

# BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way • Palo Alto • California

November 2018

Dear Barron Square Homeowner:

The 2019 Budget which was adopted by the Board of Directors on 11/14/18, calls for an average increase of 4.00% in the monthly assessments. Therefore, your dues will be in accordance with the table below, as of January 1, 2019:

## 2019 MONTHLY DUES TABLE

Effective January 1, 2019, monthly assessments will be in accordance with the following table:

Unit Type	Percent	No. of Units	Total Percent	2019 Mo. Dues Per Unit	Total Mo. Dues By Type	2018 Mo. Dues Per Unit
1	1.52	1	1.52	<b>831.00</b>	831	799.00
2	1.51	42	63.42	<b>826.00</b>	34,692	794.00
3	1.79	14	25.06	<b>979.00</b>	13,706	941.00
4	1.25	8	10.00	<b>684.00</b>	5,472	657.00
		65	100.00		54,701	

Enclosed with this letter is the 2019 Annual Budget Report and 2019 Annual Policy Statement.

The current insurance disclosure from State Farm Insurance (condominium package policy) and Walton & Associates (earthquake insurance) is also enclosed in this packet. If you need any further insurance information concerning the Association's coverage, please contact the insurance agents directly.

Please keep a copy of these documents with your other Association documents for easy reference and for transfer to a new owner or a lender if you should sell or refinance your home.

If you have any questions regarding the budget, please submit them, in writing, to the Board of Directors, in care of PML Management at the address listed below.

Sincerely,  
The Barron Square Board of Directors

Enclosures

# BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way • Palo Alto • California

## 2019 ANNUAL BUDGET REPORT

PML Management Corporation, Est. 1975

655 Mariners Island Blvd., Suite 301, San Mateo, CA 94404 • 650 349-9113 (O) • 650 349-9190 (F)  
[www.pmlmanagement.com](http://www.pmlmanagement.com)

**BARRON SQUARE HOA - BUDGET SUMMARY**

Fiscal Year: 01/01/2019 - 12/31/2019

	Actual at 12/31/17	Est. at 12/31/18	2019 Budget	Avg Unit Per Mo.
<b>REVENUES:</b>				
Total Regular Assessments	621,420	631,059	656,301	841.41
Total Interest & Dividend Income	3,093	10,108	0	-
Total Other Income	40	200	0	-
<b>TOTAL REVENUES</b>	<b>624,553</b>	<b>641,367</b>	<b>656,301</b>	<b>841.41</b>
<b>EXPENSES:</b>				
<i>MAINTENANCE &amp; REPAIRS</i>				
Common Area Repairs & Maint.	11,120	7,900	10,000	12.82
Gutter Cleaning and Repairs	8,050	8,450	8,700	11.15
Unit Interior Related Repairs	8,029	2,000	2,060	2.64
Janitorial Services	5,910	5,120	6,460	8.28
Janitorial Supplies	676	450	460	0.59
Landscape - Contract	63,792	65,892	67,212	86.17
Landscape - Other	1,521	1,900	1,960	2.51
Landscape - Large Tree Maint.	7,909	8,800	9,500	12.18
Lighting & Supplies	1,043	2,890	2,980	3.82
Pest Control	4,117	4,100	4,220	5.41
Plumbing & Sewers	4,509	3,000	3,090	3.96
Quarterly Well Maintenance	976	198	1,200	1.54
Pool & Spa - Contract	4,078	6,460	5,170	6.63
Pool & Spa - Supplies & Repair	2,600	1,760	1,810	2.32
<b>TOTAL MAINT. &amp; REPAIRS</b>	<b>124,328</b>	<b>118,920</b>	<b>124,822</b>	<b>160.03</b>
<i>UTILITIES</i>				
Gas	2,843	5,000	5,500	7.05
Electricity	4,975	5,460	6,010	7.71
Sewer/Storm Drain	12,262	12,850	14,140	18.13
Cable (Comcast)	1,942	2,000	2,200	2.82
Water	29,738	30,150	33,170	42.53
<b>TOTAL UTILITIES</b>	<b>51,761</b>	<b>55,460</b>	<b>61,020</b>	<b>78.23</b>
<i>ADMINISTRATIVE</i>				
Audit & Tax Preparation	2,900	2,900	2,900	3.72
Bank Charges	25	0	0	0.00
Mailings, Postage & Copies	3,028	2,000	2,060	2.64
Dues & Subscriptions	300	275	275	0.35
Social Functions	940	770	790	1.01
Insurance	66,153	72,000	74,160	95.08
Insurance - Worker's Comp.	387	1,040	1,070	1.37
Legal & Professional Services	1,615	1,760	2,000	2.56
Management Services	30,900	31,827	33,415	42.84
Misc. Administrative	671	700	720	0.92
Prior Year Adjustment	(4,715)	0	0	0.00
IRS/FTB - Pr. Yr. Pmts/Penalty	(146)	0	0	0.00
Permits, Licenses & Other	1,302	10	0	0.00
	103,361	113,282	117,390	150.50
<b>Total Reserve Expenditures</b>	<b>458,079</b>	<b>134,860</b>	<b>856,130</b>	<b>1,097.60</b>
<b>Total Income Tax</b>	<b>183</b>	<b>2,010</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL EXPENDITURES</b>	<b>737,711</b>	<b>424,532</b>	<b>1,159,362</b>	<b>1,486.36</b>

**2019 MONTHLY DUES TABLE**

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				Mo. Dues Per Unit	Mo. Dues By Type	Mo. Dues Per Unit
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2	1.51	42	63.42	826	34,692	794
3	1.79	14	25.06	979	13,706	941
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		65	100.00		54,701	

## PROPERTY INFORMATION

PROPERTY NAME: Barron Square HOA  
 STREET ADDRESS: Thain Way  
 CITY, STATE, ZIP: Palo Alto, CA  
 GOVERNING ENTITY: Board of Directors  
 YEAR CONSTRUCTED: 1979 NUMBER OF CONSTRUCTION PHASES: 1  
 NUMBER OF UNITS: 65 NUMBER OF RESIDENTIAL BUILDINGS: 13

## CONTACT INFORMATION

CURRENT PROPERTY CONTACT: Ms. Deborah McGraw  
 PML Management Corporation  
 655 Mariners Island Blvd., Suite 301  
 San Mateo, CA 94404  
 Phone: (650) 349-9113 Email: debbie@pmlmanagement.com

## RESERVE STUDY INFORMATION

TYPE OF STUDY: Annual Review Study 2019 (no site inspection performed with this review)  
 BEGINNING YEAR OF STUDY: 2019  
 YEAR OF LAST PHYSICAL INSPECTION: 2017  
 YEAR OF NEXT PHYSICAL INSPECTION: 2020 (as required by the Davis-Stirling Act)  
 RESERVE STUDY PREPARER: Reserve Analysis Consulting, L.L.C.  
 1750 Bridgeway, Suite B106 • Sausalito, CA 94965  
 Sausalito, California 94965  
 Office Phone: (415) 332-7800 FAX: (415) 332-7801  
 PERFORMED BY: Aaron Atnip  
 Direct Phone: (415) 272-1716  
 Email: aarona@reserveanalysis.com

## RESERVE FUND FINANCIAL INFORMATION

BUDGET YEAR ENDING DATE:	12/31	2018	2019
ANNUAL RESERVE CONTRIBUTION:		\$342,365	\$353,069
MONTHLY RESERVE CONTRIBUTION:		\$28,530	\$29,422
PER UNIT MONTHLY (AVG.) CONTRIBUTION:		\$438.93	\$452.65
TOTAL SPECIAL ASSESSMENT:		N/A	N/A
PER UNIT (AVG.) SPECIAL ASSESSMENT:		N/A	N/A
PROPOSED RESERVE FUND EXPENDITURES:			(\$855,830)
ESTIMATED YEAR ENDING BALANCE:		\$1,211,257	\$717,168
REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE:			N/A

## RESERVE PERCENT FUNDED CALCULATION

AMOUNT NEEDED TO BE 100% FUNDED:	\$1,746,744	\$1,249,325
THEORETICAL PER UNIT UNDERFUNDED:	\$8,238	\$8,187
CALCULATED PERCENT FUNDED:	69.34%	57.40%

## RESERVE PROJECTED INTEREST &amp; INFLATION

"ASSUMED LONG-TERM INTEREST RATE":	2.00%
"ASSUMED LONG-TERM INFLATION RATE":	3.00%

## **2.00 PROCEDURES & METHODOLOGIES**

### **DAVIS-STIRLING ACT PROCEDURES & REQUIREMENTS**

Current Davis-Stirling statutes 5300 & 5550 ((old 1365 & 1365.5)) require the Association to Review the Reserve Study on an annual basis and implement any necessary adjustments regarding component performance, replacement and/or deferral; as well as recalculation of financial figures based on that review and current financial data. Additionally, Statute 5550 ((old 1365.5)) continues to require a Site Inspection based Update of the complete Study at a minimum every three years. The Reserve Study is to include:

Identification of the major components.

Establishment of reasonable life expectancies and remaining life of all components.

Projected estimated cost of all repair and replacements.

Development of a 30 year Funding Plan which identifies date and amount of regular and special assessments.

Calculation of Percent Funded and amount of per unit deficiency.

Statement of methodology.

Additionally, calculation of 5570 ((old 1365.2.5)) Reserve Summary and Disclosure Document.

### **SCOPE OF STUDY**

The time frame covered by this analysis is from 2019 through 2048. These are the beginning and ending points for all repairs and replacements included in the 30 Year Funding Plan included in this study.

### **STATEMENT OF RESERVE STUDY METHODOLOGY**

The components included in this analysis were identified by age, quantity, and type. Upon completion of the component list and the Reserve Fund Requirement Analysis, the report was presented to the Homeowners Association's Board for approval. The following sources were used, when applicable, to make our determinations:

Original plans and specifications

Original contractors, current contractors and vendors

Association maintenance staff

Association management

Association Board of Directors

While gathering this information there were some assumptions made regarding existing conditions, future conditions and additional circumstances that may occur that would affect the cost of repairs. Some of these assumptions may come true and others may not; therefore, the cost of repairs and life of certain components could vary substantially. Life expectancies of all components were based on industry standard experiences, and on the components being in reasonable and ordinary condition.

All component conditions were based on visual inspection. There was no disassembly of components or demolition involved. This report does not address any factory or product defects or any damage due to improper maintenance, system design, or installation. It's also assumed all components will receive reasonable maintenance for their remaining life.

Only components that met the following criteria were included in this report:

The component maintenance is the responsibility of the Association.

The component is not covered by the Association's Annual Operating Budget.

The component's useful life is greater than one year, except in the case of variable ongoing repair of a major component

The component has an identifiable expected cost and replacement cost.

Inclusion in the Funding plan requires the component's remaining estimated useful life is less than 30 years.

