

# SC HOA Requirements for Special Assessment or Dues Increase >5%

The following are the requirements to allow a special assessment and a dues increase of more than 5% in a year, per Article IV, Covenant for Maintenance Assessments, in the Amended and Restated Declaration of Covenants, Conditions, and Restrictions:

- Both a special assessment and an annual assessment more than 5% greater than the prior year's annual assessment may be approved by a vote of 2/3 of the members who vote either in person or by proxy at a meeting duly called for this purpose.
- Written notice for the meeting shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting.
- At the first such meeting called, the presence of members or proxies entitled to cast 60% of all votes shall constitute a quorum.
- If the required quorum is not present at the first meeting, another meeting may be called and the required quorum at the subsequent meeting shall be on-half of the required quorum at the preceding meeting.
- No such subsequent meeting may be held more than 60 days following the preceding meeting.
- If we have 82 lots, then a quorum at the first meeting is  $0.60 \times 82 = 49$ , and a successful vote is 2/3 of the number voting. If exactly 49 vote, it would pass with 33 votes in favor. For the second meeting, the quorum would be  $49/2 = 25$ . Again, a successful vote is 2/3 of the number voting, so if the number voting is exactly 25, it would pass with 17 votes. In either case, if more than the minimum number for the quorum vote, then the number needed to pass increases accordingly.

**Section 2. Purpose of Assessments.** The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of all Owners, for the repair and replacement the Private Streets, for the improvement and maintenance of the Common Use Open Space, for the maintenance of the landscaping within that portion of Stanton street right-of-way in front of the Property, for the maintenance of any private drainage or sewer structures shown on the Plat or the Subdivision Improvement Plans, and for the payment of utilities, ad valorem real property taxes and general liability/property damage insurance premiums on the Common Use Open Space and the Private Streets and for the care and maintenance of any of the property owned by the Association. The Association hereby covenants to at all times maintain the Common Use Open Space and the hiking trails thereon, the Private Parks and the Private Streets in neat and clean condition and in a state of good condition and repair.

**Section 3. Maximum Annual Assessment.** Prior to January 1, 2004, the Declarant shall set the maximum Annual Assessment at a uniform amount from \$100.00 per Lot to \$500.00 per Lot for each Residential Area. After January 1, 2004, the maximum Annual Assessment may be increased each year up to but not more than five percent (5%) above the maximum Assessment for the previous year without a vote of the membership. After January 1, 2004, the maximum Annual Assessment may be increase by more than five percent (5%) above the maximum Assessment for the previous year by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

**Section 4. Special Assessments for Capital Improvements.** In addition to the Annual Assessments authorized above, after the Conversion Date, the Association may levy, in any Assessment year, a Special Assessment applicable to that year only for the purpose of defraying in whole or in part the cost of any construction, reconstruction, repair or replacement of the Private Streets, Common Use Open Space, and median improvements, including fixtures and personal property related thereto, provided that any such Assessment shall have the assent of two-thirds (2/3) of the votes of each class or member who are voting in person or by proxy at a meeting duly called for this purpose.

**Section 5. All Lots.** Notwithstanding anything to the contrary contained herein, assessments (regular or special) for costs associated with maintenance, repair and replacement of Common Areas shall be assessed against all Lots.

**Section 6. Notice and Quorum for any Action Authorized Under Sections 3 and 4.** Written notice of any meeting called for the purpose of taking any action authorized under sections 3 and 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the require quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Not such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

