal of any legal action, all assessments, late charges, interest, and legal fees must be paid in full to the Association. Owner shall be responsible for all fees associated with releasing the lien.

15. The delinquent owner(s) will be responsible for all costs of collection, including attorneys' fees, incurred by the Association to collect any delinquent sums *Civil Code Section 5650(b)*.

16. If an owner pays under protest, the owner can **at the same time** pursue dispute resolution AND commence an action in small claims court (amount at issue must not exceed jurisdictional monetary limit), *per Civil Code Section 5658*.

Additional Provisions to Conform to Law

Prior to the recording of a lien, owners that are delinquent will be sent a Demand Letter. The Demand Letter will include an offer by the association to engage in internal dispute resolution upon receipt of a written request within thirty (30) days of the Demand Letter, pursuant to the association's meet and confer program required by *Civil Code Section 5900, et seq*.

Prior to recording of a lien, the Board of Directors will approve the recording of the lien in general session at a regular or special board meeting.

The association may not foreclose unless delinquent assessments are greater than $1,800 or greater than one year in arrears.

Prior to commencing foreclosure, the association will offer to engage in internal dispute resolution upon receipt of a written request within thirty (30) days of the offer of such internal dispute resolution, pursuant to the association's meet and confer program required by *Civil Code Section 5900*, et seq. and will also offer to engage in formal alternative dispute resolution with a neutral third party pursuant to *Civil Code Section 5925*, et seq.

Prior to commencement of foreclosure, the Board of Directors will approve the foreclosure in executive session and note the approval in the following general minutes of the Association using the assessor's parcel number.

All completed foreclosures shall be subject to a ninety (90) day right of redemption.

IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION

1. All owners are entitled to inspect the Association's accounting books and records to verify their amounts owed pursuant to Corporations Code Section 8333.

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

3. Any owner who is unable to pay assessments will be entitled to make a written request for a payment plan to be considered by the Board of Directors. The owner may submit a written request to meet with the Board to discuss a payment plan after receiving the Demand Letter. The board "shall" meet with owners in executive session. The meeting must occur within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner (*Civil Code Section 5650(b)*). The Board will consider payment plan requests on a case-by-case basis and is under no obligation to grant payment plan requests.

4. An owner is entitled 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 in Article 2 (commencing with Section 5900) of Chapter 10.

5. Prior to initiating foreclosure against the owner's separate interest, the owner is entitled to submit a written request for alternative dispute resolution with a neutral third party pursuant to Article 3 (commencing with Section 5925) of Chapter 10, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

6. Statements will be mailed from Management as a courtesy **AND MAY NOT REFLECT** the collection costs, attorneys' fees or other charges, or payments received by the collection service.

7. 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.

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

9. The mailing address for payments of assessments by overnight delivery is:

Pro Branch Delinquency Department
27051 TOWNE CENTRE DRIVE, SUITE 200
FOOTHILL RANCH, CA 92610

Please note that should an account be referred to a collection service, the collection service will provide the new address for overnight payments.

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 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.)

SUMMARY REQUIRED BY CIVIL CODE §5920 - INTERNAL DISPUTE RESOLUTION AND SUMMARY REQUIRED BY CIVIL CODE §5965 (a) - ALTERNATIVE DISPUTE RE SOLUTION

Pursuant to the requirements of California *Civil Code* §5920, the Association hereby provides you with notice and a summary of the following Internal Dispute Resolution ("IDR") and Alternative Dispute Resolution ("ADR") procedures, as stated in California *Civil Code* §5915 as follows:

INTERNAL DISPUTE RESOLUTION:

Either party to a dispute within the scope of *Civil Code* §5900- §5920 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 the Association may refuse a request to meet and confer. The Association may not refuse a request to meet and confer.
3. The Association's Board of Directors shall designate a member of the Board 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.

An agreement reached under those sections 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 Association.
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.

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

ALTERNATIVE DISPUTE RESOLUTION:

Under certain circumstances, all California community associations and their individual members are to offer to participate in some form of Alternative Dispute Resolution ("ADR") prior to initiating certain types of lawsuits pursuant to California *Civil Code* §5965.

Please be advised that *Civil Code* §5915 and §5965 could be subject to different interpretations, as the statutory language has not yet been interpreted by any court. Each homeowner should consult with his/her own attorney regarding appropriate compliance with the statute.

I. SCOPE OF STATUTE:

Civil Code §5925 (a) defines "Alternative Dispute Resolution" as mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision- making process. The form of ADR chosen may be binding or non-binding with the voluntary consent of the parties. *Civil Code* §5925 (b) defines "Enforcement Action" as a civil action or proceeding, other than a cross-complaint, filed by either individual homeowners or community associations, for any of the following purposes:

A. Enforcement of the Davis-Stirling Common Interest Development Act, *Civil Code* §4000, *et seq.*

B. Enforcement of the California Nonprofit Mutual Benefit Corporation Law (commencing with §7110 of the *Corporations Code).*

C. Enforcement of the governing documents of the common interest development.

The Association or an owner or member of the Association may not file an Enforcement Action in the superior court unless the parties have endeavored to submit their dispute to ADR pursuant to Civil Code §5925.

Civil Code §5925 only applies to an Enforcement Action that is solely for declaratory relief, injunctive relief, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of five thousand dollars ($5,000). This does not apply to a small claims action and except as otherwise provided by law, this does not apply to an assessment dispute.

II. COMPLIANCE PROCEDURES:

The ADR process is initiated by one party serving all other parties with a "Request for Resolution," which shall include all of the following:

A. A brief description of the dispute between the parties.

A. A request for alternative dispute resolution.

B. 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.

B. If the party on whom the request is served is the owner of a separate interest, a copy of *Civil Code §5925* -§5965.

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.

The party on whom a Request for Resolution is served has 30 days following service to accept or reject the Request. If the party does not accept the Request within that period, the Request is deemed rejected by that party. If the party, on whom a Request for Resolution is served, accepts the Request, the parties shall complete the ADR within 90 days after the party initiating the Request received the acceptance, unless this time period is extended by written stipulation signed by both parties. The costs of the Alternative Dispute Resolution shall be borne by the parties.

Statements, negotiations and documents made or created at, or in connection with, ADR (except for arbitration) are confidential.

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:

C. The period provided in *Civil Code* §5935 for response to a Request for Resolution.

D. If the Request for Resolution is accepted, the period provided by *Civil Code* §5940 for completion of ADR, including any extension of time stipulated to by the parties pursuant to §5940.

Pursuant to *Civil Code* §5950 (a), at the time of commencement of an Enforcement Action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions is satisfied:

E. ADR has been completed in compliance with this *Civil Code* §5925, *et seq.*
F. One of the other parties to the dispute did not accept the terms offered for ADR.
G. Preliminary or temporary injunctive relief is necessary.