The Reserve Study includes a 30 year component expenditure projection from which a Funding Plan was developed which proposes a "schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the Reserve Funding Plan." The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account that will enable the Association to fulfill its "obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less." It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The cost projections in this report are inflated based on an "assumed long-term inflation rate" based on a 30 year average and adjusted for local economies. The Funding Plan in this report includes an "assumed long-term interest rate" which is not to exceed "2% above the discount rate published by the Federal Reserve Bank of San Francisco." Both rates were reviewed in the Preliminary Draft and approved by the Board of Directors.

**3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION**

Code #	Component Description	2018 End Req'd in Bank	Year New	Useful Life	Rmng. (2019)	Current Cost	Annual Allocation	2019 End Req'd in Bank
1.00	<b>GROUNDS - SIGNAGE</b>							
1.01	Entry Sign (Monument) Replace	\$2,100	1997	25	3	\$2,500	\$100	\$2,200
1.02	Map Board - Repair/Replace	\$200	2015	15	11	\$1,000	\$67	\$267
1.03	Building/Unit Number Signs Repair/Replace	\$2,817	2005	15	1	\$3,250	\$217	\$3,033
1.04	Street/Parking Signage Allowance	\$100	2017	5	3	\$500	\$100	\$200
	<b>Category Sub-Total</b>	<b>\$5,217</b>				<b>\$7,250</b>	<b>\$483</b>	<b>\$5,700</b>
2.00	<b>GROUNDS - PAVING &amp; CONCRETE</b>							
2.01	Asphalt Paving - Seal Coat	\$1,289	2017	6	4	\$7,737	\$1,289	\$2,579
2.02	Asphalt Paving - Parking Striping & Curb Painting	\$367	2017	6	4	\$2,200	\$367	\$733
2.03	Asphalt Paving - Minor Repair - 5%	\$1,791	2017	6	4	\$10,746	\$1,791	\$3,582
2.04	Asphalt Paving - Major Repair - 25%	\$31,341	2023	12	4	\$53,728	\$4,477	\$35,818
2.05	Concrete Repairs - Repair/Replace - Minor	\$4,000	2018	1	0	\$4,000	\$4,000	\$4,000
2.06	Concrete Repairs - Repair/Replace - Major	\$0	2018	10	9	\$13,500	\$1,350	\$1,350
2.07	Concrete - Pool Deck Repair/Replace	\$3,825	2015	20	16	\$25,500	\$1,275	\$5,100
	<b>Category Sub-Total</b>	<b>\$42,613</b>				<b>\$117,410</b>	<b>\$14,549</b>	<b>\$53,162</b>
3.00	<b>GROUNDS - FENCES, RETAINING WALLS, &amp; GATES</b>							
3.01	Fence - Wood @ Patio - Repair/Replace Allowance	\$667	2017	3	1	\$2,000	\$667	\$1,333
3.02	Fence - Wood - G.N. @ Clubhouse Driveway	\$1,944	2003	25	9	\$3,240	\$130	\$2,074
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg. 10 Driveway	\$4,428	2003	25	9	\$7,380	\$295	\$4,723
3.04	Fence - Wood - @ Bldg. 9 Drive and Open Space	\$1,519	2015	20	16	\$10,125	\$506	\$2,025
3.05	Fence - Wood - @ Bldg. 10 Drive and Open Space	\$3,375	2008	20	9	\$6,750	\$338	\$3,713
3.06	Fence - Wood - G.N. behind Bldgs. 4, 5, 6, 7, 8, 9	\$29,282	2000	20	1	\$32,535	\$1,627	\$30,908
3.07	Fence - Wood - G.N. behind Bldgs. 1, 3, 4	\$18,104	2000	20	1	\$20,115	\$1,006	\$19,109
3.08	Fence - Wood - G.N. behind Bldgs. 2	\$4,865	2000	20	1	\$5,406	\$270	\$5,136
3.09	Fence - Wood - Pool Area Fences	\$2,139	2005	20	6	\$3,290	\$165	\$2,303
3.10	Fence - Cyclone @ Tennis Court - Replace	\$11,232	1979	50	10	\$14,400	\$288	\$11,520
3.11	Retaining - Wood @ Units 4122 and 4124	\$2,438	1995	30	6	\$3,180	\$106	\$2,544
3.12	Retaining - Masonry Retaining Wall @ Tennis	\$29,250	1979	60	20	\$45,000	\$750	\$30,000
3.13	Retaining - Wood @ Pool Area	\$6,225	2003	25	9	\$10,375	\$415	\$6,640
3.14	Gates -El Camino Car Gates - Replace	\$2,300	1995	25	1	\$2,500	\$100	\$2,400
3.15	Gates -El Camino Pedestrian Gate - Replace	\$660	2007	25	13	\$1,500	\$60	\$720
3.16	Gates - Pool Gates - Replace	\$1,950	2005	20	6	\$3,000	\$150	\$2,100
3.17	Gates (All) Fob System Hardware	\$6,000	2016	10	7	\$30,000	\$3,000	\$9,000
3.18	Gate Access Alarm Lock @ Pool Gate	\$200	2017	10	8	\$2,000	\$200	\$400
3.19	Gates - Cyclone @ Tennis Court - Replace	\$329	1995	35	11	\$500	\$14	\$343
3.20	Gates - Wood @ Maintenance Area	\$900	2000	20	1	\$1,000	\$50	\$950
	<b>Category Sub-Total</b>	<b>\$127,805</b>				<b>\$204,296</b>	<b>\$10,136</b>	<b>\$137,941</b>
4.00	<b>GROUNDS - IRRIGATION &amp; LANDSCAPING</b>							
4.01	Well Components Repair & Replacement - Ongoing	\$1,500	2019	1	1	\$1,500	\$1,500	\$1,500
4.02	Well Components - Major System Replacement	\$12,975	2011	30	22	\$55,609	\$1,854	\$14,829
4.03	Well - Pumps	\$5,787	2019	15	15	\$6,200	\$413	\$0
4.04	Well - Tank	\$9,333	2019	15	15	\$10,000	\$667	\$0
4.05	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$4,000	2018	1	0	\$4,000	\$4,000	\$4,000
4.06	Irrigation Controllers	\$4,800	2009	15	5	\$8,000	\$533	\$5,333
4.07	Irrigation Controllers	\$3,789	2000	19	0	\$4,000	\$211	\$0
4.08	Backflow Preventer	\$9,200	1995	25	1	\$10,000	\$400	\$9,600
4.09	Arborist Tree Report	\$0	2018	5	4	\$7,250	\$1,450	\$1,450
4.10	Tree Remove/Replace Allowance	\$0	2018	5	4	\$10,000	\$2,000	\$2,000
4.11	Landscaping Remove/Replace Allowance	\$0	2018	5	4	\$7,500	\$1,500	\$1,500
	<b>Category Sub-Total</b>	<b>\$51,385</b>				<b>\$124,059</b>	<b>\$14,527</b>	<b>\$40,212</b>
5.00	<b>LIGHTING- ALL SITE</b>							
5.01	Lighting Wiring and Controllers Repair Allowance	\$1,500	2018	1	0	\$1,500	\$1,500	\$1,500
5.02	Light Fixtures - @ Landscaping & Wiring	\$2,560	2014	25	20	\$16,000	\$640	\$3,200
5.03	Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$180	2017	25	23	\$4,500	\$180	\$360
5.04	Lights- Clubhouse Building Exterior	\$15	2017	30	28	\$450	\$15	\$30
5.05	Lights - Wall Mount @ Garages	\$340	2017	25	23	\$8,500	\$340	\$680
5.06	Lights- Area Lighting (LED)	\$200	2017	25	23	\$5,000	\$200	\$400
5.07	Lights - Residential Building Exterior - Entry/Balc./Stairs	\$1,400	2017	25	23	\$35,000	\$1,400	\$2,800

**3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION**

Code #	Component Description	2018 End Req'd in Bank	Year New	Usefl Life	Rmng. (2019)	Current Cost	Annual Allocation	2019 End Req'd in Bank
Category Sub-Total		\$6,195				\$70,950	\$4,275	\$8,970
6.00	<b>GROUPS - MAILBOX KIOSKS</b>							
6.01	Kiosks Rebuild (Structure, Siding, Roof)	\$8,625	1995	24	0	\$9,000	\$375	\$0
6.02	Mailboxes	\$360	2017	20	18	\$7,200	\$360	\$720
Category Sub-Total		\$8,985				\$16,200	\$735	\$720
7.00	<b>GROUPS - MISCELLANEOUS</b>							
7.01	Storage Shed (Modular) - Replace	\$825	2007	20	8	\$1,500	\$75	\$900
7.02	Iron Stair Railings @ Site Concrete Stairs	\$4,997	1985	35	1	\$5,300	\$151	\$5,149
Category Sub-Total		\$5,822				\$6,800	\$226	\$6,049
8.00	<b>TENNIS COURT AREA</b>							
8.01	Tennis Court - Resurface/Lines	\$1,933	2016	6	3	\$5,800	\$967	\$2,900
8.02	Tennis Court - Replace	\$28,080	1979	50	10	\$36,000	\$720	\$28,800
8.03	Tennis Court Net - Replace	\$117	2016	6	3	\$350	\$58	\$175
Category Sub-Total		\$30,130				\$42,150	\$1,745	\$31,875
9.00	<b>SWIMMING POOL</b>							
9.01	Drainage Upgrade Allowance	\$750	2015	12	8	\$3,000	\$250	\$1,000
9.02	Fiberglass	\$3,061	2015	12	8	\$12,244	\$1,020	\$4,081
9.03	Coping - Replace	\$2,250	2003	24	8	\$3,600	\$150	\$2,400
9.04	Tile - Replace	\$2,250	2003	24	8	\$3,600	\$150	\$2,400
9.05	Seal Coping/Deck Joint - Replace Mastic	\$240	2015	12	8	\$960	\$80	\$320
9.06	Rails - Replace	\$200	2015	30	26	\$2,000	\$67	\$267
9.07	Skimmers - Replace	\$2,500	2003	24	8	\$4,000	\$167	\$2,667
9.08	Lights - Replace	\$100	2015	15	11	\$500	\$33	\$133
9.09	Heater - Replace	\$3,316	2000	19	0	\$3,500	\$184	\$0
9.10	Filter - Replace	\$2,368	2000	19	0	\$2,500	\$132	\$0
9.11	Filter Pump - Replace	\$947	2000	19	0	\$1,000	\$53	\$0
9.12	Solar Controller - Replace	\$711	2000	19	0	\$750	\$39	\$0
9.13	Solar Pump - Replace	\$924	2000	19	0	\$975	\$51	\$0
9.14	Solar Panels - Repair	\$0	2018	10	9	\$6,780	\$678	\$678
9.15	Solar Panels - Structure Replace	\$5,116	2000	19	0	\$5,400	\$284	\$0
9.16	Pool Signs - Replace	\$225	2009	10	0	\$250	\$25	\$0
9.17	Pool Furniture Replacement Allowance	\$0	2018	5	4	\$3,000	\$600	\$600
Category Sub-Total		\$24,958				\$54,059	\$3,963	\$14,546
10.00	<b>SPA</b>							
10.01	Spa - Total Replace	\$26,667	2002	18	1	\$30,000	\$1,667	\$28,333
10.02	Spa - Preventative Maintenance Allowance	\$833	2017	3	1	\$2,500	\$833	\$1,667
10.03	Rails - Replace	\$800	2002	20	3	\$1,000	\$50	\$850
10.04	Heater - Replace	\$2,800	2006	15	2	\$3,500	\$233	\$3,033
10.05	Filter - Replace	\$2,386	1997	22	0	\$2,500	\$114	\$0
10.06	Filter Pump - Replace	\$933	2004	15	0	\$1,000	\$67	\$0
Category Sub-Total		\$34,420				\$40,500	\$2,964	\$33,883
11.00	<b>CLUBHOUSE INTERIOR</b>							
11.01	Paint - Interior (Clubhouse) - Ongoing Allowance	\$1,313	2019	8	8	\$1,500	\$188	\$0
11.02	Carpet Floor- Replace	\$4,125	2019	15	15	\$4,420	\$295	\$0
11.03	Tile Floor - Replace - Approx.. 50% with spa	\$4,400	2002	20	3	\$5,500	\$275	\$4,675
11.04	Tile Floor - Replace	\$5,378	2019	45	45	\$5,500	\$122	\$0
11.05	Refrigerator - Replace	\$579	2019	15	15	\$620	\$41	\$0
11.06	Disposal - Replace	\$280	2019	15	15	\$300	\$20	\$0
11.07	HVAC Unit - Replace	\$3,900	1979	40	0	\$4,000	\$100	\$0
11.08	Spa Exhaust System - Replace	\$333	2014	15	10	\$1,250	\$83	\$417
11.09	Sauna Room Rehabilitation & Door	\$5,171	1979	40	0	\$5,304	\$133	\$0
11.10	Sauna Mechanical - Replace	\$700	2011	30	22	\$3,000	\$100	\$800
11.11	Water Heater - Tankless	\$1,435	1996	23	0	\$1,500	\$65	\$0
11.12	Doors - Wood w/Glass	\$2,167	1979	45	5	\$2,500	\$56	\$2,222
11.13	Doors - Solid Wood	\$2,773	1979	45	5	\$3,200	\$71	\$2,844
11.14	Lights	\$1,330	2004	30	15	\$2,850	\$95	\$1,425
11.15	Restroom Upgrade	\$72,500	2019	30	30	\$75,000	\$2,500	\$0
11.16	Kitchen Area Upgrade	\$72,500	2019	30	30	\$75,000	\$2,500	\$0
11.17	Furniture Replace	\$6,533	2019	15	15	\$7,000	\$467	\$0