San Clemente Financial History and Management Proposed Budget

	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 YTD Jan	2022 Budget	Explanation of Budget
<b>Income</b>								
Association Dues	\$46,085.00	\$45,590.00	\$45,058.00	\$42,558.00	\$46,822.00	\$51,930.22	49266.00	Actual dues
Late Fees	\$1,340.09	\$1,428.40	\$1,190.93	\$299.64	\$1,862.23	\$286.84	1000.00	
Gate Openers		\$520.00	\$300.00	\$200.00				
Legal Fees			\$156.00					
Construction Deposit					\$1,850.00			
Interest	\$17.75	\$8.59	\$2.28	\$4.19	\$0.51		\$10.00	
<b>Total Income</b>	<b>\$47,442.84</b>	<b>\$47,546.99</b>	<b>\$46,707.21</b>	<b>\$43,061.83</b>	<b>\$50,534.74</b>	<b>\$52,217.06</b>	<b>\$50,276.00</b>	
<b>Expenses</b>								
Landscape Maintenance	\$3,777.67	\$3,787.36	\$3,975.51	\$4,083.76	\$4,106.50	\$691.02	4200.00	
Stanton Median Mtc to Sky	\$250.00	\$3,043.25	\$2,656.37	\$4,725.64	\$4,434.51	\$558.62	5000.00	2020/2021 plus inflation
Stanton Water				\$1,088.60			2000.00	Did not pay in 2021
Reimbursement to Overlook								
Sprinkler Repairs San Clemente	\$868.58	\$930.33	\$1,304.83	\$2,306.12	\$3,469.76	\$0.00	4000.00	2021/2021 plus inflation and catchup
Plant Replacement					\$319.88		1000.00	This needs to be done
Street Repairs	\$340.00	\$523.92	\$0.00	\$0.00	\$2,676.00	\$0.00	1000.00	Minimal - very minor repair only
Lighting	\$3,820.00	\$2,442.00	\$6,071.71	\$4,210.00	\$2,556.00	\$0.00	4000.00	Past years plus inflation
Gate Repairs	\$950.91	\$2,005.13	\$577.41	\$2,307.33	\$2,856.75	\$660.00	4500.00	Matches lowest bid for recent damage
Signage	\$180.00	\$560.00	\$3,931.39	\$1,697.62	\$1,858.68	\$460.00	500.00	
Common Area Maintenance	\$490.62	\$1,183.00	\$1,321.94	\$180.00	\$1,475.76	\$180.00	5000.00	Matches bid for arroyo cleanup, 2x/year
<b>Total Maintenance</b>	<b>\$10,677.78</b>	<b>\$14,474.99</b>	<b>\$19,839.16</b>	<b>\$20,599.07</b>	<b>\$23,753.84</b>	<b>\$2,549.64</b>	<b>\$31,200.00</b>	
Water - San Clemente Meters	\$5,845.44	\$3,222.45	\$1,649.79	\$4,423.52	\$5,906.72	\$139.80	4000.00	Assumes we can lower bill by fixing leaks
Electricity	\$876.21	\$801.35	\$715.23	\$750.07	\$774.88	\$72.01	800.00	
Gate Telephone	\$644.72	\$835.79	\$912.66	\$899.56	\$844.33	\$72.07	990.00	
<b>Total Utilities</b>	<b>\$7,366.37</b>	<b>\$4,859.59</b>	<b>\$3,277.68</b>	<b>\$6,063.15</b>	<b>\$7,525.93</b>	<b>\$283.88</b>	<b>\$5,790.00</b>	
Management Contract	\$18,000.00	\$18,000.00	\$6,000.00	\$6,000.00	\$6,000.00	\$500.00	6000.00	
Site Manager	\$0.00	\$0.00	\$12,000.00	\$14,400.00	\$14,400.00	\$1,200.00	14000.00	
Insurance	\$2,265.00	\$2,087.00	<b>(\$345.00)</b>	\$2,215.16	\$2,228.17	\$0.00	2500.00	
Engineer			\$400.00					
Postage	\$196.80	\$251.32	\$328.02	\$130.09	\$353.47	\$7.50	300.00	Realistic per recent years
Photocopies/Printing	\$139.34	\$189.74	\$19.81	\$551.36	\$212.25	\$59.32	400.00	Realistic per recent years
Legal Fees	\$0.00	\$0.00	\$156.00	\$0.00	\$437.50		400.00	
Credit Bureau Reporting	\$217.75	\$804.00	\$871.00	\$837.00	\$984.00	\$82.00	500.00	Will need to do some
Accounting Fees	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00		300.00	Include - We pay this every year
General Expense	\$70.00	\$625.00	\$0.00	\$0.00	\$460.00		500.00	Most years have some
<b>Total Administrative</b>	<b>\$21,188.89</b>	<b>\$22,257.06</b>	<b>\$19,729.83</b>	<b>\$24,483.61</b>	<b>\$25,375.39</b>	<b>\$1,848.82</b>	<b>\$24,900.00</b>	
<b>Total Expenses</b>	<b>\$39,233.04</b>	<b>\$41,591.64</b>	<b>\$42,846.67</b>	<b>\$51,145.83</b>	<b>\$56,655.16</b>	<b>\$4,682.34</b>	<b>\$61,890.00</b>	
<b>Net Excess/(Deficit)</b>	<b>\$8,209.80</b>	<b>\$5,955.35</b>	<b>\$3,860.54</b>	<b>(\$8,084.00)</b>	<b>(\$6,120.42)</b>	<b>\$47,534.72</b>	<b>(\$11,614.00)</b>	

