

Hiller Highlands Phase I Association

2006 Annual Meeting

January 19, 2006

TOPIC	DISCUSSION / RECOMMENDATION	ACTION
Call to order	7:17 pm	
Board Member Attendance	Ed Ono, President / Chuck Scurich, Treasurer / Miriam Delay-Friant, Secretary	
Establishment of Quorum	Quorum established: 22 of 34 households represented, 17 in person and 5 via proxy. Notice of the Annual Meeting was sent to all homeowners on the following dates: November 21, 2005 and January 1, 2006.	Quorum established.
2005 Annual Meeting minutes	The 2005 Annual Meeting minutes were approved as written.	Minutes approved.
Insurance Report	<p>Our insurance agent, Victor Habib of Farmers Insurance, reported on our Association's insurance coverages. In disclosure packets sent out in November, all Association members received a copy of the Insurance Disclosure, which provides a summary of the Association coverages, deductibles and policy limits.</p> <p>Victor recommends that each homeowner call their individual insurance agent to find out how much coverage they have and how much it would cost to change their limits to the following amounts:</p> <p>Liability – recommends \$500,000 to \$1,000,000 Building Additions and Alterations – recommends at least \$25,000 Loss Assessment – recommends at least \$25,000</p> <p>Victor has provided the following responses to two questions asked at the meeting:</p> <p>Q. Can loss assessment be purchased under the master earthquake policy? A. No, it cannot.</p> <p>Q. How much loss assessment coverage can be purchased under each unit owner's personal property coverage? A. With Farmers, it is \$50,000.</p> <p>There was some discussion about the adequacy of the Association's property coverage limits (\$13,740,800 limit plus extended replacement coverage of 25% over and above that) and earthquake coverage limits (\$12,500,000). Is it sufficient to rebuild if all homes are lost? Victor reassured members with the reminder that the amount an individual pays for their home is not the same as the cost to rebuild. The land the home is built on is included in the purchase price but not in the costs to rebuild.</p>	
Treasurer's Report	The Treasurer's report was presented by Chuck Scurich;	
- Reserve Fund	As of 12/31/05: Operating account balances = \$11,138	
- Excess Income Resolution	Reserve account balances = \$110,624	
- 2006 Budget	It was noted:	
	<input type="checkbox"/> Excess Income – a motion was made and seconded to approve the Excess Income Resolution and the members voted to approve it 20 to 1. <input type="checkbox"/> 2006 Budget: the Fiscal Year 2006 Pro Forma Operating Budget distributed to members on November 21 was M/S/P by the membership. It was easier to	

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project accurate figures this time because the board changed all the insurance policies to November renewal dates so that insurance costs were known before the budget was due. (Almost 50% of our budget is for insurance, including Property & Liability and Earthquake). The 2006 budget is higher than the prior year, due primarily to an increase in landscaping budget, resulting in a modest increase in dues.

- Special Assessment – Because dry rot damage revealed by the pest inspection for the sale of Unit #42 is in an area that is the Association's responsibility, the Board anticipates there will be a special assessment in 2006 to pay for it. The expected amount per unit is around \$1,000.00.

2006 Special Assessment Update

There was a discussion by the membership about the expenses for repairing the dry rot at Unit #42, and the expected special assessment. Although the exact amount is not known yet, the estimate we have received is \$38,794. The Board has asked for two additional estimates. Two Board Members have inspected the damage. It is a complicated repair job involving replacing joists, plywood and pans.

Current and Future Funding Considerations:

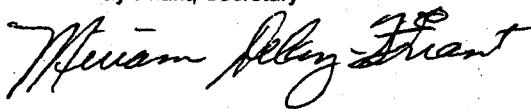
1. Potential Contractor Liability – One contributing cause of the damage appears to be that during the construction of the carport area, the carpenter hammered nails to hold the pans in place and punctured the waterproof membranes. There may be a possibility of proving negligence against the contractor, although we're past the 10-year limit in the contract clause. The Board is sending a demand letter to the Contractor.
2. Depleting the Reserve Fund – Some members are interested in taking the money from our reserve fund, rather than levying a special assessment. There was a discussion about the reserve fund, and the effects of taking money that is set aside for known future expenditures and spending it now, leaving the association under-funded for the future. The Board has consistently voted to fund the reserve 100%. The future shortage would have to be funded by either increased monthly dues or a future special assessment.
3. Upkeep of common areas could be included in the Reserves in order to plan for this type of expense in the future. It is a major component of the Association's responsibility to maintain. As background: In 1986 the responsibility for upkeep of the Units was changed to the homeowners, except for some parts of the common area as set out in the CC&R's. Our reserve study does not currently include costs for inspections and repairs to these parts of the common area. We are required to have an inspection every 3 years and assess our reserve needs. 2006 is the next time the reserve study will be done and the new Board should consider whether or not to add a line for these common areas.

A few members in attendance weighed in on their views regarding taking money from the reserve fund. Five wanted to and four did not. Others in attendance did not express their views.

TOPIC	DISCUSSION / RECOMMENDATION	ACTION
Landscape Committee Report	<p>Miriam Delay-Friant presented the Landscape Committee report.</p> <p>The Landscape Committee worked hard in 2005 to try to address our landscape issues and accomplished the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Conducted monthly meetings with Don of Landscape Care to try to get better service. <input type="checkbox"/> Developed a Landscape Plan (guidelines) that was approved by the Board. The purpose is to provide guidelines that endure from year to year and provide guidance to future Boards. <input type="checkbox"/> Developed a list of recommended improvements. <input type="checkbox"/> Recommended changing to a new landscape maintenance company that provides better service. <p>The Committee is expecting to reconvene in 2006 to develop a short-term and long-term landscape plan to present to the Board.</p>	
CORE	<p>Steve Cobbledick presented the CORE update, thanking everyone who participated in the citywide CORE disaster preparedness exercise. There will be another one in April. CORE's future plans include getting more involved in addressing issues of people who have mobility problems.</p>	
Presentation of Candidates	<p>Four members have volunteered to serve on the board for 2006: Fred Booker, Ken Pytlewski, Miriam Delay-Friant and Sandy Springs. Nominations were asked from the floor, none were proffered. Candidates were voted in by acclamation.</p>	<p>New Board approved.</p>
Closing Remarks	<p>Ed Ono thanked all the people who helped on the street during 2005.</p>	
Adjournment	<p>Meeting adjourned at 8:20 pm for an informal dinner.</p>	

Note: Requests for Board action should be done in writing and requests for landscape work should also be put in writing and dropped off at the Associations mailbox (#36). However, a Board member should be notified by phone of an emergency such as a leak in the irrigation system.

Minutes submitted by:
Miriam Delay-Friant, Secretary



**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
March 2, 2006**

The Board of Directors meeting convened at 7:00 p.m. on March 2, 2006, at the home of Miriam Delay-Friant, Unit 57. The following Officers were appointed:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Treasurer:	Ken Pytlewski
Secretary:	Sandy Springs

The President identified three administrative issues to be considered, and three substantive issues.

The three administrative issues were :

1. Appointing officers.
2. Finalizing contract for landscaping.

3. Internal Dispute Resolution: It was discussed that the Internal Dispute Resolution language should be clarified. David Roth was previously working on this, and Sandy Springs will consult with him to determine the final language, and look at the IDR to determine whether buyers are bound by it, and how they should be informed. Miriam suggested that the clause regarding IDR be part of the package that is given to the realtor when the unit is listed to provide to buyers.

The three substantive issues were:

1. Dryrot in the carport of Unit 42. Fred Booker indicated that it was apparently the contractor driving nails through the waterproof membrane that caused the dryrot damage. The preliminary assessment of Victor Habib, our insurance agent, is that it is not covered because the ten year latent and defect statute of limitations has passed. However, it was suggested that the insurance company, which also has a duty to investigate, as well as indemnify, have a contractor investigate and prepare a report.

There was a discussion about using the reserve fund for this repair, which is substantial, approximately \$32,000 to \$38,000, or assessing each unit.

Fred called to the Board's attention the fact that we have a company that does a reserve analysis study every three years. This is something that he believes they should have discovered, and he will prepare a letter to them about this issue. Other bids are also being sought to see if the

repairs can be done for less than \$38,000.