**3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION**

Code #	Component Description	2018 End Req'd in Bank	Year New	Usefl Life	Rmng. (2019)	Current Cost	Annual Allocation	2019 End Req'd in Bank
11.18	Security System Upgrade Allowance	\$333	2017	3	1	\$1,000	\$333	\$667
Category Sub-Total		\$185,750				\$199,444	\$7,444	\$13,050
12.00	<b>CLUBHOUSE BUILDING EXTERIOR</b>							
12.01	Clubhouse Deck & Stairs - Replace- Redwood	\$8,676	2008	25	14	\$21,690	\$868	\$9,544
12.02	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$2,410	2010	5	-4	\$2,410	\$482	\$0
12.03	Doors - Wood/Glass Entry Doors	\$6,933	1979	45	5	\$8,000	\$178	\$7,111
12.04	Doors - Solid Wood Entry Door- Pool Equipment Room	\$867	1979	45	5	\$1,000	\$22	\$889
12.05	Doors - Metal/Glass Sliding Doors	\$8,775	1979	40	0	\$9,000	\$225	\$0
12.06	Windows	\$7,313	1979	40	0	\$7,500	\$188	\$0
Category Sub-Total		\$34,974				\$49,600	\$1,962	\$17,544
13.00	<b>GARAGE &amp; TRASH ENCLOSURE BUILDING EXTERIORS</b>							
13.01	Doors - Single Car Garage Doors w/ Paint Cycle	\$95,550	1979	40	0	\$98,000	\$2,450	\$0
13.02	Doors - Wood/Glass Pedestrian Door w/ Paint Cycle	\$12,188	1979	40	0	\$12,500	\$313	\$0
13.03	Doors - Solid Wood Doors @ Walk In Garbage	\$8,750	2004	20	5	\$12,500	\$625	\$9,375
13.04	Trash Enclosure Rebuild Allowance	\$6,667	2008	15	4	\$10,000	\$667	\$7,333
Category Sub-Total		\$123,154				\$133,000	\$4,054	\$16,708
14.00	<b>RESIDENTIAL BUILDING EXTERIORS - STAIRS, LANDINGS &amp; BALCONIES</b>							
14.01	Stairs, Landings & Balconies - Repair/Replace Allowance	\$10,000	2018	1	0	\$10,000	\$10,000	\$10,000
14.02	Landings & Stairs - Repair Allowance	\$33,333	2016	3	0	\$50,000	\$16,667	\$0
14.03	Balconies - Repair Allowance	\$126,667	2016	3	0	\$190,000	\$63,333	\$0
Category Sub-Total		\$170,000				\$250,000	\$90,000	\$10,000
15.00	<b>BUILDING EXTERIOR - ROOFS</b>							
15.01	Inspection & Repair Allowance - All Roofing Components	\$10,000	2018	1	0	\$10,000	\$10,000	\$10,000
15.02	Flat Roof Replacement @ 550 Thain	\$4,200	2012	20	13	\$14,000	\$700	\$4,900
15.03	Flat Roof Replacement - Residences&Clubhouse&Contingency	\$44,532	2015	20	16	\$296,880	\$14,844	\$59,376
15.04	Flat Roof Replacement - Garages	\$114,584	2019	20	20	\$120,615	\$6,031	\$0
15.05	Gutters/Downspouts - Residences&Clubhouse&Contingency	\$1,711	2015	30	26	\$17,105	\$570	\$2,281
15.06	Gutters/Downspouts - Garages	\$16,948	2019	30	30	\$17,532	\$584	\$0
15.07	Sloped Roof Replace - All - Full Replacement	\$465,195	2023	30	4	\$558,234	\$18,608	\$483,803
15.08	Chimney Caps / Spark Arrestors - Allowance	\$1,000	2016	15	12	\$7,500	\$500	\$1,500
Category Sub-Total		\$658,169				\$1,041,866	\$51,837	\$561,859
16.00	<b>RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES</b>							
16.01	Doors - Entry Door & Hardware Allowance	\$5,000	2018	1	0	\$5,000	\$5,000	\$5,000
16.02	Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000	2018	1	0	\$5,000	\$5,000	\$5,000
16.03	Termite Fumigation & Repairs (2006)	\$39,000	2006	20	7	\$65,000	\$3,250	\$42,250
16.04	Termite - Drywood Warranty Renewal	\$0	2018	2	1	\$14,804	\$7,402	\$7,402
16.05	Termite - Subterranean Warranty Renewal	\$0	2018	2	1	\$8,036	\$4,018	\$4,018
16.06	Building Exterior Siding/Trim Repair/Replace - Minor	\$23,529	2016	17	14	\$200,000	\$11,765	\$35,294
16.07	Building Exterior Siding/Trim Repair/Replace - Major	\$42,857	2016	14	11	\$300,000	\$21,429	\$64,286
Category Sub-Total		\$115,387				\$597,840	\$57,863	\$163,250
17.00	<b>PAINTING &amp; STAINING</b>							
17.01	Paint - All Wood/Metal Components (Previous \$ + Inflation)	\$42,857	2016	7	4	\$150,000	\$21,429	\$64,286
17.02	Stain - Wood Shingle (Previous \$ + Inflation)	\$28,571	2016	7	4	\$100,000	\$14,286	\$42,857
Category Sub-Total		\$71,429				\$250,000	\$35,714	\$107,143
18.00	<b>MISCELLANEOUS &amp; CONTINGENCIES</b>							
18.01	Reserve Study - Annual	\$533	2016	3	0	\$800	\$267	\$0
18.02	Reserve Study - Third Year Site Inspection	\$633	2017	3	1	\$1,900	\$633	\$1,267
18.03	Reserve Study - Annual	\$0	2018	3	2	\$800	\$267	\$267
18.04	Underground Utility Inspections & Repairs	\$10,000	2016	3	0	\$15,000	\$5,000	\$0
18.05	CC&R Revisions	\$7,650	2009	10	0	\$8,500	\$850	\$0
18.06	Construction Management - Paint/Siding/Decks/Stairs	\$14,286	2016	7	4	\$50,000	\$7,143	\$21,429
18.07	Construction Management - Roofing	\$3,000	2014	20	15	\$15,000	\$750	\$3,750
18.08	Construction Management - Roofing	\$14,250	2019	20	20	\$15,000	\$750	\$0
Category Sub-Total		\$50,352				\$107,000	\$15,660	\$26,712
<b>Total Value of Components:</b>						<b>\$3,312,424</b>		
<b>Annual Straight-Line Allocation:</b>							<b>\$318,138</b>	
		<b>2018 End</b>						<b>2019 End</b>



**3.00 RESERVE STUDY COMPONENT SCHEDULE & PERCENT FUNDED CALCULATION**

Code #	Component Description	2018 End Req'd in Bank	Year New	Useful Life	Rmng. (2019)	Current Cost	Annual Allocation	2019 End Req'd in Bank
	<b>Total Dollars Necessary to be 100% Funded:</b>	\$1,746,744						\$1,249,325
	<b>Actual Dollars In Reserve Fund:</b>	\$1,211,257						\$717,168
	<b>Current Fund Deficiency:</b>	\$535,487						\$532,157
	<b>Current Per Unit Deficiency:</b>	\$8,238						\$8,187
	<b>Percent Funded:</b>	<b>69.34%</b>						57.40%
	(Actual dollars/Total Dollars Necessary)							

**STEPS FOR DETERMINING PERCENT FUNDED:**

- Step 1: Calculate for each component a required contribution on a "straight-line" funding methodology.  
(total component cost divided by the life expectancy of the component)
- Step 2: Calculate the required dollars in Reserves for each component.  
(required annual contribution multiplied by the component's life in service)
- Step 3: Total the required dollars for each component to arrive at "required dollars in bank".
- Step 4: Divide actual dollars in bank by required dollars in bank to arrive at percent funded calculation.

This report includes, but is not limited to\*, reserve calculations made using the formula described in section 5570(b)(4) ((old 1365.2.5(b)(4)) of the Davis-Stirling Act:

*(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.*

\* The future funding levels developed in the Funding Plan of this Reserve Study are derived through cash flow funding calculations.

**PROPERTY DESCRIPTION & COMPONENT INCLUSION:**

Barron Square HOA is a 65-member association located in Palo Alto, CA. The Association is responsible for 13 residential buildings that were originally built in 1 phase in 1979. The Association is responsible for all components as the Board of Directors has interpreted the CC&Rs. For specific component inclusion based on that interpretation please refer to the Component Data or Schedule Sections.

