

TELEGRAPH LANDING NORTH HOA
C/o Condominium Financial Management, Inc.CMF
1001 Galaxy Way, Suite 200
Concord, CA 94520

November 4, 2008

To: All Owners
Re: 2009 Pro-Forma Operating Budget

A copy of the Pro-Forma 2008 Operating Budget is enclosed. Homeowner assessments will increase 4.5% beginning in January.

51% of the homeowner assessments are for routine operating expenses while 26% is used for gas, electricity and cable television and 23% is transferred to the reserve account.

The detailed 2009 Budget is posted on the TL Website. The homeowner's discussions regarding the 2009 Budget may be found in the September 23, 2008 Board meeting minutes, also posted on the website.

The 2006 Special Assessment continues to be collected each February through 2011. Based on the 2008 updated reserve funding plan, the Board does not foresee the need for an additional special assessment at this time.

The 2009 reserve update projects that the association will be 26% funded at the end of 2009. It further projects that special assessment funds received through 2011 will allow the association to be 43% funded by year-end 2011. Increases in the transfer of funds from the operating account to the reserve account will be required for the Association to be able to maintain this level of funding beyond 2011 without further special assessments.

Owners must remember that the reserve study is based upon best-known expectations and estimates. Common area facilities may need repair sooner than forecasted and costs may exceed budget. That is why the Reserve Study should be reviewed periodically and updated as new information becomes available.

All owners of the Association may obtain copies of board-meeting minutes by submitting a written request to Citiscape Property Management. A fee may be requested to cover the cost of reproduction and mailing. Owners have the right to submit a secondary address to the Association for notice and delinquencies and request that their information not be made available to other owners. Minutes are also posted on the association's website, and members can receive

notice of updates to the website by registering with the webmaster,
tlonlinesf@gmail.com

Also enclosed with your budget are the following documents, which are a part of
the required disclosures to all owners:

- Delinquency Control Policy
- Alternative & Internal Dispute Resolution
- Insurance Disclosure
- Assessment and Reserve Disclosure Form
- Reserve Funding Disclosure

Sincerely,

Board of Directors

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California Disclosure Notes

The following notes are required by Sections 1365 and 1365.2.5 of the California Civil Code to be included in the annual budget distributed to all homeowners.

Assessment and Reserve Funding Disclosure Summary

For Fiscal Year Beginning: 1/1/2009

The Association's Reserve Contribution for 2009 is: \$629,932

This is an average per unit per month of: \$276.29

- 1) The current regular assesment per ownership interest is: See pg. 10 per Month.
Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found attached to this document
- 2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Year Due	Total Amount Per Ownership Interest	Purpose
2009	\$ 4,694.74	The Board of Directors does anticipate the levy of a special assessment in the amount of \$892,000.00 or \$4,719.58 per unit to defray the future repair, replacement or restoration of any major component or to provide adequate reserves therefor.
2010	\$ 4,694.74	The Board of Directors does anticipate the levy of a special assessment in the amount of \$892,000.00 or \$4,719.58 per unit to defray the future repair, replacement or restoration of any major component or to provide adequate reserves therefor.
2011	\$ 4,694.74	The Board of Directors does anticipate the levy of a special assessment in the amount of \$892,000.00 or \$4,719.58 per unit to defray the future repair, replacement or restoration of any major component or to provide adequate reserves therefor.

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found.

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected Reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

Answer: Yes-Marginally

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California Disclosure Notes

While the association's projected cash balances over the next 30 years are sufficient to meet the associations obligations as stated above and as qualified in the paragraph below, cash balances in some years are low enough that the probability of even minor changes to one or more of the variables discussed below causing the association be unable to meet those obligations is high.

The answer to this question is dependent upon predictions of future events that are estimates that cannot be forecast with precision. These predictions include assumptions concerning component lives, replacement costs, inflation, and interest over the next 30 years that by their very nature cannot be accurately determined over that time period. In addition, it assumes that future Boards will both adequately maintain the property and make future increases in assessments as predicted in the Reserve Study upon which these disclosures are made.

- 4) If the answer to #3 is "No", what additional assessments or other contributions to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years that have not yet been approved by the board or the members?

Year Due	Total Amount Per Unit	Purpose
2009	\$4,694.74	To make repairs
2010	\$4,694.74	To make repairs
2011	\$4,694.74	To make repairs

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California Disclosure Notes

- 5) The following major components, which are included in the Reserve Study are **NOT** included in the existing Reserve Funding: (NOTE: This Disclosure is NOT in conformance with California Law. California Law requires that ALL Components ARE included.)

Major & Sub Component	Remaining Useful Life	Reason Not Included
Fountain, Replacement: Entry Fountain	1	Association has chosen not to repair

- 6) For our Fiscal Yr starting 1/1/2009 our Reserve Study shows a current fund balance of \$1,492,657 on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the required amount in the Reserve Fund (Fully Funded Balance) is \$5,724,978.92. This results in a percentage funding of 26.07%.

An alternate, but generally accepted, method of calculation was also used. The alternate calculation gives credit to the interest earning power of the portfolio, as well as inflation. As depicted in the formula below, the results from this calculation reveal a required amount of \$5,671,758.18 and a Percent Funded Calculation of 26.32%. This formula is recognized by both The Association of Professional Reserve Analysts and Community Associations Institute.

$$\text{Desired Balance} = \left(\frac{\text{Current Cost}}{\text{Useful Life}} \times \text{Current Life} \right) + \left(\frac{\left(\frac{\text{Current Cost}}{\text{Useful Life}} \times \text{Current Life} \right)}{(1 + \text{Interest Rate})^{\text{Remaining Life}}} \right) - \left(\frac{\left(\frac{\text{Current Cost}}{\text{Useful Life}} \times \text{Current Life} \right)}{(1 + \text{Inflation Rate})^{\text{Remaining Life}}} \right)$$