2. Water leaking through the wall behind 33/35. Sandy Springs will contact Victor Habib regarding making a claim. The cost is approximately \$8,000 to repair it, and that will be paid by the Association because it is in the common area. Sandy Springs has contacted Victor Habib to make a claim. It is believed that the water may be coming from Phase III, and a claim should be made to their landscaper if they are over watering, or to Phase III if the water is being diverted in some other manner. Fred will request bids from other contractors for repairs to this wall.

3. Landscape issues, including trees that are breaking off and creating a possible liability situation.

David Roth is working on contract language for the landscaping contractor. Sandy Springs will check with David about the status of that.

There was a great deal of discussion about tree cutting and care of the trees. It is obviously less expensive to cut them down than to maintain them. That is one concern. However, the aesthetics were also taken into account, as well as the concerns of several homeowners who have expressed their concern about the number of trees being cut. The problem of a tree blocking one person's view, while providing shade and beauty to another neighbor was discussed. Obviously, there has to be a balancing of interests.

There was also concern expressed by several of the homeowners over the years about trees being cut down without their knowing about it until after the fact. It was suggested that there be some mechanism whereby if a homeowner makes a complaint and wants a tree cut, or the Landscape Committee or Board recommends that a tree be cut, trimmed or completely cut down, that all homeowners be advised of that and a period of time given to all homeowners to either weigh in on the issue or put it to a vote.

Ken Pytlewski also talked about his concern that three Liquid Ambers have split in the recent storms. It creates a liability situation. The Landscape Committee has suggested that one of the Oak trees, which has a branch that has grown up and blocks Diane Reilly's view, be trimmed. The committee members looked at the tree after the meeting, and it does not appear that it provides any shade or aesthetic value to anyone on either side, and the recommendation is that it be trimmed. If anyone objects, they should register their complaint.

The previous Board and the current Board are working toward hiring a new landscape contractor. It might be helpful to use the landscape contractor for Phase III was discussed, but there was a concern about their allowing water from Phase III to flow onto Phase I. The Landscape Committee will look into that issue.

New Business:

1. Fred Booker will contact RDA regarding the reserve study.

2. Ken Pytlewski will get signature forms for the bank to transfer the signature authority.

3. Fred Booker raised the issue of water bypassing the French Drain along the road adjacent to #1. He mentioned this portion was not repaired when work was being done in 2004. He will request bids to repair this portion of the drain.

4. There is a crack in the wall between Units 57 and 59, which needs to be addressed. Miriam will talk with homeowner of Unit 59 to research who examined the crack in 2001 and possibly get them to examine it again. In the alternative, the owners of Units 57 and 59 will take baseline measurements to monitor the crack and determine if it is enlarging.

The meeting adjourned at 9:00 p.m. The next meeting will be on March 22, 2006, at 7:00 p.m. at Sandy Springs' Unit, #28.

cc: All Homeowners

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
March 22, 2006**

The Board of Directors meeting convened at 7:05 p.m. on March 22, 2006. Those present were:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Treasurer:	Ken Pytlewski
Secretary:	Sandy Springs

The Minutes of the last meeting were reviewed and approved.

The Board agreed that the Minutes of each Board meeting should be kept updated in the Realtor packet that has been placed in the Board storage room at #42. This packet is available for any Board member to copy upon receipt of a request from a realtor listing or selling a unit in the Association. The Minutes for 2005 have been copied and are in the packet.

The Board approved the purchase of Reserve Fund Analysis software for \$795.00. The software is needed because the current software is outdated and no longer works. Six hundred will come from the money originally set aside for a copier that was never purchased, and the additional from the reserve account, as the software is used to estimate the reserves.

Ken Pytlewski gave the Treasurer's Report: There is currently \$122,942 in the reserve account, and \$121,250 is the average balance. There is \$13,108.78 in the checking account.

To respond to a Statement of Information form from the Secretary of State, it was decided that Miriam Delay-Friant will be the Agent for Service of Process.

Both the Alternative Dispute Resolution language and the Internal Dispute Resolution language were reviewed. Some minor changes will be suggested at the next meeting.

The water seepage through the retaining wall behind Unit 33 and the French drain issue along the street near Unit 1 were discussed. Fred Booker obtained 3 bids for each job. It was decided to get additional information from the low bidder before awarding the contract. It was M/S/P to complete the repairs with funds from the reserve account since both the entry French drain and the rear retaining wall are items currently included in the Reserve Fund.

The Board decided to get one more bid for the carport at #42. It was M/S/P that the carport work, which will be at least \$29,100 for repairs and, if needed, an additional \$3,090 for

concrete waterproofing, will be paid by special assessment. This is not a repair that was contemplated as part of the Reserve Fund; rather, it was an unexpected construction defect. The statute of limitations has passed to sue the contractor, but a claim has been made to the insurance company, who will look into the matter. The Board considered the desire expressed by some members at the annual meeting to take money from the reserves to fund the repairs. After much discussion of all points of view, however, the Board felt strongly that it is in the best interest of the Association to raise the money through special assessment rather than depleting the Reserve Fund.

The Board approved the removal of three Liquid Amber trees that have cracked. The Board is concerned about liability, now and in the future.

After discussion of two additional bids received (from Tree Sculpture and Serpico) the Board decided not to overturn the decision of last year's Board to award the landscape maintenance contract to Trimacs. It was M/S/P to approve the Trimacs contract, subject to review of the language in the contract. Sandy will review the draft contract and revise the language to present to Trimacs for their agreement.

The meeting adjourned at 9:00 p.m.

The next meeting will be on April 19, 2006, at Ken Pytlewski house, Unit 11.

cc: All Homeowners

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
April 19, 2006**

The Board of Directors meeting convened at 7:10 p.m. on April 19, 2006. Those present were:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Treasurer:	Ken Pytlewski
Secretary:	Sandy Springs

The Minutes of the last meeting were read and approved.

Ken Pytlewski gave the Treasurer's report. The operating account is \$14,848.58. The reserve account is \$116,152.72, for a total of \$131,001.30. Mr. Pytlewski also raised the issue of homeowners who are behind in their dues. Those seriously behind will receive a notice that the CC&Rs allow for a lien to be placed against their property.

Mr. Pytlewski is handling the payment of the quarterly payment of estimated taxes.

A motion to accept and approve the Treasurer's report was made, seconded, and approved.

The insurance carrier for Phase I, Farmer's Insurance, has advised the Board of Directors that the work for the Carport Number 42 is excluded under the policy.

There was a discussion about whether or not Rules and Regulations are needed in order to assist the members in adhering to Board guidelines that are based on decisions made by Boards in the past, and remind all members of certain conditions in the CC&Rs. The Board felt that it was important to have these regulations in writing for reference by all members. The Board will begin working on those Rules and Regulations.

The Internal Dispute Resolution, which is required to be attached to the Alternative Dispute Resolution Summary and distributed annually to members, was reviewed. There was a motion made to adopt the Internal Dispute Resolution, and it was seconded and approved. A current Roster, the Alternative Dispute Resolution Summary, and the Internal Dispute Resolutions will be sent with the next set of Minutes.

Montclair Construction met with Fred Booker to inspect the dryrot damage to Unit No. 42, and has given an estimate of \$16,500. It was moved, seconded and approved that that bid would be accepted provided that Montclair Construction do a pond test at the conclusion of the

work. Since the Board Meeting, it has been discovered that the estimate from Montclair Construction covers a smaller scope of repairs. Therefore, the Board will check into this further to make sure the repairs will be done correctly before going forward.

The Board has approved the special assessment to fund the work for Unit No. 42. Any member who has issues or concerns about the assessment should send a letter to the Board by May 31, 2006. It is expected that the work will begin by July 16, 2006. Additional information will be distributed to members once the exact amount of the assessment is determined.

The work of the Landscape Committee was discussed. There has been a great deal of work done, and the Landscape Committee will bring the Board up-to-date on what is occurring in the Landscape Committee and their goals.

It was also discussed that Hiller Highland's Phase I has been successful at self-management, because we have had core people who have been willing to step up and provide continuity when a new Board is elected. Knowing that we will not always have the same core people to rely on, and in order to continue our successful self-management, this year's Board plans to collect historical and current information about the Association, and develop process and procedures that will help inform this and future Boards.