**5300(b)(4) - COMPONENT CONDITION:**

The property is composed of a variety of components that are in a range of conditions due to their various ages and expected lives. The projections in this Reserve Study intend to maintain these components at an appropriate condition in the future; however, it is the Board's responsibility to investigate and cause the actual maintenance, repair and replacement projects at the appropriate time(s).

Per Davis-Stirling Section 5500 ((old 1365.5)), on a quarterly basis the Board will review actual reserve expenses compared to the year's proposed reserve expenses. Depending on each component's condition and available information at that time, the Board will determine to undertake repair and replacement projects as appropriate. Please refer to the Sections of Component Data and/or Component Schedule for specific details on component ages, expected lives, and remaining lives. A component with a negative remaining life does not necessarily mean the component is being deferred, but rather signifies that the component is past its statistically average life and will be reviewed annually until it is appropriate for replacement. If the Board has specifically determined to defer or not undertake a component's repair or replacement, that decision and its justification is required to be in meeting minutes and disclosed separately in the Annual Budget Report.

**5300(b)(3,5,6,7,8) - FUNDING PLAN ANALYSIS & CALCULATIONS:**

5300(b)(3) - "the association shall provide the full reserve study plan upon request."

Specific Details regarding the following statements can be viewed in the "30 YEAR FUNDING PLAN" (included with this Reserve Summary).

5300(b)(5) - If applicable, the amount and commencement date of Board determined or anticipated special assessments will be shown and if a vote of the membership is required.

5300(b)(6) - The mechanism(s) by which the board will fund the reserves, including assessments, borrowing, and/or use of other assets. Refer to 5300(b)(4) above for deferral/selected repair/replacements.

5300(b)(7) - Procedures & methodology used for these calculations can be found in section "Procedures & Methodologies" (included with this Reserve Summary).

5300(b)(8) - If applicable, details regarding outstanding loans can be found in the 5570 "Reserve Summary and Disclosure" (included with this summary) and/or separately in the Annual Budget Report.

The Reserve Study is a SERIES OF PROJECTIONS, and consequently the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as future inflation rates, the level of preventative maintenance completed by future boards, unknown material defects, changes in technology, efficiency, and/or government regulations.

The Reserve Study is an evolving document that represents a moment in time covering a 30 year period. As required by The Davis-Stirling Act, we recommend that the Association review and update this Reserve Analysis on an annual basis to make adjustments for component expenditures and fluctuations in annual revenue, interest, and inflation.

## 30 YEAR RESERVE FUNDING PLAN

2018 Average unit per month reserve contribution \*1 = \$438.93

2018 Total annual reserve contribution \*1 = \$342,365

\* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 1ST 10 YEARS	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Projected Beginning Fund Balance *1	\$1,211,257	\$717,168	\$902,680	\$1,256,672	\$1,296,370	\$519,642	\$838,937	\$912,606	\$1,172,122	\$1,565,507
Contribution % increase over previous yr.	3.13%	5.00%	5.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$13.72	\$22.63	\$23.76	\$24.95	\$15.72	\$16.19	\$16.68	\$17.18	\$17.69	\$18.22
Contribution avg. per unit/month	\$452.65	\$475.29	\$499.05	\$524.00	\$539.72	\$555.91	\$572.59	\$589.77	\$607.46	\$625.69
<b>Reserve Contribution - Annual</b>	<b>\$353,069</b>	<b>\$370,722</b>	<b>\$389,259</b>	<b>\$408,722</b>	<b>\$420,983</b>	<b>\$433,613</b>	<b>\$446,621</b>	<b>\$460,020</b>	<b>\$473,820</b>	<b>\$488,035</b>
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$1,564,326	\$1,087,890	\$1,291,938	\$1,665,394	\$1,717,353	\$953,255	\$1,285,558	\$1,372,625	\$1,645,942	\$2,053,542
Projected Expenditures - inflated	-\$855,830	-\$196,126	-\$50,462	-\$384,699	-\$1,203,994	-\$124,463	-\$383,988	-\$214,677	-\$99,365	-\$550,149
Balance after expenditures	\$708,496	\$891,765	\$1,241,477	\$1,280,694	\$513,359	\$828,792	\$901,570	\$1,157,948	\$1,546,577	\$1,503,393
Interest on balance after tax	\$8,672	\$10,915	\$15,196	\$15,676	\$6,284	\$10,144	\$11,035	\$14,173	\$18,930	\$18,402
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	57.40%	63.23%	71.40%	72.26%	49.06%	62.55%	65.39%	72.16%	79.00%	78.76%
Projected Year Ending Balance *3	\$717,168	\$902,680	\$1,256,672	\$1,296,370	\$519,642	\$838,937	\$912,606	\$1,172,122	\$1,565,507	\$1,521,795

\* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 2ND 10 YEARS	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Projected Beginning Fund Balance *1	\$1,521,795	\$1,860,857	\$1,426,943	\$1,523,097	\$1,961,583	\$2,090,070	\$2,083,589	\$1,931,989	\$2,409,026	\$1,985,660
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$18.77	\$19.33	\$19.91	\$20.51	\$21.13	\$21.76	\$22.41	\$23.09	\$23.78	\$24.49
Contribution avg. per unit/month	\$644.46	\$663.79	\$683.70	\$704.21	\$725.34	\$747.10	\$769.51	\$792.60	\$816.38	\$840.87
<b>Reserve Contribution - Annual</b>	<b>\$502,676</b>	<b>\$517,756</b>	<b>\$533,289</b>	<b>\$549,288</b>	<b>\$565,766</b>	<b>\$582,739</b>	<b>\$600,221</b>	<b>\$618,228</b>	<b>\$636,775</b>	<b>\$655,878</b>
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$2,024,470	\$2,378,613	\$1,960,232	\$2,072,385	\$2,527,350	\$2,672,809	\$2,683,810	\$2,550,217	\$3,045,801	\$2,641,538
Projected Expenditures - inflated	-\$186,115	-\$968,925	-\$455,552	-\$134,521	-\$462,553	-\$614,415	-\$775,182	-\$170,321	-\$1,084,152	-\$326,616
Balance after expenditures	\$1,838,356	\$1,409,688	\$1,504,680	\$1,937,864	\$2,064,797	\$2,058,394	\$1,908,628	\$2,379,896	\$1,961,649	\$2,314,921
Interest on balance after tax	\$22,501	\$17,255	\$18,417	\$23,719	\$25,273	\$25,195	\$23,362	\$29,130	\$24,011	\$28,335
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	83.06%	78.18%	80.18%	85.44%	86.89%	87.25%	86.56%	90.48%	88.20%	91.33%
Projected Year Ending Balance *3	\$1,860,857	\$1,426,943	\$1,523,097	\$1,961,583	\$2,090,070	\$2,083,589	\$1,931,989	\$2,409,026	\$1,985,660	\$2,343,256

\* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 3RD 10 YEARS	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Projected Beginning Fund Balance *1	\$2,343,256	\$2,530,206	\$2,504,589	\$2,995,574	\$3,514,877	\$3,603,652	\$2,910,776	\$3,576,814	\$3,450,460	\$4,043,400
Contribution % increase over previous yr.	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Contribution avg. unit/month \$ increase	\$25.23	\$25.98	\$26.76	\$27.57	\$28.39	\$29.24	\$30.12	\$31.02	\$31.96	\$32.91
Contribution avg. per unit/month	\$866.10	\$892.08	\$918.84	\$946.41	\$974.80	\$1,004.04	\$1,034.16	\$1,065.19	\$1,097.14	\$1,130.06
<b>Reserve Contribution - Annual</b>	<b>\$675,554</b>	<b>\$695,821</b>	<b>\$716,696</b>	<b>\$738,196</b>	<b>\$760,342</b>	<b>\$783,153</b>	<b>\$806,647</b>	<b>\$830,847</b>	<b>\$855,772</b>	<b>\$881,445</b>
Does increase require membership vote?										
Proposed avg. special assess per unit										
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$3,018,810	\$3,226,027	\$3,221,284	\$3,733,770	\$4,275,219	\$4,386,805	\$3,717,423	\$4,407,661	\$4,306,232	\$4,924,845
Projected Expenditures - inflated	-\$519,200	-\$751,723	-\$261,933	-\$261,396	-\$715,142	-\$1,511,226	-\$183,860	-\$998,924	-\$311,725	-\$295,492
Balance after expenditures	\$2,499,610	\$2,474,303	\$2,959,351	\$3,472,375	\$3,560,077	\$2,875,579	\$3,533,564	\$3,408,737	\$3,994,507	\$4,629,353
Interest on balance after tax	\$30,595	\$30,285	\$36,222	\$42,502	\$43,575	\$35,197	\$43,251	\$41,723	\$48,893	\$56,663
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	92.93%	93.44%	95.98%	97.81%	98.27%	96.90%	99.22%	99.48%	100.00%	100.00%
Projected Year Ending Balance *3	\$2,530,206	\$2,504,589	\$2,995,574	\$3,514,877	\$3,603,652	\$2,910,776	\$3,576,814	\$3,450,460	\$4,043,400	\$4,686,017



**Barron Square HOA**

(7.a.) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is \$\*1 See 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 \$\*2 See Below, leaving the reserve at \*3 See Below percent funding.

Budget Year	2019	2020	2021	2022	2023
*1 Estimated Amount Req'd in Fund to be 100%	\$1,249,325	\$1,427,701	\$1,759,986	\$1,794,044	\$1,059,271
*2 Reserve Balance (w/PREV. APPROVED DUES ONLY)	\$706,333	\$863,008	\$1,169,047	\$1,140,504	\$282,288
*3 Estimated Percent Funded	56.54%	60.45%	66.42%	63.57%	26.65%

(7.b.) **If the Reserve Funding Plan approved by the Association is implemented**, the projected reserve fund cash balance in each of those years will be \$\*4 See Below leaving the reserve at \*5 See Below percent funding.

Budget Year	2019	2020	2021	2022	2023
*1 Estimated Amount Req'd in Fund to be 100%	\$1,249,325	\$1,427,701	\$1,759,986	\$1,794,044	\$1,059,271
*4 Reserve Balance (IF FUND PLAN IMPLEMENTED)	\$717,168	\$902,680	\$1,256,672	\$1,296,370	\$519,642
*5 Estimated Percent Funded	57.40%	63.23%	71.40%	72.26%	49.06%

**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 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3 percent per year.**

(b) For the purposes of preparing a summary pursuant to this section:

(1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.

(2) "Major component" has the meaning used in Section 5550 ((old 1365.5)):

Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in 5570 subdivision (a) shall accompany each Annual Budget Report or summary thereof that is delivered pursuant to section 5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision 5570 (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

**Further Notes:** Please read the Requirements & Methodology in Section 2.00 and the Narrative Statements in Section 4.00 of this Financial Summary for important details concerning this Reserve Study's development.