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California Disclosure Notes

7) Reserve Fund Projections (Summary) over the next 30 Years

Fiscal Year	Ending Reserve Balance	Fully Funded Balance	Project Percent Funded	Annual Reserve Contribs.	Special Assesments	Interest Income	Reserve Expenses
2009	\$1,204,949	\$5,496,391	21.9%	\$629,932	\$391	\$28,215	\$-1,837,855
2010	\$1,630,795	\$5,810,052	28.1%	\$650,720	\$391	\$29,660	\$-1,146,534
2011	\$2,849,057	\$6,531,952	43.6%	\$672,193	\$391	\$46,857	\$-392,788
2012	\$2,937,404	\$6,969,138	42.1%	\$694,376	\$0	\$60,523	\$-666,552
2013	\$3,375,426	\$7,667,112	44.0%	\$717,290	\$0	\$66,029	\$-345,296
2014	\$1,944,967	\$6,521,751	29.8%	\$740,961	\$0	\$55,648	\$-2,227,068
2015	\$1,311,528	\$5,986,717	21.9%	\$765,412	\$0	\$34,061	\$-1,432,913
2016	\$1,303,741	\$6,025,254	21.6%	\$790,671	\$0	\$27,354	\$-825,812
2017	\$2,067,046	\$6,821,782	30.3%	\$816,763	\$0	\$35,257	\$-88,715
2018	\$1,861,520	\$6,657,942	28.0%	\$843,716	\$0	\$41,091	\$-1,090,333
2019	\$2,322,452	\$7,119,257	32.6%	\$871,559	\$0	\$43,762	\$-454,388
2020	\$797,175	\$5,608,239	14.2%	\$900,321	\$0	\$32,630	\$-2,458,227
2021	\$1,559,091	\$6,354,505	24.5%	\$930,031	\$0	\$24,645	\$-192,760
2022	\$1,998,860	\$6,784,871	29.5%	\$960,722	\$0	\$37,214	\$-558,168
2023	\$2,588,043	\$7,323,146	35.3%	\$992,426	\$0	\$47,976	\$-451,220
2024	\$3,381,372	\$8,060,751	41.9%	\$1,025,176	\$0	\$62,437	\$-294,284
2025	\$1,702,969	\$6,351,757	26.8%	\$1,059,007	\$0	\$53,179	\$-2,790,589
2026	\$257,009	\$4,818,601	5.3%	\$1,093,954	\$0	\$20,500	\$-2,560,414
2027	\$1,054,786	\$5,467,278	19.3%	\$1,130,055	\$0	\$13,721	\$-345,998
2028	\$2,114,784	\$6,370,435	33.2%	\$1,167,346	\$0	\$33,152	\$-140,501
2029	\$2,211,868	\$6,318,345	35.0%	\$1,205,869	\$0	\$45,254	\$-1,154,039
2030	\$2,700,461	\$6,639,553	40.7%	\$1,245,662	\$0	\$51,380	\$-808,449
2031	\$3,694,533	\$7,450,622	49.6%	\$1,286,769	\$0	\$66,888	\$-359,586
2032	\$4,813,992	\$8,380,675	57.4%	\$1,329,233	\$0	\$88,994	\$-298,768
2033	\$5,702,936	\$9,070,496	62.9%	\$1,373,097	\$0	\$110,001	\$-594,154
2034	\$6,986,528	\$10,142,939	68.9%	\$1,418,410	\$0	\$132,725	\$-267,542
2035	\$7,173,676	\$10,126,478	70.8%	\$1,465,217	\$0	\$148,108	\$-1,426,177
2036	\$8,641,855	\$11,360,315	76.1%	\$1,513,569	\$0	\$165,422	\$-210,812
2037	\$10,362,127	\$12,840,309	80.7%	\$1,563,517	\$0	\$198,771	\$-42,016
2038	\$12,173,888	\$14,409,948	84.5%	\$1,615,113	\$0	\$235,714	\$-39,066

The Board of Directors does anticipate the levy of a special assessment in the amount of \$892,000.00 or \$4,719.58 per unit in the years 2009, 2010 and 2011 to defray the future repair, replacement or restoration of any major component or to provide adequate reserves therefor..

This Association's funding plan provides adequate funds to meet expected expenditures and is based on the assumption that the Association will fund the reserves in accordance with the plan we have presented, which includes changes in annual funding as depicted in the statement of cash flows and expenditures established through an independent reserve study and funding updates as appropriate. The amount of reserves necessary was determined by calculating the annualized wearing out of the components, adjusting for the expected interest earnings of the reserve portfolio as well as expected inflationary impact on the future costs of the components. The most recent reserve study with detailed backup has been provided to your Board of Directors and is on file with the Association's official records. This study must be reviewed and adjusted as necessary annually (California Civil Code Section 1365.5(d)).

The accompanying table titled "Consolidated Component List" showing the estimated replacement costs, estimated current life, and estimated remaining life for the components is an integral part of this required disclosure.

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California Disclosure Notes

Inflation Assumption: 3.30%

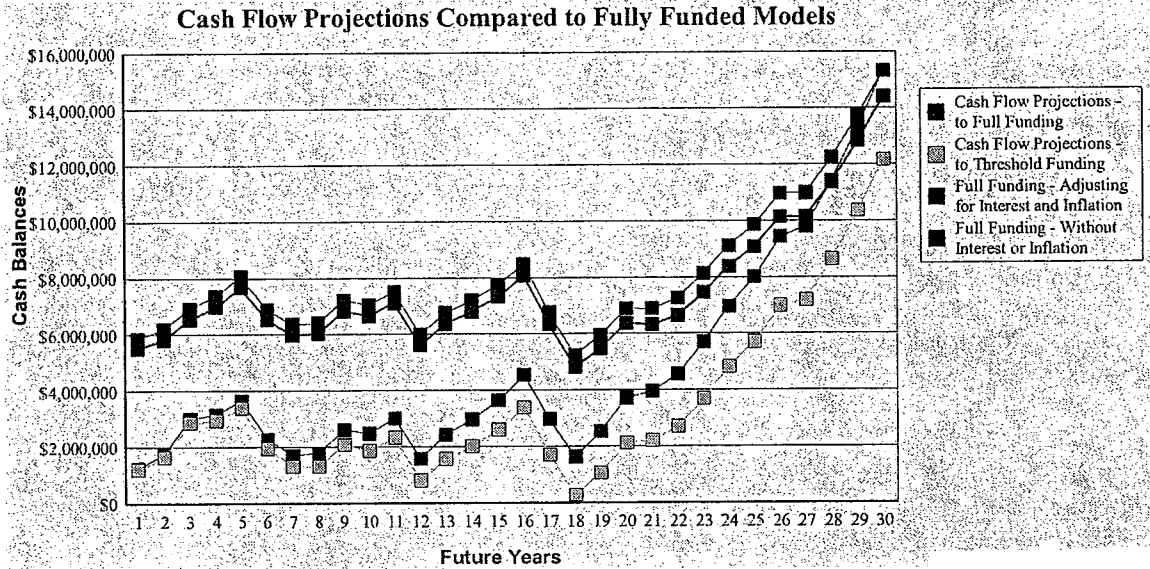
Pre-tax Interest Assumption:

3.50%

Tax Assumption: 1120H

The graph below depicts a forecast of the level of fund balances necessary over the next thirty years in order to remain 100% funded, as well as two commonly recognized funding alternatives. One method results in funding to this full funding level. The other method funds to some threshold set by the association which may be higher or lower than full funding depending on the needs and desires of the association.

