

BARRON SQUARE HOMEOWNERS ASSOCIATION

Thain Way • Palo Alto • California

November 22, 2010

Dear Barron Square Homeowner:

The 2011 Budget, which was adopted by the Board of Directors at an Open Board Meeting held on November 17, 2010, calls for a zero percent increase in the 2011 assessments keeping the monthly assessments according to the table below.

2011 MONTHLY ASSESSMENT TABLE

Effective January 1, 2011, monthly assessments will be in accordance with the following table:

Unit Type	Percent	No. of Units	Total Percent	2011 Mo. Dues Per Unit	Total Mo. Dues By Type	2010 Mo. Dues Per Unit
1	1.52	1	1.52	593.00	593	593.00
2	1.51	42	63.42	589.00	24,738	589.00
3	1.79	14	25.06	699.00	9,786	699.00
4	1.25	8	10.00	488.00	3,904	488.00
		65	100.00		39,021	

Enclosed with this letter are the following:

- 2011 Operating and Reserve Budget
- Assessment and Reserve Funding Disclosure Summary
- Reserve Funding Plan
- Notice of Right to Submit Secondary Address for Collection Notices
- Members Right to Minutes
- Notice Regarding Assessment and Foreclosure
- Assessment Collection Policy
- Alternative Dispute Resolution (ADR) Rights
- Internal Dispute Resolution Rights (IDR)
- Procedure for Alterations or Modifications
- Summary of Association Insurance Coverage (Civil Code § 1365)

Please keep this copy of the 2011 Budget with your other Association documents for your reference and to be included in a transfer to a future owner in the event that you sell your home.

Also note that enclosed with this 2011 Budget is the current insurance disclosure from State Farm and Walton & Associates Insurance. If you/your lender/agent need further insurance information concerning the Association's coverage, please contact the insurance agent directly.

If you have any questions regarding the **2011 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 HOA - BUDGET SUMMARY

Fiscal Year: 01/01/2011 - 12/31/2011

	Actual at 12/31/09	Est. at 12/31/10	2011 Budget	Avg Unit Per Mo.
REVENUES:				
Total Regular Assessments	446,556	468,357	468,357	600.46
Total Interest & Dividend Income	27,356	19,705	18,800	24.10
Total Other Income	48,874	1,200	650	0.83
TOTAL REVENUES	522,785	489,262	487,807	625.39
EXPENSES:				
<i>MAINTENANCE & REPAIRS</i>				
Common Area Repairs & Maint.	7,798	8,300	8,500	10.90
Gutter Cleaning and Repairs	5,275	5,475	5,600	7.18
Unit Interior Related Repairs	1,662	1,000	1,000	1.28
Janitorial Services	1,920	1,920	2,000	2.56
Janitorial Supplies	177	100	100	0.13
Landscape - Contract	55,332	55,332	56,700	72.69
Landscape - Other	2,512	2,425	2,500	3.21
Landscape - Irrigation	5,022	400	400	0.51
Landscape - Large Tree Maint.	4,804	2,035	2,100	2.69
Lighting & Supplies	3,248	0	0	-
Pest Control	4,910	2,140	2,200	2.82
Plumbing & Sewers	1,002	2,100	2,200	2.82
Pool & Spa - Contract	3,840	3,840	3,900	5.00
Pool & Spa - Supplies & Repair	2,338	875	900	1.15
TOTAL MAINT. & REPAIRS	99,839	85,942	88,100	112.95
<i>UTILITIES</i>				
Gas	1,735	1,585	1,700	2.18
Electricity	6,512	5,655	6,200	7.95
Storm Drain	10,572	10,035	11,000	14.10
Water	18,090	11,510	12,700	16.28
TOTAL UTILITIES	36,909	28,785	31,600	40.51
<i>ADMINISTRATIVE</i>				
Audit & Tax Preparation	2,765	3,070	3,100	3.97
Mailings, Postage & Copies	1,610	3,360	3,400	4.36
Dues & Subscriptions	265	265	300	0.38
Meeting Expenses / Social Functions	181	600	600	0.77
Insurance	61,826	62,800	64,400	82.56
Insurance - Worker's Comp.	791	780	800	1.03
Legal & Professional Services	5,420	10,000	10,300	13.21
Management Services	25,440	25,700	27,000	34.62
Misc. Administrative	873	1,410	1,400	1.79
Permits, Licenses & Other	1,038	1,310	1,300	1.67
TOTAL ADMINISTRATIVE	100,209	109,295	112,600	144.36
Total Reserve Expenditures	460,150	85,982	221,240	283.64
Total Income Tax	5,872	3,930	3,870	4.96
TOTAL EXPENDITURES	702,979	313,934	457,410	586.42
Total Reserve Balance	803,196	994,506	1,024,903	
Percent Reserves Funded		50%	50%	

2011 MONTHLY DUES TABLE

Effective January 1, 2011, monthly assessments will be in accordance with the following table:

Unit Type	Percent	No. of Units	Total Percent	2011	Total	2010
				Mo. Dues Per Unit	Mo. Dues By Type	Mo. Dues Per Unit
1	1.52	1	1.52	593.00	593	593.00
2	1.51	42	63.42	589.00	24,738	589.00
3	1.79	14	25.06	699.00	9,786	699.00
4	1.25	8	10.00	488.00	3,904	488.00
		65	100.00		39,021	

Fiscal Year: 01/01/2011 - 12/31/2011

<i>Component</i>	Pres. Est. Cost	Est. Use. Life	Est. Rem. Life	Req'd Bal at 12/31/10	0 2011 Additions	2011 Expenses	Req'd Bal at 12/31/11
BUILDING EXTERIOR - ROOFS							
Flat Roofs - Residences	156,720	20	6	109,704	7,836	0	117,540
Flat Roofs - Clubhouse & Garages	50,940	20	8	30,564	2,547	0	33,111
Shake Roofs - Residence	348,620	25	11	195,227	13,945	0	209,172
Shake Roofs - Clubhouse & Garages	142,510	25	13	68,405	5,700	0	74,105
Gutters & Downspouts - Replace	99,430	25	19	23,863	3,977	0	27,840
Chimney Caps & Spark Arrestors	8,870	30	22	2,365	296	0	2,661
Skylights - Assoc. Responsible @ Peaks	25,340	30	16	11,825	845	0	12,670
Inspection & Repair Allowance - Flat Roofs	8,200	2	2	0	4,100	0	4,100
Inspection & Repair Allowance - Shake Roofs	10,250	2	2	0	5,125	0	5,125
PAINT							
Paint - All Wood/Metal Components	137,250	5	2	82,350	27,450	0	109,800
Paint - Wood Shingle	52,790	5	2	31,674	10,558	0	42,232
PAVING & CONCRETE							
Asphalt Paving - Seal Coat	9,080	5	5	0	1,816	0	1,816
Asphalt Paving - Parking Striping	610	5	5	0	122	0	122
Asphalt Paving - Curb Painting	1,140	5	5	0	228	0	228
Asphalt Paving - Minor Repair - 5%	11,350	5	5	0	2,270	0	2,270
Asphalt Paving - Major Repair - 25%	56,720	10	8	11,344	5,672	0	17,016
Concrete Repairs - Repair/Replace - Minor	1,060	1	0	1,060	1,060	1,060	1,060
Concrete Repairs - Repair/Replace - Major	9,500	10	6	3,800	950	0	4,750
Concrete - Pool Deck Repair/Replace	56,000	35	3	51,200	1,600	0	52,800
RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES							
Doors - Entry Door & Hardware Allowance	5,280	1	0	5,280	5,280	5,280	5,280
Doors - Sliding Glass Door & Hardware Allowance	5,280	1	0	5,280	5,280	5,280	5,280
Windows - Inspect/Repair/Replace Allowance	5,280	1	0	5,280	5,280	5,280	5,280
Wood Siding/Shingle/Trim Ongoing Repairs	5,280	1	0	5,280	5,280	5,280	5,280
Shingles, Residential & Clubhouse - Major Repair/Replace	73,900	10	7	22,170	7,390	0	29,560
T-111 Siding - Major Repair	68,620	10	7	20,586	6,862	0	27,448
Termite Warranty Allocation	10,560	1	0	10,560	10,560	10,560	10,560
Termite Fumigation & Repairs (2006)	68,620	10	5	34,310	6,862	0	41,172
RESIDENTIAL BUILDING EXTERIORS - STAIRS							
Straight Stair & Landing - Replace (6) Saarman	53,840	30	21	16,152	1,795	0	17,947
Straight Stair & Landing - Replace (3)	26,920	30	8	19,741	897	0	20,639
U-Shaped Stair & Landing - Replace (7) Saarman	110,850	30	21	33,255	3,695	0	36,950
U-Shaped Stair & Landing - Replace (2)	31,670	30	11	20,058	1,056	0	21,113
L-Shaped Stairs & Landing - Replace (8) Saarman	101,350	30	21	30,405	3,378	0	33,783
L-Shaped Stairs & Landing - Replace (1)	12,670	30	29	422	422	0	845
L-Shaped Stairs & Landing - Replace (3)	38,010	30	9	26,607	1,267	0	27,874
Stairs & Landing - Repair Allowance	2,640	1	0	2,640	2,640	2,640	2,640
RESIDENTIAL BUILDING EXTERIORS - BALCONIES							
Small Balconies - Replace (4) Saarman	33,780	30	21	10,134	1,126	0	11,260
Small Balconies - Replace (2)	16,890	30	8	12,386	563	0	12,949
Small Balconies - Replace (4)	33,780	30	2	31,528	1,126	0	32,654
Large Balconies - Replace (23) Saarman	444,810	30	21	133,443	14,827	0	148,270
Large Balconies - Replace (5)	96,700	30	20	32,233	3,223	0	35,457
Large Balconies - Replace (10)	193,400	30	16	90,253	6,447	0	96,700
Large Balconies - Replace (10)	193,400	30	12	116,040	6,447	0	122,487
Large Balconies - Replace (10)	193,400	30	8	141,827	6,447	0	148,273
Large Balconies - Replace (8)	154,720	30	4	134,091	5,157	0	139,248
Townhouse Balconies - Replace (2)	26,390	30	4	22,871	880	0	23,751
Townhouse Balconies - Replace (3)	39,590	30	29	1,320	1,320	0	2,639
Repair Small, Large & Townhouse Balconies Allowance	2,640	1	0	2,640	2,640	2,640	2,640
GARAGE & TRASH ENCLOSURE							
Doors - Single Car Garage Doors	73,900	30	0	73,900	2,463	73,900	2,463
Doors - Wood/Glass Pedestrian Door	7,920	30	0	7,920	264	7,920	264
Doors - Solid Wood Doors @ Walk in Garbages	6,330	30	23	1,477	211	0	1,688
Trash Enclosure Rebuild Allowance	10,560	10	6	4,224	1,056	0	5,280
FENCES, RETAINING WALLS & GATES							

