Bay's Elite Investments, Inc.
Multi-Family Brokerage

1196 Boulevard Way, Suite 16
Walnut Creek, CA 94595
817 52nd St. Suite C
Oakland, CA 94608
Tel: (925) 956.7920
Tel: (510) 414.5354
Fax: (510) 298.5667
www.eliteinvests.com

April 27, 2015

Dear Mr. McKeown,

I hereby understand and certify that I have reviewed and accepted the following documents as disclosures for 394 Ilo Lane #602, Danville 94526.

Pedram Karbassi
President, MBA
BAY'S ELITE INVESTMENTS, INC.
1196 Boulevard Way, Suite 16
Walnut Creek, CA 94595
Office: (925) 956.7920
Fax: (925) 954.6770
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Your Signature Below acknowledges the receipt of the above, and your understanding that all available documentation is enclosed.

Further, you agree that all data is being provided as a courtesy only, and that the brokers are not to be held responsible or accountable for any errors, omissions, or inaccuracies.

		DocuSigned by: pedram karbassi E9AE955C2814436...	5/1/2015
Buyer	Date	Pedram Karbassi, MBA Principle	Date

Pedram Karbassi
President, MBA
BAY'S ELITE INVESTMENTS, INC.
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Walnut Creek, CA 94595
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DocuSigned by:
Majid Kashanian
02C897CF02A7483...
5/1/2015

DocuSign Envelope ID: E2D97978-4D29-4430-ABE4-AE58EE9A9C2F

04/19/2015

Associated Docs 0

History **RPR**

reInsight Tax **RatePlug**

Tax ***Walk Score***

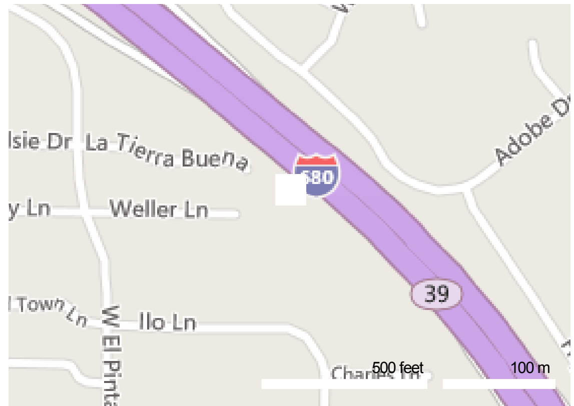
Map ***Quick Info***

Community Reports

Virtual Tour:

Print/E Mail This Listing:

Board: OAKLAND



394 ilo Lane **DANVILLE** **602** **94526** **4500** **$429,000**

RESIDENTIAL Condo **Active** **[40693801]** **SP:**

Dir: Danville Townhomes
Cross St: El Cerro
D/N/S: DANVILLE
 # Assoc Docs: 0
Const: Existing
Sales Ofc Info:

Beds: 2 **Liv Sq Ft:** /
Baths: 1 / 1 **Lot Acre:** 0.020000
Rms #: 2 **Lot SqFt:** 875
Age: 51 **Year Built:** 1964 **$/SF:**
Story: Two Story
New Subdiv:

Bldr/A:
Model:
Style: Contemporary

Mkt: 4/8/2015
Pend:
Off M:
COE:
DOMLS: 10
CDOMLS: 10

Complex: DANVILLE TOWMH **#Units in Complex:** 45 **TIC%:** **Flr Unit is On:** 1 **Units Ownr Occupd (%):** 47
Unit Info: Ground Floor Location
Pets:

Street Lvl: 1 Bath, Main Entry
Upper Lvl: 1 Bedroom, 2 Bedrooms, 1 Bath, Laundry Facility **Lower Lvl:**
Rooms Xtr: Family Room
Kitchen: Breakfast Nook, Counter - Laminate, Counter - Solid Surface, Counter - Stone, Dishwasher, Eat In Kitchen, Garbage Disposal, Gas Range/Cooktop, Ice Maker Hookup, Island, Microwave, Range/Oven Built-in, Refrigerator, Self-Cleaning Oven, Updated Kitchen
Ba Non-Mstr:
Mstr Bath:
Heat: Forced Air 1 Zone
Cool: Central 1 Zone A/C
Equipment: Mirrored Closet Door(s)
Lot: Court
Exterior: Stucco
Roof: Composition Shingles
View:
Yard Desc: Patio Enclosed

Fireplace: 1 / Family Room
Garage: 1 / Carport - 1
Flooring: Hardwood Flrs Throughout, Tile
Laundry: Hookups Only
Wtr/Sewr: Water - Public
Pool: Yes / Community Fclty
Foundatn: Slab
Disabled: None

SchoolDist: San Ramon Valley (925) 552-5500 **Elem:** Call School District **Jr Hi:** Call School District **Sr Hi:** Call School District

Homeowner's Association Yes
Name: DANVILLE TOWNHOMES 8664732573 **Fee$:** 439 **Pd:** Monthly **Trans Fee:** **Lit Pend:** No
Fee Inc: Common Area Maint, Common Hot Water, Exterior Maintenance, Hazard Insurance, Management Fee, Reserves, Trash Removal, Water/Sewer
Docs: Budget, Bylaws, CC&R'S, Financial Statement, Rules and Regulations
Ameni: Club House, Pool, Sauna, Spa

Confidential

Most gorgeous available condo in the community.Fully tasteful updates w/ SS kitchen, gutted and remodeled baths, mfrd wood floors, astonishing finishes thruout.Open SUN 4/19, 1-3PM. Offers As they Come.

Spec Info: None **List Type:** Excl Right **CSO:** 2.5 **D/VComp:** No **List Ser:** Full Service **APN:**
Disclosure: Nat Hazard Disclosure **POS:** No **City Tr Tax:** No **Poss:** COE
Terms: CONV **Inspect/Rpts:**

Occupied: Vacant **Name:** Vacant / **Occ Ph** **24 Hrs:** No **Supra Box?:** No / Front Door
Show: Lockbox Code 4888 **Zoning:**
Listed: PEDRAM KARBASSI - 510-414-5354 BAY'S ELITE INVESTMENTS - Off: 510-414-5354 **Agent Hit Count** 211
pedram@eliteinvests.com LBRE 01522384 **Client Hit Count:** 82

Sold By:
Orig List $: $429,000 **Sale $/Orig $:** % **Last List $:** **Sale $/Last $:** % **Sale $/SF:** $ **# of offers:**
Sale Credits: **Sale Terms:**
Prepared By: PEDRAM KARBASSI BRE# 01351640

Community Reserve Solutions

8000 Jarvis Avenue, Entry 2
Newark, California 94560
(510) 869-2672
(510) 780-7535 FAX

9/8/2013

Board of Directors
Danville Townhomes HOA
Real Manage
7655 Redwood Blvd., Suite 100
Novato, California 94945

Attention: **Linda Schoeffner**

Subject: **Reserve Fund and Component Study**
Danville Townhomes HOA

To whom it may concern,

In accordance with our proposal, Community Reserve Solutions has performed a Reserve Fund and Component Study for your community in accordance with the requirements of the Davis-Stirling Act and the guidelines of the Association of Professional Reserve Analysts (APRA).

This study consisted of a visual inspection of the commonly held components that the community is responsible for maintaining, repairing or replacing. The visual inspection determined the commonly held components, their year of installation, the expected life, estimated useful life (assuming the materials used were properly manufactured and installed) and the estimated useful life. The components were then quantified using calibrated measuring devices either in the field or from association provided construction documentation.

The observations and conclusions presented are based upon our visual inspection and component qualification of the commonly held components and upon information provided by your community and/or it's representatives.

It has been a pleasure serving you and we look forward to working with you again in the future.

Sincerely,

John E. Ceragioli
Director of Community Solutions
Community Reserve Solutions
8000 Jarvis Avenue, Entry 2
Newark, California 94560
(510) 869-2672
johnc@massingham.com

CAPITAL COMPONENT RESERVE STUDY FOR:

Danville Townhomes HOA

9/8/2013

Community Reserve Solutions
8000 Jarvis Avenue, Entry 2
Newark, California 94560
(510) 896-22672

LEGAL REQUIREMENTS

1. Identify the current cash reserve balance.
2. Identify the major components to be included in the study.
3. Establish the reasonable expected life of each component.
4. Establish the remaining life of each component.
5. Project the estimated total cost of each component replacement.
6. Project the year in which the component replacement should statistically occur.
7. Prepare a Statement of Methodology.
8. Prepare the Davis-Stirling Act section 5570 disclosure statement.

SCOPE OF STUDY

The time frame covered by this analysis is from **2014** thru **2044** These are the beginning and ending points for all calculations included in this study.

STATEMENT OF RESERVE STUDY METHODOLOGY

To determine the annual reserve fund contribution a cash flow (and a straight-line) funding calculation has performed. The premise of replacement cost projections are to insure positive cash flow balances in the communities reserve accounts. This will allow the Board of Directors (and the community) to fulfill its responsibility for maintaining the common are components while forecasting positive balances in the reserve fund accounts. Positive cash balances should be maintained by the community without relying on Special Assessment, HOA loans or overly excessive monthly assessments. The inflation rate used is based upon specific construction industry indexes. The communities current rate of return on their reserve fund account(s) is used for this study but may not exceed the rediscount rate as published by the Federal Reserve Bank of San Francisco at the time of study completion by more than 2%. This information has been provided to communities Board of Directors for approval prior to finalization of this report.

The components listed in this analysis were identified by quantity and type. Upon completion of the component list and the reserve fund analysis was presented to the communities Board of Directors for their approval. The following sources were consulted, where possible, to make our determinations.

Original construction plans and specifications.
Original contractors, maintenance staff and vendors.
Current contractors, maintenance staff and vendors.
Community maintenance staff.
Community management.
Independent subcontractors.
In house quantity surveyor.

LIMITATIONS AND ASSUMPTIONS TO THIS STUDY

This reserve fund study was undertaken by Community Reserrve Solutions in compliance with California Civil Code sections 5300, 5570, 5560 and 5570 and in compliance with the standards established by the Association of Professional Reserve Analysts (APRA). See www.apra-usa.com for more information.

Components that meet the following criteria have been included in this report.

1. The component maintenance is the responsibility of the association.
2. The component has a reasonable determinable statistically expected life.
3. The component has an expected life of greater than 1 year.
4. The component replacement is not covered within the communities annual operating budget.
5. The expected remaining life of the component is less than 30 years. Components with remaining lives of greater than 30 years may be included in the study for the association's information. These components will not be factored into the funding plan.

Component useful life and remaining life projections are based on industry standards, manufacturer information, date of installation and maintenance information provided by the community, it's management and/or staff. As a result of construction methodology, design, maintenance or any specific local conditions, component expected life and remaining life may vary from the statistical norm. Repair and/or replacement schedules and the resulting assessment schedules are derived by combining the resources described above and reliance on these schedules is at the Board of Directors discretion. Community Reserve Solutions makes no guarantees as to the actual performance of the component.

Each component condition, life expectancy and replacement cost evaluation was based on visual inspection only. Inspection was limited to areas accessible to the inspectors on the day of inspection and no disassembly of components or demolition was involved. Where components were not available, assumptions were made based on available component statistical information. Community Reserve Solutions makes no guarantee, either specific or implied, as to the actual performance of any component.

The costs for component replacement included in this report were based on current published construction guides, local knowledge and actual contractor estimates. Reliance on the costs included in this report is at the discretion of the communities Board of Directors and/or it's management. Community Reserve Solutions makes no guarantees that projected costs will represent actual job costs at the time of component replacement.

Based on future factors which can not be predicted and the annual disclosure requirements of the Davis-Stirling Act Section 5570, we would recommend this association update their reserve fund study on an annual basis.

ABBREVIATIONS

PUPM = Per Unit Per Month
L.S. = Lump Sum
L.F. = Lineal Feet
S.F. = Square Feet
S.Y. = Square Yard
EA. = Each

DEFINITIONS

Estimated Useful Life - This represents the total number of years a major component, when new, is expected to serve its intended purpose. This information is based on actual conditions in the field.

Estimated Remaining Life - This represents the total number of years a major component should continue to serve its intended purpose prior to replacement.

Total Component Replacement Cost - This is the total cost, in today's dollars, estimated to replace a major component. Costs shown indicates replacing the existing component with one of like kind and quality. Costs include the removal expenses of existing components, construction management (if deemed appropriate), etc.

Unscheduled Expenses - We have included an annual "contingency fund" of 5% above each years total expenses (or $100 minimum), whichever is greater, for each of the 30 years contained within this study.

Projected year Beginning Reserve Fund Balance - This calculation is based on forecasting to the communities year ending date the reserve fund account balance's). It takes the balance at any date then adds any remaining reserve fund deposits, adds interest earned on account and subtracts any reserve expenditures before the communities year end.

Beginning Year of Study - This denotes the year of the Proforma Budget that the reserve fund study was performed to accompany. The beginning date of the study is the first day of the communities calendar year.

Requested Minimum Balance - This denotes the minimum balance a Board of Directors has elected that their reserve fund accounts not fall below.

Net Current Reserve Fund Interest Rate - This denotes the actual, earned average interest rate on all reserve accounts less applicable taxation rates (if any). The Davis-Stirling Act Section 5570 requires that the interest rate not be greater than 2% above the rediscount rate published by the Federal Reserve Bank of San Francisco at the time of reserve study preparation.

Rate of Inflation- This denotes the assumed (either actual or historical) rate of inflation on the construction trades only. This does not represent the rate of inflation as published by the federal government for the entire United States.

Straight-Line Funding Requirement - This is calculated by dividing each components total cost by it's estimated useful life.

Reserve Fund Cash Flown Projections - This is calculated by modeling 30 years projected expenditures, determining each years beginning and ending reserve account balances and then determining a funding level that provides a positive year ending balance (or a balance that is greater than the communities requested minimum balance).

Section 5570 Calculated Percent Funded - This calculates how much money should have been set aside at the time of the study based on each component straight-line funding requirements. It multiplies the used life (expected life less remaining life) by then annual straight-line funding requirement for each component. Then each component calculation is added and compared to the actual calendar year beginning balance in the reserve study. The resultant percentage is the Calculated Percent Funded.

Danville Townhomes HOA
2013
RESERVE STUDY INFORMATION SHEET

CONTACT INFORMATION

CONTACT:	Board of Directors
COMMUNITY NAME:	Danville Townhomes HOA
ADDRESS:	394 Ilo Lane
CITY, STATE & ZIP:	Danville, California 94526

RESERVE STUDY INFORMATION

THIS YEARS TYPE OF STUDY:	One year Financial Update	
DATE OF LAST INSPECTION:	2011	
PERFORMED BY:	Community Reserve Solutions	
YEAR OF NEXT INSPECTION	2014	As required by the Davis-Stirling Act of 1997

COMMUNITY INFORMATION

BEGINNING YEAR OF STUDY:	2014	NUMB. OF RESID. BUILDINGS:	9
YEAR FACILITY CONVERTED:	1979	NUMB. OF NON-RESID. BUILDINGS:	1
NUMBER OF UNITS IN PROJECT:	45	ASSOC. YEAR ENDING DATE:	12/31/13
NUMBER OF ASSOC. OWNED UNITS:	0		

RESERVE STUDY PREPARER:	Community Reserve Solutions 8000 Jarvis Avenue, Entry 2 Newark, California 94560 (510) 896-2672 John E. Ceragioli
CURRENT COMMUNITY CONTACT:	Real Manage 7655 Redwood Blvd., Suite 100 Novato, California 94945 (415) 444-1615 Linda Schoeffner

RESERVE ACCOUNT INFORMATION

PROJECTED YEAR BEGIN. RESERVE FUND BALANCE	$98,303
REQUESTED MINIMUM BALANCE:	$0
CURRENT TOTAL ANNUAL ASSESSMENT:	$215,460
CURRENT AVERAGE PUPM ASSESSMENT:	$399.00
CURRENT YEAR TOTAL OPERATING BUDGET	$144,964
CURRENT ANNUAL RESERVE CONTRIBUTION:	$70,496
CURRENT MONTHLY RESERVE CONTRIBUTION:	$5,875
CURRENT AVG. PUPM RESERVE CONTRIBUTION:	$130.55
CURRENT YEAR TOTAL SPECIAL ASSESSMENT:	$0
CURRENT YEAR TOTAL REVENUE - OTHER SOURCE	$0
CURRENT NET RESERVE FUND INTEREST RATE:	1.50%
CURRENT RATE OF INFLATION:	2.50%
UNSCHEDULED EXPENSE RATE:	5.00%

NOTES

1. PUPM = Per Unit Per Month
2. The projected beginning year balance is calculated using current financial records, current reserve deposits and expected reserve expenditures before the association's year end.
3. The average PUPM to reserves is calculated by dividing the total assessments by the number of units.
4. The net interest rate is the actual earned interest rate minus applicable taxes.

Danville Townhomes HOA
2014
COMPONENT DESCRIPTION/ESTIMATED REPLACEMENT COSTS

Code #	Component Description	Year New	Expect. Life	Component Measure.	Unit of Measure	Unit Cost	Total Comp. Replace. Cost.
1.00	**ROADS**						
1.01	Asphalt Sealing	2014	5	19552	S.F.	$0.22	$4,301
1.02	Asphalt Striping / Stenciling	2014	5	1	L.S.	$2,503.25	$2,503
1.03	Asphalt Repairs	2014	5	1	L.S.	$5,000.00	$5,000
1.04	Asphalt Replacement	1979	50	19252	S.F.	$5.75	$110,699
1.05	Parking Bumpers	1979	50	78	EA.	$35.00	$2,730
2.00	**CONCRETE**						
2.01	Repair Allowance	2010	5	1	L.S.	$12,750.00	$12,750
2.02	Pool/Spa Deck Repair Allowance	2014	20	1	L.S.	$10,000.00	$10,000
2.03	Brick Pavers Repair Allowance	2014	20	1	L.S.	$5,000.00	$5,000
3.00	**FENCING, RAILINGS & RETAINING WALLS**						
3.01	Wood Fence at Property Line	1979	30	433	L.F.	$65.00	$28,145
3.02	Wood Fence at S. Property Line	1997	30	330	L.F.	$65.00	$21,450
3.03	Wood Fence at Driveway Edges	1989	30	84	L.F.	$65.00	$5,460
3.04	Wood Fence at Unit #301 Entrance	1989	30	28	L.F.	$65.00	$1,820
3.05	Wood Fence at Rear Patios	1987	30	567	L.F.	$65.00	$36,855
3.06	Wood Fence at Rear Patios	2002	30	697	L.F.	$65.00	$45,305
3.07	Wood Fence at Carports	1989	30	227	L.F.	$65.00	$14,755
3.08	Iron Fence at Pool	2002	40	216	L.F.	$75.00	$16,200
3.09	Iron Gates at Pool	2002	40	3	EA.	$1,500.00	$4,500
3.10	Wood Fence at Spa	1991	30	42	L.F.	$65.00	$2,730
3.11	Metal Site Handrails	2002	40	140	L.F.	$75.00	$10,500
3.12	Conc. Retain. Wall Repair Allowance	1979	50	230	L.F.	$75.00	$17,250
3.13	Conc. Retain. Wall Repair Allowance	2011	50	230	L.F.	$75.00	$17,250
3.14	Wood Ret. Wall Repair Allowance	2013	3	1	L.S.	$2,500.00	$2,500
4.00	**SITE AND ENTRY IMPROVEMENTS**						
4.01	Brick - Tuckpoint Allowance	2002	25	1506	S.F.	$2.25	$3,389
4.02	Carriage Lights	2002	25	2	EA.	$225.00	$450
4.03	Ground Spot Lights	2002	25	5	EA.	$250.00	$1,250
4.04	Brass Letters @ Entry	2002	40	17	EA.	$150.00	$2,550
5.00	**MAIL KIOSK / BLDG. # 5OO EXTENSION**						
5.01	Single Ply Roofing Membrane	2002	25	628	S.F.	$9.00	$5,652
5.02	Downspouts	1997	25	20	L.F.	$6.00	$120
5.03	Mailboxes	2002	25	46	EA.	$150.00	$6,900
5.04	Outgoing Mail Box	2002	25	1	EA.	$250.00	$250
6.00	**TRASH AREAS**						
6.01	Block Wall Repair Allowance	2014	10	1	L.S.	$1,000.00	$1,000
6.02	Wood Gates	2002	25	2	EA.	$750.00	$1,500
7.00	**WATER HEATERS ROOMS/KIOSKS & CLOSETS**						
7.01	Water Heater Shed Repairs - 104	2014	15	1	L.S.	$3,200.00	$3,200
7.02	Water Heater Shed Repairs - 402	2013	15	1	L.S.	$3,200.00	$3,200
7.03	Water Heater Shed Repairs - 501	2015	15	1	L.S.	$3,200.00	$3,200
7.04	Water Heater Shed Repairs - 702	2016	15	1	L.S.	$3,200.00	$3,200
7.04	Water Heater Shed Repairs - 900	2017	15	1	L.S.	$3,200.00	$3,200
8.00	**WATER HEATERS / GAS**						
8.01	100 Gallon - Unit 104	2003	15	1	EA.	$6,000.00	$6,000
8.02	100 Gallon - Unit 402	2013	15	1	EA.	$6,000.00	$6,000
8.03	100 Gallon Unit 501	2013	15	1	EA.	$6,000.00	$6,000
8.04	100 Gallon Unit 702	1995	15	1	EA.	$6,000.00	$6,000

Danville Townhomes HOA
2014
COMPONENT DESCRIPTION/ESTIMATED REPLACEMENT COSTS

Code #	Component Description	Year New	Expect. Life	Component Measure.	Unit of Measure	Unit Cost	Total Comp. Replace. Cost.
8.05	100 Gallon - Bldg. 900	1999	15	1	EA.	$6,000.00	$6,000
8.08	Circulation Pump - Unit 104	2014	5	1	EA.	$750.00	$750
8.08	Circulation Pump - Unit 402	2014	5	1	EA.	$750.00	$750
8.08	Circulation Pump - Unit 501	2014	5	1	EA.	$750.00	$750
8.08	Circulation Pump - Unit 702	2014	5	1	EA.	$750.00	$750
8.08	Circulation Pump - Bldg. 900	2014	5	1	EA.	$750.00	$750
8.06	Expansion Tank - Unit 104	2003	20	1	EA.	$800.00	$800
8.07	HW Heater - Clubhouse	2006	10	1	EA.	$1,000.00	$1,000
9.00	**IRRIGATION AND LANDSCAPING**						
9.01	Irrig. Cont. (install Smart Controller)	2015	15	7	EA.	$1,800.00	$12,600
9.02	Submit Irrig. Upgrade Plan for Permit	2018	30	1	L.S.	$3,000.00	$3,000
9.03	Irrig. System Renovate/Remodel	2019	30	1	L.S.	$9,000.00	$9,000
9.04	Backflow Preventer	2002	20	6	EA.	$3,250.00	$19,500
9.05	Irrigation System Repair Allowance	2011	1	1	L.S.	$1,500.00	$1,500
9.06	Tree Care Allowance	2011	1	1	L.S.	$2,500.00	$2,500
9.07	Planting Replacement Allowance	2011	1	1	L.S.	$1,000.00	$1,000
10.00	**CARPORTS**						
10.01	Built Up Roofing	2014	15	7172	S.F.	$9.00	$64,548
10.02	Built Up Roofing	2010	15	2112	S.F.	$9.00	$19,008
10.03	Carport Repairs	2014	100	9284	S.F.	$15.00	$139,260
10.04	Carport Repairs	2010	100	1	L.S.	$7,500.00	$7,500
11.00	**SWIMMING POOL**						
11.01	Replastering	2014	15	125	S.Y.	$75.00	$9,375
11.02	Coping	1992	30	105	L.F.	$25.00	$2,625
11.03	Tile	1992	30	200	L.F.	$25.00	$5,000
11.04	Seal Coping/Deck Joint	2014	5	105	L.F.	$5.50	$578
11.05	Heater	2002	15	1	EA.	$3,750.00	$3,750
11.06	Filter	2002	15	1	EA.	$3,250.00	$3,250
11.07	Filter Pump	2010	10	1	EA.	$1,600.00	$1,600
11.08	Chlorinator	2014	5	1	EA.	$500.00	$500
11.09	Pool Furniture Replacement Allow.	2010	3	1	L.S.	$1,000.00	$1,000
12.00	**SPA**						
12.01	Resurfacing - Ceramic Tile	1997	30	21	S.Y.	$225.00	$4,800
12.02	Coping	1990	30	29	L.F.	$25.00	$725
12.03	Seal Copng/Deck Joint	2014	5	29	L.F.	$5.00	$145
12.04	Heater	2014	15	1	EA.	$3,350.00	$3,350
12.05	Filter	2014	15	1	EA.	$2,750.00	$2,750
12.06	Filter Pump	2014	10	1	EA.	$1,600.00	$1,600
12.07	Jet Pump	2010	10	1	EA.	$1,600.00	$1,600
12.08	Chlorinator	2014	5	1	EA.	$500.00	$500
13.00	**CLUBHOUSE EXTERIOR**						
13.01	Composition Shingle Roofing	1997	30	1464	S.F.	$5.25	$7,686
13.02	Gutters	1997	30	104	L.F.	$8.00	$832
13.03	Downspouts	1997	30	40	L.F.	$5.00	$200
13.04	Wood Trellises (2)	1987	30	460	S.F.	$45.00	$20,700
14.00	**CLUBHOUSE INTERIORS**						
14.01	Paint Interior	2013	12	2195	S.F.	$0.85	$1,866
14.03	Carpeting	2013	12	46	S.Y.	$55.00	$2,542
14.04	Vinyl Flooring	2013	30	160	S.F.	$10.00	$1,600
14.05	Air Conditioner / Wall Unit	2013	20	1	EA.	$1,000.00	$1,000

Danville Townhomes HOA
2014
COMPONENT DESCRIPTION/ESTIMATED REPLACEMENT COSTS

Code #	Component Description	Year New	Expect. Life	Component Measure.	Unit of Measure	Unit Cost	Total Comp. Replace. Cost.
14.06	Toilet Partitions	2013	40	14	L.F.	$550.00	$7,700
14.07	Sauna Heaters	2013	30	2	EA.	$750.00	$1,500
14.08	Toilet Exhaust Fans	2013	30	2	EA.	$250.00	$500
14.09	Tile	2013	36	108	S.F.	$25.00	$2,700
14.10	Furniture Replacement Allowance	2013	12	1	L.S.	$5,000.00	$5,000
15.00	**SITE LIGHTING - INTERIOR**						
15.01	5' - 5 Light Wall Sconce Bar	2013	35	1	EA.	$200.00	$200
15.02	Ceiling Fan w/ Single Globe Light	2013	35	2	EA.	$300.00	$600
15.03	4 - Bulb Vanity Light	2013	35	2	EA.	$150.00	$300
15.04	Recessed Heatlamp	2013	35	2	EA.	$250.00	$500
15.05	Globe Light in Sauna	2013	35	2	EA.	$200.00	$400
15.06	Ceiling Ceramic Socket w/ Bulb	2013	35	7	EA.	$75.00	$525
16.00	**SITE LIGHTING - EXTERIOR**						
16.01	12' Steel Light Poles	1995	35	7	EA.	$1,000.00	$7,000
16.02	Pole Lights (Fluor.Tubes Fixture)	1979	35	7	EA.	$300.00	$2,100
16.03	4' Wd. Bollards (Fluor. Tubes Fix.)	1979	35	32	EA.	$450.00	$14,400
16.04	Wall Mt. CFL's (2 bulbs ea.)	1979	35	5	EA.	$150.00	$750
16.05	Wall Mt. CFL's - Area Light w/ PC	1979	35	1	EA.	$150.00	$150
16.06	HPS Bldg. Mt. Security Light w/ PC	1979	35	1	EA.	$350.00	$350
16.07	Eave Spots - CFL's (2 bulb)	1979	35	8	EA.	$150.00	$1,200
16.08	HPS Flood w/ PC	1979	35	1	EA.	$350.00	$350
16.09	Unit Entry Globes	1979	35	45	EA.	$175.00	$7,875
16.10	Unit Rear Patio Globes	1979	35	45	EA.	$125.00	$5,625
17.00	**RESIDENTIAL BUILDING EXTERIORS**						
17.01	Composition Shingle Roofing	1997	30	36169	S.F.	$5.25	$189,887
17.02	Comp. Shingle Roof @ 14 Entries	1997	30	630	S.F.	$5.25	$3,308
17.03	Wood Shingle Roof @ 16 Entries	2014	15	720	S.F.	$5.25	$3,780
17.04	Built Up Roofing at Sheds	2014	15	1056	S.F.	$8.00	$8,448
17.05	Gutters	1997	30	1790	L.F.	$8.00	$14,320
17.06	Downspouts	1997	30	1745	L.F.	$6.00	$10,470
17.07	Deck Coating at Building 500	1999	10	252	S.F.	$5.50	$1,386
18.00	**MISC. SITE COMPONENTS**						
18.01	Fire Extinguishers	2002	10	13	EA.	$100.00	$1,300
18.02	Fire Extinguishers Cabinents	2002	20	13	EA.	$200.00	$2,600
18.03	8' x 10' Vinyl Storage Shed @ Pool	2000	25	1	EA.	$2,500.00	$2,500
18.04	Signage - Grounds and Pool	2002	25	1	L.S.	$1,000.00	$1,000
19.00	**PAINTING**						
19.01	Paint Stucco Siding	2014	12	36607	S.F.	$1.00	$36,607
19.02	Paint Remainder of Components	2014	6	1	L.S.	$58,669.75	$58,670
20.00	**BUILDING REPAIR/REPLACEMENT ALLOWANCES**						
20.01	Stucco Siding Repair Allow.	2014	12	1	L.S.	$1,500.00	$1,500
20.02	Beam Repair Allowance	2014	30	1	L.S.	$15,000.00	$15,000
20.03	Composite Lap Siding Rep. Allow.	2014	6	1	L.S.	$1,500.00	$1,500
20.04	Resawn Plywood Siding Rep. Allow.	2014	6	1	L.S.	$1,500.00	$1,500
20.05	Wood Trim Repair Allowance	2014	6	1	L.S.	$2,500.00	$2,500
20.06	Door Replacement Allowance	2014	6	1	L.S.	$1,000.00	$1,000
		TOTAL VALUE OF ALL COMPONENTS					**$1,228,304**

Danville Townhomes HOA
2014
NOTES AND PHOTOGRAPHS

GENERAL NOTE REGARDING LANDSCAPING AND WATER USEAGE

The California State Assembly has passed, and the governor has signed into law, Assembly Bill 1881, The Model Water Efficient Landscape Ordinance (WELO) which requires all properties (of certain types) that have 2500 square feet (1000 square feet in San Francisco) of landscape area to reduce their water useage for irrigation by 10% by the year 2016, and by 20% by the year 2020.

This will likely require that all complying properties submit plans and pull permits for irrigation system upgrades, to install smart controllers and to remodel/renovate their irrigation systems with more efficient types.

We have assumed that the following will occur, within this reserve study.

1 Smart Controller(s) will be installed by 2015.
2 Irrigation System plans and specifications will be submitted and permits pulled in 2018
3 Irrigation Distribution Systems will be remodelled/renovated in 2019.

GENERAL NOTE REGARDING SOFT STORY CONSTRUCTION

The California State Assembly has passed, and the governor has signed into law, Assembly Bill 304, relating to building standards regarding "soft-story" constuction. A soft-story building is one with carports (or garages) built below residential living units. This Act allows cities within the State of California to madate an upgrading of these structures to resist earthquake forces.

Currently, few cities in California have mandated such construction upgrades. This study does not include the costs of such upgrades which may be substantial. Should this be required, it is likely that a Special Assessment wll be required.

1.00 ROADS

1.02 ASPHALT STRIPING/STENCILING

1166	Lineal Feet of White Striping	$1.00	$1,166.00
205	LF of Fire Lane Red Striping - 6"	$1.25	$256.25
12	" FIRE LANE " Designations	$15.00	$180.00
12	" NO PARKING " Designations	$15.00	$180.00
271	LF of Step Nosing White Striping	$1.00	$271.00
45	Unit Numbers on Parking Bumpers	$10.00	$450.00
			$2,503.25

19.00 PAINTING

19.01 PAINT ENTIRE SITE

13566	Square Feet of Horizontal Siding	$0.85	$11,531.10
2006	Square Feet of Plywood Siding	$0.85	$1,705.10
17282	Lineal Feet of Wood Trim	$0.85	$14,689.70
12096	Sq.Feet of Wood Soffits / Eaves	$0.85	$10,281.60
3500	Square Feet of All Block Walls	$0.85	$2,975.00
216	Lineal Feet of Iron Pool Fencing	$5.00	$1,080.00
140	Lineal Feet of Iron Stair Railings	$5.00	$700.00
724	LF of Rear 4' Patio Fencing - EXT.	$3.50	$2,534.00
586	LF of Rear 6' Patio Fencing - EXT.	$3.50	$2,051.00
433	LF of Wood PL Fence - Stained	$3.50	$1,515.50
84	LF of Short Driveway Fences	$3.50	$294.00
216	LF of Carport Fence	$3.50	$756.00
45	Unit Entry Doors	$45.00	$2,025.00
45	Unit Storage Doors	$35.00	$1,575.00
5	Water Heater Louvered Doors	$45.00	$225.00
4	Clubhouse Doors	$45.00	$180.00
1942	Lineal Feet of Gutters	$0.85	$1,650.70
2053	Lineal Feet of Downspouts	$0.85	$1,745.05
2	Trash Enclosure Gates 8' x 5'	$50.00	$100.00
1056	SF of Trash Area Block Walls	$1.00	$1,056.00
			$58,669.75

Danville Townhomes HOA
2014
FIRST TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Expect. Useful Life	Est. Remain. Life	Total Cost Component Replacement	**Year 1 2014**	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 6 2019	Year 7 2020	Year 8 2021	Year 9 2022	Year 10 2023
1.00	**ROADS**														
1.01	Asphalt Sealing	2014	5		$4,301	**4301**					4301				
1.02	Asphalt Striping / Stenciling	2014	5		$2,503	**2503**					2503				
1.03	Asphalt Repairs	2014	5		$5,000	**5000**					5000				
1.04	Asphalt Replacement	1979	50	15	$110,699										
1.05	Parking Bumpers	1979	50	15	$2,730										
2.00	**CONCRETE**														
2.01	Repair Allowance	2010	5	1	$12,750		12750					12750			
2.02	Pool/Spa Deck Repair Allowance	2014	20		$10,000	**10000**									
2.03	Brick Pavers Repair Allowance	2014	20		$5,000	**5000**									
3.00	**FENCING, RAILINGS & RETAINING WALLS**														
3.01	Wood Fence at Property Line	1979	30	-5	$28,145	**28145**									
3.02	Wood Fence at S. Property Line	1997	30	13	$21,450										
3.03	Wood Fence at Driveway Edges	1989	30	5	$5,460						5460				
3.04	Wood Fence at Unit #301 Entrance	1989	30	5	$1,820						1820				
3.05	Wood Fence at Rear Patios	1987	30	3	$36,855				36855						
3.06	Wood Fence at Rear Patios	2002	30	18	$45,305										
3.07	Wood Fence at Carports	1989	30	5	$14,755						14755				
3.08	Iron Fence at Pool	2002	40	28	$16,200										
3.09	Iron Gates at Pool	2002	40	28	$4,500										
3.10	Wood Fence at Spa	1991	30	7	$2,730								2730		
3.11	Metal Site Handrails	2002	40	28	$10,500										
3.12	Conc. Retain. Wall Repair Allowance	1979	50	15	$17,250										
3.13	Conc. Retain. Wall Repair Allowance	2011	50	47	$17,250										
3.14	Wood Ret. Wall Repair Allowance	2013	3	2	$2,500			2500			2500			2500	
4.00	**SITE AND ENTRY IMPROVEMENTS**														
4.01	Brick - Tuckpoint Allowance	2002	25	13	$3,389										
4.02	Carriage Lights	2002	25	13	$450										
4.03	Ground Spot Lights	2002	25	13	$1,250										
4.04	Brass Letters @ Entry	2002	40	28	$2,550										
5.00	**MAIL KIOSK / BLDG. # 5OO EXTENSION**														
5.01	Single Ply Roofing Membrane	2002	25	13	$5,652										
5.02	Downspouts	1997	25	8	$120									120	

Danville Townhomes HOA
2014
FIRST TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Expect. Useful Life	Est. Remain. Life	Total Cost Component Replacement	**Year 1 2014**	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 6 2019	Year 7 2020	Year 8 2021	Year 9 2022	Year 10 2023
5.03	Mailboxes	2002	25	13	$6,900										
5.04	Outgoing Mail Box	2002	25	13	$250										
6.00	**TRASH AREAS**														
6.01	Block Wall Repair Allowance	2014	10		$1,000	**1000**									
6.02	Wood Gates	2002	25	13	$1,500										
7.00	**WATER HEATERS ROOMS/KIOSKS & CLOSETS**														
7.01	Water Heater Shed Repairs - 104	2014	15		$3,200	**3200**									
7.02	Water Heater Shed Repairs - 402	2013	15	14	$3,200										
7.03	Water Heater Shed Repairs - 501	2015	15	1	$3,200		3200								
7.04	Water Heater Shed Repairs - 702	2016	15	2	$3,200			3200							
7.04	Water Heater Shed Repairs - 900	2017	15	3	$3,200				3200						
8.00	**WATER HEATERS / GAS**														
8.01	100 Gallon - Unit 104	2003	15	4	$6,000					6000					
8.02	100 Gallon - Unit 402	2013	15	14	$6,000										
8.03	100 Gallon Unit 501	2013	15	14	$6,000										
8.04	100 Gallon Unit 702	1995	15	-4	$6,000	**6000**									
8.05	100 Gallon - Bldg. 900	1999	15		$6,000	**6000**									
8.08	Circulation Pump - Unit 104	2014	5		$750	**750**					750				
8.08	Circulation Pump - Unit 402	2014	5		$750	**750**					750				
8.08	Circulation Pump - Unit 501	2014	5		$750	**750**					750				
8.08	Circulation Pump - Unit 702	2014	5		$750	**750**					750				
8.08	Circulation Pump - Bldg. 900	2014	5		$750	**750**					750				
8.06	Expansion Tank - Unit 104	2003	20	9	$800										800
8.07	HW Heater - Clubhouse	2013	10	9	$1,000										1000
9.00	**IRRIGATION AND LANDSCAPING**														
9.01	Irrig. Cont. (install Smart Controller)	2015	15	1	$12,600		12600								
9.02	Submit Irrig. Upgrade Plan for Permit	2018	30	4	$3,000					3000					
9.03	Irrig. System Renovate/Remodel	2019	30	5	$9,000						9000				
9.04	Backflow Preventer	2002	20	8	$19,500									19500	
9.05	Irrigation System Repair Allowance	2011	1		$1,500	**1500**	1500	1500	1500	1500	1500	1500	1500	1500	1500
9.06	Tree Care Allowance	2011	1		$2,500	**2500**	2500	2500	2500	2500	2500	2500	2500	2500	2500
9.07	Planting Replacement Allowance	2011	1		$1,000	**1000**	1000	1000	1000	1000	1000	1000	1000	1000	1000

Danville Townhomes HOA
2014
FIRST TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Expect. Useful Life	Est. Remain. Life	Total Cost Component Replacement	**Year 1 2014**	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 6 2019	Year 7 2020	Year 8 2021	Year 9 2022	Year 10 2023
10.00	**CARPORTS**														
10.01	Built Up Roofing	2014	15		$64,548	**64548**									
10.02	Built Up Roofing	2010	15	11	$19,008										
10.03	Carport Repairs	2014	100		$139,260	**139260**									
10.04	Carport Repairs	2010	100	96	$7,500										
11.00	**SWIMMING POOL**														
11.01	Replastering	2014	15		$9,375	**9375**									
11.02	Coping	1992	30	8	$2,625									2625	
11.03	Tile	1992	30	8	$5,000									5000	
11.04	Seal Coping/Deck Joint	2014	5		$578	**578**					578				
11.05	Heater	2002	15	3	$3,750				3750						
11.06	Filter	2002	15	3	$3,250				3250						
11.07	Filter Pump	2010	10	6	$1,600							1600			
11.08	Chlorinator	2014	5		$500	**500**					500				
11.09	Pool Furniture Replacement Allow.	2010	3	-1	$1,000	**1000**		1000			1000			1000	
12.00	**SPA**														
12.01	Resurfacing - Ceramic Tile	1997	30	13	$4,800										
12.02	Coping	1990	30	6	$725							725			
12.03	Seal Copng/Deck Joint	2014	5		$145	**145**					145				
12.04	Heater	2014	15		$3,350	**3350**									
12.05	Filter	2014	15		$2,750	**2750**									
12.06	Filter Pump	2014	10		$1,600	**1600**									
12.07	Jet Pump	2010	10	6	$1,600							1600			
12.08	Chlorinator	2014	5		$500	**500**					500				
13.00	**CLUBHOUSE EXTERIOR**														
13.01	Composition Shingle Roofing	1997	30	13	$7,686										
13.02	Gutters	1997	30	13	$832										
13.03	Downspouts	1997	30	13	$200										
13.04	Wood Trellises (2)	1987	30	3	$20,700				20700						
14.00	**CLUBHOUSE INTERIORS**														
14.01	Paint Interior	2013	12	11	$1,866										
14.03	Carpeting	2013	12	11	$2,542										

Danville Townhomes HOA
2014
FIRST TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Expect. Useful Life	Est. Remain. Life	Total Cost Component Replacement	**Year 1 2014**	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 6 2019	Year 7 2020	Year 8 2021	Year 9 2022	Year 10 2023
14.04	Vinyl Flooring	2013	30	29	$1,600										
14.05	Air Conditioner / Wall Unit	2013	20	19	$1,000										
14.06	Toilet Partitions	2013	40	39	$7,700										
14.07	Sauna Heaters	2013	30	29	$1,500										
14.08	Toilet Exhaust Fans	2013	30	29	$500										
14.09	Tile	2013	36	35	$2,700										
14.10	Furniture Replacement Allowance	2013	12	11	$5,000										
15.00	**SITE LIGHTING - INTERIOR**														
15.01	5' - 5 Light Wall Sconce Bar	2013	35	34	$200										
15.02	Ceiling Fan w/ Single Globe Light	2013	35	34	$600										
15.03	4 - Bulb Vanity Light	2013	35	34	$300										
15.04	Recessed Heatlamp	2013	35	34	$500										
15.05	Globe Light in Sauna	2013	35	34	$400										
15.06	Ceiling Ceramic Socket w/ Bulb	2013	35	34	$525										
16.00	**SITE LIGHTING - EXTERIOR**														
16.01	12' Steel Light Poles	1995	35	16	$7,000										
16.02	Pole Lights (Fluor.Tubes Fixture)	1979	35		$2,100	**2100**									
16.03	4' Wd. Bollards (Fluor. Tubes Fix.)	1979	35		$14,400	**14400**									
16.04	Wall Mt. CFL's (2 bulbs ea.)	1979	35		$750	**750**									
16.05	Wall Mt. CFL's - Area Light w/ PC	1979	35		$150	**150**									
16.06	HPS Bldg. Mt. Security Light w/ PC	1979	35		$350	**350**									
16.07	Eave Spots - CFL's (2 bulb)	1979	35		$1,200	**1200**									
16.08	HPS Flood w/ PC	1979	35		$350	**350**									
16.09	Unit Entry Globes	1979	35		$7,875	**7875**									
16.10	Unit Rear Patio Globes	1979	35		$5,625	**5625**									
17.00	**RESIDENTIAL BUILDING EXTERIORS**														
17.01	Composition Shingle Roofing	1997	30	13	$189,887										
17.02	Comp. Shingle Roof @ 14 Entries	1997	30	13	$3,308										
17.03	Wood Shingle Roof @ 16 Entries	2014	15		$3,780	**3780**									
17.04	Built Up Roofing at Sheds	2014	15		$8,448	**8448**									
17.05	Gutters	1997	30	13	$14,320										
17.06	Downspouts	1997	30	13	$10,470										