**Eva Martin-Long, Agent License #0716139**

**State Farm Insurance Companies**

10011 N. Foothill Blvd. Ste. 111, Cupertino, CA 95014

(408)973-0700 Fax (408)255-5615

evamartinlong.com

## **BARRON SQUARE HOMEOWNERS ASSOCIATION**

CIVIL CODE 5300(b)(9) DISCLOSURE SUMMARY FORM

<b>A. Property Insurance</b>	STATE FARM GENERAL INSURANCE
<b>Effective:</b> 01/01/19-01/01/20	<b>Policy #:</b> 97-B5-7532-8
Blanket Building Insurance Limit:	\$22,386,200
Property Deductible:	\$15,000
<b>B. General Liability</b>	STATE FARM GENERAL INSURANCE
<b>Effective:</b> 01/01/19-01/01/20	<b>Policy #:</b> 97-B5-7532-8
Liability Limit:	\$1,000,000 per occurrence/\$2,000,000 aggregate
Deductible:	\$0
<b>C. Directors &amp; Officers Liability</b>	STATE FARM GENERAL INSURANCE
<b>Effective:</b> 01/01/19-01/01/20	<b>Policy #:</b> 97-B5-7532-8
Limit of Liability:	\$2,000,000
Deductible:	\$0
<b>D. Fidelity Bond</b>	STATE FARM GENERAL INSURANCE
<b>Effective:</b> 06/05/18-06/05/19	<b>Policy #:</b> 97-98-6383-2
Total Limit:	\$1,700,000
Deductible:	\$250
<b>Managing Agent Endorsement:</b>	
Total Limit:	\$50,000
<b>E. Umbrella Liability</b>	STATE FARM GENERAL INSURANCE
<b>Effective:</b> 01/01/19-01/01/20	<b>Policy #:</b> 97-B4-5021-9
Limit of Liability:	\$5,000,000
Deductible:	\$0
<b>F. Workers Compensation</b>	STATE FARM GENERAL INSURANCE
<b>Effective:</b> 05/13/18-05/13/19	<b>Policy #:</b> 97-CQ-U152-5

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.

**Eva Martin-Long**  
**State Farm Insurance**

**BARRON SQUARE HOMEOWNERS ASSOCIATION**  
Civil Code 5300 Insurance Disclosure Requirements  
January 31, 2018 to January 31, 2019 Policy Period

**COMMERCIAL EARTHQUAKE**

<b>Name of Insurer</b>	<b>QBE Specialty Insurance Company</b>
<b>Earthquake</b>	\$34,535,200 Limit of Insurance
<b>Building Ordinance</b>	\$3,453,520 Combined Demolition Cost & Increased Cost of Construction
<b>Deductible</b>	15% (Subject to \$25,000 Minimum Per Occurrence)
<b>TOTAL ANNUAL PREMIUM:</b>	<b>\$43,741.82</b>

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.

**THIS SUMMARY DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THESE POLICIES. PLEASE READ YOUR POLICIES CAREFULLY.**

WALTON & ASSOCIATES INSURANCE SERVICES  
ATLANTIC-PACIFIC INSURANCE BROKERS, INC.  
LICENSE #: OD79626

Administered by Walton & Associates Insurance Services/Atlantic-Pacific Insurance Brokers, Inc.  
(877) 265-2801

# The Barron Square Homeowners Association

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*Palo Alto, California 94306*

## FHA APPROVAL STATUS STATEMENT

### Civil Code §5300(f)

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

This common interest development is a condominium project. The association of this common interest development is not certified by the Federal Housing Administration as of November 2018. If further information is required, please check the following website at <https://entp.hud.gov/idapp/html/condlook.cfm>.

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**PML Management Corporation, Est. 1975**

655 Mariners Island Blvd., Suite 301, San Mateo, CA 94404 • 650 349-9113 (O) • 650 349-9190 (F)  
[www.pmlmanagement.com](http://www.pmlmanagement.com)



# The Barron Square Homeowners Association

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*Palo Alto, California 94306*

## VA APPROVAL STATUS STATEMENT

### Civil Code §5300(g)

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

This common interest development is a condominium project. The association of this common interest development is not certified by the federal Department of Veterans Affairs as of November 2018. If further information is required, please check the following website at <https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>.

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**PML Management Corporation, Est. 1975**

655 Mariners Island Blvd., Suite 301, San Mateo, CA 94404 • 650 349-9113 (O) • 650 349-9190 (F)  
www.pmlmanagement.com

# BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way ▪ Palo Alto ▪ California

## 2019 ANNUAL POLICY STATEMENT

PML Management Corporation, Est. 1975

655 Mariners Island Blvd., Suite 301, San Mateo, CA 94404 • 650 349-9113 (O) • 650 349-9190 (F)  
[www.pmlmanagement.com](http://www.pmlmanagement.com)

# Barron Square Homeowners Association

## 2019 Annual Policy Statement

### **NOTICE OF DESIGNATED RECIPIENT**

#### **Civil Code §4035**

PML Management Corporation is the designated recipient of all association communication. All correspondence for the Barron Square Homeowners Association is to be sent to the following address:

PML Management Corporation  
655 Mariners Island Boulevard, Suite 301  
San Mateo, CA 94404  
[info@pmlmanagement.com](mailto:info@pmlmanagement.com)  
[www.pmlmanagement.com](http://www.pmlmanagement.com)

### **NOTICE OF RIGHT TO SUBMIT SECONDARY ADDRESS**

#### **Civil Code §4040 (b)**

An owner may make a written request to the Association of a secondary address to be used by the Association for general communication and collection purposes. The owner may identify or change a secondary address at any time. This request must be made in writing, and sent to:

PML Management Corporation  
655 Mariners Island Boulevard, Suite 301  
San Mateo, CA 94404  
[info@pmlmanagement.com](mailto:info@pmlmanagement.com)  
[www.pmlmanagement.com](http://www.pmlmanagement.com)

### **GENERAL NOTICE LOCATION**

#### **Civil Code §4045 (3) (a)**

General notices to owners will be posted in a prominent location that is accessible to all owners, located on the association's mailbox kiosks.

### **RIGHT TO INDIVIDUAL DELIVERY**

#### **Civil Code §4045 (b)**

All general notices to owners shall be delivered by (1) First-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. If owners choose to receive their notices by E-mail, facsimile, or other electronic means, please mail the attached **REQUEST FOR DELIVERY OF ASSOCIATION DOCUMENTS BY EMAIL** to PML Management Corporation at the address located on the form. This consent may be revoked, in writing, by the recipient.

# Barron Square Homeowners Association

## 2019 Annual Policy Statement

### **OWNERS' RIGHT TO MINUTES**

#### **Civil Code §4950 (a)**

The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any board meeting, other than an executive session, shall be available to owners within 30 days of the meeting. The minutes, proposed minutes, or summary minutes shall be distributed to any owner upon request and upon reimbursement of the association's costs for making that distribution. A written request may be sent to:

PML Management Corporation  
655 Mariners Island Boulevard, Suite 301  
San Mateo, CA 94404

### **COLLECTION POLICY/LEIN POLICY**

#### **Civil Code §5730**

The association's Assessment Collection Policy and Notice Regarding Assessment and Foreclosures is attached to this Annual Policy Statement.

### **DISPUTE RESOLUTION PROCEDURES**

#### **Civil Code §5920 and 5925**

A summary of Internal Dispute Resolution and the Alternative Dispute Resolution procedures are attached to this Annual Policy Statement.

### **RULES ENFORCEMENT POLICY**

#### **Civil Code §5850**

A statement of the association's Schedule of Fines is attached to this Annual Policy Statement.

### **ARCHITECTURAL MODIFICATION PROCEDURE**

#### **Civil Code §4765**

A summary of the association's architectural modification procedures is attached to this Annual Policy Statement.

### **OVERNIGHT PAYMENTS**

#### **Civil Code §5655**

For the purpose of overnight payment, owners are directed to use the following address:

PML Management Corporation  
655 Mariners Island Boulevard, Suite 301  
San Mateo, CA 94404

## The Barron Square Homeowners Association

### ASSESSMENT COLLECTION POLICY

#### Notice to Members:

This document sets forth the Association's policy regarding the collection of assessments pursuant to the Association's Governing Documents and California Civil Code Sections 5600 - 5740.

#### 1.0 Assessments in General.

The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and California law. Regular assessments are determined at least once annually and are payable during the year in Monthly installments or at such other intervals as the Board of Directors shall designate. The Association shall distribute the written notice described in Civil Code Section 5730 to each member of the Association during the 60-day period immediately preceding the beginning of the Association's fiscal year.

#### 2.0 Obligation to Pay Assessments.

A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with Civil Code Section 5650, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied. Each assessment or charge is also a lien on the owner's property from and after the time the Association causes a Notice of Delinquent Assessment (Lien) to be recorded with the County Recorder's Office of the County in which the property is located.

#### 3.0 Monetary Charge for Reimbursement to Association for Damage to Common Areas and Facilities.

A monetary charge imposed by the Association as a means of reimbursing the Association for costs incurred by the Association in the repair of damage to common areas and facilities for which the member or the member's guests or tenants were responsible may become a lien against the member's separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c, provided the authority to impose a lien is set forth in the governing documents.

#### 4.0 Monetary Penalty Imposed by the Association as a Disciplinary Measure.

A monetary penalty imposed by the Association as a disciplinary measure for failure of a member to comply with the governing instruments, except for the late payments, may not be characterized nor treated in the governing instruments as an assessment that may become a lien against the member's subdivision separate interest enforceable by the sale of the interest under Sections 2924, 2924b, and 2924c.

#### 5.0 Notice of Assessments.

Not less than 30 days nor more than 60 days before any increase in the regular assessment or any special assessment becomes due, the Association will give the owners notice of the assessment. Notice will be sent by first-class mail to addresses on the membership register as of the date of notice. The Association can deliver notice of change of assessments via e-mail, if the owner has agreed in writing to accept Association documents via e-mail. The Board of Directors may elect from time to time to provide additional periodic statements of assessments and charges, but lack of such statements does not relieve the owners of the obligation to pay assessments.

#### 6.0 Designation of Agent.

The Board of Directors may designate an agent or agents to collect assessment payments and administer this Assessment Collection Policy. Such designated agent may be an officer of the Association, manager, collection service, banking institution, law firm, attorney or other appropriate agent. A.S.A.P. Collection Services at 331 Piercy Road, San Jose, CA 95138 (408) 363-9600 is one of the designated agents authorized to administer this policy.

#### 7.0 Association Cannot Voluntarily Assign or Pledge the Association's Right to Collect.

An Association may not voluntarily assign or pledge the Association's right to collect payments or assessments, or to enforce or foreclose a lien to a third party, except when the assignment or pledge is made to a financial institution or lender chartered or licensed under federal or state law, when acting within the scope of that charter or license, as security for a loan obtained by the Association; however, the foregoing provision may not restrict the right or ability of an Association to assign any unpaid obligations of a former member to a third party for purposes of collection. After the expiration of 30 days following the recording of a lien per the Covenants, Conditions and Restrictions (CC&R's), the lien may be enforced in any manner permitted by law, including sale by the court, sale by the trustee designated in the notice of delinquent assessment, or sale by a trustee substituted pursuant to Section 2934a. Any sale by the trustee shall be conducted in accordance with Sections 2924, 2924b, and 2924c applicable to the exercise of powers of sale in mortgages and deeds of trusts. The fees of a trustee may not exceed the amounts prescribed in Sections 2924c and 2924d.