The association has chosen to fund to the threshold funding level on the following graph which allows for positive cash flows across the next thirty years



The disclosures on the following pages are a required part of this disclosure.

The percent funded figure disclosed on the previous page is required by the California Civil Code. However, such disclosures are problematic as they do not show the impact on current or future homeowners. It is possible for associations with very low funding percentages to recover to adequate funding levels in some cases with very little impact on homeowners. In other cases, the impact may be significant. Conversely, it is possible to have relatively high "percent funded" figures and still require significant increases in assessments, and in some cases special assessments, in order to recover any shortfall before expected expenditures are due. In order to help measure the impact of any underfunding status in the reserve fund the following table is provided:

California Disclosure Notes

Impact of Fund Status on Current and Future Owners

Measured in average impact per unit per month (PUPM)

<u>End of Fiscal Year</u>	<u>Notional Ideal Assessment</u>	<u>Assessment Needed to Achieve/Maintain Full Funding</u>	<u>Special Assessments</u>	<u>Impact of any Underfunding</u>	<u>Projected Percent Funded</u>
2009	\$ 661.80	\$ 297.20	\$ 391.23	\$26.63 PUPM	21.42%
2010	\$ 600.55	\$ 307.01	\$ 391.23	\$97.68 PUPM	27.97%
2011	\$ 442.02	\$ 317.14	\$ 391.23	\$266.35 PUPM	43.37%
2012	\$ 427.12	\$ 327.60	\$ 0.00	No Impact	42.73%
2013	\$ 393.64	\$ 338.41	\$ 0.00	No Impact	45.22%
2014	\$ 401.37	\$ 349.58	\$ 0.00	No Impact	33.00%
2015	\$ 333.68	\$ 361.12	\$ 0.00	\$27.44 PUPM	26.85%
2016	\$ 326.22	\$ 373.03	\$ 0.00	\$46.82 PUPM	27.61%
2017	\$ 336.05	\$ 385.34	\$ 0.00	\$49.30 PUPM	36.12%
2018	\$ 343.49	\$ 398.06	\$ 0.00	\$54.57 PUPM	35.13%
2019	\$ 341.40	\$ 411.20	\$ 0.00	\$69.80 PUPM	40.18%
2020	\$ 349.45	\$ 424.76	\$ 0.00	\$75.31 PUPM	26.29%
2021	\$ 370.20	\$ 438.78	\$ 0.00	\$68.58 PUPM	35.88%
2022	\$ 382.42	\$ 453.26	\$ 0.00	\$70.85 PUPM	41.06%
2023	\$ 376.05	\$ 468.22	\$ 0.00	\$92.17 PUPM	47.04%
2024	\$ 388.17	\$ 483.67	\$ 0.00	\$95.50 PUPM	53.51%
2025	\$ 400.64	\$ 499.63	\$ 0.00	\$98.99 PUPM	43.86%
2026	\$ 401.63	\$ 516.12	\$ 0.00	\$114.49 PUPM	31.03%
2027	\$ 410.44	\$ 533.15	\$ 0.00	\$122.71 PUPM	42.72%
2028	\$ 423.98	\$ 550.75	\$ 0.00	\$126.76 PUPM	53.92%
2029	\$ 437.98	\$ 568.92	\$ 0.00	\$130.94 PUPM	57.23%
2030	\$ 452.43	\$ 587.69	\$ 0.00	\$135.27 PUPM	62.81%
2031	\$ 467.36	\$ 607.09	\$ 0.00	\$139.73 PUPM	70.00%
2032	\$ 482.78	\$ 627.12	\$ 0.00	\$144.34 PUPM	76.30%
2033	\$ 494.70	\$ 647.82	\$ 0.00	\$153.11 PUPM	81.16%
2034	\$ 511.03	\$ 669.20	\$ 0.00	\$158.17 PUPM	86.06%
2035	\$ 527.89	\$ 691.28	\$ 0.00	\$163.39 PUPM	89.16%
2036	\$ 545.31	\$ 714.09	\$ 0.00	\$168.78 PUPM	93.28%
2037	\$ 563.31	\$ 737.66	\$ 0.00	\$174.35 PUPM	96.89%
2038	\$ 581.90	\$ 762.00	\$ 0.00	\$180.10 PUPM	100.00%

The above table presumes full funding in thirty years and is intended to provide a measure of the impact of any under or over funding on homeowners.

The association's funding plan does not follow the above table and homeowners can expect the impact of underfunding to increase in future years.

