RANCHO VIEJO-EL TORO HOMEOWNER'S ASSOCIATION

DATE: December 1, 2025

TO: Owners of the Rancho Viejo-El Toro Homeowner's Association

FROM: Board of Directors

RE: 2026 Special Assessment

The Board of Directors works diligently to maintain the common areas of the Association. At the board meeting held on November 10, 2025, the Board discussed many of the issues facing the Rancho Viejo II Community that needed to be improved to meet the standards of the Association's Reserve Study. Much of the discussion centered around how best to fund the non-budgeted plumbing, remediation costs, and drywall repair expenditures. With that in mind, and to act in the best interest of the community, the Board has determined that a special assessment will be necessary to continue keeping up with the repairs as they are needed.

This special assessment provides for an additional (one time only) assessment amount of $1,100.00 to be added to your regular assessment account. The special assessment will be paid in eleven (11) monthly installments of $100.00 per month. The Board of Directors will be following the Association's Collection Policy regarding late fees, collections fees, and legal fees for any nonpayment of the monthly special assessment. This money will be collected to help reimburse the reserve account for the community; this is the account that pays for the roof replacements, deck repairs, and other large ticket items.

The Board encourages the community to approve this special assessment to help reimburse the reserve account which currently sits at only 29.6%. This leaves us unable to fund large and needed projects without completely draining the reserve account, placing us in a dangerous position in emergencies were to arise. **If this special assessment is not passed, the Board will need to reconsider the increase to the assessments. They are able to increase assessments up to 20% each fiscal year without community vote in order to raise the reserve percentage while still completing necessary repairs.** They are trying each year to keep the increase to assessments as low as possible, normally between 5-7%, and are hesitant to raise them beyond that. They would like to avoid an assessment increase each year, as, generally, dues do not decrease as time goes on. This proposed special assessment will only last until the end of 2026.

In order to pass this special assessment, we will need 51% of the community to vote. Please make sure you return your ballot by the deadline in late December.

If approved, the Special Assessment will begin on February 1, 2026 and will commence through December, 2026. If you have automatic payments set up for your regular assessment, PMG can set up an automatic payment for the special assessment as well. **Please email PMG at Ownerservices@pmg-oc.com and request for the automatic payment to be deducted from your account on the same day as your regular assessment.** If you do not have an automatic payment but would like to set one up, please email the Owner Services Department to help you with your request.

Thank you for your cooperation and understanding!