#### 8.0 Due Date/ Delinquency Date of Assessments.

Unless otherwise specified by the Board or the governing documents, an assessment is due on the first of each month. An assessment, or any portion thereof, is delinquent if it has not been received as directed by the Board or its designated agent 15 days after it is due.

### **9.0 Late Charges and Interest on Delinquent Amounts.**

Delinquent accounts become subject to the following additional charges as contained in Civil Code section 5650 and the governing documents: costs of collection including reasonable attorney's fees; a late charge of \$10 or 10% of the delinquent assessment, whichever is greater and interest on all sums (including the delinquent assessment, collection fees and costs, and reasonable attorney's fees) at an annual interest rate not to exceed 12.00% commencing 30 days after the assessment becomes due; whether or not charged prior to collection. If it is determined the assessment was paid on time to the association the owner will not be liable to pay the charges, interest, and costs of collection.

### **10.0 Collection Charges.**

Any costs and fees \*incurred in setting up, processing and collecting delinquent amounts, including, without limitation, late charges, statement charges, monthly administrative charges, charges for preparation of delinquency notices or forward to collection charges, or request for a payment plan as well as the recordation of a lien or initiation of foreclosure proceedings, postage, copies, envelopes, labels, filing and recordation charges, delivery charges, and attorney's fees and costs, title searches, bankruptcy searches, pulling copies of grant deeds or property ownership history, address and or phone number verification searches, in addition to any other charges necessary to collect a delinquent assessment shall become an additional charge against the owner and the owner's property and shall be subject to collection action pursuant to this Policy.

\*Incurred means as the services are provided, they are added to the owner's account.

### **11.0 Application of Payments.**

If partial payments are accepted, they must be applied pursuant to Civil Code 5655: first to assessments owed, then when those are paid in full, payments shall be applied to the fees and costs of collection, then attorney's fees, then late charges, or interest. Owners may request a receipt and the association shall provide it. The receipt shall indicate the date of payments and the person who received it. Payments may be required to be made in certified funds, i.e. cashier's check or money order.

### **12.0 Initial Delinquency Notice.**

Once an assessment, or any portion thereof, has become delinquent, the owner may receive an initial delinquency notice stating all amounts past due and any known collection charges imposed as of the date of the notice, which may be in the form of a letter, monthly statement, past due notice, or any other form of writing or notice from the Association or its designated agent.

### **13.0 Notice of Intent to Record a Lien.**

If an assessment account remains unpaid for 45 days after it is due, the Association or its designated agent shall, at least 30 days prior to recording a lien upon the separate interest of the owner of record, notify the owner in writing by certified mail all of the notice requirements pursuant to Civil Code Section 5660. Prior to recording a lien for delinquent assessments, the owner has the right to request to participate in dispute resolution pursuant to the Association's "Meet and Confer" program required in Civil Code Sections 5900 - 5920. A copy of the "Meet and Confer" Offer and Procedure is attached to this collection policy as an ADDENDUM titled "ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR."

### **14.0 Recording of Lien.**

At the expiration of 30 days following the Notice of Intent to Record a Lien, the Association or its designated agent will without further notice to the owner, record a lien against the owner's property. The notice of delinquent assessment shall be mailed in the manner set forth in Section 2924b, to all record owners of the owner's interest in the common interest development no later than 10 calendar days after recordation.

### **15.0 Association Lien Subordination.**

A lien created pursuant to 14.0 Recording of Lien shall be prior to all other liens recorded subsequent to the notice of assessment, except that the declaration may provide for the subordination thereof to any other liens and encumbrances.

### **16.0 Recording of Release of Lien.**

A release of lien will not be recorded until the entire balance of the owner's account is paid in full. All charges incurred in recording a Release of Lien, including reasonable attorney or agent fees and costs, will be charged to the account. Within 21 days of payment in full the Association shall record or cause to be recorded in the office of the county recorder a release of lien or notice of rescission and provide the owner of the separate interest a copy of the recorded release of lien.

### **17.0 Lien Recorded In Error.**

If it is determined that a lien previously recorded against a separate interest was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the county recorder, a release of lien or notice of rescission and provide the owner of the separate interest a copy of the recorded document with a declaration stating that the recording was in error.

### **18.0 Foreclosure.**

Judicial or Non Judicial foreclosure proceedings may not begin until the amount of the delinquent assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, equals or exceeds one thousand eight hundred dollars (\$1,800) or the assessments are more than 12 months delinquent. Prior to initiating a foreclosure for delinquent assessments, the association will offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the association's "Meet and Confer" program required in Civil Code Sections 5900 - 5920 or alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5925 - 5965. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. A copy of the "Meet and Confer" Offer and Procedure is attached to this collection policy as an ADDENDUM titled "ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR."

### **19.0 Deed in Lieu of Foreclosure.**

Nothing in this section or in subdivision (a) of Section 726 of the Code of Civil Procedure prohibits actions against the owner of a separate interest to recover sums for which a lien is created or prohibits an association from taking a deed in lieu of foreclosure.

### **20.0 Payment Plan Agreement.**

An owner of a separate interest may submit a written request to meet with the Board of Directors, in executive session, to discuss a payment plan agreement to allow the owner to make periodic partial payments on the entire balance of the assessment account in addition to assessments that will accrue during the payment plan period. The Association has no obligation to enter into such a payment agreement. If the Association accepts an agreement with the owner it shall be reasonable, as determined by the Board in its sole discretion, and in accordance with the standards for payment plans, if any exist. The payment agreement shall be in writing and will include a provision that additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. Interest and administrative charges will accrue until the account is paid in full. The agreement will also include a provision that in the event of a default on the payment plan, the Association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. A lien will be recorded against the property to secure debt for the Association. The owner will be charged for the additional collection fees and costs to administer the payment plan. Payment plan requests outside of the Association's payment plan standards require Board approval. The board may designate a committee of one or more members to meet with an owner .

### **21.0 Validation of Debt.**

Unless an owner disputes the validity of the debt, or any portion thereof, within thirty (30) days after receipt of the notice pursuant to 13.0 Notice of Intent to Record a Lien, the debt will be assumed to be valid. Validation of the debt will be provided in writing, at no additional cost to the owner and will include 1) an itemized statement of the charges owed by the owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorney's fees, any late charges, and interest, if any 2) the Association's name and 3) the Association's mailing address.

### **22.0 Disputes.**

Federal law states that initial dispute can be either oral or in writing. State law requires disputes to be in writing. It is therefore recommended that all disputes be put in writing to avoid misunderstanding.

### **23.0 Internal Dispute Resolution (IDR) Procedure, Meet And Confer.**

An owner has the right 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 Civil Code Sections 5900 - 5920. A copy of the "Meet and Confer" Offer and Procedure is attached to this collection policy and serves as an official offer to the owner. See attached ADDENDUM titled "ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR."

### **24.0 ADR - Alternative Dispute Resolution.**

An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Civil Code Sections 5925 - 5965 before the Association may initiate foreclosure against the owner's separate interest, except that binding arbitration shall not be available if the Association intends to initiate judicial foreclosure. A summary of the ADR - Alternative Dispute Resolution Civil Code 5965 is attached as an ADDENDUM to this policy titled "ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR."

### **25.0 Owner has Right to Request Meeting with Board.**

An owner has the right to request a meeting with the board. The board shall meet with the owner in executive session 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 13.0 Notice of Intent to Record a Lien, 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.

**26.0 Owner has Right to Review Association Records.**

Owner has the right to review the Association records, pursuant to Civil Code Section 5205. Owner should contact the Association's managing agent for the policies and procedures set forth to inspect the records.

**27.0 Dispute Resolution, Meet And Confer Procedure Civil Code Section § 5920. See attached Addendum titled "ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR."**

**28.0 Other Remedies.**

The Association reserves the right to avail itself of any other remedy permitted by law and the Association's governing documents to collect assessments and related costs and charges, including but not limited to bringing an action in Small Claims or Superior Court. Such remedies may be taken in addition to, or in lieu of, any action already taken, and commencement of one remedy shall not prevent the Association from electing at a later date to pursue another remedy.

**29.0 Address of the Association and the Board of Directors.**

For the purpose of OVERNIGHT PAYMENTS owners are directed to use the same mailing address that is used for mailing routine assessment payments, unless otherwise directed by the designated agent. For the purpose of CORRESPONDENCE owners are directed to use the mailing addresses of the designated agent, unless otherwise directed. These addresses are subject to change after the distribution of this policy. Notification of a change will be in writing to the membership through normal day-to-day correspondence from the association or its designated managing agent. It is the owners' responsibility to note any changes for their records.

**30.0 Returned Payments.**

Payments returned for insufficient funds, closed account, stop payment or for any other reason will be charged back to the owners account in addition to any administrative fee, bank fee or collection fees and costs incurred to handle the returned payment. Personal checks will not be accepted if two payments are "Returned" by the bank for any reason.

**31.0 Sufficiency of Notice.**

Except for notice that under California law must be sent by certified mail, notice is sufficient if either hand delivered or mailed first class, postage prepaid, to the owner at the address on the membership register at the time of notice. Notice is presumed received (3) three days after notice was mailed.

**32.0 Owner's Change of Address.**

Owner is required to notify the Association of any change in the owner's name or mailing address. Upon receipt of a written request by an owner identifying a SECONDARY ADDRESS for purposes of collection notices, the Association shall send additional copies of any notices required by this section to the secondary address provided. The owner's request shall be in writing and shall be mailed to the Association in a manner that shall indicate the Association has received it. The owner may identify or change a secondary address at any time, provided that, if a secondary address is identified or changed during the collection process, the Association shall only be required to send notices to the indicated secondary address from the point the Association receives the request.

**33.0 Void Provisions.**

If any provision of this Policy is determined to be null and void, all other provisions of the Policy shall remain in full force and effect.



## **ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR**

### **DISPUTE RESOLUTION, MEET AND CONFER PROCEDURE CC §5920**

**WHO MAY START:** This procedure may be invoked by the Association or an Owner. Either party may make a written request to meet and confer to resolve a dispute. The Board shall designate a member of the Board to meet and confer.

**WHO PARTICIPATES:** When a written request for Dispute Resolution is received from an owner, the Association shall participate. If the Association makes a written request for an owner to participate, the owner may elect not to participate.

**NON-PARTICIPATION BY THE OWNER:** If the owner declines to participate, the Association may begin Alternative Dispute Resolution, pursuant to Civil Code § 5930.