Danville Townhomes HOA
2014
FIRST TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Expect. Useful Life	Est. Remain. Life	Total Cost Component Replacement	**Year 1 2014**	Year 2 2015	Year 3 2016	Year 4 2017	Year 5 2018	Year 6 2019	Year 7 2020	Year 8 2021	Year 9 2022	Year 10 2023
17.07	Deck Coating at Building 500	1999	10	-5	$1,386	**1386**					1386				
18.00	**MISC. SITE COMPONENTS**														
18.01	Fire Extinguishers	2002	10	-2	$1,300	**1300**								1300	
18.02	Fire Extinguishers Cabinents	2002	20	8	$2,600									2600	
18.03	8' x 10' Vinyl Storage Shed @ Pool	2000	25	11	$2,500										
18.04	Signage - Grounds and Pool	2002	25	13	$1,000										
19.00	**PAINTING**														
19.01	Paint Stucco Siding	2014	12		$36,607	**36607**									
19.02	Paint Remainder of Components	2014	6		$58,670	**58670**						58670			
20.00	**BUILDING REPAIR/REPLACEMENT ALLOWANCES**														
20.01	Stucco Siding Repair Allow.	2014	12		$1,500	**1500**									
20.02	Beam Repair Allowance	2014	30		$15,000	**15000**									
20.03	Composite Lap Siding Rep. Allow.	2014	6		$1,500	**1500**						1500			
20.04	Resawn Plywood Siding Rep. Allow.	2014	6		$1,500	**1500**						1500			
20.05	Wood Trim Repair Allowance	2014	6		$2,500	**2500**						2500			
20.06	Door Replacement Allowance	2014	6		$1,000	**1000**						1000			
Unscheduled Expense Multiplier		5.00%				**23475**	1678	585	3638	700	2910	4342	387	1982	340
Projected Annual Replacement Expenses						**492971**	35228	12285	76393	14700	61108	91187	8117	41627	7140
Inflation Factor Multiplier		2.50%				**1.00**	1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25
Projected Inflated Annual Reserve Expenses						**492971**	36108	12907	82267	16226	69138	105749	9648	50719	8917

Danville Townhomes HOA
2014
SECOND TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 11 2024	Year 12 2025	Year 13 2026	Year 14 2027	Year 15 2028	Year 16 2029	Year 17 2030	Year 18 2031	Year 19 2032	Year 20 2033
1.00	**ROADS**														
1.01	Asphalt Sealing	2014	5		$4,301	4301					4301				
1.02	Asphalt Striping / Stenciling	2014	5		$2,503	2503					2503				
1.03	Asphalt Repairs	2014	5		$5,000	5000					5000				
1.04	Asphalt Replacement	1979	50	15	$110,699						110699				
1.05	Parking Bumpers	1979	50	15	$2,730						2730				
2.00	**CONCRETE**														
2.01	Repair Allowance	2010	5	1	$12,750		12750					12750			
2.02	Pool/Spa Deck Repair Allowance	2014	20		$10,000										
2.03	Brick Pavers Repair Allowance	2014	20		$5,000										
3.00	**FENCING, RAILINGS & RETAINING WALLS**														
3.01	Wood Fence at Property Line	1979	30	-5	$28,145										
3.02	Wood Fence at S. Property Line	1997	30	13	$21,450				21450						
3.03	Wood Fence at Driveway Edges	1989	30	5	$5,460										
3.04	Wood Fence at Unit #301 Entrance	1989	30	5	$1,820										
3.05	Wood Fence at Rear Patios	1987	30	3	$36,855										
3.06	Wood Fence at Rear Patios	2002	30	18	$45,305									45305	
3.07	Wood Fence at Carports	1989	30	5	$14,755										
3.08	Iron Fence at Pool	2002	40	28	$16,200										
3.09	Iron Gates at Pool	2002	40	28	$4,500										
3.10	Wood Fence at Spa	1991	30	7	$2,730										
3.11	Metal Site Handrails	2002	40	28	$10,500										
3.12	Conc. Retain. Wall Repair Allowance	1979	50	15	$17,250						17250				
3.13	Conc. Retain. Wall Repair Allowance	2011	50	47	$17,250										
3.14	Wood Ret. Wall Repair Allowance	2013	3	2	$2,500		2500			2500			2500		
4.00	**SITE AND ENTRY IMPROVEMENTS**														
4.01	Brick - Tuckpoint Allowance	2002	25	13	$3,389				3389						
4.02	Carriage Lights	2002	25	13	$450				450						
4.03	Ground Spot Lights	2002	25	13	$1,250				1250						
4.04	Brass Letters @ Entry	2002	40	28	$2,550										
5.00	**MAIL KIOSK / BLDG. # 5OO EXTENSION**														
5.01	Single Ply Roofing Membrane	2002	25	13	$5,652				5652						
5.02	Downspouts	1997	25	8	$120										

Danville Townhomes HOA
2014
SECOND TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 11 2024	Year 12 2025	Year 13 2026	Year 14 2027	Year 15 2028	Year 16 2029	Year 17 2030	Year 18 2031	Year 19 2032	Year 20 2033
5.03	Mailboxes	2002	25	13	$6,900				6900						
5.04	Outgoing Mail Box	2002	25	13	$250				250						
6.00	**TRASH AREAS**														
6.01	Block Wall Repair Allowance	2014	10		$1,000	1000									
6.02	Wood Gates	2002	25	13	$1,500				1500						
7.00	**WATER HEATERS ROOMS/KIOSKS & CLOSETS**														
7.01	Water Heater Shed Repairs - 104	2014	15		$3,200						3200				
7.02	Water Heater Shed Repairs - 402	2013	15	14	$3,200					3200					
7.03	Water Heater Shed Repairs - 501	2015	15	1	$3,200							3200			
7.04	Water Heater Shed Repairs - 702	2016	15	2	$3,200								3200		
7.04	Water Heater Shed Repairs - 900	2017	15	3	$3,200									3200	
8.00	**WATER HEATERS / GAS**														
8.01	100 Gallon - Unit 104	2003	15	4	$6,000										6000
8.02	100 Gallon - Unit 402	2013	15	14	$6,000					6000					
8.03	100 Gallon Unit 501	2013	15	14	$6,000					6000					
8.04	100 Gallon Unit 702	1995	15	-4	$6,000		6000								
8.05	100 Gallon - Bldg. 900	1999	15		$6,000						6000				
8.08	Circulation Pump - Unit 104	2014	5		$750	750					750				
8.08	Circulation Pump - Unit 402	2014	5		$750	750					750				
8.08	Circulation Pump - Unit 501	2014	5		$750	750					750				
8.08	Circulation Pump - Unit 702	2014	5		$750	750					750				
8.08	Circulation Pump - Bldg. 900	2014	5		$750	750					750				
8.06	Expansion Tank - Unit 104	2003	20	9	$800										
8.07	HW Heater - Clubhouse	2013	10	9	$1,000										1000
9.00	**IRRIGATION AND LANDSCAPING**														
9.01	Irrig. Cont. (install Smart Controller)	2015	15	1	$12,600							12600			
9.02	Submit Irrig. Upgrade Plan for Permit	2018	30	4	$3,000										
9.03	Irrig. System Renovate/Remodel	2019	30	5	$9,000										
9.04	Backflow Preventer	2002	20	8	$19,500										
9.05	Irrigation System Repair Allowance	2011	1		$1,500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
9.06	Tree Care Allowance	2011	1		$2,500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
9.07	Planting Replacement Allowance	2011	1		$1,000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

Danville Townhomes HOA
2014
SECOND TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 11 2024	Year 12 2025	Year 13 2026	Year 14 2027	Year 15 2028	Year 16 2029	Year 17 2030	Year 18 2031	Year 19 2032	Year 20 2033
10.00	**CARPORTS**														
10.01	Built Up Roofing	2014	15		$64,548						64548				
10.02	Built Up Roofing	2010	15	11	$19,008		19008								
10.03	Carport Repairs	2014	100		$139,260										
10.04	Carport Repairs	2010	100	96	$7,500										
11.00	**SWIMMING POOL**														
11.01	Replastering	2014	15		$9,375						9375				
11.02	Coping	1992	30	8	$2,625										
11.03	Tile	1992	30	8	$5,000										
11.04	Seal Coping/Deck Joint	2014	5		$578	578					578				
11.05	Heater	2002	15	3	$3,750									3750	
11.06	Filter	2002	15	3	$3,250									3250	
11.07	Filter Pump	2010	10	6	$1,600							1600			
11.08	Chlorinator	2014	5		$500	500					500				
11.09	Pool Furniture Replacement Allow.	2010	3	-1	$1,000		1000			1000			1000		
12.00	**SPA**														
12.01	Resurfacing - Ceramic Tile	1997	30	13	$4,800				4800						
12.02	Coping	1990	30	6	$725										
12.03	Seal Copng/Deck Joint	2014	5		$145	145					145				
12.04	Heater	2014	15		$3,350						3350				
12.05	Filter	2014	15		$2,750						2750				
12.06	Filter Pump	2014	10		$1,600	1600									
12.07	Jet Pump	2010	10	6	$1,600							1600			
12.08	Chlorinator	2014	5		$500	500					500				
13.00	**CLUBHOUSE EXTERIOR**														
13.01	Composition Shingle Roofing	1997	30	13	$7,686				7686						
13.02	Gutters	1997	30	13	$832				832						
13.03	Downspouts	1997	30	13	$200				200						
13.04	Wood Trellises (2)	1987	30	3	$20,700										
14.00	**CLUBHOUSE INTERIORS**														
14.01	Paint Interior	2013	12	11	$1,866		1866								
14.03	Carpeting	2013	12	11	$2,542		2542								

Danville Townhomes HOA
2014
SECOND TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 11 2024	Year 12 2025	Year 13 2026	Year 14 2027	Year 15 2028	Year 16 2029	Year 17 2030	Year 18 2031	Year 19 2032	Year 20 2033
14.04	Vinyl Flooring	2013	30	29	$1,600										
14.05	Air Conditioner / Wall Unit	2013	20	19	$1,000										1000
14.06	Toilet Partitions	2013	40	39	$7,700										
14.07	Sauna Heaters	2013	30	29	$1,500										
14.08	Toilet Exhaust Fans	2013	30	29	$500										
14.09	Tile	2013	36	35	$2,700										
14.10	Furniture Replacement Allowance	2013	12	11	$5,000		5000								
15.00	**SITE LIGHTING - INTERIOR**														
15.01	5' - 5 Light Wall Sconce Bar	2013	35	34	$200										
15.02	Ceiling Fan w/ Single Globe Light	2013	35	34	$600										
15.03	4 - Bulb Vanity Light	2013	35	34	$300										
15.04	Recessed Heatlamp	2013	35	34	$500										
15.05	Globe Light in Sauna	2013	35	34	$400										
15.06	Ceiling Ceramic Socket w/ Bulb	2013	35	34	$525										
16.00	**SITE LIGHTING - EXTERIOR**														
16.01	12' Steel Light Poles	1995	35	16	$7,000							7000			
16.02	Pole Lights (Fluor.Tubes Fixture)	1979	35		$2,100										
16.03	4' Wd. Bollards (Fluor. Tubes Fix.)	1979	35		$14,400										
16.04	Wall Mt. CFL's (2 bulbs ea.)	1979	35		$750										
16.05	Wall Mt. CFL's - Area Light w/ PC	1979	35		$150										
16.06	HPS Bldg. Mt. Security Light w/ PC	1979	35		$350										
16.07	Eave Spots - CFL's (2 bulb)	1979	35		$1,200										
16.08	HPS Flood w/ PC	1979	35		$350										
16.09	Unit Entry Globes	1979	35		$7,875										
16.10	Unit Rear Patio Globes	1979	35		$5,625										
17.00	**RESIDENTIAL BUILDING EXTERIORS**														
17.01	Composition Shingle Roofing	1997	30	13	$189,887				189887						
17.02	Comp. Shingle Roof @ 14 Entries	1997	30	13	$3,308				3308						
17.03	Wood Shingle Roof @ 16 Entries	2014	15		$3,780						3780				
17.04	Built Up Roofing at Sheds	2014	15		$8,448						8448				
17.05	Gutters	1997	30	13	$14,320				14320						
17.06	Downspouts	1997	30	13	$10,470				10470						

Danville Townhomes HOA
2014
SECOND TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 11 2024	Year 12 2025	Year 13 2026	Year 14 2027	Year 15 2028	Year 16 2029	Year 17 2030	Year 18 2031	Year 19 2032	Year 20 2033
17.07	Deck Coating at Building 500	1999	10	-5	$1,386						1386				
18.00	**MISC. SITE COMPONENTS**														
18.01	Fire Extinguishers	2002	10	-2	$1,300									1300	
18.02	Fire Extinguishers Cabinents	2002	20	8	$2,600										
18.03	8' x 10' Vinyl Storage Shed @ Pool	2000	25	11	$2,500		2500								
18.04	Signage - Grounds and Pool	2002	25	13	$1,000				1000						
19.00	**PAINTING**														
19.01	Paint Stucco Siding	2014	12		$36,607			36607							
19.02	Paint Remainder of Components	2014	6		$58,670			58670						58670	
20.00	**BUILDING REPAIR/REPLACEMENT ALLOWANCES**														
20.01	Stucco Siding Repair Allow.	2014	12		$1,500			1500							
20.02	Beam Repair Allowance	2014	30		$15,000										
20.03	Composite Lap Siding Rep. Allow.	2014	6		$1,500			1500						1500	
20.04	Resawn Plywood Siding Rep. Allow.	2014	6		$1,500			1500						1500	
20.05	Wood Trim Repair Allowance	2014	6		$2,500			2500						2500	
20.06	Door Replacement Allowance	2014	6		$1,000			1000						1000	
Unscheduled Expense Multiplier		5.00%				1244	2908	5414	13917	1185	12790	2188	585	6349	650
Projected Annual Replacement Expenses						26121	61074	113691	292260	24885	268583	45938	12285	133323	13650
Inflation Factor Multiplier		2.50%				1.28	1.31	1.34	1.38	1.41	1.45	1.48	1.52	1.56	1.60
Projected Inflated Annual Reserve Expenses						33437	80135	152901	402884	35162	388988	68194	18693	207939	21822

Danville Townhomes HOA
2014
THIRD TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 21 2034	Year 22 2035	Year 23 2036	Year 24 2037	Year 25 2038	Year 26 2039	Year 27 2040	Year 28 2041	Year 29 2042	Year 30 2043
1.00	**ROADS**														
1.01	Asphalt Sealing	2014	5		$4,301	4301					4301				
1.02	Asphalt Striping / Stenciling	2014	5		$2,503	2503					2503				
1.03	Asphalt Repairs	2014	5		$5,000	5000					5000				
1.04	Asphalt Replacement	1979	50	15	$110,699										
1.05	Parking Bumpers	1979	50	15	$2,730										
2.00	**CONCRETE**														
2.01	Repair Allowance	2010	5	1	$12,750		12750					12750			
2.02	Pool/Spa Deck Repair Allowance	2014	20		$10,000	10000									
2.03	Brick Pavers Repair Allowance	2014	20		$5,000	5000									
3.00	**FENCING, RAILINGS & RETAINING WALLS**														
3.01	Wood Fence at Property Line	1979	30	-5	$28,145						28145				
3.02	Wood Fence at S. Property Line	1997	30	13	$21,450										
3.03	Wood Fence at Driveway Edges	1989	30	5	$5,460										
3.04	Wood Fence at Unit #301 Entrance	1989	30	5	$1,820										
3.05	Wood Fence at Rear Patios	1987	30	3	$36,855										
3.06	Wood Fence at Rear Patios	2002	30	18	$45,305										
3.07	Wood Fence at Carports	1989	30	5	$14,755										
3.08	Iron Fence at Pool	2002	40	28	$16,200									16200	
3.09	Iron Gates at Pool	2002	40	28	$4,500									4500	
3.10	Wood Fence at Spa	1991	30	7	$2,730										
3.11	Metal Site Handrails	2002	40	28	$10,500									10500	
3.12	Conc. Retain. Wall Repair Allowance	1979	50	15	$17,250										
3.13	Conc. Retain. Wall Repair Allowance	2011	50	47	$17,250										
3.14	Wood Ret. Wall Repair Allowance	2013	3	2	$2,500	2500			2500			2500			2500
4.00	**SITE AND ENTRY IMPROVEMENTS**														
4.01	Brick - Tuckpoint Allowance	2002	25	13	$3,389										
4.02	Carriage Lights	2002	25	13	$450										
4.03	Ground Spot Lights	2002	25	13	$1,250										
4.04	Brass Letters @ Entry	2002	40	28	$2,550									2550	
5.00	**MAIL KIOSK / BLDG. # 5OO EXTENSION**														
5.01	Single Ply Roofing Membrane	2002	25	13	$5,652										
5.02	Downspouts	1997	25	8	$120										

Danville Townhomes HOA
2014
THIRD TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 21 2034	Year 22 2035	Year 23 2036	Year 24 2037	Year 25 2038	Year 26 2039	Year 27 2040	Year 28 2041	Year 29 2042	Year 30 2043
5.03	Mailboxes	2002	25	13	$6,900										
5.04	Outgoing Mail Box	2002	25	13	$250										
6.00	**TRASH AREAS**														
6.01	Block Wall Repair Allowance	2014	10		$1,000	1000									
6.02	Wood Gates	2002	25	13	$1,500										
7.00	**WATER HEATERS ROOMS/KIOSKS & CLOSETS**														
7.01	Water Heater Shed Repairs - 104	2014	15		$3,200										
7.02	Water Heater Shed Repairs - 402	2013	15	14	$3,200										3200
7.03	Water Heater Shed Repairs - 501	2015	15	1	$3,200										
7.04	Water Heater Shed Repairs - 702	2016	15	2	$3,200										
7.04	Water Heater Shed Repairs - 900	2017	15	3	$3,200										
8.00	**WATER HEATERS / GAS**														
8.01	100 Gallon - Unit 104	2003	15	4	$6,000										
8.02	100 Gallon - Unit 402	2013	15	14	$6,000										6000
8.03	100 Gallon Unit 501	2013	15	14	$6,000										6000
8.04	100 Gallon Unit 702	1995	15	-4	$6,000							6000			
8.05	100 Gallon - Bldg. 900	1999	15		$6,000										
8.08	Circulation Pump - Unit 104	2014	5		$750	750					750				
8.08	Circulation Pump - Unit 402	2014	5		$750	750					750				
8.08	Circulation Pump - Unit 501	2014	5		$750	750					750				
8.08	Circulation Pump - Unit 702	2014	5		$750	750					750				
8.08	Circulation Pump - Bldg. 900	2014	5		$750	750					750				
8.06	Expansion Tank - Unit 104	2003	20	9	$800										800
8.07	HW Heater - Clubhouse	2013	10	9	$1,000										1000
9.00	**IRRIGATION AND LANDSCAPING**														
9.01	Irrig. Cont. (install Smart Controller)	2015	15	1	$12,600										
9.02	Submit Irrig. Upgrade Plan for Permit	2018	30	4	$3,000										
9.03	Irrig. System Renovate/Remodel	2019	30	5	$9,000										
9.04	Backflow Preventer	2002	20	8	$19,500									19500	
9.05	Irrigation System Repair Allowance	2011	1		$1,500	1500	1500	1500	1500	1500	1500	1500	1500	1500	1500
9.06	Tree Care Allowance	2011	1		$2,500	2500	2500	2500	2500	2500	2500	2500	2500	2500	2500
9.07	Planting Replacement Allowance	2011	1		$1,000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000

Danville Townhomes HOA
2014
THIRD TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 21 2034	Year 22 2035	Year 23 2036	Year 24 2037	Year 25 2038	Year 26 2039	Year 27 2040	Year 28 2041	Year 29 2042	Year 30 2043
10.00	**CARPORTS**														
10.01	Built Up Roofing	2014	15		$64,548										
10.02	Built Up Roofing	2010	15	11	$19,008							19008			
10.03	Carport Repairs	2014	100		$139,260										
10.04	Carport Repairs	2010	100	96	$7,500										
11.00	**SWIMMING POOL**														
11.01	Replastering	2014	15		$9,375										
11.02	Coping	1992	30	8	$2,625										
11.03	Tile	1992	30	8	$5,000										
11.04	Seal Coping/Deck Joint	2014	5		$578	578					578				
11.05	Heater	2002	15	3	$3,750										
11.06	Filter	2002	15	3	$3,250										
11.07	Filter Pump	2010	10	6	$1,600							1600			
11.08	Chlorinator	2014	5		$500	500					500				
11.09	Pool Furniture Replacement Allow.	2010	3	-1	$1,000	1000			1000			1000			1000
12.00	**SPA**														
12.01	Resurfacing - Ceramic Tile	1997	30	13	$4,800										
12.02	Coping	1990	30	6	$725										
12.03	Seal Copng/Deck Joint	2014	5		$145	145					145				
12.04	Heater	2014	15		$3,350										
12.05	Filter	2014	15		$2,750										
12.06	Filter Pump	2014	10		$1,600	1600									
12.07	Jet Pump	2010	10	6	$1,600							1600			
12.08	Chlorinator	2014	5		$500	500					500				
13.00	**CLUBHOUSE EXTERIOR**														
13.01	Composition Shingle Roofing	1997	30	13	$7,686										
13.02	Gutters	1997	30	13	$832										
13.03	Downspouts	1997	30	13	$200										
13.04	Wood Trellises (2)	1987	30	3	$20,700										
14.00	**CLUBHOUSE INTERIORS**														
14.01	Paint Interior	2013	12	11	$1,866				1866						
14.03	Carpeting	2013	12	11	$2,542				2542						

Danville Townhomes HOA
2014
THIRD TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 21 2034	Year 22 2035	Year 23 2036	Year 24 2037	Year 25 2038	Year 26 2039	Year 27 2040	Year 28 2041	Year 29 2042	Year 30 2043
14.04	Vinyl Flooring	2013	30	29	$1,600										1600
14.05	Air Conditioner / Wall Unit	2013	20	19	$1,000										
14.06	Toilet Partitions	2013	40	39	$7,700										
14.07	Sauna Heaters	2013	30	29	$1,500										1500
14.08	Toilet Exhaust Fans	2013	30	29	$500										500
14.09	Tile	2013	36	35	$2,700										
14.10	Furniture Replacement Allowance	2013	12	11	$5,000				5000						
15.00	**SITE LIGHTING - INTERIOR**														
15.01	5' - 5 Light Wall Sconce Bar	2013	35	34	$200										
15.02	Ceiling Fan w/ Single Globe Light	2013	35	34	$600										
15.03	4 - Bulb Vanity Light	2013	35	34	$300										
15.04	Recessed Heatlamp	2013	35	34	$500										
15.05	Globe Light in Sauna	2013	35	34	$400										
15.06	Ceiling Ceramic Socket w/ Bulb	2013	35	34	$525										
16.00	**SITE LIGHTING - EXTERIOR**														
16.01	12' Steel Light Poles	1995	35	16	$7,000										
16.02	Pole Lights (Fluor.Tubes Fixture)	1979	35		$2,100										
16.03	4' Wd. Bollards (Fluor. Tubes Fix.)	1979	35		$14,400										
16.04	Wall Mt. CFL's (2 bulbs ea.)	1979	35		$750										
16.05	Wall Mt. CFL's - Area Light w/ PC	1979	35		$150										
16.06	HPS Bldg. Mt. Security Light w/ PC	1979	35		$350										
16.07	Eave Spots - CFL's (2 bulb)	1979	35		$1,200										
16.08	HPS Flood w/ PC	1979	35		$350										
16.09	Unit Entry Globes	1979	35		$7,875										
16.10	Unit Rear Patio Globes	1979	35		$5,625										
17.00	**RESIDENTIAL BUILDING EXTERIORS**														
17.01	Composition Shingle Roofing	1997	30	13	$189,887										
17.02	Comp. Shingle Roof @ 14 Entries	1997	30	13	$3,308										
17.03	Wood Shingle Roof @ 16 Entries	2014	15		$3,780										
17.04	Built Up Roofing at Sheds	2014	15		$8,448										
17.05	Gutters	1997	30	13	$14,320										
17.06	Downspouts	1997	30	13	$10,470										

Danville Townhomes HOA
2014
THIRD TEN YEARS RESERVE EXPENDITURES FLOW CHART

Code #	Component Description	Year New	Est. Useful Life	Est. Remain. Life	Total Cost Component Replacement	Year 21 2034	Year 22 2035	Year 23 2036	Year 24 2037	Year 25 2038	Year 26 2039	Year 27 2040	Year 28 2041	Year 29 2042	Year 30 2043
17.07	Deck Coating at Building 500	1999	10	-5	$1,386						1386				
18.00	**MISC. SITE COMPONENTS**														
18.01	Fire Extinguishers	2002	10	-2	$1,300									1300	
18.02	Fire Extinguishers Cabinents	2002	20	8	$2,600									2600	
18.03	8' x 10' Vinyl Storage Shed @ Pool	2000	25	11	$2,500										
18.04	Signage - Grounds and Pool	2002	25	13	$1,000										
19.00	**PAINTING**														
19.01	Paint Stucco Siding	2014	12		$36,607					36607					
19.02	Paint Remainder of Components	2014	6		$58,670					58670					
20.00	**BUILDING REPAIR/REPLACEMENT ALLOWANCES**														
20.01	Stucco Siding Repair Allow.	2014	12		$1,500					1500					
20.02	Beam Repair Allowance	2014	30		$15,000										
20.03	Composite Lap Siding Rep. Allow.	2014	6		$1,500					1500					
20.04	Resawn Plywood Siding Rep. Allow.	2014	6		$1,500					1500					
20.05	Wood Trim Repair Allowance	2014	6		$2,500					2500					
20.06	Door Replacement Allowance	2014	6		$1,000					1000					
Unscheduled Expenses		5.00%				2169	888	250	895	5414	2590	2473	250	3108	1455
Projected Annual Replacement Expenses						45546	18638	5250	18803	113691	54399	51931	5250	65258	30555
Inflation Factor Multiplier		2.50%				1.64	1.68	1.72	1.76	1.81	1.85	1.90	1.95	2.00	2.05
Projected Inflated Annual Reserve Expenses						74633	31303	9038	33181	205635	100852	98684	10226	130286	62528

Danville Townhomes HOA
2014
FIRST THREE YEARS EXPENDITURES

Code #	Component Description	Component Estimated Total Cost
	YEAR 1 - 2014 EXPENDITURES	
1.00	**ROADS**	
1.01	Asphalt Sealing	$4,301.44
1.02	Asphalt Striping / Stenciling	$2,503.25
1.03	Asphalt Repairs	$5,000.00
2.00	**CONCRETE**	
2.02	Pool/Spa Deck Repair Allowance	$10,000.00
2.03	Brick Pavers Repair Allowance	$5,000.00
3.00	**FENCING, RAILINGS & RETAINING WALLS**	
3.01	Wood Fence at Property Line	$28,145.00
6.00	**TRASH AREAS**	
6.01	Block Wall Repair Allowance	$1,000.00
7.00	**WATER HEATERS ROOMS/KIOSKS & CLOSETS**	
7.01	Water Heater Shed Repairs - 104	$3,200.00
8.00	**WATER HEATERS / GAS**	
8.04	100 Gallon Unit 702	$6,000.00
8.05	100 Gallon - Bldg. 900	$6,000.00
8.08	Circulation Pump - Unit 104	$750.00
8.08	Circulation Pump - Unit 402	$750.00
8.08	Circulation Pump - Unit 501	$750.00
8.08	Circulation Pump - Unit 702	$750.00
8.08	Circulation Pump - Bldg. 900	$750.00
9.00	**IRRIGATION AND LANDSCAPING**	
9.05	Irrigation System Repair Allowance	$1,500.00
9.06	Tree Care Allowance	$2,500.00
9.07	Planting Replacement Allowance	$1,000.00
10.00	**CARPORTS**	
10.01	Built Up Roofing	$64,548.00
10.03	Carport Repairs	$139,260.00
11.00	**SWIMMING POOL**	
11.01	Replastering	$9,374.91
11.04	Seal Coping/Deck Joint	$577.50
11.08	Chlorinator	$500.00
11.09	Pool Furniture Replacement Allow.	$1,000.00
12.00	**SPA**	
12.03	Seal Copng/Deck Joint	$145.00
12.04	Heater	$3,350.00
12.05	Filter	$2,750.00
12.06	Filter Pump	$1,600.00
12.08	Chlorinator	$500.00
16.00	**SITE LIGHTING - EXTERIOR**	
16.02	Pole Lights (Fluor.Tubes Fixture)	$2,100.00
16.03	4' Wd. Bollards (Fluor. Tubes Fix.)	$14,400.00
16.04	Wall Mt. CFL's (2 bulbs ea.)	$750.00

Danville Townhomes HOA
2014
FIRST THREE YEARS EXPENDITURES

Code #	Component Description	Component Estimated Total Cost
16.05	Wall Mt. CFL's - Area Light w/ PC	$150.00
16.06	HPS Bldg. Mt. Security Light w/ PC	$350.00
16.07	Eave Spots - CFL's (2 bulb)	$1,200.00
16.08	HPS Flood w/ PC	$350.00
16.09	Unit Entry Globes	$7,875.00
16.10	Unit Rear Patio Globes	$5,625.00
17.00	**RESIDENTIAL BUILDING EXTERIORS**	
17.03	Wood Shingle Roof @ 16 Entries	$3,780.00
17.04	Built Up Roofing at Sheds	$8,448.00
17.07	Deck Coating at Building 500	$1,386.00
18.00	**MISC. SITE COMPONENTS**	
18.01	Fire Extinguishers	$1,300.00
19.00	**PAINTING**	
19.01	Paint Stucco Siding	$36,607.00
19.02	Paint Remainder of Components	$58,669.75
20.00	**BUILDING REPAIR/REPLACEMENT ALLOWANCES**	
20.01	Stucco Siding Repair Allow.	$1,500.00
20.02	Beam Repair Allowance	$15,000.00
20.03	Composite Lap Siding Rep. Allow.	$1,500.00
20.04	Resawn Plywood Siding Rep. Allow.	$1,500.00
20.05	Wood Trim Repair Allowance	$2,500.00
20.06	Door Replacement Allowance	$1,000.00
	Inflation Factor	**1.00**
	PROJECTED ANNUAL EXPENDITURES	**$492,970.64**
	YEAR 2 - 2015 EXPENDITURES	
2.00	**CONCRETE**	
2.01	Repair Allowance	$12,750.00
7.00	**WATER HEATERS ROOMS/KIOSKS & CLOSETS**	
7.03	Water Heater Shed Repairs - 501	$3,200.00
9.00	**IRRIGATION AND LANDSCAPING**	
9.01	Irrig. Cont. (install Smart Controller)	$12,600.00
9.05	Irrigation System Repair Allowance	$1,500.00
9.06	Tree Care Allowance	$2,500.00
9.07	Planting Replacement Allowance	$1,000.00
	Unscheduled Replacement Allowance	**$1,677.50**
	Inflation Factor	**1.03**
	PROJECTED ANNUAL EXPENDITURES	**$36,108.19**
	YEAR 3 - 2016 EXPENDITURES	
3.00	**FENCING, RAILINGS & RETAINING WALLS**	
3.14	Wood Ret. Wall Repair Allowance	$2,500.00
7.00	**WATER HEATERS ROOMS/KIOSKS & CLOSETS**	
7.04	Water Heater Shed Repairs - 702	$3,200.00
9.00	**IRRIGATION AND LANDSCAPING**	
9.05	Irrigation System Repair Allowance	$1,500.00
9.06	Tree Care Allowance	$2,500.00
9.07	Planting Replacement Allowance	$1,000.00
11.00	**SWIMMING POOL**	

Danville Townhomes HOA
2014
FIRST THREE YEARS EXPENDITURES

Code #	Component Description	Component Estimated Total Cost
11.09	Pool Furniture Replacement Allow.	$1,000.00
	Unscheduled Replacement Allowance	**$585.00**
	Inflation Factor	**1.05**
	PROJECTED ANNUAL EXPENDITURES	**$12,906.93**

Danville Townhomes HOA
2014
RESERVE FUND CASH FLOW PROJECTIONS

Fiscal Year	Projected Year Begin. Reserve Fund Balance	Proposed Ann. Reserve Fund Contribution	Proposed Ann. Reserve Fund Contrib. Increase in %	Projected Inflated Reserve Fund Expenditures	Projected Net Interest Earned On Reserve Accts	Total Prop. Special Assessment (if any)	Total Income From Other Sources (if any)	Calculated Reserve Fund Year Ending Balance	Minimum Requested Reserve Fund Balance	Will Assoc. be able to meet the years fund. Oblig's?
2013		**$70,496**						**$98,303**		
2014	$98,303	**$72,611**	3.00%	$492,971	$1,244	**$405,000**	$0	$84,187	$0	**Yes**
2015	$84,187	**$74,789**	3.00%	$36,108	$1,843	**$0**	$0	$124,711	$0	**Yes**
2016	$124,711	**$77,033**	3.00%	$12,907	$2,833	**$0**	$0	$191,670	$0	**Yes**
2017	$191,670	**$79,344**	3.00%	$82,267	$2,831	**$0**	$0	$191,578	$0	**Yes**
2018	$191,578	**$81,724**	3.00%	$16,226	$3,856	**$0**	$0	$260,932	$0	**Yes**
2019	$260,932	**$84,176**	3.00%	$69,138	$4,140	**$0**	$0	$280,110	$0	**Yes**
2020	$280,110	**$86,701**	3.00%	$105,749	$3,916	**$0**	$0	$264,978	$0	**Yes**
2021	$264,978	**$89,302**	3.00%	$9,648	$5,169	**$0**	$0	$349,802	$0	**Yes**
2022	$349,802	**$91,981**	3.00%	$50,719	$5,866	**$0**	$0	$396,930	$0	**Yes**
2023	$396,930	**$94,741**	3.00%	$8,917	$7,241	**$0**	$0	$489,995	$0	**Yes**
2024	$489,995	**$97,583**	3.00%	$33,437	$8,312	**$0**	$0	$562,453	$0	**Yes**
2025	$562,453	**$100,510**	3.00%	$80,135	$8,742	**$0**	$0	$591,571	$0	**Yes**
2026	$591,571	**$103,526**	3.00%	$152,901	$8,133	**$0**	$0	$550,329	$0	**Yes**
2027	$550,329	**$106,632**	3.00%	$402,884	$3,811	**$0**	$0	$257,887	$0	**Yes**
2028	$257,887	**$109,830**	3.00%	$35,162	$4,988	**$0**	$0	$337,544	$0	**Yes**
2029	$337,544	**$113,125**	3.00%	$388,988	$925	**$0**	$0	$62,607	$0	**Yes**
2030	$62,607	**$116,519**	3.00%	$68,194	$1,664	**$0**	$0	$112,596	$0	**Yes**
2031	$112,596	**$120,015**	3.00%	$18,693	$3,209	**$0**	$0	$217,126	$0	**Yes**
2032	$217,126	**$123,615**	3.00%	$207,939	$1,992	**$0**	$0	$134,794	$0	**Yes**
2033	$134,794	**$127,324**	3.00%	$21,822	$3,604	**$0**	$0	$243,901	$0	**Yes**
2034	$243,901	**$131,143**	3.00%	$74,633	$4,506	**$0**	$0	$304,918	$0	**Yes**
2035	$304,918	**$135,078**	3.00%	$31,303	$6,130	**$0**	$0	$414,822	$0	**Yes**
2036	$414,822	**$139,130**	3.00%	$9,038	$8,174	**$0**	$0	$553,088	$0	**Yes**
2037	$553,088	**$143,304**	3.00%	$33,181	$9,948	**$0**	$0	$673,159	$0	**Yes**
2038	$673,159	**$147,603**	3.00%	$205,635	$9,227	**$0**	$0	$624,354	$0	**Yes**
2039	$624,354	**$152,031**	3.00%	$100,852	$10,133	**$0**	$0	$685,666	$0	**Yes**
2040	$685,666	**$156,592**	3.00%	$98,684	$11,154	**$0**	$0	$754,728	$0	**Yes**
2041	$754,728	**$161,290**	3.00%	$10,226	$13,587	**$0**	$0	$919,378	$0	**Yes**
2042	$919,378	**$166,128**	3.00%	$130,286	$14,328	**$0**	$0	$969,549	$0	**Yes**
2043	$969,549	**$171,112**	3.00%	$62,528	$16,172	**$0**	$0	$1,094,305	$0	**Yes**

Note: The cash flow projections contained above are based on the statistical model presented in the 1st, 2nd and 3rd ten years expenditures charts. Deviation from that model will cause deviations in the cash flow projections shown above.

Danville Townhomes HOA
2014
PERCENT FUNDED CALCULATION

Code #	Component Description	Year New	Est. Useful Life	Remain. Life	Total Component Cost	Ann. Straight Line Fund'g Require.	Required Accumulated Reserves
1.00	ROADS						
1.01	Asphalt Sealing	2014	5		$4,301	$860.29	$4,301
1.02	Asphalt Striping / Stenciling	2014	5		$2,503	$500.65	$2,503
1.03	Asphalt Repairs	2014	5		$5,000	$1,000.00	$5,000
1.04	Asphalt Replacement	1979	50	15	$110,699	$2,213.98	$77,489
1.05	Parking Bumpers	1979	50	15	$2,730	$54.60	$1,911
2.00	CONCRETE						
2.01	Repair Allowance	2010	5	1	$12,750	$2,550.00	$10,200
2.02	Pool/Spa Deck Repair Allowance	2014	20		$10,000	$500.00	$10,000
2.03	Brick Pavers Repair Allowance	2014	20		$5,000	$250.00	$5,000
3.00	FENCING, RAILINGS & RETAINING WALLS						
3.01	Wood Fence at Property Line	1979	30	-5	$28,145	$938.17	$32,836
3.02	Wood Fence at S. Property Line	1997	30	13	$21,450	$715.00	$12,155
3.03	Wood Fence at Driveway Edges	1989	30	5	$5,460	$182.00	$4,550
3.04	Wood Fence at Unit #301 Entrance	1989	30	5	$1,820	$60.67	$1,517
3.05	Wood Fence at Rear Patios	1987	30	3	$36,855	$1,228.50	$33,170
3.06	Wood Fence at Rear Patios	2002	30	18	$45,305	$1,510.17	$18,122
3.07	Wood Fence at Carports	1989	30	5	$14,755	$491.83	$12,296
3.08	Iron Fence at Pool	2002	40	28	$16,200	$405.00	$4,860
3.09	Iron Gates at Pool	2002	40	28	$4,500	$112.50	$1,350
3.10	Wood Fence at Spa	1991	30	7	$2,730	$91.00	$2,093
3.11	Metal Site Handrails	2002	40	28	$10,500	$262.50	$3,150
3.12	Conc. Retain. Wall Repair Allowance	1979	50	15	$17,250	$345.00	$12,075
3.13	Conc. Retain. Wall Repair Allowance	2011	50	47	$17,250	$345.00	$1,035
3.14	Wood Ret. Wall Repair Allowance	2013	3	2	$2,500	$833.33	$833
4.00	SITE AND ENTRY IMPROVEMENTS						
4.01	Brick - Tuckpoint Allowance	2002	25	13	$3,389	$135.54	$1,626
4.02	Carriage Lights	2002	25	13	$450	$18.00	$216
4.03	Ground Spot Lights	2002	25	13	$1,250	$50.00	$600
4.04	Brass Letters @ Entry	2002	40	28	$2,550	$63.75	$765
5.00	MAIL KIOSK / BLDG. # 5OO EXTENSION						
5.01	Single Ply Roofing Membrane	2002	25	13	$5,652	$226.08	$2,713
5.02	Downspouts	1997	25	8	$120	$4.80	$82
5.03	Mailboxes	2002	25	13	$6,900	$276.00	$3,312
5.04	Outgoing Mail Box	2002	25	13	$250	$10.00	$120
6.00	TRASH AREAS						
6.01	Block Wall Repair Allowance	2014	10		$1,000	$100.00	$1,000
6.02	Wood Gates	2002	25	13	$1,500	$60.00	$720
7.00	WATER HEATERS ROOMS/KIOSKS & CLOSETS						
7.01	Water Heater Shed Repairs - 104	2014	15		$3,200	$213.33	$3,200
7.02	Water Heater Shed Repairs - 402	2013	15	14	$3,200	$213.33	$213
7.03	Water Heater Shed Repairs - 501	2015	15	1	$3,200	$213.33	$2,987
7.04	Water Heater Shed Repairs - 702	2016	15	2	$3,200	$213.33	$2,773
7.04	Water Heater Shed Repairs - 900	2017	15	3	$3,200	$213.33	$2,560
8.00	WATER HEATERS / GAS						
8.01	100 Gallon - Unit 104	2003	15	4	$6,000	$400.00	$4,400
8.02	100 Gallon - Unit 402	2013	15	14	$6,000	$400.00	$400
8.03	100 Gallon Unit 501	2013	15	14	$6,000	$400.00	$400

8.04	100 Gallon Unit 702	1995	15	-4	$6,000	$400.00	$7,600
8.05	100 Gallon - Bldg. 900	1999	15		$6,000	$400.00	$6,000
8.08	Circulation Pump - Unit 104	2014	5		$750	$150.00	$750
8.08	Circulation Pump - Unit 402	2014	5		$750	$150.00	$750
8.08	Circulation Pump - Unit 501	2014	5		$750	$150.00	$750
8.08	Circulation Pump - Unit 702	2014	5		$750	$150.00	$750
8.08	Circulation Pump - Bldg. 900	2014	5		$750	$150.00	$750
8.06	Expansion Tank - Unit 104	2003	20	9	$800	$40.00	$440
8.07	HW Heater - Clubhouse	2006	10	9	$1,000	$100.00	$100
9.00	IRRIGATION AND LANDSCAPING						
9.01	Irrig. Cont. (install Smart Controller)	2015	15	1	$12,600	$840.00	$11,760
9.02	Submit Irrig. Upgrade Plan for Permi	2018	30	4	$3,000	$100.00	$2,600
9.03	Irrig. System Renovate/Remodel	2019	30	5	$9,000	$300.00	$7,500
9.04	Backflow Preventer	2002	20	8	$19,500	$975.00	$11,700
9.05	Irrigation System Repair Allowance	2011	1		$1,500	$1,500.00	$1,500
9.06	Tree Care Allowance	2011	1		$2,500	$2,500.00	$2,500
9.07	Planting Replacement Allowance	2011	1		$1,000	$1,000.00	$1,000
10.00	CARPORTS						
10.01	Built Up Roofing	2014	15		$64,548	$4,303.20	$64,548
10.02	Built Up Roofing	2010	15	11	$19,008	$1,267.20	$5,069
10.03	Carport Repairs	2014	100		$139,260	$1,392.60	$139,260
10.04	Carport Repairs	2010	100	96	$7,500	$75.00	$300
11.00	SWIMMING POOL						
11.01	Replastering	2014	15		$9,375	$624.99	$9,375
11.02	Coping	1992	30	8	$2,625	$87.50	$1,925
11.03	Tile	1992	30	8	$5,000	$166.67	$3,667
11.04	Seal Coping/Deck Joint	2014	5		$578	$115.50	$578
11.05	Heater	2002	15	3	$3,750	$250.00	$3,000
11.06	Filter	2002	15	3	$3,250	$216.67	$2,600
11.07	Filter Pump	2010	10	6	$1,600	$160.00	$640
11.08	Chlorinator	2014	5		$500	$100.00	$500
11.09	Pool Furniture Replacement Allow.	2010	3	-1	$1,000	$333.33	$1,333
12.00	SPA						
12.01	Resurfacing - Ceramic Tile	1997	30	13	$4,800	$160.00	$2,720
12.02	Coping	1990	30	6	$725	$24.17	$580
12.03	Seal Copng/Deck Joint	2014	5		$145	$29.00	$145
12.04	Heater	2014	15		$3,350	$223.33	$3,350
12.05	Filter	2014	15		$2,750	$183.33	$2,750
12.06	Filter Pump	2014	10		$1,600	$160.00	$1,600
12.07	Jet Pump	2010	10	6	$1,600	$160.00	$640
12.08	Chlorinator	2014	5		$500	$100.00	$500
13.00	CLUBHOUSE EXTERIOR						
13.01	Composition Shingle Roofing	1997	30	13	$7,686	$256.20	$4,355
13.02	Gutters	1997	30	13	$832	$27.73	$471
13.03	Downspouts	1997	30	13	$200	$6.67	$113
13.04	Wood Trellises (2)	1987	30	3	$20,700	$690.00	$18,630
14.00	CLUBHOUSE INTERIORS						
14.01	Paint Interior	2013	12	11	$1,866	$155.48	$155
14.03	Carpeting	2013	12	11	$2,542	$211.85	$212
14.04	Vinyl Flooring	2013	30	29	$1,600	$53.33	$53
14.05	Air Conditioner / Wall Unit	2013	20	19	$1,000	$50.00	$50
14.06	Toilet Partitions	2013	40	39	$7,700	$192.50	$193
14.07	Sauna Heaters	2013	30	29	$1,500	$50.00	$50
14.08	Toilet Exhaust Fans	2013	30	29	$500	$16.67	$17
14.09	Tile	2013	36	35	$2,700	$75.00	$75
14.10	Furniture Replacement Allowance	2013	12	11	$5,000	$416.67	$417
15.00	SITE LIGHTING - INTERIOR						