Several suggestions were made. One was that each outgoing Board should complete business that occurs during the transition, and update the new Board on tasks and current business. Secondly, there was a suggestion that for ease of transition, that two Board Members serve for two years.

The meeting adjourned at 9:10 p.m.

The next meeting will be at Fred Booker's home, Unit 41, on May 17, 2006, at 7:00 p.m.

cc: All Homeowners

**Minutes of the May 17, 2006, Board Meeting
Hiller Highlands I Association**

The meeting held at #41 Spyglass Hill convened at 7:05 pm, May 17, 2006.

Board Members present: Miriam Delay-Friant, Pres.; Fred Booker, Vice Pres.; Ken Pytlewski, Tres.; Homeowners Anyo & Michael Lemarie, and Ann Mulligan.

Homeowners Forum:

Owners of Unit #44 expressed concern about the state of the common area walkway that leads to their house. Previous to their return from traveling a friend/guest of theirs could not enter their home because the common area walkway was totally blocked by a contractor who was fabricating counter tops for the unit above theirs. Upon their return home they found the walkway, their entry stairs and windows covered with a fine white grit, the remnants of the stone work that had been taking place on the walkway a few days earlier. They also found drips of grout and what they believed to be some sort of sealer on their rear deck that evidently came from work being done on the deck of Unit #46. They requested that the walkway be cleaned and returned to its previous state. Owner of Unit #48 expressed concern about contractors working past 7:00 pm, and contractors who did not clean up the debris left from their work. The previous week there were contractors working on two residences, both leaving behind remnants of their work on the street and common area walkways. The owner also expressed concern about a potentially unsafe condition in front of their home caused by vehicles being parked in an area not designated for parking. When vehicles park at the top of the stairs between Unit #42 and Unit #48 it restricts access to six homes, thus posing a potential problem in an emergency.

Homeowners were thanked for their input and were advised that the Board would deal with their issues as part of new business.

The Minutes of April 19, 2006 were read and approved. Fred Booker agreed to act as the Secretary in the absence of Sandy Springs.

Treasurer Report: Operating account balance: \$13,012 and Reserve account balance: \$118,970.

2005 taxes were paid: \$73 Federal; \$55 State; \$10 State Corporations fee.

2006 estimated taxes are: \$120 Federal & \$92 State. It was MSP to pay these as a lump sum rather than make quarterly payments.

The homeowner of #20 is still in arrears on monthly dues payments. Ken will send a copy of the Associations Delinquent Assessment Collection Policy Statement with a letter demanding immediate payment of late dues to be paid with interest.

Landscape: Trimacs, the new landscape contractor, will start work June 1, 2006.

Old Business

Repair to #42 carport: There was further discussion of the different scope of work for the three bids to repair the dry rot under the carport deck. Fred will talk to Montclair Construction (the low bidder) about rebidding the job to meet the same scope of work as the other bidders.

Reserve Study: ARA submitted a draft 2007 Reserve Study. Changes were suggested regarding historical context of reserve assets in the notes section. Changes were approved and forwarded to ARA for inclusion into the final report.

Dispute Resolution: The recently approved Internal Dispute Resolution still needs to be distributed to homeowners.

New Business

Wooden walkway to Unit #'s 44 & 46:

Fred reported that he received a call on the evening of May 10 from the owners of Unit #44 complaining about the walkway to Unit #'s 44 & 46 being blocked. Fred went down to the common area walkway and saw that the walkway was blocked by table saws, work benches, granite slabs, electric cables and hoses. The contractor, Superior Marble, had set up a fabrication shop on the wood walkway. The area was covered with stone dust and the walkway was soaked in water and grit. The contractor was told that he could not block the walkway and that he needed to return the work area to the same condition in which he found it. The entire walkway between Unit #s 38/40 and 44/46 had recently been refinished as part of the 2005 Reserve maintenance. Review of the walkway after the contractor had left the premises revealed that a coating of white dust and grit still existed over parts of the walkway, railings and the stairs leading down to #44. The front door and window of #44 were splattered with the same material. The Board discussed the problem and expressed concern that damage to the finish on the walkway may result from the stone grit. A review the CC&R's indicated that homeowners are responsible for any damage caused by their contractors in Common Area and that there must be no obstruction of the Common Area.

It was MSP to send a letter to the new owner of #46 advising him of the Board's concerns about the walkway, giving him the opportunity to rectify the problem, and advising him that he is responsible for any damage, if any, resulting from the work of his contractor, and that if it is necessary for the Board to have repairs done, that he will be billed for any costs incurred.

The Board would also like to remind all homeowners that City of Oakland ordinances limit work hours from 7 am to 7 pm. Also, it is the homeowners' responsibility to see that their contractors clean up after themselves.

It was MSP to stencil a "No Parking Zone" at the curb between #s 42 & 48 as a reminder that it is not a designated parking area.

Next Meeting

The next meeting will be held on June 28, 7:00 pm at #57 Spyglass Hill.

Distributed by:
Miriam Kelly Grant, Pres.
For: Sandy Springs, Sec.
6/15/2006

**Minutes of the June 28, 2006, Board Meeting
Hiller Highlands I Association**

The meeting held at 57 Spyglass Hill convened at 7:15 PM, June 28, 2006.

Board Members present: Miriam Delay-Friant, Pres.; Fred Booker, Vice Pres.; Ken Pytlewski, Tres.; Homeowner Steve Cobblepick, #35.

Homeowner Forum: Steve Cobblepick requested that the Board sign a letter in support of Hiller Drive Association in its dispute with Bentley School regarding its enrollment, which exceeds its permitted level. It is their contention that the excessive number of students enrolled has increased traffic congestion, thereby posing a safety threat to the students at Bentley School and Kaiser School, as well as to Hiller Highlands residents, in the event of an emergency such as another wildfire or an earthquake. The Board will request comments from residents before deciding whether to sign the letter of support. Association members and residents are urged to read the materials included with these minutes and return your comments regarding the Bentley School issue to Box #36.

Secretary's Report: It was M/S/A to approve minutes of the 5/17/06 meeting. Minutes were distributed along with a street roster, the Alternative Dispute Resolution Summary and the Association's Internal Dispute Resolution document on 6/15/06.

Fred volunteered to act as Secretary in the Absence of Sandy Springs.

Treasurer's Report: Operating Account Balance: \$13,891.07
Reserve Account Balance: \$118,970.67

Ken volunteered to develop a quicken spreadsheet showing accumulating monthly income & expenses on an annual basis.

Old Business: #42; Fred received an additional bid for the repair of the carport deck at #42 Spyglass Hill from Draeger Construction. Draeger's bid was the lowest of 4 bids received, but proposed a smaller scope of repairs than the other bid and stated that, because they are not repairing the entire deck, they could not fully warrant their repairs. The 2nd lowest, Montclair Construction, asked to be no longer considered after the Board requested additional information about the scope of their proposed work and how much assurance they could give us that it would be adequate to fix the water leak problem. The Board agreed to accept the bid from R.D. Sherrill, Inc., in the amount of \$29,100 pending a statement from Sherrill warranting the work.

The Board received a letter from the Lois Gold, questioning the need for a special assessment to pay for the repair of #42. It was her contention that this repair should be paid out of Reserve funds. The Board agreed to look at different funding models using the Associations Reserve software to measure the long-term effect of taking funds from the Reserve to pay for the repairs.

#44 & #46 Walkway Deck; Bay Area Deck, the company that refinished the deck last year, is no longer in the deck maintenance business. Another company will be sought to inspect the deck and report back to the Association as to its condition.

Rules & Regulations: There was follow up discussion concerning the topic initially brought up at the Board's April 19th meeting about adopting Rules & Regulations to supplement the CC&Rs and Bylaws. It was agreed to go forward with drafting some Rules & Regulations for review at the next board meeting. Miriam will draft some wording of the guidelines for the color palette for painting unit exteriors, landscaping do's and don'ts, and possibly other rules outlining appropriate action by homeowners. Any Rules and Regulations adopted by the Board will be circulated to all homeowners for comments.

New Business: The Board received a letter from our newest homeowner, Mr. Kevin Dawson of Unit #46, regarding a conversation between Fred Booker and Mr. Dawson's contractors and regarding his interaction with John Mulligan about work being done in the common area between their units. The Board met on Tuesday, June 13, in special session to discuss the allegations in the letter. Sandy Springs will write a letter for the Board in response to Mr. Dawson's letter.