Failure to file a certificate pursuant to *Civil Code* §5950 (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 (a) provides that after an Enforcement Action is commenced, on written stipulation of the parties, the matter may be referred to ADR. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of 68603 of the *Government Code.*

III. FAILURE TO PARTICIPATE IN SOME FORM OF ADR: In an Enforcement Action, in which fees and costs may be awarded pursuant to *Civil Code* §5975 (c), the court, in determining the amount of an award of attorney's fees and costs, may consider whether a party's refusal to participate in ADR before commencement of the action was reasonable.

In accordance with California *Civil Code* §5965, the Board of Directors of the Association hereby advises you of the following:

Failure by a member of the Association to comply with the alternative dispute resolution requirements of §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 of the applicable law.

1. NO EFFECT ON VOLUNTARY PARTICIPATION IN ADR:
The parties may still agree, in writing, to refer any dispute involving enforcement of the Association's Governing Documents, California *Corporations Code* §7110, *et seq.*, or the Davis-Stirling Common Interest Development Act, *Civil Code* §4000, *et seq.* to some form of IDR/ADR, even in those disputes which may be technically outside of the IDR/ADR statutes.

Designated Recipient for Resolution:
Frank Squires, General Manager
16150 Bernardo Heights Parkway
San Diego, CA 92128
Frank.Squires@associa.us
(858) 451-3580

THE COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS

APPLICATION FOR HOME IMPROVEMENT

- **Application approval is required for all exterior changes and improvements before any work is performed.**
- **Pictures, plans and color samples of the project are required with the application.**
- **Please complete all sections of this application**

Date: _____

Applicant Phone Number: _____ **Applicant Email:** _____

Homeowner Name; _____

Homeowner Address: _____

Name of Neighborhood Association: _____

I would like to be notified by: (check that apply) Mail: ____ **Email:** _____

Description of Proposed Improvements: Do not use "See Attached." Attach a copy of the plans/sketches/diagrams, including an elevation drawing, showing type of construction, measurements, and location of improvement (if applicable). Also include a list of materials to be used. Provide a current photo of your property with this application before work commences. (refer to the attached "Process & Instructions" sheet)

_____

_____

_____

_____

NOTICE TO OWNERS: Your improvement may require a permit from the City/County Building Department. No work shall be done which may change the existing drainage patterns. Neighbor notification is required for all applications prior to submitting them to your Neighborhood Architectural Committee. OBTAIN THREE signatures of adjacent neighbors indicating improvement plans are acknowledged.

Last Name	Address	Signature

NEIGHBORHOOD STAMP	CABH STAMP

THE COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS

APPLICATION FOR HOME IMPROVEMENT

Proper Disposal of Construction Waste/Trash

All construction debris or trash is to be removed or collected and placed in the dumpster or waste receptacle at the close of each workday. Please mark the sections that apply to your project.

I am planning to use a dumpster or other trash receptacle to remove the construction debris and the dumpster will be removed within 30 days of the start of the project.

I plan to have the trash removed from my property daily.

I do not anticipate any trash or debris from this project.

This project will only create a minimal amount of trash which will be taken away by the contractor each day.

Some debris, not in dumpster, may accumulate on-site but must be removed within 48 hours.

Location: _____ _____
_____ _____

Temporary Restroom

If you plan to use a portable restroom on your site, it must be serviced at least two times per week. Please mark the sections that apply to your project.

I am planning to use a portable restroom for my project.

I plan to have the restroom serviced at least two times per week.

My construction crew will use the restroom in my home during construction.

This project is of short duration and will not require a portable restroom.

My contractor plans to use public restroom facilities.

Location: _____ ___

Temporary Storage Containers

I am planning to use a Temporary Storage Container for my project for no more than 30 days.
The storage container will be placed on the:

- **Driveway**
- **Street**
- **Yard**

I will assume the responsibility for any work under the above proposed improvements that I or my contractors accomplish which may in the future adversely affect the common area. I assume responsibility for all future maintenance of this addition or improvements.

Homeowner Signature: _____ **Date:** _____

The Community Association of Bernardo Heights (CABH)

APPLICATION FOR HOME IMPROVEMENT PROCESS & INSTRUCTIONS

For all residential and landscape improvements that are not Like, Kind in Quality (LKQ,) these steps must be followed when filling out and submitting the CABH APPLICATION FOR HOME IMPROVEMENT. Please note that all exterior alterations are to follow your neighborhood association guidelines. "When neighborhood association guidelines are more restrictive than the CABH guidelines, the neighborhood guidelines take precedence." CABH Architectural Guidelines, Section I-E, page 7.4 (attached)

Step 1: Obtain a copy of the current form of "Application for Home Improvement" (outdated forms will not be accepted). The form is available on the CABH Website. Bernardoheights.org

Step 2: Complete the form entirely. Be clear and descriptive of what the improvement entails. For any questions regarding the application, please see the front desk or call (858) 451-3580. When describing the proposed improvements, attach plans, concepts, diagrams, or measurement (if applicable) to the application. Furthermore, if the improvement regards:

Landscaping: include a colored diagram of the proposed changes and write down dimensions of the desired landscape. If you are installing artificial grass, include the dimensions of the area it will cover.

Windows/Doors: indicate if it is a *partial* or *complete* window/door improvement (not LKQ replacements but new architecture) will be performed. Include pictures of the type of window/door and the color with the application. Take a picture of the windows/doors you plan to replace.

Painting: indicate *what paint color* will be used and *where it will placed* such as trim or stucco. Include swatches of the paint color with your application. (Note: check with your HOA for their list of approved color swatches.) If LKQ painting, no need to submit an ARCH application to CABH.

Step 3: (1st Level Approval) Send your entire application to your local neighborhood's management company, or *whoever* oversees Architectural Approval in your community.

Step 4: (2nd level Approval) Upon 1St level approval, the local neighborhood's management company (or ARC Committee Chairperson) will stamp inside the box, "Neighborhood Stamp." The application will be submitted to the CABH Architectural Committee for the second level of approval.

Step 5: Upon approval from the CABH Architectural Committee, the homeowner will receive an *Approval Letter* within 72 hours of the approval, indicating the application has been approved and work can now commence. *A* NOTICE OF COMPLETION DOCUMENT *CONFIRMING THE WORK IS COMPLETED IS NO LONGER REQUIRED TO SUBMIT TO THE CABH ARCHITECTURAL COMMITTEE. OWNERS SHOULD CHECK WITH THEIR HOA MANAGEMENT COMPANY TO SEE* IF IT *IS REQUIRED* BY THEM.

For any questions, please call (858) 451-3580 regarding the home improvement process.

landscaped "green belts". Removal of trees and additions of non-compatible improvements may have a damaging effect on visual quality.