15.01	5' - 5 Light Wall Sconce Bar	2013	35	34	$200	$5.71	$6
15.02	Ceiling Fan w/ Single Globe Light	2013	35	34	$600	$17.14	$17
15.03	4 - Bulb Vanity Light	2013	35	34	$300	$8.57	$9
15.04	Recessed Heatlamp	2013	35	34	$500	$14.29	$14
15.05	Globe Light in Sauna	2013	35	34	$400	$11.43	$11
15.06	Ceiling Ceramic Socket w/ Bulb	2013	35	34	$525	$15.00	$15
16.00	SITE LIGHTING - EXTERIOR						
16.01	12' Steel Light Poles	1995	35	16	$7,000	$200.00	$3,800
16.02	Pole Lights (Fluor.Tubes Fixture)	1979	35		$2,100	$60.00	$2,100
16.03	4' Wd. Bollards (Fluor. Tubes Fix.)	1979	35		$14,400	$411.43	$14,400
16.04	Wall Mt. CFL's (2 bulbs ea.)	1979	35		$750	$21.43	$750
16.05	Wall Mt. CFL's - Area Light w/ PC	1979	35		$150	$4.29	$150
16.06	HPS Bldg. Mt. Security Light w/ PC	1979	35		$350	$10.00	$350
16.07	Eave Spots - CFL's (2 bulb)	1979	35		$1,200	$34.29	$1,200
16.08	HPS Flood w/ PC	1979	35		$350	$10.00	$350
16.09	Unit Entry Globes	1979	35		$7,875	$225.00	$7,875
16.10	Unit Rear Patio Globes	1979	35		$5,625	$160.71	$5,625
17.00	RESIDENTIAL BUILDING EXTERIORS						
17.01	Composition Shingle Roofing	1997	30	13	$189,887	$6,329.58	$107,603
17.02	Comp. Shingle Roof @ 14 Entries	1997	30	13	$3,308	$110.25	$1,874
17.03	Wood Shingle Roof @ 16 Entries	2014	15		$3,780	$252.00	$3,780
17.04	Built Up Roofing at Sheds	2014	15		$8,448	$563.20	$8,448
17.05	Gutters	1997	30	13	$14,320	$477.33	$8,115
17.06	Downspouts	1997	30	13	$10,470	$349.00	$5,933
17.07	Deck Coating at Building 500	1999	10	-5	$1,386	$138.60	$2,079
18.00	MISC. SITE COMPONENTS						
18.01	Fire Extinguishers	2002	10	-2	$1,300	$130.00	$1,560
18.02	Fire Extinguishers Cabinents	2002	20	8	$2,600	$130.00	$1,560
18.03	8' x 10' Vinyl Storage Shed @ Pool	2000	25	11	$2,500	$100.00	$1,400
18.04	Signage - Grounds and Pool	2002	25	13	$1,000	$40.00	$480
19.00	PAINTING						
19.01	Paint Stucco Siding	2014	12		$36,607	$3,050.58	$36,607
19.02	Paint Remainder of Components	2014	6		$58,670	$9,778.29	$58,670
20.00	BUILDING REPAIR/REPLACEMENT ALLOWANCES						
20.01	Stucco Siding Repair Allow.	2014	12		$1,500	$125.00	$1,500
20.02	Beam Repair Allowance	2014	30		$15,000	$500.00	$15,000
20.03	Composite Lap Siding Rep. Allow.	2014	6		$1,500	$250.00	$1,500
20.04	Resawn Plywood Siding Rep. Allow.	2014	6		$1,500	$250.00	$1,500
20.05	Wood Trim Repair Allowance	2014	6		$2,500	$416.67	$2,500
20.06	Door Replacement Allowance	2014	6		$1,000	$166.67	$1,000
		Ann. Straight Line Funding Require.				$64,267.06	
		Required Accumulated Reserves					$908,635
		Projected 2014 Year Beginning Reserve Acct. Balance					$98,303

PERCENT FUNDED IS THE PROJECTED 2014 YEAR BEGINNING BALANCE DIVIDED BY THE REQUIRED ACCUMULATED RESERVE CALCULATED ABOVE, WHICH EQUALS	10.82%

Danville Townhomes HOA
2014
30-YEAR PERCENT FUNDED CALCULATIONS

Year		Calculated Actual Year End Reserve Balance	Calculated Required Accumulated Reserves	Calculated Percent Funded
Yr. 1	2014	$84,187	$908,635	9.27%
Yr. 2	2015	$124,711	$931,351	13.39%
Yr. 3	2016	$191,670	$954,635	20.08%
Yr. 4	2017	$191,578	$978,501	19.58%
Yr. 5	2018	$260,932	$1,002,963	26.02%
Yr. 6	2019	$280,110	$1,028,037	27.25%
Yr. 7	2020	$264,978	$1,053,738	25.15%
Yr. 8	2021	$349,802	$1,080,081	32.39%
Yr. 9	2022	$396,930	$1,107,084	35.85%
Yr. 10	2023	$489,995	$1,134,761	43.18%
Yr. 11	2024	$562,453	$1,163,130	48.36%
Yr. 12	2025	$591,571	$1,192,208	49.62%
Yr. 13	2026	$550,329	$1,222,013	45.03%
Yr. 14	2027	$257,887	$1,252,563	20.59%
Yr. 15	2028	$337,544	$1,283,877	26.29%
Yr. 16	2029	$62,607	$1,315,974	4.76%
Yr. 17	2030	$112,596	$1,348,874	8.35%
Yr. 18	2031	$217,126	$1,382,596	15.70%
Yr. 19	2032	$134,794	$1,417,160	9.51%
Yr. 20	2033	$243,901	$1,452,589	16.79%
Yr. 21	2034	$304,918	$1,488,904	20.48%
Yr. 22	2035	$414,822	$1,526,127	27.18%
Yr. 23	2036	$553,088	$1,564,280	35.36%
Yr. 24	2037	$673,159	$1,603,387	41.98%
Yr. 25	2038	$624,354	$1,643,472	37.99%
Yr. 26	2039	$685,666	$1,684,558	40.70%
Yr. 27	2040	$754,728	$1,726,672	43.71%
Yr. 28	2041	$919,378	$1,769,839	51.95%
Yr. 29	2042	$969,549	$1,814,085	53.45%
Yr. 30	2043	$1,094,305	$1,859,437	58.85%

SUMMARY OF PROCEDURES FOR APPROVAL OF PHYSICAL CHANGES TO PROPERTY

The following summary is provided pursuant to Civil Code Section 1378(c). The summary outlines the procedures for applying for additions, alterations or modifications to your home; and for reviewing and approving or disapproving such applications, as those procedures are set forth in the CC&Rs. In the event of any conflicts between this summary and the CC&Rs, the CC&Rs control.

Any physical change to your home that affects the visual appearance of your home or, if applicable, your yard from the street or neighboring homes requires architectural approval. In addition, if your home is a condominium or townhouse, any physical change that affects or potentially affects the structural design of the building (for example, interior bearing walls) or the fire suppression system (for example, area separation walls between units or fire sprinklers) also requires the Association's approval.

The following procedure is used by the Association to review and approve or disapprove applications for physical changes to a home:

1. All applications for physical changes must be:
   a. In writing,
   b. Submitted to the Association's community manager, on a form available from the management office, and
   c. Accompanied by such plans, sketches and/or diagrams that, in the reasonable judgment of the Association, are sufficient to adequately describe the nature and extent of the proposed change or the rules of the Association.

An application shall not be deemed to be complete until all required documentation has been provided.

2. The Association shall review the application and supporting documents and shall either approve or disapprove it based on the following criteria:

   a. Compliance of the application and supporting documents with the requirements of the governing documents of the Association;
   b. Confirmation that the proposed change conforms to the requirements and restrictions of the governing documents of the Association and will not interfere with the reasonable enjoyment by any other owner of his or her property; and
   c. Confirmation that the proposed change will otherwise be consistent with the architectural and aesthetic standards prevailing within the development, in harmony with the existing structures, landscaping and/or topography existing within the development and consistent with the overall plan and scheme of the development.

3. The Association is not required to approve a requested change simply because it has been previously approved for another home.

4. A vote of a majority of a quorum of the reviewing body of the Association shall be sufficient to approve an application.

5. The Association shall either approve or disapprove the proposed change, within thirty days after receipt of the application and all supporting documents. The applicant shall be promptly notified of the decision in writing. If the proposed change or improvement is disapproved, the written notice to the applicant shall provide an explanation as to why the proposed change or improvement was disapproved and, unless the Board is acting as the reviewing body, a description of the procedure for reconsideration of the decision by the Board.

6. Unless the Board is acting as the reviewing body, any decision of the reviewing body may be appealed to the Board. A written notice of appeal must be submitted to the Association's community manager, by the applicant or other interested owner within thirty (30) days after the written decision to the applicant was mailed. The appeal shall be considered by the Board at an open meeting held within sixty (60) days of receipt of the notice of appeal. The vote of the Board as to the application shall be final.

Danville Townhomes Homeowners Association

Professionally managed by RealManage POWERED BY CIRACONNECT

November 07, 2014

Dear Member,

The Board of Directors of Danville Townhomes Homeowners Association has signed a resolution to approve the assessment rate(s) and the annual budget for the 2015 fiscal year.

The assessment rate(s) will increase for the 2015 fiscal year. The assessment rates for the 2015 fiscal year are effective as of January 01, 2015:

> The STANDARD homeowner assessment rate for the upcoming fiscal year will be increasing to $439.00 per month from last year's rate of $399.00 per month.

Assessments are invoiced by Coupons.

As a reminder, you can access your account, register for the ACH assessment payment option, and access other association information using the RealManage Resident Portal at www.realmanage.com.

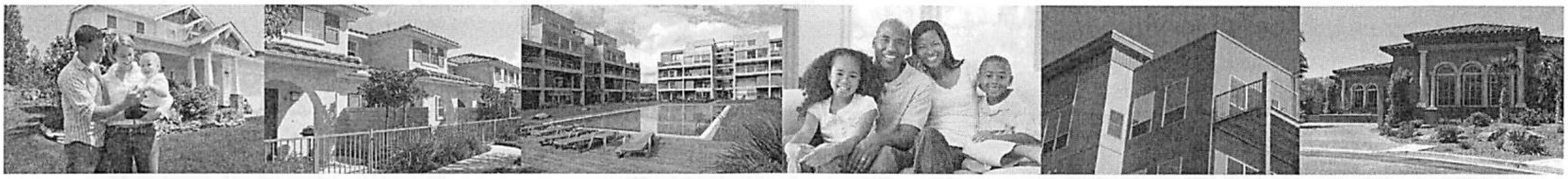
The Annual Budget for the 2015 fiscal year is attached.

Sincerely,

Danville Townhomes Homeowners Association Board of Directors

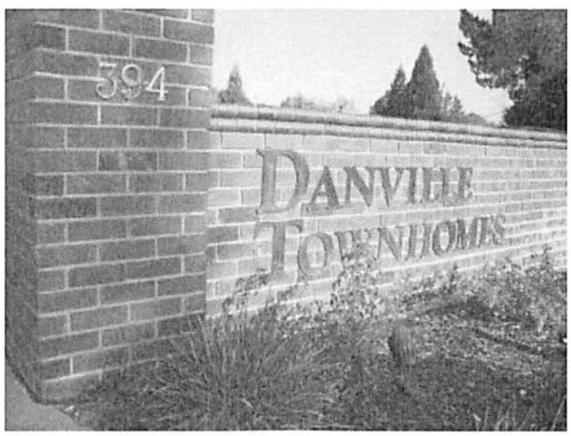
3220 Keller SpringsSuite 106
Carrollton, TX 75006
P: (866) 473-2573 • F: (866) 919-5696 • www.realmanage.com • DANTOWNH@CiraMail.com

Annual Budget Report - Resident Budget Package



Danville Townhomes Homeowners Association

Annual Budget Report for Fiscal Year 2015



Prepared on: 11/7/2014

Danville Townhomes Homeowners Association
Annual Budget Report - Resident Budget Package
Table of Contents

RealManage is pleased to deliver this Annual Budget Report - Resident Budget Package , which has been prepared for use by the Residents of the association.

Annual Policy Statement

(1) Notice of Rights to Minutes of Board Meetings

Civil Code Section 5310 obligates the Association to annually disclose a members' right to receive copies of minutes for regular board meetings pursuant to Section 4950 of the Civil Code. Please be advised that the following reflects the policy of **Danville Townhomes Homeowners Association**

Minutes from regular Board meetings may be obtained from RealManage by calling 866-473-2573 or log onto www.realmanage.com and use the Residential Portal link. The official minutes (or an unapproved draft) will be available upon request within thirty days of the meeting.

(2) Name and Address of Person Designated to Receive Official Communications to the Association pursuant to Section 4035

Name: RealManage

Mailing Address: 7655 Redwood Blvd, Ste 100 Novato, CA 94945

Email Address: DANTOWNH@CiraMail.com

Fax: (866) 919-5696

(3) Secondary Address

Members may notify the Association of a secondary address where the Annual Budget Report and collection related notices should be sent (in addition to the Owner's primary address). The notification must be in writing and must be delivered to the Association's designated agent, as indicted in (2) above.

(4) Designated Location for Posting of General Notices

The Association's designated location for posting General Notices is as follows:

On the bulletin board over the mailboxes

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of the 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 non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial 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 non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial 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 (Section 5700 through 5720 of the Civil Code, inclusive). In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this (Section 5725 of the Civil Code).

The association must comply with the requirements of Article 2 (commencing with Section 5650 of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association (Section 5675 of the Civil Code).

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of records with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt (Section 5660 of the Civil Code).

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard (Section 5685 of the Civil Code). The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments (Section 5655 of the Civil Code). An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. An owner is not liable for charges, interests, and costs of collection, if it is established that the assessment was paid properly on time (Section 5685 of the Civil Code).

MEETING AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare interest may request the association to consider a payment plant to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists (Section 5665 of the Civil Code). The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist (Section 5665 of the Civil Code).

Effective January 1, 2014

Summary of Internal Dispute Resolution & Alternative Dispute Resolution

Article 2. Internal Dispute Resolution

5900 Application of Article.

This article applies to a dispute between an association and a member involving their rights, duties, or liabilities under tis act, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the common interest development or association.

This article supplements, and does not replace, Article 3 (commencing with Section 5925), relating to alternative dispute resolution as a prerequisite to an enforcement action.

5905 Fair, Reasonable and Expeditious Dispute Resolution Required.

(a) An association shall provide fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article.

(b) In developing a procedure pursuant to an article, an association shall make maximum, reasonable use of the available local dispute resolution programs involving a neutral third party, including low cost medication programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.

(c) If an association does not provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article, the procedure provided in Section 5915 applies and satisfies the requirements of subdivision (a).

5910 Minimum Requirements of Association Procedure.

A fair, reasonable, and expeditious dispute resolution procedure shall at a minimum satisfy al the following requirements:

The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.

The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the association to act on a request invoking the procedure.

If the procedure is invoked by a member, the association shall participate in the procedure.

If the procedure is invoked by the association, the member may elect not to participate in the procedure. If the member participates but the dispute is resolved other than by agreement of the member, the member shall have a right to appeal to the board.

A resolution of the dispute pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the association and is judicially enforceable. An agreement reached pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the parties and is judicially enforceable.

The procedure shall provide a means by which the member and the association may explain their positions.

A member of the association shall not be charged a fee to participate in the process.

5915 Default Meet & Defer.

This section applies to an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

Either party to the dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The board shall designate a director to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

(1)The agreement is not on conflict with law or the governing documents of the common interest development or association.

(2)The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.

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

5920 Notice in Policy Statement.

The annual policy statement prepared pursuant to Section 5310 shall include a description of the internal dispute resolution process provided pursuant to this article.

-

Article 3. Alternative Dispute Resolution

5925 DEFINITIONS.

As used in this article:

"Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

"Enforcement action" means a civil action or proceeding, other than a cross-compliant, for any of the following purposes:

(1) Enforcement of this act.

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of the Title 1 of the Corporations Code).

(3) Enforcement of the governing documents.

5930 ADR PREREQUISITE TO ENFORCEMENT ACTION.

An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

This section does not apply to a small claims action.

Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935 REQUEST FOR RESOLUTION

Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will deemed rejected.

(4) If the party on whom the request is served is the member, a copy of this article.

Service of this Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

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.

5940 ADR PROCESS.

If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

The costs of the alternative dispute resolution shall be borne by the parties.

5945 TOLLING OF STATUTE OF LIMITATIONS.

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

The period provided in this Section 5935 for response to a Request for Resolution.

If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5490.

5950 CERTIFICATION OF EFFORTS TO RESOLVE DISPUTE.

At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3)Preliminary or temporary injunctive relief is necessary.

Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955 STAY OF LITIGATION FOR DISPUTE RESOLUTION

After an enforcement action is commenced, on written stipulations of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

The costs of the alternative dispute resolution shall be borne by the parties.

5960 ATTORNEY FEES.

In an enforcement action in which attorney's fees costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965 NOTICE IN ANNUAL POLICY STATEMENT.

An association shall annually provide its members a summary of he provisions of this article that specifically references this article. The summary shall include the following language: "Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

Danville Townhomes Homeowners Association
Revenue and Expense Budget Summary for FY 2015

	Operating Fund	Replacement Fund	Consolidated
REVENUES			
Assessments			
Regular Assessments	$237,060	-	**$237,060**
Assessment Allocation	($90,000)	$90,000	
Total Assessments	$147,060	$90,000	**$237,060**
Other Income			
Total Other Income			
TOTAL REVENUES	$147,060	$90,000	**$237,060**
EXPENSES			
Operating Expenses			
Direct Operating Expenses			
Electricity	$17,256	-	**$17,256**
Landscape Maintenance	$13,488	-	**$13,488**
Pool Operating Expenses	$6,700	-	**$6,700**
Repairs and Maintenance	$12,521	-	**$12,521**
Exterminating	$3,350	-	**$3,350**
Taxes	$175	-	**$175**
Trash Removal	$16,594	-	**$16,594**
Water and Wastewater	$21,700	-	**$21,700**
Total Direct Operating Expenses	$91,784		**$91,784**
General and Administrative Expenses			
Professional Fees	$8,450	-	**$8,450**
Bad Debts	$4,000	-	**$4,000**
Bank Charges	-	$210	**$210**
Collection Expense	$540	-	**$540**
Homeowner Activities		-	
Insurance	$23,412	-	**$23,412**
Management Fee	$16,836	-	**$16,836**
Administration	$2,038	-	**$2,038**
Total General and Administrative Expenses	$55,276	$210	**$55,486**
Total Operating Expenses	$147,060	$210	**$147,270**
Capital Expenditures (Non-capitalized)	-	$36,108	**$36,108**
Other Expenses	-	$3,000	**$3,000**
TOTAL EXPENSES	$147,060	$39,318	**$186,378**
NET SURPLUS (DEFICIT)		$50,682	**$50,682**

Danville Townhomes Homeowners Association
Cash Flow Budget Summary for FY 2015

	Operating Fund	Replacement Fund	Consolidated
Beginning Cash Balance (All Cash Accounts)	$74,422	$96,853	**$171,275**
Cash from Operating Activities	-	-	-
Net Surplus (Deficit)	-	$50,682	**$50,682**
Add Back Depreciation Expense (non-cash)	-	-	-
Add/Subtract Projected Decrease/Increase in A/R, Prepaid Expenses and Other Assets	-	-	-
Add/Subtract Projected Increase/Decrease in A/P, Prepaid Assessments, and Other Current Liabilities	-	-	-
Net Cash Flow from Operating Activities	-	$50,682	**$50,682**
Cash from Investing Activities	-	-	-
Purchase/Repair of Facilities & Equipment (Capitalized)	-	-	-
Net Cash Flow from Investing Activities	-	-	-
Cash from Financing Activities	-	-	-
Loan Principal Payments	-	($15,906)	**($15,906)**
Interfund Borrowing (Due To / Due From Other Funds)	-	-	-
Fund Transfers (Permanent Transfer To / From Another Fund)	-	-	-
Net Cash Flow from Financing Activities	-	($15,906)	**($15,906)**
Net Cash Increase (Decrease)	-	$34,776	**$34,776**
Ending Cash Balance	$74,422	$131,629	**$206,051**

Danville Townhomes Homeowners Association
Revenue and Expense Detail Notes

Fund: Operating Fund

REVENUES

Assessments

Regular Assessments

Full Rate:Homeowner (4010) — Annual Budget: $237,060

Assessments increased 10% from $399 to $439 per month, per unit for 2015

Assessment Allocation

Assessment Allocation (4220) — Annual Budget: ($90,000)

Reserve Fund Allocation is based on projected component replacements listed on the Reserve Study for 2015.
Reserve Allocation is based on estimated reserve replacement of Community Assets. The reserve study recommends repairing all deferred reserve expenditures. The board will focus on repairing the items in phases.

Total Assessments — Annual Budget: $147,060

Total Other Income — Annual Budget: $0

TOTAL REVENUES — Annual Budget: $147,060

EXPENSES

Operating Expenses

Direct Operating Expenses

Electricity

General (5010) — Annual Budget: $17,256

PG&E ; Electricity & Gas for the common areas including heating. Budget is based on actual 12 month expense without any increase.

Landscape Maintenance

Contract (5210) — Annual Budget: $9,888

The Landscape Company Contract is $824 per month. No increase is projected for 2015.

General (5210) — Annual Budget: $3,600

Additional landscape repair, plant replacements, lawn areation and tree work as needed.

Pool Operating Expenses

Contract Maintenance (5310) — Annual Budget: $4,374

Picture Perfect Pool contract is $364.50 per month. No increase is projected for 2015.

Permits (5310) — Annual Budget: $991

Annual pool permit issued by Contra Costa Heath department.

Pool Operating Expenses (5310) — Annual Budget: $1,335

Pool chemicals and repairs as needed.

Repairs and Maintenance

General (5420) — Annual Budget: $7,961

Sewer line quarterly preventative service bldg 900/800 and semi annual throughout, doggie bags, and other general repairs as needed.

Janitorial (5420) — Annual Budget: $4,560

Global Maintenance is budgeted at $235 per month Nov-Apr and $350 per month May-Oct for 2015.

Exterminating

Exterminating (5620) — Annual Budget: $3,350

J-Spray quarterly service is $450 to include pest and rodent control.
The Landscape Company $100 per month gopher abatement. An additional $350 has been added for other pest services (bees) as needed.

Taxes

Real Property (5630) — Annual Budget: $175

Contra Costa County Tax Collector: Property Tax for the common area grounds.

Trash Removal

Trash Removal (5660) — Annual Budget: $16,594

Allied Waste Service $1,221.28 per month. Budget includes a 3% estimated increase plus $1,500 for additional pick up services as needed.

Water and Wastewater

Water and Wastewater (5710) — Annual Budget: $21,700

EBMUD - Water for the common areas include pool and irrigation water.An estimated 15% incerase is budgeted for 2015 due to drought conditions.

Total Direct Operating Expenses — Annual Budget: $91,784

General and Administrative Expenses

Professional Fees

Auditing (6010) — Annual Budget: $1,450

CPA services for year end Review and Income Tax preparation.

Professional Fees (6010) — Annual Budget: $7,000

Reserve Study update, Legal, Consultant and non routine management services.

Bad Debts

Bad Debts (6020) — Annual Budget: $4,000

Allowance for uncollectable Accounts Receivable balances.

Bank Charges

Collection Expense

Collection Expense (6040) — Annual Budget: $540

RealCollect Contract fee is based on the service level agreement. The contract includes an estimated 2% ECI increase for 2015.

Insurance

General, Property & Liability (6210) — Annual Budget: $23,412

Insurance including EQ

Management Fee

Contract (6310) — Annual Budget: $16,836

Management Contract Fee for managenent and financial services is based on the service level agreement. The contract fee includes an estimated 2% ECI increase for 2015.

Administration

Administration (6410) — Annual Budget: $972

Administrative Contract fee is based on the service level agreement. The contract includes an estimated 2% ECI increase for 2015.

Coupons (6410) — Annual Budget: $96

Homeowner coupon books to ensure timely assessment income.

Licenses, Permits and Filing Fees (6410) — Annual Budget: $120

Annual Secretary of State, Registered Agent and State tax filing fees.

Miscellaneous (6410) — Annual Budget: $850

Additional fulfillment fees, Board meeting expenses and other administrative expenses.

Total General and Administrative Expenses — Annual Budget: $55,276

Total Operating Expenses — Annual Budget: $147,060

Capital Expenditures (Non-capitalized)

Other Expenses

TOTAL EXPENSES — Annual Budget: $147,060

Printed on 11/7/2014

NET SURPLUS (DEFICIT)	**Annual Budget:**	**$0**

Danville Townhomes Homeowners Association
Revenue and Expense Detail Notes

Fund: Replacement Fund

REVENUES

Assessments

Regular Assessments

Assessment Allocation

Assessment Allocation (4220) — Annual Budget: $90,000

Reserve Allocation is based on estimated reserve replacement of Community Assets. The reserve study recommends repairing all deferred reserve expenditures. The board will focus on repairing the items in phases.

Total Assessments — Annual Budget: $90,000

Total Other Income — Annual Budget: $0

TOTAL REVENUES — Annual Budget: $90,000

EXPENSES

Operating Expenses

Direct Operating Expenses

Electricity

Landscape Maintenance

Pool Operating Expenses

Repairs and Maintenance

Exterminating

Taxes

Trash Removal

Water and Wastewater

Total Direct Operating Expenses — Annual Budget: $0

General and Administrative Expenses

Professional Fees

Bad Debts

Bank Charges

Bank Charges (6030) — Annual Budget: $210

Wire fees to transfer funds to the Wells Fargo loan account is estimated at $20 per month.

Collection Expense

Insurance

Management Fee

Administration

Total General and Administrative Expenses — Annual Budget: $210

Total Operating Expenses — Annual Budget: $210

Capital Expenditures (Non-capitalized)

Capital Expenditures (7010) — Annual Budget: $36,108

The Reserve Study projects $36,108.19 for component replacements in 2015.

Other Expenses

Interest Expense (8110) — Annual Budget: $3,000

Wells Fargo Loan interest. The last payment will be made in the middle of 2015.

TOTAL EXPENSES	Annual Budget:	**$39,318**
NET SURPLUS (DEFICIT)	Annual Budget:	**$50,682**

Danville Townhomes HOA
2015
CALIFORNIA CIVIL CODE SECTION 5570
ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

FOR THE FISCAL YEAR ENDING 2015

(1) The regular assessment per ownership interest is $439.00 per month.

NOTE: If assessments vary by the size or type of unit, the assessment applicable to your unit may be found on the variable assessment page of the attached operating budget.

(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 of directors and/or members are as follows:

Date Assessment is due:	Amount per unit per month	Purpose of the Assessment
	$0.00	
Please refer to the enclosed cash flow scenario for future reserve fund contribution levels.		
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
TOTAL:	$0.00	

NOTE: If assessments vary by the size or type of unit, the assessment applicable to your unit may be found on the cover page of the attached operating budget.

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

Yes [ ] No [X]

(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 been approved by the Board of Directors?

Approximate Date Assessment is due:	Amount per unit	Purpose of the Assessment
During 2015 Budget Year	$8,500.00	To fully fund anticipated reserve replacement projects
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
TOTAL:	$8,500.00	

(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 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is $952,416 based in whole or in part on the last reserve study or update prepared by Community Reserve Solutions as of 11/14/2014

The projected reserve fund cash balance at the end of the current fiscal year is $108,811 resulting in reserves being 11.42% percent funded at this date.

(7)

(A) For percent funded calculations for the next 30 years, please refer to the enclosed 30-year percent funded calculations.

(B) For the purposes of preparing this summary pursuant to Section 5300 of the Davis-Stirling Act the following are assumed to be true.

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

2. "Major component" is defined in Section 5530 of the Davis-Stirling Act. Components with an estimated remaining life of more than thirty (30) years may be included in a study as a capital asset or disregarded from the reserve fund calculation, so long as the decision is revealed in the reserve fund study report and is reported in this Assessment and Reserve Funding Disclosure Summary.

3. This form shall accompany each Proforma operating budget or summary thereof that is delivered pursuant to the requirements of the Davis-Stirling Act. This form may be supplemented or modified to clarify the information delivered, so long as the minimum requirements are met.

4. For the purpose of this report and summary, the amount of reserve needed to be accumulated for any component at any 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 as to require the board of directors to fund their reserve fund in accordance with this calculation.

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY DISCLAIMERS

DISCLAIMER 1

The association as part of its reserve study and funding analysis has prepared a cash flow statement to meet the needs of the association's reserve components over the course of the next 30 years. The currently elected board is not empowered to approve future years assessments but it is assumed that future Board of Directors will update and follow the assumptions contained within the cash flow summary.

DISCLAIMER 2

The associations board of directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve analysts, CPAs and/or other professionals ("Professionals") in preparing the reserve study and is relying upon this information, financial data and reports pursuant to the California Corporations Code in providing the association membership and/or prospective purchasers the information contained in this Assessment and Reserve Funding Disclosure Summary. The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information supplied to the association board of directors from said Professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this disclosure summary. Since the information provided has been based on assumptions over a thirty (30) year period the accuracy of the information may be less than reliable. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God can not be accounted for and are excluded when assessing life expectancy of each component. The reserve study includes only items that the association has a clear and express responsibility to maintain, pursuant to the association's C, C & R's.

The answer to this question was based on the attached cash flow analysis using the data in the reserve study and is only accurate to the extent the assumptions over the next thirty (30) years hold true.

DISCLAIMER 3

The association intends to review its reserve fund on a annual basis, consistent with California Civil Code section 5500, as well as causing a new reserve study to be conducted every three (3) years, the association could increase regular assessments to facilitate additional reserve funding and/or levy special assessments to fund reserve over the course of the next thirty (30) years. Please see the attached cash flow analysis for any potential future special assessments and/or regular assessment increases.

DISCLAIMER 4

The information contained within the disclosure statement, cash flow projections and percent funded calculation is based on a reserve study prepared by **Community Reserve Solutions** during the **2014** calendar year for your association's **2015** operating budget. The Davis-Stirling Act of 1993 requires every association to "at least once every three years, the board of directors shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements of the commont interest development". The next year of this required inspection is **2017** for your association's **2018** operating budget.

DISCLAIMER 5

The following assumptions were made in this study.

Inflation Rate is computed at	3.00%
Net Rate of Return on Investments	2.50%
Unscheduled Maintenance Allow.	5.00%

DISCLAIMER 6

The complete reserve study is available to you through your management company. Please contact

Real Manage
7655 Redwood Blvd., Suite 100
Novato, California 94945
(415) 444-1615
Linda Schoeffner

for a copy of the complete study. Please note there may be a fee for this service

CONTACT INFORMATION

CONTACT:	Board of Directors
COMMUNITY NAME:	Danville Townhomes HOA
ADDRESS:	394 Ilo Lane
CITY, STATE & ZIP:	Danville, California 94526

RESERVE STUDY INFORMATION

THIS YEARS TYPE OF STUDY:	Three Year Inspection Update	
DATE OF LAST INSPECTION:	2014	
PERFORMED BY:	Community Reserve Solutions	
YEAR OF NEXT INSPECTION	2017	As required by the Davis-Stirling Act of 1997

COMMUNITY INFORMATION

BEGINNING YEAR OF STUDY:	2015	NUMB. OF RESID. BUILDINGS:	9
YEAR FACILITY CONSTRUCTED:	1979	NUMB. OF NON-RESID. BUILDINGS:	1
NUMBER OF UNITS IN PROJECT:	45	ASSOC. YEAR ENDING DATE:	12/31/2014
NUMBER OF COMM. OWN. UNITS:	0		

RESERVE STUDY PREPARER:

Community Reserve Solutions
8000 Jarvis Avenue, Entry 2
Newark, California 94560
(510) 896-2672
John E. Ceragioli

CURR. COMMUNITY MANAGER:

Real Manage
7655 Redwood Blvd., Suite 100
Novato, California 94945
(415) 444-1615
Linda Schoeffner

RESERVE ACCOUNT INFORMATION

WILL THE ASSOCIATION BE ABLE TO MEET THEIR 2015 YEAR FINANCIAL OBLIGATIONS? Yes

2015 YEAR BEGIN. BALANCE	$108,811		
REQUESTED MINIMUM BALANCE:	$0	2015 Sec. 5300 CALC. % FUNDED:	11.33%
2014 TOT. ANNUAL ASSESSMENT:	$215,460	2015 TOT. ANNUAL ASSESSMENT:	$237,060
2014 AVG. PUPM ASSESSMENT:	$399.00	2015 AVG. PUPM ASSESSMENT:	$439.00
2014 TOTAL OPERATING BUDGET:	$142,849	2015 TOTAL OPERATING BUDGET:	$147,060
2014 ANN. RESERVE CONTRIB:	$72,611	2015 ANN. RESERVE CONTRIB:	$90,000
2014 MONTH. RESERVE CONTRIB:	$6,050.92	2015 MONTH. RESERVE CONTRIB:	$7,500.00
2014 AVG. PUPM RES. CONTRIB:	$134.46	2015 AVG. PUPM RESERVE CONTRIB:	$166.67
2014 TOTAL SPECIAL ASSESS:	$0	2015 TOTAL SPECIAL ASSESSMENT:	$382,500
2014 TOT. REV. - OTH. SOURCE:	$0	2015 TOT. REVENUE - OTH. SOURCE:	$0

CURRENT NET RESERVE FUND INTEREST RATE:	1.50%
CURRENT RATE OF INFLATION:	2.50%
UNSCHEDULED EXPENSE RATE:	5.00%
TOTAL VALUE OF ALL COMPONENTS	$1,229,135

Danville Townhomes HOA
2015
RESERVE FUND CASH FLOW PROJECTIONS

Fiscal Year	Projected Year Begin. Reserve Fund Balance	Proposed Ann. Reserve Fund Contribution	Proposed Ann. Reserve Fund Contrib. Increase in %	Projected Inflated Reserve Fund Expenditures	Projected Net Interest Earned On Reserve Accts	Total Prop. Special Assessment (if any)	Total Income From Other Sources (if any)	Calculated Reserve Fund Year Ending Balance	Minimum Requested Reserve Fund Balance	Will the Assoc. be able to meet meet the years fund. Oblig's?
2014		**$72,611**						**$108,811**		
2015	$108,811	**$90,000**	23.95%	$521,759	$893	**$382,500**	$0.00	$60,445	$0.00	**Yes**
2016	$60,445	**$92,700**	3.00%	$13,184	$2,099	**$0**	$0.00	$142,061	$0.00	**Yes**
2017	$142,061	**$95,481**	3.00%	$80,260	$2,359	**$0**	$0.00	$159,641	$0.00	**Yes**
2018	$159,641	**$98,345**	3.00%	$16,452	$3,623	**$0**	$0.00	$245,157	$0.00	**Yes**
2019	$245,157	**$101,296**	3.00%	$183,238	$2,448	**$0**	$0.00	$165,663	$0.00	**Yes**
2020	$165,663	**$104,335**	3.00%	$45,443	$3,368	**$0**	$0.00	$227,923	$0.00	**Yes**
2021	$227,923	**$107,465**	3.00%	$97,645	$3,566	**$0**	$0.00	$241,309	$0.00	**Yes**
2022	$241,309	**$110,689**	3.00%	$50,168	$4,527	**$0**	$0.00	$306,357	$0.00	**Yes**
2023	$306,357	**$114,009**	3.00%	$8,699	$6,175	**$0**	$0.00	$417,842	$0.00	**Yes**
2024	$417,842	**$117,430**	3.00%	$12,195	$7,846	**$0**	$0.00	$530,922	$0.00	**Yes**
2025	$530,922	**$120,952**	3.00%	$93,658	$8,373	**$0**	$0.00	$566,590	$0.00	**Yes**
2026	$566,590	**$124,581**	3.00%	$7,646	$10,253	**$0**	$0.00	$693,778	$0.00	**Yes**
2027	$693,778	**$128,318**	3.00%	$549,192	$4,094	**$0**	$0.00	$276,998	$0.00	**Yes**
2028	$276,998	**$132,168**	3.00%	$35,100	$5,611	**$0**	$0.00	$379,677	$0.00	**Yes**
2029	$379,677	**$136,133**	3.00%	$56,617	$6,888	**$0**	$0.00	$466,081	$0.00	**Yes**
2030	$466,081	**$140,217**	3.00%	$225,987	$5,705	**$0**	$0.00	$386,016	$0.00	**Yes**
2031	$386,016	**$144,424**	3.00%	$18,237	$7,683	**$0**	$0.00	$519,885	$0.00	**Yes**
2032	$519,885	**$148,756**	3.00%	$99,625	$8,535	**$0**	$0.00	$577,552	$0.00	**Yes**
2033	$577,552	**$153,219**	3.00%	$139,952	$8,862	**$0**	$0.00	$599,682	$0.00	**Yes**
2034	$599,682	**$157,816**	3.00%	$21,486	$11,040	**$0**	$0.00	$747,052	$0.00	**Yes**
2035	$747,052	**$162,550**	3.00%	$88,397	$12,318	**$0**	$0.00	$833,523	$0.00	**Yes**
2036	$833,523	**$167,427**	3.00%	$9,788	$14,867	**$0**	$0.00	$1,006,029	$0.00	**Yes**
2037	$1,006,029	**$172,449**	3.00%	$23,333	$17,327	**$0**	$0.00	$1,172,473	$0.00	**Yes**
2038	$1,172,473	**$177,623**	3.00%	$10,283	$20,097	**$0**	$0.00	$1,359,909	$0.00	**Yes**
2039	$1,359,909	**$182,951**	3.00%	$282,685	$18,903	**$0**	$0.00	$1,279,078	$0.00	**Yes**
2040	$1,279,078	**$188,440**	3.00%	$124,436	$20,146	**$0**	$0.00	$1,363,229	$0.00	**Yes**
2041	$1,363,229	**$194,093**	3.00%	$9,977	$23,210	**$0**	$0.00	$1,570,556	$0.00	**Yes**
2042	$1,570,556	**$199,916**	3.00%	$128,233	$24,634	**$0**	$0.00	$1,666,872	$0.00	**Yes**
2043	$1,666,872	**$205,913**	3.00%	$61,003	$27,177	**$0**	$0.00	$1,838,959	$0.00	**Yes**
2044	$1,838,959	**$212,091**	3.00%	$43,136	$30,119	**$0**	$0.00	$2,038,033	$0.00	**Yes**

Note: The cash flow projections contained above are based on the statistical model presented in the 1st, 2nd and 3rd ten years expenditures charts. Deviation from that model will cause deviations in the cash flow projections shown above.