Landscape: The Board agreed to go forward with the landscape committee recommendations from last year regarding removing plants that are too crowded or are past their prime. Ken & Miriam will meet with Trimacs' site supervisor regarding his recommendations about improving the common area, and to get an estimate on the work.

Meeting adjourned at 9:40 PM. The next meeting to be held at 28 Spyglass Hill on July 26th at 7:00 PM.

Respectfully submitted by Fred Booker

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
July 26, 2006**

The Board of Directors meeting was called to order at 7: 20 p.m. on July 26, 2006. The meeting was held at 28 Spyglass. Those present were:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Secretary:	Sandy Springs

The Minutes of the last meeting were reviewed and approved.

The Treasurer's report was received by e-mail. The amount currently in the operating account is \$20,764.75, the amount currently in the reserve account is \$120,379.83.

The Board reviewed the status of late assessments, and the Treasurer will send a letter with a demand for late fees and interest to the Homeowner of #20 who is several months late in their dues.

The Board reviewed the response received from Keith Dawson regarding construction that was being conducted in the common area, and Mr. Dawson's concerns about how the issue was handled.

The Board discussed landscape improvements. The landscape maintenance company, Trimacs, has begun to remove some of the plants that are past their prime, dying or overcrowded. The Landscape Committee is currently working on a plant list and a long-term plan for our landscaping.

The Board considered Unit 44's request to remove an iron railing, and the Board approved the Homeowner's request to remove the railing providing that removing the railing does not violate City of Oakland Building codes, the Homeowner signs a statement assuming all liability, and that the railing be disposed of properly and not be deposited in the common area as had previously occurred.

Engineered Soil Repairs inspected the block wall behind Unit 57 at the request of the Homeowner. Potential problems with the block wall at the rear of Unit 57 and 59 and behind Number 9 were discussed. As a first step, the Board decided that they would ask the landscaper to reduce the amount of irrigation behind the wall to reduce the hydrostatic pressure from irrigation water. Engineered Soil Repairs will provide a recommendation for future course of action. It was also suggested that the rear gate of #57 currently hung from this block wall be removed and hung instead from the rear of the home. The Homeowner agreed to take care of this. The Homeowner of #9 also has a problem in that either ground water or irrigation water seeping through the block wall behind his home is impacting the framing of his garden shed.

Engineered Soil Repairs inspected this area as well. It was their opinion that the shed was built too close to the wall providing no ventilation or egress for water as walls of this type were designed with weep holes rather than incorporating a drain behind the wall.

The Board continued the ongoing discussion regarding the repair of dray rot in the carport at Unit 42. At the June Board meeting it was agreed to go forward with the repairs and pay for them from the reserve fund and further evaluate the option of repaying the reserve fund with a special assessment. The approved bid by RD Sherrill Inc. was approximately \$29,100. Based on the number of Homeowners, the special assessment would be \$856.00 per Homeowner.

The Board decided that they would conduct a plebiscite by sending a memo to all Homeowners asking them whether they would prefer a special assessment to keep our reserves 100 percent funded or to pay for the work from the reserve fund which would reduce the level of funding to 70 percent and would require an increase in dues in future years to bring us back to being fully funded.

The Board discussed their focus in 2006 of documenting information to provide continuity for future Boards and developing some written Rules and Regulations to provide guidance to association members. Fred Booker has prepared process and roles documents, which will be extremely helpful to Board members in the future. Miriam Delay-Friant has begun the process of coming up with a summary of Rules and Regulations to supplement the CC&Rs, and the other Board members will add to that list over the next couple of months. The purpose is to remind everyone of what the Rules and Regulations are, and to make them available to new members.

The minutes of the June meeting were completed while the Secretary was out of the country, and therefore, they were not sent to the Homeowners last month. They are included with the current minutes.

The Board agreed to include materials relating to some Homeowners' concerns regarding Bentley School. They are enclosed.

The meeting adjourned at 8:40 p.m.

The next meeting will be at the home of Ken Pytlewski, 11 Spyglass Hill, at 7:00 p.m., on August 30, 2006.

cc: All Homeowners

June 12, 2006

Dear Hiller Homes Associations Boards:

The steering committee for Neighbors for Safety in Hiller Highlands (NSHH) continues to work with City Planning and Bentley School to improve public safety and access at lower Hiller Drive.

We appreciate your support of the petition drive which resulted in close to 200 signatures. These petitions have proven effective in persuading city officials that public safety is at risk and is of great concern to neighbors. We're tabulating who hasn't signed and will try to collect more.

In the coming week we will start a formal mediation process with a neutral mediator, Planning Department, and a team from both the neighborhood and Bentley. Writing ground rules and goals for this process has already occurred. We believe that the mediation process is our best chance to get a CUP for Bentley that could substantially improve public safety on Hiller Drive. Bob Kuzma, Linda Harris and Nadine Prah have agreed to represent the neighborhood in the mediation which is expected to take about 3-6 meetings and be concluded before school begins in the fall.

Now we need 2 things from you:.

FIRST (needs action now):

City Planning has asked that each side, neighbors and school, indicate who they represent in the form of a "Letter of Participation" from the respective constituencies. Bentley's board is the governing body for the school. Our task is more difficult because we don't have a governing body for all of Hiller Highlands and further, Homes Associations have limited powers.

Nonetheless, we need to have an indication from our neighbors through the homes associations that they are aware of the process and trust the mediators to make a good faith effort to represent the interests of neighbors while coming up with a fair and reasonable agreement with Bentley.

The mediation is non binding. If an agreement is reached within the mediation it will then be vetted with neighbor and school groups, and if approved will go to the Planning Commission for consideration and approval.

This letter creates no financial or legal obligation. I'm attaching the Letter of Participations to this email and we will be happy to clarify any details that you require. Betsy Ferguson, Bob Kuzma, Stan Seifired, Donna Karch, Nadine Prah and Linda Harris have all been active in the drafting of the letter and in planning for the mediation. You can call any of us.

We need to get these letters from associations asap so the mediation process can begin. We apologize for this urgent timing – we have waited more than 6 months for Planning Department to get this started and now we're hurrying to make up time. The City works in strange ways!

SECOND (needs action soon when more information is provided):

The Planning Department and the mediator have also asked that Leila Moncharsh, land use attorney with whom we have consulted, attend the mediation meetings with us. Bentley will also have an attorney present. The purpose of this is to be certain that both sides are adequately informed of the land use issues in this matter as the mediation progresses and to be informed about what is a legal and enforceable condition and what might not be.

Leila Moncharsh has agreed to a \$3750 fixed fee for her work on this matter. Several neighbors have agreed to guarantee her fee with the expectation that we will be able to raise money among associations and/or individual neighbors to cover the mediation expense which will be \$3750 - \$5,000 (depending on whether we have to get an independent opinion from a traffic engineer). We are not responsible for any of the mediation expenses.

We are not asking for a decision about financing at this time but hope that you will be supportive of the mediation getting started as we work out the financial details within the next couple of weeks. If we spread out the cost over the associations (HHHA paid \$1500 and Phase II contributed \$100 for the earlier work that got us to this point) and/or individuals who are concerned, it will be a minimal burden.

What's next:

Review and discuss the attached letter. Call one of the mediation team if you have questions. If your board agrees, sign the letter and fax it to Linda Harris at 649-0226 and please also mail the original signed letter to Linda at 37 Hiller Drive.

We are hoping to get a letter of participation from each association.

During the mediation process the mediation team will be bound by a nondisclosure rule but when an agreement has been drafted, we will return to the associations for discussions and to ask for your support.

Thank you for your help in moving this process along with your letter of participation.

The Steering Committee (NSHH)

Contacts: Bob Kuzma 981-1445, Nadine Prah 486-0376; Stan Seifried 548-1968; Donna Karch 849-0623; Linda Harris 548-1633

To: Claudia Cappio
Heather Klein
Oakland City Planning Department
Oakland City Attorney

RE: Hiller Highlands Neighbors Associations
Mediation w/Bentley School

Dear Ms Cappio and Klein:

During the past two years Hiller neighbors of Bentley School have participated in discussions about the school operations, traffic and public safety issues on Hiller Drive at the Bentley campus.