Fence - Wood @ Patio - Repair/Replace Allowance	10,560	5	1	8,448	2,112	0	10,560
Fence - Wood - G.N. @ Clubhouse Driveway	2,280	25	17	730	91	0	821
Fence - Wood - G.N. @ Clubhouse to Building 10 Driveway	5,190	25	17	1,661	208	0	1,868
Fence - Wood - @ Building 9 Drive and Open Space	8,060	25	14	3,546	322	0	3,869
Fence - Wood - @ Building 10 Drive and Open Space	5,540	25	22	665	222	0	886
Fence - Wood - G.N. behind Buildings 4, 5, 6, 7, 8, 9	15,270	25	14	6,719	611	0	7,330
Fence - Wood - G.N. behind Buildings 1, 2, 3, 4	11,760	25	14	5,174	470	0	5,645
Fence - Wood - Pool Area Fences	990	25	19	238	40	0	277
Fence - Cyclone @ Tennis Court - Replace	11,400	40	8	9,120	285	0	9,405
Retaining - Wood @ Units 4122 and 4124	1,960	30	14	1,045	65	0	1,111
Retaining - Masonry Retaining Wall @ Tennis	28,510	55	23	16,588	518	0	17,106
Retaining - Wood @ Pool Area	6,860	25	17	2,195	274	0	2,470
Gates - El Camino Car Gates - Replace	1,580	25	9	1,011	63	0	1,074
Gate - El Camino Pedestrian Gate - Replace	1,580	25	21	253	63	0	316
Gates - Pool Gates - Replace	3,170	25	19	761	127	0	888
Gates - Cyclone @ Tennis Court - Replace	530	25	9	339	21	0	360
Gates - Wood @ Maintenance Area	1,060	15	4	777	71	0	848

LIGHTING

Lighting Wiring and Controllers Repair Allowance	1,060	1	0	1,060	1,060	1,060	1,060
Light Fixtures - @ Landscaping & Wiring	20,900	35	0	20,900	597	20,900	597
Light Poles @ Site - Pole, Light Fixture & Wiring	4,220	35	0	4,220	121	4,220	121
Light Poles @ Pool Area - Poles, Fixtures & Wiring	3,170	35	0	3,170	91	3,170	91
Lights - Clubhouse Building Exterior	480	35	0	480	14	480	14
Lights - Wall Mount @ Garages	7,130	30	0	7,130	238	7,130	238
Lights - Residential Building Exterior - Unit # Lighted Signs	10,290	30	0	10,290	343	10,290	343
Lights - Residential Building Exterior - Entry/Balc./Stairs	30,880	30	0	30,880	1,029	30,880	1,029

SWIMMING POOL

Plaster - Resurface	8,160	15	7	4,352	544	0	4,896
Coping - Replace	2,530	30	22	675	84	0	759
Tile - Replace	2,530	30	22	675	84	0	759
Seal Coping/Deck Joint - Replace Mastic	760	15	7	405	51	0	456
Rails - Replace	2,110	30	22	563	70	0	633
Lights - Replace	320	15	7	171	21	0	192
Heater - Replace	3,500	15	3	2,800	233	0	3,033
Filter - Replace	1,200	10	9	120	120	0	240
Filter - Pump Replace	900	10	1	810	90	0	900
Solar Controller - Replace	790	15	4	579	53	0	632
Solar Pump - Replace	900	10	1	810	90	0	900
Solar Panels - Replace	9,500	15	4	6,967	633	0	7,600
Solar Panels - Structure Replace	5,700	15	4	4,180	380	0	4,560
Pool Signs - Replace	260	5	1	208	52	0	260
Pool Furniture - Replace	2,640	10	3	1,848	264	0	2,112

SPA

Pre-Fab Tub Replace	10,560	20	11	4,752	528	0	5,280
Rails - Replace	1,060	30	21	318	35	0	353
Heater - Replace	2,800	15	10	933	187	0	1,120
Filter - Replace	1,200	15	1	1,120	80	0	1,200
Filter Pump - Replace	900	10	1	810	90	0	900

CLUBHOUSE INTERIOR

Paint - Interior (Clubhouse)	3,690	15	8	1,722	246	0	1,968
Carpet Floor - Replace	4,670	15	9	1,868	311	0	2,179
Tile Floor - Replace	11,610	40	8	9,288	290	0	9,578
Refrigerator - Replace	530	15	8	247	35	0	283
Disposal - Replace	320	15	1	299	21	0	320
HVAC Unit - Replace	3,170	25	1	3,043	127	0	3,170
Clubhouse & Sauna Fans - Replace	740	15	1	691	49	0	740
Sauna Room Rehabilitation & Door	5,280	35	3	4,827	151	0	4,978
Sauna Mechanical - Replace	2,110	35	3	1,929	60	0	1,989
Water Heater - tankless	1,060	12	1	972	88	0	1,060
Doors - Wood w/Glass	1,270	45	13	903	28	0	931
Doors - Solid Wood	2,530	45	13	1,799	56	0	1,855
Lights	3,010	35	28	602	86	0	688
Restroom Upgrade	10,560	15	8	4,928	704	0	5,632
Kitchen Area Upgrade	5,280	15	8	2,464	352	0	2,816
Furniture Replace	7,390	10	4	4,434	739	0	5,173

CLUBHOUSE BUILDING EXTERIOR	0						
Gutter & Downspout - Replace	2,300	25	19	552	92	0	644
Clubhouse Deck & Stairs - Replace - Redwood	15,840	20	17	2,376	792	0	3,168
Clubhouse Deck & Stairs - Sealing/Leak Maintenance	1,530	5	2	918	306	0	1,224
Doors - Wood/Glass Entry Doors	3,590	45	13	2,553	80	0	2,633
Doors - Solid Wood Entry Door - Pool Equipment Room	630	45	13	448	14	0	462
Doors - Metal/Glass Sliding Doors	3,010	35	3	2,752	86	0	2,838
Windows	5,280	35	3	4,827	151	0	4,978
TENNIS COURT AREA							
Tennis Court - Resurface/Lines	7,600	5	5	0	1,520	0	1,520
Tennis Court - Replace	38,010	45	13	27,029	845	0	27,874
Tennis Court Net - Replace	370	5	5	0	74	0	74
LANDSCAPE IRRIGATION							
Irrigation Controllers (3 ET controllers)	3,640	15	15	0	243	0	243
Irrigation Controllers (2 each, 1 ET and 1 regular)	1,640	15	4	1,203	109	0	1,312
Backflow Preventors	10,560	25	9	6,758	422	0	7,181
Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	1,580	1	0	1,580	1,580	1,580	1,580
LANDSCAPE - REPLACE AND RENOVATION							
Large Tree Care	5,280	2	2	0	2,640	0	2,640
Large Landscape Enhancements	5,280	3	0	5,280	1,760	5,280	1,760
MISCELLANEOUS & CONTINGENCIES							
Storage Shed (Modular) - Replace	1,270	20	16	254	64	0	318
Iron Stair Railing @ site Concrete Stairs	5,600	30	4	4,853	187	0	5,040
Arborist Tree Report	5,280	5	5	0	1,056	0	1,056
Reserve Study - Annual update	840	1	0	840	840	840	840
Reserve Study - Third Year Full Site Inspection	1,690	3	0	1,690	563	1,690	563
Underground Utility Inspections & Repairs	5,280	1	0	5,280	5,280	5,280	5,280
CC&R Revisions	5,280	5	3	2,112	1,056	0	3,168
SIGNAGE							
Entry Sign (Monument) Replace	2,640	21	7	1,760	126	0	1,886
Mapboard - Replace	2,640	12	6	1,320	220	0	1,540
Building/Unit Number Signs Replace	3,430	12	6	1,715	286	0	2,001
MAILBOX KIOSKS							
Kiosks Rebuild (Structure, Siding, Roof)	9,500	25	9	6,080	380	0	6,460
Mailboxes	12,350	25	9	7,904	494	0	8,398
Unallocated Items (5%)	8,600	1	0	8,600	8,600	8,600	8,600
Component	3,821,870			2,006,892	264,194	221,240	2,049,845

NOTE: Based on Reserve Study by Reserve Analysis Consulting, LLC - November 2008

- (a) The disclosures required by this article with regard to an association or a property shall be summarized on the following form:

BARRON SQUARE HOMEOWNERS ASSOCIATION

Assessment and Reserve Funding Disclosure Summary 1365.2.5

- (1) The current regular assessment per ownership interest is (see chart below) per unit.
 (2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment is due	Amount per ownership interest per month (If assessment is variable, see note immediately below)	Purpose of the Assessment
January 1, 2011	variable	Regular Monthly Assessment

Effective January 1, 2011, monthly assessments will be in accordance with the following table:

Unit Type	Percent	No. of Units	Total Percent	2011		2010	
				Mo. Dues Per Unit	Total Mo. Dues By Type	Mo. Dues Per Unit	Total Mo. Dues By Type
1	1.52	1	1.52	593.00	593	593.00	
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4	1.25	8	10.00	488.00	3,904	488.00	
		65	100.00	39,021			

- (3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years
 Yes No
- (4) If the answer to (3) is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or the members.
- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the estimated amount required in the reserve fund at the end of the current fiscal year is \$2,006,892, based in whole or in part on the last reserve study or update prepared by Reserve Analysis Consulting as of November 2008. The projected reserve fund cash balance at the end of the current fiscal year is \$994,506, resulting in reserves being 50 percent funded at this date.
- (7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5 of the Civil Code, the estimated average amount required in the reserve fund at the end of each of the next five budget years is \$2,249,225, and the projected average reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$1,346,080, leaving the reserve at 60 percent funding.