Danville Townhomes HOA
2015
PERCENT FUNDED CALCULATION

Code #	Component Description	Year New	Est. Useful Life	Remain. Life	Total Component Cost	Ann. Straight Line Fund'g Require.	Required Accumulated Reserves
1.00	ROADS						
1.01	Asphalt Sealing	2015	5	0	4301.44	$860.29	$4,301
1.02	Asphalt Striping / Stenciling	2015	5	0	2503.25	$500.65	$2,503
1.03	Asphalt Repairs	2015	5	0	7500.00	$1,500.00	$7,500
1.04	Asphalt Replacement	1979	40	4	110699.00	$2,767.48	$99,629
1.05	Parking Bumpers	1979	40	4	2730.00	$68.25	$2,457
2.00	CONCRETE						
2.01	Repair Allowance	2010	5	0	12750.00	$2,550.00	$12,750
2.02	Pool/Spa Deck Repair Allowance	2015	20	0	10000.00	$500.00	$10,000
2.03	Brick Pavers Repair Allowance	2015	20	0	5000.00	$250.00	$5,000
3.00	FENCING, RAILINGS & RETAINING WALLS						
3.01	Wood Fence at Property Line	1979	30	-6	28145.00	$938.17	$33,774
3.02	Wood Fence at S. Property Line	1997	30	12	21450.00	$715.00	$12,870
3.03	Wood Fence at Driveway Edges	1989	30	4	5460.00	$182.00	$4,732
3.04	Wood Fence at Unit #301 Entrance	1989	30	4	1820.00	$60.67	$1,577
3.05	Wood Fence at Rear Patios	1987	30	2	36855.00	$1,228.50	$34,398
3.06	Wood Fence at Rear Patios	2002	30	17	45305.00	$1,510.17	$19,632
3.07	Wood Fence at Carports	1989	30	4	14755.00	$491.83	$12,788
3.08	Iron Fence at Pool	2002	40	27	16200.00	$405.00	$5,265
3.09	Iron Gates at Pool	2002	40	27	4500.00	$112.50	$1,463
3.10	Wood Fence at Spa	1991	30	6	2730.00	$91.00	$2,184
3.11	Metal Site Handrails	2002	40	27	10500.00	$262.50	$3,413
3.12	Conc. Retain. Wall Repair Allowance	1979	50	14	17250.00	$345.00	$12,420
3.13	Conc. Retain. Wall Repair Allowance	2011	50	46	17250.00	$345.00	$1,380
3.14	Wood Ret. Wall Repair Allowance	2013	3	1	2500.00	$833.33	$1,667
4.00	SITE AND ENTRY IMPROVEMENTS						
4.01	Brick - Tuckpoint Allowance	2002	25	12	3388.50	$135.54	$1,762
4.02	Carriage Lights	2002	25	12	450.00	$18.00	$234
4.03	Ground Spot Lights	2002	25	12	1250.00	$50.00	$650
4.04	Brass Letters @ Entry	2002	40	27	2550.00	$63.75	$829
5.00	MAIL KIOSK / BLDG. # 5OO EXTENSION						
5.01	Single Ply Roofing Membrane	2002	25	12	5652.00	$226.08	$2,939
5.02	Downspouts	1997	25	7	120.00	$4.80	$86
5.03	Mailboxes	2002	25	12	6900.00	$276.00	$3,588
5.04	Outgoing Mail Box	2002	25	12	250.00	$10.00	$130
6.00	TRASH AREAS						
6.01	Block Wall Repair Allowance	2015	10	0	1000.00	$100.00	$1,000
6.02	Wood Gates	2002	25	12	1500.00	$60.00	$780
7.00	WATER HEATERS ROOMS/KIOSKS & CLOSETS						
7.01	Water Heater Shed Repairs - 104	2015	15	0	3200.00	$213.33	$3,200
7.02	Water Heater Shed Repairs - 402	2013	15	13	3200.00	$213.33	$427
7.03	Water Heater Shed Repairs - 501	2015	15	0	3200.00	$213.33	$3,200
7.04	Water Heater Shed Repairs - 702	2016	15	1	3200.00	$213.33	$2,987
7.05	Water Heater Shed Repairs - 900	2017	15	2	3200.00	$213.33	$2,773
8.00	WATER HEATERS / GAS						
8.01	100 Gallon - Unit 104	2003	15	3	6000.00	$400.00	$4,800
8.02	100 Gallon - Unit 402	2013	15	13	6000.00	$400.00	$800
8.03	100 Gallon Unit 501	2013	15	13	6000.00	$400.00	$800
8.04	100 Gallon Unit 702	1995	15	-5	6000.00	$400.00	$8,000

8.05	100 Gallon - Bldg. 900	1999	15	-1	6000.00	$400.00	$6,400
8.08	Circulation Pump - Unit 104	2014	5	4	750.00	$150.00	$150
8.08	Circulation Pump - Unit 402	2014	5	4	750.00	$150.00	$150
8.08	Circulation Pump - Unit 501	2014	5	4	750.00	$150.00	$150
8.08	Circulation Pump - Unit 702	2014	5	4	750.00	$150.00	$150
8.08	Circulation Pump - Bldg. 900	2014	5	4	750.00	$150.00	$150
8.06	Expansion Tank - Unit 104	2003	20	8	800.00	$40.00	$480
8.07	HW Heater - Clubhouse	2006	10	8	1000.00	$100.00	$200
9.00	IRRIGATION AND LANDSCAPING						
9.01	Irrig. Cont. (install Smart Controller)	2015	15	0	12600.00	$840.00	$12,600
9.02	Submit Irrig. Upgrade Plan for Permi	2018	30	3	3000.00	$100.00	$2,700
9.03	Irrig. System Renovate/Remodel	2019	30	4	9000.00	$300.00	$7,800
9.04	Backflow Preventer	2002	20	7	19500.00	$975.00	$12,675
9.05	Irrigation System Repair Allowance	2011	1	0	1500.00	$1,500.00	$1,500
9.06	Tree Care Allowance	2011	1	0	2500.00	$2,500.00	$2,500
9.07	Planting Replacement Allowance	2011	1	0	1000.00	$1,000.00	$1,000
10.00	CARPORTS						
10.01	Built Up Roofing	2015	15	0	57376.00	$3,825.07	$57,376
10.03	Built Up Roofing	2010	15	10	16896.00	$1,126.40	$5,632
10.04	Carport Repairs	2015	100	0	139260.00	$1,392.60	$139,260
10.05	Carport Repairs	2010	100	95	7500.00	$75.00	$375
11.00	SWIMMING POOL						
11.01	Replastering	2015	15	0	9374.91	$624.99	$9,375
11.02	Coping	1992	30	7	2625.00	$87.50	$2,013
11.03	Tile	1992	30	7	5000.00	$166.67	$3,833
11.04	Seal Coping/Deck Joint	2015	5	0	577.50	$115.50	$578
11.05	Heater	2002	15	2	3750.00	$250.00	$3,250
11.06	Filter	2002	15	2	3250.00	$216.67	$2,817
11.07	Filter Pump	2010	10	5	1600.00	$160.00	$800
11.08	Chlorinator	2015	5	0	500.00	$100.00	$500
11.09	Pool Furniture Replacement Allow.	2010	3	-2	1000.00	$333.33	$1,667
12.00	SPA						
12.01	Resurfacing - Ceramic Tile	1997	30	12	4799.95	$160.00	$2,880
12.02	Coping	1990	30	5	725.00	$24.17	$604
12.03	Seal Coping/Deck Joint	2015	5	0	145.00	$29.00	$145
12.04	Heater	2015	15	0	3350.00	$223.33	$3,350
12.05	Filter	2015	15	0	2750.00	$183.33	$2,750
12.06	Filter Pump	2015	10	0	1600.00	$160.00	$1,600
12.07	Jet Pump	2010	10	5	1600.00	$160.00	$800
12.08	Chlorinator	2015	5	0	500.00	$100.00	$500
13.00	CLUBHOUSE EXTERIOR						
13.01	Composition Shingle Roofing	1997	30	12	7686.00	$256.20	$4,612
13.02	Gutters	1997	30	12	832.00	$27.73	$499
13.03	Downspouts	1997	30	12	200.00	$6.67	$120
13.04	Wood Trellises (2)	1987	30	2	20700.00	$690.00	$19,320
14.00	CLUBHOUSE INTERIORS						
14.01	Paint Interior	2013	12	10	1865.75	$155.48	$311
14.03	Carpeting	2013	12	10	2542.22	$211.85	$424
14.04	Vinyl Flooring	2013	30	28	1600.00	$53.33	$107
14.05	Air Conditioner / Wall Unit	2013	20	18	1000.00	$50.00	$100
14.06	Toilet Partitions	2013	40	38	7700.00	$192.50	$385
14.07	Sauna Heaters	2013	30	28	1500.00	$50.00	$100
14.08	Toilet Exhaust Fans	2013	30	28	500.00	$16.67	$33
14.09	Tile	2013	36	34	2700.00	$75.00	$150
14.10	Furniture Replacement Allowance	2014	2	1	550.00	$275.00	$275
15.00	SITE LIGHTING - INTERIOR						
15.01	5' - 5 Light Wall Sconce Bar	2013	35	33	200.00	$5.71	$11
15.02	Ceiling Fan w/ Single Globe Light	2013	35	33	600.00	$17.14	$34

15.03	4 - Bulb Vanity Light	2013	35	33	300.00	$8.57	$17
15.04	Recessed Heatlamp	2013	35	33	500.00	$14.29	$29
15.05	Globe Light in Sauna	2013	35	33	400.00	$11.43	$23
15.06	Ceiling Ceramic Socket w/ Bulb	2013	35	33	525.00	$15.00	$30
16.00	SITE LIGHTING - EXTERIOR						
16.01	12' Steel Light Poles	1995	35	15	7000.00	$200.00	$4,000
16.02	Pole Lights (Fluor.Tubes Fixture)	1979	35	-1	2100.00	$60.00	$2,160
16.03	4' Wd. Bollards (Fluor. Tubes Fix.)	1979	35	-1	14400.00	$411.43	$14,811
16.04	Wall Mt. CFL's (2 bulbs ea.)	1979	35	-1	750.00	$21.43	$771
16.05	Wall Mt. CFL's - Area Light w/ PC	1979	35	-1	150.00	$4.29	$154
16.06	HPS Bldg. Mt. Security Light w/ PC	1979	35	-1	350.00	$10.00	$360
16.07	Eave Spots - CFL's (2 bulb)	1979	35	-1	1200.00	$34.29	$1,234
16.08	HPS Flood w/ PC	1979	35	-1	350.00	$10.00	$360
16.09	Unit Entry Globes	1979	35	-1	7875.00	$225.00	$8,100
16.10	Unit Rear Patio Globes	1979	35	-1	5625.00	$160.71	$5,786
17.00	RESIDENTIAL BUILDING EXTERIORS						
17.01	Composition Shingle Roofing	1997	30	12	189887.25	$6,329.58	$113,932
17.02	Comp. Shingle Roof @ 14 Entries	1997	30	12	3307.50	$110.25	$1,985
17.03	Wood Shingle Roof @ 16 Entries	2015	15	0	3780.00	$252.00	$3,780
17.04	Built Up Roofing at Sheds	2015	15	0	8448.00	$563.20	$8,448
17.05	Gutters	1997	30	12	14320.00	$477.33	$8,592
17.06	Downspouts	1997	30	12	10470.00	$349.00	$6,282
17.07	Deck Coating at Building 500	1999	10	-6	1386.00	$138.60	$2,218
18.00	MISC. SITE COMPONENTS						
18.01	Fire Extinguishers	2002	10	-3	1300.00	$130.00	$1,690
18.02	Fire Extinguishers Cabinents	2002	20	7	2600.00	$130.00	$1,690
18.03	8' x 10' Vinyl Storage Shed @ Pool	2000	25	10	2500.00	$100.00	$1,500
18.04	Signage - Grounds and Pool	2002	25	12	1000.00	$40.00	$520
19.00	PAINTING						
19.01	Paint Stucco Siding	2015	12	0	36607.00	$3,050.58	$36,607
19.02	Paint Remainder of Components	2015	6	0	58459.25	$9,743.21	$58,459
20.00	BUILDING REPAIR/REPLACEMENT ALLOWANCES						
20.01	Stucco Siding Repair Allow.	2015	12	0	1500.00	$125.00	$1,500
20.02	Beam Repair Allowance	2015	30	0	15000.00	$500.00	$15,000
20.03	Composite Lap Siding Rep. Allow.	2015	6	0	1500.00	$250.00	$1,500
20.04	Resawn Plywood Siding Rep. Allow.	2015	6	0	1500.00	$250.00	$1,500
20.05	Wood Trim Repair Allowance	2015	6	0	2500.00	$416.67	$2,500
20.07	Door Replacement Allowance	2015	6	0	1000.00	$166.67	$1,000
		Ann. Straight Line Funding Require.				$64,538.53	
		Required Accumulated Reserves					$952,416
		Projected 2015 Year Beginning Reserve Acct. Balance					$108,811
PERCENT FUNDED IS THE PROJECTED 2015 YEAR BEGINNING BALANCE DIVIDED BY THE REQUIRED ACCUMULATED RESERVE CALCULATED ABOVE, WHICH EQUALS							11.42%

Danville Townhomes HOA
2015
30-YEAR PERCENT FUNDED CALCULATIONS

Year		Calculated Actual Yr. Begin. Reserve Balance	Calculated Required Accumulated Reserves	Calculated Percent Funded	Calc. Per Unit Unfunded Liability
Yr. 1	2016	$60,445	952,416	6.35%	$19,822
Yr. 2	2017	$142,061	976,226	14.55%	$18,537
Yr. 3	2018	$159,641	1,000,632	15.95%	$18,689
Yr. 4	2019	$245,157	1,025,648	23.90%	$17,344
Yr. 5	2020	$165,663	1,051,289	15.76%	$19,681
Yr. 6	2021	$227,923	1,077,571	21.15%	$18,881
Yr. 7	2022	$241,309	1,104,510	21.85%	$19,182
Yr. 8	2023	$306,357	1,132,123	27.06%	$18,350
Yr. 9	2024	$417,842	1,160,426	36.01%	$16,502
Yr. 10	2025	$530,922	1,189,437	44.64%	$14,634
Yr. 11	2026	$566,590	1,219,173	46.47%	$14,502
Yr. 12	2027	$693,778	1,249,652	55.52%	$12,353
Yr. 13	2028	$276,998	1,280,893	21.63%	$22,309
Yr. 14	2029	$379,677	1,312,916	28.92%	$20,739
Yr. 15	2030	$466,081	1,345,739	34.63%	$19,548
Yr. 16	2031	$386,016	1,379,382	27.98%	$22,075
Yr. 17	2032	$519,885	1,413,867	36.77%	$19,866
Yr. 18	2033	$577,552	1,449,213	39.85%	$19,370
Yr. 19	2034	$599,682	1,485,444	40.37%	$19,684
Yr. 20	2035	$747,052	1,522,580	49.06%	$17,234
Yr. 21	2036	$833,523	1,560,644	53.41%	$16,158
Yr. 22	2037	$1,006,029	1,599,660	62.89%	$13,192
Yr. 23	2038	$1,172,473	1,639,652	71.51%	$10,382
Yr. 24	2039	$1,359,909	1,680,643	80.92%	$7,127
Yr. 25	2040	$1,279,078	1,722,659	74.25%	$9,857
Yr. 26	2041	$1,363,229	1,765,726	77.21%	$8,944
Yr. 27	2042	$1,570,556	1,809,869	86.78%	$5,318
Yr. 28	2043	$1,666,872	1,855,116	89.85%	$4,183
Yr. 29	2044	$1,838,959	1,901,493	96.71%	$1,390
Yr. 30	2045	$2,038,033	1,949,031	104.57%	$0

Date Adopted 9/30/2009

Danville Townhomes Homeowners Association

ASSESSMENT COLLECTION POLICY

Notice to Members:

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

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

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

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

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

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

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

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

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

9.0 Late Charges and Interest on Delinquent Amounts.

Delinquent accounts become subject to the following additional charges as contained in Civil Code section 5650 and the governing documents: costs of collection including reasonable attorney's fees; a late charge of $10 or 10% of the delinquent assessment, whichever is greater and interest on all sums (including the delinquent assessment, collection fees and costs, and reasonable attorney's fees) at an annual interest rate not to exceed 10.00% commencing 30 days after the assessment becomes due; whether or not charged prior to collection. If it is determined the assessment was paid on time to the association the owner will not be liable to pay the charges, interest, and costs of collection.

10.0 Collection Charges.

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

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

11.0 Application of Payments.

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

12.0 Initial Delinquency Notice.

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

13.0 Notice of Intent to Record a Lien.

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

14.0 Recording of Lien.

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

15.0 Association Lien Subordination.

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

16.0 Recording of Release of Lien.

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

17.0 Lien Recorded In Error.

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

18.0 Foreclosure.

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

19.0 Deed in Lieu of Foreclosure.

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

20.0 Payment Plan Agreement.

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

21.0 Validation of Debt.

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

22.0 Disputes.

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

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

An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's "Meet and Confer" program required in Civil Code Sections 5900 - 5920. A copy of the "Meet and Confer" Offer and Procedure is attached to this collection policy and serves as an official offer to the owner. See attached ADDENDUM titled "ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR."

24.0 ADR - Alternative Dispute Resolution.

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

25.0 Owner has Right to Request Meeting with Board.

An owner has the right to request a meeting with the board. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice 13.0 Notice of Intent to Record a Lien, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

26.0 Owner has Right to Review Association Records.

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

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

28.0 Other Remedies.

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

29.0 Address of the Association and the Board of Directors.

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

30.0 Returned Payments.

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

31.0 Sufficiency of Notice.

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

32.0 Owner's Change of Address.

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

33.0 Void Provisions.

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

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

DISPUTE RESOLUTION, MEET AND CONFER PROCEDURE CC §5920

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

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

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

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

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

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

C. An agreement resolving the dispute by the parties shall be made in writing and dated and signed by the parties, including the Board designee on behalf of the Association.

D. A written decision shall be made by the designated Board Member and delivered or received by the owner within ten (10) days after the meet and confer.

E. If the owner participates, but the dispute is resolved other than by agreement of the owner, the owner shall have the right to appeal to the Association's Board of Directors.

APPEAL:

A. If the owner disputes the resolution, an appeal must be taken to the Board of Directors within thirty (30) days of the date of the decision by the designated Board member.

B. If there is an appeal, the Board must hear the Appeal at its next regularly scheduled meeting in executive session, then issue a written decision within ten (10) days.

NO CONFLICT:

A. The resolution must not be in conflict with the law or the governing documents.

B. The agreement must be consistent with the authority granted to the Board of Directors or the Board must ratify the agreement.

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

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

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

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

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

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

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

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

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

ENFORCEMENT POLICY

1. **FIRST VIOLATION:** A notice advising the member of the violation will be sent. Such written notice will specify the violation of the CC&R's and/or policies and advise the owner that subsequent violations or failure to correct this violation will result in a second notice of hearing and potential fines.

2. **SECOND VIOLATION/HEARING:** Any violation that is not rectified to the satisfaction of the Board will be considered an ongoing offense. An owner will receive notice to attend a hearing before the Board of Directors to discuss the violation. When the Board of Directors is to meet to consider or impose discipline upon a member, the Board shall notify the member in writing, by either personal delivery or first-class mail, at least 10 days prior to the meeting. The notification shall contain, at a minimum, the date, time and place of the meeting, the nature of the alleged violation for which a member may be disciplined, and a statement that the member has the right to attend and may address the Board at the meeting. The Board of Directors of the Association shall meet in executive session to conduct this hearing. The hearing will be held with or without the member in attendance. The fine schedule is as follows:

   a. Fine $50.00 per month, per violation until compliance

   The Board of Directors may suspend any fine levied on an owner if the violation ceases within 30 days or if no further violations are reported within 180 days of the first report of violation.

3. **PENALTY:** If the Board imposes discipline on a member, the Board shall provide the member a written notification of the disciplinary action, by first-class mail, within 15 days following the action. If the non-compliance continues after 15 days, the Board of Directors may impose a fine and may revoke privileges.

Adopted 3/20/07

GORDON INSURANCE
Take a deep sigh of relief. We've got you covered.

20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550

September 8, 2014

To The Property Owners of Danville Townhomes

The information below is being delivered pursuant to California **Civil Code §5300**. If you have any questions or need additional information, please contact your Board of Directors.

A. PROPERTY INSURANCE

1. Name of Insurer: Travelers Casualty & Surety Co of America
2. Effective Dates: 09/10/2014 - 09/10/2015
3. Property Coverage Limits: $ 10,460,330
4. Deductible: $5,000

B. GENERAL LIABILITY INSURANCE

1. Name of Insurer: Travelers Casualty & Surety Co of America
2. Effective Date: 09/10/2014 - 09/10/2015
3. Limits of Liability: $1,000,000 OCC/ $2,000,000 AGG
4. General Liability Deductible: NA

C. DIRECTORS & OFFICERS LIBILITY INSURANCE

1. Name of Insurer: Great American Insurance
2. Effective Dates: 09/10/2014 - 09/10/2015
3. Limits of Liability: $ 1,000,000
4. Retention $1,000

D. FIDELITY (Crime) INSURANCE (Employee Dishonesty; may also include forgery, alteration and other parts)

1. Name of Insurer: Travelers Casualty & Surety Co of America
2. Effective Dates: 09/10/2014 - 09/10/2015
3. Limits of Coverage:
   a. Employee Dishonesty $75,000 Deductible: $5,000
   b. Forgery & Alteration $75,000 Deductible: $5,000

GORDON INSURANCE
Take a deep sigh of relief. We've got you covered.

20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550

E. UMBRELLA LIABILITY INSURANCE
(Applies to general liability, directors & officers & owned Autos if disclosed below in "Auto" section)

1. Name of Insurer:	Great American Insurance
2. Effective Dates:	09/10/2014 - 09/10/2015
3. Limits of Liability:	$5,000,000
4. Retention	$0

F. Workers Comp

1. Name of Insurer:	AmTrust North America
2. Effective Dates:	09/10/2014 - 09/10/2015
3. Employers Liability Limit:	$1,000,000

G. AUTO INSURANCE

1. Name of Insurer:	Travelers Casualty & Surety Co of America
1. Effective Dates:	09/10/2014 - 09/10/2015
2. Limits of Coverage:	Combined Single Limit (if noted)
a. Hired Auto	Included
a. Non Owned	Included

H. EARTHQUAKE INSURANCE

1. Name of Primary Insurer:	Underwriters at Lloyds
2. Effective Dates:	09/10/2014 - 09/10/2015
3. Policy Limit:	$7,576,859
4. Policy Deductible:	25 %

CALIFORNIA **Civil Code §5300**

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

GORDON INSURANCE

Take a deep sigh of relief. We've got you covered.

20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550

Recommendation to Owners Regarding the Need to Carry an HO6 Condo Unit-owners Package Policy and Earthquake Loss Assessments Coverage

As is standard on all homeowner's association master policies, the association's master policy does not cover the personal property, loss of use (or rental income) and personal liability of unit owners and their tenants. In addition, depending on your association's CC&R's, you may need to also cover your cabinets, fixtures, wall and floor coverings either entirely or if you have done upgrades. Whether you live in the unit or rent it out, each owner should carry what is commonly known as an HO6 policy to cover these and other exposures including:

A. **Building** – This is for building items such as wall to wall carpets, draperies, wall coverings, cabinets and fixtures (and upgrades to these items) which may not be covered by the master policy due to wording in the CC&R's which limit the association's responsibility. This can also cover the master policy's deductible for such losses, depending again on the CC&R's. Unit owners should review the CC&R's and/or discuss with the Board of Directors or property manager the specifics to determine how much coverage is appropriate to carry. It is quite inexpensive to increase the limit.

A. **Personal property** such as furniture, clothes, etc. This is NOT intended for the personal property of a tenant if you rent out your unit. They must carry a "renter's policy" known as an HO4.

B. **Loss of use** of your unit should a covered loss occur. This could pay for things such as hotels or rent in a temporary apartment or home after a covered property loss. If you rent your unit to others, this coverage could pay for the **loss of rental income to you** during the repairs.

C. **Loss Assessments (other than earthquake)** This could pay the unit owners' share of an assessment to cover certain losses to association property that result in an assessment being made by the association due to inadequate insurance. An example might be repair from a fire where the insurance proceeds were not enough to cover the loss and a general assessment was made to pick up the difference.

D. **Personal liability** such as a guest getting hurt in your unit or hitting someone or their property with a golf ball. If you rent your unit to others, this could be extended to cover the liability you have to a tenant who may be hurt while occupying your unit.

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Fax: 650-654-5550

Earthquake and Earthquake Loss Assessments Coverage

In condominium communities, the exterior of buildings, certain building components, and common areas are typically owned by all the condominium owners as a group. In the event of earthquake damage to such property, the association may, in accordance with its bylaws, impose an assessment against all members of the association to pay for exterior or structural repairs.

This coverage is unique to condominium owners, in that if damage from an earthquake occurs and the losses are not fully covered by the association's master insurance policy, Loss-Assessment coverage may help you pay for your share of certain assessments the association may impose on all property owners in your condominium development.

Most standard homeowners, mobilehome, condominium, and renters insurance policies **do not** cover earthquake or earthquake loss assesement damage. Similar to flood insurance, earthquake and earthquake loss assesment insurance must be purchased separately.

If you have purchased an HO6 you should have also been offered earthquake coverage, If you didn't accept your property insurers earthquake coverage, you may want to contact a broker-agent to assist you with securing a monoline "stand-alone" policy including earthquake loss assesment or contact the Californai Earthquake Athourity (CEA) who has more than 800,000 policies in force, representing about 70 percent of all residential earthquake insurance policies sold in California.

CEA earthquake insurance policies are are sold and serviced exclusively through CEA's participating insurance companies and those companies process all CEA policy applications, policy renewals, invoices, and payments and handle all CEA claims. If you don't have a Condo Owners policy in place, you'll need one, California law requires you to have a residential insurance policy in-force with a CEA participating insurance company in order to have a CEA earthquake policy.

Whether purchasing through a standard earthquake carrier or the CEA, every offer of earthquake insurance must provide coverage for your dwelling, your personal property, and for any additional living expense (ALE). You may waive ALE coverage if you or your family do not occupy the dwelling you wish to insure.

Also of note: A partial list of assessments not covered are those made to pay for the repair of non-residential structures, awnings, patio coverings, pools, spas, club houses, artistic features, or separate parking structures. If these items are included in your assesment they will be deducted and payment issued on the remaing covered items, minus your deductible.

Danville Townhomes

REQUEST FOR ARCHITECTURAL / LANDSCAPE REVIEW

Homeowners are required to submit property improvement plans to the Association for review and comment prior to beginning the improvements. Owners are requested to submit plans at least 45 days in advance because the Association has up to 30 days to meet and review your proposal.

NAME: ____________________ **DATE:** ____________________
(Please Print)
ADDRESS: ____________________ **LOT NO.** ____________________

PHONE:
(Home)____________________ **(Work)**____________________

Proposed Start Date: ____________________ **Finish Date:**____________________

Email: ____________________

CHECK ALL THE FOLLOWING IMPROVEMENT TYPES THAT APPLY TO YOUR REQUEST

HOME IMPROVEMENTS:

[ ] Structural Addition	[ ] Gazebo/Arbor	[ ] Play structure	[ ] Storage Shed
[ ] Deck/Patio	[ ] Greenhouse	[ ] Pool/spa	[ ] Dog run
[ ] Trellis	[ ] Lighting additions	[ ] Lighting Standards	[ ] Skylights
[ ] Satellite Dish	[ ] Antennae	[ ] Windows/Doors	[ ] Gates [ ] Painting
[ ] Mail box enclosure	[ ] Sculptures	[ ] Garage doors	[ ] Lot line adjustments
[ ] Fence Addition	[ ] Retaining Walls	[ ] Solar panels	[ ] Other (specify)

LANDSCAPE IMPROVEMENTS: [ ] FRONT YARD [ ] BACK YARD [ ] SIDE YARD

[ ] New Landscape	[ ] Tree addition	[ ] Tree removal	[ ] Arbors/vines
[ ] Hardscape	[ ] Landscape lights	[ ] Water features	[ ] Other (specify)

IF YOU ARE ONLY SUBMITTING A REQUEST TO CHANGE THE COLOR OF YOUR HOME:
1. Enclose paint manufacturer color samples with this application.
2. Identify which paint samples apply to body of the house, trim/fascia and trim accent colors.

ALL OTHER IMPROVEMENTS:
1. Submit four copies of your scale drawings and plot plans to: RealManage, LLC, 7655 Redwood Blvd, Ste #100, Novato, CA 94945. Plans must be submitted in quadruplicate. Submissions not submitted in proper quantity may be duplicated by Association and charged to owner.
2. Plans which include pre-assembled structures or kits must include cut sheets or product specifications, colors, dimensions, materials and all other collateral material necessary for proper review.
3. The committee must be informed of all materials used in your improvements in sufficient detail for proper review. Where appropriate, submit samples or color photos of the material (brick, slate, wrought iron, lighting standards, etc.) In its sole discretion the Association may ask for more information regarding your improvement during the review process. While waiting for a response from the owner the 45-day approval time frame will suspend and then resume with receipt of additional information.
4. Though neighbor approval is not required, depending on the improvement, the Association may solicit input from your neighbors regarding your submission and consider their input as part of the review process. It is prudent that you discuss proposed changes to your home with your surrounding neighbors.
5. PLEASE NOTE: The City of Walnut Creek requires approval of certain types of improvements. You may be required to get city permits and other conditions may apply. The owner is solely responsible for fulfilling any municipal requirements.

____________________ ____________________
Owner Signature Date

NOTE: Improvement work may not commence without written approval of the Danville Townhomes Homeowners Association. Please submit plans anticipating up to 45 days for review and comment by the Architectural Committee. Unauthorized improvements are subject to removal.

DANVILLE TOWNHOMES IMPROVEMENT APPLICATION (continued)

DESCRIBE YOUR IMPROVEMENT IN DETAIL:

WHO IS YOUR CONTRACTOR?
[ ] I'm performing the work myself.
[ ] My general contractor is: ______
[ ] My landscape contractor is: ______
[ ] I have/will familiarize(d) my contractor with the procedures required for access to Danville Townhomes over common areas and responsibility for damage thereto.
[x] The homeowner is the "person responsible" for damage to Danville Townhomes common area caused by himself or by his contractor while completing these improvements. By submitting this application I acknowledge responsibility for damages to the common areas by contractors entering Danville Townhomes property at my invitation.

For Association Use Only:
Property Address:______

Committee Member Name:______ Date:______
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

Committee Member Name:______ Date:______
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

Committee Member Name:______ Date:______
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

Management Company Instructions:
[ ] Send response to owner based on Committee input noted above.
[ ] Send hearing letter regarding unauthorized installation.
[ ] Notify owner to cease work.
[ ] Send notice of completion

NOTE: Improvement work may not commence without written approval of the Danville Townhomes. Please submit plans anticipating up to 45 days for review and comment by the Architectural Committee. Unauthorized improvements are subject to removal.

SUMMARY OF PROCEDURES FOR APPROVAL OF PHYSICAL CHANGES TO PROPERTY

The following summary is provided pursuant to Civil Code Section 1378(c). The summary outlines the procedures for applying for additions, alterations or modifications to your home; and for reviewing and approving or disapproving such applications, as those procedures are set forth in the CC&Rs. In the event of any conflicts between this summary and the CC&Rs, the CC&Rs control.

Any physical change to your home that affects the visual appearance of your home or, if applicable, your yard from the street or neighboring homes requires architectural approval. In addition, if your home is a condominium or townhouse, any physical change that affects or potentially affects the structural design of the building (for example, interior bearing walls) or the fire suppression system (for example, area separation walls between units or fire sprinklers) also requires the Association's approval.

The following procedure is used by the Association to review and approve or disapprove applications for physical changes to a home:

1. All applications for physical changes must be:
   a. In writing,
   b. Submitted to the Association's community manager, on a form available from the management office, and
   c. Accompanied by such plans, sketches and/or diagrams that, in the reasonable judgment of the Association, are sufficient to adequately describe the nature and extent of the proposed change or the rules of the Association.

An application shall not be deemed to be complete until all required documentation has been provided.

2. The Association shall review the application and supporting documents and shall either approve or disapprove it based on the following criteria:

   a. Compliance of the application and supporting documents with the requirements of the governing documents of the Association;
   b. Confirmation that the proposed change conforms to the requirements and restrictions of the governing documents of the Association and will not interfere with the reasonable enjoyment by any other owner of his or her property; and
   c. Confirmation that the proposed change will otherwise be consistent with the architectural and aesthetic standards prevailing within the development, in harmony with the existing structures, landscaping and/or topography existing within the development and consistent with the overall plan and scheme of the development.

3. The Association is not required to approve a requested change simply because it has been previously approved for another home.

4. A vote of a majority of a quorum of the reviewing body of the Association shall be sufficient to approve an application.

5. The Association shall either approve or disapprove the proposed change, within thirty days after receipt of the application and all supporting documents. The applicant shall be promptly notified of the decision in writing. If the proposed change or improvement is disapproved, the written notice to the applicant shall provide an explanation as to why the proposed change or improvement was disapproved and, unless the Board is acting as the reviewing body, a description of the procedure for reconsideration of the decision by the Board.

6. Unless the Board is acting as the reviewing body, any decision of the reviewing body may be appealed to the Board. A written notice of appeal must be submitted to the Association's community manager, by the applicant or other interested owner within thirty (30) days after the written decision to the applicant was mailed. The appeal shall be considered by the Board at an open meeting held within sixty (60) days of receipt of the notice of appeal. The vote of the Board as to the application shall be final.

Danville Townhomes Homeowners Association
ELECTION RULES

These rules have been adopted pursuant to Article VII, Section 1(a) of the Bylaws of Danville Townhomes Homeowners Association and Civil Code Section 1363.03 and are intended to reflect and incorporate the requirements of the new law on association elections effective July 1, 2006. The provisions of the new election law supercede the existing provisions in the Bylaws or CC&Rs regarding elections. Therefore, in the event of any conflict between these rules and the existing provisions of the Bylaws or CC&Rs, these rules shall govern.

Definitions

1. As used in these rules, "Ballot" refers to a written document prepared in accordance with these Rules and mailed to the members of the Association entitled to vote in a particular election.

2. Any other terms with initial caps not otherwise defined shall have the same meaning as in the Bylaws or CC&Rs.

Types of Elections Subject to These Rules

3. These rules shall be applicable to <u>all</u> matters requiring a vote of the members and shall be the only method for voting by the members on Association business.

4. Annual and special meetings of the members may still be called, but no vote on any matter requiring member approval may be conducted at such meetings except as provided in these Rules.

Qualifications for Voting and Voting Power of Memberships

5. Subject to Rule 6 below, any Member of the Association shall be entitled to vote under these Rules so long as he or she is a Member in Good Standing. A "Member in Good Standing" for purposes of these Rules is an Owner whose right to vote has not been suspended by the Board due to violation of the governing documents. Any Member qualified to vote under this rule is considered a "Member Entitled to Vote" under these Rules.

6. Co-Owners of a unit, if otherwise qualified, shall be considered as a single "Member Entitled to Vote" for purposes of these Rules.

7. Each Member Entitled to Vote shall be entitled to cast one vote for each matter to be decided by the election. In Director elections, each position to be filled on the Board is considered a separate matter to be decided, so that a Member Entitled to Vote may cast

the number of votes equal to the number of positions on the Board to be filled by the election.

8. There is only a single class of membership in the Association. Each vote by a Member Entitled to Vote is entitled to the same weight in any election.

Nomination of Directors

9. The qualifications for serving on the Board of Directors are as follows: the Director or candidate for Director must be a Member in Good Standing as defined in Rule 5, or officers, directors, or employees of a Member in Good Standing. (Bylaws Article IV Section 1) Any person meeting these qualifications may serve on the Board. Any person seeking election to the Board and meeting these qualifications will be considered a "Qualified Candidate" and eligible for election to the Board of Directors.

10. At least ninety (90) days prior to distribution of Ballots for election of Directors, the Board shall send an Application for Position on Board of Directors (Board Application) to all Members. Any member meeting the qualifications set forth in Rule 9 above may nominate himself or herself. Any such person shall complete, sign and return to the Nominating Committee (see below) the Board Application. All persons who meet the qualifications set forth in Rule 9, and who return their Board Application on or before the deadline stated in the Board Application, shall be included on the Ballot for election of Directors.

11. At least sixty (60) days prior to distribution of the Ballots for election of Director, the Board shall appoint a Nominating Committee whose duties shall include reviewing all Board Applications to determine if a candidate meets the qualifications set forth in Rule 9 above. The Committee may also solicit persons to run for the Board, but shall require all such persons to complete the Board Application. In the event a Nominating Committee is not appointed by the Board, the Board shall serve as the Committee.

12. At least thirty (30) days before the date for distribution of ballots, the Nominating Committee shall report to the Board the identity of all persons who are Qualified Candidates and whose names shall appear on the ballot. If any person has submitted a Board Application and has been found by the Nominating Committee not to be a Qualified Candidate, the Nominating Committee shall notify such person in writing of its finding and the reasons why such person was found not to be a Qualified Candidate.

Election of Directors

13. The ballots for Director Elections shall set forth the names of all Qualified Candidates whose names have been placed in nomination at the time the ballot is issued. The ballot form shall also provide a space where the Member can designate a vote for another (*i.e.*, write-in) candidate. Pursuant to Article III, Section 5.D of the Bylaws, cumulative voting is permitted. A Member may indicate multiple votes for the same candidate, up to the total number of votes the Member is entitled to cast for Director, on a single Ballot.

14. No minimum number of ballots is required to make a Director election valid; the persons receiving the most votes shall be elected as Directors.

Form of Ballot

15. Elections conducted under these rules shall be by a Ballot mailed to each member of the Association entitled to vote. Such written ballot shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposed action.

16. Ballots shall state the time by which the ballot must be received by the Inspector of Election in order to be counted. The deadline for return of the Ballots shall be at least thirty (30) days after the date of distribution of the Ballots, but the Board may authorize a longer time period for Ballot return.

17. The ballot shall not on its face provide any method for identifying the member voting. Instead, a double envelope system shall be used in which the marked ballot is placed in a sealed envelope, which is then placed in another sealed envelope. The person voting must print and sign his or her name and indicate the address of the unit for which the Ballot is being cast.

Distribution of Ballots

18. The Board may determine a record date for each election conducted pursuant to these rules and the owner(s) of record on such record date shall be entitled to receive a ballot for voting on the matter to be decided. If no record date is established by the Board, the record date shall be the date the ballots are mailed to the members.

19. Ballots shall be mailed by first-class mail to each Member Entitled to Vote at the address for the Member indicated in the Association records. If an owner wishes to have a Ballot sent to an address different than the address indicated in the Association's records, such member must notify the Association in writing of the address to which the Ballot is to be sent prior to distribution of the Ballots.

20. One ballot will be provided for each unit. In the event there are multiple owners of a unit, the owners must jointly decide how the ballot is to be completed. If a Ballot is misplaced, a duplicate Ballot will be provided upon written request of the Owner.

21. Proxies for elections conducted under these rules will not be distributed by the Association and may not be used in place of Ballots. Any instruction given in a proxy for an election that directs the manner in which the proxyholder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain.

Inspector(s) of Election

22. For all elections conducted under these rules, the Board shall appoint either one or three persons to act as inspector(s) of election. The inspector(s) shall be appointed at

least thirty days prior to distribution of the Ballots. Inspectors may be members of the Association but shall not be a member of the Board or a candidate for the Board or related to a Director or candidate for the Board. The Association's manager, counsel or accountant or any other person not expressly disqualified under this Rule may serve as an inspector.

23. The duties of the inspector or inspectors shall be to determine the number of Members Entitled to Vote and the voting power of each; receive Ballots and determine their validity; count and tabulate all votes; determine when the polls shall close and voting be concluded; determine and announce the results of the election; hear and determine all challenges and questions in any way arising out of or in connection with the right to vote; and perform any other acts necessary to assure the fairness of the election. Inspectors may appoint and oversee additional persons to count and tabulate votes.

24. The inspector or inspectors shall perform their duties impartially, in good faith, to the best of his or her ability, and as expeditiously as possible. If there are three Inspectors of Election, the decision or act of a majority of the inspectors shall be deemed to be the decision or act of all.

25. The inspector or inspectors may be compensated for their services as inspector as deemed appropriate by the Board.

Completion, Collection and Tabulation of Ballots

26. Each owner casting a Ballot must complete the Ballot pursuant to the instructions accompanying the Ballot, place the unsigned Ballot in an unmarked envelope and seal it, and place the unmarked envelope in an envelope addressed to the Inspector(s) of Election at the address provided in the Ballot or in the instructions accompanying the Ballot. The two envelopes will be provided to each owner with the Ballot. No more than one ballot shall be placed in the two envelopes. Persons owning multiple units must use a separate double envelope for each unit owned.

27. In the upper left hand corner of the outer envelope containing the ballot, the Owner must print and sign his or her name, and provide the address of the unit for which the Ballot is being cast. <u>Failure to include this information on the outer envelope shall render the Ballot invalid.</u> The outer envelope shall be sealed and mailed or delivered to the Inspector(s) of Election (or to a locked Ballot box) at the address provided in the Ballot. Once delivered to the Inspector(s) of Election, a Ballot is irrevocable.

28. The Inspector(s) of Election shall keep the unopened Ballot envelopes in a safe and secure location until the Ballots are opened and tabulated and the final results of the election announced to the members.

29. No one but the designated Inspector(s) of Election or assistants designated by them may receive or handle the ballot envelopes or ballots until the envelopes are opened, the ballots are counted and the results announced to the members. If the Inspector(s) of Election designate a location where the ballot envelopes may be placed in a locked ballot box, the Inspector(s) shall have the only keys to the box until the election is completed.

30. The Ballots shall be counted and tabulated by the Inspector(s) of Election in public at a properly noticed meeting of the Board or of the members. The Inspector(s) of Election may permit the polls to remain open a reasonable time after the meeting has been called to order to permit those persons who have not yet voted an opportunity to do so. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within fifteen (15) days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum voting requirements for the matter to be decided, the Board may extend the deadline for return of the ballots by a reasonable time and so notify the Members.

31. Following tabulation of the votes, the Ballots shall be transferred by the Inspector(s) of Election to the custody of the Association, which shall keep the Ballots in a secure location for at least one year.

32. In the event of a recount or other challenge to the election process, the Association shall, upon written request, make the Ballots available for inspection and review by Members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

Election Campaigns

33. If any candidate for the position of Director or any Member advocating a point of view relating to a particular election is provided access to Association media, newsletter or Internet Web site during a campaign, for purposes that are reasonably related to that election, the same access shall be provided to all other candidates or Members advocating a point of view, for purposes that are reasonably related to the election.

34. All candidates for the position of Director and any Member advocating a point of view relating to a particular election shall have equal access to Association common area facilities without cost for holding meetings or gatherings for purposes reasonably related to the election.

RealManage
POWERED BY CIRACONNECT

INSTRUCTIONS TO "LOG-IN" TO THE RESIDENT PORTAL

The RealManage Resident Portal is available to all members of the Danville Townhomes Homeowners' Association. To access the Resident Portal go to www.realmanage.com on the homepage, click on Resident Portal. A log in box will appear with a "hot link" which says, "Don't have an account? Click here." Click on this link and then choose a password and supply the other requested information (you will need your Danville Townhomes assessment coupon book). After you receive a confirming e-mail from RealManage, you will be able to log-in to the Resident Portal.

On the Resident Portal you will be able to view your membership account, make a payment, sign up for the membership directory, make a request for service and access other community information. We hope that you will find the Resident Portal a useful service. If you have any questions regarding the Resident Portal please e-mail service@ciramail.com.

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION
RESIDENT REGISTRATION FORM

All Owners, tenants, and/or residents must be registered by completing this Exhibit and submitting to the Association Management. This information is needed for use in case of an emergency and enables the Association to have better control and enforcement of the Rules and Regulation. The Board of Directors request that owners renting their unit(s) to register the tenants name, mailing address, telephone number (residential and business), names of all persons residing in the unit(s), vehicle details and the effective dates of the lease or rental agreement. If any changes occur, this form must be resubmitted with the current information.

OWNER INFORMATION

Owners Name(s):______________________________

Owners Address (if not on-site):______________________________

Unit Address: ______________________________

Owners Home Phone: ____________________ Owners Work Phone: ____________________

Owners Home Phone: ____________________ Owners Work Phone: ____________________

Vehicle #1 (if Resident): Make____________ Model ____________ License #____________

Vehicle #2 Make____________ Model ____________ License #____________

TENANT INFORMATION
(Fill In If Applicable)

Tenant #1 Name: ______________________________

Tenant #2 Name: ______________________________

Tenant's Home Phone: ____________________ Tenants Work Phone: ____________________

Vehicle #1 Make____________ Model ____________ License #____________

Vehicle #2 Make____________ Model____________ License #____________

NOTE: If additional space is needed, use the back of the Exhibit. Refer to Parking section of Rules and Regulations and appropriate Policies if you have questions about parking.

EMERGENCY INFORAMTION

In case of an emergency, the following person(s) have a key to access my unit and have my permission to act in my stead: (Please provide a local emergency number, if possible. Property Managers: please include instructions on how to reach you during off-hours on the reverse side of the form).

NAME: ______________________________

HOME PHONE: ____________________ WORK PHONE: ____________________

Please return completed form to:

RealManage
c/o Danville Townhomes
7655 Redwood Blvd., Suite 100
Novato, CA 94945

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Annual Membership Meeting

October 17, 2013 at the Pool Clubhouse

MINUTES

1. Call to Order

President Jehan Liles called the Annual Meeting to order at 7:15 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Director

Also present: Manager Linda Schoeffner from RealManage

2. Welcoming Remark

President Jehan Liles welcomed the 3 members in attendance and thanked them for attending the Annual Member's Meeting. Jehan also updated the members on the status of the Association and what progress was made over the past year plus what future plans the Board is looking at in 2014 (primarily the carport repair project).

3. Annual Members' Meeting Minutes

"Be it resolved: To approve the September 20, 2012 Annual Meeting minutes as submitted by RealManage."

Moved, Seconded, Carried by Acclamation

4. Board Election

There were three (3) open seats on the Board and three (3) candidates. The Danville Townhomes Homeowners Association Board of Directors held the election through a vote by acclamation rather than the secret ballot process since the results would be the same. The following candidates were elected to the Board of Directors for a one-year term:

Jehan Liles, incumbent
Yvonne Wiltse, incumbent
Denece Buserwini

Moved, Seconded, Carried by Acclamation

5. IRS Tax Resolution 2013 – Tabled until November Meeting

6. Homeowners Forum

A homeowners' forum was held with three (3) homeowner was in attendance.

7. **Adjournment:** There being no further business the Annual Meeting was adjourned at 7:44 pm followed by the Board of Directors Meeting. The next Annual Membership Meeting will be held on October 16, 2014.

Approved:

____ ______________________________

Board Signature Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Board of Directors Meeting
January 16, 2014
At the Pool Clubhouse

MINUTES

An Executive Session took place after the November 21, 2013 Board meeting to hear CC&R non compliance issues.

1. Call to Order

President Jehan Liles called the Board of Directors Meeting to order at 7:15 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Director

Also present: Manager Linda Schoeffner from RealManage

2. Homeowners' Forum

- A homeowners' forum was held. There was one (1) homeowner in attendance. Items discussed were asking Ed Reeder to put the pool furniture in the clubhouse after the clubhouse acid wash on the floor has been completed, find out from TLC if there is irrigation in front of unit #705, Board to give a date when to order a large dumpster for the residents annual spring cleaning (February/March?), order a PG&E audit for the Association, and ask TLC to recommend drought tolerant landscaping for the front of buildings 200, 300, and half of 500 that will blend in with current landscaping theme.

3. Secretary's Report

- Approval of Minutes
  - November 21, 2013 Board of Directors Meeting

"Be it resolved: To approve the November 21, 2013 Board of Directors meeting minutes as presented by RealManage."

Moved, Seconded, Carried 3-0

- November 21, 2013 Executive Session (Before Board Meeting)

"Be it resolved: To approve the November 21, 2013 Executive Session minutes as presented by RealManage."

Moved, Seconded, Carried 3-0

- November 21, 2013 Executive Session (Following Board Meeting)

"Be it resolved: To approve the November 21, 2013 Board of Directors meeting minutes as presented by RealManage."

Moved, Seconded, Carried 3-0

4. Treasurer's Report

The Board reviewed the November 30, 2013 financial prepared by RealManage.

- Funds Transfer Approval Form

"Be it resolved: To approve the Fund Transfer Approval Form to transfer $3,778.18 from Union Bank operating account ending in ……2795 to the Union Bank Reserve account ……2787 to reimburse the Replacement Fund capital expenditure invoices paid by the Operating Fund on behalf of the Replacement Fund."