Bentley School has now applied for a Major Conditional Use Permit to increase their enrollment and scope of operations that is before the Planning Department and will soon go to the Planning Commission for a decision.

There are terms in this permit application that are of great interest and concern for many members of our homes association and we welcome the opportunity to be heard and to participate in a mediation process to address these concerns.

As a result, the Board of Directors for Hiller Highlands Phase _____ has voted to join neighbors from the other associations in the mediation process. Our association is represented in the Steering Committee from which the mediation team has been chosen. Leila Moncharsh, Attorney, will be assisting our mediation representatives during the mediation process.

We understand that the purpose of the mediation process is to develop solutions for our neighborhood that will be represented by compromises in the Bentley CUP application. We will rely on our neighborhood representatives, including Ms. Moncharsh in attending the mediation meetings, to represent our concerns for safety and neighborhood quality, work toward a potential agreement with Bentley and the City as a solution to the problems and to present all substantive compromise proposals to our HOA Board for discussion and support. We understand that no final agreements will be entered into until our board has the opportunity to have direct input and approval.

Sincerely,

Print Name and Affiliation

Signature

**Minutes of the October 18, 2006, Board Meeting
Hiller Highlands I Association**

The meeting held at 41 Spyglass Hill convened at 7:08 PM, OCT.17, 2006.

Board Members present: Miriam Delay-Friant, Pres.; Fred Booker, Vice Pres.; Ken Pytlewski, Tres.; Victor Habib, Farmers Insurance; Homeowners Lois Gold, #1; and Steve Willoughby, #26; Blythe Mickelson, #41.

Homeowners Forum: Lois Gold expressed her concern over the removal of Liquid Amber trees between her home and the entrance. Lois requested that additional bids be prepared for removal and trimming options as she had gotten a previous bid from Davey Tree in 2004 that was less than the bid provided by the Landscape Committee. Lois also requested that a landscape plan with replacement plants be provided prior to any tree removal occurring. Steve Willoughby reported on his meeting with the arborist who provided the bid for pruning and removing the Liquid Ambers. It was the arborist's opinion that the site was inappropriate for these trees. Blythe Mickelson asked if that opinion was in writing. Steve commented that it was only a verbal report and that Lois Gold was present at the meeting. Lois requested that bids be gotten from Davey Tree and Brad (?) who previously removed trees for the Association between 48 & 60.

Homeowners were thanked for their input and were advised that the Board would deal with their issues as part of old business.

Victor Habib, Farmers Insurance: Victor presented the Board with updated insurance information for the November renewal of The Association's Fire, Earthquake & Commercial Umbrella Policies. There has been no increase in cost for the Umbrella Policy, a slight increase in cost for Fire (\$310) and a more significant increase for Earthquake. The Board was presented with 2 options for the Primary & Excess Earthquake Policies. Primary Coverage (\$10,000,000) was being offered by two carriers (Clarendon America & Redland Insurance) both requiring an increase in deductible from previous years: an increase from 12% to 15% at a cost of \$58,476; or from 12% to 25% at a cost of \$31,475. Excess coverage (\$2,500,000) was provided by two different carriers with different ratings: Golden Bear, rated B+, costing \$8,050 and Insurance Co. Of the West, rated A-, costing \$15,450. All policies renew November 1, 2006, pending the Board's decision.

The Minutes of July 7, 2006 were not approved as Sandy Springs was unavailable. Fred Booker agreed to act as the Secretary in the absence of Sandy Springs.

Treasurer Report: Operating account balance: \$19,460.33; Reserve account balance: \$114,926.24

One homeowner is several months in arrears on dues. Ken will send a letter detailing late payment policy with a demand for back dues.

Old Business

Landscape: Fred would meet with Lois to review which trees would be immediately removed.

MSP - The Board agreed to request additional bids for crown reduction and branch removal of the 3 remaining trees adjacent to #1. (On Thursday, 10/19/06, Fred met with Lois and they both agreed that 3 previously damaged trees should be removed.)

MSP - Trimacs to landscape the small area at the front entrance between Hiller Drive and the wall to reflect the South end of the street.

New Business

Insurance: MSP - to increase the deductible to 25% on the Primary Earthquake Policy for a \$27,000 annual savings, and to go with Golden Bear Insurance Co. (B+) on the assurance from Victor Habib that Golden Bear had a good track record and reputation. The Board chose not to carry terrorism coverage as part of the Master Policy. A copy of the Associations insurance summary will be provided to homeowners next month as part of the annual disclosure handout.

The Board advises Homeowners to talk to their personal insurance agent regarding Loss Assessment and Building Property coverage to meet the increases in deductible in the event of a loss by fire or earthquake.

Voting Process: Miriam advised the Board that there are new voting process requirements imposed by the State for annual meetings and the election of officers.

MSP - Sandy to review the requirements and to develop a process for HHIA that meets the standard set by the Davis-Sterling Act.

Repairs at #42: MSP - to pay for repairs from the Reserve Account.

Annual Meeting: Set a meeting date of January 11 or 18th, 2007. Miriam to call HCC to book room.

Next Meeting The next meeting will be held on November 16, 7:00 PM at #57 Spyglass Hill.

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
November 16, 2006**

The Board of Directors meeting was called to order at 7: 05 p.m. on November 16, 2006 in the Fireside room of the Hiller Highlands Country Club.

Those present were:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Treasurer:	Ken Pytlewski
Secretary:	Sandy Springs

There was considerable discussion about the annual meeting which is currently set for January 11, 2007 at the Hiller Highlands Country Club Fireside room.

Please be advised that there will be an informal dinner following the annual meeting.

The minutes from the previous meeting were read and approved.

The treasurer produced a draft of the proposed budget for 2007 which is to be sent to the members prior to the annual meeting. Mr. Pytlewski will finalize the budget and forward it to the secretary so that it can be distributed in the packet to be delivered to all homeowners prior to the annual meeting.

Estimates from Trimacs were reviewed and discussed by the Board members. The Board approved \$3,000.00 for landscaping costs for 2007. The Board also approved the improvements suggested by Trimacs for the property entrance and the removal of three liquid ambers and crowning of two liquid ambers for this year. The Board deferred the additional improvements to be decided by the 2007 Board of Directors. There are various islands and other areas in need of improvement, and the current Board agreed that the 2007 Board of Directors should make those decisions with the assistance of the estimate from Trimacs.

Pursuant to a new addition this year to the California Civil Code an independent person, someone other than a member of the current Board or someone running for membership on the 2007 Board, must be appointed to count and tabulate the votes at the annual meeting. Chuck Scurich has agreed to be that person and the Board has appointed him.

The Board discussed various persons who might be agreeable to serving on the Board next year. Ken Pytlewski has graciously agreed to run for board membership to provide continuity and his name will be recommended. Tricia Scott has also agreed to serve and her name will be recommended.

There are several homeowners who have lived at Phase I for several years whose participation is necessary. Many homeowners have served several terms, and it is respectfully requested that other homeowners step forward and offer to act as a Board member for next year. New residents are also asked to volunteer. It is a good way to get to know your neighbors and understand the workings of the organization. Anyone interested in serving on the Board please call Fred Booker at 644-0630, Sandy Springs at 981-8335, Miriam Delay-Friant at 849-2007 or Ken Pytlewski at 540-5207 and let one of the board members know.

Two new rules and regulations were approved by the Board as follows:

1. Any homeowner wishing to repaint his or her home must receive approval by the Board as to the colors. The Board has a palette of colors approved previously.
2. Any homeowner wishing to change the plantings around his or her home at his/her own expense must have written agreement from any neighbors who are affected and must submit a written proposal to the Board for approval before commencing.

Ken Pytlewski asked the Board to approve the painting of his unit. It will be the same color. The board approved his request.

There was discussion about what was necessary to be placed in the packet including the ballot for the next annual meeting . Once the final budget is received the packet will go out to all homeowners.

Please remember that the Annual Association meeting will be January 11, 2007 at 7:00pm with an informal dinner following. Within the next few weeks you will receive a form asking what you can bring for the dinner.

The meeting was adjourned at 9:15pm.

cc: All Homeowners

copy

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
March 2, 2006**

The Board of Directors meeting convened at 7:00 p.m. on March 2, 2006, at the home of Miriam Delay-Friant, Unit 57. The following Officers were appointed:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Treasurer:	Ken Pytlewski
Secretary:	Sandy Springs

The President identified three administrative issues to be considered, and three substantive issues.