Telegraph Landing North Assoc.
PROPOSED BUDGET REPORT - 2009
September 30, 2008

		2008	PROJECTED	2009	2009
		YEARLY	ACTUAL	PROPOSED	PROPOSED
REVENUE		BUDGET		YEARLY	MONTHLY
				BUDGET	BUDGET
OPERATING REVENUE					
41010	Owners Assessments Billed	1,548,759	1,548,760	1,670,577	139,215
41011	Gas/Elect & Cable Billing	612,361	612,361	587,766	48,980
41020	Late Charges	10,000	15,787	10,000	833
41040	Interest Billed A/R	750	2,288	1,000	83
41050	Misc. Revenue / Expense A/R		-51		
41060	Interest Earned Operations	5,000	7,677	5,000	417
	SUBTOTAL	2,176,870	2,186,822	2,274,333	189,528
SPECIAL ASSESSMENT REVENUE					
41100	Special Assessment	911,493	1,232,167	907,652	75,638
	SUBTOTAL	911,493	1,232,167	907,652	75,638
MISCELLANEOUS REVENUE					
43910	Fines & Penalties		67		
43920	Comcast Revenue	2,280	2,280	2,280	190
43930	Move In/Move Out Fees	5,000	7,227	2,500	208
43950	Parking Space Revenue	1,500	1,500	1,500	125
43990	Miscellaneous Revenues		972		
	SUBTOTAL	8,780	12,046	6,280	523
TRANSFER TO FUND ACCOUNTS					
49010	Transfer to Reserves	-372,500	-372,500	-516,705	-43,059
49020	Transfer Special Assessment	-911,493	-1,232,167	-907,652	-75,638
	SUBTOTAL	-1,283,993	-1,604,667	-1,424,357	-118,697
	NET OPERATING REVENUE	1,813,150	1,826,368	1,763,908	146,992
EXPENSES					
ADMINISTRATIVE EXPENSES					
50008	D&O Insurance Exp	2,000	1,968	2,000	167
50009	Fidelity Insurance Exp	3,850	1,671	3,850	321
50010	Insurance Expense	64,500	60,024	60,000	5,000
50011	Workman's Comp Insurance	1,285	8,953	776	65
50012	Postage	3,500	5,428	5,000	417
50014	Copies	7,500	19,737	18,500	1,542
50016	Office Supplies	5,500	9,404	7,000	583
50022	Audit & Tax Preparation	4,275	3,733	2,850	238
50025	Payroll Taxes		17,759		
50026	Payroll Processing Fees		8,869		
50027	Payroll Benefits		10,131		
50030	Accounting & Billing	12,996	13,608	13,608	1,134
50034	Misc. Financial Mgmt	3,800	731	2,500	208
50035	Management Fees	48,000	48,000	48,000	4,000
50037	On Site Management Personnel	103,190	82,616	107,716	8,976
50038	Management Extras			15,000	1,250
50040	Legal & Professional Fees	17,500	5,024	15,000	1,250
50042	Dues/Publications	520	1,517	750	63
50043	Budget/Reserve Study	1,000	4,173	3,500	292
50044	Meeting/Social Expenses	4,800	2,483	4,000	333
50048	Admin. Telephones	4,500	7,529	8,600	717
50050	Bad Debt Expense	500	667	1,000	83
50090	Misc. Admin Expense	2,500	40,527	1,500	125
	SUBTOTAL	291,716	354,552	321,150	26,764

**Telegraph Landing North Assoc.
PROPOSED BUDGET REPORT - 2009
September 30, 2008**

		2008 YEARLY BUDGET	PROJECTED ACTUAL	2009 PROPOSED YEARLY BUDGET	2009 PROPOSED MONTHLY BUDGET
BUILDING REPAIRS & MAINTENANCE					
51000	Bldg Maint. Payroll	183,338	192,124	84,420	7,035
51011	Janitorial Contract			109,728	9,144
51012	Bldg Maint. Supplies	12,000	27,549	25,000	2,083
51014	Bldg Maint. Repairs	25,000	7,528	25,000	2,083
51015	Window Washing	11,000	13,867	11,000	917
51016	Light Maint & Supplies	5,000		5,000	417
51017	Pest Control	1,308	1,313	1,308	109
51018	Plumbing Repairs	20,000	11,403	7,500	625
51019	Electrical Repairs	1,500	393	1,500	125
51020	Paint Maintenance	3,500			
51023	Rug Cleaning/Repair	3,000	1,439	3,000	250
51025	Staff Training-Asbestos	150			
51027	Garage Drain Cleaning	1,000		1,000	83
51099	Bldg Contg./Leak Repair	25,000	18,828	15,000	1,250
	SUBTOTAL	291,796	274,444	289,456	24,121
EQUIPMENT MAINTENANCE					
51101	HVAC Maint. Repairs	15,000	3,440	10,000	833
51105	Elevator Maint. Contract	33,000	30,369	28,800	2,400
51107	Elevator Supplies/Repair	6,000	2,733	2,500	208
51108	Elevator License	1,260	2,053	1,260	105
51110	Garage Gate Repair	3,500	2,684	3,500	292
	SUBTOTAL	58,760	41,279	46,060	3,838
GROUNDS REPAIRS & MAINTENANCE					
51210	Landscape Contract	28,057	29,265	28,058	2,338
51213	Landscape Supplies/Color	50,000	9,740	15,000	1,250
51215	Irrigation Maintenance	2,500	2,589	3,200	267
51217	Drainage Maintenance	2,500		2,500	208
51218	Tree Trimming & Removal	2,500	19,553	10,000	833
51226	Inside/Outside Tile Maint.	2,000		2,000	167
	SUBTOTAL	87,557	61,147	60,758	5,063
RECREATION AREA EXPENSE					
53100	Gym Equipment Maint.	1,500	5,111	1,500	125
53104	Equipment Repair/Maint.	1,000		1,000	83
	SUBTOTAL	2,500	5,111	2,500	208
SECURITY / LIFE SAFETY EXPENSE					
54010	Security Contr	215,000	219,764	230,000	19,167
54012	Security Equip Repair/Parts	5,000	3,797	4,000	333
54016	Life Safety System	5,480	4,409	5,700	475
54018	Locks & Keys	2,500	237	1,500	125
54030	Fire Inspection	10,000	10,657	5,000	417
54040	Fire Sprinkler Inspection	7,470	900	3,000	250
54050	Cameras & Doors	500		500	42
54055	Emergency Lights	500		500	42
54060	Fire Equip Inspection	500		500	42
54070	Fire Extinguisher Maint.	1,200		1,200	100
54075	Emergency Generator Exp	4,500		4,500	375
	SUBTOTAL	252,650	239,764	256,400	21,368

Telegraph Landing North Assoc.
PROPOSED BUDGET REPORT - 2009
 September 30, 2008

		2008 YEARLY BUDGET	PROJECTED ACTUAL	2009 PROPOSED YEARLY BUDGET	2009 PROPOSED MONTHLY BUDGET
UTILITIES EXPENSE					
55010	PG&E Gas	149,350	153,941	167,683	13,974
55012	PG&E Electricity	390,000	297,227	345,000	28,750
55014	Water Service	37,885	38,157	39,139	3,262
55015	Sewer Service	87,800	76,165	80,393	6,699
55016	Garbage Service	90,100	77,055	80,296	6,691
55018	Cable Television	73,000	73,227	75,073	6,256
	SUBTOTAL	828,135	715,772	787,584	65,632
	TOTAL EXPENSES	1,813,114	1,692,069	1,763,908	146,994
	NET INCOME (LOSS) BEFORE TAXES	36	134,299		-2