Moved, Seconded, Carried 3-0

5. Delinquency Report

The Board reviewed the Delinquency Report.

- <u>Account for Foreclosure</u>
  - ASAP - Account R0244174U0049164 - Proceed with Foreclosure

"Be it resolved: To inform A.S.A.P. that the Board decided to no longer wait for a short sale settlement and made a decision to proceed with foreclosure."

Moved, Seconded, Carried 3-0

- <u>Accounts for Collection</u>
  - ASAP - Account #R0191167U0049142 for Collection

"Be it resolved: To approve sending delinquent account #R0191167U0049142 to A.S.A.P. for collection."

Moved, Seconded, Carried 3-0

  - ASAP - Account #R0246336U0049126 for Collection

"Be it resolved: To approve sending delinquent account #R0246336U0049126 to A.S.A.P. for collection."

Moved, Seconded, Carried 3-0

  - ASAP - Account #R0191169U0049144 for Collection

"Be it resolved: To resend delinquent account #R0191169U0049144 to A.S.A.P. for collection. The Board resolution was returned due to the original Board resolution not being dated when signed."

Moved, Seconded, Carried 3-0

6. Items of Business

- Landscape Review

Residents are not to be planting anything in the strip of land directly outside the units. That land is common area.

- Carport Project

The Board will be working on a letter for a Town Hall Meeting to talk to homeowners about the impending proposed carport project and special assessment.

- Property Tax Bill for 2013-2014

“Be it resolved: To pay the property tax bill for 2013-2014 for $172.96 for Unit 105 currently in the Association’s name. Management informed the Board that attorneys usually do not recommend Association’s pay tax bills on a unit that an Association acquires through foreclosure.”

Moved, Seconded, Carried 3-0

- IRS Tax Resolution for Year-Ending December 31, 2013

"Be it resolved; that any excess of membership income over membership expenses as defined in Internal Revenue Code Section 277 for the year ended December 31, 2013 shall be applied against our subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604."

The Resolution passed with three (3) YES votes and zero (0) NO votes by the membership. Ballots were mailed to the Membership with the Annual Meeting packet.

Moved, Seconded, Carried by Acclamation

- Reimbursement for Pizza at Meeting

“Be it resolved: To approve a reimbursement to President Liles in the amount of $29.01 for a pizza and soda purchased for those in attendance at the Board meeting.”

Moved, Seconded, Carried 2-0-1

- Reimbursement for Paint

“Be it resolved: To approve a reimbursement to Board member Denece Buserwini in the amount of $20.21 for a can of Sherwin Williams paint for the Association.”

Moved, Seconded, Carried 2-0-1

- Disclosure Letter for Certified Managers

The required Annual Disclosure Letter for Certified Managers was provided to the Board stating that Manager Schoeffner is certified and has been since August 2002.

7. **Adjourn -** There being no further business the Board of Directors meeting was adjourned at 9:03 p.m. The next scheduled meeting will be February 20, 2014 starting at 7:00 p.m.

Approved:

____ _____________________________

Board Signature Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Town Hall Board of Directors Meeting
Thursday, February 20, 2014
At the Pool Clubhouse

MINUTES

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Director

Also present: Approximately 15 Members, A.C. Enterprises, Inc. (Andrew Chekene, Carlo Baldacchino, and Todd Schulze), Maureen Behrendt of Richard Avelar and Associates, and Manager Linda Schoeffner of RealManage.

1. Call to Order

President Jehan Liles called the Board of Directors Meeting to order at 7:13 p.m.

2. Proposed Carport Replacement Project Presentation

A.C. Enterprise, Inc. and Maureen Behrendt of Richard Avelar and Associates were present to provide a presentation on the proposed carport replacement project.

A lengthy question and answer session was held.

3. Proposed Special Assessment for Project

President Jehan Liles spoke to the Members about the potential cost of the proposed carport replacement project (approximately $650,000-$700,000) and about a proposed special assessment to help fund it. The members asked if there were other options to help lower the cost. The Board will schedule a Board meeting before March 20, 2014 to further discuss the project and funding.

4. Adjourn - There being no further business, the meeting was adjourned at 9:03 p.m.

I certify that the above is true and correct:

DBuser_______________________ 4/17/14_______________

Board Signature Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Board of Directors Meeting
March 4, 2014
At the Pool Clubhouse

MINUTES

1. Call to Order

President Jehan Liles called the Board of Directors Meeting to order at 7:15 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Director

Also present: Manager Linda Schoeffner from RealManage

2. Homeowners' Forum

- Attorney Sandy Bonato of Berding and Weil attended and informed the Board and Homeowners that were present on options that could help the members afford a Special Assessment for the carport project.

A homeowners' forum was held. There were six (6) homeowners in attendance. Items discussed were: carport possible cost for #1 design, options that included carport removal, survey, special assessment/payment plan, paint colors for doors, watersheds, etc. and renter/owner occupancy.

3. Secretary's Report

- Approval of Minutes
  - January 16, 2014 Board of Directors Meeting

"Be it resolved: To approve the January 16, 2014 Board of Directors meeting minutes as presented by RealManage."

Moved, Seconded, Carried 3-0

- February 20, 2014 Town Hall Meeting

"Be it resolved: To approve the February 20, 2014 Town Hall Meeting minutes as presented by RealManage."

Moved, Seconded, Carried 3-0

4. Treasurer's Report

The Board reviewed the January 31, 2014 financials prepared by RealManage.

5. Delinquency Report

The Board reviewed the delinquent accounts on the February 28, 2014 Collection Candidates Report.

6. Items of Business

- Carport Project

Another Town Hall Meeting will take place regarding the carport project as soon as the Board has options for the Special Assessment that will be needed to help fund this project.

- Special Assessment Cover Letter/Ballot

Attorney Sandy Bonato of Berding and Weil will draft the cover letter and ballot for the carport project once the Board obtains all the information they need.

- Homeowner Request for Storage Room Repair - Unit 501

"Be it resolved: To approve item #3 only on Golden Oak Construction's proposal to "Remove and bag all sheetrock in the storage room. Insulation is not normally installed in storage closets, and is not part of this proposal. If there is insulation, then it will be treated as a change order." Cost to be determined.

Moved, Seconded, Carried 3-0

- Landscape Proposal/ Tree Removals

The Board reviewed Labat's Tree Care's proposal for $2,500 to remove several large trees. The Board will meet with Labat's to go over the trees that were recommended for removal before taking out any trees.

- Pool Area/Clubhouse Furniture

"Be it resolved: To allow Board Members Denece Buserwini and Yvonne Wiltse to purchase pool/clubhouse furniture for an amount not to exceed $2,000."

Moved, Seconded, Carried 3-0

- Levy, Erlanger and Company's Year-end Review 2013/2012 DRAFT – Tabled
- State Tax Return for Year Ending December 31, 2013 – Tabled
- HOA Tax List – Tabled

7. Adjourn - There being no further business the Board of Directors meeting was adjourned at 9:39 p.m. The next scheduled meeting will be April 17, 2014 starting at 7:00 p.m.

Approved:

DBW

Board Signature

4/17/14

Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Board of Directors Meeting
April 17, 2014
At the Pool Clubhouse

MINUTES

1. Call to Order

President Jehan Liles called the Board of Directors Meeting to order at 7:15 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Director

Also present: Manager Linda Schoeffner from RealManage

2. Homeowners' Forum

- A Representative from Wells Fargo attended the Homeowners Forum and discussed what options homeowners would have to pay a Special Assessment for the carport project (refinance or take out a line of credit).

A homeowners' forum was held. There were five (5) homeowners in attendance. Items discussed were options for financing the special assessment and to send a carport survey to the membership to find out how many would pay a "one-time" payment or need other options for financing.

3. Secretary's Report

- Approval of Minutes
    - March 4, 2014 Board of Directors Meeting

"Be it resolved: To approve the March 4, 2014 Board of Directors meeting minutes as presented by RealManage."

Moved, Seconded, Carried 3-0

4. Treasurer's Report

The Board reviewed the March 31, 2014 financials prepared by RealManage. The Board signed a new Union Bank signature card that will be submitted to Union Bank by RealManage.

- Levy, Erlanger and Company's Year-end Review 2013/2012

"Be it resolved: To approve Levy, Erlanger and Company's Year-End Review for 2013/2012."

Moved, Seconded, Carried 3-0

- Levy, Erlanger and Company/State Tax Return for Year Ending December 31, 2013

"Be it resolved: To approve Levy, Erlanger and Company's State Tax Return for Year Ending December 31, 2013."

Moved, Seconded, Carried 3-0

5. Delinquency Report

The Board reviewed the delinquent accounts on the April 14, 2014 Collection Candidates Report.

- Account for Collection

"Be it resolved: To send account #R0246336U0049126 to A.S.A.P. Collection Services for collection."

Moved, Seconded, Carried 3-0

6. Items of Business

- Landscape Review

Management requested a proposal from The Landscape Company (TLC) to install drought tolerant plantings in front of a portion of the 700 Building.

  - Tree Trim/Removals

"Be it resolved: To approve Labat's Tree Care's proposal for $2,500 to remove 2 eucalyptus by pool area, remove one (1) leaning pine, side trim one (1) eucalyptus in back grassy area; back of 700 building trim pines and eucalyptus off roof and remove one (1) small ash; remove a couple of sucker redwoods in back far corner."

Moved, Seconded, Carried 3-0

- Carport Project

  - Special Assessment Cover Letter/Ballot

Attorney Sandy Bonato of Berding and Weil submitted a proposal to draft the cover letter and ballot for the carport project for $12,000. Unknown issues can take the base estimate higher at rate of $285 to $350 per hour.

- Architectural Modification/Unit 501 - Window Replacement/Stucco Repair

"Be it resolved: To approve the architectural application for the exterior modification for a window replacement and stucco repair at Unit 501. The City of Danville signed off on the building permit that was submitted to the Board."

Moved, Seconded, Carried 3-0

- Clubhouse Reservation Form

The Board made revisions to the Clubhouse Reservation Form that will be mailed to the membership for a 30-day comment period before making a decision.

- Global Maintenance

"Be it is resolved: To approve the Global Maintenance proposal for janitorial service one (1) day every other week for $200 during the swim season and $135 for the off-season months."

Moved, Seconded, Carried 3-0

- Water Heater Shed Repair Building 100/200 – Tabled

- Soft Sub Floor Repair/ Unit 803

"Be it resolved: To approve having Golden Oak Construction repair the "soft" sub floor inside unit #803 for an amount not to exceed $1,000. The owner will be responsible for lifting and relaying the carpet."

Moved, Seconded, Carried 3-0

- Pool Area/Clubhouse Furniture

The Board previously approved Board member Denece Buserwini to spend $2,000 for pool and clubhouse furniture. Denece purchased several pieces of furniture for inside the clubhouse and was given some pool furniture that she donated to the Association at no cost. Denece will purchase an umbrella from the funds and use the balance for other pool area improvements, such as pool bathroom upgrades.

- Pool Opening Date - The pool will open May 1st.

- HOA Task List - The Board reviewed a list of task items from the previous meetings that were completed.

- DRV Report - The Board was provided a copy of the April 2014 DRV for review.

- Appoint Officer Position

Be it resolved: To appoint Board Member Denece Buserwini as Secretary on the Board of Directors."

Moved, Seconded, Carried 2-0-1

7. **Adjourn** - There being no further business the Board of Directors meeting was adjourned at 9:39 p.m. The next scheduled meeting will be May 15, 2014 starting at 7:00 p.m.

Approved:

Board Signature

6/19/14

Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Board of Directors Meeting
May 15, 2014
At the Pool Clubhouse

MINUTES

1. Call to Order

President Jehan Liles called the Board of Directors Meeting to order at 7:09 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Secretary

Also present: Manager Linda Schoeffner from RealManage

2. Homeowners' Forum

A Homeowners Forum took place. Items of discussion were questions about the carport project, plumbing issue that came from another unit before repairs were made inside that unit, and plumbing reimbursement.

3. Secretary's Report

- Approval of Minutes
    - April 17, 2014 Board of Directors Meeting

"Be it resolved: To approve the April 17, 2014 Board of Directors meeting minutes as presented by RealManage."

Moved, Seconded, Carried 3-0

4. Treasurer's Report

The Board reviewed the April 30, 2014 financials prepared by RealManage.

5. Delinquency Report

The Board reviewed the delinquent accounts on the May 8, 2014 Collection Candidates Report.

6. Items of Business

- Landscape Review

Management requested a proposal from The Landscape Company (TLC) to install drought tolerant plantings in front of a portion of the 700 Building.

- Carport Project
    - Carport Project/Special Assessment Homeowner Survey

The Board reviewed a draft survey on the carport and special assessment project to mail tithe Membership to help gain feedback on how to proceed.

- Tree Damage to Units 901 & 902

The owners of units 901 & 902 attended the meeting to report damage to the back of their units from a redwood tree. Management will request that Golden Oak Construction meet with the owners to report findings and a recommendation for repairs.

- Clubhouse Reservation Form

The Board made revisions to the proposed Clubhouse Reservation Agreement Request Form that will be mailed to the membership for a 30-day comment period before adopting at the August Board meeting.

- Water Heater Shed Repair Building 100/200

The Board reviewed two proposals (Golden Oak Construction and Style Construction) to repair the water heater shed between Buildings 100 and 200 from mud getting inside and causing the pilot light to go out. President Lyles requested the proposals be revised so the water heater is raised off the ground. Management will obtain revised proposals.

- Bathroom Upgrades

The Board inspected the pool bathrooms and decided they needed a little updating. Management will request two proposals for Board review.

- DRV Report - The Board was provided a copy of the April 2014 DRV for review.

7. **Adjourn** - There being no further business the Board of Directors meeting was adjourned at 8:53 p.m. The next scheduled meeting will be June 19, 2014 starting at 7:00 p.m.

Approved:

______________________ 6/19/14

Board Signature Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Board of Directors Meeting
June 19, 2014
At the Pool Clubhouse

MINUTES

1. **Call to Order**

President Jehan Liles called the Board of Directors Meeting to order at 7:15 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
Director absent	Denece Buserwini	Secretary
Also present:	Manager Linda Schoeffner from RealManage	

2. **Homeowners' Forum**

A Homeowners Forum took place. Items of discussion were questions the carport project, special assessment, and possible options for homeowner financing.

3. **Secretary's Report**

- **Approval of Minutes**
    - May 15,, 2014 Board of Directors Meeting

"Be it resolved: To approve the May 15, 2014 Board of Directors meeting minutes as presented by RealManage."

Moved, Seconded, Carried 2-0

4. **Treasurer's Report**

The Board reviewed the May 31, 2014 financials prepared by RealManage.

- **Reserve Study Proposal**

"Be it resolved: To approve Community Reserve Solution's proposal for a full reserve study for $750."

Moved, Seconded, Carried 2-0

5. **Delinquency Report**

The Board reviewed the delinquent accounts on the June 16, 2014 Collection Candidates Report.

- **ATC Assessment Collection Group** – Request Trish Black attend the August Board meeting.

6. **Items of Business**

- **Landscape Proposals**
  - **Drought Tolerant Landscaping**

The Board reviewed The Landscape Company (TLC) proposal to install drought tolerant plantings in front of specific Buildings. The prices were too high. The Board requested a landscape walkthrough be scheduled.

  - **2014-15 Seasonal Irrigation Clock in Pool Area**

Station 1 has a bad valve that needs to be replaced. The groundcover is not watering around the 100 and 200 buildings: wire problems need to be tracked, located, and repaired on a time and material bases for an amount not to exceed $905. The Board tabled this item at this time.

- **Carport Project/Special Assessment Homeowner Survey**

The Board reviewed a draft survey on the carport project and payment options to mail to the Membership for feedback on the project.

- **Clubhouse Reservation Form 30-Day Comment Period**

"Be it resolved: To send the revised proposed Clubhouse Reservation Agreement Request Form to the membership for a 30-day comment period before adopting at the August Board meeting."

Moved, Seconded, Carried 2-0

- **Tree Damage to Units 901 & 902**

Management will contact ESR (Engineer Soil Repair) and request that Chris Wilhite contact the owners of Units 901 and 902 to inspect and evaluate what is causing damage to the structure and to report findings.

- **Unfinished Business**
  - **Fence Repairs**

The Board reviewed fence proposals from Golden Oak Construction and The Landscape Company and will check that the locations describes were correct.

  - **Water Heater Shed Repair Building 100/200** - Tabled
  - **Bathroom Upgrades**

The Board reviewed Golden Oak Construction's proposal for renovations to the pool bathrooms and requested modifications to the proposal. The Board also agreed that only one (1) bathroom will be renovated at this time. Additional proposals will be obtained.

  - **Reserve Account Bank Interest**

Board member Denece Buserwini questioned the fee being charged on the Union Bank Replacement Account statement. The fee is actually an interest payment paid to the Association on funds in the account.

  - **PG&E Audit**

Management will schedule a PG&E audit to find ways to cut back on energy usage and save money.

- **DRV Report** - The Board was provided a copy of the June 2014 DRV for review.

7. **Adjourn** - There being no further business the Board of Directors meeting was adjourned at 9:08 p.m. The next scheduled meeting will be August 21, 2014 starting at 7:00 p.m.

Approved:

Board Signature

8/21/14

Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Board of Directors Meeting
November 21, 2013
At the Pool Clubhouse

MINUTES

An Executive Session took place prior to tonight's Board meeting to discuss the carport project with two potential contractors.

1. Call to Order

President Jehan Liles called the Board of Directors Meeting to order at 7:09 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Director

Also present: Manager Linda Schoeffner from RealManage

2. Homeowners' Forum

- A homeowners' forum was held. There was one (1) homeowner in attendance. Items discussed was the a request to have Ed Reeder put the pool furniture away for the winter, lock up the pool bathrooms for the winter, copies of DRV letters are to be emailed to Board for review, and bring a sign-in sheet to the Board meetings for homeowners in attendance to sign.

3. Secretary's Report

- Approval of Minutes
    - October 17, 2013 Board of Directors Meeting

"Be it resolved: To approve the October 17, 2013 Board of Directors meeting minutes as presented by RealManage."

Moved, Seconded, Carried 3-0

- October 17, 2013 DRAFT Annual Membership Meeting

Management included the DRAFT October 17, 2913 Annual Membership Meeting Minutes for the Board to review for changes or additions. These minutes will be approved at the 2014 Annual Membership Meeting.

4. Treasurer's Report

The Board reviewed the October 31, 2013 financial prepared by RealManage.

- Wells Fargo Reserve Account Charging Late Fees and Interest

The Board requested management contact Wells Fargo to find out what these fees are for and to see if they will credit the account and waive these fees in the future.

- PG&E Charges Too High

The Board requested PG&E conduct an audit to find out why the PG&E bill was $3,664 over budget on the October 31, 2013 Revenue and Expense Report.

5. Delinquency Report

The Board reviewed the Delinquency Report.

- Accounts for Collection
    - ASAP - Account R0244174U0049164 Short Sale Settlement Request

"Be it resolved: To inform A.S.A.P. that the Board denied the request for a short sale settlement in the amount of $4,000. The Board is requesting that the homeowner pay the total amount owed to the Association plus collection fees."

Moved, Seconded, Carried 3-0

- ASAP - Account #R0191167U0049142 for Collection

"Be it resolved: To send delinquent account #R0191167U0049142 to A.S.A.P. for collection."

Moved, Seconded, Carried 3-0

6. Items of Business

- Landscape Review

"Be it resolved: To approve having Labat's Tree Care remove the big eucalyptus behind the pump room that is choking the redwood and sick pine for $1,450. The Board approved spending $2,500 in January 2014 for tree removal which includes the $1,450 for the eucalyptus."

Moved, Seconded, Carried 3-0

- Maintenance and Repair
    - Clubhouse Renovation - Floor Color

Floor Acid Wash: Rust-O-Leum Concrete Stain - Color: Earth Brown. The Board approved Rust-O-Leum Concrete Stain color "Earth Brown" as the acid wash color that Golden Oak will be using on the clubhouse floor.

- Carport Project

The Board met with two potential contractors in Executive Session prior to tonight's Board meeting to discuss the carport project.

- Officer Positions – Tabled

- Reimbursement for Pizza at Meeting

"Be it resolved: To approve a reimbursement to President Liles in the amount of $39.37 for a pizza purchased for those in attendance at the Board meeting."

Moved, Seconded, Carried 2-0-1

7. **Adjourn** - There being no further business the Board of Directors meeting was adjourned at 8:18 p.m. The next scheduled meeting will be determined due to the holidays. The Board adjourned to Executive Session to discuss an account for foreclosure.

Approved:

Yvonne Wilton
Board Signature

1/16/14
Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION
EXECUTIVE SESSION
November 21, 2013
At the Pool Clubhouse

MINUTES

1. Call to Order

President Jehan Liles called the Executive Session to order at 6:10 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Director

Also present: Manager Linda Schoeffner from RealManage

2. Interview Contractors

The Board interviewed AC Enterprise and M.I. Nielson as two potential contractors to consider for the carport renovation project. Both contractors were invited to bid on the project through Richard Avelar and Associates. The Board will determine if they can raise the money for the project through a Special Assessment before signing one of the contracts.

3. Adjourn - There being no further business the Executive Session was adjourned at 6:56 p.m.

Approved:

Yvonne Wiltse
Board Signature

1/16/14
Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION
EXECUTIVE SESSION
November 21, 2013
At the Pool Clubhouse

MINUTES

1. Call to Order

President Jehan Liles called the Executive Session to order at 8:20 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Director

Also present: Manager Linda Schoeffner from RealManage

2. Resolution to Initiate Collection

"Be it resolved: To approve sending account #R0205075U0049159 (APN#196-580-041) to A.S.A.P. for collection."

Moved, Seconded, Carried 3-0

3. **Adjourn** - There being no further business the Executive Session was adjourned at 8:40 p.m.

Approved:

Yvonne Wiltse
Board Signature

1/16/14
Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Board of Directors Meeting
September 24, 2014
At the Pool Clubhouse

MINUTES

1. Call to Order

President Jehan Liles called the Board of Directors Meeting to order at 7:04 p.m.

Directors present:	Jehan Liles	President
	Yvonne Wiltse	Treasurer
	Denece Buserwini	Secretary

Also present: Manager Linda Schoeffner from RealManage

2. Homeowners' Forum

- **Guest Vendor: Trish Black of Angius and Terry Collection (ATC)**

Trish Black of Angius and Terry Collection (ATC) discussed ATC's collection process/procedures and answered questions the Board had.

A Homeowners Forum took place. Items of discussion were questions regarding the carport project and financing the project, structural damage to units 901 and 902 due to tree roots, etc., fence repair at entry, vandalism, surveillance cameras, fence replacement at end of 900 parking lot, install signs back onto the 100 fence at the end of the upper parking spaces, boxes in trash area, trash behind retaining wall behind 100 carports, trash company to replace or power wash the dumpsters and water conservation.

3. Secretary's Report

- **Approval of Minutes**
    - August 21, 2014 Board of Directors Meeting

"Be it resolved: To approve the August 21, 2014 Board of Directors meeting minutes as presented by RealManage."

Moved, Seconded, Carried 2-0-1

4. Treasurer's Report

The Board reviewed the August 31, 2014 financials prepared by RealManage.

5. Delinquency Report

The Board reviewed the delinquent accounts on the September 22, 2014 Collection Candidates Report.

- ASAP Case No. 11-07078 requested that late fees be waived from the account. The Board denied this request.

6. Items of Business

- **Carport Project & Survey Results**

Twenty-eight (28) surveys were received. The results were as follows:

1. **BUILD NEW CARPORTS – 13 + 3 = 16**

The amount quoted seems very expensive. New carports are definitely needed yet not at such a high cost.
New carports vital for re-sale. Would not mind if removed and left open. In that case one time full payment. Less maintenance.
Would like another meeting to discuss other options instead of removing and have nothing. There should be an option between the two.
Yes, but not to this proposal.

2. **REMOVE CARPORT COMPLETELY AND LEAVE OPEN – 8 + 2 = 10**

Our unit already paid $3,000 for the carport please explains what happened to that?
We can't afford this. It's too much at once.
Lived in complex many years, recently retired on fixed income. Proposed $15,000 a financial hardship. Vote to tear them down.
Explore repair possibility with Town of Danville Bldg Dept. My experience they are supportive help owner to avoid financial hardship.
Would love new carports!! $15K lot of money; Don't think all h/os will pay. Can we see all bids? 2005/2006 quotes much less.
Why carports better/nicer than townhomes? Would rather paint/clean-up. I'm torn. Want home/area to look nice, but again
15K is high. Not all will pay. Could come after us for more money?? I would pay $8,000 as long as all pay and that is all that is asked of us.

3. **OTHER OPTION - 1**

4. **NO CHECKS - 1**

PAYMENT OPTIONS:

5. **PAY IN FULL ("ONE TIME" PAYMENT) – 5**

COMMENTS:
Cost to be significantly lower before most will approve structures. I am prepared to "bite the bullet" to pay. They should be replaced.
No preference unless "one time" is cheaper.

6. **DOWN PAYMENT AND INSTALLMENT PLAN THOUGHT THE ASSOCIATION – 7**

7. **OTHER – 2**

8. **UNDECIDED BETWEEN 2 & 3 –12**

The Board is looking at options for a less expensive carport. A Town Hall will take place for the membership with questions and answers prior to voting on any carport design. The Board requested proposals to demolish the 900 carport due to safety or all carports.

- **Landscape Review** – Tabled

- **Sewer Line Cleanout on All Buildings** – Tabled for a second proposal

- **Annual Gutter and Downspout Cleaning**

"Be it resolved: To approve Commercial Gutter and Cleaning's proposal for $1,220 for the annual gutter and downspout cleaning."

Moved, Seconded, Carried 3-0

- **Reserve Study Update Proposal (3-Year Inspection)**

"Be it resolved: To approve Community Reserve Solutions proposal for $750 to update the reserve study on capital expenditures and 30-Year Funding Disclosure."

Moved, Seconded, Carried 3-0

- **Janitorial Monthly Service Agreement**

"Be it resolved: To approve increasing Global Maintenance's service from one (1) day every two weeks to every week. Winter Service (November–April) will be $235 per week and Summer Service (May-October) will cost $350 per week."

Moved, Seconded, Carried 3-0

  - Gift Card

"Be it resolved: To approve $500 for a gift card to Handyman Ed Reeder for his many years of service maintaining the recycling for the Association."

Moved, Seconded, Carried 3-0

- **Water Heater Shed Repair Update**

"Be it resolved: To approve Cal Helical Solutions proposal to raise the water heater off the ground inside the water heater shed behind the 100/200 Buildings for $2,000. The Board requested a formal proposal be submitted for signature."

Moved, Seconded, Carried 3-0

- **Fence Repair Update**

  - **Building 100 End Fence at End of Upper Driveway**

"Be it resolved: To approve Golden Oak Construction's increase in cost for the fence replacement and masonry wall at the end of the upper driveway for $2,132.24 to match the existing fence."

Moved, Seconded, Carried 3-0

  - **Entry Fence**

The Landscape Company replaced a fallen section of fence at the entrance into the Association. The Board requested a proposal from The Landscape Company to replace another leaning section of fence at the end of the entrance.

- **Tree Damage to Units 901 & 902 & Screw Jacks Building 100**

Labat's Tree Care submitted a proposal to remove five (5) redwood trees behind and around Building 900 for $875. The Board requested a formal proposal for signature.

- **Number of Board Members**

The Board recently reduced the number of Board members due to difficulty in establishing a Board quorum to hold meetings. The number of Board members was reduced from five (5) members to three (5). The Board has recently had more interest in members serving on the Board. The Board requested a cost to increase the number of Board members.

- **EQ Insurance**

The Board signed the documents from Gordon Insurance to renew the Earthquake Insurance for -2014-2015.

7. **Adjourn -** There being no further business the Board of Directors meeting was adjourned at 9:45 p.m. The next scheduled meeting will be October 16, 2014 at the clubhouse starting at 7:00 p.m.

Approved:

JR

Board Signature

10/16/14

Date

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

c/o RealManage
7655 Redwood Blvd, Suite 100
Novato, CA 94945

CLUBHOUSE RESERVATION AGREEMENT REQUEST
(Must be completed by the legal homeowner)

Requestor Information

Name(s):____

Resident Address: ____

Home Number: _________________________ Work Number: __________________________

Cell Number: __________________________ Email: _______________________________

Event Information

Date of Event: ____________________________ Start Time: _______ End Time: _______

Type of Event: ____

Number of People Expected: _______________ Will Alcohol be served: Yes_____No_____
(See Conditions & Restrictions)

Application and Deposit

This application and a refundable deposit check in the amount of $250.00 and a separate non-refundable check for $75 are for the rental of the Clubhouse. Both checks are payable to Danville Townhomes Homeowners Association. The application and checks must be received at the management office **12 days in advance of the event date**. The deposit check will be returned once the facilities have been inspected and it is determined that there is no damage.

If upon inspection it is found that damage has occurred, the $250.00 check will be deposited into the Association's operation account to pay for the damage. Should the cost of the damage/repair be less than $250.00, the difference will be refunded. Should the damage go over $250.00, the facility renter (Unit Owner) will also be responsible for the additional cost.

Please send the completed application, a $250.00 deposit check, and an additional $75.00 rental fee check to Danville Townhomes Homeowners Association, c/o RealManage, 7655 Redwood Blvd, Suite 100, Novato, CA 94945.

Conditions and Restrictions

1. If alcohol will be served, the requestor is required to provide a certificate of insurance for the event that includes liability insurance on not less than $1,000,000.00. Initial ________
2. Using the Clubhouse **DOES NOT** include use of the pool or pool area. Initial ________
3. The attached checklist will be used after my event. Initial ________

I certify that the above information is true and correct and that I accept all liability associated with hosting the above function in the Clubhouse at the Danville Townhomes Homeowners Association.

Signature ____________________________________ Date ____________________________________

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Clubhouse Checklist

The tasks below need to be completed and checked off before exiting the Clubhouse after your event.

- ☐ **CLOSE ALL WINDOWS AND LOCK THE DOORS. OPEN WINDOWS MAKE THE ROOM ACCESSIBLE TO UNAUTORIZED PERSONS.**
- ☐ **Close and lock the sliding glass doors.**
- ☐ **Turn off the heater or air conditioner.**
- ☐ **Make sure the sink and counter are clean.**
- ☐ **Clean the entire room, sweep, and damp mop.**
- ☐ **If you move any furniture put all furniture back the way it was before your event.**
- ☐ **Decorations may be taped to a wall. No nails or pins may be used that cause holes in the walls. Please remove any tape or decorations.**
- ☐ **Turn off all lights.**
- ☐ **Do not leave any trash behind. All trash must be disposed in the dumpsters.**
- ☐ **No Smoking.**

Your neighbor may be renting the room after you and would appreciate finding the room clean and orderly.

Capacity: 40 persons max

This is your community and the room is to be used only on a rental basis. Ensuring the doors are locked is crucial and will prevent unauthorized people (including those not living the in the Association) from using our clubhouse.

May 30, 2014

Danville Townhomes Homeowners' Association

June 26, 2014

RealManage
POWERED BY CIRACONNECT

Dear Neighbor:

PROPOSED CLUBHOUSE RESERVATION AGREEMENT REQUEST

Now that the clubhouse has been renovated the Board wants to give its members the opportunity to rent the clubhouse out for parties, meetings, etc. Attached is the proposed DRAFT Clubhouse Reservation form for a 30-day comment period before adopting at the next Board meeting. Please review it and submit your comments to RealManage in writing by July 31, 2014. If you have any comments please Email them to service@ciramail.com, fax them to 415-367-9045, or mail to RealManage, 7655 Redwood Boulevard Suite 100, Novato, CA 94945.

DROUGHT REMINDER

We would also like to take this opportunity to remind everyone that California is in a severe drought and that the County has requested everyone cut back on water usage. To help reduce water usage, Danville Townhomes is prohibiting the use of water for car washing at the Association until further notice.

We would also like to ask that all residents be mindful of water usage inside the units. Please check for dripping faucets, a "shhhhhhhhhh" sound coming from your toilet(s) (basically money going down the drain), and have these types of plumbing issues repaired as soon as possible.

POOL REMINDER

Last, but not least, since we are in pool season, please remember that children 14 years old and younger need to have their parents (or guardians) with them when they are at the pool. iT is NOT other adults responsibility to watch someone else's kids. Unsupervised children can result in losing pool privileges for the season.

Sincerely,

Linda Schoeffner, CCAM
Community Association Manager
On behalf of the Danville Townhomes Board of Directors

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

c/o RealManage
7655 Redwood Blvd, Suite 100
Novato, CA 94945

CLUBHOUSE RESERVATION AGREEMENT REQUEST
(Must be completed by the legal homeowner)

Requestor Information

Name(s):____

Resident Address: ____

Home Number: ______________________ Work Number: _______________________

Cell Number: _______________________ Email: ____________________________

Event Information

Date of Event: _________________________ Start Time: ______ End Time: ______

Type of Event: ____

Number of People Expected: ______________ Will Alcohol be served: Yes_____No_____
(See Conditions & Restrictions)

Application and Deposit

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Please send the completed application, a $250.00 deposit check, and an additional $75.00 rental fee check to Danville Townhomes Homeowners Association, c/o RealManage, 7655 Redwood Blvd, Suite 100, Novato, CA 94945.

Conditions and Restrictions

1. If alcohol will be served, the requestor is required to provide a certificate of insurance for the event that includes liability insurance on not less than $1,000,000.00. Initial ________
2. Using the Clubhouse **DOES NOT** include use of the pool or pool area. Initial ________
3. The attached checklist will be used after my event. Initial ________

I certify that the above information is true and correct and that I accept all liability associated with hosting the above function in the Clubhouse at the Danville Townhomes Homeowners Association.

Signature _______________________________ Date ______________________________

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

Clubhouse Checklist

The tasks below need to be completed and checked off before exiting the Clubhouse after your event.

□ **CLOSE ALL WINDOWS AND LOCK THE DOORS. OPEN WINDOWS MAKE THE ROOM ACCESSIBLE TO UNAUTHORIZED PERSONS.**

□ **Close and lock the sliding glass doors.**

□ **Turn off the heater or air conditioner.**

□ **Make sure the sink and counter are clean.**

□ **Clean the entire room, sweep, and damp mop.**

□ **If you move any furniture, put all furniture back the way it was before your event.**

□ **Decorations may be taped to a wall. No nails or pins may be used that cause holes in the walls. Please remove any tape or decorations.**

□ **Turn off all lights.**

□ **Do not leave any trash behind. All trash must be disposed in the dumpsters.**

□ **No Smoking.**

Your neighbor may be renting the room after you and would appreciate finding the room clean and orderly.

Capacity: 40 persons max

This is your community and the room is to be used only on a rental basis. Ensuring the doors are locked is crucial and will prevent unauthorized people (including those not living in the Association) from using our clubhouse.

Adopted August 21, 2014

DocuSign Envelope ID: E2D97978-4D29-4430-ABE4-AE58EE9A9C2F

ACORD®

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 9/12/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Professional Insurance Associates
Dave Gordon K-2
P.O. Box 1266
San Carlos CA 94070

CONTACT NAME: Jody Nelson
PHONE (A/C, No, Ext): (650) 654-5555 FAX (A/C, No): (650) 654-5550
E-MAIL ADDRESS: jjones@gordoninsurance.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Travelers Casualty & Surety Co	19038
INSURER B : Great American Insurance	16691
INSURER C : Republic Indemnity Insurance	22179
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Danville Townhomes
Real Manage
7655 Redwood Blvd., Ste. 100
Novato CA 94945

COVERAGES **CERTIFICATE NUMBER:** CL1391205674 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS-MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC			I-680-6915R843	9/10/2013	9/10/2014	EACH OCCURRENCE	$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
							GENERAL AGGREGATE	$ 2,000000
							PRODUCTS - COMP/OP AGG	$ 2,000,000
								$
A	AUTOMOBILE LIABILITY ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS X NON-OWNED AUTOS X			I-680-6915R843	9/10/2013	9/10/2014	COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
B	X UMBRELLA LIAB OCCUR EXCESS LIAB CLAIMS-MADE DED RETENTION $			UM2388452/1490260	9/10/2013	9/10/2014	EACH OCCURRENCE	$ 5,000,000
							AGGREGATE	$ 5,000,000
								$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A		173540-07	9/10/2013	9/10/2014	WC STATU-TORY LIMITS OTH-ER	
							E.L. EACH ACCIDENT	$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
B				EPP3312754-02	9/10/2013	9/10/2014		

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Should any of the above-described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. *10 days notice will be given for nonpayment of premium.

CERTIFICATE HOLDER

linda.schoeffner@realmanag

Danville Townhomes
C/O Real Manage
7655 Redwood Blvd., Ste. 100
Novato, CA 94945

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
David Gordon/JODY David Gordon

DocuSign Envelope ID: E2D97978-4D29-4430-ABE4-AE58EE9A9C2F

ACORD®

CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY): 9/12/2013

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

If this certificate is being prepared for a party who has an insurable interest in the property, do not use this form. Use ACORD 27 or ACORD 28.

PRODUCER
Professional Insurance Associates
Dave Gordon K-2
P.O. Box 1266
San Carlos CA 94070

CONTACT NAME: Jody Nelson
PHONE (A/C, No, Ext): (650)654-5555
FAX (A/C, No): (650)654-5550
E-MAIL ADDRESS: jjones@gordoninsurance.com
PRODUCER CUSTOMER ID: 00015570

INSURED
Danville Townhomes
Real Manage
7655 Redwood Blvd., Ste. 100
Novato CA 94945

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Travelers Casualty & Surety Co of	19038
INSURER B : Underwriters at Lloyds	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** CP1391202487 **REVISION NUMBER:**

LOCATION OF PREMISES / DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
394 Ilo Lane Danville CA 94526
45 Unit HOA

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
A	X PROPERTY	I-680-6915R843 Replacement Cost	9/10/2013	9/10/2014	X BUILDING	$ 10,155,661
	CAUSES OF LOSS / DEDUCTIBLES				PERSONAL PROPERTY	$
	BASIC / BUILDING 5,000				X BUSINESS INCOME	$ 12 Mo ALS
	BROAD / CONTENTS				EXTRA EXPENSE	$
	X SPECIAL				RENTAL VALUE	$
	EARTHQUAKE				BLANKET BUILDING	$
	WIND				BLANKET PERS PROP	$
	FLOOD				BLANKET BLDG & PP	$
					X BOL B&C	$ 1,000,000
	X				X Backup - Sewers /Drains	$ 100,000
	INLAND MARINE	TYPE OF POLICY				$
	CAUSES OF LOSS					$
	NAMED PERILS	POLICY NUMBER				$
						$
A	X CRIME	I-680-6915R843	9/10/2013	9/10/2014	Employee Dishonesty	$ 75,000
	TYPE OF POLICY				Forgery & Alteration	$ 75,000
					Deductible	$ 5,000
	BOILER & MACHINERY / EQUIPMENT BREAKDOWN					$
						$
B	Earthquake		9/10/2013	9/10/2014	25% Deductible w	$ 7,576,859
	BOL B&C Incl @ 10% of bldg limit	0 4 7 5 0 0 2 7 7 5 1 9 - L - 0 0			$50,000 Min per Occ	$

SPECIAL CONDITIONS / OTHER COVERAGES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
Should any of the above-described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the policy provisions. *10 days notice will be given for nonpayment of premium.

CERTIFICATE HOLDER

linda.schoeffner@realmanage.

Danville Townhomes
C/O Real Manage
7655 Redwood Blvd., Ste. 100
Novato, CA 94945

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
David Gordon/JODY

David Gordon

Danville Townhomes Homeowners Association

Professionally managed by RealManage

November 1, 2013

Dear Member,

The Board of Directors of Danville Townhomes Homeowners Association has signed a resolution to approve the assessment rate(s) and the annual budget for the 2014 fiscal year.

The assessment rate(s) will remain the same for the 2014 fiscal year. The assessment rates for the 2014 fiscal year are effective as of January 01, 2014 as follows:

> The STANDARD homeowner assessment rate for the upcoming fiscal year remains the same as last year and will be billed at $399.00 per month.

Assessments are invoiced by coupons.

As a reminder, you can access your account, register for the ACH assessment payment option, and access other association information using the RealManage Resident Portal at www.RealManage.com.

The Annual Budget for the 2014 fiscal year is attached.

Sincerely,

Danville Townhomes Homeowners Association Board of Directors

RealReports

RealManage
www.RealManage.com

Annual Budget - Resident Budget Package

Danville Townhomes Homeowners Association

Annual Budget for Fiscal Year 2014

Prepared on: 9/19/2013

Danville Townhomes Homeowners Association
Annual Budget - Resident Budget Package
Table of Contents

RealManage is pleased to deliver this Annual Budget - Resident Budget Package , which has been prepared for use by the Residents of the association.

2014 PRO FORMA OPERATING BUDGET ADMINISTRATIVE DISCLOSURES

1. **NOTICE OF RIGHTS TO MINUTES OF BOARD MEETINGS**

Civil Code Section 1363(l) obligates the Association to annually disclose a members' right to receive copies of minutes for regular board meetings. Please be advised that the following reflects the policy of
Danville Townhomes Homeowners Association.

Minutes from regular Board meetings may be obtained from RealManage by calling 1 866 473-2573 or log onto *www.realmanage.com* and use the Residential Portal link.

The official minutes (or an unapproved draft) will be available upon request within thirty days of the meeting.

2. **SUMMARY OF CALIFORNIA CIVIL CODE 1354 (B) RELATING TO ENFORCEMENT OF GOVERNING DOCUMENTS THROUGH ALTERNATIVE DISPUTE RESOLUTION**

PLEASE TAKE NOTICE: California Civil Code 1354 addresses your right to sue the Association or another member of the Association regarding the enforcement of the governing documents. The following is a summary of the provisions of Civil Code 1354, as amended effective January 1, 1994.

In general, Civil Code 1354 encourages parties in a dispute involving enforcement of an Association's governing documents to submit the dispute to a form of alternative dispute resolution (ADR) such as mediation or arbitration prior to filing a lawsuit. The intent of the statute is to promote speedy and cost-effective resolution of such disputes, to better preserve community cohesiveness and to channel CC&R disputes away from our state's court system.

Exceptions to ADR are recognized only under the following circumstances:

- The lawsuit is not solely for declaratory relief (to determine the rights of the parties under the governing documents) or injunctive relief (to compel or restrain an act).

- The dispute concerns delinquent assessments.

- The claim involves damages in excess of $5,000.00.

- The applicable statute of limitations would run within 120 days.

FAILURE BY ANY MEMBER OF THE ASSOCIATION TO COMPLY WITH THE PREFILING REQUIREMENTS OF SECTION 1354 OF THE CIVIL CODE MAY RESULT IN THE LOSS OF YOUR RIGHTS TO SUE THE ASSOCIATION OR ANOTHER MEMBER OF THE ASSOCIATION REGARDING ENFORCEMENT OF THE GOVERNING DOCUMENTS.

3. **SUMMARY OF CALIFORNIA ASSEMBLY BILL 1836 RELATING TO INTERNAL DISPUTE RESOLUTION (IDR).**

Assembly Bill 1836 strengthens and reinforces the existing ADR process as well as creates a new internal dispute resolution process that all community associations must follow prior to filing a lawsuit related to a CID dispute. The new legislation also established a default IDR Process contained within new Civil Code § 1363.840. This default IDR Process would apply to all those community associations that do not establish or adopt their own IDR Process. The statutory default process requires:

- That either party may request the other party to meet and confer in an effort to resolve the dispute. The request must be in writing.

- An Owner may refuse a request to meet and confer, but the association may not refuse a request to meet and confer.

- The association's board must designate a member of the board to participate in IDR Process.

- The parties must promptly meet at a mutually convenient time and place, explain their positions to each other and confer in good faith in an effort to resolve the dispute.

- A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

- Any agreement reached by the parties is judicially enforceable if both the following conditions are satisfied, to wit: (i) the agreement is not in conflict with law or the governing documents of the CID, and (ii) the agreement is either consistent with the authority granted by the board to its designated participant or the agreement is ratified by the board.