4. Each neighborhood within Bernardo Heights has individual characteristics and the proposed alteration should be complementary to existing structures and improvements. To that end, the Neighborhood Association Architectural Committees are also required to submit an application to the CABH Architectural Committee for architectural improvements such as the change of neighborhood color palates and modifications to entry•/exit monuments.

D. CABH ARCHITECTURAL COMMITTEE APPROVAL

Article VIII, Paragraph 8.1 (Community Architectural Control) of the CC&Rs explicitly states that all proposed changes or alterations to the exterior of one's property require the approval of the CABH Architectural Committee. Further, once a plan is approved, it must be abided by, or a modification must be approved in accordance with Article VIII, Paragraph 8.9 (Proceeding with Work) of the CC&Rs.

It is important to recognize that the requirement for CABH Architectural Committee approval encompasses major home alterations such as adding a room or a deck, and such items as changes in color, landscaping, and materials. Approval is also required when an existing item or feature is planned to be removed.

The architectural process requires the homeowner to submit three (3) copies of an "Application for Home Improvements" in its entirety including the application itself, plans, drawings, and supporting documentation including pictures and vendor brochures if applicable. The application form must include neighbor's notification signatures, and the approval of the Neighborhood Association Architectural Committee (stamp and signature). Please refer to Appendix B for a copy of the "CABH Application for Home Improvements" form.

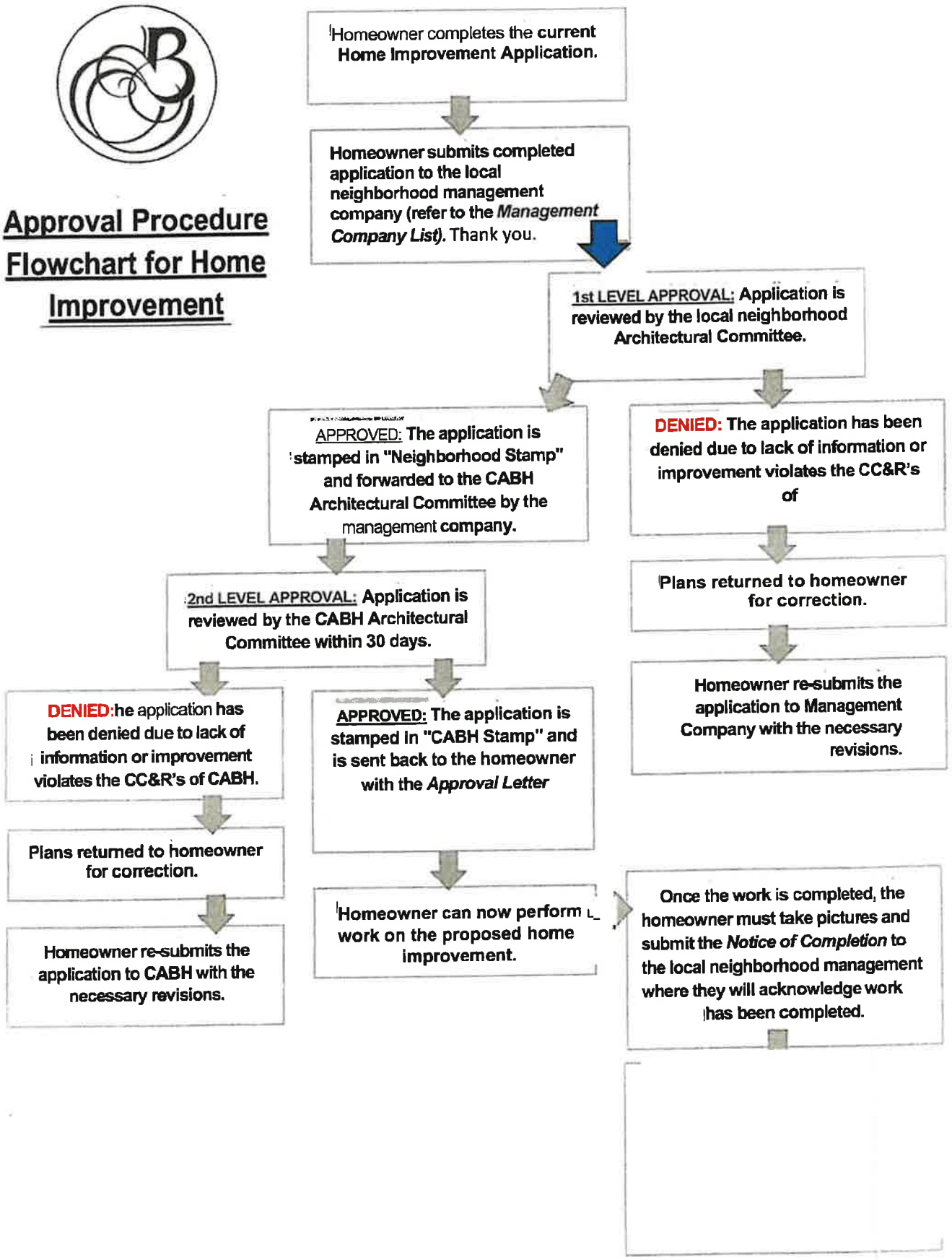
As noted in Article VIII, Paragraph 8.9 (Proceeding with Work) of the CC&Rs, "the owner shall complete the construction, reconstruction, refinishing, or alteration of any such improvement within one (1) year" after receipt of the notice of approval.

Each application is reviewed on an individual basis. There are no "automatic" approvals. A homeowner who plans to construct a deck, for example, identical to one currently in place which was previously approved by the Community Architectural Committee, is still required to submit an application. In every case, an application must be submitted and reviewed so that specific implications of location and impact on surroundings are considered.

E. NEIGHBORHOOD ASSOCIATION ARCHITECTURAL COMMITTEES

Neighborhood associations may have developed their own guidelines for exterior alterations. These guidelines may be more restrictive than those contained in these CABH guidelines. When neighborhood association guidelines are more restrictive than the CABH guidelines, the neighborhood guidelines take precedence.