Note: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-

tax interest rate on reserve funds was 1.5 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.5 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 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 subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (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.
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10.00 A		PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS														
CODE	COMPONENT DESCRIPTION	REPLACE/REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 1 2009	YR. 2 2010	YR. 3 2011	YR. 4 2012	YR. 5 2013	YR. 6 2014	YR. 7 2015	YR. 8 2016	YR. 9 2017	YR. 10 2018	TOTAL 10 YRS.
1.00	GROUNDS - SIGNAGE															
1.01	Entry Sign (Monument) Replace	\$2,500	1997	21	9										\$3,407	\$3,407
1.02	Mapboard - Replace	\$2,500	2005	12	8									\$3,292		\$3,292
1.03	Building/Unit Number Signs Replace	\$3,250	2005	12	8									\$4,280		\$4,280
2.00	GROUNDS - PAVING & CONCRETE															
2.01	Asphalt Paving - Seal Coat	\$8,596	2003	5	-1	\$8,596					\$10,210					\$18,806
2.02	Asphalt Paving - Parking Striping	\$581	2003	5	-1	\$581					\$689					\$1,270
2.03	Asphalt Paving - Curb Painting	\$1,082	2003	5	-1	\$1,082					\$1,284					\$2,366
2.04	Asphalt Paving - Minor Repair - 5%	\$10,746	2003	5	-1	\$10,746					\$12,762					\$23,508
2.05	Asphalt Paving - Major Repair - 25%	\$53,728	1979	40	10											
2.06	Concrete Repairs - Repair/Replace - Minor	\$1,000	2008	1	0	\$1,000	\$1,035	\$1,071	\$1,109	\$1,148	\$1,188	\$1,229	\$1,272	\$1,317	\$1,363	\$11,731
2.07	Concrete Repairs - Repair/Replace - Major	\$9,000	2007	10	8									\$11,851		\$11,851
2.08	Concrete - Pool Deck Repair/Replace	\$53,040	1979	35	5						\$62,995					\$62,995
3.00	GROUNDS - FENCES, RETAINING WALLS, & GATES															
3.01	Fence - Wood @ Patio - Repair/Replace Allowance	\$10,000	2007	5	3				\$11,087					\$13,168		\$24,255
3.02	Fence - Wood - G.N. @ Clubhouse Driveway	\$2,160	2003	25	19											
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg 10 Driveway	\$4,920	2003	25	19											
3.04	Fence - Wood - @ Bldg 9 Drive and Open Space	\$7,630	2000	25	16											
3.05	Fence - Wood - @ Bldg 10 Drive and Open Space	\$5,250	2008	25	24											
3.06	Fence - Wood - G.N. behind Bldgs 4, 5, 6, 7, 8, 9	\$14,160	2000	25	16											
3.07	Fence - Wood - G.N. behind Bldgs 1, 2, 3, 4	\$11,140	2000	25	16											
3.08	Fence - Wood - Pool Area Fences	\$940	2005	25	21											
3.09	Fence - Cyclone @ Tennis Court - Replace	\$10,800	1979	40	10											
3.10	Retaining - Wood @ Units 4122 and 4124	\$1,855	1995	30	16											
3.11	Retaining - Masonry Retaining Wall @ Tennis	\$27,000	1979	55	25											
3.12	Retaining - Wood @ Pool Area	\$6,500	2005	25	19											
3.13	Gates - El Camino Car Gates - Replace	\$1,500	1995	25	11											
3.14	Gates - El Camino Pedestrian Gate - Replace	\$1,500	2007	25	23											
3.15	Gates - Pool Gates - Replace	\$3,000	2005	25	21											
3.16	Gates - Cyclone @ Tennis Court - Replace	\$500	1995	25	11											
3.17	Gates - Wood @ Maintenance Area	\$1,000	2000	15	6							\$1,229				\$1,229
4.00	GROUNDS - IRRIGATION & LANDSCAPING															
4.01	Irrigation Controllers - To Be Done	\$8,000	2009	15	15	\$8,000										\$8,000
4.02	Irrigation Controllers	\$4,000	2000	15	6								\$4,917			\$4,917
4.03	Backflow Preventors	\$10,000	1995	25	11											
4.04	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)	\$1,500	2008	1	0	\$1,500	\$1,555	\$1,607	\$1,663	\$1,721	\$1,782	\$1,844	\$1,908	\$1,975	\$2,044	\$17,597
4.05	Large Tree Care	\$3,000	2006	3	0	\$5,000			\$5,544			\$6,146			\$6,814	\$23,504
4.06	Large Landscape Enhancements	\$5,000	2008	3	2			\$5,356			\$5,938			\$6,584		\$17,879
5.00	LIGHTING- ALL SITE															
5.01	Lighting Wiring and Controllers Repair Allowance	\$1,000	2008	1	0	\$1,000	\$1,035	\$1,071	\$1,109	\$1,148	\$1,188	\$1,229	\$1,272	\$1,317	\$1,363	\$11,731
5.02	Light Fixtures - @ Landscaping & Wiring	\$19,800	1979	35	5						\$23,516					\$23,516
5.03	Light Poles @ Site - Pole, Light Fixture & Wiring	\$4,000	1979	35	5						\$4,751					\$4,751
5.04	Light Poles @ Pool Area - Poles, Fixtures & Wiring	\$3,000	1979	35	5						\$3,563					\$3,563
5.05	Lights - Clubhouse Building Exterior	\$450	1979	35	5						\$534					\$534
5.06	Lights - Wall Mount @ Garages	\$6,750	1979	30	0	\$6,750										\$6,750
5.07	Lights - Residential Building Exterior - Unit # Lighted Signs	\$9,750	1979	30	0	\$9,750										\$9,750
5.08	Lights - Residential Building Exterior - Entry/Balc./Stairs	\$29,250	1979	30	0	\$29,250										\$29,250
6.00	GROUNDS - MAILBOX KIOSKS															
6.01	Kiosks Rebuild (Structure, Siding, Roof)	\$9,000	1995	25	11											
6.02	Mailboxes	\$11,700	1995	25	11											
7.00	GROUNDS - MISCELLANEOUS															
7.01	Storage Shed (Modular) - Replace	\$1,200	2007	20	18											
7.02	Iron Stair Railings @ site Concrete Stairs	\$5,300	1985	30	6							\$6,515				\$6,515
7.03	Television System - MATV	\$7,500	1993	15	-1	\$7,500										\$7,500
8.00	TENNIS COURT AREA															
8.01	Tennis Court - Resurface/Lines	\$7,200	2004	5	0	\$7,200					\$8,551					\$15,751
8.02	Tennis Court - Replace	\$36,000	1979	45	15											
8.03	Tennis Court Net - Replace	\$350	2005	5	1		\$362					\$430				\$792
9.00	SWIMMING POOL															
9.01	Plaster- Resurface	\$7,733	2003	15	9										\$10,540	\$10,540
9.02	Coping - Replace	\$2,400	2003	30	24											
9.03	Tile - Replace	\$2,400	2003	30	24											
9.04	Seal Coping/Deck Joint - Replace Mastic	\$720	2003	15	9										\$981	\$981
9.05	Rails - Replace	\$2,000	2003	30	24											
9.06	Lights - Replace	\$300	2003	15	9										\$409	\$409
9.07	Heater - Replace	\$2,850	2000	10	1		\$2,950									\$2,950
9.08	Filter - Replace	\$2,250	2000	10	1		\$2,329									\$2,329

10.00 A		PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS														
CODE	COMPONENT DESCRIPTION	REPLACE/REPAIR CST	YEAR NEW	USEFUL LIFE	RMING LIFE	YR. 1 2009	YR. 2 2010	YR. 3 2011	YR. 4 2012	YR. 5 2013	YR. 6 2014	YR. 7 2015	YR. 8 2016	YR. 9 2017	YR. 10 2018	TOTAL 10 YRS.
9.09	Filter Pump - Replace	\$850	2000	10	1			\$880								\$880
9.10	Solar Controller - Replace	\$750	2000	15	6							\$922				\$922
9.11	Solar Pump - Replace	\$850	2000	10	1			\$880								\$880
9.12	Solar Panels - Replace	\$9,000	2000	15	6							\$11,063				\$11,063
9.15	Solar Panels - Structure Replace	\$5,100	2000	15	6							\$6,638				\$6,638
9.14	Pool Signs - Replace	\$250	2004	5	0	\$250					\$297					\$547
9.15	Pool Furniture Replace	\$2,500	2004	10	5						\$2,969					\$2,969
10.00	SPA															
10.01	Pre-Fab Tub Replace	\$10,000	2002	20	13											
10.02	Rafts - Replace	\$1,000	2002	30	23											
10.03	Heater - Replace	\$2,650	2006	15	12											
10.04	Filter - Replace	\$2,250	1997	15	5				\$2,495							\$2,495
10.05	Filter Pump - Replace	\$850	1994	10	-5	\$850										\$850
11.00	CLUBHOUSE INTERIOR															
11.01	Paint - Interior (Clubhouse)	\$3,493	2004	15	10											
11.02	Carpet Floor- Replace	\$4,420	2005	15	11											
11.03	Tile Floor - Replace	\$11,000	1979	40	10											
11.04	Refrigerator - Replace	\$500	2004	15	10											
11.05	Disposal - Replace	\$300	1979	15	-15	\$300										\$300
11.06	HVAC Unit - Replace	\$3,000	1979	25	-5	\$3,000										\$3,000
11.07	Clubhouse & Sauna Fans - Replace	\$700	1994	15	0	\$700										\$700
11.08	Sauna Room Rehabilitation & Door	\$5,000	1979	35	5						\$5,938					\$5,938
11.09	Sauna Mechanical - Replace	\$2,000	1979	35	5						\$2,375					\$2,375
11.10	Water Heater - 50 Gal	\$1,000	1996	12	-1	\$1,000										\$1,000
11.11	Doors - Wood w/Glass	\$1,200	1979	45	15											
11.12	Doors - Solid Wood	\$2,400	1979	45	15											
11.13	Lights	\$2,850	2004	35	30											
11.14	Restroom Upgrade	\$10,000	2004	15	10											
11.15	Kitchen Area Upgrade	\$5,000	2004	15	10											
11.16	Furniture Replace	\$7,000	2005	10	6							\$8,605				\$8,605
12.00	CLUBHOUSE BUILDING EXTERIOR															
12.01	Gutters & Downspouts - Replace	\$2,176	2005	25	21											
12.02	Clubhouse Deck & Stairs - Replace- Redwood	\$15,000	2008	20	19											
12.03	Clubhouse Deck & Stairs- Sealing/Leak Maintenance	\$1,446	2008	5	4					\$1,659					\$1,971	\$3,630
12.04	Doors - Wood/Glass Entry Doors	\$5,400	1979	45	15											
12.05	Doors - Solid Wood Entry Door- Pool Equipment Room	\$600	1979	45	15											
12.06	Doors - Metal/Glass Sliding Doors	\$2,850	1979	35	5						\$3,385					\$3,385
12.07	Windows	\$5,000	1979	35	5						\$5,938					\$5,938
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS															
13.01	Doors - Single Car Garage Doors	\$70,000	1979	30	0	\$70,000										\$70,000
13.02	Doors - Wood/Glass Pedestrian Door	\$7,500	1979	30	0	\$7,500										\$7,500
13.03	Doors - Solid Wood Doors w/ Walk In Garbages	\$6,000	2004	30	25											
13.04	Trash Enclosure Rebuild Allowance	\$10,000	2007	10	8									\$13,168		\$13,168
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS															
14.01	Straight Stairs & Landing - Replace (6) (Saarman)	\$51,000	2002	30	23											
14.02	Straight Stairs & Landing - Replace (3)	\$25,500	1989	30	10											
14.03	U-Shaped Stairs & Landing - Replace (7) (Saarman)	\$605,000	2002	30	23											
14.04	U-Shaped Stairs & Landing - Replace (2)	\$30,000	1992	30	13											
14.05	L-Shaped Stairs & Landing - Replace (8) (Saarman)	\$96,000	2002	30	23											
14.06	L-Shaped Stairs & Landing - Replace (1)	\$12,000	1979	30	0	\$12,000										\$12,000
14.07	L-Shaped Stairs & Landing - Replace (3)	\$36,000	1990	30	11											
14.08	Stairs & Landing - Repair Allowance	\$2,500	2008	1	0	\$2,500	\$2,588	\$2,678	\$2,772	\$2,869	\$2,969	\$3,073	\$3,181	\$3,292	\$3,407	\$29,328
15.00	RESIDENTIAL BUILDING EXTERIORS - BALCONIES															
15.01	Small Balconies - Replace (4) (Saarman)	\$32,000	2002	30	23											
15.02	Small Balconies - Replace (2)	\$16,000	1989	30	10											
15.03	Small Balconies - Replace (4)	\$32,000	1985	30	4					\$36,721						\$36,721
15.04	Large Balconies Replace (25) (Saarman)	\$421,317	2002	30	23											
15.05	Large Balconies Replace (5)	\$91,598	2001	30	22											
15.06	Large Balconies Replace (10)	\$183,185	1997	30	18											
15.07	Large Balconies Replace (10)	\$183,185	1993	30	14											
15.08	Large Balconies Replace (10)	\$183,185	1989	30	10											
15.09	Large Balconies Replace (8)	\$146,546	1985	30	6						\$180,142					\$180,142
15.10	Townhouse Balconies - Replace (2)	\$25,000	1985	30	6						\$30,731					\$30,731
15.11	Townhouse Balconies - Replace (3)	\$37,500	1979	30	0	\$37,500										\$37,500
15.12	Repair Small, Large & Townhouse Balconies Allowance	\$2,500	2008	1	0	\$2,500	\$2,588	\$2,678	\$2,772	\$2,869	\$2,969	\$3,073	\$3,181	\$3,292	\$3,407	\$29,328
16.00	BUILDING EXTERIOR - ROOFS															
16.01	Flat Roofs - Residences	\$148,440	1997	20	8									\$195,467		\$195,467