- Owners cannot be charged a fee to participate in the process.

If you would like to receive additional information about Civil Code Section 1354 or Assembly Bill 1836, please contact RealManage at 866 473-2573

4. SECONDARY ADDRESSES

For Fiscal Matters: Beginning January 1, 2006, any owner who desires that fiscal matters be sent to them at a secondary address as well as their primary address may do so if the request is in writing. We can accept this by Fax or letter - email is not acceptable.

For Collection Notices: Beginning January 1, 2006, any owner who desires that collection notices be sent to them at a secondary address as well as their primary address may do so if the request is in writing and delivered to the association in a manner that shall indicate the association has received it. This can be in person, by overnight delivery, by US Mail **with return receipt requested,** or any similar manner. Fax or email is not acceptable.

5. Annual Report Right to Receive

Civil Code 1365(c) A review of the financial statement of the association shall be prepared in accordance with generally accepted accounting principles by a licensee of the California Board of Accountancy for any fiscal year in which the gross income to the association exceeds seventy-five thousand dollars ($75,000). A copy of the review of the financial statement shall be distributed within 120 days after the close of each fiscal year.

Danville Townhomes Homeowners Association
Revenue and Expense Budget Summary for FY 2014

	Operating Fund	**Replacement Fund**	Consolidated
REVENUES			
Assessments			
Regular Assessments	$215,460	-	**$215,460**
Assessment Allocation	($72,611)	$72,611	
Total Assessments	$142,849	$72,611	**$215,460**
Other Income			
Total Other Income			
TOTAL REVENUES	$142,849	$72,611	**$215,460**
EXPENSES			
Operating Expenses			
Direct Operating Expenses			
Electricity	$16,000	-	**$16,000**
Landscape Maintenance	$13,388	-	**$13,388**
Pool Operating Expenses	$7,160	-	**$7,160**
Repairs and Maintenance	$8,100	-	**$8,100**
Exterminating	$3,000	-	**$3,000**
Trash Removal	$16,000	-	**$16,000**
Water and Wastewater	$19,000	-	**$19,000**
Total Direct Operating Expenses	$82,648		**$82,648**
General and Administrative Expenses			
Professional Fees	$5,020	-	**$5,020**
Bad Debts	$10,000	-	**$10,000**
Bank Charges	-	$240	**$240**
Collection Expense	$3,540	-	**$3,540**
Insurance	$23,190	-	**$23,190**
Management Fee	$16,500	-	**$16,500**
Administration	$1,951	-	**$1,951**
Total General and Administrative Expenses	$60,201	$240	**$60,441**
Total Operating Expenses	$142,849	$240	**$143,089**
Capital Expenditures (Non-capitalized)	-	$48,965	**$48,965**
Other Expenses	-	$2,880	**$2,880**
TOTAL EXPENSES	$142,849	$52,085	**$194,934**
NET SURPLUS (DEFICIT)		$20,526	**$20,526**

Danville Townhomes Homeowners Association
Cash Flow Budget Summary for FY 2014

	Operating Fund	**Replacement Fund**	Consolidated
Beginning Cash Balance (All Cash Accounts)	$11,099	$103,489	**$114,588**
Cash from Operating Activities	-	-	**-**
Net Surplus (Deficit)	-	$20,526	**$20,526**
Add Back Depreciation Expense (non-cash)	-	-	**-**
Add/Subtract Projected Decrease/Increase in A/R, Prepaid Expenses and Other Assets	-	-	**-**
Add/Subtract Projected Increase/Decrease in A/P, Prepaid Assessments, and Other Current Liabilities	-	-	**-**
Net Cash Flow from Operating Activities	-	$20,526	**$20,526**
Cash from Investing Activities	-	-	**-**
Purchase/Repair of Facilities & Equipment (Capitalized)	-	-	**-**
Net Cash Flow from Investing Activities	-	-	**-**
Cash from Financing Activities	-	-	**-**
Loan Principal Payments	-	($22,800)	**($22,800)**
Interfund Borrowing (Due To / Due From Other Funds)	-	-	**-**
Fund Transfers (Permanent Transfer To / From Another Fund)	-	-	**-**
Net Cash Flow from Financing Activities	-	($22,800)	**($22,800)**
Net Cash Increase (Decrease)	-	($2,274)	**($2,274)**
Ending Cash Balance	$11,099	$101,215	**$112,314**

Danville Townhomes Homeowners Association
Revenue and Expense Detail Notes

Fund: Operating Fund

REVENUES

Assessments

Regular Assessments

Full Rate:Homeowner (4010)	Annual Budget:	$215,460

Assessments will stay the same as 2013

Assessment Allocation

Assessment Allocation (4220)	Annual Budget:	($72,611)

Reserve Fund Allocation is based on projected component replacements listed on the 2012 Reserve Study for 2014.

Total Assessments	Annual Budget:	$142,849
Total Other Income	Annual Budget:	$0
TOTAL REVENUES	Annual Budget:	$142,849

EXPENSES

Operating Expenses

Direct Operating Expenses

Electricity

General (5010)	Annual Budget:	$16,000

PG&E ; Electricity & Gas for the common areas including heating

Landscape Maintenance

Contract (5210)	Annual Budget:	$9,888

The Landscape Company Contract is $824 per month.

General (5210)	Annual Budget:	$3,500

Additional landscape repair, replacements and lawn areation as needed.

Pool Operating Expenses

Contract Maintenance (5310)	Annual Budget:	$4,374

Picture Perfect Pool contract is $364.50 per month.

Permits (5310)	Annual Budget:	$936

Annual pool permit issued by Contra Costa Heath department.

Pool Operating Expenses (5310)	Annual Budget:	$1,850

Chemicals and repairs

Repairs and Maintenance

General (5420)	Annual Budget:	$6,000

Roto-Rooter quarterly preventative service bldg 900/800, doggie bags, irrigation repairs and other general repairs as needed.

Janitorial (5420)	Annual Budget:	$2,100

ReederJanitorial is budgeted at $175 per month.

Exterminating

Exterminating (5620)	Annual Budget:	$3,000

J-Spray quarterly service is $450 to include pest and rodent control
The Landscape Company $100 per month gopher abatement

Trash Removal

Trash Removal (5660)	Annual Budget:	$16,000
Allied Waste Service $1,182.26 per month. Additional pick up services has also been budgeted at $1,500 for the year.		
Water and Wastewater		
Water and Wastewater (5710)	Annual Budget:	$19,000
EBMUD supplies water for the common areas which include the pool and irrigation water.		
Total Direct Operating Expenses	Annual Budget:	$82,648
General and Administrative Expenses		
Professional Fees		
Auditing (6010)	Annual Budget:	$1,420
CPA services for year end Review and Income Tax preparation.		
Professional Fees (6010)	Annual Budget:	$3,600
Reserve Study update, Legal, Consultant and Non routine management services.		
Bad Debts		
Bad Debts (6020)	Annual Budget:	$10,000
Allowance for uncollectable Accounts Receivable balances.		
Bank Charges		
Collection Expense		
Collection Expense (6040)	Annual Budget:	$540
RealCollect Contract fee is based on the service level agreement. The contract includes an estimated 2% ECI increase for 2014.		
Other (6040)	Annual Budget:	$3,000
Outside Collection services for lien filings and proceedings.		
Insurance		
General, Property & Liability (6210)	Annual Budget:	$23,190
Insurance including EQ		
Management Fee		
Contract (6310)	Annual Budget:	$16,500
Management Contract Fee for managenent and financial services is based on the service level agreement. The contract fee includes an estimated 2% ECI increase for 2014.		
Administration		
Administration (6410)	Annual Budget:	$960
Administrative Contract fee is based on the service level agreement. The contract includes an estimated 2% ECI increase for 2014.		
Coupons (6410)	Annual Budget:	$85
Homeowner coupon books to ensure timely assessment income.		
Licenses, Permits and Filing Fees (6410)	Annual Budget:	$120
Annual Secretary of State, Registered Agent and State tax filing fees.		
Miscellaneous (6410)	Annual Budget:	$786
Additional fulfillment fees and non-contract administrative fees.		
Total General and Administrative Expenses	Annual Budget:	$60,201
Total Operating Expenses	Annual Budget:	$142,849
Capital Expenditures (Non-capitalized)		
Other Expenses		
TOTAL EXPENSES	Annual Budget:	$142,849
NET SURPLUS (DEFICIT)	Annual Budget:	$0

Danville Townhomes Homeowners Association
Revenue and Expense Detail Notes

Fund: Replacement Fund

REVENUES

Assessments

Regular Assessments

Assessment Allocation

Assessment Allocation (4220)	Annual Budget:	$72,611

Reserve Allocation is based on estimated reserve replacement of Community Assets.

Total Assessments	Annual Budget:	$72,611
Total Other Income	Annual Budget:	$0
TOTAL REVENUES	Annual Budget:	$72,611

EXPENSES

Operating Expenses

Direct Operating Expenses

Electricity

Landscape Maintenance

Pool Operating Expenses

Repairs and Maintenance

Exterminating

Trash Removal

Water and Wastewater

Total Direct Operating Expenses	Annual Budget:	$0

General and Administrative Expenses

Professional Fees

Bad Debts

Bank Charges

Bank Charges (6030)	Annual Budget:	$240

Wire fees to transfer funds to the Wells Fargo loan account is estimated at $20 per month.

Collection Expense

Insurance

Management Fee

Administration

Total General and Administrative Expenses	Annual Budget:	$240
Total Operating Expenses	Annual Budget:	$240

Capital Expenditures (Non-capitalized)

Capital Expenditures (7010)	Annual Budget:	$48,965

The Reserve Study projects $48,965 for component replacements in 2014.

Other Expenses

Interest Expense (8110)	Annual Budget:	$2,880

Wells Fargo Loan interest is estimated at $2400 per month.

Printed on 9/19/2013

TOTAL EXPENSES	Annual Budget:	$52,085
NET SURPLUS (DEFICIT)	Annual Budget:	$20,526

Danville Townhomes HOA
2014
CALIFORNIA CIVIL CODE SECTION 5570
ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

FOR THE FISCAL YEAR ENDING 2014

(1) The regular assessment per ownership interest is $399.00 per month.

NOTE: If assessments vary by the size or type of unit, the assessment applicable to your unit may be found on the variable assessment page of the attached operating budget.

(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 of directors and/or members are as follows:

Date Assessment is due:	Amount per unit per month	Purpose of the Assessment
	$0.00	
Please refer to the enclosed cash flow scenario for future reserve fund contribution levels.		
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
TOTAL:	$0.00	

NOTE: If assessments vary by the size or type of unit, the assessment applicable to your unit may be found on the cover page of the attached operating budget.

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

Yes [ ] No [X]

(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 been approved by the Board of Directors?

Approximate Date Assessment is due:	Amount per unit	Purpose of the Assessment
During 2014 Budget Year	$9,000.00	To fully fund anticipated reserve replacement projects
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
TOTAL:	$9,000.00	

(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 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is $908,635 based in whole or in part on the last reserve study or update prepared by Community Reserve Solutions as of 10/9/2013

The projected reserve fund cash balance at the end of the current fiscal year is $98,303 resulting in reserves being 10.82% percent funded at this date.

(7)

(A) For percent funded calculations for the next 30 years, please refer to the enclosed 30-year percent funded calculations.

(B) For the purposes of preparing this summary pursuant to Section 5300 of the Davis-Stirling Act the following are assumed to be true.

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

2. "Major component" is defined in Section 5530 of the Davis-Stirling Act. Components with an estimated remaining life of more than thirty (30) years may be included in a study as a capital asset or disregarded from the reserve fund calculation, so long as the decision is revealed in the reserve fund study report and is reported in this Assessment and Reserve Funding Disclosure Summary.

3. This form shall accompany each Proforma operating budget or summary thereof that is delivered pursuant to the requirements of the Davis-Stirling Act. This form may be supplemented or modified to clarify the information delivered, so long as the minimum requirements are met.

4. For the purpose of this report and summary, the amount of reserve needed to be accumulated for any component at any 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 as to require the board of directors to fund their reserve fund in accordance with this calculation.

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY DISCLAIMERS

DISCLAIMER 1

The association as part of its reserve study and funding analysis has prepared a cash flow statement to meet the needs of the association's reserve components over the course of the next 30 years. The currently elected board is not empowered to approve future years assessments but it is assumed that future Board of Directors will update and follow the assumptions contained within the cash flow summary.

DISCLAIMER 2

The associations board of directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve analysts, CPAs and/or other professionals ("Professionals") in preparing the reserve study and is relying upon this information, financial data and reports pursuant to the California Corporations Code in providing the association membership and/or prospective purchasers the information contained in this Assessment and Reserve Funding Disclosure Summary. The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information supplied to the association board of directors from said Professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this disclosure summary. Since the information provided has been based on assumptions over a thirty (30) year period the accuracy of the information may be less than reliable. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God can not be accounted for and are excluded when assessing life expectancy of each component. The reserve study includes only items that the association has a clear and express responsibility to maintain, pursuant to the association's C, C & R's.

The answer to this question was based on the attached cash flow analysis using the data in the reserve study and is only accurate to the extent the assumptions over the next thirty (30) years hold true.

DISCLAIMER 3

The association intends to review its reserve fund on a annual basis, consistent with California Civil Code section 5500, as well as causing a new reserve study to be conducted every three (3) years, the association could increase regular assessments to facilitate additional reserve funding and/or levy special assessments to fund reserve over the course of the next thirty (30) years. Please see the attached cash flow analysis for any potential future special assessments and/or regular assessment increases.

DISCLAIMER 4

The information contained within the disclosure statement, cash flow projections and percent funded calculation is based on a reserve study prepared by **Community Reserve Solutions** during the **2011** calendar year for your association's **2012** operating budget. The Davis-Stirling Act of 1993 requires every association to "at least once every three years, the board of directors shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements of the commont interest development". The next year of this required inspection is **2014** for your association's **2015** operating budget.

DISCLAIMER 5

The following assumptions were made in this study.

Inflation Rate is computed at	3.00%
Net Rate of Return on Investments	2.50%
Unscheduled Maintenance Allow.	5.00%

DISCLAIMER 6

The complete reserve study is available to you through your management company. Please contact

Real Manage
7655 Redwood Blvd., Suite 100
Novato, California 94945
(415) 444-1615
Linda Schoeffner

for a copy of the complete study. Please note there may be a fee for this service

CONTACT INFORMATION

CONTACT:	Board of Directors
COMMUNITY NAME:	Danville Townhomes HOA
ADDRESS:	394 Ilo Lane
CITY, STATE & ZIP:	Danville, California 94526

RESERVE STUDY INFORMATION

THIS YEARS TYPE OF STUDY:	One year Financial Update	
DATE OF LAST INSPECTION:	2011	
PERFORMED BY:	Community Reserve Solutions	
YEAR OF NEXT INSPECTION	2014	As required by the Davis-Stirling Act of 1997

COMMUNITY INFORMATION

BEGINNING YEAR OF STUDY:	2014	NUMB. OF RESID. BUILDINGS:	9
YEAR FACILITY CONSTRUCTED:	1979	NUMB. OF NON-RESID. BUILDINGS:	1
NUMBER OF UNITS IN PROJECT:	45	ASSOC. YEAR ENDING DATE:	12/31/2013
NUMBER OF COMM. OWN. UNITS:	0		

RESERVE STUDY PREPARER:	Community Reserve Solutions 8000 Jarvis Avenue, Entry 2 Newark, California 94560 (510) 896-2672 John E. Ceragioli
CURR. COMMUNITY MANAGER:	Real Manage 7655 Redwood Blvd., Suite 100 Novato, California 94945 (415) 444-1615 Linda Schoeffner

RESERVE ACCOUNT INFORMATION

WILL THE ASSOCIATION BE ABLE TO MEET THEIR 2014 YEAR FINANCIAL OBLIGATIONS? **Yes**

2014 YEAR BEGIN. BALANCE	$98,303		
REQUESTED MINIMUM BALANCE:	$0	2014 Sec. 5300 CALC. % FUNDED:	10.82%
2013 TOT. ANNUAL ASSESSMENT:	$215,460	2014 TOT. ANNUAL ASSESSMENT:	$215,460
2013 AVG. PUPM ASSESSMENT:	$399.00	2014 AVG. PUPM ASSESSMENT:	$399.00
2013 TOTAL OPERATING BUDGET:	$144,964	2014 TOTAL OPERATING BUDGET:	$142,849
2013 ANN. RESERVE CONTRIB:	$70,496	2014 ANN. RESERVE CONTRIB:	$72,611
2013 MONTH. RESERVE CONTRIB:	$5,874.67	2014 MONTH. RESERVE CONTRIB:	$6,050.91
2013 AVG. PUPM RES. CONTRIB:	$130.55	2014 AVG. PUPM RESERVE CONTRIB:	$134.46
2013 TOTAL SPECIAL ASSESS:	$0	2014 TOTAL SPECIAL ASSESSMENT:	$405,000
2013 TOT. REV. - OTH. SOURCE:	$0	2014 TOT. REVENUE - OTH. SOURCE:	$0

CURRENT NET RESERVE FUND INTEREST RATE:	1.50%
CURRENT RATE OF INFLATION:	2.50%
UNSCHEDULED EXPENSE RATE:	5.00%
TOTAL VALUE OF ALL COMPONENTS	$1,228,304

Danville Townhomes HOA
2014
RESERVE FUND CASH FLOW PROJECTIONS

Fiscal Year	Projected Year Begin. Reserve Fund Balance	Proposed Ann. Reserve Fund Contribution	Proposed Ann. Reserve Fund Contrib. Increase in %	Projected Inflated Reserve Fund Expenditures	Projected Net Interest Earned On Reserve Accts	Total Prop. Special Assessment (if any)	Total Income From Other Sources (if any)	Calculated Reserve Fund Year Ending Balance	Minimum Requested Reserve Fund Balance	Will the Assoc. be able to meet meet the years fund. Oblig's?
2013		**$70,496**						**$98,303**		
2014	$98,303	**$72,611**	3.00%	$492,971	$1,244	**$405,000.00**	$0.00	$84,187	$0.00	**Yes**
2015	$84,187	**$74,789**	3.00%	$36,108	$1,843	**$0.00**	$0.00	$124,711	$0.00	**Yes**
2016	$124,711	**$77,033**	3.00%	$12,907	$2,833	**$0.00**	$0.00	$191,670	$0.00	**Yes**
2017	$191,670	**$79,344**	3.00%	$82,267	$2,831	**$0.00**	$0.00	$191,578	$0.00	**Yes**
2018	$191,578	**$81,724**	3.00%	$16,226	$3,856	**$0.00**	$0.00	$260,932	$0.00	**Yes**
2019	$260,932	**$84,176**	3.00%	$69,138	$4,140	**$0.00**	$0.00	$280,110	$0.00	**Yes**
2020	$280,110	**$86,701**	3.00%	$105,749	$3,916	**$0.00**	$0.00	$264,978	$0.00	**Yes**
2021	$264,978	**$89,302**	3.00%	$9,648	$5,169	**$0.00**	$0.00	$349,802	$0.00	**Yes**
2022	$349,802	**$91,981**	3.00%	$50,719	$5,866	**$0.00**	$0.00	$396,930	$0.00	**Yes**
2023	$396,930	**$94,741**	3.00%	$8,917	$7,241	**$0.00**	$0.00	$489,995	$0.00	**Yes**
2024	$489,995	**$97,583**	3.00%	$33,437	$8,312	**$0.00**	$0.00	$562,453	$0.00	**Yes**
2025	$562,453	**$100,510**	3.00%	$80,135	$8,742	**$0.00**	$0.00	$591,571	$0.00	**Yes**
2026	$591,571	**$103,526**	3.00%	$152,901	$8,133	**$0.00**	$0.00	$550,329	$0.00	**Yes**
2027	$550,329	**$106,632**	3.00%	$402,884	$3,811	**$0.00**	$0.00	$257,887	$0.00	**Yes**
2028	$257,887	**$109,830**	3.00%	$35,162	$4,988	**$0.00**	$0.00	$337,544	$0.00	**Yes**
2029	$337,544	**$113,125**	3.00%	$388,988	$925	**$0.00**	$0.00	$62,607	$0.00	**Yes**
2030	$62,607	**$116,519**	3.00%	$68,194	$1,664	**$0.00**	$0.00	$112,596	$0.00	**Yes**
2031	$112,596	**$120,015**	3.00%	$18,693	$3,209	**$0.00**	$0.00	$217,126	$0.00	**Yes**
2032	$217,126	**$123,615**	3.00%	$207,939	$1,992	**$0.00**	$0.00	$134,794	$0.00	**Yes**
2033	$134,794	**$127,324**	3.00%	$21,822	$3,604	**$0.00**	$0.00	$243,901	$0.00	**Yes**
2034	$243,901	**$131,143**	3.00%	$74,633	$4,506	**$0.00**	$0.00	$304,918	$0.00	**Yes**
2035	$304,918	**$135,078**	3.00%	$31,303	$6,130	**$0.00**	$0.00	$414,822	$0.00	**Yes**
2036	$414,822	**$139,130**	3.00%	$9,038	$8,174	**$0.00**	$0.00	$553,088	$0.00	**Yes**
2037	$553,088	**$143,304**	3.00%	$33,181	$9,948	**$0.00**	$0.00	$673,159	$0.00	**Yes**
2038	$673,159	**$147,603**	3.00%	$205,635	$9,227	**$0.00**	$0.00	$624,354	$0.00	**Yes**
2039	$624,354	**$152,031**	3.00%	$100,852	$10,133	**$0.00**	$0.00	$685,666	$0.00	**Yes**
2040	$685,666	**$156,592**	3.00%	$98,684	$11,154	**$0.00**	$0.00	$754,728	$0.00	**Yes**
2041	$754,728	**$161,290**	3.00%	$10,226	$13,587	**$0.00**	$0.00	$919,378	$0.00	**Yes**
2042	$919,378	**$166,128**	3.00%	$130,286	$14,328	**$0.00**	$0.00	$969,549	$0.00	**Yes**
2043	$969,549	**$171,112**	3.00%	$62,528	$16,172	**$0.00**	$0.00	$1,094,305	$0.00	**Yes**

Note: The cash flow projections contained above are based on the statistical model presented in the 1st, 2nd and 3rd ten years expenditures charts. Deviation from that model will cause deviations in the cash flow projections shown above.

Danville Townhomes HOA
2014
PERCENT FUNDED CALCULATION

Code #	Component Description	Year New	Est. Useful Life	Remain. Life	Total Component Cost	Ann. Straight Line Fund'g Require.	Required Accumulated Reserves
1.00	ROADS						
1.01	Asphalt Sealing	2014	5	0	4301.44	$860.29	$4,301
1.02	Asphalt Striping / Stenciling	2014	5	0	2503.25	$500.65	$2,503
1.03	Asphalt Repairs	2014	5	0	5000.00	$1,000.00	$5,000
1.04	Asphalt Replacement	1979	50	15	110699.00	$2,213.98	$77,489
1.05	Parking Bumpers	1979	50	15	2730.00	$54.60	$1,911
2.00	CONCRETE						
2.01	Repair Allowance	2010	5	1	12750.00	$2,550.00	$10,200
2.02	Pool/Spa Deck Repair Allowance	2014	20	0	10000.00	$500.00	$10,000
2.03	Brick Pavers Repair Allowance	2014	20	0	5000.00	$250.00	$5,000
3.00	FENCING, RAILINGS & RETAINING WALLS						
3.01	Wood Fence at Property Line	1979	30	-5	28145.00	$938.17	$32,836
3.02	Wood Fence at S. Property Line	1997	30	13	21450.00	$715.00	$12,155
3.03	Wood Fence at Driveway Edges	1989	30	5	5460.00	$182.00	$4,550
3.04	Wood Fence at Unit #301 Entrance	1989	30	5	1820.00	$60.67	$1,517
3.05	Wood Fence at Rear Patios	1987	30	3	36855.00	$1,228.50	$33,170
3.06	Wood Fence at Rear Patios	2002	30	18	45305.00	$1,510.17	$18,122
3.07	Wood Fence at Carports	1989	30	5	14755.00	$491.83	$12,296
3.08	Iron Fence at Pool	2002	40	28	16200.00	$405.00	$4,860
3.09	Iron Gates at Pool	2002	40	28	4500.00	$112.50	$1,350
3.10	Wood Fence at Spa	1991	30	7	2730.00	$91.00	$2,093
3.11	Metal Site Handrails	2002	40	28	10500.00	$262.50	$3,150
3.12	Conc. Retain. Wall Repair Allowance	1979	50	15	17250.00	$345.00	$12,075
3.13	Conc. Retain. Wall Repair Allowance	2011	50	47	17250.00	$345.00	$1,035
3.14	Wood Ret. Wall Repair Allowance	2013	3	2	2500.00	$833.33	$833
4.00	SITE AND ENTRY IMPROVEMENTS						
4.01	Brick - Tuckpoint Allowance	2002	25	13	3388.50	$135.54	$1,626
4.02	Carriage Lights	2002	25	13	450.00	$18.00	$216
4.03	Ground Spot Lights	2002	25	13	1250.00	$50.00	$600
4.04	Brass Letters @ Entry	2002	40	28	2550.00	$63.75	$765
5.00	MAIL KIOSK / BLDG. # 5OO EXTENSION						
5.01	Single Ply Roofing Membrane	2002	25	13	5652.00	$226.08	$2,713
5.02	Downspouts	1997	25	8	120.00	$4.80	$82
5.03	Mailboxes	2002	25	13	6900.00	$276.00	$3,312
5.04	Outgoing Mail Box	2002	25	13	250.00	$10.00	$120
6.00	TRASH AREAS						
6.01	Block Wall Repair Allowance	2014	10	0	1000.00	$100.00	$1,000
6.02	Wood Gates	2002	25	13	1500.00	$60.00	$720
7.00	WATER HEATERS ROOMS/KIOSKS & CLOSETS						
7.01	Water Heater Shed Repairs - 104	2014	15	0	3200.00	$213.33	$3,200
7.02	Water Heater Shed Repairs - 402	2013	15	14	3200.00	$213.33	$213
7.03	Water Heater Shed Repairs - 501	2015	15	1	3200.00	$213.33	$2,987
7.04	Water Heater Shed Repairs - 702	2016	15	2	3200.00	$213.33	$2,773
7.04	Water Heater Shed Repairs - 900	2017	15	3	3200.00	$213.33	$2,560
8.00	WATER HEATERS / GAS						
8.01	100 Gallon - Unit 104	2003	15	4	6000.00	$400.00	$4,400
8.02	100 Gallon - Unit 402	2013	15	14	6000.00	$400.00	$400
8.03	100 Gallon Unit 501	2013	15	14	6000.00	$400.00	$400
8.04	100 Gallon Unit 702	1995	15	-4	6000.00	$400.00	$7,600

8.05	100 Gallon - Bldg. 900	1999	15	0	6000.00	$400.00	$6,000
8.08	Circulation Pump - Unit 104	2014	5	0	750.00	$150.00	$750
8.08	Circulation Pump - Unit 402	2014	5	0	750.00	$150.00	$750
8.08	Circulation Pump - Unit 501	2014	5	0	750.00	$150.00	$750
8.08	Circulation Pump - Unit 702	2014	5	0	750.00	$150.00	$750
8.08	Circulation Pump - Bldg. 900	2014	5	0	750.00	$150.00	$750
8.06	Expansion Tank - Unit 104	2003	20	9	800.00	$40.00	$440
8.07	HW Heater - Clubhouse	2006	10	9	1000.00	$100.00	$100
9.00	IRRIGATION AND LANDSCAPING						
9.01	Irrig. Cont. (install Smart Controller)	2015	15	1	12600.00	$840.00	$11,760
9.02	Submit Irrig. Upgrade Plan for Permi	2018	30	4	3000.00	$100.00	$2,600
9.03	Irrig. System Renovate/Remodel	2019	30	5	9000.00	$300.00	$7,500
9.04	Backflow Preventer	2002	20	8	19500.00	$975.00	$11,700
9.05	Irrigation System Repair Allowance	2011	1	0	1500.00	$1,500.00	$1,500
9.06	Tree Care Allowance	2011	1	0	2500.00	$2,500.00	$2,500
9.07	Planting Replacement Allowance	2011	1	0	1000.00	$1,000.00	$1,000
10.00	CARPORTS						
10.01	Built Up Roofing	2014	15	0	64548.00	$4,303.20	$64,548
10.02	Built Up Roofing	2010	15	11	19008.00	$1,267.20	$5,069
10.03	Carport Repairs	2014	100	0	139260.00	$1,392.60	$139,260
10.04	Carport Repairs	2010	100	96	7500.00	$75.00	$300
11.00	SWIMMING POOL						
11.01	Replastering	2014	15	0	9374.91	$624.99	$9,375
11.02	Coping	1992	30	8	2625.00	$87.50	$1,925
11.03	Tile	1992	30	8	5000.00	$166.67	$3,667
11.04	Seal Coping/Deck Joint	2014	5	0	577.50	$115.50	$578
11.05	Heater	2002	15	3	3750.00	$250.00	$3,000
11.06	Filter	2002	15	3	3250.00	$216.67	$2,600
11.07	Filter Pump	2010	10	6	1600.00	$160.00	$640
11.08	Chlorinator	2014	5	0	500.00	$100.00	$500
11.09	Pool Furniture Replacement Allow.	2010	3	-1	1000.00	$333.33	$1,333
12.00	SPA						
12.01	Resurfacing - Ceramic Tile	1997	30	13	4799.95	$160.00	$2,720
12.02	Coping	1990	30	6	725.00	$24.17	$580
12.03	Seal Copng/Deck Joint	2014	5	0	145.00	$29.00	$145
12.04	Heater	2014	15	0	3350.00	$223.33	$3,350
12.05	Filter	2014	15	0	2750.00	$183.33	$2,750
12.06	Filter Pump	2014	10	0	1600.00	$160.00	$1,600
12.07	Jet Pump	2010	10	6	1600.00	$160.00	$640
12.08	Chlorinator	2014	5	0	500.00	$100.00	$500
13.00	CLUBHOUSE EXTERIOR						
13.01	Composition Shingle Roofing	1997	30	13	7686.00	$256.20	$4,355
13.02	Gutters	1997	30	13	832.00	$27.73	$471
13.03	Downspouts	1997	30	13	200.00	$6.67	$113
13.04	Wood Trellises (2)	1987	30	3	20700.00	$690.00	$18,630
14.00	CLUBHOUSE INTERIORS						
14.01	Paint Interior	2013	12	11	1865.75	$155.48	$155
14.03	Carpeting	2013	12	11	2542.22	$211.85	$212
14.04	Vinyl Flooring	2013	30	29	1600.00	$53.33	$53
14.05	Air Conditioner / Wall Unit	2013	20	19	1000.00	$50.00	$50
14.06	Toilet Partitions	2013	40	39	7700.00	$192.50	$193
14.07	Sauna Heaters	2013	30	29	1500.00	$50.00	$50
14.08	Toilet Exhaust Fans	2013	30	29	500.00	$16.67	$17
14.09	Tile	2013	36	35	2700.00	$75.00	$75
14.10	Furniture Replacement Allowance	2013	12	11	5000.00	$416.67	$417
15.00	SITE LIGHTING - INTERIOR						
15.01	5' - 5 Light Wall Sconce Bar	2013	35	34	200.00	$5.71	$6
15.02	Ceiling Fan w/ Single Globe Light	2013	35	34	600.00	$17.14	$17

15.03	4 - Bulb Vanity Light	2013	35	34	300.00	$8.57	$9
15.04	Recessed Heatlamp	2013	35	34	500.00	$14.29	$14
15.05	Globe Light in Sauna	2013	35	34	400.00	$11.43	$11
15.06	Ceiling Ceramic Socket w/ Bulb	2013	35	34	525.00	$15.00	$15
16.00	SITE LIGHTING - EXTERIOR						
16.01	12' Steel Light Poles	1995	35	16	7000.00	$200.00	$3,800
16.02	Pole Lights (Fluor.Tubes Fixture)	1979	35	0	2100.00	$60.00	$2,100
16.03	4' Wd. Bollards (Fluor. Tubes Fix.)	1979	35	0	14400.00	$411.43	$14,400
16.04	Wall Mt. CFL's (2 bulbs ea.)	1979	35	0	750.00	$21.43	$750
16.05	Wall Mt. CFL's - Area Light w/ PC	1979	35	0	150.00	$4.29	$150
16.06	HPS Bldg. Mt. Security Light w/ PC	1979	35	0	350.00	$10.00	$350
16.07	Eave Spots - CFL's (2 bulb)	1979	35	0	1200.00	$34.29	$1,200
16.08	HPS Flood w/ PC	1979	35	0	350.00	$10.00	$350
16.09	Unit Entry Globes	1979	35	0	7875.00	$225.00	$7,875
16.10	Unit Rear Patio Globes	1979	35	0	5625.00	$160.71	$5,625
17.00	RESIDENTIAL BUILDING EXTERIORS						
17.01	Composition Shingle Roofing	1997	30	13	189887.25	$6,329.58	$107,603
17.02	Comp. Shingle Roof @ 14 Entries	1997	30	13	3307.50	$110.25	$1,874
17.03	Wood Shingle Roof @ 16 Entries	2014	15	0	3780.00	$252.00	$3,780
17.04	Built Up Roofing at Sheds	2014	15	0	8448.00	$563.20	$8,448
17.05	Gutters	1997	30	13	14320.00	$477.33	$8,115
17.06	Downspouts	1997	30	13	10470.00	$349.00	$5,933
17.07	Deck Coating at Building 500	1999	10	-5	1386.00	$138.60	$2,079
18.00	MISC. SITE COMPONENTS						
18.01	Fire Extinguishers	2002	10	-2	1300.00	$130.00	$1,560
18.02	Fire Extinguishers Cabinents	2002	20	8	2600.00	$130.00	$1,560
18.03	8' x 10' Vinyl Storage Shed @ Pool	2000	25	11	2500.00	$100.00	$1,400
18.04	Signage - Grounds and Pool	2002	25	13	1000.00	$40.00	$480
19.00	PAINTING						
19.01	Paint Stucco Siding	2014	12	0	36607.00	$3,050.58	$36,607
19.02	Paint Remainder of Components	2014	6	0	58669.75	$9,778.29	$58,670
20.00	BUILDING REPAIR/REPLACEMENT ALLOWANCES						
20.01	Stucco Siding Repair Allow.	2014	12	0	1500.00	$125.00	$1,500
20.02	Beam Repair Allowance	2014	30	0	15000.00	$500.00	$15,000
20.03	Composite Lap Siding Rep. Allow.	2014	6	0	1500.00	$250.00	$1,500
20.04	Resawn Plywood Siding Rep. Allow.	2014	6	0	1500.00	$250.00	$1,500
20.05	Wood Trim Repair Allowance	2014	6	0	2500.00	$416.67	$2,500
20.06	Door Replacement Allowance	2014	6	0	1000.00	$166.67	$1,000
		Ann. Straight Line Funding Require.				$64,267.06	
		Required Accumulated Reserves					$908,635
		Projected 2014 Year Beginning Reserve Acct. Balance					$98,303

PERCENT FUNDED IS THE PROJECTED 2014 YEAR BEGINNING BALANCE DIVIDED BY THE REQUIRED ACCUMULATED RESERVE CALCULATED ABOVE, WHICH EQUALS 10.82%

Danville Townhomes HOA
2014
30-YEAR PERCENT FUNDED CALCULATIONS

	Year	Calculated Actual Yr. Begin. Reserve Balance	Calculated Required Accumulated Reserves	Calculated Percent Funded	Calc. Per Unit Unfunded Liability
Yr. 1	2015	$84,187	908,635	9.27%	$18,321
Yr. 2	2016	$124,711	931,351	13.39%	$17,925
Yr. 3	2017	$191,670	954,635	20.08%	$16,955
Yr. 4	2018	$191,578	978,501	19.58%	$17,487
Yr. 5	2019	$260,932	1,002,963	26.02%	$16,490
Yr. 6	2020	$280,110	1,028,037	27.25%	$16,621
Yr. 7	2021	$264,978	1,053,738	25.15%	$17,528
Yr. 8	2022	$349,802	1,080,081	32.39%	$16,228
Yr. 9	2023	$396,930	1,107,084	35.85%	$15,781
Yr. 10	2024	$489,995	1,134,761	43.18%	$14,328
Yr. 11	2025	$562,453	1,163,130	48.36%	$13,348
Yr. 12	2026	$591,571	1,192,208	49.62%	$13,347
Yr. 13	2027	$550,329	1,222,013	45.03%	$14,926
Yr. 14	2028	$257,887	1,252,563	20.59%	$22,104
Yr. 15	2029	$337,544	1,283,877	26.29%	$21,030
Yr. 16	2030	$62,607	1,315,974	4.76%	$27,853
Yr. 17	2031	$112,596	1,348,874	8.35%	$27,473
Yr. 18	2032	$217,126	1,382,596	15.70%	$25,899
Yr. 19	2033	$134,794	1,417,160	9.51%	$28,497
Yr. 20	2034	$243,901	1,452,589	16.79%	$26,860
Yr. 21	2035	$304,918	1,488,904	20.48%	$26,311
Yr. 22	2036	$414,822	1,526,127	27.18%	$24,696
Yr. 23	2037	$553,088	1,564,280	35.36%	$22,471
Yr. 24	2038	$673,159	1,603,387	41.98%	$20,672
Yr. 25	2039	$624,354	1,643,472	37.99%	$22,647
Yr. 26	2040	$685,666	1,684,558	40.70%	$22,198
Yr. 27	2041	$754,728	1,726,672	43.71%	$21,599
Yr. 28	2042	$919,378	1,769,839	51.95%	$18,899
Yr. 29	2043	$969,549	1,814,085	53.45%	$18,767
Yr. 30	2044	$1,094,305	1,859,437	58.85%	$17,003

NOTICE: ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure or without court action, often referred to as non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial 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 ($1,800.00) or more than 12 months delinquent, an association may use judicial or non-judicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or non-judicial 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 non-judicial foreclosure, the association may recover assessments, reasonable costs of collections, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial 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 changes owed by the owner. An owner has a right to review the association's records to verify the 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 a 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 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)

Date Adopted 9/30/2009

Danville Townhomes 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, 1367.5.

1.0 Assessments in General.

The Association has a duty to levy regular and special assessments sufficient to perform its obligations under the governing documents and California law. Regular assessments are determined at least once annually and are payable during the year in Monthly installments or at such other intervals as the Board of Directors shall designate. The Association shall distribute the written notice described in Civil Code section 1365.1 (b) to each member of the Association during the 60-day period immediately preceding the beginning of the Association's fiscal year.

2.0 Obligation to Pay Assessments.

A regular or special assessment and any late charges, reasonable fees and costs of collection, reasonable attorney's fees, if any, and interest, if any, as determined in accordance with Section 1366, shall be a debt of the owner of the separate interest at the time the assessment or other sums are levied. Each assessment or charge is also a lien on the owner's property from and after the time the Association causes a Notice of Delinquent Assessment (Lien) to be recorded with the County Recorder's Office of the County in which the property is located.

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

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

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

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

5.0 Notice of Assessments.

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

6.0 Designation of Agent.

The Board of Directors may designate an agent or agents to collect assessment payments and administer this Assessment Collection Policy. Such designated agent may be an officer of the Association, manager, collection service, banking institution, law firm, attorney or other appropriate agent. A.S.A.P. Collection Services at 331 Piercy Road, San Jose, CA 95138 (408) 363-9600 is one of the designated agents authorized to administer this policy. Designation of Agent does not qualify A.S.A.P. as an agent to go to small claims court on behalf of the Association.

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

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

8.0 Due Date/ Delinquency Date of Assessments.

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

9.0 Late Charges and Interest on Delinquent Amounts.

Delinquent accounts become subject to the following additional charges as contained in Civil Code section 1366 and the governing documents: costs of collection including reasonable attorney's fees; a late charge of $10 or 10% of the delinquent assessment, whichever is greater and interest on all sums (including the delinquent assessment, collection fees and costs, and reasonable attorney's fees) at an annual interest rate not to exceed 10.00% commencing 30 days after the assessment becomes due; whether or not charged prior to collection. If it is determined the assessment was paid on time to the association the owner will not be liable to pay the charges, interest, and costs of collection.

10.0 Collection Charges.

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

11.0 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, e.g. cashier's check or money order.

12.0 Initial Delinquency Notice.

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

13.0 Notice of Intent to Record a Lien.

If an assessment account remains unpaid for 45 days after it is due, the Association or its designated agent shall, at least 30 days prior to recording a lien upon the separate interest of the owner of record, notify the owner in writing by certified mail all of the notice requirements pursuant to Civil Code Section 1367.1. Prior to recording a lien for delinquent assessments, the owner has the right to request to participate in dispute resolution pursuant to the Association' s "Meet and Confer" program required in Article 5 (commencing with Section 1363.810) of Chapter 4 of Civil Code. A copy of the "Meet and Confer" procedure is attached to this collection policy as an ADDENDUM titled "Dispute Resolution, Meet And Confer, And ADR."

14.0 Recording of Lien.

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

15.0 Association Lien Subordination.

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

16.0 Recording of Release of Lien.

A release of lien will not be recorded until the entire balance of the owner's account is paid in full. All charges incurred in recording a Release of Lien, including reasonable attorney or agent fees and costs, will be charged to the account. Within 21 days of 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.

17.0 Lien Recorded In Error.

If it is determined that a lien previously recorded against a separate interest was recorded in error, the party who recorded the lien shall, within 21 calendar days, record or cause to be recorded in the office of the county recorder 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.

18.0 Foreclosure.

Judicial or Non Judicial foreclosure proceedings may not begin until the amount of the delinquent assessments secured by the lien, exclusive of any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, equals or exceeds one thousand eight hundred dollars ($1,800) or the assessments are more than 12 months delinquent. Prior to initiating a foreclosure for delinquent assessments, the association will offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the association's "Meet and Confer" program required in Article 5 (commencing with Section 1363.810) of Chapter 4 of Civil Code or alternative dispute resolution with a neutral third party pursuant to Article 2 (commencing with Section 1369.510) of Chapter 7 of Civil Code. The decision to pursue dispute resolution or a particular type of alternative dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. A copy of the "Meet and Confer" Procedure is attached to this collection policy as an ADDENDUM titled "Dispute Resolution, Meet And Confer, And ADR."

19.0 Deed in Lieu of Foreclosure.

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

20.0 Payment Plan Agreement.

An owner of a separate interest may submit a written request to meet with the Board of Directors to discuss a payment plan agreement to allow the owner to make periodic partial payments on the entire balance of the assessment account in addition to assessments that will accrue during the payment plan period. The Association has no obligation to enter into such a payment agreement. If the Association accepts an agreement with the owner it shall be reasonable, as determined by the Board in its sole discretion, and in accordance with the standards for payment plans, if any exist. The payment agreement shall be in writing and will include a provision that additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. Interest and administrative charges will accrue until the account is paid in full. The agreement will also include a provision that in the event of a default on the payment plan, the Association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan. A lien will be recorded against the property to secure debt for the Association. The owner will be charged for the additional collection fees and costs to administer the payment plan. Payment plan requests outside of the Association's payment plan standards will require that the Board 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 13.0 Notice of Intent to Record a Lien unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

21.0 Validation of Debt.

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

22.0 Disputes.

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

23.0 Dispute Resolution Procedure, Meet And Confer.

An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's "Meet and Confer" program required in Article 5 (commencing with Section 1363.810) of Chapter 4 of the Civil Code. A copy of the "Meet and Confer" Procedure is attached to this collection policy as an ADDENDUM titled "Dispute Resolution, Meet And Confer, And ADR."

24.0 ADR - Alternative Dispute Resolution.

An owner has the right to request alternative dispute resolution with a neutral third party pursuant to 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. A summary of the ADR - Alternative Dispute Resolution CC 1369.520 is attached as an ADDENDUM to this policy titled "Dispute Resolution, Meet And Confer, And ADR."

25.0 Owner has Right to Request Meeting with Board.

An owner has the right to request a meeting with the board. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice 13.0 Notice of Intent to Record a Lien , unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

26.0 Owner has Right to Review Association Records.

Owner has the right to review the Association records, pursuant to 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.