Approval Procedure Flowchart for Home Improvement



Civil Code § 5300(b)(12) Disclosure

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:
Print Name _____ Position or Title _____ Association or Agent
Date Form Completed:

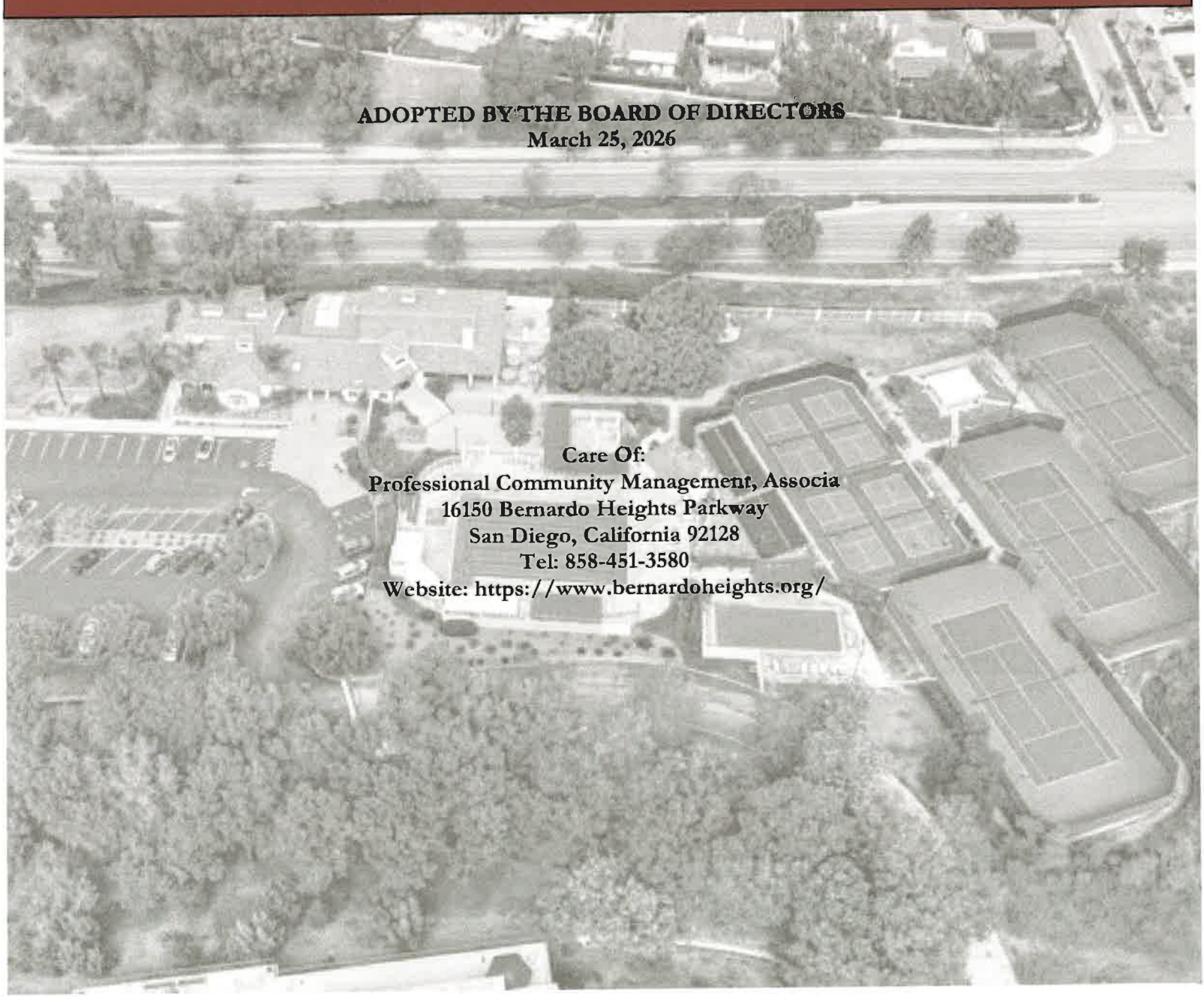
Check or Complete Applicable Column or Columns Below

Document	Civil Code Section Included	Fee for Document	Not Available (N/A), Not Applicable (N/App), or Directly Provided (DP) by Seller and confirmed in writing by Seller as a current document
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	10.00	
CC&Rs	Section 4525(a)(1)	15.00	
Bylaws	Section 4525(a)(1)	15.00	
Operating Rules	Section 4525(a)(1)	15.00	
Age restrictions, if any	Section 4525(a)(2)	8.00	
Rental restrictions, if any	Section 4525(a)(9)	8.00	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	25.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	20.00	
Financial statement review	Sections 5305 and 4525(a)(3)	25.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	10.00	
Insurance summary	Sections 5300 and 4525(a)(3)	10.00	
Required statement of fees	Section 4525	80.00	
Regular assessment	Section 4525(a)(4)		Included w/required statement of fees
Emergency assessment	Section 4525(a)(4)		Included w/required statement of fees
Special assessment	Section 4525(a)(4)		Included w/required statement of fees
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)		Included w/required statement of fees

Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	25.00	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	8.00	
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	8.00	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	8.00	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	50.00	
Transfer Fee	Section 4525	275.00	
New Homeowner Transfer Fee	Sections 7140(g) and 5600	150.00	
Escrow Package	Section 4530	375.00	
Total fees for these documents	Section 4525	1,140.00	
* 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.			

COMMUNITY ASSOCIATION OF BERNARDO HEIGHTS

RULES AND REGULATIONS



ADOPTED BY THE BOARD OF DIRECTORS
March 25, 2026

Care Of:
Professional Community Management, Associa
16150 Bernardo Heights Parkway
San Diego, California 92128
Tel: 858-451-3580
Website: https://www.bernardoheights.org/

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RULES AND REGULATIONS

INTRODUCTION

We are pleased to provide you with the Rules & Regulations for the Community Association of Bernardo Heights including its Clubhouse, Parks, and all the amenities associated with the facility.

The Community Association of Bernardo Heights (CABH) is governed by a 7-member Board of Directors, and a professional management company provides onsite management of all the facilities. The Board meets every fourth (4th) Wednesday of each month at 6:00pm at the Clubhouse. Agendas are prepared and posted in advance of each meeting. Any and all correspondence to the Board should be addressed to the CABH General Manager.

At each Board meeting, open time is allotted for homeowners to attend and address the Board on any topic they wish without prior advance notice to the Board. While a homeowner may address the Board on any topic, the Board may only take action on items that have been placed on the agenda in advance. Homeowners wishing to add a specific item to the agenda may do so by contacting the front desk at the Clubhouse with one week's advance notice.

The CABH facilities are designed for use by owners and residents of Bernardo Heights, including minor children and tenants. As members of CABH, you are entitled to membership at the Clubhouse and use of all the amenities. All residents, ages 14 and older, are granted membership upon registration. A parent or guardian must accompany anyone who is 14 - 17 years old and provide verification of age. Upon entering the CABH clubhouse, you must check in at the reception desk.

If an owner's property is leased, the owner may transfer their membership over to their tenant if proof of the rental lease agreement is provided to CABH and both tenant and Owner sign a "Release & Waiver of Privileges". Once membership is transferred to a tenant, the Owner's membership will cease during the lease term. Use of the Clubhouse facilities by the tenants will require a one-time fee (see Fee Schedule) per person with proof that everyone lives in the same residence.

Anyone using CABH facilities and amenities must sign a "Waiver & Release from Liability" form in advance of using the facilities.

DEFINITIONS

The following definitions apply to terms utilized in these Rules and Regulations. They are intended to supplement any additional terms defined elsewhere in these Rules and Regulations, as well as any terms defined in the Declaration.