### **IF THE OWNER PARTICIPATES, THEN THE MEET AND CONFER TAKES PLACE:**

- A. The Association will act on a request by the owner within 45 days of receipt of the written request to meet.
- B. The meeting shall be established in good faith, take place promptly at a mutually convenient date, time and location. Each party shall explain their position and shall confer in good faith to resolve the dispute. If an attorney or other person will be present to assist the owner, the Association must be notified in writing 10 days prior to the established date. If notice is not given 10 days prior, the Association can request a continuance. Each party to pay for their own costs.
- C. An agreement resolving the dispute by the parties shall be made in writing and dated and signed by the parties, including the Board designee on behalf of the Association.
- D. A written decision shall be made by the designated Board Member and delivered or received by the owner within ten (10) days after the meet and confer.
- E. If the owner participates, but the dispute is resolved other than by agreement of the owner, the owner shall have the right to appeal to the Association's Board of Directors.

### **APPEAL:**

- A. If the owner disputes the resolution, an appeal must be taken to the Board of Directors within thirty (30) days of the date of the decision by the designated Board member.
- B. If there is an appeal, the Board must hear the Appeal at its next regularly scheduled meeting in executive session, then issue a written decision within ten (10) days.

### **NO CONFLICT:**

- A. The resolution must not be in conflict with the law or the governing documents.
- B. The agreement must be consistent with the authority granted to the Board of Directors or the Board must ratify the agreement.
- C. The written agreement, which is dated and signed by the parties, will bind both parties and be judicially enforceable.

**NO FEE:** No fee will be charged to the owner during this process.

**EXCEPTIONS:** Reasonable exceptions may be made to the time deadlines, in the discretion of the Board. Any exceptions will be made on a case-by-case basis.

**TIME:** The maximum time to act on a written request by the owner is forty-five (45) days. Initiation to completion of the dispute will take no more than one hundred eighty (180) days, unless extended by both parties.

### **ADR - ALTERNATIVE DISPUTE RESOLUTION CC §5925 - 5965 [SUMMARY] As of January 1, 2006**

- 1. If an association, owner or member of an association seeks either:
  - A. Declaratory or injunctive relief; or
  - B. Declaratory or injunctive relief and a claim for monetary damages not in excess of the jurisdictional limits of small claims court (as of January 1, 2012: \$10,000 for individuals or \$5,000 for homeowner association), other than for association assessments, concerning the enforcement of the governing documents; the parties shall submit their dispute to Alternative Dispute Resolution (ADR), such as mediation or arbitration. A Request for Resolution ("Request") begins the process and it shall include:
    - 1) A description of the dispute;
    - 2) A request for ADR
    - 3) Notice that the party receiving the Request is required to respond within thirty (30) days or the Request will be deemed rejected.
  - C. This does not apply to small claims action.
  - D. Except as required by law, this does not apply to an assessment dispute.
- 2. A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.
- 3. If the Request is accepted, ADR shall be completed within ninety (90) days from the date of acceptance, or it can be extended by a written stipulation signed by both parties.

"FAILURE OF A MEMBER OF THE ASSOCIATION TO COMPLY WITH THE ALTERNATIVE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 5930 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF THE MEMBER'S RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW."

Unless otherwise stated by the Association, this document serves as the Association's OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR and it serves as its procedure for the same.

## 2145 - The Barron Square Homeowners Association

### Changes to the 2015 Assessment Collection Policy and the Meet and Confer Policy

In order to conform to current law the *Assessment Collection Policy* and the *Meet and Confer Policy* have been revised. As of January 1, 2015, these revised policies are in effect. The changes are outlined below:

#### ASSESSMENT COLLECTION POLICY

*(The following ONLY applies to the Collection Policy.)*

##### 10.0 Collection Charges.

**ADDED, as last sentence:** "Incurred" means as the services are provided they are added to the owner's account.

##### 11.0 Application of Payments.

**Currently reads:**

Neither the Association nor its designated agent has any obligation to accept partial payments on an assessment account. Unless stated otherwise in writing, partial payments accepted will be applied first to the oldest assessments owed, and, only after the assessments owed are paid in full will the payments be applied to the fees and costs of collection, attorney's fees, late charges, or interest. Owners may request a receipt and the association shall provide it. The receipt shall indicate the date of payment and the person who received it. Payments may be required to be made in certified funds, e.g. cashier's check or money order.

**Rewritten:**

If partial payments are accepted, they must be applied pursuant to Civil Code 5655: first to assessments owed, then when those are paid in full, payments shall be applied to the fees and costs of collection, then attorney's fees, then late charges, or interest. Owners may request a receipt and the association shall provide it. The receipt shall indicate the date of payments and the person who received it. Payments may be required to be made in certified funds, i.e. cashier's check or money order.

#### ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER AND ADR

*(The following ONLY applies to the Addendum to the Assessment Collection Policy: Offer for Internal Dispute Resolution.)*

##### IF THE OWNER PARTICIPATES, THEN THE MEET AND CONFER TAKES PLACE:

**Currently reads:**

**A.** Both parties shall meet and confer to resolve the dispute within forty-five (45) days of receipt of the written request by the other party.

**Rewritten:**

**A.** The Association will act on a request by the owner within 45 days of receipt of the written request to meet.

**Currently reads:**

**B.** The meeting shall take place promptly at a mutually convenient time and place. Each party shall explain their position and shall confer in good faith to resolve the dispute.

**Rewritten:**

**B.** The meeting shall be established in good faith, take place promptly at a mutually convenient date, time and location. Each party shall explain their position and shall confer in good faith to resolve the dispute. If an attorney or other person will be present to assist the owner, the Association must be notified in writing 10 days prior to the established date. If notice is not given 10 days prior, the Association can request a continuance. Each party to pay for their own costs.

**Currently reads:**

**TIME:** The maximum time to act on a request by the owner is forty-five (45) days. Initiation to termination of the dispute will take no more than one hundred eighty (180) days.

**Rewritten:**

**TIME:** The maximum time to act on a written request by the owner is forty-five (45) days. Initiation to completion of the dispute will take no more than one hundred eighty (180) days, unless extended by both parties.

RULES AND REGULATIONS FINES SCHEDULE  
February 1, 2010

Background: When prospective homeowners purchase property at Barron Square, they agree to abide by the documents governing the Barron Square Homeowners Association of which they have become a member. These governing documents include the CC&Rs, Bylaws, and also Rules that have been added, as necessary, by Association Boards. The Rules, which speak to common areas include but are not limited to the Pool, Clubhouse, and Tennis Courts, are contained in the Barron Square notebook, which each owner is given and is obligated to update from time to time as new or revised portions are provided. These same agreements are required of tenants when a homeowner is leasing their property. When an owner leases their unit, they are required to provide the tenants with copies of all Governing Documents (CC&Rs, By-Laws), as well as an up-to-date copy of the Barron Square Notebook, and the lease must require all tenants to abide by same. However, all notices, hearings, and due process procedures are between the Association and the unit owner(s), regardless of who occupies the unit, or what guests may be involved.

From time to time a homeowner, their tenants, or guests may violate one or more of the terms contained in these documents. In the past, for the most part, a letter or personal contact with the homeowner has been sufficient to correct problems. However, should this not be sufficient to correct any violations, the Board feels that a clarification of the fine structure was in order.

Note: The Homeowners Association Board of Directors is not in the business of harassing homeowners for no reason. **It is the duty of the Board of Directors to respond to neighbor complaints, or to manifested noncompliance with the CC&Rs, Bylaws, or Rules, and to ensure that violations are corrected in a timely manner.**

Unless a violation is a dangerous infraction or includes property damage that requires immediate response, homeowners having perceived violations will be notified by letter and given 30 days to correct the problem. In addition, the homeowner is entitled to a hearing with the Board during this 30 day period should they feel the violation is in error. If, after the hearing (and if the Board rules against homeowner), the fine will then go into effect as noted in the attached chart.

In the case of chronic offenders, the 30 day compliance grace period will not apply after the first violation, and offender will be sent an immediate fine notice.

Fines will not exceed \$300 in a calendar year.

**BARRON SQUARE HOMEOWNERS ASSOCIATION**  
**Fine Structure**  
**Effective February 1, 2010**  
**Supersedes Fine Violation Notices of 9/17/87**

<u>Category</u>	<u>Fine</u>
<b>CC&amp;Rs</b> (Please refer to your copies of the CC&Rs for more detailed explanations.)	
Common area storage	\$50 initial, and an additional \$25 per month until corrected
Signs	\$50 initial, and an additional \$25 per month until corrected
Unapproved antenna & exterior fixtures	\$100 initial, and an additional \$50 per month until corrected
Animals	\$50 initial, and an additional \$25 per month until corrected
Nuisance	\$50 per violation
Vehicle problems and Visitor Parking violations	\$50 initial, with \$10 per day thereafter until corrected, billed monthly
Owner's maintenance duties in Exclusive Use Commons area	\$50 initial violation, and \$25 per month until corrected
Architectural control	\$100 initial violation, and an additional \$50 per month until corrected
Common Area alterations	\$100 per violation, and \$50 per month until corrected
<b>Lease violations (CC&amp;Rs):</b>	
Common area improvements (construct, reconstruct, refinish, or alter any improvement; including landscaping)	\$100 initial violation, and an additional \$50 per month until corrected
<b>RULES</b> (Please refer to your copy of the Barron Square Notebook for more detailed explanations.)	
Tennis court rules	\$50 per violation
Swimming pool area rules	\$50 per violation
Clubhouse use meeting room rules	\$50 per violation
Spa, hot tub area rules	\$50 per violation

**Note: When damages are caused by individual owner/tenants, and repaired by the Association, a reimbursement assessment will be applied to the offending owner's dues account.**

**Adopted by BSHOA Board, November 23, 2009.**

# BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way • Palo Alto • California

## REQUEST FOR DELIVERY OF ASSOCIATION DOCUMENTS BY E-MAIL

Pursuant to California Civil Code §4040, the undersigned hereby certify/certifies that he/she/they is/are the record owner(s) (if one, or more than one, collectively the "Owner") of the unit/lot identified below located within the Barron Square Homeowners Association (herein referred to as "Association"). Owner hereby requests that the Association distribute to Owner via electronic transmission all Association documents to the extent permitted under the law then in effect including but not limited to any of the following Association documents (collectively, "Association Documents"):

- Annual Budget report
- Annual disclosure documents
- Board meeting minutes
- Board meeting agendas
- Notice of proposed/adopted rule changes
- Annual election results
- General Mailings
- Letters & Notices
- **Monthly invoices and statements**

The Owner(s) request that the Association transmit the Association Documents to the following e-mail address(es). If there is more than one record owner for any lot, all such record owners consent to the Association's transmission of all Association Documents to the e-mail address(es) listed below and acknowledge and agree that such transmission(s) shall be adequate and satisfactory electronic transmission(s) of all Association Documents to all record owners for such lot. Only one e-mail address per recorded Owner is allowed.