The three administrative issues were :

1. Appointing officers.
2. Finalizing contract for landscaping.

3. Internal Dispute Resolution: It was discussed that the Internal Dispute Resolution language should be clarified. David Roth was previously working on this, and Sandy Springs will consult with him to determine the final language, and look at the IDR to determine whether buyers are bound by it, and how they should be informed. Miriam suggested that the clause regarding IDR be part of the package that is given to the realtor when the unit is listed to provide to buyers.

The three substantive issues were:

1. Dryrot in the carport of Unit 42. Fred Booker indicated that it was apparently the contractor driving nails through the waterproof membrane that caused the dryrot damage. The preliminary assessment of Victor Habib, our insurance agent, is that it is not covered because the ten year latent and defect statute of limitations has passed. However, it was suggested that the insurance company, which also has a duty to investigate, as well as indemnify, have a contractor investigate and prepare a report.

There was a discussion about using the reserve fund for this repair, which is substantial, approximately \$32,000 to \$38,000, or assessing each unit.

Fred called to the Board's attention the fact that we have a company that does a reserve analysis study every three years. This is something that he believes they should have discovered, and he will prepare a letter to them about this issue. Other bids are also being sought to see if the

2. Ken Pytlewski will get signature forms for the bank to transfer the signature authority.

3. Fred Booker raised the issue of water bypassing the French Drain along the road adjacent to #1. He mentioned this portion was not repaired when work was being done in 2004. He will request bids to repair this portion of the drain.

4. There is a crack in the wall between Units 57 and 59, which needs to be addressed. Miriam will talk with homeowner of Unit 59 to research who examined the crack in 2001 and possibly get them to examine it again. In the alternative, the owners of Units 57 and 59 will take baseline measurements to monitor the crack and determine if it is enlarging.

The meeting adjourned at 9:00 p.m. The next meeting will be on March 22, 2006, at 7:00 p.m. at Sandy Springs' Unit, #28.

cc: All Homeowners

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
March 22, 2006**

The Board of Directors meeting convened at 7:05 p.m. on March 22, 2006. Those present were:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Treasurer:	Ken Pytlewski
Secretary:	Sandy Springs

The Minutes of the last meeting were reviewed and approved.

The Board agreed that the Minutes of each Board meeting should be kept updated in the Realtor packet that has been placed in the Board storage room at #42. This packet is available for any Board member to copy upon receipt of a request from a realtor listing or selling a unit in the Association. The Minutes for 2005 have been copied and are in the packet.

The Board approved the purchase of Reserve Fund Analysis software for \$795.00. The software is needed because the current software is outdated and no longer works. Six hundred will come from the money originally set aside for a copier that was never purchased, and the additional from the reserve account, as the software is used to estimate the reserves.

Ken Pytlewski gave the Treasurer's Report: There is currently \$122,942 in the reserve account, and \$121,250 is the average balance. There is \$13,108.78 in the checking account.

To respond to a Statement of Information form from the Secretary of State, it was decided that Miriam Delay-Friant will be the Agent for Service of Process.

Both the Alternative Dispute Resolution language and the Internal Dispute Resolution language were reviewed. Some minor changes will be suggested at the next meeting.

The water seepage through the retaining wall behind Unit 33 and the French drain issue along the street near Unit 1 were discussed. Fred Booker obtained 3 bids for each job. It was decided to get additional information from the low bidder before awarding the contract. It was M/S/P to complete the repairs with funds from the reserve account since both the entry French drain and the rear retaining wall are items currently included in the Reserve Fund.

The Board decided to get one more bid for the carport at #42. It was M/S/P that the carport work, which will be at least \$29,100 for repairs and, if needed, an additional \$3,090 for

concrete waterproofing, will be paid by special assessment. This is not a repair that was contemplated as part of the Reserve Fund; rather, it was an unexpected construction defect. The statute of limitations has passed to sue the contractor, but a claim has been made to the insurance company, who will look into the matter. The Board considered the desire expressed by some members at the annual meeting to take money from the reserves to fund the repairs. After much discussion of all points of view, however, the Board felt strongly that it is in the best interest of the Association to raise the money through special assessment rather than depleting the Reserve Fund.

The Board approved the removal of three Liquid Amber trees that have cracked. The Board is concerned about liability, now and in the future.

After discussion of two additional bids received (from Tree Sculpture and Serpico) the Board decided not to overturn the decision of last year's Board to award the landscape maintenance contract to Trimacs. It was M/S/P to approve the Trimacs contract, subject to review of the language in the contract. Sandy will review the draft contract and revise the language to present to Trimacs for their agreement.

The meeting adjourned at 9:00 p.m.

The next meeting will be on April 19, 2006, at Ken Pytlewski house, Unit 11.

cc: All Homeowners

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
April 19, 2006**

The Board of Directors meeting convened at 7:10 p.m. on April 19, 2006. Those present were:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Treasurer:	Ken Pytlewski
Secretary:	Sandy Springs

The Minutes of the last meeting were read and approved.

Ken Pytlewski gave the Treasurer's report. The operating account is \$14,848.58. The reserve account is \$116,152.72, for a total of \$131,001.30. Mr. Pytlewski also raised the issue of homeowners who are behind in their dues. Those seriously behind will receive a notice that the CC&Rs allow for a lien to be placed against their property.

Mr. Pytlewski is handling the payment of the quarterly payment of estimated taxes.

A motion to accept and approve the Treasurer's report was made, seconded, and approved.

The insurance carrier for Phase I, Farmer's Insurance, has advised the Board of Directors that the work for the Carport Number 42 is excluded under the policy.

There was a discussion about whether or not Rules and Regulations are needed in order to assist the members in adhering to Board guidelines that are based on decisions made by Boards in the past, and remind all members of certain conditions in the CC&Rs. The Board felt that it was important to have these regulations in writing for reference by all members. The Board will begin working on those Rules and Regulations.

The Internal Dispute Resolution, which is required to be attached to the Alternative Dispute Resolution Summary and distributed annually to members, was reviewed. There was a motion made to adopt the Internal Dispute Resolution, and it was seconded and approved. A current Roster, the Alternative Dispute Resolution Summary, and the Internal Dispute Resolutions will be sent with the next set of Minutes.

Montclair Construction met with Fred Booker to inspect the dryrot damage to Unit No. 42, and has given an estimate of \$16,500. It was moved, seconded and approved that that bid would be accepted provided that Montclair Construction do a pond test at the conclusion of the

work. Since the Board Meeting, it has been discovered that the estimate from Montclair Construction covers a smaller scope of repairs. Therefore, the Board will check into this further to make sure the repairs will be done correctly before going forward.

The Board has approved the special assessment to fund the work for Unit No. 42. Any member who has issues or concerns about the assessment should send a letter to the Board by May 31, 2006. It is expected that the work will begin by July 16, 2006. Additional information will be distributed to members once the exact amount of the assessment is determined.

The work of the Landscape Committee was discussed. There has been a great deal of work done, and the Landscape Committee will bring the Board up-to-date on what is occurring in the Landscape Committee and their goals.

It was also discussed that Hiller Highland's Phase I has been successful at self-management, because we have had core people who have been willing to step up and provide continuity when a new Board is elected. Knowing that we will not always have the same core people to rely on, and in order to continue our successful self-management, this year's Board plans to collect historical and current information about the Association, and develop process and procedures that will help inform this and future Boards.

Several suggestions were made. One was that each outgoing Board should complete business that occurs during the transition, and update the new Board on tasks and current business. Secondly, there was a suggestion that for ease of transition, that two Board Members serve for two years.

The meeting adjourned at 9:10 p.m.

The next meeting will be at Fred Booker's home, Unit 41, on May 17, 2006, at 7:00 p.m.

cc: All Homeowners

**Minutes of the May 17, 2006, Board Meeting
Hiller Highlands I Association**

The meeting held at #41 Spyglass Hill convened at 7:05 pm, May 17, 2006.

Board Members present: Miriam Delay-Friant, Pres.; Fred Booker, Vice Pres.; Ken Pytlewski, Tres.; Homeowners Anyo & Michael Lemarie, and Ann Mulligan.