1. ***Common Area***. The Common Area of CABH is defined in Exhibit D of the Declaration of Covenants, Conditions and Restrictions. Common Area generally includes all real property, facilities and Improvements which are owned by the Association, or over which the Association has a maintenance easement.

2. ***Owner*** shall mean a record owner of a fee simple title to any lot, unit, or other parcel of property in the community whether held by one or more persons or entities. A contract purchaser under a recorded installment land sales contract shall be included as an "Owner" but those merely having an interest in property as security for performance of an obligation shall not be "Owners". Any adult family members residing in the property who are not designated as "Owners" must bring in proof of residency to receive membership.

3. ***Non-Owner Resident*** shall mean an individual leasing property from an Owner and who was assigned membership privileges by the Owner.

4. ***Members*** shall include Owners and Non-Owner Residents.

5. ***Guest*** shall mean an individual who does not permanently reside at a property within the Association and is accompanied by a Member onto CABH grounds.

COMMON AREA RULES

Responsibility for Child Conduct

Parents or guardians are responsible for the conduct of their minor children and grandchildren. Due to safety concerns, adult supervision is recommended for all children utilizing the Common Areas.

Climbing Prohibited

Climbing on fences, walls, roofs, or trees in the Common Area is prohibited.

Removal of CABH Equipment or Property Prohibited

Owners may not alter or remove any equipment, item or improvement installed upon Common Area.

CLUBHOUSE FACILITY HOURS

Open Times:

Monday - Saturday: 7:30am - 9:00pm
Sunday: 7:30am - 6:00pm during the winter | 7:30am - 9:00pm during the summer
* Hours are subject to change based on daylight saving time.

Closed Times:

Thanksgiving Day, Christmas Day, New Year's Day
* Other closing will be posted in advance except for emergencies.

In the event of an after-hours emergency, please contact our security company Golden Eagle Security at 855-500-4347. The security company will then contact the General Manager. If it is an irrigation (water or landscape) emergency, please contact O'Connell Landscape at 1-800-339-1106.

Vehicles may be parked in CABH parking lots only during business hours and must be removed upon closing. Any vehicle found in violation of this rule will be subject to towing.

Bikes, in-line skates (roller blades), skateboards, roller skates, and razor scooters are prohibited both at the Clubhouse, Lucido Park, and View Pointe Park. Personal barbecues are prohibited at the Clubhouse, Lucid Park, View Pointe Park and the basketball court.

CODE OF CONDUCT

CABH encourages a safe and healthy atmosphere by supporting an environment free from: drugs, smoking, vaping, alcohol, violence, intimidation, harassment, gambling, solicitation, profanity, abusive language, vandalism, or property damage. This code applies to all participants, spectators, visitors, facility users, organizations, vendors, groups, clubs, staff and volunteers in all CABH activities, programs, field and facility uses.

- Alcohol and Tobacco:

CABH is a non-smoking facility and smoking anywhere on the grounds or within the building is prohibited. Alcohol is prohibited in the common buildings (e.g. clubhouse), pool area, tennis / pickleball courts, and barbecue area at all times. The only exception to this rule is when a private party has been reserved and the appropriate waivers have been signed. Additionally, the CABH Social Committee may sponsor events where alcohol is served with participants limited to age 21 years or older.

- Photography:

Photography of the facility or staff is prohibited without prior written consent. This is a private facility, and the staff and guests have a reasonable expectation of privacy.

- Discrimination and Harassment:

This facility will be maintained free from discrimination, sexual harassment, and employee harassment by or against any staff, vendor, member, or guest.

Violations

Violation of this Code of Conduct may result in disciplinary action up to and including immediate and permanent expulsion from CABH programs, cancellation of any facility reservations, forfeiture of all fees, and financial penalties or other restitution for any damages. Acts conducted by a minor are the responsibility of the parent or guardian. Staff reserve the right to ask any individual to leave the facility for failure to comply with any of the stated rules. The offender may be suspended from use of the facility after a duly noticed hearing held by the Board.

GUEST POLICY

The CABH Clubhouse, Lucido Park, and View Pointe Park are private, members only Community facilities.

The following Guest Policy establishes equitable limits for non-resident use of CABH facilities:

1. Members wishing to bring Guests to the Clubhouse amenities must sign Guests in at the front desk. Lucido Park and View Pointe Park do not require a sign in.
2. Maximum of 6 Guests per visit, per household/residence for Members 18 years of age or older. 3 guests per visit for pickleball and tennis
3. Due to health and safety concerns, Members 16 to 17 years old may bring up to 3 Guests per visit but are subject to the rule of 6 Guests per household. Members 15 years and younger may not bring in any Guests without adult supervision.
4. Members must stay with their Guests at all times. Guests may not use CABH facilities without a member (either an Owner or Non-Owner Resident) present with them at the same facility.
5. Guests may not use the facilities without the resident member present.
6. Equipment rental may require a deposit and/or incur additional fees.
7. Members and Guests attending "open" CABH sponsored group events must sign in at the front desk.

CABH ROOM RESERVATIONS

Members must make reservations and fee payments in person at the time of reservation (no phone reservations permitted).

The following rooms are available for Private Party use - Mesa, Vista, and Community Room. The kitchen is included in the fee but is based on availability.

Guests and members of CABH attending a reserved event are not permitted to use other portions of the facility and must remain in the respective reserved area during the duration of the event.

Please ask for the Community Fee Structure if needed for pricing and capacity information. See Addendum A.

Deposit is required for all party room reservations. This deposit will be held until after the event to cover any damages. If there are no additional charges, the check will be returned.

General Reservation Rules

1. Members must sign in/out, and if attending an event, must designate, in writing, one week prior to the event, another responsible resident. Violation of this rule will result in forfeiture of fees and deposit.
2. A sub-association HOA Board may reserve the facility for an event free of charge one time per year. However, a deposit of $300 is required to be paid at the time the reservation is made.
3. A household may make three party reservations per calendar year without prior approval by the General Manager.
4. Room availability may be checked by phone; however full payment for the reservation is required to reserve any room and must be paid at the time of booking.
5. Room reservations may be made 6 months in advance of the day of the event, but no less than 3 weeks without prior management approval.
6. Members reserving the room(s) must contact the Clubhouse at least two weeks prior to the event to confirm reservation and room arrangements.
7. No more than one social function may be booked for the Clubhouse during the same day; availability of kitchen facilities is based on the date of the reservation or first come basis.
8. The cancellation policy is as follows and corresponding fees will be posted on the Fee Sheet:

- Cancellation 61-180 days prior to event
- Cancellation 30-60 days prior to event
- Cancellation 7-29 days prior to event
- Cancellation less than 7 days prior to event

Use of facility is subject to receipt of all paperwork including caterer's agreement and proof of insurance, alcohol waiver, room set up, and any other required documents requested by staff.

