

CROWN COLONY

HOMEOWNERS ASSOCIATION

379 IMPERIAL WAY, DALY CITY, CA 94015-2503 • (650)756-8220 • FAX: (650)756-4323

May 7, 2010

Dear Crown Colony Homeowner,

Earlier this year, the Budget Committee and management staff met several times to prepare the 2010/11 budget for adoption by the Board. The Committee also met with John D. Beatty, who was hired to do the annual update of the Reserve Funding Schedule. Each budget item was reviewed and changed if needed. During this review, it became apparent that turning the gas to the fireplaces back on would significantly raise the gas cost and substantially increase the dues. Therefore, the gas to the fireplaces will remain off. This decision will continue to be reviewed by the Board on a quarterly basis.

At its April 21, 2010 meeting, the Board approved the 2010/11 Budget, which increased by 0.03%. Pursuant to the requirements of Civil Code Section 1365 the following are enclosed:

- 2010/11 Operating Budget;
- Reserve Funding Schedule ;
- Assessment and Reserve Funding Disclosure Summary;
- Alternative Dispute Resolution Summary (Civil Code Section 1369.510-1369.590) prepared by Crown Colony's legal counsel Berding & Weil;
- Association Assessment Collection Policy;
- Notice of Collection Rights and Obligations;
- Insurance Coverage Summary prepared by Crown Colony's agent Uhl, Palmer & Associates; and
- Architectural Guidelines and Procedures

The Board feels it has provided you a complete information package to help you understand how your monthly dues are spent. Crown Colony's 2010/11 Annual Budget shows where your money will be spent during the next fiscal year. The Reserve Funding Schedule shows where your money has been spent and where it will be spent over the next several years for replacement of and repairs to major components. It is imperative we have a properly-funded plan in place to allow us to continue these replacements and repairs. The enclosed reserves schedule reflects expenditures through 2015-2016. If you would like a copy of the expenditures through year 2036, you may obtain a copy from the HOA office. The funding plan includes funding through year 2036. If you have any questions, please feel free to call the Association Office. Staff will either help you when you call or research the answer to your question and get back to you with the information you require.

Members may obtain minutes of a Board meeting from the Association Office 30 days after the meeting's date. The fine policy is printed in the Crown Colony Rules, Regulations & Information booklet, which is given to all residents when they move in. Additional copies may be obtained from the CCHOA Office during regular business hours or may be found on the website: crowncolonyhoa.com.

I want to thank the members of the 2010/11 Budget Committee: Edna Baldonado, Jaye Bunn, Kathy Carry, Anita Green, John Macdonald, Emily Newell and Mary Slade and staff members Rita Nicolas and Monaca Smith. They performed a most difficult task in developing an accurate and comprehensive budget. Their commitment to our community is greatly appreciated.

Very truly yours,



Rick Crump, President
Crown Colony Homeowners Association

Copies mailed to all Owners of Record as of May 6, 2010

CROWN COLONY HOMEOWNERS' ASSOCIATION**Schedule of Individual Assessments****July 1, 2010 through June 30, 2011**

Unit Name	Unit Type	Sq. Ft.	Previous Dues	Incr/Decr.	NEW DUES
A- Bristol	Studio	483	\$310.76	(\$0.76)	\$310.00
B- Collingwood	1Bd /1Ba	717	\$332.35	(\$0.10)	\$332.25
C- Essex	1Bd /1Ba - Townhome	788	\$338.90	\$0.11	\$339.01
D- Monarch	1Bd /1Ba/Den	817	\$341.57	\$0.19	\$341.76
Dc-Vanguard	2Bd/2Ba	847	\$344.34	\$0.28	\$344.62
E- Devonshire	2Bd/1 1/2Ba - Townhome	1049	\$362.98	\$0.85	\$363.83
F- Argyle	2Bd/2Ba	1065	\$364.45	\$0.90	\$365.35
Fc-Sapphire	2Bd/2Ba	1150	\$372.29	\$1.14	\$373.43
G- Commonwealth	2Bd/2Ba/Den	1131	\$370.54	\$1.08	\$371.62
Gc-Trafalgar	2Bd/2Ba/Den	1128	\$370.26	\$1.08	\$371.34
H- Penthouse	3Bd/2Ba	2415	\$489.00	\$4.73	\$493.73

Adjustments to budget include increases/decreases which affect all units equally as well as certain costs which are increased based on square footage. These variable items include insurance, natural gas, and replacement reserves for painting and roofs.

The dues reflect an average 0.03% increase over last year's budget.

Approved at the April 21, 2010 Board of Directors' Meeting.