*** END OF REPORT ***

TELEGRAPH LANDING NORTH HOA ASSESSMENTS 2008

Unit type	Assess Allocation	2009 Utility Assess	2009 Reg. Assess	2009 Rsvs Assess	Total 2009 Assess	Total 2008 Assess	Total 2007 Assess	2006 Assess	**2005 Assess	Increase Overall	No. of units in size	Total Assess
F, N, O	0.3074%	\$150.56	\$295.58	\$132.36	\$578.51	\$553.60	\$519.45	\$500.23	\$468.06	4.50%	11	\$6,363.61
A, B, C, D, E, G, H, J, P	0.4965%	\$243.18	\$477.41	\$213.79	\$934.39	\$894.15	\$838.99	\$807.95	\$755.99	4.50%	119	\$111,191.85
Model L, M, Townhomes I, II	0.5780%	\$283.10	\$555.78	\$248.88	\$1,087.76	\$1,040.92	\$976.71	\$940.57	\$880.09	4.50%	50	\$54,388.19
Townhomes III, IV	0.7518%	\$368.23	\$722.90	\$323.72	\$1,414.85	\$1,353.92	\$1,270.40	\$1,223.39	\$1,144.73	4.50%	8	\$11,318.77
K	1.0207%	\$499.94	\$981.46	\$439.50	\$1,920.90	\$1,838.18	\$1,724.78	\$1,660.97	\$1,554.17	4.50%	1	\$1,920.90
Commercial	1.6017%	\$784.51	\$1,540.13	\$689.67	\$3,014.31	\$2,884.51	\$2,706.56	\$2,606.42	\$2,438.83	4.50%	1	\$3,014.31
											190	\$188,197.62

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California Disclosure Notes
Consolidated Component List

NOTE: This listing is required to be provided to homeowners by the California Civil Code. In order to reduce print costs, it is a consolidated list provided for informational purposes only. Any mathematical projections or calculations made in the reserve funding analysis were made from an expanded list. Readers are cautioned not to attempt to make mathematical projections of their own from this list, but rather to refer to the "Detailed component List" provided in the complete reserve study on file with the association.

Reserve Component	Quantity	Average Unit Cost	Current Useful Lives	Adjusted Useful Lives	Remaining Useful Lives	Current Cost	Future Cost
Acoustical Tile Ceiling	3,809 S.F.	\$ 1.25	20 to 20	20 to 20	9 to 9	\$ 4,761	\$ 6,377
Building Exteriors	11 Each	\$ 2,704.55	15 to 40	15 to 40	5 to 7	\$ 29,750	\$ 35,492
Carpet	22,370 S.F.	\$ 8.00	15 to 15	15 to 15	4 to 4	\$ 178,960	\$ 203,778
Concrete, Repair Fund	95,721 S.F.	\$ 0.05	3 to 3	3 to 3	2 to 2	\$ 4,786	\$ 5,107
Deck Repair - Plaza Membrane	6 Lot	\$375,000.00	2 to 45	0 to 30	2 to 12	\$ 2,250,000	\$ 2,956,993
Deck Repair - Street/Plaza	16,749 S.F.	\$ 2.43	10 to 10	10 to 10	3 to 3	\$ 40,700	\$ 44,864
Deck Reseal - Buildings	4 Lot	\$ 47,500.00	5 to 5	5 to 5	2 to 3	\$ 190,000	\$ 204,596
Deck, Membrane Seal	2 Lot	\$395,000.00	39 to 40	0 to 0	6 to 7	\$ 790,000	\$ 975,144
Doors, Replacement	330 Each	\$ 506.18	20 to 50	20 to 40	7 to 17	\$ 167,040	\$ 268,391
Elevator	16 Each	\$ 72,500.00	10 to 34	10 to 30	1 to 1	\$ 1,160,000	\$ 1,198,280
Fire & Safety System	375 Each	\$ 200.18	15 to 34	15 to 20	1 to 7	\$ 75,066	\$ 87,885
Fire & Safety System	4 Lot	\$ 12,000.00	5 to 45	5 to 30	1 to 12	\$ 448,000	\$ 644,265
Fountain, Replacement	1 Lot	\$ 0	34 to 34	34 to 34	1 to 1	\$ -	\$ -
Furnishings, Bldg 1	40 Each	\$ 351.89	10 to 40	10 to 40	1 to 15	\$ 14,075	\$ 18,570
Furnishings, Bldg 2	44 Each	\$ 310.26	10 to 40	10 to 40	1 to 15	\$ 13,652	\$ 17,797
Furnishings, Bldg 2	24 L.F.	\$ 40.00	40 to 40	40 to 40	7 to 7	\$ 960	\$ 1,205
Furnishings, Bldg 3	13 Each	\$ 573.23	10 to 40	10 to 40	5 to 15	\$ 7,452	\$ 10,305
Furnishings, Bldg 4	13 Each	\$ 573.23	10 to 40	10 to 40	5 to 15	\$ 7,452	\$ 10,305
Furnishings, Clubroom	61 Each	\$ 233.75	20 to 39	10 to 25	1 to 15	\$ 14,259	\$ 16,455
Furnishings, Entry Bldg	5 Each	\$ 542.00	15 to 20	15 to 20	9 to 15	\$ 2,710	\$ 4,324
Furnishings, Entry Bldg	1 Lot	\$ 4,500.00	40 to 40	40 to 40	34 to 34	\$ 4,500	\$ 13,571
Furnishings, Gym	10 Each	\$ 1,625.00	15 to 25	15 to 25	3 to 13	\$ 16,250	\$ 19,495
Furnishings, Gym	21 L.F.	\$ 40.00	40 to 40	40 to 40	7 to 7	\$ 840	\$ 1,054
Furnishings, Kitchen	7 Each	\$ 525.00	10 to 44	10 to 40	1 to 11	\$ 3,675	\$ 4,375
Garage, Entry System	5 Each	\$ 3,231.00	10 to 40	10 to 40	5 to 9	\$ 16,155	\$ 19,738
Hot Water System	22 Each	\$ 10,836.36	15 to 35	15 to 30	1 to 27	\$ 238,400	\$ 400,192
HVAC	43 Each	\$ 1,641.09	34 to 36	20 to 20	1 to 3	\$ 70,567	\$ 75,785
Intercom	59 Each	\$ 75.00	26 to 26	25 to 25	12 to 12	\$ 4,425	\$ 6,533
Intercom	1 Lot	\$ 65,000.00	45 to 45	35 to 35	12 to 12	\$ 165,000	\$ 243,606
Irrigation	9 Each	\$ 552.11	34 to 34	12 to 20	1 to 1	\$ 4,969	\$ 5,133
Landscaping	1 Lot	\$ 75,000.00	10 to 10	10 to 10	2 to 2	\$ 75,000	\$ 80,032
Lighting, Exterior	224 Each	\$ 176.43	20 to 39	20 to 25	1 to 20	\$ 39,520	\$ 54,571
Lighting, Interior	544 Each	\$ 152.96	10 to 36	10 to 25	1 to 20	\$ 83,211	\$ 144,043
Linoleum	409 S.F.	\$ 4.75	20 to 20	20 to 20	6 to 6	\$ 1,943	\$ 2,361
Mailboxes	14 Each	\$ 1,129.29	25 to 25	25 to 25	15 to 15	\$ 15,810	\$ 25,730
One Time Window Replaceme	2 Lot	\$250,000.00	4 to 14	0 to 0	4 to 14	\$ 500,000	\$ 678,532
Other	2 Each	\$ 20,000.00	20 to 20	20 to 20	1 to 1	\$ 40,000	\$ 41,320