# Examples of San Clemente Estates Needs Not Currently Funded through Existing Funds

*This list provides examples of needs within San Clemente Estates not currently funded through existing dues. The list is not intended to be all-inclusive. Other needs may arise from time to time and will also need to be funded.*

Replace dead and dying plants in common area landscaping. Ongoing need.

Clean up the trash in the arroyos, culverts, and natural common areas (area not landscaped) – minimum two times per year. \$2100/cleanup (based on recent quote). Ongoing need.

Re-do the median on Rocky Pointe. May be able to get some of all of the cost from one or more builders, but that remains to be seen. One-time need, possibly two-time need.

Build a fund for asphalt and major road maintenance (our roads within the gate are privately owned by us so the City of El Paso has no responsibility to care for them.)

Install working camera at the front gate and maintain footage on cloud storage for retrieval as needed. (For example, when someone recently drove into the gate and severely damaged it and the mechanism, we had no camera footage and therefore could not identify who was at fault.)

Maintain a fund for significant repairs – e.g., gate, gate mechanical, gate electronics, lamp posts, canyon bridge, medians, signs.

- Recent quotes to repair the gate ranged from \$4500 to \$7500. We could not afford to pay for this, and a homeowner in the construction business repaired it at their own cost.
- Annual major sprinkler repairs – our water bills have crept up, possibly due to leakage or maybe overwatering. Landscape contract only calls for doing minor repairs with equipment they have on hand in the truck when they do routine maintenance. In any event, the landscaper charges us for all sprinkler repairs.

Conduct a periodic financial audit – maybe once every 3 years? We are overdue for one. Article VII of the Bylaws, paragraph 7.03(j) allows for one-third of the property owners to request a financial audit.

Cover future increases in costs for services such as the management company (who has not raised their charges to us in several years) and the landscaping company.

Replace the sprinkler system every 10-15 years as it deteriorates (needed now).

Note: San Clemente Estates shares the costs of maintenance of the median on N. Stanton Street on this side of Festival with the other communities. Although the City of El Paso maintains N. Stanton St., they do not maintain this median. The communities on this side of N. Stanton St. have agreed that it enhances our property values to maintain the median. Therefore, landscaping, water, plant replacement, and sprinkler repairs of this section of N. Stanton St. median are shared costs.

# **San Clemente Financial Reports**

DANA Properties

San Clemente

Sunday, June 5, 2022

**San Clemente**  
**BALANCE SHEET**  
As of: 05/31/2022

Run Date: 06/05/2022  
Run Time: 11:30 PM

**Assets**

Account #	Account Name	Total
10100	Operating Account	\$44,341.72
10200	Asphalt Maintenance Account	\$5,201.28
10500	Construction Deposits	\$74,550.00
15000	Assessments	\$3,226.96
18000	Late Fees	\$795.26
	TOTAL ASSETS	\$128,115.22

**Liabilities**

Account #	Account Name	Total
32100	Assessments	\$2,941.11
37100	Construction Deposit	\$74,550.00
	TOTAL LIABILITIES	\$77,491.11