ALL RESERVATIONS ARE SUBJECT TO MANAGER APPROVAL. APPROVAL WILL BE EMAILED WITHIN 72 HOURS OF APPLICATION DATE.

General Use of Community Family Room

The Community Room includes the general use of the bar and billiard tables. Billiard tables can be covered. Number of people is based on standing not seating capacity.

1. Members may bring Guests subject to guest limitations as stated elsewhere herein.
2. Members will be charged for lost or damaged equipment.
3. Shirts and shoes are required.
4. No wet bathing suits are permitted in the Family Community Room.

BILLIARD TABLES

1. Members may bring Guests subject to the guest limitations as stated elsewhere herein.

Patio / BBQ Areas

Members may use the BBQ area at no charge and for up to 8 Guests. This is a first come, first served policy. No reservations are required, unless the request is for a private party or groups of more than 8 guests. If no reservation is made, there will be a 2-hour time limitation if others are waiting to use the BBQ.

Swimming Pool, Wading Pool, and Spa

The primary objective of the following rules is to maintain an extremely safe environment in which everyone can enjoy the use of the pools and spa. Swimming is at your own risk and there is no lifeguard on duty. Private, personal teaching professionals, other than those approved by the Board, are prohibited.

Reservation Rules

1. Reservations for Lap Lanes are made online at www.yourcourts.com security register access code: 24965350.
2. Reservations can be made no more than two days in advance.
3. Reservation times are for 30-minute segments starting at 7:30am.
4. If a reserved lap lane is vacant for more than 10 minutes after the reservation start time, the lane is no longer considered reserved.

Rules for Pool Use

1. Individuals using the pool and spa should shower before use.
2. Pursuant to California Building Code 3120B.4 and 3120B.7, children should not use any pool or spa without adult supervision.
3. Individuals who cannot demonstrate basic swimming competency must be supervised by an adult 18 years or older at all times.
4. All those using the pool must wear appropriate modest swim attire (no cut offs or thongs).
5. Lap lane use is limited to thirty minutes when others are waiting for a lane.
6. Any individual who has involuntary bladder or bowel functions shall not be allowed in the pool or spa unless wearing appropriate water-resistant pants. Toddlers who are not potty trained or potty reliable must wear appropriate water-resistant pants.
7. No diving, running, or pushing allowed.
8. No glass containers permitted.
9. Alcohol is prohibited.
10. Food is not permitted in the pool area. Please use the patio outside the fenced area for eating snacks and meals to help keep the pool deck clean.
11. Water is the only permitted beverage allowed in the pool area to drink.
12. All litter must be disposed of in appropriate trash or recycling containers.
13. Music is permitted with the use of earphones.
14. Only soft toss balls, noodles, or small inflatable toys or supports will be permitted.
15. Large inner tubes and large flotation devices are not permitted.
16. Hanging or sitting on lap lanes is prohibited.

refund will be processed within 72 hours after the event. Checks are mailed to the owner's address after the event.

13. All Guests must sign in at the front desk the day of the event.
14. Maximum of 20 people under 18 years of age.
15. One person 21 years of age or older must be present for each group of three people 7-12 years of age. One person 21 years of age or older must be present for each group of five people 13-17 years of age.

Enforcement: Non-compliance with the Reservation Policy will be considered a violation. Violations may lead to suspension of scheduling privileges up to 30 days, pool use, tennis court use, or other appropriate action.

TENNIS / PICKLEBALL COURTS

General Guidelines

1. Appropriate tennis attire including a shirt is required.
2. Shoes with soles that mark tennis courts are prohibited.
3. All beverages must be clear liquids (not sticky or colored liquids) and be in non-breakable (no glass) containers.
4. Alcohol, food, smoking, and loud music are prohibited on or around the courts.
5. Please dispose of any litter and respect the upkeep of the courts.
6. The member who made the reservation must accompany all Guests at all times.
7. Be considerate and cancel reservations as soon as possible.
8. Respect the concentration of other players. Shouting, loud and abusive language are prohibited.
9. Members are responsible for their Guests' behavior.
10. No back-up booking is allowed.

Reservations Policy

The primary objective of the CABH is that activities must have at least 50% CABH member participation. This also applies to the use of the tennis courts with certain exceptions. Reservations are made online at:
https://www.yourcourts.com/yourcourts/security/register/24965350.

Court Rules

1. Reservations can be made no more than ***two days in advance.***
2. Reservation times are for ***90-minute increments*** starting at 7:30am.
3. Back-to-back court reservations are not allowed.
4. Prime Time is defined as 7:30am-9:00am; 3:00pm - 4:30pm; 6:00pm - 7:30pm.
5. Only one (1) member of a household can make a reservation during prime time.
6. Another household member can make a reservation for non-peak times.
7. Players may start ahead of their scheduled time if the court is available and may play after the reservation time if others are not waiting to play.
8. If a reserved court is vacant more than 15 minutes after the reservation time, the court is no longer considered reserved.
9. Walk in players must register at the front desk before playing.
10. CABH has the authority to cancel reservations with notification to member.

Enforcement

Non-compliance with the Reservation Policy will be considered a violation. Violations may lead to suspension of scheduling privileges, tennis court use, or other appropriate action up to 30 days.

Tennis Professional

CABH has contracted with a tennis pro to provide lessons to our Members. No teaching professional may use the facilities for public or private lessons without CABH approval. Due to health and safety concerns, students under the age of 14 must be accompanied by an adult of at least 18 years of age. Students must check in at the desk prior to lessons.

LUCIDO PARK AND VIEW POINTE PARK

1. Park hours are from 7:30 a.m. to 9:00 p.m. every day.
2. A park permit is required for member groups exceeding 10 people and will be subject to the "Non-Permitted Events". (See room reservations below). Permits are issued at the Clubhouse.
3. Pets are not permitted at Lucido Park.
4. Bikes, in-line skates (roller blades), skateboards, roller skates, and razor scooters are prohibited in the park on the walking trail. Small bikes for use by toddlers may be used only in designated areas.
5. Alcoholic beverages and open fires are prohibited.
6. Vehicles may be parked in the parking lots during business hours and removed at closing. Any vehicle found in violation of this ruling will be subject to towing. Towing charges are owner s responsibility.
7. A $50.00 refundable deposit is required to ensure trash is picked up after a member event.

Enforcement

Non-compliance with the Reservation Policy will be considered a violation. Violations may lead to suspension of scheduling privileges, use of parks, tennis court use, or other appropriate action up to 30 days.

NON-PERMITTED EVENTS POLICY

The following are Non-Permitted Events. Violation of the policy will result in forfeiture of deposit fee.

1. Commercial events (the purpose of which is to enhance the business, revenues, images, membership, etc., of any firm, group, or organization). (See "Meeting Reservations")
2. Religious services of any kind. This includes weddings, even if they are not religious in nature, Bar Mitzvahs, Baptisms and group study of scripture or any other religious training groups or activities.
3. Fundraisers.