27.0 Resolution Of Assessment Dispute By Alternative Dispute Resolution – Civil Code Section 1366.3 – is repealed effective January 1, 2006.

28.0 Other Remedies.

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

29.0 Address of the Association and the Board of Directors.

Owners should respond in writing or make payments to the address as directed by the designated agent. For the purpose of OVERNIGHT PAYMENTS mail to: Smart Street Banking 3320 Holcomb Bridge Rd. NW, Norcross, GA 30092. For the purpose of CORRESPONDENCE mail to: 7655 Redwood Drive Suite 100 Novato, CA 94945. These addresses are subject to change after the distribution of this policy. Notification of a change will be in writing to the membership through normal day-to-day correspondence from the association or its managing agent. It is the owner's responsibility to note any changes for their records.

30.0 Returned Payments.

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

31.0 Sufficiency of Notice.

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

32.0 Owner's Change of Address.

Owner is required to notify the Association of any change in the owner's name or mailing address. 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.

33.0 Void Provisions.

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

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

ENFORCEMENT POLICY

1. **FIRST VIOLATION:** A notice advising the member of the violation will be sent. Such written notice will specify the violation of the CC&R's and/or policies and advise the owner that subsequent violations or failure to correct this violation will result in a second notice of hearing and potential fines.

2. **SECOND VIOLATION/HEARING:** Any violation that is not rectified to the satisfaction of the Board will be considered an ongoing offense. An owner will receive notice to attend a hearing before the Board of Directors to discuss the violation. When the Board of Directors is to meet to consider or impose discipline upon a member, the Board shall notify the member in writing, by either personal delivery or first-class mail, at least 10 days prior to the meeting. The notification shall contain, at a minimum, the date, time and place of the meeting, the nature of the alleged violation for which a member may be disciplined, and a statement that the member has the right to attend and may address the Board at the meeting. The Board of Directors of the Association shall meet in executive session to conduct this hearing. The hearing will be held with or without the member in attendance. The fine schedule is as follows:

    a. Fine $50.00 per month, per violation until compliance

    The Board of Directors may suspend any fine levied on an owner if the violation ceases within 30 days or if no further violations are reported within 180 days of the first report of violation.

3. **PENALTY:** If the Board imposes discipline on a member, the Board shall provide the member a written notification of the disciplinary action, by first-class mail, within 15 days following the action. If the non-compliance continues after 15 days, the Board of Directors may impose a fine and may revoke privileges.

Adopted 3/20/07

GORDON INSURANCE
Take a deep sigh of relief. We've got you covered.

20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550

September 12, 2013

To The Property Owners of Danville Townhomes

The information below is being delivered pursuant to California Civil Code, Section 1365. If you have any questions or need additional information, please contact your Board of Directors.

A. PROPERTY INSURANCE

1. Name of Insurer:	Travelers Casualty & Surety Co of America
2. Effective Dates:	09/10/2013 - 09/10/2014
3. Property Coverage Limits:	$10,155,661
4. Deductible:	$5,000

B. GENERAL LIABILITY INSURANCE

1. Name of Insurer:	Travelers Casualty & Surety Co of America
2. Effective Date:	09/10/2013 - 09/10/2014
3. Limits of Liability:	$1,000,000 OCC/ $2,000,000 AGG
4. General Liability Deductible:	NA

C. DIRECTORS & OFFICERS LIBILITY INSURANCE

1. Name of Insurer:	Great American Insurance
2. Effective Dates:	09/10/2013 - 09/10/2014
3. Limits of Liability:	$1,000,000
4. Retention	$1,000

D. FIDELITY (Crime) INSURANCE
(Employee Dishonesty; may also include forgery, alteration and other parts)

1. Name of Insurer:	Travelers Casualty & Surety Co of America		
2. Effective Dates:	09/10/2013 - 09/10/2014		
3. Limits of Coverage:			
a. Employee Dishonesty	$75,000	Deductible:	$5,000
b. Forgery & Alteration	$75,000	Deductible:	$5,000

GORDON INSURANCE
Take a deep sigh of relief. We've got you covered.

20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550

E. UMBRELLA LIABILITY INSURANCE
(Applies to general liability, directors & officers & owned Autos if disclosed below in "Auto" section)

1. Name of Insurer:	Great American Insurance
2. Effective Dates:	09/10/2013 - 09/10/2014
3. Limits of Liability:	$5,000,000
4. Retention	$0

F. Workers Comp

1. Name of Insurer:	Republic Indemnity Insurance Co.
2. Effective Dates:	09/10/2013 - 09/10/2014
3. Employers Liability Limit:	$1,000,000

G. AUTO INSURANCE

1. Name of Insurer:	Travelers Casualty & Surety Co of America
1. Effective Dates:	09/10/2013 - 09/10/2014
2. Limits of Coverage:	Combined Single Limit (if noted)
a. Hired Auto	Included
a. Non Owned	Included

H. EARTHQUAKE INSURANCE

1. Name of Primary Insurer:	Underwriters at Lloyds
1. Effective Dates:	09/10/2013 - 09/10/2014
2. Policy Limit:	$7,576,859
3. Policy Deductible:	25%
4. Name of Excess Insurer:	Not with our Agency.
5. Effective Dates:	NA
6. Policy Limit:	$NA
7. Policy Deductible:	$NA

H. FLOOD INSURANCE

1. Name of Insurer:	Not with our Agency
1. Effective Dates:	NA
2. Policy Limit:	$N/A
3. Policy Deductible:	$N/A

GORDON INSURANCE
Take a deep sigh of relief. We've got you covered.

20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550

INSURANCE DISCLOSURE REQUIREMENTS – REQUIRED WORDING

The California Civil Code requires that the following language be distributed to each property owner in the Association.

CALIFORNIA CIVIL CODE, Section 1365

This summary of the Associations 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 Associations 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 Associations policies of insurance may not cover your property, including personal property or, real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if the loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Danville Townhomes

REQUEST FOR ARCHITECTURAL / LANDSCAPE REVIEW

Homeowners are required to submit property improvement plans to the Association for review and comment prior to beginning the improvements. Owners are requested to submit plans at least 45 days in advance because the Association has up to 30 days to meet and review your proposal.

NAME: ______________________________ **DATE:** ______________________________
(Please Print)
ADDRESS: ______________________________ **LOT NO.** ______________________________

PHONE:
(Home)______________________________ **(Work)**______________________________

Proposed Start Date: ____________________ **Finish Date:**____________________

Email: ______________________________

CHECK ALL THE FOLLOWING IMPROVEMENT TYPES THAT APPLY TO YOUR REQUEST

HOME IMPROVEMENTS:

[ ] Structural Addition	[ ] Gazebo/Arbor	[ ] Play structure	[ ] Storage Shed
[ ] Deck/Patio	[ ] Greenhouse	[ ] Pool/spa	[ ] Dog run
[ ] Trellis	[ ] Lighting additions	[ ] Lighting Standards	[ ] Skylights
[ ] Satellite Dish	[ ] Antennae	[ ] Windows/Doors	[ ] Gates [ ] Painting
[ ] Mail box enclosure	[ ] Sculptures	[ ] Garage doors	[ ] Lot line adjustments
[ ] Fence Addition	[ ] Retaining Walls	[ ] Solar panels	[ ] Other (specify)

LANDSCAPE IMPROVEMENTS: [ ] FRONT YARD [ ] BACK YARD [ ] SIDE YARD

[ ] New Landscape	[ ] Tree addition	[ ] Tree removal	[ ] Arbors/vines
[ ] Hardscape	[ ] Landscape lights	[ ] Water features	[ ] Other (specify)

IF YOU ARE ONLY SUBMITTING A REQUEST TO CHANGE THE COLOR OF YOUR HOME:
1. Enclose paint manufacturer color samples with this application.
2. Identify which paint samples apply to body of the house, trim/fascia and trim accent colors.

ALL OTHER IMPROVEMENTS:
1. Submit four copies of your scale drawings and plot plans to: RealManage, LLC, 7655 Redwood Blvd, Ste #100, Novato, CA 94945. Plans must be submitted in quadruplicate. Submissions not submitted in proper quantity may be duplicated by Association and charged to owner.
2. Plans which include pre-assembled structures or kits must include cut sheets or product specifications, colors, dimensions, materials and all other collateral material necessary for proper review.
3. The committee must be informed of all materials used in your improvements in sufficient detail for proper review. Where appropriate, submit samples or color photos of the material (brick, slate, wrought iron, lighting standards, etc.) In its sole discretion the Association may ask for more information regarding your improvement during the review process. While waiting for a response from the owner the 45-day approval time frame will suspend and then resume with receipt of additional information.
4. Though neighbor approval is not required, depending on the improvement, the Association may solicit input from your neighbors regarding your submission and consider their input as part of the review process. It is prudent that you discuss proposed changes to your home with your surrounding neighbors.
5. PLEASE NOTE: The City of Walnut Creek requires approval of certain types of improvements. You may be required to get city permits and other conditions may apply. The owner is solely responsible for fulfilling any municipal requirements.

______________________________ ______________________________
Owner Signature Date

NOTE: Improvement work may not commence without written approval of the Danville Townhomes Homeowners Association. Please submit plans anticipating up to 45 days for review and comment by the Architectural Committee. Unauthorized improvements are subject to removal.

DANVILLE TOWNHOMES IMPROVEMENT APPLICATION (continued)

DESCRIBE YOUR IMPROVEMENT IN DETAIL:

WHO IS YOUR CONTRACTOR?
[ ] I'm performing the work myself.
[ ] My general contractor is: ______________________________
[ ] My landscape contractor is: ______________________________
[ ] I have/will familiarize(d) my contractor with the procedures required for access to Danville Townhomes over common areas and responsibility for damage thereto.
[x] The homeowner is the "person responsible" for damage to Danville Townhomes common area caused by himself or by his contractor while completing these improvements. By submitting this application I acknowledge responsibility for damages to the common areas by contractors entering Danville Townhomes property at my invitation.

***For Association Use Only*:**
***Property Address:*______________________________**

Committee Member Name:________________________ Date:______________________________
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

Committee Member Name:________________________ Date:______________________________
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

Committee Member Name:________________________ Date:______________________________
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

Management Company Instructions:
[ ] Send response to owner based on Committee input noted above.
[ ] Send hearing letter regarding unauthorized installation.
[ ] Notify owner to cease work.
[ ] Send notice of completion

NOTE: Improvement work may not commence without written approval of the Danville Townhomes. Please submit plans anticipating up to 45 days for review and comment by the Architectural Committee. Unauthorized improvements are subject to removal.

SUMMARY OF PROCEDURES FOR APPROVAL OF PHYSICAL CHANGES TO PROPERTY

The following summary is provided pursuant to Civil Code Section 1378(c). The summary outlines the procedures for applying for additions, alterations or modifications to your home; and for reviewing and approving or disapproving such applications, as those procedures are set forth in the CC&Rs. In the event of any conflicts between this summary and the CC&Rs, the CC&Rs control.

Any physical change to your home that affects the visual appearance of your home or, if applicable, your yard from the street or neighboring homes requires architectural approval. In addition, if your home is a condominium or townhouse, any physical change that affects or potentially affects the structural design of the building (for example, interior bearing walls) or the fire suppression system (for example, area separation walls between units or fire sprinklers) also requires the Association's approval.

The following procedure is used by the Association to review and approve or disapprove applications for physical changes to a home:

1. All applications for physical changes must be:
    a. In writing,
    b. Submitted to the Association's community manager, on a form available from the management office, and
    c. Accompanied by such plans, sketches and/or diagrams that, in the reasonable judgment of the Association, are sufficient to adequately describe the nature and extent of the proposed change or the rules of the Association.

An application shall not be deemed to be complete until all required documentation has been provided.

2. The Association shall review the application and supporting documents and shall either approve or disapprove it based on the following criteria:

    a. Compliance of the application and supporting documents with the requirements of the governing documents of the Association;
    b. Confirmation that the proposed change conforms to the requirements and restrictions of the governing documents of the Association and will not interfere with the reasonable enjoyment by any other owner of his or her property; and
    c. Confirmation that the proposed change will otherwise be consistent with the architectural and aesthetic standards prevailing within the development, in harmony with the existing structures, landscaping and/or topography existing within the development and consistent with the overall plan and scheme of the development.

3. The Association is not required to approve a requested change simply because it has been previously approved for another home.

4. A vote of a majority of a quorum of the reviewing body of the Association shall be sufficient to approve an application.

5. The Association shall either approve or disapprove the proposed change, within thirty days after receipt of the application and all supporting documents. The applicant shall be promptly notified of the decision in writing. If the proposed change or improvement is disapproved, the written notice to the applicant shall provide an explanation as to why the proposed change or improvement was disapproved and, unless the Board is acting as the reviewing body, a description of the procedure for reconsideration of the decision by the Board.

6. Unless the Board is acting as the reviewing body, any decision of the reviewing body may be appealed to the Board. A written notice of appeal must be submitted to the Association's community manager, by the applicant or other interested owner within thirty (30) days after the written decision to the applicant was mailed. The appeal shall be considered by the Board at an open meeting held within sixty (60) days of receipt of the notice of appeal. The vote of the Board as to the application shall be final.

RealManage
POWERED BY CIRACONNECT

INSTRUCTIONS TO "LOG-IN" TO THE RESIDENT PORTAL

The RealManage Resident Portal is available to all members of the Danville Townhomes Homeowners' Association. To access the Resident Portal go to www.realmanage.com on the homepage, click on Resident Portal. A log in box will appear with a "hot link" which says, "Don't have an account? Click here." Click on this link and then choose a password and supply the other requested information (you will need your Danville Townhomes assessment coupon book). After you receive a confirming e-mail from RealManage, you will be able to log-in to the Resident Portal.

On the Resident Portal you will be able to view your membership account, make a payment, sign up for the membership directory, make a request for service and access other community information. We hope that you will find the Resident Portal a useful service. If you have any questions regarding the Resident Portal please e-mail service@ciramail.com.

Danville Townhomes Homeowners Association

Professionally managed by RealManage POWERED BY CIRACONNECT

November 07, 2014

Dear Member,

The Board of Directors of Danville Townhomes Homeowners Association has signed a resolution to approve the assessment rate(s) and the annual budget for the 2015 fiscal year.

The assessment rate(s) will increase for the 2015 fiscal year. The assessment rates for the 2015 fiscal year are effective as of January 01, 2015:

> The STANDARD homeowner assessment rate for the upcoming fiscal year will be increasing to $439.00 per month from last year's rate of $399.00 per month.

Assessments are invoiced by Coupons.

As a reminder, you can access your account, register for the ACH assessment payment option, and access other association information using the RealManage Resident Portal at www.realmanage.com.

The Annual Budget for the 2015 fiscal year is attached.

Sincerely,

Danville Townhomes Homeowners Association Board of Directors

3220 Keller SpringsSuite 106
Carrollton, TX 75006
P: (866) 473-2573 • F: (866) 919-5696 • www.realmanage.com • DANTOWNH@CiraMail.com

RealManage

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Annual Budget Report - Resident Budget Package

Danville Townhomes Homeowners Association

Annual Budget Report for Fiscal Year 2015

Prepared on: 11/7/2014

POWERED BY CIRACONNECT

Danville Townhomes Homeowners Association
Annual Budget Report - Resident Budget Package
Table of Contents

RealManage is pleased to deliver this Annual Budget Report - Resident Budget Package , which has been prepared for use by the Residents of the association.

Annual Policy Statement

(1) Notice of Rights to Minutes of Board Meetings

Civil Code Section 5310 obligates the Association to annually disclose a members' right to receive copies of minutes for regular board meetings pursuant to Section 4950 of the Civil Code. Please be advised that the following reflects the policy of **Danville Townhomes Homeowners Association**

Minutes from regular Board meetings may be obtained from RealManage by calling 866-473-2573 or log onto www.realmanage.com and use the Residential Portal link. The official minutes (or an unapproved draft) will be available upon request within thirty days of the meeting.

(2) Name and Address of Person Designated to Receive Official Communications to the Association pursuant to Section 4035

Name: RealManage

Mailing Address: 7655 Redwood Blvd, Ste 100 Novato, CA 94945

Email Address: DANTOWNH@CiraMail.com

Fax: (866) 919-5696

(3) Secondary Address

Members may notify the Association of a secondary address where the Annual Budget Report and collection related notices should be sent (in addition to the Owner's primary address). The notification must be in writing and must be delivered to the Association's designated agent, as indicted in (2) above.

(4) Designated Location for Posting of General Notices

The Association's designated location for posting General Notices is as follows:

On the bulletin board over the mailboxes

Printed on 11/7/2014

NOTICE ASSESSMENTS AND FORECLOSURE

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

ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of the 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 non-judicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or non-judicial 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 non-judicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or non-judicial 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 (Section 5700 through 5720 of the Civil Code, inclusive). In a judicial or non-judicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this (Section 5725 of the Civil Code).

The association must comply with the requirements of Article 2 (commencing with Section 5650 of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association (Section 5675 of the Civil Code).

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of records with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt (Section 5660 of the Civil Code).

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard (Section 5685 of the Civil Code). The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

PAYMENTS

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments (Section 5655 of the Civil Code). An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure. An owner is not liable for charges, interests, and costs of collection, if it is established that the assessment was paid properly on time (Section 5685 of the Civil Code).

MEETING AND PAYMENT PLANS

An owner of a separate interest that is not a timeshare interest may request the association to consider a payment plant to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists (Section 5665 of the Civil Code). The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform with the payment plan standards of the association, if they exist (Section 5665 of the Civil Code).

Effective January 1, 2014

Summary of Internal Dispute Resolution & Alternative Dispute Resolution

Article 2. Internal Dispute Resolution

5900 Application of Article.

This article applies to a dispute between an association and a member involving their rights, duties, or liabilities under tis act, under the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the common interest development or association.

This article supplements, and does not replace, Article 3 (commencing with Section 5925), relating to alternative dispute resolution as a prerequisite to an enforcement action.

5905 Fair, Reasonable and Expeditious Dispute Resolution Required.

(a) An association shall provide fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article.

(b) In developing a procedure pursuant to an article, an association shall make maximum, reasonable use of the available local dispute resolution programs involving a neutral third party, including low cost medication programs such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development.

(c) If an association does not provide a fair, reasonable, and expeditious procedure for resolving a dispute within the scope of this article, the procedure provided in Section 5915 applies and satisfies the requirements of subdivision (a).

5910 <u>Minimum Requirements of Association Procedure.</u>

A fair, reasonable, and expeditious dispute resolution procedure shall at a minimum satisfy al the following requirements:

The procedure may be invoked by either party to the dispute. A request invoking the procedure shall be in writing.

The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for the association to act on a request invoking the procedure.

If the procedure is invoked by a member, the association shall participate in the procedure.

If the procedure is invoked by the association, the member may elect not to participate in the procedure. If the member participates but the dispute is resolved other than by agreement of the member, the member shall have a right to appeal to the board.

A resolution of the dispute pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the association and is judicially enforceable. An agreement reached pursuant to the procedure, which is not in conflict with the law or the governing documents, binds the parties and is judicially enforceable.

The procedure shall provide a means by which the member and the association may explain their positions.

A member of the association shall not be charged a fee to participate in the process.

5915 <u>Default Meet & Defer</u>.

This section applies to an association that does not otherwise provide a fair, reasonable, and expeditious dispute resolution procedure. The procedure provided in this section is fair, reasonable, and expeditious, within the meaning of this article.

Either party to the dispute within the scope of this article may invoke the following procedure:

(1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.

(2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.

(3) The board shall designate a director to meet and confer.

(4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute.

(5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.

An agreement reached under this section binds the parties and is judicially enforceable if both of the following conditions are satisfied:

(1)The agreement is not on conflict with law or the governing documents of the common interest development or association.

(2)The agreement is either consistent with the authority granted by the board to its designee or the agreement is ratified by the board.

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

5920 Notice in Policy Statement.

The annual policy statement prepared pursuant to Section 5310 shall include a description of the internal dispute resolution process provided pursuant to this article.

-

Article 3. Alternative Dispute Resolution

5925 DEFINITIONS.

As used in this article:

"Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decision making process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.

"Enforcement action" means a civil action or proceeding, other than a cross-compliant, for any of the following purposes:

(1) Enforcement of this act.

(2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of the Title 1 of the Corporations Code).

(3) Enforcement of the governing documents.

5930 ADR PREREQUISITE TO ENFORCEMENT ACTION.

An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

This section does not apply to a small claims action.

Except as otherwise provided by law, this section does not apply to an assessment dispute.

5935 REQUEST FOR RESOLUTION

Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will deemed rejected.

(4) If the party on whom the request is served is the member, a copy of this article.

Service of this Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

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.

5940 ADR PROCESS.

If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

The costs of the alternative dispute resolution shall be borne by the parties.

5945 TOLLING OF STATUTE OF LIMITATIONS.

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

The period provided in this Section 5935 for response to a Request for Resolution.

If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5490.

5950 CERTIFICATION OF EFFORTS TO RESOLVE DISPUTE.

At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3)Preliminary or temporary injunctive relief is necessary.

Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

5955 STAY OF LITIGATION FOR DISPUTE RESOLUTION

After an enforcement action is commenced, on written stipulations of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

The costs of the alternative dispute resolution shall be borne by the parties.

5960 ATTORNEY FEES.

In an enforcement action in which attorney's fees costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

5965 NOTICE IN ANNUAL POLICY STATEMENT.

An association shall annually provide its members a summary of he provisions of this article that specifically references this article. The summary shall include the following language: "Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law."

The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

Danville Townhomes Homeowners Association
Revenue and Expense Budget Summary for FY 2015

	Operating Fund	**Replacement Fund**	Consolidated
REVENUES			
Assessments			
Regular Assessments	$237,060	-	**$237,060**
Assessment Allocation	($90,000)	$90,000	
Total Assessments	$147,060	$90,000	**$237,060**
Other Income			
Total Other Income			
TOTAL REVENUES	$147,060	$90,000	**$237,060**
EXPENSES			
Operating Expenses			
Direct Operating Expenses			
Electricity	$17,256	-	**$17,256**
Landscape Maintenance	$13,488	-	**$13,488**
Pool Operating Expenses	$6,700	-	**$6,700**
Repairs and Maintenance	$12,521	-	**$12,521**
Exterminating	$3,350	-	**$3,350**
Taxes	$175	-	**$175**
Trash Removal	$16,594	-	**$16,594**
Water and Wastewater	$21,700	-	**$21,700**
Total Direct Operating Expenses	$91,784		**$91,784**
General and Administrative Expenses			
Professional Fees	$8,450	-	**$8,450**
Bad Debts	$4,000	-	**$4,000**
Bank Charges	-	$210	**$210**
Collection Expense	$540	-	**$540**
Homeowner Activities		-	
Insurance	$23,412	-	**$23,412**
Management Fee	$16,836	-	**$16,836**
Administration	$2,038	-	**$2,038**
Total General and Administrative Expenses	$55,276	$210	**$55,486**
Total Operating Expenses	$147,060	$210	**$147,270**
Capital Expenditures (Non-capitalized)	-	$36,108	**$36,108**
Other Expenses	-	$3,000	**$3,000**
TOTAL EXPENSES	$147,060	$39,318	**$186,378**
NET SURPLUS (DEFICIT)		$50,682	**$50,682**

Danville Townhomes Homeowners Association
Cash Flow Budget Summary for FY 2015

	Operating Fund	Replacement Fund	Consolidated
Beginning Cash Balance (All Cash Accounts)	$74,422	$96,853	**$171,275**
Cash from Operating Activities	-	-	**-**
Net Surplus (Deficit)	-	$50,682	**$50,682**
Add Back Depreciation Expense (non-cash)	-	-	**-**
Add/Subtract Projected Decrease/Increase in A/R, Prepaid Expenses and Other Assets	-	-	**-**
Add/Subtract Projected Increase/Decrease in A/P, Prepaid Assessments, and Other Current Liabilities	-	-	**-**
Net Cash Flow from Operating Activities	-	$50,682	**$50,682**
Cash from Investing Activities	-	-	**-**
Purchase/Repair of Facilities & Equipment (Capitalized)	-	-	**-**
Net Cash Flow from Investing Activities	-	-	**-**
Cash from Financing Activities	-	-	**-**
Loan Principal Payments	-	($15,906)	**($15,906)**
Interfund Borrowing (Due To / Due From Other Funds)	-	-	**-**
Fund Transfers (Permanent Transfer To / From Another Fund)	-	-	**-**
Net Cash Flow from Financing Activities	-	($15,906)	**($15,906)**
Net Cash Increase (Decrease)	-	$34,776	**$34,776**
Ending Cash Balance	$74,422	$131,629	**$206,051**

Danville Townhomes Homeowners Association
Revenue and Expense Detail Notes

Fund: Operating Fund

REVENUES

Assessments

Regular Assessments

Full Rate:Homeowner (4010) — Annual Budget: $237,060

Assessments increased 10% from $399 to $439 per month, per unit for 2015

Assessment Allocation

Assessment Allocation (4220) — Annual Budget: ($90,000)

Reserve Fund Allocation is based on projected component replacements listed on the Reserve Study for 2015.
Reserve Allocation is based on estimated reserve replacement of Community Assets. The reserve study recommends repairing all deferred reserve expenditures. The board will focus on repairing the items in phases.

Total Assessments — Annual Budget: $147,060

Total Other Income — Annual Budget: $0

TOTAL REVENUES — Annual Budget: $147,060

EXPENSES

Operating Expenses

Direct Operating Expenses

Electricity

General (5010) — Annual Budget: $17,256

PG&E ; Electricity & Gas for the common areas including heating. Budget is based on actual 12 month expense without any increase.

Landscape Maintenance

Contract (5210) — Annual Budget: $9,888

The Landscape Company Contract is $824 per month. No increase is projected for 2015.

General (5210) — Annual Budget: $3,600

Additional landscape repair, plant replacements, lawn areation and tree work as needed.

Pool Operating Expenses

Contract Maintenance (5310) — Annual Budget: $4,374

Picture Perfect Pool contract is $364.50 per month. No increase is projected for 2015.

Permits (5310) — Annual Budget: $991

Annual pool permit issued by Contra Costa Heath department.

Pool Operating Expenses (5310) — Annual Budget: $1,335

Pool chemicals and repairs as needed.

Repairs and Maintenance

General (5420) — Annual Budget: $7,961

Sewer line quarterly preventative service bldg 900/800 and semi annual throughout, doggie bags, and other general repairs as needed.

Janitorial (5420) — Annual Budget: $4,560

Global Maintenance is budgeted at $235 per month Nov-Apr and $350 per month May-Oct for 2015.

Exterminating

Exterminating (5620) — Annual Budget: $3,350

J-Spray quarterly service is $450 to include pest and rodent control.
The Landscape Company $100 per month gopher abatement. An additional $350 has been added for other pest services (bees) as needed.

Taxes

Real Property (5630) Annual Budget: $175

Contra Costa County Tax Collector: Property Tax for the common area grounds.

Trash Removal

Trash Removal (5660) Annual Budget: $16,594

Allied Waste Service $1,221.28 per month. Budget includes a 3% estimated increase plus $1,500 for additional pick up services as needed.

Water and Wastewater

Water and Wastewater (5710) Annual Budget: $21,700

EBMUD - Water for the common areas include pool and irrigation water.An estimated 15% incerase is budgeted for 2015 due to drought conditions.

Total Direct Operating Expenses Annual Budget: $91,784

General and Administrative Expenses

Professional Fees

Auditing (6010) Annual Budget: $1,450

CPA services for year end Review and Income Tax preparation.

Professional Fees (6010) Annual Budget: $7,000

Reserve Study update, Legal, Consultant and non routine management services.

Bad Debts

Bad Debts (6020) Annual Budget: $4,000

Allowance for uncollectable Accounts Receivable balances.

Bank Charges

Collection Expense

Collection Expense (6040) Annual Budget: $540

RealCollect Contract fee is based on the service level agreement. The contract includes an estimated 2% ECI increase for 2015.

Insurance

General, Property & Liability (6210) Annual Budget: $23,412

Insurance including EQ

Management Fee

Contract   (6310) Annual Budget: $16,836

Management Contract Fee for managenent and financial services is based on the service level agreement. The contract fee includes an estimated 2% ECI increase for 2015.

Administration

Administration (6410) Annual Budget: $972

Administrative Contract fee is based on the service level agreement. The contract includes an estimated 2% ECI increase for 2015.

Coupons (6410) Annual Budget: $96

Homeowner coupon books to ensure timely assessment income.

Licenses, Permits and Filing Fees (6410) Annual Budget: $120

Annual Secretary of State, Registered Agent and State tax filing fees.

Miscellaneous (6410) Annual Budget: $850

Additional fulfillment fees, Board meeting expenses and other administrative expenses.

Total General and Administrative Expenses Annual Budget: $55,276

Total Operating Expenses Annual Budget: $147,060

Capital Expenditures (Non-capitalized)

Other Expenses

TOTAL EXPENSES Annual Budget: $147,060

NET SURPLUS (DEFICIT)	Annual Budget:	$0

Danville Townhomes Homeowners Association
Revenue and Expense Detail Notes

Fund: Replacement Fund

REVENUES

Assessments

Regular Assessments

Assessment Allocation

Assessment Allocation (4220)	Annual Budget:	$90,000

Reserve Allocation is based on estimated reserve replacement of Community Assets. The reserve study recommends repairing all deferred reserve expenditures. The board will focus on repairing the items in phases.

Total Assessments	Annual Budget:	$90,000
Total Other Income	Annual Budget:	$0
TOTAL REVENUES	Annual Budget:	$90,000

EXPENSES

Operating Expenses

Direct Operating Expenses

Electricity

Landscape Maintenance

Pool Operating Expenses

Repairs and Maintenance

Exterminating

Taxes

Trash Removal

Water and Wastewater

Total Direct Operating Expenses	Annual Budget:	$0

General and Administrative Expenses

Professional Fees

Bad Debts

Bank Charges

Bank Charges (6030)	Annual Budget:	$210

Wire fees to transfer funds to the Wells Fargo loan account is estimated at $20 per month.

Collection Expense

Insurance

Management Fee

Administration

Total General and Administrative Expenses	Annual Budget:	$210
Total Operating Expenses	Annual Budget:	$210

Capital Expenditures (Non-capitalized)

Capital Expenditures (7010)	Annual Budget:	$36,108

The Reserve Study projects $36,108.19 for component replacements in 2015.

Other Expenses

Interest Expense (8110)	Annual Budget:	$3,000

Wells Fargo Loan interest. The last payment will be made in the middle of 2015.

TOTAL EXPENSES	Annual Budget:	$39,318
NET SURPLUS (DEFICIT)	Annual Budget:	$50,682

Danville Townhomes HOA
2015
CALIFORNIA CIVIL CODE SECTION 5570
ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY

FOR THE FISCAL YEAR ENDING 2015

(1) The regular assessment per ownership interest is $439.00 per month.

NOTE: If assessments vary by the size or type of unit, the assessment applicable to your unit may be found on the variable assessment page of the attached operating budget.

(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 of directors and/or members are as follows:

Date Assessment is due:	Amount per unit per month	Purpose of the Assessment
	$0.00	
Please refer to the enclosed cash flow scenario for future reserve fund contribution levels.		
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
TOTAL:	$0.00	

NOTE: If assessments vary by the size or type of unit, the assessment applicable to your unit may be found on the cover page of the attached operating budget.

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

Yes [ ] **No** [X]

(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 been approved by the Board of Directors?

Approximate Date Assessment is due:	Amount per unit	Purpose of the Assessment
During 2015 Budget Year	$8,500.00	To fully fund anticipated reserve replacement projects
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
	$0.00	
TOTAL:	$8,500.00	

(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 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is $952,416 based in whole or in part on the last reserve study or update prepared by Community Reserve Solutions as of 11/14/2014

The projected reserve fund cash balance at the end of the current fiscal year is $108,811 resulting in reserves being 11.42% percent funded at this date.

(7)

(A) For percent funded calculations for the next 30 years, please refer to the enclosed 30-year percent funded calculations.

(B) For the purposes of preparing this summary pursuant to Section 5300 of the Davis-Stirling Act the following are assumed to be true.

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

2. "Major component" is defined in Section 5530 of the Davis-Stirling Act. Components with an estimated remaining life of more than thirty (30) years may be included in a study as a capital asset or disregarded from the reserve fund calculation, so long as the decision is revealed in the reserve fund study report and is reported in this Assessment and Reserve Funding Disclosure Summary.

3. This form shall accompany each Proforma operating budget or summary thereof that is delivered pursuant to the requirements of the Davis-Stirling Act. This form may be supplemented or modified to clarify the information delivered, so long as the minimum requirements are met.

4. For the purpose of this report and summary, the amount of reserve needed to be accumulated for any component at any 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 as to require the board of directors to fund their reserve fund in accordance with this calculation.

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY DISCLAIMERS

DISCLAIMER 1

The association as part of its reserve study and funding analysis has prepared a cash flow statement to meet the needs of the association's reserve components over the course of the next 30 years. The currently elected board is not empowered to approve future years assessments but it is assumed that future Board of Directors will update and follow the assumptions contained within the cash flow summary.

DISCLAIMER 2

The associations board of directors has relied on information, opinions, reports and statements presented to it by vendors, contractors, reserve analysts, CPAs and/or other professionals ("Professionals") in preparing the reserve study and is relying upon this information, financial data and reports pursuant to the California Corporations Code in providing the association membership and/or prospective purchasers the information contained in this Assessment and Reserve Funding Disclosure Summary. The information contained within the reserve study includes estimates of replacement value and life expectancies of the components and includes assumptions regarding future events based on information supplied to the association board of directors from said Professionals. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this disclosure summary. Since the information provided has been based on assumptions over a thirty (30) year period the accuracy of the information may be less than reliable. Furthermore, the occurrence of vandalism, severe weather conditions, earthquakes, floods or other acts of God can not be accounted for and are excluded when assessing life expectancy of each component. The reserve study includes only items that the association has a clear and express responsibility to maintain, pursuant to the association's C, C & R's.

The answer to this question was based on the attached cash flow analysis using the data in the reserve study and is only accurate to the extent the assumptions over the next thirty (30) years hold true.

DISCLAIMER 3

The association intends to review its reserve fund on a annual basis, consistent with California Civil Code section 5500, as well as causing a new reserve study to be conducted every three (3) years, the association could increase regular assessments to facilitate additional reserve funding and/or levy special assessments to fund reserve over the course of the next thirty (30) years. Please see the attached cash flow analysis for any potential future special assessments and/or regular assessment increases.

DISCLAIMER 4

The information contained within the disclosure statement, cash flow projections and percent funded calculation is based on a reserve study prepared by **Community Reserve Solutions** during the **2014** calendar year for your association's **2015** operating budget. The Davis-Stirling Act of 1993 requires every association to "at least once every three years, the board of directors shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements of the commont interest development". The next year of this required inspection is **2017** for your association's **2018** operating budget.

DISCLAIMER 5

The following assumptions were made in this study.

Inflation Rate is computed at	3.00%
Net Rate of Return on Investments	2.50%
Unscheduled Maintenance Allow.	5.00%

DISCLAIMER 6

The complete reserve study is available to you through your management company. Please contact

Real Manage
7655 Redwood Blvd., Suite 100
Novato, California 94945
(415) 444-1615
Linda Schoeffner

for a copy of the complete study. Please note there may be a fee for this service

CONTACT INFORMATION

CONTACT:	Board of Directors
COMMUNITY NAME:	Danville Townhomes HOA
ADDRESS:	394 Ilo Lane
CITY, STATE & ZIP:	Danville, California 94526

RESERVE STUDY INFORMATION

THIS YEARS TYPE OF STUDY:	Three Year Inspection Update	
DATE OF LAST INSPECTION:	2014	
PERFORMED BY:	Community Reserve Solutions	
YEAR OF NEXT INSPECTION	2017	As required by the Davis-Stirling Act of 1997

COMMUNITY INFORMATION

BEGINNING YEAR OF STUDY:	2015	NUMB. OF RESID. BUILDINGS:	9
YEAR FACILITY CONSTRUCTED:	1979	NUMB. OF NON-RESID. BUILDINGS:	1
NUMBER OF UNITS IN PROJECT:	45	ASSOC. YEAR ENDING DATE:	12/31/2014
NUMBER OF COMM. OWN. UNITS:	0		

RESERVE STUDY PREPARER:	Community Reserve Solutions 8000 Jarvis Avenue, Entry 2 Newark, California 94560 (510) 896-2672 John E. Ceragioli
CURR. COMMUNITY MANAGER:	Real Manage 7655 Redwood Blvd., Suite 100 Novato, California 94945 (415) 444-1615 Linda Schoeffner

RESERVE ACCOUNT INFORMATION

WILL THE ASSOCIATION BE ABLE TO MEET THEIR 2015 YEAR FINANCIAL OBLIGATIONS? Yes

2015 YEAR BEGIN. BALANCE	$108,811		
REQUESTED MINIMUM BALANCE:	$0	2015 Sec. 5300 CALC. % FUNDED:	11.33%
2014 TOT. ANNUAL ASSESSMENT:	$215,460	2015 TOT. ANNUAL ASSESSMENT:	$237,060
2014 AVG. PUPM ASSESSMENT:	$399.00	2015 AVG. PUPM ASSESSMENT:	$439.00
2014 TOTAL OPERATING BUDGET:	$142,849	2015 TOTAL OPERATING BUDGET:	$147,060
2014 ANN. RESERVE CONTRIB:	$72,611	2015 ANN. RESERVE CONTRIB:	$90,000
2014 MONTH. RESERVE CONTRIB:	$6,050.92	2015 MONTH. RESERVE CONTRIB:	$7,500.00
2014 AVG. PUPM RES. CONTRIB:	$134.46	2015 AVG. PUPM RESERVE CONTRIB:	$166.67
2014 TOTAL SPECIAL ASSESS:	$0	2015 TOTAL SPECIAL ASSESSMENT:	$382,500
2014 TOT. REV. - OTH. SOURCE:	$0	2015 TOT. REVENUE - OTH. SOURCE:	$0

CURRENT NET RESERVE FUND INTEREST RATE:	1.50%
CURRENT RATE OF INFLATION:	2.50%
UNSCHEDULED EXPENSE RATE:	5.00%
TOTAL VALUE OF ALL COMPONENTS	$1,229,135

Danville Townhomes HOA
2015
RESERVE FUND CASH FLOW PROJECTIONS

Fiscal Year	Projected Year Begin. Reserve Fund Balance	Proposed Ann. Reserve Fund Contribution	Proposed Ann. Reserve Fund Contrib. Increase in %	Projected Inflated Reserve Fund Expenditures	Projected Net Interest Earned On Reserve Accts	Total Prop. Special Assessment (if any)	Total Income From Other Sources (if any)	Calculated Reserve Fund Year Ending Balance	Minimum Requested Reserve Fund Balance	Will the Assoc. be able to meet meet the years fund. Oblig's?
2014		**$72,611**						**$108,811**		
2015	$108,811	**$90,000**	23.95%	$521,759	$893	**$382,500**	$0.00	$60,445	$0.00	**Yes**
2016	$60,445	**$92,700**	3.00%	$13,184	$2,099	**$0**	$0.00	$142,061	$0.00	**Yes**
2017	$142,061	**$95,481**	3.00%	$80,260	$2,359	**$0**	$0.00	$159,641	$0.00	**Yes**
2018	$159,641	**$98,345**	3.00%	$16,452	$3,623	**$0**	$0.00	$245,157	$0.00	**Yes**
2019	$245,157	**$101,296**	3.00%	$183,238	$2,448	**$0**	$0.00	$165,663	$0.00	**Yes**
2020	$165,663	**$104,335**	3.00%	$45,443	$3,368	**$0**	$0.00	$227,923	$0.00	**Yes**
2021	$227,923	**$107,465**	3.00%	$97,645	$3,566	**$0**	$0.00	$241,309	$0.00	**Yes**
2022	$241,309	**$110,689**	3.00%	$50,168	$4,527	**$0**	$0.00	$306,357	$0.00	**Yes**
2023	$306,357	**$114,009**	3.00%	$8,699	$6,175	**$0**	$0.00	$417,842	$0.00	**Yes**
2024	$417,842	**$117,430**	3.00%	$12,195	$7,846	**$0**	$0.00	$530,922	$0.00	**Yes**
2025	$530,922	**$120,952**	3.00%	$93,658	$8,373	**$0**	$0.00	$566,590	$0.00	**Yes**
2026	$566,590	**$124,581**	3.00%	$7,646	$10,253	**$0**	$0.00	$693,778	$0.00	**Yes**
2027	$693,778	**$128,318**	3.00%	$549,192	$4,094	**$0**	$0.00	$276,998	$0.00	**Yes**
2028	$276,998	**$132,168**	3.00%	$35,100	$5,611	**$0**	$0.00	$379,677	$0.00	**Yes**
2029	$379,677	**$136,133**	3.00%	$56,617	$6,888	**$0**	$0.00	$466,081	$0.00	**Yes**
2030	$466,081	**$140,217**	3.00%	$225,987	$5,705	**$0**	$0.00	$386,016	$0.00	**Yes**
2031	$386,016	**$144,424**	3.00%	$18,237	$7,683	**$0**	$0.00	$519,885	$0.00	**Yes**
2032	$519,885	**$148,756**	3.00%	$99,625	$8,535	**$0**	$0.00	$577,552	$0.00	**Yes**
2033	$577,552	**$153,219**	3.00%	$139,952	$8,862	**$0**	$0.00	$599,682	$0.00	**Yes**
2034	$599,682	**$157,816**	3.00%	$21,486	$11,040	**$0**	$0.00	$747,052	$0.00	**Yes**
2035	$747,052	**$162,550**	3.00%	$88,397	$12,318	**$0**	$0.00	$833,523	$0.00	**Yes**
2036	$833,523	**$167,427**	3.00%	$9,788	$14,867	**$0**	$0.00	$1,006,029	$0.00	**Yes**
2037	$1,006,029	**$172,449**	3.00%	$23,333	$17,327	**$0**	$0.00	$1,172,473	$0.00	**Yes**
2038	$1,172,473	**$177,623**	3.00%	$10,283	$20,097	**$0**	$0.00	$1,359,909	$0.00	**Yes**
2039	$1,359,909	**$182,951**	3.00%	$282,685	$18,903	**$0**	$0.00	$1,279,078	$0.00	**Yes**
2040	$1,279,078	**$188,440**	3.00%	$124,436	$20,146	**$0**	$0.00	$1,363,229	$0.00	**Yes**
2041	$1,363,229	**$194,093**	3.00%	$9,977	$23,210	**$0**	$0.00	$1,570,556	$0.00	**Yes**
2042	$1,570,556	**$199,916**	3.00%	$128,233	$24,634	**$0**	$0.00	$1,666,872	$0.00	**Yes**
2043	$1,666,872	**$205,913**	3.00%	$61,003	$27,177	**$0**	$0.00	$1,838,959	$0.00	**Yes**
2044	$1,838,959	**$212,091**	3.00%	$43,136	$30,119	**$0**	$0.00	$2,038,033	$0.00	**Yes**

Note: The cash flow projections contained above are based on the statistical model presented in the 1st, 2nd and 3rd ten years expenditures charts. Deviation from that model will cause deviations in the cash flow projections shown above.