**Equity**

Account #	Account Name	Total
58100	Retained Earnings	\$14,851.29
	Current Year Net Income/(Loss)	\$35,772.82
	TOTAL EQUITY	\$50,624.11
	TOTAL LIABILITIES AND EQUITY	\$128,115.22

# San Clemente

Run Date: 06/05/2022  
Run Time: 11:30 PM

## INCOME STATEMENT

Start: 05/01/2022 | End: 05/31/2022

### Income

Account	Current			Year to Date			Yearly
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
61000 Association Dues	0.00	0.00	0.00	52,050.40	49,266.00	2,784.40	49,266.00
63000 Late Fees	26.78	83.33	(56.55)	652.46	416.65	235.81	1,000.00
64000 Insurance Claim	0.00	0.00	0.00	4,547.54	0.00	4,547.54	0.00
70000 Interest	0.35	0.83	(0.48)	0.77	4.15	(3.38)	10.00
<b>Total</b>	<b>27.13</b>	<b>84.16</b>	<b>(57.03)</b>	<b>57,251.17</b>	<b>49,686.80</b>	<b>7,564.37</b>	<b>50,276.00</b>

### Expense

Account	Current			Year to Date			Yearly
	Actual	Budget	Variance	Actual	Budget	Variance	Budget
80100 Landscape Maintenance San Clemente	345.51	350.00	4.49	1,727.55	1,750.00	22.45	4,200.00
80200 Stanton Median Maintenance to Sky Island	0.00	0.00	0.00	1,041.08	2,500.00	1,458.92	5,000.00
80250 Stanton Median Water Reimbursement to Overlook	0.00	0.00	0.00	521.17	1,300.00	778.83	2,000.00
80300 Sprinkler Repair San Clemente	0.00	333.33	333.33	140.18	1,666.65	1,526.47	4,000.00
80500 Plant Replacement San Clemente	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00
80600 Street Repairs	0.00	83.33	83.33	0.00	416.65	416.65	1,000.00
80700 Lighting	360.00	333.33	(26.67)	1,257.95	1,666.65	408.70	4,000.00
81500 Gate Repairs	1,395.48	375.00	(1,020.48)	2,514.73	1,875.00	(639.73)	4,500.00
81520 Signage	0.00	41.67	41.67	840.00	208.35	(631.65)	500.00
81570 Common Area Maintenance	0.00	416.67	416.67	1,040.00	2,083.35	1,043.35	5,000.00
83100 Water	1,509.82	333.33	(1,176.49)	2,165.90	1,666.65	(499.25)	4,000.00
83200 Electricity	68.30	66.67	(1.63)	350.37	333.35	(17.02)	800.00
83300 Telephone	188.78	82.50	(106.28)	493.18	412.50	(80.68)	990.00
84100 Management Contract	500.00	500.00	0.00	2,500.00	2,500.00	0.00	6,000.00
84150 Site Manager	1,200.00	1,166.67	(33.33)	6,000.00	5,833.35	(166.65)	14,000.00
84210 Insurance	253.00	208.33	(44.67)	506.00	1,041.65	535.65	2,500.00
84300 Postage	0.00	25.00	25.00	0.00	125.00	125.00	300.00
84400 Photocopies/Printing	17.33	33.33	16.00	462.24	166.65	(295.59)	400.00
84500 Legal Fees	0.00	33.33	33.33	0.00	166.65	166.65	400.00
84525 Credit Bureau Reporting	0.00	0.00	0.00	(82.00)	500.00	582.00	500.00
84600 Accounting Fees	0.00	300.00	300.00	0.00	300.00	300.00	300.00
84700 General Expense	0.00	41.67	41.67	0.00	208.35	208.35	500.00
<b>Total</b>	<b>5,838.22</b>	<b>4,724.16</b>	<b>(1,114.06)</b>	<b>21,478.35</b>	<b>27,720.80</b>	<b>6,242.45</b>	<b>61,890.00</b>
<b>Net Income</b>	<b>(5,811.09)</b>	<b>(4,640.00)</b>	<b>(1,171.09)</b>	<b>35,772.82</b>	<b>21,966.00</b>	<b>13,806.82</b>	<b>(11,614.00)</b>