4. NO event will be allowed after 9:00 p.m. Events on Sunday are subject to the seasonal time change and may not exceed hours of operation.

An NSF (Non-Sufficient Funds) fee charge will be added for returned checks. See Fee sheet.

NOT AVAILABLE FOR RENT OR EVENTS

The following facilities are not available for rent or events: Ping-Pong Billiard Tables, Exercise Room.

VIDEO SURVEILLANCE ACCESS AND RELEASE POLICY

Scope

This Video Surveillance Access and Release Policy applies to all video surveillance systems installed within the Community by the Association which are permanently installed and whose presence is detailed on posted signage and is exclusive of personal surveillance equipment installed by residents.

Policy Statement

CABH recognizes the need to balance an individual's right to privacy and the need to ensure the safety of the neighborhood and its residents. CABH therefore has adopted this policy which upholds these rights but provides the necessary mechanisms for protecting the community. All installed surveillance camera equipment ("Equipment") is intended to be operable at all times except when the system is down for maintenance, service, or repair. CABH reserves the right to temporarily stop or discontinue the recording function at any time.

Purpose of the Equipment

The purpose of the Equipment is to: (1) monitor compliance with the Association's governing documents (as defined in California Civil Code section 4150) (2) deter criminal activities, (3) obtain evidence necessary to prosecute criminal acts, and (4) defend the Association from unsupported allegations and/or legal action. The Equipment is not intended for providing security services to residents.

Residents and guests are advised that CABH is not responsible for injuries to persons, or lost, stolen or damaged personal property as a result of such property being left, parked, or stored within the Community.

Equipment Access and Release of Recordings

Storage: Recordings shall be stored in secured enclosures, external hard drives or cloud storage with limited access as provided in this Video Surveillance Access and Release Policy. The recordings are not intended to be viewed or monitored constantly by authorized personnel. Archived recording shall be kept in the possession of CABH for up to 30 days or longer (if storage permits), and only for investigative or legal purposes and shall not be disseminated or distributed, in whole or in part, except as provided herein.

Under normal circumstances, recordings will be regularly and systematically overwritten by the Equipment when capacity of the device reaches the limits of its storage space. Notwithstanding the foregoing, upon receipt by CABH of appropriate notice from an authorized government entity with lawful right to access or jurisdiction over the subject matter, recordings that are the subject of

court action, criminal investigation and/or prosecution will be kept as long as required. Recordings requiring long-term retention may be turned over to CABH's managing agent for storage and security.

Access: Only the Board and CABH's managing agent and/or other vendors will have access to the Equipment and recordings. However, prior to accessing the recordings, those authorized to access the recordings must receive prior authorization from a majority of the Board and must execute a "Surveillance Camera User Agreement. In addition to the foregoing, only Board members who are in good standing may be authorized by the Board to access recordings. For purposes of this Policy, "good standing" requires a Board member to comply with the following: (1) not be in violation of CABH's governing documents, (2) be current in the payment of assessments, and (3) not be presently engaged in a legal dispute with CABH.

Those authorized to access the recordings may have their right to access recordings terminated at any time by majority vote of the Board. In addition to the foregoing, a Board member's right to access the recordings shall automatically terminate upon his or her resignation or removal from the Board, or upon the expiration of the Board member's term.

Release: The recordings obtained by CABH through the Equipment are for CABH use only and are not accessible to the Members or to the general public. CABH reserves the right to make the recordings available to CABH's agents, law enforcement or emergency personnel for the purpose of pursuing violations and/or addressing criminal conduct. Recordings will not be released to owners, tenants, or Guests without a valid subpoena, or as otherwise required under law.

In the event CABH receives a subpoena, discovery request, regulatory request or any similar governmental, judicial, or administrative order to provide recording(s), the request for recordings shall be immediately turned over to CABH's legal counsel for review and response. No Board member and/or CABH agent shall respond to the request without Counsel's prior review and advice.

ENFORCEMENT OF GENERAL RULES AND REGULATIONS

Non-compliance with any of the aforementioned rules and regulations or provisions of the Association's CC&Rs will be considered a violation. Violations may lead to suspension of use, privileges up to 30 days, or other appropriate action up to and including monetary fines and penalties including legal costs.

FIRST NOTICE (NOTICE OF VIOLATION)

Upon notification/observation of the first instance of the violation, a Notice of Violation will be sent to the violating Owner (and violating resident, if applicable). The Notice of Violation will set forth: (a) the basis for the violation, (b) the provision(s) of the Governing Documents at issue, and (c) a demand that the violation be corrected within 15 days ("Cure Period"). If additional time is required to correct the violation, a written request for an extension must be received within 5 days after notification with an explanation as to the cause of the delay. The Notice of Violation will also include instructions regarding responses to the Notice of Violation.

SECOND NOTICE (NOTICE OF HEARING)

Upon notification/observation of the second instance of the violation, or of a continuation of the first violation after the Cure Period has expired, a Notice of Hearing may be sent to the violating Owner (and violating resident, if applicable). The Notice of Hearing will invite the violating Owner to a hearing with the Board in a Board meeting for the purpose of explaining the reasons for the continued non-compliance and for determining whether the Board will impose discipline upon the Owner ("Violation Hearing").

The Notice of Hearing may be sent by personal delivery under Civil Code section 4040 or first-class mail at least ten (10) days prior to the date of the Violation Hearing, and shall include, at a minimum: (a) the date, time and place of the Violation Hearing, (b) the nature of the alleged violation for which the Owner may be disciplined, and (c) a statement that the Owner has a right to attend and may address the Board at the Violation Hearing.

Adverse Health or Safety Violations

Upon notification or observation of a violation that may result in an adverse impact on the health and/or safety of the residents, Common Area, and/or another Member's property, the Board may determine not to send a Notice of Violation and instead immediately proceed to sending a Notice of Hearing to the violating Owner (and violating resident, if applicable). In addition to the Violation Hearing procedures set forth above, the Board will prepare a written finding or resolution at the Violation Hearing specifying the adverse health or safety impact, and adopt the finding/resolution during an open Board meeting. If the Board previously adopted such a finding/resolution covering the violation at issue, no subsequent finding/resolution need be adopted.

VIOLATION HEARING

At the Violation Hearing, the Board will determine what actions are to be taken to address and resolve the non-compliance. Such actions may include, but are not limited to, the imposition of Fines and/or suspension of membership privileges.

If the Board and the violating Owner are not in agreement after Violation Hearing, the Owner shall have the opportunity to request Internal Dispute Resolution ("IDR") pursuant to the Association's IDR Policy. If the Board and the violating Owner are in agreement after the Violation Hearing, the Board shall draft a written resolution. The written resolution shall be signed by the Board and the Owner. The resolution is judicially enforceable.