Danville Townhomes HOA
2015
PERCENT FUNDED CALCULATION

Code #	Component Description	Year New	Est. Useful Life	Remain. Life	Total Component Cost	Ann. Straight Line Fund'g Require.	Required Accumulated Reserves
1.00	ROADS						
1.01	Asphalt Sealing	2015	5	0	4301.44	$860.29	$4,301
1.02	Asphalt Striping / Stenciling	2015	5	0	2503.25	$500.65	$2,503
1.03	Asphalt Repairs	2015	5	0	7500.00	$1,500.00	$7,500
1.04	Asphalt Replacement	1979	40	4	110699.00	$2,767.48	$99,629
1.05	Parking Bumpers	1979	40	4	2730.00	$68.25	$2,457
2.00	CONCRETE						
2.01	Repair Allowance	2010	5	0	12750.00	$2,550.00	$12,750
2.02	Pool/Spa Deck Repair Allowance	2015	20	0	10000.00	$500.00	$10,000
2.03	Brick Pavers Repair Allowance	2015	20	0	5000.00	$250.00	$5,000
3.00	FENCING, RAILINGS & RETAINING WALLS						
3.01	Wood Fence at Property Line	1979	30	-6	28145.00	$938.17	$33,774
3.02	Wood Fence at S. Property Line	1997	30	12	21450.00	$715.00	$12,870
3.03	Wood Fence at Driveway Edges	1989	30	4	5460.00	$182.00	$4,732
3.04	Wood Fence at Unit #301 Entrance	1989	30	4	1820.00	$60.67	$1,577
3.05	Wood Fence at Rear Patios	1987	30	2	36855.00	$1,228.50	$34,398
3.06	Wood Fence at Rear Patios	2002	30	17	45305.00	$1,510.17	$19,632
3.07	Wood Fence at Carports	1989	30	4	14755.00	$491.83	$12,788
3.08	Iron Fence at Pool	2002	40	27	16200.00	$405.00	$5,265
3.09	Iron Gates at Pool	2002	40	27	4500.00	$112.50	$1,463
3.10	Wood Fence at Spa	1991	30	6	2730.00	$91.00	$2,184
3.11	Metal Site Handrails	2002	40	27	10500.00	$262.50	$3,413
3.12	Conc. Retain. Wall Repair Allowance	1979	50	14	17250.00	$345.00	$12,420
3.13	Conc. Retain. Wall Repair Allowance	2011	50	46	17250.00	$345.00	$1,380
3.14	Wood Ret. Wall Repair Allowance	2013	3	1	2500.00	$833.33	$1,667
4.00	SITE AND ENTRY IMPROVEMENTS						
4.01	Brick - Tuckpoint Allowance	2002	25	12	3388.50	$135.54	$1,762
4.02	Carriage Lights	2002	25	12	450.00	$18.00	$234
4.03	Ground Spot Lights	2002	25	12	1250.00	$50.00	$650
4.04	Brass Letters @ Entry	2002	40	27	2550.00	$63.75	$829
5.00	MAIL KIOSK / BLDG. # 5OO EXTENSION						
5.01	Single Ply Roofing Membrane	2002	25	12	5652.00	$226.08	$2,939
5.02	Downspouts	1997	25	7	120.00	$4.80	$86
5.03	Mailboxes	2002	25	12	6900.00	$276.00	$3,588
5.04	Outgoing Mail Box	2002	25	12	250.00	$10.00	$130
6.00	TRASH AREAS						
6.01	Block Wall Repair Allowance	2015	10	0	1000.00	$100.00	$1,000
6.02	Wood Gates	2002	25	12	1500.00	$60.00	$780
7.00	WATER HEATERS ROOMS/KIOSKS & CLOSETS						
7.01	Water Heater Shed Repairs - 104	2015	15	0	3200.00	$213.33	$3,200
7.02	Water Heater Shed Repairs - 402	2013	15	13	3200.00	$213.33	$427
7.03	Water Heater Shed Repairs - 501	2015	15	0	3200.00	$213.33	$3,200
7.04	Water Heater Shed Repairs - 702	2016	15	1	3200.00	$213.33	$2,987
7.05	Water Heater Shed Repairs - 900	2017	15	2	3200.00	$213.33	$2,773
8.00	WATER HEATERS / GAS						
8.01	100 Gallon - Unit 104	2003	15	3	6000.00	$400.00	$4,800
8.02	100 Gallon - Unit 402	2013	15	13	6000.00	$400.00	$800
8.03	100 Gallon Unit 501	2013	15	13	6000.00	$400.00	$800
8.04	100 Gallon Unit 702	1995	15	-5	6000.00	$400.00	$8,000

8.05	100 Gallon - Bldg. 900	1999	15	-1	6000.00	$400.00	$6,400
8.08	Circulation Pump - Unit 104	2014	5	4	750.00	$150.00	$150
8.08	Circulation Pump - Unit 402	2014	5	4	750.00	$150.00	$150
8.08	Circulation Pump - Unit 501	2014	5	4	750.00	$150.00	$150
8.08	Circulation Pump - Unit 702	2014	5	4	750.00	$150.00	$150
8.08	Circulation Pump - Bldg. 900	2014	5	4	750.00	$150.00	$150
8.06	Expansion Tank - Unit 104	2003	20	8	800.00	$40.00	$480
8.07	HW Heater - Clubhouse	2006	10	8	1000.00	$100.00	$200
9.00	IRRIGATION AND LANDSCAPING						
9.01	Irrig. Cont. (install Smart Controller)	2015	15	0	12600.00	$840.00	$12,600
9.02	Submit Irrig. Upgrade Plan for Permi	2018	30	3	3000.00	$100.00	$2,700
9.03	Irrig. System Renovate/Remodel	2019	30	4	9000.00	$300.00	$7,800
9.04	Backflow Preventer	2002	20	7	19500.00	$975.00	$12,675
9.05	Irrigation System Repair Allowance	2011	1	0	1500.00	$1,500.00	$1,500
9.06	Tree Care Allowance	2011	1	0	2500.00	$2,500.00	$2,500
9.07	Planting Replacement Allowance	2011	1	0	1000.00	$1,000.00	$1,000
10.00	CARPORTS						
10.01	Built Up Roofing	2015	15	0	57376.00	$3,825.07	$57,376
10.03	Built Up Roofing	2010	15	10	16896.00	$1,126.40	$5,632
10.04	Carport Repairs	2015	100	0	139260.00	$1,392.60	$139,260
10.05	Carport Repairs	2010	100	95	7500.00	$75.00	$375
11.00	SWIMMING POOL						
11.01	Replastering	2015	15	0	9374.91	$624.99	$9,375
11.02	Coping	1992	30	7	2625.00	$87.50	$2,013
11.03	Tile	1992	30	7	5000.00	$166.67	$3,833
11.04	Seal Coping/Deck Joint	2015	5	0	577.50	$115.50	$578
11.05	Heater	2002	15	2	3750.00	$250.00	$3,250
11.06	Filter	2002	15	2	3250.00	$216.67	$2,817
11.07	Filter Pump	2010	10	5	1600.00	$160.00	$800
11.08	Chlorinator	2015	5	0	500.00	$100.00	$500
11.09	Pool Furniture Replacement Allow.	2010	3	-2	1000.00	$333.33	$1,667
12.00	SPA						
12.01	Resurfacing - Ceramic Tile	1997	30	12	4799.95	$160.00	$2,880
12.02	Coping	1990	30	5	725.00	$24.17	$604
12.03	Seal Coping/Deck Joint	2015	5	0	145.00	$29.00	$145
12.04	Heater	2015	15	0	3350.00	$223.33	$3,350
12.05	Filter	2015	15	0	2750.00	$183.33	$2,750
12.06	Filter Pump	2015	10	0	1600.00	$160.00	$1,600
12.07	Jet Pump	2010	10	5	1600.00	$160.00	$800
12.08	Chlorinator	2015	5	0	500.00	$100.00	$500
13.00	CLUBHOUSE EXTERIOR						
13.01	Composition Shingle Roofing	1997	30	12	7686.00	$256.20	$4,612
13.02	Gutters	1997	30	12	832.00	$27.73	$499
13.03	Downspouts	1997	30	12	200.00	$6.67	$120
13.04	Wood Trellises (2)	1987	30	2	20700.00	$690.00	$19,320
14.00	CLUBHOUSE INTERIORS						
14.01	Paint Interior	2013	12	10	1865.75	$155.48	$311
14.03	Carpeting	2013	12	10	2542.22	$211.85	$424
14.04	Vinyl Flooring	2013	30	28	1600.00	$53.33	$107
14.05	Air Conditioner / Wall Unit	2013	20	18	1000.00	$50.00	$100
14.06	Toilet Partitions	2013	40	38	7700.00	$192.50	$385
14.07	Sauna Heaters	2013	30	28	1500.00	$50.00	$100
14.08	Toilet Exhaust Fans	2013	30	28	500.00	$16.67	$33
14.09	Tile	2013	36	34	2700.00	$75.00	$150
14.10	Furniture Replacement Allowance	2014	2	1	550.00	$275.00	$275
15.00	SITE LIGHTING - INTERIOR						
15.01	5' - 5 Light Wall Sconce Bar	2013	35	33	200.00	$5.71	$11
15.02	Ceiling Fan w/ Single Globe Light	2013	35	33	600.00	$17.14	$34

15.03	**4 - Bulb Vanity Light**	**2013**	**35**	**33**	**300.00**	$8.57	**$17**
15.04	**Recessed Heatlamp**	**2013**	**35**	**33**	**500.00**	$14.29	**$29**
15.05	**Globe Light in Sauna**	**2013**	**35**	**33**	**400.00**	$11.43	**$23**
15.06	**Ceiling Ceramic Socket w/ Bulb**	**2013**	**35**	**33**	**525.00**	$15.00	**$30**
16.00	**SITE LIGHTING - EXTERIOR**						
16.01	**12' Steel Light Poles**	**1995**	**35**	**15**	**7000.00**	$200.00	**$4,000**
16.02	**Pole Lights (Fluor.Tubes Fixture)**	**1979**	**35**	**-1**	**2100.00**	$60.00	**$2,160**
16.03	**4' Wd. Bollards (Fluor. Tubes Fix.)**	**1979**	**35**	**-1**	**14400.00**	$411.43	**$14,811**
16.04	**Wall Mt. CFL's (2 bulbs ea.)**	**1979**	**35**	**-1**	**750.00**	$21.43	**$771**
16.05	**Wall Mt. CFL's - Area Light w/ PC**	**1979**	**35**	**-1**	**150.00**	$4.29	**$154**
16.06	**HPS Bldg. Mt. Security Light w/ PC**	**1979**	**35**	**-1**	**350.00**	$10.00	**$360**
16.07	**Eave Spots - CFL's (2 bulb)**	**1979**	**35**	**-1**	**1200.00**	$34.29	**$1,234**
16.08	**HPS Flood w/ PC**	**1979**	**35**	**-1**	**350.00**	$10.00	**$360**
16.09	**Unit Entry Globes**	**1979**	**35**	**-1**	**7875.00**	$225.00	**$8,100**
16.10	**Unit Rear Patio Globes**	**1979**	**35**	**-1**	**5625.00**	$160.71	**$5,786**
17.00	**RESIDENTIAL BUILDING EXTERIORS**						
17.01	**Composition Shingle Roofing**	**1997**	**30**	**12**	**189887.25**	$6,329.58	**$113,932**
17.02	**Comp. Shingle Roof @ 14 Entries**	**1997**	**30**	**12**	**3307.50**	$110.25	**$1,985**
17.03	**Wood Shingle Roof @ 16 Entries**	**2015**	**15**	**0**	**3780.00**	$252.00	**$3,780**
17.04	**Built Up Roofing at Sheds**	**2015**	**15**	**0**	**8448.00**	$563.20	**$8,448**
17.05	**Gutters**	**1997**	**30**	**12**	**14320.00**	$477.33	**$8,592**
17.06	**Downspouts**	**1997**	**30**	**12**	**10470.00**	$349.00	**$6,282**
17.07	**Deck Coating at Building 500**	**1999**	**10**	**-6**	**1386.00**	$138.60	**$2,218**
18.00	**MISC. SITE COMPONENTS**						
18.01	**Fire Extinguishers**	**2002**	**10**	**-3**	**1300.00**	$130.00	**$1,690**
18.02	**Fire Extinguishers Cabinents**	**2002**	**20**	**7**	**2600.00**	$130.00	**$1,690**
18.03	**8' x 10' Vinyl Storage Shed @ Pool**	**2000**	**25**	**10**	**2500.00**	$100.00	**$1,500**
18.04	**Signage - Grounds and Pool**	**2002**	**25**	**12**	**1000.00**	$40.00	**$520**
19.00	**PAINTING**						
19.01	**Paint Stucco Siding**	**2015**	**12**	**0**	**36607.00**	$3,050.58	**$36,607**
19.02	**Paint Remainder of Components**	**2015**	**6**	**0**	**58459.25**	$9,743.21	**$58,459**
20.00	**BUILDING REPAIR/REPLACEMENT ALLOWANCES**						
20.01	**Stucco Siding Repair Allow.**	**2015**	**12**	**0**	**1500.00**	$125.00	**$1,500**
20.02	**Beam Repair Allowance**	**2015**	**30**	**0**	**15000.00**	$500.00	**$15,000**
20.03	**Composite Lap Siding Rep. Allow.**	**2015**	**6**	**0**	**1500.00**	$250.00	**$1,500**
20.04	**Resawn Plywood Siding Rep. Allow.**	**2015**	**6**	**0**	**1500.00**	$250.00	**$1,500**
20.05	**Wood Trim Repair Allowance**	**2015**	**6**	**0**	**2500.00**	$416.67	**$2,500**
20.07	**Door Replacement Allowance**	**2015**	**6**	**0**	**1000.00**	$166.67	**$1,000**
		Ann. Straight Line Funding Require.				$64,538.53	
		Required Accumulated Reserves					**$952,416**
		Projected 2015 Year Beginning Reserve Acct. Balance					**$108,811**
PERCENT FUNDED IS THE PROJECTED 2015 YEAR BEGINNING BALANCE DIVIDED BY							
THE REQUIRED ACCUMULATED RESERVE CALCULATED ABOVE, WHICH EQUALS							**11.42%**

Danville Townhomes HOA
2015
30-YEAR PERCENT FUNDED CALCULATIONS

	Year	Calculated Actual Yr. Begin. Reserve Balance	Calculated Required Accumulated Reserves	Calculated Percent Funded	Calc. Per Unit Unfunded Liability
Yr. 1	2016	$60,445	952,416	6.35%	$19,822
Yr. 2	2017	$142,061	976,226	14.55%	$18,537
Yr. 3	2018	$159,641	1,000,632	15.95%	$18,689
Yr. 4	2019	$245,157	1,025,648	23.90%	$17,344
Yr. 5	2020	$165,663	1,051,289	15.76%	$19,681
Yr. 6	2021	$227,923	1,077,571	21.15%	$18,881
Yr. 7	2022	$241,309	1,104,510	21.85%	$19,182
Yr. 8	2023	$306,357	1,132,123	27.06%	$18,350
Yr. 9	2024	$417,842	1,160,426	36.01%	$16,502
Yr. 10	2025	$530,922	1,189,437	44.64%	$14,634
Yr. 11	2026	$566,590	1,219,173	46.47%	$14,502
Yr. 12	2027	$693,778	1,249,652	55.52%	$12,353
Yr. 13	2028	$276,998	1,280,893	21.63%	$22,309
Yr. 14	2029	$379,677	1,312,916	28.92%	$20,739
Yr. 15	2030	$466,081	1,345,739	34.63%	$19,548
Yr. 16	2031	$386,016	1,379,382	27.98%	$22,075
Yr. 17	2032	$519,885	1,413,867	36.77%	$19,866
Yr. 18	2033	$577,552	1,449,213	39.85%	$19,370
Yr. 19	2034	$599,682	1,485,444	40.37%	$19,684
Yr. 20	2035	$747,052	1,522,580	49.06%	$17,234
Yr. 21	2036	$833,523	1,560,644	53.41%	$16,158
Yr. 22	2037	$1,006,029	1,599,660	62.89%	$13,192
Yr. 23	2038	$1,172,473	1,639,652	71.51%	$10,382
Yr. 24	2039	$1,359,909	1,680,643	80.92%	$7,127
Yr. 25	2040	$1,279,078	1,722,659	74.25%	$9,857
Yr. 26	2041	$1,363,229	1,765,726	77.21%	$8,944
Yr. 27	2042	$1,570,556	1,809,869	86.78%	$5,318
Yr. 28	2043	$1,666,872	1,855,116	89.85%	$4,183
Yr. 29	2044	$1,838,959	1,901,493	96.71%	$1,390
Yr. 30	2045	$2,038,033	1,949,031	104.57%	$0

Danville Townhomes Homeowners Association

ASSESSMENT COLLECTION POLICY

Notice to Members:

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

1.0 Assessments in General.

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

2.0 Obligation to Pay Assessments.

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

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

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

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

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

5.0 Notice of Assessments.

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

6.0 Designation of Agent.

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

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

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

8.0 Due Date/ Delinquency Date of Assessments.

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

9.0 Late Charges and Interest on Delinquent Amounts.

Delinquent accounts become subject to the following additional charges as contained in Civil Code section 5650 and the governing documents: costs of collection including reasonable attorney's fees; a late charge of $10 or 10% of the delinquent assessment, whichever is greater and interest on all sums (including the delinquent assessment, collection fees and costs, and reasonable attorney's fees) at an annual interest rate not to exceed 10.00% commencing 30 days after the assessment becomes due; whether or not charged prior to collection. If it is determined the assessment was paid on time to the association the owner will not be liable to pay the charges, interest, and costs of collection.

10.0 Collection Charges.

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

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

11.0 Application of Payments.

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

12.0 Initial Delinquency Notice.

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

13.0 Notice of Intent to Record a Lien.

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

14.0 Recording of Lien.

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

15.0 Association Lien Subordination.

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

16.0 Recording of Release of Lien.

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

17.0 Lien Recorded In Error.

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

18.0 Foreclosure.

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

19.0 Deed in Lieu of Foreclosure.

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

20.0 Payment Plan Agreement.

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

21.0 Validation of Debt.

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

22.0 Disputes.

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

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

An owner has the right to dispute the assessment debt by submitting a written request for dispute resolution to the Association pursuant to the Association's "Meet and Confer" program required in Civil Code Sections 5900 - 5920. A copy of the "Meet and Confer" Offer and Procedure is attached to this collection policy and serves as an official offer to the owner. See attached ADDENDUM titled "ADDENDUM TO ASSESSMENT COLLECTION POLICY: OFFER FOR INTERNAL DISPUTE RESOLUTION (IDR), MEET AND CONFER, AND ADR."

24.0 ADR - Alternative Dispute Resolution.

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

25.0 Owner has Right to Request Meeting with Board.

An owner has the right to request a meeting with the board. The board shall meet with the owner in executive session within 45 days of the postmark of the request, if the request is mailed within 15 days of the date of the postmark of the notice 13.0 Notice of Intent to Record a Lien, unless there is no regularly scheduled board meeting within that period, in which case the board may designate a committee of one or more members to meet with the owner.

26.0 Owner has Right to Review Association Records.

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

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

28.0 Other Remedies.

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

29.0 Address of the Association and the Board of Directors.

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

30.0 Returned Payments.

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

31.0 Sufficiency of Notice.

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

32.0 Owner's Change of Address.

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

33.0 Void Provisions.

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

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

DISPUTE RESOLUTION, MEET AND CONFER PROCEDURE CC §5920

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

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

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

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

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

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

C. An agreement resolving the dispute by the parties shall be made in writing and dated and signed by the parties, including the Board designee on behalf of the Association.

D. A written decision shall be made by the designated Board Member and delivered or received by the owner within ten (10) days after the meet and confer.

E. If the owner participates, but the dispute is resolved other than by agreement of the owner, the owner shall have the right to appeal to the Association's Board of Directors.

APPEAL:

A. If the owner disputes the resolution, an appeal must be taken to the Board of Directors within thirty (30) days of the date of the decision by the designated Board member.

B. If there is an appeal, the Board must hear the Appeal at its next regularly scheduled meeting in executive session, then issue a written decision within ten (10) days.

NO CONFLICT:

A. The resolution must not be in conflict with the law or the governing documents.

B. The agreement must be consistent with the authority granted to the Board of Directors or the Board must ratify the agreement.

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

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

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

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

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

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

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

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

DANVILLE TOWNHOMES HOMEOWNERS ASSOCIATION

ENFORCEMENT POLICY

1. **FIRST VIOLATION:** A notice advising the member of the violation will be sent. Such written notice will specify the violation of the CC&R's and/or policies and advise the owner that subsequent violations or failure to correct this violation will result in a second notice of hearing and potential fines.

2. **SECOND VIOLATION/HEARING:** Any violation that is not rectified to the satisfaction of the Board will be considered an ongoing offense. An owner will receive notice to attend a hearing before the Board of Directors to discuss the violation. When the Board of Directors is to meet to consider or impose discipline upon a member, the Board shall notify the member in writing, by either personal delivery or first-class mail, at least 10 days prior to the meeting. The notification shall contain, at a minimum, the date, time and place of the meeting, the nature of the alleged violation for which a member may be disciplined, and a statement that the member has the right to attend and may address the Board at the meeting. The Board of Directors of the Association shall meet in executive session to conduct this hearing. The hearing will be held with or without the member in attendance. The fine schedule is as follows:

   a. Fine $50.00 per month, per violation until compliance

   The Board of Directors may suspend any fine levied on an owner if the violation ceases within 30 days or if no further violations are reported within 180 days of the first report of violation.

3. **PENALTY:** If the Board imposes discipline on a member, the Board shall provide the member a written notification of the disciplinary action, by first-class mail, within 15 days following the action. If the non-compliance continues after 15 days, the Board of Directors may impose a fine and may revoke privileges.

Adopted 3/20/07

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20 El Camino Real
Redwood City, CA 94062
Phone: 650-654-5555
Fax: 650-654-5550

September 8, 2014

To The Property Owners of Danville Townhomes

The information below is being delivered pursuant to California **Civil Code §5300**. If you have any questions or need additional information, please contact your Board of Directors.

A. PROPERTY INSURANCE

1. Name of Insurer:	Travelers Casualty & Surety Co of America
2. Effective Dates:	09/10/2014 - 09/10/2015
3. Property Coverage Limits:	$ 10,460,330
4. Deductible:	$5,000

B. GENERAL LIABILITY INSURANCE

1. Name of Insurer:	Travelers Casualty & Surety Co of America
2. Effective Date:	09/10/2014 - 09/10/2015
3. Limits of Liability:	$1,000,000 OCC/ $2,000,000 AGG
4. General Liability Deductible:	NA

C. DIRECTORS & OFFICERS LIBILITY INSURANCE

1. Name of Insurer:	Great American Insurance
2. Effective Dates:	09/10/2014 - 09/10/2015
3. Limits of Liability:	$ 1,000,000
4. Retention	$1,000

D. FIDELITY (Crime) INSURANCE
(Employee Dishonesty; may also include forgery, alteration and other parts)

1. Name of Insurer:	Travelers Casualty & Surety Co of America		
2. Effective Dates:	09/10/2014 - 09/10/2015		
3. Limits of Coverage:			
a. Employee Dishonesty	$75,000	Deductible:	$5,000
b. Forgery & Alteration	$75,000	Deductible:	$5,000

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E. UMBRELLA LIABILITY INSURANCE
(Applies to general liability, directors & officers & owned Autos if disclosed below in "Auto" section)

1. Name of Insurer:	Great American Insurance
2. Effective Dates:	09/10/2014 - 09/10/2015
3. Limits of Liability:	$5,000,000
4. Retention	$0

F. Workers Comp

1. Name of Insurer:	AmTrust North America
2. Effective Dates:	09/10/2014 - 09/10/2015
3. Employers Liability Limit:	$1,000,000

G. AUTO INSURANCE

1. Name of Insurer:	Travelers Casualty & Surety Co of America
1. Effective Dates:	09/10/2014 - 09/10/2015
2. Limits of Coverage:	Combined Single Limit (if noted)
a. Hired Auto	Included
a. Non Owned	Included

H. EARTHQUAKE INSURANCE

1. Name of Primary Insurer:	Underwriters at Lloyds
2. Effective Dates:	09/10/2014 - 09/10/2015
3. Policy Limit:	$7,576,859
4. Policy Deductible:	25 %

CALIFORNIA **Civil Code §5300**

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

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Recommendation to Owners Regarding the Need to Carry an HO6 Condo Unit-owners Package Policy and Earthquake Loss Assessments Coverage

As is standard on all homeowner's association master policies, the association's master policy does not cover the personal property, loss of use (or rental income) and personal liability of unit owners and their tenants. In addition, depending on your association's CC&R's, you may need to also cover your cabinets, fixtures, wall and floor coverings either entirely or if you have done upgrades. Whether you live in the unit or rent it out, each owner should carry what is commonly known as an HO6 policy to cover these and other exposures including:

A. **Building –** This is for building items such as wall to wall carpets, draperies, wall coverings, cabinets and fixtures (and upgrades to these items) which may not be covered by the master policy due to wording in the CC&R's which limit the association's responsibility. This can also cover the master policy's deductible for such losses, depending again on the CC&R's. Unit owners should review the CC&R's and/or discuss with the Board of Directors or property manager the specifics to determine how much coverage is appropriate to carry. It is quite inexpensive to increase the limit.

A. **Personal property** such as furniture, clothes, etc. This is NOT intended for the personal property of a tenant if you rent out your unit. They must carry a "renter's policy" known as an HO4.

B. **Loss of use** of your unit should a covered loss occur. This could pay for things such as hotels or rent in a temporary apartment or home after a covered property loss. If you rent your unit to others, this coverage could pay for the **loss of rental income to you** during the repairs.

C. **Loss Assessments (other than earthquake)** This could pay the unit owners' share of an assessment to cover certain losses to association property that result in an assessment being made by the association due to inadequate insurance. An example might be repair from a fire where the insurance proceeds were not enough to cover the loss and a general assessment was made to pick up the difference.

D. **Personal liability** such as a guest getting hurt in your unit or hitting someone or their property with a golf ball. If you rent your unit to others, this could be extended to cover the liability you have to a tenant who may be hurt while occupying your unit.

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Earthquake and Earthquake Loss Assessments Coverage

In condominium communities, the exterior of buildings, certain building components, and common areas are typically owned by all the condominium owners as a group. In the event of earthquake damage to such property, the association may, in accordance with its bylaws, impose an assessment against all members of the association to pay for exterior or structural repairs.

This coverage is unique to condominium owners, in that if damage from an earthquake occurs and the losses are not fully covered by the association's master insurance policy, Loss-Assessment coverage may help you pay for your share of certain assessments the association may impose on all property owners in your condominium development.

Most standard homeowners, mobilehome, condominium, and renters insurance policies **do not** cover earthquake or earthquake loss assesement damage. Similar to flood insurance, earthquake and earthquake loss assesment insurance must be purchased separately.

If you have purchased an HO6 you should have also been offered earthquake coverage, If you didn't accept your property insurers earthquake coverage, you may want to contact a broker-agent to assist you with securing a monoline "stand-alone" policy including earthquake loss assesment or contact the Californai Earthquake Athourity (CEA) who has more than 800,000 policies in force, representing about 70 percent of all residential earthquake insurance policies sold in California.

CEA earthquake insurance policies are are sold and serviced exclusively through CEA's participating insurance companies and those companies process all CEA policy applications, policy renewals, invoices, and payments and handle all CEA claims. If you don't have a Condo Owners policy in place, you'll need one, California law requires you to have a residential insurance policy in-force with a CEA participating insurance company in order to have a CEA earthquake policy.

Whether purchasing through a standard earthquake carrier or the CEA, every offer of earthquake insurance must provide coverage for your dwelling, your personal property, and for any additional living expense (ALE). You may waive ALE coverage if you or your family do not occupy the dwelling you wish to insure.

Also of note: A partial list of assessments not covered are those made to pay for the repair of non-residential structures, awnings, patio coverings, pools, spas, club houses, artistic features, or separate parking structures. If these items are included in your assesment they will be deducted and payment issued on the remaing covered items, minus your deductible.

Danville Townhomes

REQUEST FOR ARCHITECTURAL / LANDSCAPE REVIEW

Homeowners are required to submit property improvement plans to the Association for review and comment prior to beginning the improvements. Owners are requested to submit plans at least 45 days in advance because the Association has up to 30 days to meet and review your proposal.

NAME: ______________________________ **DATE:** ______________________________
(Please Print)
ADDRESS: ______________________________ **LOT NO.** ______________________________

PHONE:
(Home)______________________________ **(Work)**______________________________

Proposed Start Date: ____________________ **Finish Date:**____________________

Email: ______________________________

CHECK ALL THE FOLLOWING IMPROVEMENT TYPES THAT APPLY TO YOUR REQUEST

HOME IMPROVEMENTS:

[ ] Structural Addition	[ ] Gazebo/Arbor	[ ] Play structure	[ ] Storage Shed
[ ] Deck/Patio	[ ] Greenhouse	[ ] Pool/spa	[ ] Dog run
[ ] Trellis	[ ] Lighting additions	[ ] Lighting Standards	[ ] Skylights
[ ] Satellite Dish	[ ] Antennae	[ ] Windows/Doors	[ ] Gates [ ] Painting
[ ] Mail box enclosure	[ ] Sculptures	[ ] Garage doors	[ ] Lot line adjustments
[ ] Fence Addition	[ ] Retaining Walls	[ ] Solar panels	[ ] Other (specify)

LANDSCAPE IMPROVEMENTS: [ ] FRONT YARD [ ] BACK YARD [ ] SIDE YARD

[ ] New Landscape	[ ] Tree addition	[ ] Tree removal	[ ] Arbors/vines
[ ] Hardscape	[ ] Landscape lights	[ ] Water features	[ ] Other (specify)

IF YOU ARE ONLY SUBMITTING A REQUEST TO CHANGE THE COLOR OF YOUR HOME:
1. Enclose paint manufacturer color samples with this application.
2. Identify which paint samples apply to body of the house, trim/fascia and trim accent colors.

ALL OTHER IMPROVEMENTS:
1. Submit four copies of your scale drawings and plot plans to: RealManage, LLC, 7655 Redwood Blvd, Ste #100, Novato, CA 94945. Plans must be submitted in quadruplicate. Submissions not submitted in proper quantity may be duplicated by Association and charged to owner.
2. Plans which include pre-assembled structures or kits must include cut sheets or product specifications, colors, dimensions, materials and all other collateral material necessary for proper review.
3. The committee must be informed of all materials used in your improvements in sufficient detail for proper review. Where appropriate, submit samples or color photos of the material (brick, slate, wrought iron, lighting standards, etc.) In its sole discretion the Association may ask for more information regarding your improvement during the review process. While waiting for a response from the owner the 45-day approval time frame will suspend and then resume with receipt of additional information.
4. Though neighbor approval is not required, depending on the improvement, the Association may solicit input from your neighbors regarding your submission and consider their input as part of the review process. It is prudent that you discuss proposed changes to your home with your surrounding neighbors.
5. PLEASE NOTE: The City of Walnut Creek requires approval of certain types of improvements. You may be required to get city permits and other conditions may apply. The owner is solely responsible for fulfilling any municipal requirements.

______________________________ ______________________________
Owner Signature Date

NOTE: Improvement work may not commence without written approval of the Danville Townhomes Homeowners Association. Please submit plans anticipating up to 45 days for review and comment by the Architectural Committee. Unauthorized improvements are subject to removal.

DANVILLE TOWNHOMES IMPROVEMENT APPLICATION (continued)

DESCRIBE YOUR IMPROVEMENT IN DETAIL:

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WHO IS YOUR CONTRACTOR?
[ ] I'm performing the work myself.
[ ] My general contractor is: ____________________________________
[ ] My landscape contractor is: ____________________________________
[ ] I have/will familiarize(d) my contractor with the procedures required for access to Danville Townhomes over common areas and responsibility for damage thereto.
[x] The homeowner is the "person responsible" for damage to Danville Townhomes common area caused by himself or by his contractor while completing these improvements. By submitting this application I acknowledge responsibility for damages to the common areas by contractors entering Danville Townhomes property at my invitation.

For Association Use Only:
Property Address:**______________________________**

Committee Member Name:________________________ Date:______________________________
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

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Committee Member Name:________________________ Date:______________________________
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

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Committee Member Name:________________________ Date:______________________________
[ ] Recommend Approval as submitted: [ ] Recommend Approval with following conditions: [ ] Recommend Denial:

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Management Company Instructions:
[ ] Send response to owner based on Committee input noted above.
[ ] Send hearing letter regarding unauthorized installation.
[ ] Notify owner to cease work.
[ ] Send notice of completion

NOTE: Improvement work may not commence without written approval of the Danville Townhomes. Please submit plans anticipating up to 45 days for review and comment by the Architectural Committee. Unauthorized improvements are subject to removal.

SUMMARY OF PROCEDURES FOR APPROVAL OF PHYSICAL CHANGES TO PROPERTY

The following summary is provided pursuant to Civil Code Section 1378(c). The summary outlines the procedures for applying for additions, alterations or modifications to your home; and for reviewing and approving or disapproving such applications, as those procedures are set forth in the CC&Rs. In the event of any conflicts between this summary and the CC&Rs, the CC&Rs control.

Any physical change to your home that affects the visual appearance of your home or, if applicable, your yard from the street or neighboring homes requires architectural approval. In addition, if your home is a condominium or townhouse, any physical change that affects or potentially affects the structural design of the building (for example, interior bearing walls) or the fire suppression system (for example, area separation walls between units or fire sprinklers) also requires the Association's approval.

The following procedure is used by the Association to review and approve or disapprove applications for physical changes to a home:

1. All applications for physical changes must be:
   a. In writing,
   b. Submitted to the Association's community manager, on a form available from the management office, and
   c. Accompanied by such plans, sketches and/or diagrams that, in the reasonable judgment of the Association, are sufficient to adequately describe the nature and extent of the proposed change or the rules of the Association.

An application shall not be deemed to be complete until all required documentation has been provided.

2. The Association shall review the application and supporting documents and shall either approve or disapprove it based on the following criteria:

   a. Compliance of the application and supporting documents with the requirements of the governing documents of the Association;
   b. Confirmation that the proposed change conforms to the requirements and restrictions of the governing documents of the Association and will not interfere with the reasonable enjoyment by any other owner of his or her property; and
   c. Confirmation that the proposed change will otherwise be consistent with the architectural and aesthetic standards prevailing within the development, in harmony with the existing structures, landscaping and/or topography existing within the development and consistent with the overall plan and scheme of the development.

3. The Association is not required to approve a requested change simply because it has been previously approved for another home.

4. A vote of a majority of a quorum of the reviewing body of the Association shall be sufficient to approve an application.

5. The Association shall either approve or disapprove the proposed change, within thirty days after receipt of the application and all supporting documents. The applicant shall be promptly notified of the decision in writing. If the proposed change or improvement is disapproved, the written notice to the applicant shall provide an explanation as to why the proposed change or improvement was disapproved and, unless the Board is acting as the reviewing body, a description of the procedure for reconsideration of the decision by the Board.

6. Unless the Board is acting as the reviewing body, any decision of the reviewing body may be appealed to the Board. A written notice of appeal must be submitted to the Association's community manager, by the applicant or other interested owner within thirty (30) days after the written decision to the applicant was mailed. The appeal shall be considered by the Board at an open meeting held within sixty (60) days of receipt of the notice of appeal. The vote of the Board as to the application shall be final.

Danville Townhomes Homeowners Association
ELECTION RULES

These rules have been adopted pursuant to Article VII, Section 1(a) of the Bylaws of Danville Townhomes Homeowners Association and Civil Code Section 1363.03 and are intended to reflect and incorporate the requirements of the new law on association elections effective July 1, 2006. The provisions of the new election law supercede the existing provisions in the Bylaws or CC&Rs regarding elections. Therefore, in the event of any conflict between these rules and the existing provisions of the Bylaws or CC&Rs, these rules shall govern.

Definitions

1. As used in these rules, "Ballot" refers to a written document prepared in accordance with these Rules and mailed to the members of the Association entitled to vote in a particular election.

2. Any other terms with initial caps not otherwise defined shall have the same meaning as in the Bylaws or CC&Rs.

Types of Elections Subject to These Rules

3. These rules shall be applicable to all matters requiring a vote of the members and shall be the only method for voting by the members on Association business.

4. Annual and special meetings of the members may still be called, but no vote on any matter requiring member approval may be conducted at such meetings except as provided in these Rules.

Qualifications for Voting and Voting Power of Memberships

5. Subject to Rule 6 below, any Member of the Association shall be entitled to vote under these Rules so long as he or she is a Member in Good Standing. A "Member in Good Standing" for purposes of these Rules is an Owner whose right to vote has not been suspended by the Board due to violation of the governing documents. Any Member qualified to vote under this rule is considered a "Member Entitled to Vote" under these Rules.

6. Co-Owners of a unit, if otherwise qualified, shall be considered as a single "Member Entitled to Vote" for purposes of these Rules.

7. Each Member Entitled to Vote shall be entitled to cast one vote for each matter to be decided by the election. In Director elections, each position to be filled on the Board is considered a separate matter to be decided, so that a Member Entitled to Vote may cast

the number of votes equal to the number of positions on the Board to be filled by the election.

8. There is only a single class of membership in the Association. Each vote by a Member Entitled to Vote is entitled to the same weight in any election.

Nomination of Directors

9. The qualifications for serving on the Board of Directors are as follows: the Director or candidate for Director must be a Member in Good Standing as defined in Rule 5, or officers, directors, or employees of a Member in Good Standing. (Bylaws Article IV Section 1) Any person meeting these qualifications may serve on the Board. Any person seeking election to the Board and meeting these qualifications will be considered a "Qualified Candidate" and eligible for election to the Board of Directors.

10. At least ninety (90) days prior to distribution of Ballots for election of Directors, the Board shall send an Application for Position on Board of Directors (Board Application) to all Members. Any member meeting the qualifications set forth in Rule 9 above may nominate himself or herself. Any such person shall complete, sign and return to the Nominating Committee (see below) the Board Application. All persons who meet the qualifications set forth in Rule 9, and who return their Board Application on or before the deadline stated in the Board Application, shall be included on the Ballot for election of Directors.

11. At least sixty (60) days prior to distribution of the Ballots for election of Director, the Board shall appoint a Nominating Committee whose duties shall include reviewing all Board Applications to determine if a candidate meets the qualifications set forth in Rule 9 above. The Committee may also solicit persons to run for the Board, but shall require all such persons to complete the Board Application. In the event a Nominating Committee is not appointed by the Board, the Board shall serve as the Committee.

12. At least thirty (30) days before the date for distribution of ballots, the Nominating Committee shall report to the Board the identity of all persons who are Qualified Candidates and whose names shall appear on the ballot. If any person has submitted a Board Application and has been found by the Nominating Committee not to be a Qualified Candidate, the Nominating Committee shall notify such person in writing of its finding and the reasons why such person was found not to be a Qualified Candidate.

Election of Directors

13. The ballots for Director Elections shall set forth the names of all Qualified Candidates whose names have been placed in nomination at the time the ballot is issued. The ballot form shall also provide a space where the Member can designate a vote for another (*i.e.*, write-in) candidate. Pursuant to Article III, Section 5.D of the Bylaws, cumulative voting is permitted. A Member may indicate multiple votes for the same candidate, up to the total number of votes the Member is entitled to cast for Director, on a single Ballot.

14. No minimum number of ballots is required to make a Director election valid; the persons receiving the most votes shall be elected as Directors.

Form of Ballot

15. Elections conducted under these rules shall be by a Ballot mailed to each member of the Association entitled to vote. Such written ballot shall set forth the proposed action and provide an opportunity to specify approval or disapproval of the proposed action.

16. Ballots shall state the time by which the ballot must be received by the Inspector of Election in order to be counted. The deadline for return of the Ballots shall be at least thirty (30) days after the date of distribution of the Ballots, but the Board may authorize a longer time period for Ballot return.

17. The ballot shall not on its face provide any method for identifying the member voting. Instead, a double envelope system shall be used in which the marked ballot is placed in a sealed envelope, which is then placed in another sealed envelope. The person voting must print and sign his or her name and indicate the address of the unit for which the Ballot is being cast.

Distribution of Ballots

18. The Board may determine a record date for each election conducted pursuant to these rules and the owner(s) of record on such record date shall be entitled to receive a ballot for voting on the matter to be decided. If no record date is established by the Board, the record date shall be the date the ballots are mailed to the members.

19. Ballots shall be mailed by first-class mail to each Member Entitled to Vote at the address for the Member indicated in the Association records. If an owner wishes to have a Ballot sent to an address different than the address indicated in the Association's records, such member must notify the Association in writing of the address to which the Ballot is to be sent prior to distribution of the Ballots.

20. One ballot will be provided for each unit. In the event there are multiple owners of a unit, the owners must jointly decide how the ballot is to be completed. If a Ballot is misplaced, a duplicate Ballot will be provided upon written request of the Owner.

21. Proxies for elections conducted under these rules will not be distributed by the Association and may not be used in place of Ballots. Any instruction given in a proxy for an election that directs the manner in which the proxyholder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxyholder to retain.

Inspector(s) of Election

22. For all elections conducted under these rules, the Board shall appoint either one or three persons to act as inspector(s) of election. The inspector(s) shall be appointed at

least thirty days prior to distribution of the Ballots. Inspectors may be members of the Association but shall not be a member of the Board or a candidate for the Board or related to a Director or candidate for the Board. The Association's manager, counsel or accountant or any other person not expressly disqualified under this Rule may serve as an inspector.

23. The duties of the inspector or inspectors shall be to determine the number of Members Entitled to Vote and the voting power of each; receive Ballots and determine their validity; count and tabulate all votes; determine when the polls shall close and voting be concluded; determine and announce the results of the election; hear and determine all challenges and questions in any way arising out of or in connection with the right to vote; and perform any other acts necessary to assure the fairness of the election. Inspectors may appoint and oversee additional persons to count and tabulate votes.

24. The inspector or inspectors shall perform their duties impartially, in good faith, to the best of his or her ability, and as expeditiously as possible. If there are three Inspectors of Election, the decision or act of a majority of the inspectors shall be deemed to be the decision or act of all.

25. The inspector or inspectors may be compensated for their services as inspector as deemed appropriate by the Board.

Completion, Collection and Tabulation of Ballots

26. Each owner casting a Ballot must complete the Ballot pursuant to the instructions accompanying the Ballot, place the unsigned Ballot in an unmarked envelope and seal it, and place the unmarked envelope in an envelope addressed to the Inspector(s) of Election at the address provided in the Ballot or in the instructions accompanying the Ballot. The two envelopes will be provided to each owner with the Ballot. No more than one ballot shall be placed in the two envelopes. Persons owning multiple units must use a separate double envelope for each unit owned.

27. In the upper left hand corner of the outer envelope containing the ballot, the Owner must print and sign his or her name, and provide the address of the unit for which the Ballot is being cast. <u>Failure to include this information on the outer envelope shall render the Ballot invalid.</u> The outer envelope shall be sealed and mailed or delivered to the Inspector(s) of Election (or to a locked Ballot box) at the address provided in the Ballot. Once delivered to the Inspector(s) of Election, a Ballot is irrevocable.

28. The Inspector(s) of Election shall keep the unopened Ballot envelopes in a safe and secure location until the Ballots are opened and tabulated and the final results of the election announced to the members.

29. No one but the designated Inspector(s) of Election or assistants designated by them may receive or handle the ballot envelopes or ballots until the envelopes are opened, the ballots are counted and the results announced to the members. If the Inspector(s) of Election designate a location where the ballot envelopes may be placed in a locked ballot box, the Inspector(s) shall have the only keys to the box until the election is completed.

30. The Ballots shall be counted and tabulated by the Inspector(s) of Election in public at a properly noticed meeting of the Board or of the members. The Inspector(s) of Election may permit the polls to remain open a reasonable time after the meeting has been called to order to permit those persons who have not yet voted an opportunity to do so. Upon tabulation of the written ballots, the Board shall notify the Members of the outcome of the vote within fifteen (15) days following the close of the balloting process and tabulation of the ballots. If the number of written ballots cast with respect to any matter is insufficient to satisfy the minimum voting requirements for the matter to be decided, the Board may extend the deadline for return of the ballots by a reasonable time and so notify the Members.

31. Following tabulation of the votes, the Ballots shall be transferred by the Inspector(s) of Election to the custody of the Association, which shall keep the Ballots in a secure location for at least one year.

32. In the event of a recount or other challenge to the election process, the Association shall, upon written request, make the Ballots available for inspection and review by Members or their authorized representatives. Any recount shall be conducted in a manner that shall preserve the confidentiality of the vote.

Election Campaigns

33. If any candidate for the position of Director or any Member advocating a point of view relating to a particular election is provided access to Association media, newsletter or Internet Web site during a campaign, for purposes that are reasonably related to that election, the same access shall be provided to all other candidates or Members advocating a point of view, for purposes that are reasonably related to the election.

34. All candidates for the position of Director and any Member advocating a point of view relating to a particular election shall have equal access to Association common area facilities without cost for holding meetings or gatherings for purposes reasonably related to the election.