10.00 A		PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS															
CODE	COMPONENT DESCRIPTION	REPLACE/	YEAR	USEFL	RMNG	YR. 1	YR. 2	YR. 3	YR. 4	YR. 5	YR. 6	YR. 7	YR. 8	YR. 9	YR. 10	TOTAL	
		REPAIR CST	NEW	LIFE	LIFE	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	10 YRS.	
16.02	Flat Roofs - Clubhouse & Garages	\$48,246	1999	20	10												
16.03	Shake Roofs - Residences	\$330,213	1997	25	13												
16.04	Shake Roofs - Clubhouse & Garages	\$134,980	1999	25	15												
16.05	Gutters & Downspouts - Replace	\$94,175	2005	25	21												
16.06	Chimney Caps & Spark Arrestors	\$8,400	2003	30	24												
16.07	Skylights - Assoc. Responsible for Peaks	\$24,000	1997	30	18												
16.08	Inspection & Repair Allowance - All Roofing Components	\$5,000	2008	1	0	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$58,657	
17.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES																
17.01	Doors - Entry Door & Hardware Allowance	\$5,000	2008	1	0	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$58,657	
17.02	Doors - Sliding Glass Door & Hardware Allowance	\$5,000	2008	1	0	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$58,657	
17.03	Windows - Inspect/Repair/Replace Allowance	\$5,000	2008	1	0	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$58,657	
17.04	Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000	2009	1	1	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$58,657	
17.05	Shingles, Residential & Clubhouse - Major Repair/Replace	\$70,000	2008	10	9											\$95,403	\$95,403
17.06	T-111 Siding - Major Repair	\$65,000	2008	10	9											\$88,588	\$88,588
17.07	Tonnite Fumigation & Repairs (2006)	\$65,000	2006	10	7								\$82,698			\$82,698	\$82,698
18.00	PAINT																
18.01	Paint - All Wood/Metal Components	\$150,000	2008	5	4					\$149,178						\$177,177	\$326,355
18.02	Paint- Wood Shingle	\$50,000	2008	5	4					\$57,376						\$68,145	\$125,521
19.00	MISCELLANEOUS & CONTINGENCIES																
19.01	Arborist Tree Report	\$5,000	2004	5	0	\$5,000					\$5,938						\$10,938
19.02	Reserve Study - Annual	\$800	2009	3	3	\$800			\$887			\$983			\$1,090		\$2,761
19.03	Reserve Study - Annual	\$800	2010	3	1		\$828			\$918			\$1,018				\$2,764
19.04	Reserve Study - Third Year Site Inspection	\$1,600	2011	3	2		\$1,714				\$1,900			\$2,107			\$5,731
19.05	Underground Utility Inspections & Repairs	\$5,000	2008	1	0	\$5,000	\$5,175	\$5,356	\$5,544	\$5,738	\$5,938	\$6,146	\$6,361	\$6,584	\$6,814	\$58,657	
19.06	CC&R Revisions	\$5,000	2009	5	5	\$5,000					\$5,938						\$10,938
UNSCHEDULED EXPENSE			5.00%			\$13,843	\$2,404	\$2,416	\$3,135	\$4,502	\$10,760	\$15,282	\$6,635	\$15,031	\$25,350	\$0	
INFLATION FACTOR			3.50%			1.00	1.04	1.07	1.11	1.15	1.19	1.23	1.27	1.32	1.36		
TOTAL INFLATED REPAIR/REPLACEMENT EXPENSE						\$290,697	\$50,480	\$50,728	\$65,833	\$104,533	\$225,962	\$320,932	\$139,334	\$315,645	\$552,347	\$2,187,133	

10.00 B		PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS																
CODE	DESCRIPTION	COMPONENT	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 11 2019	YR. 12 2020	YR. 13 2021	YR. 14 2022	YR. 15 2023	YR. 16 2024	YR. 17 2025	YR. 18 2026	YR. 19 2027	YR. 20 2028	TOTAL 2nd 10 Yrs	
1.00	GROUPS - SIGNAGE																	
1.01	Entry Sign (Monument) Replace		\$2,500	1997	21	9												
1.02	Mapboard - Replace		\$2,500	2005	12	8												
1.03	Building/Unit Number Signs Replace		\$3,250	2005	12	8												
2.00	GROUPS - PAVING & CONCRETE																	
2.01	Asphalt Paving - Seal Coat		\$8,596	2003	5	-1	\$12,126					\$14,402						\$26,528
2.02	Asphalt Paving - Parking Striping		\$581	2003	5	-1	\$819					\$973						\$1,791
2.03	Asphalt Paving - Curb Painting		\$1,082	2003	5	-1	\$1,526					\$1,812						\$3,337
2.04	Asphalt Paving - Minor Repair - 5%		\$10,746	2003	5	-1	\$15,158					\$18,002						\$33,160
2.05	Asphalt Paving - Major Repair - 25%		\$53,728	1979	40	10	\$75,788											\$75,788
2.06	Concrete Repairs - Repair/Replace - Minor		\$1,000	2008	1	0	\$1,411	\$1,460	\$1,511	\$1,564	\$1,619	\$1,675	\$1,734	\$1,795	\$1,857	\$1,923		\$16,548
2.07	Concrete Repairs - Repair/Replace - Major		\$9,000	2007	10	8									\$16,717			\$16,717
2.08	Concrete - Pool Deck Repair/Replace		\$53,040	1979	35	5												
3.00	GROUPS - FENCES, RETAINING WALLS, & GATES																	
3.01	Fence - Wood @ Patio - Repair/Replace Allowance		\$10,000	2007	5	3			\$15,640							\$18,575		\$34,214
3.02	Fence - Wood - G.N. @ Clubhouse Driveway		\$2,160	2003	25	19											\$4,153	\$4,153
3.03	Fence - Wood - G.N. @ Clubhouse to Blding 10 Driveway		\$4,920	2003	25	19											\$9,459	\$9,459
3.04	Fence - Wood - @ Blding 9 Drive and Open Space		\$7,630	2000	25	16							\$15,250					\$15,230
3.05	Fence - Wood - @ Blding 10 Drive and Open Space		\$5,250	2008	25	24												
3.06	Fence - Wood - G.N. behind Bldings 4, 3, 6, 7, 8, 9		\$14,460	2000	25	16							\$25,073					\$25,073
3.07	Fence - Wood - G.N. behind Bldings 1, 2, 3, 4		\$11,140	2000	25	16							\$19,317					\$19,317
3.08	Fence - Wood - Pool Area Fences		\$940	2005	25	21												
3.09	Fence - Cyclone @ Tennis Court - Replace		\$10,800	1979	40	10	\$15,234											\$15,234
3.10	Retaining - Wood @ Units 4122 and 4124		\$1,855	1995	30	16							\$3,217					\$3,217
3.11	Retaining - Masonry Retaining Wall @ Tennis		\$27,000	1979	55	25												
3.12	Retaining - Wood @ Pool Area		\$6,500	2003	25	19										\$12,496		\$12,496
3.13	Gates - El Camino Car Gates - Replace		\$1,500	1995	25	11		\$2,190										\$2,190
3.14	Gates - El Camino Pedestrian Gate - Replace		\$1,500	2007	25	23												
3.15	Gates - Pool Gates - Replace		\$3,000	2005	25	21												
3.16	Gates - Cyclone @ Tennis Court - Replace		\$500	1995	25	11		\$730										\$730
3.17	Gates - Wood @ Maintenance Area		\$1,000	2000	15	6												
4.00	GROUPS - IRRIGATION & LANDSCAPING																	
4.01	Irrigation Controllers - To Be Done		\$8,000	2009	15	15						\$13,403						\$13,403
4.02	Irrigation Controllers		\$4,000	2000	15	6												
4.03	Backflow Preventors		\$10,000	1995	25	11		\$14,600										\$14,600
4.04	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)		\$1,500	2008	1	0	\$2,116	\$2,190	\$2,267	\$2,346	\$2,428	\$2,513	\$2,601	\$2,692	\$2,786	\$2,884		\$24,822
4.05	Large Tree Care		\$5,000	2006	3	0			\$7,555			\$8,377			\$9,287			\$25,220
4.06	Large Landscape Enhancements		\$5,000	2008	3	2		\$7,300			\$8,093			\$8,973				\$24,567
5.00	LIGHTING - ALL SITE																	
5.01	Lighting Wiring and Controllers Repair Allowance		\$1,000	2008	1	0	\$1,411	\$1,460	\$1,511	\$1,564	\$1,619	\$1,675	\$1,734	\$1,795	\$1,857	\$1,923		\$16,548
5.02	Light Fixtures - @ Landscaping & Wiring		\$19,800	1979	35	5												
5.03	Light Poles @ Site - Pole, Light Fixture & Wiring		\$4,000	1979	35	5												
5.04	Light Poles @ Pool Area - Poles, Fixtures & Wiring		\$3,000	1979	35	5												
5.05	Lights - Clubhouse Building Exterior		\$450	1979	35	5												
5.06	Lights - Wall Mount @ Gorges		\$6,750	1979	30	0												
5.07	Lights - Residential Building Exterior - Unit # Lighted Signs		\$9,750	1979	30	0												
5.08	Lights - Residential Building Exterior - Entry/Balc./Stairs		\$29,250	1979	30	0												
6.00	GROUPS - MAILBOX KIOSKS																	
6.01	Kiosks Rebuild (Structure, Siding, Roof)		\$9,000	1995	25	11		\$13,340										\$13,340
6.02	Mailboxes		\$11,700	1995	25	11		\$17,082										\$17,082
7.00	GROUPS - MISCELLANEOUS																	
7.01	Storage Shed (Modular) - Replace		\$1,200	2007	20	18										\$2,229		\$2,229
7.02	Iron Stair Railings @ site Concrete Stairs		\$5,300	1985	30	6												
7.03	Television System - MATV		\$7,500	1993	15	-1						\$12,565						\$12,565
8.00	TENNIS COURT AREA																	
8.01	Tennis Court - Resurface/Lines		\$7,200	2004	5	0	\$10,156					\$12,063						\$22,219
8.02	Tennis Court - Replace		\$36,000	1979	45	15						\$60,313						\$60,313
8.03	Tennis Court Net - Replace		\$350	2005	5	1		\$511					\$607					\$1,118
9.00	SWIMMING POOL																	
9.01	Plaster - Resurface		\$7,733	2003	15	9												
9.02	Coping - Replace		\$2,400	2003	30	24												
9.03	Tile - Replace		\$2,400	2003	30	24												
9.04	Seal Coping/Deck Joint - Replace Mastic		\$720	2003	15	9												
9.05	Rails - Replace		\$2,000	2003	30	24												
9.06	Lights - Replace		\$300	2003	15	9												
9.07	Hooper - Replace		\$2,850	2000	10	1		\$4,161										\$4,161
9.08	Filter - Replace		\$2,250	2000	10	1		\$3,285										\$3,285