Notification of Hearing Results

The Board will notify the Owner within fourteen (14) days following the Violation Hearing as to what disciplinary action will be taken in response to the violation, as well as what further measures the Board may take should the non-compliance continue (i.e., the continued levying of Fines and/or the institution of legal action).

Opportunity to Cure

No Fine will be levied against a violating Owner if the violation is cured prior to the Violation Hearing. If the violation cannot be cured prior to the Violation Hearing, the Fine will not be imposed if the violating Owner provides financial commitment to cure the violation.

Notwithstanding the foregoing, there are certain violations which are "uncurable"—a violation is "uncurable" if it consists of a non-continuing, completed act for which there is no reasonable remedial action that would undo the misconduct or bring the Owner into compliance before the Violation Hearing (e.g., discharging fireworks in the common area; hosting an unauthorized party). The cure exceptions above do not apply to uncurable violations. For uncurable violations, the Board may impose a Fine notwithstanding the fact that the conduct has ceased.

Expedited Resolution

At any time during the enforcement, the Board may determine that it is in the Association's best interest to expedite the resolution of the matter through, among other things, immediately setting the matter for a Violating Hearing, transferring the matter to the Association's legal counsel, and/or the institution of legal action against the Owner. Similarly, a violating Owner may request a hearing after the first Notice of Violation to contest the alleged violation.

LEGAL LIABILITY; PAYMENT OF ASSOCIATION'S LEGAL FEES & COSTS

Failure to comply with any of the terms of the Governing Documents shall be grounds for relief which may include legal action by the Association to recover damages, injunctive relief and/or any other similar remedy at law or in equity. Should such legal action be instituted, the Association is entitled to recover from the violating Owner the Association's reasonable attorneys' fees and costs incurred.

Payment of any monetary penalty does not preclude the necessity of ongoing compliance. The violator may also be liable for monetary damages up to and including legal fees.

ADDENDUM A

ENFORCEMENT OF COMMUNITY AND NEIGHBORHOOD CC&RS AND MONETARY PENALTY SCHEDULE

Pursuant to the Association's CC&Rs and the Civil Code, the Community's Board of Directors may discipline a Member for a violation of the Association's Governing Documents. The discipline imposed after appropriate notice and a hearing may include but is not limited to the following:

1. **Imposing an appropriate monetary penalty.**
2. **Filing a lien for damages.**
3. **Filing an action in court**
4. **Suspension of a Member's right to use the Community's Common facilities in accordance with the CC&Rs.**
5. **Notification to Escrow upon potential sale of property.**
6. **An arbitration or mediation between the parties involved.**

PENALTY SCHEDULE

1. Failure to provide plans for landscaping/ARC improvements or changes as provided in the CC&Rs, ARC Guidelines, Rules &	**Up to $100 per Violation**
2. Failure to complete approved landscaping or ARC plans within one year from the date of approval by the Community ARC Committee.	**Up to $100 per Violation**
3. Failure to comply with any other requirements set forth in the Neighborhood and/or Community CC&Rs, ARC Guidelines, or Rules and Regulations, absent a violation that may result in an adverse health and safety impact on other's property or Common Area	**Up to $100 per Violation**
4. Failure to comply with any requirements set forth in the Neighborhood and/or Community CC&Rs, ARC Guidelines, or Rules and Regulations that may result in an adverse health and safety impact on other's property or Common Area	**Up to $1,000 per Violation**
5. Variances requested in advance of work may be considered by Board. If a variance is granted prior to work commences, no fee will be imposed. However, variances requested after the fact constitute violations of the Governing Documents.	**No fee for variances granted when requested prior to work being commenced.** **Up to $100 penalty for variance requests submitted after completion of work.**
6. A reasonable time will be allowed for correction of violations. In addition to the Fine amounts set forth above, if a violation is continuing (occurring over multiple days), the Board may determine to impose a continuing daily fine until compliance is achieved.	**Continued violations will be fined as follows:** **$25 for each day that the violation remains, to begin accruing after the hearing in which the Board determined to impose the daily Fines. Maximum of $1,000 per violation.**

PAYMENT OF MONETARY PENALTY DOES NOT PRECLUDE THE NECESSITY OF COMPLIANCE.

ADDENDUM B

Community Fee Structure 2026

****ALL ROOM RESERVATIONS MUST BE CLEANED AND CHECKED OUT BY 9:OOPM****

	Mesa	Vista	Mesa Vista	Community Room	Lower BBQ	Lawn BB0	Upper Pool**
Accommodates: The number of people listed are for mingling (moving around, not seated) people.	45	45	75*	87	35	20	30
Fee Includes: - 4 Hours • Kitchen Use - Setup - Breakdown	$100	$100	$180	$300	$60	$50	$250 Additional $100 for heated pool
Additional Hour Fee	$35	$35	$70	$100	4 hrs. Max	4 hrs. Max	5 hrs. Max
Deposit	$300	$300	$300	$300	$300	$300	$300

Room Additions

Vista Grass area: (cannot be rented separately. Must be rented with a room) $50

Grass area: (cannot be rented separately. Must be rented with a room) $50

Equipment rental for these items: $40 each

Podium, Microphone, Speaker.

TV remote and Internet $40 for both.

CA of Bernardo Heights

Professional Community Management
27051 Towne Centre Drive Suite 020
Foothill Ranch, CA 92610

Phone: (800) 369-7260
Fax: (949) 859-3729
http://www.pcminternet.com

INSURANCE DISCLOSURE SUMMARY

In accordance with Amended California Civil Code, Section 5300, the following is a summary of the terms, policy limits and applicable deductible for CA of Bernardo Heights

Agent: LaBarre/Oksnee Insurance
30 Enterprise, Suite 180
Aliso Viejo, CA 92656
proof@hoa-insurance.com
800-698-0711

Association Insurance is as follows:

Coverage Type	Limit	Deductible	Policy Term
General Liability	**$1,000,000**		**10/02/2026 – 10/02/2027**
Crime/Fidelity	**$2,250,000**	**$10,000**	**10/02/2026 – 10/02/2027**
Directors & Officers	**$1,000,000**	**$25,000**	**10/02/2026 – 10/02/2027**
Property	**$3,168,418**	**$10,000**	**10/02/2026 – 10/02/2027**
Workers Comp	**$1,000,000**		**10/02/2026 – 10/02/2027**
Umbrella	**$5,000,000**		**10/02/2026 – 10/02/2027**

Please check the Associations CC&R's. Homeowners are responsible for insuring their unit, personal belongings, contents, and personal liability.

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.

CLAIMS & SERVICE: Claims should be filed through your property management firm, Professional Community Management.

FOR CERTIFICATES OF INSURANCE REQUESTS: If your Mortgage Company requires a Certificate of Insurance be issued for Fire and Hazard Insurance naming them as the Certificate holder, you must contact the insurance agent listed above or have your Mortgage Company fax their request to them.