Telegraph Landing

California Disclosure Notes
Consolidated Component List

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Reserve Component	Quantity	Average Unit Cost	Current Useful Lives	Adjusted Useful Lives	Remaining Useful Lives	Current Cost	Future Cost
Other	12 Lot	\$ 78,619.43	1 to 24	0 to 20	1 to 24	\$ 943,433	\$ 1,471,286
Paint	4 Lot	\$575,000.00	10 to 20	10 to 20	7 to 18	\$ 2,300,000	\$ 3,921,432
Paint	4,496 S.F.	\$ 1.00	20 to 20	20 to 20	15 to 15	\$ 4,496	\$ 7,317
Paint, Interior	127,315 S.F.	\$ 0.85	10 to 10	10 to 10	5 to 5	\$ 108,218	\$ 127,292
Paint, Wood	10,548 S.F.	\$ 0.85	5 to 7	5 to 5	1 to 2	\$ 8,966	\$ 9,566
Paint, Wrought Iron	196 Each	\$ 0.85	7 to 7	5 to 5	1 to 1	\$ 167	\$ 172
Paint, Wrought Iron	26 L.F.	\$ 0.85	7 to 7	5 to 5	1 to 1	\$ 22	\$ 23
Paint, Wrought Iron	22,270 S.F.	\$ 0.85	5 to 10	5 to 10	1 to 5	\$ 18,929	\$ 20,165
Paint/Refinish, Doors	324 Each	\$ 75.00	10 to 10	10 to 10	5 to 5	\$ 24,300	\$ 28,583
Planter, Repair Fund	13,107 S.F.	\$ 2.50	1 to 1	0 to 0	1 to 1	\$ 32,768	\$ 33,849
Plumbing, Repair Fund	11 Lot	\$ 60,000.00	1 to 11	0 to 0	1 to 11	\$ 660,000	\$ 785,447
Restrooms	20 Each	\$ 369.75	36 to 40	20 to 40	3 to 7	\$ 7,395	\$ 8,808
Roofing	28 Each	\$ 250.00	18 to 18	20 to 20	15 to 16	\$ 7,000	\$ 11,580
Roofing	2,426 L.F.	\$ 4.75	18 to 34	20 to 20	1 to 16	\$ 11,524	\$ 15,703
Roofing	79,351 S.F.	\$ 5.73	5 to 34	5 to 20	1 to 16	\$ 454,731	\$ 552,140
Roofing, High Rise	2 Lot	\$505,600.00	2 to 6	0 to 0	2 to 6	\$ 1,211,200	\$ 1,390,304
Sauna, Locker Room	4 Each	\$ 1,647.00	10 to 34	10 to 30	1 to 3	\$ 6,588	\$ 6,963
Security System	14 Each	\$ 164.64	10 to 20	10 to 20	1 to 14	\$ 2,305	\$ 3,259
Security System	1 Lot	\$ 6,300.00	10 to 10	10 to 10	4 to 4	\$ 6,300	\$ 7,174
Steam Room, Locker Room	4 Each	\$ 2,125.00	34 to 40	15 to 40	1 to 7	\$ 8,500	\$ 10,114
Tile	5,585 S.F.	\$ 12.00	40 to 40	40 to 40	7 to 7	\$ 67,020	\$ 84,121
Trash Chute	2 Each	\$ 40,200.00	45 to 45	40 to 40	12 to 12	\$ 80,400	\$ 118,703
Wallpaper	5,824 S.F.	\$ 2.00	35 to 35	15 to 15	2 to 2	\$ 11,648	\$ 12,429
Wood Fence, Metal Cap	874 S.F.	\$ 2.25	15 to 15	15 to 15	12 to 12	\$ 1,967	\$ 2,903
Wood, Replace	122 Each	\$ 199.59	15 to 37	12 to 15	4 to 6	\$ 24,350	\$ 29,560
Wood, Replace	894 L.F.	\$ 24.18	15 to 36	15 to 20	3 to 12	\$ 21,616	\$ 31,674
Wrought Iron, Replace	5 Each	\$ 450.00	45 to 45	40 to 40	12 to 12	\$ 2,250	\$ 3,322
Wrought Iron, Replace	6,214 L.F.	\$ 34.04	45 to 45	40 to 40	12 to 12	\$ 211,510	\$ 312,273
Wrought Iron, Replace	416 S.F.	\$ 40.00	45 to 45	40 to 40	12 to 12	\$ 16,640	\$ 24,567
Grand Total:						\$ 12,934,129	\$ 17,556,931