Homeowners Forum:

Owners of Unit #44 expressed concern about the state of the common area walkway that leads to their house. Previous to their return from traveling a friend/guest of theirs could not enter their home because the common area walkway was totally blocked by a contractor who was fabricating counter tops for the unit above theirs. Upon their return home they found the walkway, their entry stairs and windows covered with a fine white grit, the remnants of the stone work that had been taking place on the walkway a few days earlier. They also found drips of grout and what they believed to be some sort of sealer on their rear deck that evidently came from work being done on the deck of Unit #46. They requested that the walkway be cleaned and returned to its previous state. Owner of Unit #48 expressed concern about contractors working past 7:00 pm, and contractors who did not clean up the debris left from their work. The previous week there were contractors working on two residences, both leaving behind remnants of their work on the street and common area walkways. The owner also expressed concern about a potentially unsafe condition in front of their home caused by vehicles being parked in an area not designated for parking. When vehicles park at the top of the stairs between Unit #42 and Unit #48 it restricts access to six homes, thus posing a potential problem in an emergency.

Homeowners were thanked for their input and were advised that the Board would deal with their issues as part of new business.

The Minutes of April 19, 2006 were read and approved. Fred Booker agreed to act as the Secretary in the absence of Sandy Springs.

Treasurer Report: Operating account balance: \$13,012 and Reserve account balance: \$118,970.

2005 taxes were paid: \$73 Federal; \$55 State; \$10 State Corporations fee.

2006 estimated taxes are: \$120 Federal & \$92 State. It was MSP to pay these as a lump sum rather than make quarterly payments.

The homeowner of #20 is still in arrears on monthly dues payments. Ken will send a copy of the Associations Delinquent Assessment Collection Policy Statement with a letter demanding immediate payment of late dues to be paid with interest.

Landscape: Trimacs, the new landscape contractor, will start work June 1, 2006.

Old Business

Repair to #42 carport: There was further discussion of the different scope of work for the three bids to repair the dry rot under the carport deck. Fred will talk to Montclair Construction (the low bidder) about rebidding the job to meet the same scope of work as the other bidders.

**Minutes of the June 28, 2006, Board Meeting
Hiller Highlands I Association**

The meeting held at 57 Spyglass Hill convened at 7:15 PM, June 28, 2006.

Board Members present: Miriam Delay-Friant, Pres.; Fred Booker, Vice Pres.; Ken Pytlewski, Tres.; Homeowner Steve Cobble Dick, #35.

Homeowner Forum: Steve Cobble Dick requested that the Board sign a letter in support of Hiller Drive Association in its dispute with Bentley School regarding its enrollment, which exceeds its permitted level. It is their contention that the excessive number of students enrolled has increased traffic congestion, thereby posing a safety threat to the students at Bentley School and Kaiser School, as well as to Hiller Highlands residents, in the event of an emergency such as another wildfire or an earthquake. The Board will request comments from residents before deciding whether to sign the letter of support. Association members and residents are urged to read the materials included with these minutes and return your comments regarding the Bentley School issue to Box #36.

Secretary's Report: It was M/S/A to approve minutes of the 5/17/06 meeting. Minutes were distributed along with a street roster, the Alternative Dispute Resolution Summary and the Association's Internal Dispute Resolution document on 6/15/06.

Fred volunteered to act as Secretary in the Absence of Sandy Springs.

Treasurer's Report: Operating Account Balance: \$13,891.07
Reserve Account Balance: \$118,970.67

Ken volunteered to develop a quicken spreadsheet showing accumulating monthly income & expenses on an annual basis.

Old Business: #42; Fred received an additional bid for the repair of the carport deck at #42 Spyglass Hill from Draeger Construction. Draeger's bid was the lowest of 4 bids received, but proposed a smaller scope of repairs than the other bid and stated that, because they are not repairing the entire deck, they could not fully warrant their repairs. The 2nd lowest, Montclair Construction, asked to be no longer considered after the Board requested additional information about the scope of their proposed work and how much assurance they could give us that it would be adequate to fix the water leak problem. The Board agreed to accept the bid from R.D. Sherrill, Inc., in the amount of \$29,100 pending a statement from Sherrill warranting the work.

The Board received a letter from the Lois Gold, questioning the need for a special assessment to pay for the repair of #42. It was her contention that this repair should be paid out of Reserve funds. The Board agreed to look at different funding models using the Associations Reserve software to measure the long-term effect of taking funds from the Reserve to pay for the repairs.

#44 & #46 Walkway Deck; Bay Area Deck, the company that refinished the deck last year, is no longer in the deck maintenance business. Another company will be sought to inspect the deck and report back to the Association as to its condition.

Rules & Regulations: There was follow up discussion concerning the topic initially brought up at the Board's April 19th meeting about adopting Rules & Regulations to supplement the CC&Rs and Bylaws. It was agreed to go forward with drafting some Rules & Regulations for review at the next board meeting. Miriam will draft some wording of the guidelines for the color palette for painting unit exteriors, landscaping do's and don'ts, and possibly other rules outlining appropriate action by homeowners. Any Rules and Regulations adopted by the Board will be circulated to all homeowners for comments.

New Business: The Board received a letter from our newest homeowner, Mr. Kevin Dawson of Unit #46, regarding a conversation between Fred Booker and Mr. Dawson's contractors and regarding his interaction with John Mulligan about work being done in the common area between their units. The Board met on Tuesday, June 13, in special session to discuss the allegations in the letter. Sandy Springs will write a letter for the Board in response to Mr. Dawson's letter.

Landscape: The Board agreed to go forward with the landscape committee recommendations from last year regarding removing plants that are too crowded or are past their prime. Ken & Miriam will meet with Trimacs' site supervisor regarding his recommendations about improving the common area, and to get an estimate on the work.

Meeting adjourned at 9:40 PM. The next meeting to be held at 28 Spyglass Hill on July 26th at 7:00 PM.

Respectfully submitted by Fred Booker

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
July 26, 2006**

The Board of Directors meeting was called to order at 7: 20 p.m. on July 26, 2006. The meeting was held at 28 Spyglass. Those present were:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Secretary:	Sandy Springs

The Minutes of the last meeting were reviewed and approved.

The Treasurer's report was received by e-mail. The amount currently in the operating account is \$20,764.75, the amount currently in the reserve account is \$120,379.83.

The Board reviewed the status of late assessments, and the Treasurer will send a letter with a demand for late fees and interest to the Homeowner of #20 who is several months late in their dues.

The Board reviewed the response received from Keith Dawson regarding construction that was being conducted in the common area, and Mr. Dawson's concerns about how the issue was handled.

The Board discussed landscape improvements. The landscape maintenance company, Trimacs, has begun to remove some of the plants that are past their prime, dying or overcrowded. The Landscape Committee is currently working on a plant list and a long-term plan for our landscaping.

The Board considered Unit 44's request to remove an iron railing, and the Board approved the Homeowner's request to remove the railing providing that removing the railing does not violate City of Oakland Building codes, the Homeowner signs a statement assuming all liability, and that the railing be disposed of properly and not be deposited in the common area as had previously occurred.

Engineered Soil Repairs inspected the block wall behind Unit 57 at the request of the Homeowner. Potential problems with the block wall at the rear of Unit 57 and 59 and behind Number 9 were discussed. As a first step, the Board decided that they would ask the landscaper to reduce the amount of irrigation behind the wall to reduce the hydrostatic pressure from irrigation water. Engineered Soil Repairs will provide a recommendation for future course of action. It was also suggested that the rear gate of #57 currently hung from this block wall be removed and hung instead from the rear of the home. The Homeowner agreed to take care of this. The Homeowner of #9 also has a problem in that either ground water or irrigation water seeping through the block wall behind his home is impacting the framing of his garden shed.

Engineered Soil Repairs inspected this area as well. It was their opinion that the shed was built too close to the wall providing no ventilation or egress for water as walls of this type were designed with weep holes rather than incorporating a drain behind the wall.

The Board continued the ongoing discussion regarding the repair of dray rot in the carport at Unit 42. At the June Board meeting it was agreed to go forward with the repairs and pay for them from the reserve fund and further evaluate the option of repaying the reserve fund with a special assessment. The approved bid by RD Sherrill Inc. was approximately \$29,100. Based on the number of Homeowners, the special assessment would be \$856.00 per Homeowner.