10.00 B		PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS															
CODE	DESCRIPTION	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	RMING LIFE	YR. 11 2019	YR. 12 2020	YR. 13 2021	YR. 14 2022	YR. 15 2023	YR. 16 2024	YR. 17 2025	YR. 18 2026	YR. 19 2027	YR. 20 2028	TOTAL 2nd 10 Yrs	
16.02	Flat Roofs - Clubhouse & Garages	\$48,246	1999	20	10	\$68,056										\$68,056	
16.03	Shake Roofs - Residences	\$330,213	1997	25	13				\$516,439							\$516,439	
16.04	Shake Roofs - Clubhouse & Garages	\$134,980	1999	25	15						\$226,139					\$226,139	
16.05	Gutters & Downspouts - Replace	\$94,175	2005	25	21												
16.06	Chimney Caps & Spark Arrestors	\$8,400	2003	30	24												
16.07	Skylights - Assoc. Responsible for Peaks	\$24,000	1997	30	18									\$44,580		\$44,580	
16.08	Inspection & Repair Allowance - All Roofing Components	\$5,000	2008	1	0	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093	\$8,377	\$8,670	\$8,973	\$9,287	\$9,613	\$82,741	
17.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES																
17.01	Doors - Entry Door & Hardware Allowance	\$5,000	2008	1	0	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093	\$8,377	\$8,670	\$8,973	\$9,287	\$9,613	\$82,741	
17.02	Doors - Sliding Glass Door & Hardware Allowance	\$5,000	2008	1	0	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093	\$8,377	\$8,670	\$8,973	\$9,287	\$9,613	\$82,741	
17.03	Windows - Inspect/Repair/Replace Allowance	\$3,000	2008	1	0	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093	\$8,377	\$8,670	\$8,973	\$9,287	\$9,613	\$82,741	
17.04	Wood Siding/Shingle/Trim Ongoing Repairs	\$5,000	2009	1	1	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093	\$8,377	\$8,670	\$8,973	\$9,287	\$9,613	\$82,741	
17.05	Shingles, Residential & Clubhouse - Major Repair/Replace	\$70,000	2008	10	9										\$134,575	\$134,575	
17.06	T-111 Siding - Major Repair	\$65,000	2008	10	9										\$124,963	\$124,963	
17.07	Termite Fumigation & Repairs (2006)	\$65,000	2006	10	7								\$116,654			\$116,654	
18.00	PAINT																
18.01	Paint - All Wood/Metal Components	\$130,000	2008	5	4				\$210,430						\$249,925	\$460,355	
18.02	Paint - Wood Shingle	\$50,000	2008	5	4				\$80,935						\$96,125	\$177,060	
19.00	MISCELLANEOUS & CONTINGENCIES																
19.01	Arboret Tree Report	\$5,000	2004	5	0	\$7,053					\$8,377					\$15,430	
19.02	Reserve Study - Annual	\$800	2009	3	3			\$1,209			\$1,340					\$4,055	
19.03	Reserve Study - Annual	\$800	2010	3	1	\$1,128			\$1,251			\$1,387			\$1,538	\$5,305	
19.04	Reserve Study - Third Year Site Inspection	\$1,600	2011	3	2		\$2,336			\$2,590			\$2,871			\$7,797	
19.05	Underground Utility Inspections & Repairs	\$5,000	2008	1	0	\$7,053	\$7,300	\$7,555	\$7,820	\$8,093	\$8,377	\$8,670	\$8,973	\$9,287	\$9,613	\$82,741	
19.06	CC&R Revisions	\$5,000	2009	5	5	\$7,053					\$8,377					\$15,430	
UNSCHEDULED EXPENSE			5.00%			\$31,460	\$9,152	\$3,623	\$32,805	\$33,161	\$23,483	\$7,086	\$9,880	\$26,370	\$36,943	\$0	
INFLATION FACTOR			3.50%			1.41	1.46	1.51	1.56	1.62	1.68	1.73	1.79	1.86	1.92		
TOTAL INFLATED REPAIR/REPLACEMENT EXPENSE						\$660,666	\$192,188	\$76,079	\$688,905	\$696,391	\$493,140	\$148,814	\$207,473	\$553,777	\$775,811	\$4,279,279	

10.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS

CODE DESCRIPTION		COMPONENT	REPLACE/REPAIR CST	YEAR NEW	USEFUL LIFE	RMING LIFE	YR. 21 2029	YR. 22 2030	YR. 23 2031	YR. 24 2032	YR. 25 2033	YR. 26 2034	YR. 27 2035	YR. 28 2036	YR. 29 2037	YR. 30 2038	TOTAL Yrd 10 Yrs
1.00	GROUPS - SIGNAGE																
1.01	Entry Sign (Monument) Replace		\$2,500	1997	21	9											
1.02	Mapboard - Replace		\$2,500	2005	12	8	\$4,974										\$4,974
1.03	Building/Unit Number Signs Replace		\$3,250	2005	12	8	\$6,467										\$6,467
2.00	GROUPS - PAVING & CONCRETE																
2.01	Asphalt Paving - Seal Coat		\$8,596	2003	5	-1	\$17,105					\$20,315					\$37,420
2.02	Asphalt Paving - Parking Striping		\$581	2003	5	-1	\$1,155					\$1,372					\$2,527
2.03	Asphalt Paving - Curb Painting		\$1,682	2003	5	-1	\$2,152					\$2,556					\$4,708
2.04	Asphalt Paving - Minor Repair - 5%		\$10,746	2003	5	-1	\$21,381					\$25,391					\$46,776
2.05	Asphalt Paving - Major Repair - 25%		\$53,728	1979	40	10											
2.06	Concrete Repairs - Repair/Replace - Minor		\$1,000	2008	1	0	\$1,990	\$2,059	\$2,132	\$2,206	\$2,283	\$2,363	\$2,446	\$2,532	\$2,620	\$2,712	\$23,343
2.07	Concrete Repairs - Repair/Replace - Major		\$9,000	2007	10	8									\$23,582		\$23,582
2.08	Concrete - Pool Deck Repair/Replace		\$53,040	1979	35	5											
3.00	GROUPS - FENCES, RETAINING WALLS, & GATES																
3.01	Fence - Wood @ Patio - Repair/Replace Allowance		\$10,000	2007	5	3				\$22,061						\$26,202	\$48,263
3.02	Fence - Wood - G.N. @ Clubhouse Driveway		\$2,160	2003	25	19											
3.03	Fence - Wood - G.N. @ Clubhouse to Bldg 10 Driveway		\$4,920	2003	25	19											
3.04	Fence - Wood - @ Bldg 9 Drive and Open Space		\$7,630	2000	25	16											
3.05	Fence - Wood - @ Bldg 10 Drive and Open Space		\$5,250	2008	25	24				\$11,987							\$11,987
3.06	Fence - Wood - G.N. behind Bldgs 4, 5, 6, 7, 8, 9		\$14,460	2000	25	16											
3.07	Fence - Wood - G.N. behind Bldgs 1, 2, 3, 4		\$11,140	2000	25	16											
3.08	Fence - Wood - Pool Area Fences		\$940	2005	25	21		\$1,936									\$1,936
3.09	Fence - Cyclone @ Tennis Court - Replace		\$10,800	1979	40	10											
3.10	Retaining - Wood @ Units 4122 and 4124		\$1,855	1995	30	16											
3.11	Retaining - Masonry Retaining Wall @ Tennis		\$27,000	1979	55	25						\$63,808					\$63,808
3.12	Retaining - Wood @ Pool Area		\$6,500	2005	25	19											
3.13	Gates - El Camino Car Gates - Replace		\$1,500	1995	25	11											
3.14	Gates - El Camino Pedestrian Gate - Replace		\$1,500	2007	25	23				\$3,309							\$3,309
3.15	Gates - Pool Gates - Replace		\$3,000	2005	25	21		\$6,178									\$6,178
3.16	Gates - Cyclone @ Tennis Court - Replace		\$500	1995	25	11											
3.17	Gates - Wood @ Maintenance Area		\$1,000	2000	15	6		\$2,059									\$2,059
4.00	GROUPS - IRRIGATION & LANDSCAPING																
4.01	Irrigation Controllers - To Be Done		\$8,000	2009	15	15											
4.02	Irrigation Controllers		\$4,000	2000	15	6		\$8,238									\$8,238
4.03	Backflow Preventors		\$10,000	1995	25	11											
4.04	Irrigation Replace Allowance (Valves, Pipes, Heads etc.)		\$1,500	2008	1	0	\$2,985	\$3,089	\$3,197	\$3,309	\$3,425	\$3,545	\$3,669	\$3,797	\$3,930	\$4,068	\$35,014
4.05	Large Tree Care		\$5,000	2006	3	0		\$10,297			\$11,417						\$34,372
4.06	Large Landscape Enhancements		\$5,000	2008	3	2	\$9,949		\$11,031				\$12,230			\$13,559	\$46,769
5.00	LIGHTING - ALL SITE																
5.01	Lighting Wiring and Controllers Repair Allowance		\$1,000	2008	1	0	\$1,990	\$2,059	\$2,132	\$2,206	\$2,283	\$2,363	\$2,446	\$2,532	\$2,620	\$2,712	\$23,343
5.02	Light Fixtures - @ Landscaping & Wiring		\$19,800	1979	35	5											
5.03	Light Poles @ Site - Pole, Light Fixture & Wiring		\$4,000	1979	35	5											
5.04	Light Poles @ Pool Area - Poles, Fixtures & Wiring		\$3,000	1979	35	5											
5.05	Lights- Clubhouse Building Exterior		\$450	1979	35	5											
5.06	Lights - Wall Mount @ Garages		\$6,750	1979	30	0											
5.07	Lights - Residential Building Exterior - Unit # Lighted Signs		\$9,750	1979	30	0											
5.08	Lights - Residential Building Exterior - Entry/Balc./Stairs		\$29,250	1979	30	0											
6.00	GROUPS - MAILBOX KIOSKS																
6.01	Kiosks Rebuild (Structure, Siding, Roof)		\$9,000	1995	25	11											
6.02	Mailboxes		\$11,700	1995	25	11											
7.00	GROUPS - MISCELLANEOUS																
7.01	Storage Shed (Modular) - Replace		\$1,200	2007	20	18											
7.02	Iron Stair Railings @ site Concrete Stairs		\$5,300	1985	30	6											
7.03	Television System - MATV		\$7,500	1993	15	-1											
8.00	TENNIS COURT AREA																
8.01	Tennis Court - Resurface/Lines		\$7,200	2004	5	0	\$14,326					\$17,015					\$31,342
8.02	Tennis Court - Replace		\$36,000	1979	45	15											
8.03	Tennis Court Net - Replace		\$350	2005	5	1		\$721					\$856				\$1,577
9.00	SWIMMING POOL																
9.01	Plaster - Resurface		\$7,733	2003	15	9					\$17,658						\$17,658
9.02	Coping - Replace		\$2,400	2003	30	24					\$5,480						\$5,480
9.03	Tile - Replace		\$2,400	2003	30	24					\$5,480						\$5,480
9.04	Seal Coping/Deck Joint - Replace Mastic		\$720	2003	15	9					\$1,644						\$1,644
9.05	Rails - Replace		\$2,000	2003	30	24					\$4,567						\$4,567
9.06	Lights - Replace		\$500	2003	15	9					\$685						\$685
9.07	Heater - Replace		\$2,850	2000	10	1		\$5,869									\$5,869
9.08	Filter - Replace		\$2,250	2000	10	1		\$4,634									\$4,634