Telegraph Landing

Recommended Computation of Desired Balance

Reserve Component	Quantity	Unit Cost	Current Life	Useful Life	Current Cost	Notional Ideal Assessment	Desired Balance
Bldg 2, 4th Flr, Deco Wall Iv	3 Each	\$ 250.00	5	25	\$ 750	\$ 29	\$ 147
Bldg 2, 4th Flr, Recessed In	8 Each	\$ 135.00	5	25	\$ 1,080	\$ 42	\$ 212
Bldg 2, 5th Flr, Deco Corner	5 Each	\$ 250.00	5	25	\$ 1,250	\$ 49	\$ 245
Bldg 2, 5th Flr, Deco Wall Iv	3 Each	\$ 250.00	5	25	\$ 750	\$ 29	\$ 147
Bldg 2, 5th Flr, Recessed In	8 Each	\$ 135.00	5	25	\$ 1,080	\$ 42	\$ 212
Bldg 2, 6th Flr, Deco Corner	5 Each	\$ 250.00	5	25	\$ 1,250	\$ 49	\$ 245
Bldg 2, 6th Flr, Deco Wall Iv	3 Each	\$ 250.00	5	25	\$ 750	\$ 29	\$ 147
Bldg 2, 6th Flr, Recessed In	8 Each	\$ 135.00	5	25	\$ 1,080	\$ 42	\$ 212
Bldg 2, 7th Flr, Deco Corner	5 Each	\$ 250.00	5	25	\$ 1,250	\$ 49	\$ 245
Bldg 2, 7th Flr, Deco Wall Iv	3 Each	\$ 250.00	5	25	\$ 750	\$ 29	\$ 147
Bldg 2, Men's Airlock, Ceili	1 Each	\$ 162.00	33	34	\$ 162	\$ 5	\$ 157
Bldg 2, Men's Restroom - Ce	8 Each	\$ 162.00	33	34	\$ 1,296	\$ 37	\$ 1,256
Bldg 2, Men's Restroom - W	3 Each	\$ 145.00	14	25	\$ 435	\$ 17	\$ 240
Bldg 2, rd Flr, Deco Wall M	3 Each	\$ 250.00	5	25	\$ 750	\$ 29	\$ 147
Bldg 2, Women's Airlock - C	1 Each	\$ 162.00	33	34	\$ 162	\$ 5	\$ 157
Bldg 2, Women's Restroom -	8 Each	\$ 162.00	33	34	\$ 1,296	\$ 37	\$ 1,256
Bldg 2, Women's Restroom -	3 Each	\$ 145.00	14	25	\$ 435	\$ 17	\$ 240
Bldg 3, 1st Fl, Wall Incandes	12 Each	\$ 145.00	14	25	\$ 1,740	\$ 68	\$ 960
Bldg 3, 1st Flr, Recessed In	16 Each	\$ 135.00	5	25	\$ 2,160	\$ 85	\$ 423
Bldg 3, 1st Flr, Walkway Li	8 Each	\$ 110.00	33	36	\$ 880	\$ 24	\$ 802
Bldg 3, 4th Flr, Recessed In	12 Each	\$ 135.00	5	25	\$ 1,620	\$ 63	\$ 318
Bldg 3, 4th Flr, Walkway Li	8 Each	\$ 110.00	33	36	\$ 880	\$ 24	\$ 802
Bldg 3, 4th Flr, Wall Incand	12 Each	\$ 145.00	14	25	\$ 1,740	\$ 68	\$ 960
Bldg 3, Stairwells, Wall Inc	16 Each	\$ 145.00	14	25	\$ 2,320	\$ 91	\$ 1,280
Bldg 3, Trash Rooms, Incan	4 Each	\$ 75.00	33	34	\$ 300	\$ 9	\$ 291
Bldg 4, 1st Flr, Recessed In	16 Each	\$ 135.00	5	25	\$ 2,160	\$ 85	\$ 423
Bldg 4, 1st Flr, Walkway Li	8 Each	\$ 110.00	33	34	\$ 880	\$ 25	\$ 853
Bldg 4, 1st Flr, Wall Incande	12 Each	\$ 145.00	14	25	\$ 1,740	\$ 68	\$ 960
Bldg 4, 4th Flr, Recessed In	12 Each	\$ 135.00	5	25	\$ 1,620	\$ 63	\$ 318
Bldg 4, 4th Flr, Walkway Li	8 Each	\$ 110.00	33	34	\$ 880	\$ 25	\$ 853
Bldg 4, 4th Flr, Wall Incand	12 Each	\$ 145.00	14	25	\$ 1,740	\$ 68	\$ 960
Bldg 4, Stairwells, Wall Inc	16 Each	\$ 145.00	14	25	\$ 2,320	\$ 91	\$ 1,280
Bldg 4, Trash Rooms, Incan	4 Each	\$ 75.00	33	34	\$ 300	\$ 9	\$ 291
Boiler Room, 4' Fluorescent	1 Each	\$ 150.00	5	25	\$ 150	\$ 6	\$ 29
Boiler Room, Incandescent	7 Each	\$ 75.00	33	34	\$ 525	\$ 15	\$ 509
Entry Bldg, 4' Fluorescent	4 Each	\$ 150.00	5	25	\$ 600	\$ 23	\$ 118
Entry Bldg, Desk Lamp	1 Each	\$ 40.00	5	25	\$ 40	\$ 2	\$ 8
Entry Bldg, Floor Lamp	2 Each	\$ 275.00	5	10	\$ 550	\$ 54	\$ 273
Entry Bldg, Recessed Incand	13 Each	\$ 135.00	5	25	\$ 1,755	\$ 69	\$ 344
Entry Bldg, Wall Incandesce	1 Each	\$ 145.00	14	25	\$ 145	\$ 6	\$ 80
Entry, Recessed Incandescen	5 Each	\$ 135.00	5	25	\$ 675	\$ 26	\$ 132
Subtotal for Lighting, Interior :					\$ 83,211	\$ 3,210	\$ 28,306
Linoleum							
Bldg 1, 1st Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52
Bldg 1, 2nd Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52
Bldg 1, 3rd Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52
Bldg 1, 4th Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52
Bldg 1, 5th Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52
Bldg 1, 6th Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52
Bldg 1, 7th Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52
Bldg 1, 8th Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52
Bldg 1, 9th Flr	16 S.F.	\$ 4.75	14	20	\$ 75	\$ 4	\$ 52

Telegraph Landing North HOA
DELINQUENCY CONTROL POLICY

Prompt payment of Assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of our homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions and Restrictions (CC&R's) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&R's and Civil Code Section 1365 (d), the following are the Association's assessment practices and policies:

Regular assessments are due, in advance, on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof. Special and Special Individual Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within fifteen (15) days after it is due. A courtesy statement is sent each month to the billing address on record with the Association. The owner of record is required to notify the Association of any changes to their mailing address. It is the owner of record's responsibility to pay each assessment in full each payment period regardless of whether a statement is received. A late charge of ten dollars (\$10.00) or ten percent (10%) of the delinquent assessment, whichever is greater will be assessed on any delinquent assessment.