**San Clemente**  
**CHECK REGISTER - DETAILED**  
 START: 05/01/2022 | END: 05/31/2022

Run Date: 06/05/2022  
 Run Time: 11:30 PM

Date	Check	Vendor	Reference	Amount
<b>Pacific Western Bank Checking Account</b>				
05/02/2022	2039	DANA - DANA Properties	Management	\$1,700.00
05/01/2022	Inv: Management	Acct: 84100 Management Contract		\$500.00
05/01/2022	Inv: Management	Acct: 84150 Site Manager		\$1,200.00
05/02/2022	2040	OPTIMAL - Optimal Outsource	statements	\$17.33
05/02/2022	Inv: opt0704971-032	Acct: 84400 Photocopies/Printing		\$17.33
05/03/2022	2041	EPWATERUTI - El Paso Water Utilities	water	\$451.07
05/03/2022	Inv: 5209620000	Acct: 83100 Water		\$451.07
05/03/2022	2042	EPWATERUTI - El Paso Water Utilities	water	\$120.94
05/03/2022	Inv: 1280620000	Acct: 83100 Water		\$54.27
05/03/2022	Inv: 8621000000	Acct: 83100 Water		\$66.67
05/03/2022	2043	LINGOCOMM - Lingo Communications	telephone	\$94.39
05/03/2022	Inv: 32440499	Acct: 83300 Telephone		\$94.39
05/03/2022	2044	GREENSCENE - Green Scene Inc.	monthly grounds maintenance	\$345.51
05/03/2022	Inv: 128084	Acct: 80100 Landscape Maintenance San ...		\$345.51
05/06/2022	2045	ARTFLORES - Art Flores	lamp post repair	\$180.00
05/06/2022	Inv: 4730	Acct: 80700 Lighting		\$180.00
05/10/2022	2046	NATIONWIDE - Nationwide Insurance	insurance	\$253.00
05/10/2022	Inv: 931321480	Acct: 84210 Insurance		\$253.00
05/10/2022	2047	VALLEYFENC - Valley Fence Co.	replace hinges on door	\$1,395.48
05/10/2022	Inv: 19777	Acct: 81500 Gate Repairs		\$1,395.48
05/13/2022	2048	EPELECTRIC - El Paso Electric	electricity	\$68.30



<b>Date</b>	<b>Check</b>	<b>Vendor</b>	<b>Reference</b>	<b>Amount</b>
Company				
05/13/2022	Inv: 4135700000	Acct: 83200 Electricity		\$16.53
05/13/2022	Inv: 6325700000	Acct: 83200 Electricity		\$35.96
05/13/2022	Inv: 8135700000	Acct: 83200 Electricity		\$15.81
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05/20/2022	2049	ARTFLORES - Art Flores	lamp post repairs canyon pass	\$180.00
05/20/2022	Inv: 4754	Acct: 80700 Lighting		\$180.00
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05/31/2022	2050	LINGOCOMM - Lingo Communications	telephone	\$94.39
05/31/2022	Inv: 32513425	Acct: 83300 Telephone		\$94.39
<hr/>				
05/31/2022	2051	EPWATERUTI - El Paso Water Utilities	water	\$937.81
05/31/2022	Inv: 1280620000	Acct: 83100 Water		\$48.07
05/31/2022	Inv: 5209620000	Acct: 83100 Water		\$823.07
05/31/2022	Inv: 8621000000	Acct: 83100 Water		\$66.67

**Sub-Total: \$5,838.22**

**Total: \$5,838.22**

## **Estimated Costs for Certain Capital Projects for San Clemente Estates Based on Bids Obtained**

Asphalt sealing – based on bids obtained from one company in March 2022:

- 2 coat application - \$24,486
- 3 coat application - \$32,127

Asphalt repair/replacement – no bid obtained

Gate repair, one side, replace gate, motor, and mechanism – \$8,398.28

Gate repair, one side, replace motor - \$5,394.33

Replace medians – rock and not brick

- Lower portion of Lechuguilla
- Upper portion of Rocky Pointe
- Lower portion of Rocky Pointe