10.00 C		PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS															
CODE	DESCRIPTION	COMPONENT	REPLACE/	YEAR	USEFL	RMNG	YR. 21	YR. 22	YR. 23	YR. 24	YR. 25	YR. 26	YR. 27	YR. 28	YR. 29	YR. 30	TOTAL
			REPAIR CST	NEW	LIFE	LIFE	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	3rd 10 Yrs
9.09	Filter Pump - Replace		\$850	2000	10	1		\$1,751									\$1,751
9.10	Solar Controller - Replace		\$750	2000	15	6		\$1,545									\$1,545
9.11	Solar Pump - Replace		\$850	2000	10	1		\$1,751									\$1,751
9.12	Solar Panels - Replace		\$9,000	2000	15	6		\$18,555									\$18,555
9.13	Solar Panels - Structure Replace		\$5,400	2000	15	6		\$11,121									\$11,121
9.14	Pool Signs - Replace		\$250	2004	5	0	\$497					\$591					\$1,088
9.15	Pool Furniture Replace		\$2,500	2004	10	5						\$5,908					\$5,908
10.00	SPA																
10.01	Pre-Fab Tubs Replace		\$10,000	2002	20	13											
10.02	Rails - Replace		\$1,000	2002	30	23				\$2,206							\$2,206
10.03	Heater - Replace		\$2,650	2006	15	12											
10.04	Filter - Replace		\$2,250	1997	15	3							\$6,709				\$6,709
10.05	Filter Pump - Replace		\$850	1994	10	-5	\$1,691										\$1,691
11.00	CLUBHOUSE INTERIOR																
11.01	Paint - Interior (Clubhouse)		\$3,495	2004	15	10						\$8,255					\$8,255
11.02	Carpet Floor - Replace		\$4,420	2005	15	11							\$10,811				\$10,811
11.03	Tile Floor - Replace		\$11,000	1979	40	10											
11.04	Refrigerator - Replace		\$500	2004	15	10						\$1,182					\$1,182
11.05	Disposal - Replace		\$300	1979	15	-15											
11.06	HVAC Unit - Replace		\$3,000	1979	25	-5						\$7,090					\$7,090
11.07	Clubhouse & Sauna Fans - Replace		\$700	1994	15	0											
11.08	Sauna Room Rehabilitation & Door		\$5,000	1979	35	5											
11.09	Sauna Mechanical - Replace		\$2,000	1979	35	5											
11.10	Water Heater - 50 Gal		\$1,000	1996	12	-1				\$2,283							\$2,283
11.11	Doors - Wood w/Glass		\$1,200	1979	45	15											
11.12	Doors - Solid Wood		\$2,400	1979	45	15											
11.13	Lights		\$2,850	2004	35	30											
11.14	Restroom Upgrade		\$10,000	2004	15	10						\$23,632					\$23,632
11.15	Kitchen Area Upgrade		\$5,000	2004	15	10						\$11,816					\$11,816
11.16	Furniture Replace		\$7,000	2005	10	6							\$17,122				\$17,122
12.00	CLUBHOUSE BUILDING EXTERIOR																
12.01	Gutters & Downspouts - Replace		\$2,176	2005	25	21		\$4,481									\$4,481
12.02	Clubhouse Deck & Stairs - Replace - Redwood		\$15,000	2008	20	19											
12.03	Clubhouse Deck & Stairs - Sealing/Leak Maintenance		\$1,446	2008	5	4					\$3,302					\$3,921	\$7,223
12.04	Doors - Wood/Glass Entry Doors		\$3,400	1979	45	15											
12.05	Doors - Solid Wood Entry Door - Pool Equipment Room		\$600	1979	45	15											
12.06	Doors - Metal/Glass Sliding Doors		\$2,850	1979	35	5											
12.07	Windows		\$5,000	1979	35	5											
13.00	GARAGE & TRASH ENCLOSURE BUILDING EXTERIORS																
13.01	Doors - Single Car Garage Doors		\$70,000	1979	30	0											
13.02	Doors - Wood/Glass Pedestrian Door		\$7,500	1979	30	0											
13.03	Doors - Solid Wood Doors w/ Walk In Garbages		\$6,000	2004	30	25						\$14,179					\$14,179
13.04	Trash Enclosure Rebuild Allowance		\$10,000	2007	10	8											
14.00	RESIDENTIAL BUILDING EXTERIORS - STAIRS														\$26,202		\$26,202
14.01	Straight Stairs & Landing - Replace (6) (Saarman)		\$51,000	2002	30	23				\$112,512							\$112,512
14.02	Straight Stairs & Landing - Replace (3)		\$25,500	1989	30	10											
14.03	U-Shaped Stairs & Landing - Replace (7) (Saarman)		\$105,000	2002	30	23				\$231,642							\$231,642
14.04	U-Shaped Stairs & Landing - Replace (2)		\$30,000	1992	30	13											
14.05	L-Shaped Stairs & Landing - Replace (8) (Saarman)		\$96,000	2002	30	23				\$211,787							\$211,787
14.06	L-Shaped Stairs & Landing - Replace (1)		\$12,000	1979	30	0											
14.07	L-Shaped Stairs & Landing - Replace (3)		\$36,000	1990	30	11											
14.08	Stairs & Landing - Repair Allowance		\$2,500	2008	1	0	\$4,974	\$5,149	\$5,329	\$5,515	\$5,708	\$5,908	\$6,115	\$6,329	\$6,550	\$6,780	\$58,357
15.00	RESIDENTIAL BUILDING EXTERIORS - BALCONIES																
15.01	Small Balconies - Replace (4) (Saarman)		\$32,000	2002	30	23				\$70,596							\$70,596
15.02	Small Balconies - Replace (2)		\$16,000	1989	30	10											
15.03	Small Balconies - Replace (4)		\$32,000	1983	30	4											
15.04	Large Balconies Replace (23) (Saarman)		\$421,317	2002	30	23				\$929,474							\$929,474
15.05	Large Balconies Replace (5)		\$91,598	2001	30	22			\$195,242								\$195,242
15.06	Large Balconies Replace (10)		\$183,185	1997	30	18											
15.07	Large Balconies Replace (10)		\$183,185	1993	30	14											
15.08	Large Balconies Replace (10)		\$183,185	1989	30	10											
15.09	Large Balconies Replace (8)		\$146,546	1985	30	6											
15.10	Townhouse Balconies - Replace (2)		\$25,000	1985	30	6											
15.11	Townhouse Balconies - Replace (3)		\$37,500	1979	30	0											
15.12	Repair Small, Large & Townhouse Balconies Allowance		\$2,500	2008	1	0	\$4,974	\$5,149	\$5,329	\$5,515	\$5,708	\$5,908	\$6,115	\$6,329	\$6,550	\$6,780	\$58,357
16.00	BUILDING EXTERIOR - ROOFS																
16.01	Flat Roofs - Residences		\$148,440	1997	20	8									\$388,938		\$388,938