All balances are subject to interest of 12.% per annum if they remain unpaid 30 days after they become due.

If any portion of any such assessment, late charge, interest or cost of collection remains unpaid sixty (60) days after the original due date thereof, a "Letter of Intent" to file a Notice of Delinquent Assessment ("Lien") will be prepared and sent to the record owner(s). Please be advised that the association has the right to collect all reasonable costs of collection.

All such amounts, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the date of the institution of an action to enforce the payment of delinquent amounts to the time that all such amounts are paid in full.

If the assessment is payable in installments and any installment is delinquent for more than 60 days, the Board retains the right to accelerate the entire unpaid balance of the annual or special assessment and the entire unpaid balance may become immediately due and payable.

If all such amounts have not been received ninety (90) days after the original due date thereof, a Lien will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent account.

If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien, the Association may, without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate,

including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the property owner(s).

All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.

The Association shall charge a "returned check charge" of twenty (\$20.00) for all checks returned as "non-negotiable", "insufficient funds" or any other reason plus any costs or fees charged to the Association by the banking institution.

All above-referenced notices will be mailed to the record owner(s) at the last mailing address provided in writing to the Association by such owner(s).

The mailing address for overnight payment of assessments is the same as that for routine assessment payments unless otherwise noted.

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 nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800.00) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Section 1367.4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 1366, 1367.1, and 1367.4 of the Civil Code)

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

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

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the 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)

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/29/2008

PRODUCER CID Insurance Programs, Inc. 333 East Main Street El Cajon CA 92020	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
	INSURERS AFFORDING COVERAGE	NAIC #
INSURED Telegraph Landing North Association c/o Condominium Finacial Manag 1001Galaxy Way, Suite 200 Concord CA 94520	INSURER A: Republic Indemnity	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
	EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
X	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	16375505	10/25/2008	10/25/2009	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000. E.L. DISEASE - EA EMPLOYEE \$ 1,000,000. E.L. DISEASE - POLICY LIMIT \$ 1,000,000.
	OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Homeowners Association. Board members and or Committee Member Coverage included by endorsement.

CERTIFICATE HOLDER

Proof of Insurance.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Handwritten Signature

<DF>

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

EVIDENCE OF FIDELITY INSURANCE

Date: 7/14/2008

INSURANCE COMPANY:

A. The Hartford

INSURED:

Telegraph Landing North Association
C/O Condominium Financial Management
1001Galaxy Way, Suite 200
Concord, CA 94520

COVERAGE:

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 EVIDENCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OR SUCH POLICIES, AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COMPANY NO.	TYPE OF INSURANCE	POLICY #	EFFECTIVE	SCHEDULE A LIMIT/DEDUCTIBLE
A	Fidelity	72BDDBO9443	08/09/08 to 06/01/09	\$2,775,000/\$10,000

JOINT INSURED:

Condominium Financial Management &
The Helsing Group

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE JOINT INSURED NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

For claims and policy service, please contact:

Master Fidelity The Hartford Service Center
333 East Main Street
El Cajon, CA 92020
800-922-7283



Peter Agostini

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY POLICY

Mailing Address Revision Endorsement

Item number 1 of the Information Page, mailing address of the Insured, is changed to read:

1001 GALAXY WAY STE 200
C/O CONDOMINIUM FINANCIAL MANAGEMENT
CONCORD, CA. 94520-5735

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Republic Indemnity Company of America[®]

Company No. 19739

Insured: TELEGRAPH LANDING NORTH ASSOCIATION

Policy Number: 163755-04

Endorsement Number: 0009

Endorsement Effective: March 01, 2008

Printed on: March 20, 2008

Form No. WC101 10/93



Insured Copy



SUMMARY OF THE INTERNAL DISPUTE RESOLUTION PROCEDURE
Based on California Civil Code
Sections 1363.81,82,83,84,85

California Civil Code 1363.820-1363.850 applies to disputes between an association and a member involving their rights, duties, or liabilities.

The Association is required under this section to provide a fair, reasonable and expeditious procedure for resolving a dispute. The association is required to make maximum, reasonable use of available local dispute resolution programs involving a neutral third party, including low-cost mediation programs.

Either party to a dispute involving their rights, duties or liabilities, may invoke the procedure as follows:

- 1) Either Party may request in writing for the parties to meet and confer in order to resolve the dispute.
- 2) A member may refuse to meet. The Association may not refuse a request from a member.
- 3) The association's board of directors will appoint a member of the board to meet.
- 4) The parties will meet promptly at a mutually convenient time and place, explain their positions to each other, confer in good faith and try to resolve the dispute.
- 5) A resolution of the dispute to which both parties agree, shall be in writing and signed by both parties. This agreement is judicially enforceable under the following circumstances:
 - a) The agreement is not in conflict with law or the governing documents.
 - b) The agreement is consistent with the authority of the designee or the agreement is ratified by the Board.

SUMMARY OF ALTERNATIVE DISPUTE RESOLUTION PROCEDURE
Based on California Civil Code
Sections 1369.510, 520, 530, 540,550,560,570, 580, 590.

Failure of a member of the association to comply with the alternative dispute resolution requirements of section 1369.520 of the Civil Code may result in the loss of your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

An association or an owner/member may not file an enforcement action in the superior court unless the parties have tried to submit their dispute to ADR (Alternative Dispute Resolution).

This section only applies to enforcement actions related to declaratory, injunctive or writ relief, or a claim for monetary damages of five thousand dollars (\$5000) or less.

Any party to a dispute may start this process by serving a "Request for Resolution" on all other parties. The request for resolution must include all of the following:

- 1) A description of the dispute
- 2) A request for ADR
- 3) A notice to respond within 30 days of receipt of this request or the request will be considered rejected.
- 4) If the party served with the requests is an owner, the request must include a copy of this section of the Civil Code.
- 5) The request may be by personal delivery, first class mail, express mail, facsimile transmission, or other reasonable means.
- 6) The party served has 30 days to respond.

After the parties have agreed to proceed with ADR, they must complete the process within 90 days after the acceptance unless both parties agree to extend.

The costs of the ADR shall be shared by both parties.