Unit address: \_\_\_\_\_ Date: \_\_\_\_\_

Owner name: \_\_\_\_\_  
(Print name) (Signature)

Primary e-mail address: \_\_\_\_\_

Additional Owner name: \_\_\_\_\_  
(Print name) (Signature)

Secondary e-mail address: \_\_\_\_\_

# BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way • Palo Alto • California

## INSTRUCTIONS AND FURTHER INFORMATION:

- Where there is more than one record owner, each record owner should complete and sign this Request.
- If fewer than all record owners complete this Request, the Association will deem this request incomplete.
- Upon written request to the Association, Owner shall have the right to “hard copies” of any Association Documents that are delivered via-e-mail.
- This request shall be forwarded to “Association” in one of the following manners: (i) by mail or personal delivery to “Association” at 655 Mariners Island Blvd., #301, San Mateo, CA 94404 (ii) by facsimile transmission to 650-349-9190, or (iii) as an attachment to an e-mail transmitted to [info@pmlmanagement.com](mailto:info@pmlmanagement.com).
- CHANGE OF E-MAIL ADDRESS: Owner is responsible for notifying the Association of any change in e-mail address. Owner may change the e-mail address for delivery of Association Documents by sending a written notice of change of address, signed by all record owners, to the Association. Such notice shall also identify the unit/lot address, and be forwarded to the Association in one of the following manners: (i) by mail or personal delivery to “Association” at 655 Mariners Island Blvd., #301, San Mateo, CA 94404 (ii) by facsimile transmission to 650-349-9190, or (iii) as an attachment to an e-mail transmitted to [info@pmlmanagement.com](mailto:info@pmlmanagement.com).
- REVOCATION BY OWNER: Owner has the right to revoke this request and receive “hard copies” of the Association Documents via personal or mail delivery by sending a written revocation, signed by the Owner, to the Association. Such revocation shall also identify the unit/lot address, and be forwarded to the Association in one of the following manners: (i) by mail or personal delivery to “Association” at 655 Mariners Island Blvd., #301, San Mateo, CA 94404 (ii) by facsimile transmission to 650-349-9190, or (iii) as an attachment to an e-mail transmitted to [info@pmlmanagement.com](mailto:info@pmlmanagement.com).
- Revocation by one record owner shall be considered as revocation for all record owners of that lot.
- AUTOMATIC TERMINATION: This request will automatically terminate and Association Documents will cease to be transmitted to the e-mail address listed above upon receipt by the Association of information from any source deemed reputable by the Association that Owner is no longer the record owner of the unit/lot identified above.

# BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way • Palo Alto • California

## ARCHITECTURAL MODIFICATION REQUEST FORM

BARRON SQUARE HOMEOWNERS ASSOCIATION

-PLEASE PRINT-

NAME	DATE
ADDRESS	EMAIL
HOME PHONE#	CELL PHONE#
APPLICATION DATE	PLANNED COMPLETION DATE

Check all applicable improvements:

<input type="checkbox"/> FLOORING	<input type="checkbox"/> INTERIOR REMODELING
<input type="checkbox"/> HARDWOOD	<input type="checkbox"/> OTHER
<input type="checkbox"/> CARPETING	<input type="checkbox"/> WINDOWS
<input type="checkbox"/> BALCONY / PATIO	

DESCRIPTION OF PROPOSED CHANGES: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

PLEASE ATTACH SKETCHES OR PLANS OF ALL IMPROVEMENTS REQUESTED FOR APPROVAL. THESE MUST BE SUBMITTED AND ATTACHED TO APPLICATION TO SHOW: 1) EXACT LOCATION – 2) DIMENSIONS – 3) CONSTRUCTION MATERIAL – 4) COLOR, AND ANY ADDITIONAL DESCRIPTION FOR THE ARCHITECTURAL COMMITTEE TO VISUALIZE THE APPEARANCE OF THE FINISHED PROJECT.

**ALL WORK MUST BE PERFORMED BY A LICENSED CONTRACTOR(S).**

Name & Address of Contractor: \_\_\_\_\_

License Number: \_\_\_\_\_

# BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way • Palo Alto • California

## LIABILITY AGREEMENT

1. I/We, the above named owner(s) will be responsible for damage to the exterior of the building that may arise as a result of the above stated addition, change, or alteration, and will be responsible for maintenance of same.
2. I/We agree to obtain and produce copies of all necessary City of Palo Alto Permits for the Association upon demand.
3. I/We agree that any necessary insurance coverage for the protection of these modifications will be the sole responsibility of the owner(s).
4. I/We agree that if and when this unit is sold, this agreement must be disclosed as part of the sale and agreed to by the new owner(s) and the new owner is responsible for the contents of this agreement.
5. I/We recognize that the Association maintains the right of approval for the above stated addition, change, or alteration and may require its removal, should it be necessary for safety, maintenance of surrounding structures, or lack of property maintenance by the above named owner(s).
6. I/We agree to hold the Association, its Board of Directors, members, employees, and agent harmless from any liability, injury, damage, or costs that may be incurred as a result of the above stated addition, change, or alteration.
7. I/We agree and understand that submission of this form alone does not necessarily fulfill all requirements for approval. The Architectural Committee and/or Board may require additional information in order to make a decision. Until all information has been received, the application stands disapproved.
8. I/We agree that if modifications to plans are required by the Architectural Committee and/or Board, that special conditions may be placed on the completion of work.
9. I/We understand that failure to receive the City of Palo Alto approval where necessary, and/or Committee/Board approval, constitutes automatic authorization by the applicant to the Association to have the work brought into conformance with the approved plans, specifications, and special requirements at the complete expense of the homeowner/applicant.
10. I/We understand that we have six (6) months to start the approved modifications and are responsible for notifying management upon project completion.

APPLICANT'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

---

**DO NOT WRITE BELOW THIS LINE – FOR HOA USE ONLY**

\_\_\_\_\_ APPROVED

\_\_\_\_\_ APPROVED WITH THE FOLLOWING CONDITIONS:

\_\_\_\_\_  
\_\_\_\_\_

.....  
\_\_\_\_\_ DENIED

COMMENTS \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ ADDITIONAL INFORMATION REQUIRED (as highlighted)



# BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way ▪ Palo Alto ▪ California

## **ARCHITECTURAL CONTROL** (CC&Rs, Article VI, Section 6.11)

No Owner shall enlarge or structurally alter his or her Unit or alter or paint the exterior thereof without prior written consent of the Board. No window awnings may be installed without the prior written consent of the Board.

### **PROCEDURE FOR ALTERATIONS OR MODIFICATIONS**

(PHYSICAL CHANGES)

#### 1. **WHO MAY START:**

This procedure is initiated by any homeowner seeking to make a physical change, alteration, modification, repair, and/or structural change to the owner's separate interest or to the Common Area, if written approval is required by the Association.

#### 2. **DESIGN HARMONY:**

Keep in mind that this is a common interest development that has been planned with harmony in design and location of structures and topography.

#### 3. **REQUIREMENTS:**

A. Prior to construction, submit to the Association the following:

- 1) An approved architectural change form; and
- 2) Plans and specifications of the proposed change showing the nature, kind, shape, height, materials, colors, location(s) and other relevant information.

B. Upon receipt by the Association, the Association shall make a written decision within thirty (30) days. The decision shall be approved, disapproved or approved with conditions.

- 1) If the change is approved, the homeowner may proceed.
- 2) If the change is disapproved, the written decision shall include an explanation of the reason the proposed change was disapproved.
  - a) If a proposed change is disapproved, the homeowner is entitled to reconsideration by the Board at an open meeting.
  - b) The homeowner has thirty (30) days from receipt of the decision to apply for reconsideration.

1. Once received by the Board, it has thirty (30) days to schedule a reconsideration meeting.

2. After the reconsideration meeting, the Board must issue a written decision within ten (10) days.

#### 4. **EXCEPTIONS:**

A. Reasonable exceptions may be made to the time deadlines in the discretion of the Board.

B. Any exceptions will be made on a case-by-case basis.

#### 5. **TIME:**

Initiation to termination of this process should take no more than one hundred fifty (150) days.

#### 6. **NO CONFLICT:**

The adopted change(s) shall not be in conflict with the governing documents, current law and/or local ordinances, rules, or procedures.

#### 7. **CHANGES/MODIFICATIONS THAT REQUIRE APPROVAL:**

A. Any renovations, additions, repairs or installations that would alter or modify the internal or external structure of any building.

B. Any renovations, additions, repairs or installations that would visually impact the Common Area.

C. Any alterations to or construction on the Common Area.

D. Any fences, hedges, or walls, except within enclosed patios.

E. Screens or fences to conceal storage.

F. Installation of awnings, sunshades or screen doors.

G. Installation of satellite dish or other type of audio/video receiver and solar energy system(s).

#### **PML MANAGEMENT CORPORATION**

655 Mariners Island Blvd., Suite 301, San Mateo, CA 94404  
650 349-9113 • 650 349-9190 FAX

[www.pmlmanagement.com](http://www.pmlmanagement.com)



November 2018

The Barron Square Homeowners Association

**RE: Annual Disclosure of Manager Certification Letter**

Dear Owners,

In accordance with the disclosure requirements of Business & Professions Codes Section 11500-11506 and Civil Code Section 5375, I am providing the Board of Directors with the following information:

1. I have met the requirements of Business and Professions Code Section 11502 and qualify as a certified common interest development manager.
2. The certification is held in my name. I received my certification from the California Association of Community Managers, Inc., on June 30, 1998, and my certification is current and in good standing. Their address is: CACM, 23461 South Pointe Drive, Ste. 200, Laguna Hills, CA 92653.
3. The location of my principal office is 655 Mariners Island Blvd. #301, San Mateo, CA 94404.
4. I do not hold an active Real Estate License.
5. I hereby disclose all information required in Sections 5375 of the Civil Code, including the following:
  - (a) the names and business addresses of the directors and officers and shareholders holding greater than 10 percent of the shares of the corporation are as follows:

Stephen & Barbara Fox  
655 Mariners Island Blvd. #301  
San Mateo, CA 94404
6. I do not receive a referral fee or other monetary benefits from a third-party provider distributing documents pursuant to Sections 4528 and 4530 of the Civil Code.
7. I acknowledge that the disclosures provided to a member pursuant to Sections 4528 and 5300 of the Civil Code, and all documents provided thereunder, are the property of the association and not its managing agent or the agent's managing firm.

The law states I must provide this disclosure on an annual basis and/or prior to entering into or renewing a contract with a community association. I am also disclosing that the fidelity insurance of my management firm does not cover the operating and reserve funds of your association. Your association's fidelity insurance policy, if any, provides coverage for the funds.

You may confirm my certification with CACM by contacting [certification@cacm.org](mailto:certification@cacm.org). Feel free to contact me directly if you have any questions. It is a pleasure serving you.

Sincerely,

Deborah McGraw, CCAM-PM-HR.CI  
PML Management Corporation

**PML Management Corporation, Est. 1975**

655 Mariners Island Blvd., Suite 301, San Mateo, CA 94404 • 650 349-9113 (O) • 650 349-9190 (F)  
[www.pmlmanagement.com](http://www.pmlmanagement.com)