10.00 C		PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS															
CODE	DESCRIPTION	COMPONENT	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 21 2029	YR. 22 2030	YR. 23 2031	YR. 24 2032	YR. 25 2033	YR. 26 2034	YR. 27 2035	YR. 28 2036	YR. 29 2037	YR. 30 2038	TOTAL 3rd 10 Yrs
16.02	Flat Roofs - Clubhouse & Garages		\$48,246	1999	20	10											
16.03	Shake Roofs - Residences		\$330,213	1997	25	13											
16.04	Shake Roofs - Clubhouse & Garages		\$134,980	1999	25	15											
16.05	Gutters & Downspouts - Replace		\$94,175	2005	25	21		\$193,947									\$193,947
16.06	Chimney Caps & Spark Arrestors		\$8,400	2003	30	24					\$19,180						\$19,180
16.07	Skylights - Assoc. Responsible for Peaks		\$24,000	1997	30	18											
16.08	Inspection & Repair Allowance - All Roofing Components		\$5,000	2008	1	0	\$9,949	\$10,297	\$10,658	\$11,031	\$11,417	\$11,816	\$12,230	\$12,658	\$13,101	\$13,559	\$116,715
17.00	RESIDENTIAL BUILDING EXTERIORS - REPAIR/REPLACE ALLOWANCES																
17.01	Doors - Entry Door & Hardware Allowance		\$5,000	2008	1	0	\$9,949	\$10,297	\$10,658	\$11,031	\$11,417	\$11,816	\$12,230	\$12,658	\$13,101	\$13,559	\$116,715
17.02	Doors - Sliding Glass Door & Hardware Allowance		\$5,000	2008	1	0	\$9,949	\$10,297	\$10,658	\$11,031	\$11,417	\$11,816	\$12,230	\$12,658	\$13,101	\$13,559	\$116,715
17.03	Windows - Inspect/Repair/Replace Allowance		\$5,000	2008	1	0	\$9,949	\$10,297	\$10,658	\$11,031	\$11,417	\$11,816	\$12,230	\$12,658	\$13,101	\$13,559	\$116,715
17.04	Wood Siding/Shingle/Trim Ongoing Repairs		\$3,000	2009	1	1	\$9,949	\$10,297	\$10,658	\$11,031	\$11,417	\$11,816	\$12,230	\$12,658	\$13,101	\$13,559	\$116,715
17.05	Shingles, Residential & Clubhouse - Major Repair/Replace		\$70,000	2008	10	9											\$189,831
17.06	T-111 Siding - Major Repair		\$65,000	2008	10	9											\$176,272
17.07	Terrace Fumigation & Repairs (2006)		\$65,000	2006	10	7								\$164,552			\$164,552
18.00	PAINT																
18.01	Paint - All Wood/Metal Components		\$130,000	2008	5	4					\$296,833						\$352,544
18.02	Paint - Wood Shingle		\$50,000	2008	5	4					\$114,166						\$135,594
19.00	MISCELLANEOUS & CONTINGENCIES																
19.01	Arborist Tree Report		\$5,000	2004	5	0	\$9,949					\$11,816					\$21,765
19.02	Reserve Study - Annual		\$800	2009	3	3		\$1,648			\$1,827			\$2,025			\$5,499
19.03	Reserve Study - Annual		\$800	2010	3	1			\$1,705			\$1,891			\$2,096		\$5,692
19.04	Reserve Study - Third Year Site Inspection		\$1,600	2011	3	2	\$3,184			\$3,530			\$3,914			\$4,339	\$14,966
19.05	Underground Utility Inspections & Repairs		\$3,000	2008	1	0	\$9,949	\$10,297	\$10,658	\$11,031	\$11,417	\$11,816	\$12,230	\$12,658	\$13,101	\$13,559	\$116,715
19.06	CC&R Revisions		\$5,000	2009	5	5	\$9,949					\$11,816					\$21,765
UNSCHEDULED EXPENSE				5.00%			\$8,969	\$17,700	\$13,951	\$84,154	\$29,221	\$15,981	\$6,955	\$14,170	\$28,395	\$49,023	\$0
INFLATION FACTOR				3.50%			1.99	2.06	2.13	2.21	2.28	2.36	2.45	2.53	2.62	2.71	
TOTAL INFLATED REPAIR/REPLACEMENT EXPENSE							\$188,357	\$371,698	\$292,961	\$1,767,236	\$613,637	\$355,603	\$146,057	\$297,579	\$596,291	\$1,029,492	\$5,370,391

BARRON SQUARE HOMEOWNERS ASSOCIATION

MEMBERS' RIGHT TO MINUTES

The minutes, minutes proposed for adoption that are marked to indicate draft status, or a summary of the minutes, of any meeting of the Board of Directors of the Association, other than an executive session, shall be available to members within thirty (30) days of the meeting.

The minutes, proposed minutes, or summary of minutes shall be distributed to any member of the Association upon request and upon reimbursement of the Association's cost for making distribution [Civil Code section 1363.05(d)].

A written request may be sent to:

PML Management
655 Mariners Island Blvd., Suite 301
San Mateo, CA 94404

NOTICE OF RIGHT TO SUBMIT SECONDARY ADDRESS FOR COLLECTION NOTICES

An owner may make a written request to the Association of a secondary address to be used by the Association for collection notices. The written request shall be mailed to the Association in a manner that shall indicate receipt. The owner may identify or change a secondary address at any time [Civil Code section 1367.1(k)].

A written request may be sent to:

PML Management
655 Mariners Island Blvd., Suite 301
San Mateo, CA 94404

It is recommended that this request be sent by overnight delivery or certified return receipt requested to comply with the law.

BARRON SQUARE HOMEOWNERS ASSOCIATION

NOTICE REGARDING ASSESSMENTS AND FORECLOSURE

Civil Code §1365.1

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The Owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The Association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or a member's guests, if the governing documents provide for this. (Sections 1366 and 1367.1 of the Civil Code)

The association must comply with the requirements of Section 1367.1 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 1367.1 of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify that debt. (Section 1367.1 of the Civil Code).

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (Section 1367.1 of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes payment, he or she may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (Section 1367.1 of the Civil Code)

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of Title 6 of Division 2 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 2 (commencing with Section 1369.510) of Chapter 7 of Title 6 of Division 2 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge in court or otherwise.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (Section 1367.1 of the Civil Code)

MEETINGS AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exist. (Section 1367.1 of the Civil Code)

The board of directors must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist. (Section 1367.1 of the Civil Code)

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 Declaration of Covenants, Conditions & Restrictions, its Bylaws, and California Civil Code sections 1363.05, 1365.1, 1365.2, 1366, 1367 and 1367.1, 1367.4.

1. 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 1365.1(b) to each member of the Association during the 60-day period immediately preceding the beginning of the Association's fiscal year.

2. 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 section 1366, shall be a debt of the owner 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 Recorder's Office of the county in which the property is located.

3. 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. 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 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. 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 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. 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, attorney, law firm or other appropriate agent.

7. 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. Subject to the limitations of this subdivision, 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. 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. Late Charges and Interest on Delinquent Amounts. Delinquent accounts become subject to the following additional charges as contained in Civil Code section 1366 and the governing documents: costs of collection including reasonable attorney's fees; a late charge of \$20.00, and interest on all sums (including the delinquent assessment, collection fees and costs, and reasonable attorney's fees) at an annual interest rate of 12% 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. 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 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 or 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. A returned check charge of \$25.00 will be assessed for all checks returned for any reason whatsoever.

11. Application of Payments. 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, by cashier's check, or by money order.

12. 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 agent.

13. Notice of Delinquent Assessment. If an assessment account remains unpaid for 90 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, notify the owner of record in writing by certified mail pursuant to Civil Code Section 1367.1.

14. Recording of Lien. At the expiration of 30 days following the delinquent assessment letter, 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. Association Lien Subordination. A delinquent assessment 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. 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 the payment of the sums specified in the notice of delinquent assessment, the Association shall record or cause to be recorded in the office of the county recorder in which the notice of delinquent assessment is recorded a lien release or notice of rescission and provide the owner of the separate interest a copy of the lien release or notice that the delinquent assessment has been satisfied.

17. 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 in which the notice of delinquent assessment is recorded, a lien release or notice of rescission and provide the owner of the separate interest with a declaration that the lien filing or recording was in error and a copy of the lien release or notice of rescission. If the Association fails to comply with the procedures set forth in this section it shall, prior to recording a lien, recommence the required notice process. Any costs associated with recommencing the notice process shall be borne by the Association and not by the owner of a separate interest. This section only applies to liens recorded on or after January 1, 2003.

18. Foreclosure. 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. An Association that chooses to record a lien under these provisions, prior to recording the lien, shall offer the owner and, if so requested by the owner, participate in dispute resolutions as set forth in Article 5 (commencing with Section 1368.810) of Chapter 4 of the Civil Code.

19. 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. Payment Plan Agreement. An owner of a separate interest may submit a written request to meet with the Board of Directors 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. 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 delinquent assessment letter 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.

21. 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 the delinquent assessment letter, 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. 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. Dispute Resolution Procedure. 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 Article 5 (commencing with Section 1363.810) of Chapter 4 of the Civil Code. A copy of the Dispute Resolution Procedure is attached to this collection policy.

24. ADR-Alternative Dispute Resolution. An owner has the right to request alternative dispute resolution with a neutral third party pursuant to Article 2 (commencing with Section 1369.510) of Chapter 7 of the Civil Code 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.

25. Owner has Right to Request Meeting with Board. 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 delinquent assessment letter, 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. Owner has Right to Inspect Association Records. Owner has the right to inspect the Association records, pursuant to Section 1365.2 of the Civil Code. Owner should contact the Association's managing agent for the policies and procedures set forth to inspect the records.

27. 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.

28. Address of the Association and the Board of Directors. Owners should respond in writing or make payments to the address as directed by the designated agent. **Overnight payments and correspondence** should be mailed to: BARRON SQUARE HOMEOWNERS ASSOCIATION, c/o PML Management, 655 Mariners Island Blvd., Suite 301, San Mateo, CA 94404. This address is 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 managing agent. It is the owners' responsibility to note any changes for their records.

29. Returned Payments. Payments returned for insufficient funds, closed account, stop payment or for any other reason will be charged back to the Owner's account (currently, this is \$25.00) in addition to any administrative fee, bank fee or collection fees and costs incurred to handle the returned payment. If any two payments to the account in a 24-month period are "Returned" to the bank, personal checks will no longer be accepted.

30. 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. Owner is required to notify the Association of any change in the owner's name or mailing address. An owner may provide written notice by facsimile transmission or United States mail to the Association of a secondary address. If a secondary address is provided, the Association shall send any and all correspondence and legal notices required pursuant to the article to both the primary and secondary address.

31. 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.

BARRON SQUARE HOMEOWNERS ASSOCIATION

SUMMARY OF CIVIL CODE §1369.520 **(ALTERNATIVE DISPUTE RESOLUTION)**

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 \$7,500.00 or less, 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; and
 - 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 a 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 ALTERNATE DISPUTE RESOLUTION REQUIREMENTS OF SECTION 1369.520 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHT TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS OR THE APPLICABLE LAW.

4. Attached to this document is a copy of the Association's Dispute Resolution Procedure.

BARRON SQUARE HOMEOWNERS ASSOCIATION

DISPUTE RESOLUTION PROCEDURE

1. WHO MAY START:

This procedure may be invoked by the Association or an owner. Either 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.

2. WHO PARTICIPATES:

- A. When a written request for Dispute Resolution is received from an owner, the Association shall participate.
- B. If the Association makes a written request for an owner to participate, the owner may elect not to participate.

3. NON-PARTICIPATION BY THE OWNER:

If the owner declines to participate, the Association shall begin Alternative Dispute Resolution, pursuant to Civil Code §1369.520.

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

- 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.
- B. The meeting shall take place promptly at a mutually convenient time and place. Each party shall explain his/her position and shall confer in good faith to resolve the dispute.
- C. 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.
- D. A resolution of the dispute agreed to by the parties shall be made in writing and dated and signed by the parties, including the Board designee on behalf of the Association.
- 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.

5. IF BOTH PARTIES DO NOT AGREE:

- A. If after the meet and confer, the parties do not mutually agree, then a neutral third party (who is mutually agreeable to both parties) shall resolve the dispute within forty-five (45) days. A written decision shall be made by the neutral within ten (10) days after their meeting.

6. 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.

7. 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 agreement must be ratified by the Board.
- C. The written agreement, which is dated and signed by the parties, will bind both parties and be judicially enforceable.

8. NO FEE:

No fee will be charged to the owner during this process.

9. 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.

10. TIME:

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

BARRON SQUARE HOMEOWNERS ASSOCIATION
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/MODIFICATONS 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).

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

Licensed Team Members: Cherie Pappas & Erica Bravo



Providing Insurance and
Financial Services

CIVIL CODE 1365 INSURANCE DISCLOSURE REQUIREMENTS
POLICY PERIODS 01-01-2011 TO 01-01-2012

ASSOCIATION NAME: Barron Square Homeowners Association

NAME OF INSURER: STATE FARM INSURANCE

POLICY LIMITS: Property: \$15,307,100 Business Property \$11,000 Liability: \$1,000,000

COMMERCIAL UMBRELLA: \$5,000,000

INSURANCE DEDUCTIBLES: Property: \$5,000 Liability: \$0
Commercial Umbrella: \$0

RECOMMENDATIONS MADE BY AGENT: Made annually to Association

RECOMMENDATIONS ACCEPTED: Annually

DOES COVERAGE EXTEND TO REAL PROPERTY IMPROVEMENTS: Yes

DOES ASSOCIATION CARRY EARTHQUAKE INSURANCE: No

DOES THE ASSOCIATION CARRY FLOOD INSURANCE: No

DOES THE ASSOCIATION CARRY DIRECTORS AND OFFICERS INSURANCE: Yes /\$2,000,000

DOES THE ASSOCIATION CARRY A FIDELITY BOND: Yes/\$800,000

DOES THE ASSOCIATION CARRY A WORKERS COMPENSATION POLICY: Yes

"This summary of the association's policies of insurance provides only certain information, as required by subdivision:

(e) of Section 1365 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. 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 broker or agent for appropriate additional coverage."

Eva Martin-Long
State Farm Insurance



A-P

**ATLANTIC-PACIFIC
INSURANCE BROKERS, INC**

INSURANCE PROPOSAL

December 31, 2010 to December 31, 2011

BARRON SQUARE HOMEOWNERS ASSOCIATION

*Presented by Walton & Associates Insurance Services
Atlantic-Pacific Insurance Brokers, Inc.*

Kelley M. Slocum
Commercial Lines Licensed Agent

Lila J. Infelise
Account Executive

COMMERCIAL EARTHQUAKE

“Protection against the peril of Earthquake.”

INSURER: QBE Specialty Insurance Company

POLICY TERM: December 31, 2010 to December 31, 2011

COVERAGE:

Commercial Earthquake

\$10,000,000 Loss Limit (Real Property, Well)

\$1,713,000 Combined Demolition and Increased Cost of Construction

15% Deductible

EXCLUSIONS: Flood; Terrorism; Cyber Risk; Mold; See Policy

ANNUAL PREMIUM: \$31,705.60**
(Includes All Fees & Taxes)

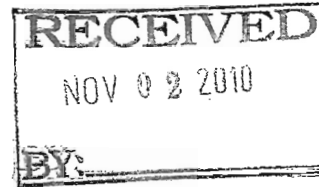


Terminix International
P.O. Box 17167
Memphis, TN 38187

Enjoy guaranteed defense from future termite problems ...with warm wishes from your friends at Terminix.

7534 0100 K6 RP 18 10102010 NNNNNNNN 0017691 S1 773
17691 AB 0.252

BARRON SQUARE, HOA
655 MARINERS ISLAND BLVD # 301
SAN MATEO CA 94404-1061



Dear Terminix Customer,

Thank you for choosing to continue your Terminix Termite Plan. You made a wise decision that will help safeguard your budget, your peace of mind, and the investment you have made in your home.

As the company that pioneered termite control in 1927 -- and the world leader in termite control today -- we are pleased to guarantee to help defend your home against reinfestation for another year.

As before, Terminix will reinspect your home upon request, and make any additional treatments determined to be necessary throughout the Plan year, all at no cost to you. The enclosed Guarantee provides the main features of your Termite Plan. The Terms and Conditions on the plan delivered at the time of your original treatment includes full details.

Please review the enclosed document, and keep it in a safe place.

We are glad to be able to offer you the opportunity to renew your Terminix Plan year after year -- for a small annual fee that is just a fraction of today's cost of a termite treatment. As we promised you from the start, the Termite Plan on your property cannot be canceled by Terminix for as long as you choose to renew your coverage.

This means that no matter what may happen in the future, you will never have to worry about the cost of retreating termite problems while your Plan is in force. With more than 560 Terminix offices, including the largest technical staff in the industry and more than 40 graduate entomologists, we can offer you the state of the art in termite control. And we are committed to being there for you whenever you may need us.

Should you need service, just call your local Terminix center --
or dial our 24-hour "hotline": 1-800-TERMINIX.

We're available at this toll-free number day and night, 365 days a year, to answer your questions and help arrange service.

We appreciate the confidence you have placed in our company, and we look forward to serving you in the months and years to come.

Most sincerely,

Thomas G. Brackett
President

TERMINIX®

TERMITE GUARANTEE

For:
BARRON SQUARE, HOA
655 MARINERS ISLAND BLVD #301
SAN MATEO CA 94404

TERMITE PLAN NUMBER:
2223 - 6617247

TERMITE PLAN BEGINS:
10/01/2010

TERMITE PLAN EXPIRES:
10/31/2011

CONCERNING PROPERTY AT:
501-590 THAIN WAY
PALO ALTO CA 94306



SUMMARY OF CERTAIN TERMS AND CONDITIONS OF YOUR VALUABLE TERMITE PLAN

Terminix will provide the necessary service to help defend the identified property against the attack of drywood termites. The Plan does not defend against formosan termites (*Coptotermes* sp.) or subterranean termites.

During the term of the Plan, Terminix will ...

1. Reinspect the identified property at any time the Purchaser requests it, as required by your state regulatory agency, or when Terminix believes it is necessary.
2. Perform any further treatment found necessary free of charge.

Due to the nature of construction and/or the extent of existing damage and/or applications restrictions, the Plan does not guarantee against, nor shall Terminix be responsible for, past, present or future damage to property or contents, nor does it provide for repairs or compensation thereof.

Any claim under the Plan must be made to Terminix during the Plan term or any extension thereof.

Upon transfer of ownership of the identified property, the Plan may be continued upon the request of the new owner and upon payment of a transfer fee.

See your original Termite Plan for additional conditions and limitations, which are incorporated herein by reference, and shall control in the event of any conflict with this Summary. The Plan provides for arbitration of any controversy or claim arising out of or relating to the Plan. A copy of the Plan is available from your local Terminix Service Center.

TO RECEIVE SERVICE, CONTACT YOUR LOCAL TERMINIX CENTER.
OR CALL 24 HOURS: 1-800-TERMINIX (1-800-837-6464).

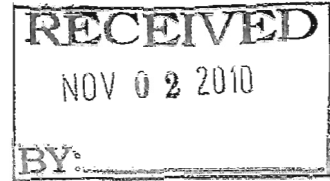
Our representatives can take your questions, comments and service requests at this toll-free number, 365 days a year.
IMPORTANT: Please keep this document in a safe place, you may need to present it at the time of service.





Terminix International
P.O. Box 17167
Memphis, TN 38187

Enjoy guaranteed defense from future termite problems ...with warm wishes from your friends at Terminix.



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17694 AB 0.252

BARRON SQUARE, HOA
655 MARINERS ISLAND BLVD # 301
SAN MATEO CA 94404-1061



Dear Terminix Customer,

Thank you for choosing to continue your Terminix Termite Plan. You made a wise decision that will help safeguard your budget, your peace of mind, and the investment you have made in your home.

As the company that pioneered termite control in 1927 -- and the world leader in termite control today -- we are pleased to guarantee to help defend your home against reinfestation for another year.

As before, Terminix will reinspect your home upon request, and make any additional treatments determined to be necessary throughout the Plan year, all at no cost to you. The enclosed Guarantee provides the main features of your Termite Plan. The Terms and Conditions on the plan delivered at the time of your original treatment includes full details.

Please review the enclosed document, and keep it in a safe place.

We are glad to be able to offer you the opportunity to renew your Terminix Plan year after year -- for a small annual fee that is just a fraction of today's cost of a termite treatment. As we promised you from the start, the Termite Plan on your property cannot be canceled by Terminix for as long as you choose to renew your coverage.

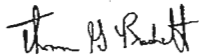
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We're available at this toll-free number day and night, 365 days a year, to answer your questions and help arrange service.

We appreciate the confidence you have placed in our company, and we look forward to serving you in the months and years to come.

Most sincerely,


Thomas G. Brackett
President

TERMINIX®**TERMITE GUARANTEE****For:**

BARRON SQUARE, HOA
 655 MARINERS ISLAND BLVD #301
 SAN MATEO CA 94404

TERMITE PLAN NUMBER:

2223 - 6618000

TERMITE PLAN BEGINS:

10/01/2010

TERMITE PLAN EXPIRES:

10/31/2011

CONCERNING PROPERTY AT:

4102-4170 THAIN WAY
 PALO ALTO CA 94306

**SUMMARY OF CERTAIN TERMS AND CONDITIONS OF YOUR VALUABLE TERMITE PLAN**

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