The Board decided that they would conduct a plebiscite by sending a memo to all Homeowners asking them whether they would prefer a special assessment to keep our reserves 100 percent funded or to pay for the work from the reserve fund which would reduce the level of funding to 70 percent and would require an increase in dues in future years to bring us back to being fully funded.

The Board discussed their focus in 2006 of documenting information to provide continuity for future Boards and developing some written Rules and Regulations to provide guidance to association members. Fred Booker has prepared process and roles documents, which will be extremely helpful to Board members in the future. Miriam Delay-Friant has begun the process of coming up with a summary of Rules and Regulations to supplement the CC&Rs, and the other Board members will add to that list over the next couple of months. The purpose is to remind everyone of what the Rules and Regulations are, and to make them available to new members.

The minutes of the June meeting were completed while the Secretary was out of the country, and therefore, they were not sent to the Homeowners last month. They are included with the current minutes.

The Board agreed to include materials relating to some Homeowners' concerns regarding Bentley School. They are enclosed.

The meeting adjourned at 8:40 p.m.

The next meeting will be at the home of Ken Pytlewski, 11 Spyglass Hill, at 7:00 p.m., on August 30, 2006.

cc: All Homeowners

June 12, 2006

Dear Hiller Homes Associations Boards:

The steering committee for Neighbors for Safety in Hiller Highlands (NSHH) continues to work with City Planning and Bentley School to improve public safety and access at lower Hiller Drive.

We appreciate your support of the petition drive which resulted in close to 200 signatures. These petitions have proven effective in persuading city officials that public safety is at risk and is of great concern to neighbors. We're tabulating who hasn't signed and will try to collect more.

In the coming week we will start a formal mediation process with a neutral mediator, Planning Department, and a team from both the neighborhood and Bentley. Writing ground rules and goals for this process has already occurred. We believe that the mediation process is our best chance to get a CUP for Bentley that could substantially improve public safety on Hiller Drive. Bob Kuzma, Linda Harris and Nadine Prah have agreed to represent the neighborhood in the mediation which is expected to take about 3-6 meetings and be concluded before school begins in the fall.

Now we need 2 things from you:.

FIRST (needs action now):

City Planning has asked that each side, neighbors and school, indicate who they represent in the form of a "Letter of Participation" from the respective constituencies. Bentley's board is the governing body for the school. Our task is more difficult because we don't have a governing body for all of Hiller Highlands and further, Homes Associations have limited powers.

Nonetheless, we need to have an indication from our neighbors through the homes associations that they are aware of the process and trust the mediators to make a good faith effort to represent the interests of neighbors while coming up with a fair and reasonable agreement with Bentley.

The mediation is non binding. If an agreement is reached within the mediation it will then be vetted with neighbor and school groups, and if approved will go to the Planning Commission for consideration and approval.

This letter creates no financial or legal obligation. I'm attaching the Letter of Participations to this email and we will be happy to clarify any details that you require. Betsy Ferguson, Bob Kuzma, Stan Seifired, Donna Karch, Nadine Prah and Linda Harris have all been active in the drafting of the letter and in planning for the mediation. You can call any of us.

We need to get these letters from associations asap so the mediation process can begin. We apologize for this urgent timing – we have waited more than 6 months for Planning Department to get this started and now we're hurrying to make up time. The City works in strange ways!

SECOND (needs action soon when more information is provided):

The Planning Department and the mediator have also asked that Leila Moncharsh, land use attorney with whom we have consulted, attend the mediation meetings with us. Bentley will also have an attorney present. The purpose of this is to be certain that both sides are adequately informed of the land use issues in this matter as the mediation progresses and to be informed about what is a legal and enforceable condition and what might not be.

Leila Moncharsh has agreed to a \$3750 fixed fee for her work on this matter. Several neighbors have agreed to guarantee her fee with the expectation that we will be able to raise money among associations and/or individual neighbors to cover the mediation expense which will be \$3750 - \$5,000 (depending on whether we have to get an independent opinion from a traffic engineer). We are not responsible for any of the mediation expenses.

We are not asking for a decision about financing at this time but hope that you will be supportive of the mediation getting started as we work out the financial details within the next couple of weeks. If we spread out the cost over the associations (HHHA paid \$1500 and Phase II contributed \$100 for the earlier work that got us to this point) and/or individuals who are concerned, it will be a minimal burden.

What's next:

Review and discuss the attached letter. Call one of the mediation team if you have questions. If your board agrees, sign the letter and fax it to Linda Harris at 649-0226 and please also mail the original signed letter to Linda at 37 Hiller Drive.

We are hoping to get a letter of participation from each association.

During the mediation process the mediation team will be bound by a nondisclosure rule but when an agreement has been drafted, we will return to the associations for discussions and to ask for your support.

Thank you for your help in moving this process along with your letter of participation.

The Steering Committee (NSHH)

Contacts: Bob Kuzma 981-1445, Nadine Prah 486-0376; Stan Seifried 548-1968; Donna Karch 849-0623; Linda Harris 548-1633

To: Claudia Cappio
Heather Klein
Oakland City Planning Department
Oakland City Attorney

RE: Hiller Highlands Neighbors Associations
Mediation w/Bentley School

Dear Ms Cappio and Klein:

During the past two years Hiller neighbors of Bentley School have participated in discussions about the school operations, traffic and public safety issues on Hiller Drive at the Bentley campus.

Bentley School has now applied for a Major Conditional Use Permit to increase their enrollment and scope of operations that is before the Planning Department and will soon go to the Planning Commission for a decision.

There are terms in this permit application that are of great interest and concern for many members of our homes association and we welcome the opportunity to be heard and to participate in a mediation process to address these concerns.

As a result, the Board of Directors for Hiller Highlands Phase _____ has voted to join neighbors from the other associations in the mediation process. Our association is represented in the Steering Committee from which the mediation team has been chosen. Leila Moncharsh, Attorney, will be assisting our mediation representatives during the mediation process.

We understand that the purpose of the mediation process is to develop solutions for our neighborhood that will be represented by compromises in the Bentley CUP application. We will rely on our neighborhood representatives, including Ms. Moncharsh in attending the mediation meetings, to represent our concerns for safety and neighborhood quality, work toward a potential agreement with Bentley and the City as a solution to the problems and to present all substantive compromise proposals to our HOA Board for discussion and support. We understand that no final agreements will be entered into until our board has the opportunity to have direct input and approval.

Sincerely,

Print Name and Affiliation

Signature

**Minutes of the October 18, 2006, Board Meeting
Hiller Highlands I Association**

The meeting held at 41 Spyglass Hill convened at 7:08 PM, OCT 17, 2006.

Board Members present: Miriam Delay-Friant, Pres.; Fred Booker, Vice Pres.; Ken Pytlewski, Tres.; Victor Habib, Farmers Insurance; Homeowners Lois Gold, #1; and Steve Willoughby, #26; Blythe Mickelson, #41.

Homeowners Forum: Lois Gold expressed her concern over the removal of Liquid Amber trees between her home and the entrance. Lois requested that additional bids be prepared for removal and trimming options as she had gotten a previous bid from Davey Tree in 2004 that was less than the bid provided by the Landscape Committee. Lois also requested that a landscape plan with replacement plants be provided prior to any tree removal occurring. Steve Willoughby reported on his meeting with the arborist who provided the bid for pruning and removing the Liquid Ambers. It was the arborist's opinion that the site was inappropriate for these trees. Blythe Mickelson asked if that opinion was in writing. Steve commented that it was only a verbal report and that Lois Gold was present at the meeting. Lois requested that bids be gotten from Davey Tree and Brad (?) who previously removed trees for the Association between 48 & 60.

Homeowners were thanked for their input and were advised that the Board would deal with their issues as part of old business.

Victor Habib, Farmers Insurance: Victor presented the Board with updated insurance information for the November renewal of The Association's Fire, Earthquake & Commercial Umbrella Policies. There has been no increase in cost for the Umbrella Policy, a slight increase in cost for Fire (\$310) and a more significant increase for Earthquake. The Board was presented with 2 options for the Primary & Excess Earthquake Policies. Primary Coverage (\$10,000,000) was being offered by two carriers (Clarendon America & Redland Insurance) both requiring an increase in deductible from previous years: an increase from 12% to 15% at a cost of \$58,476; or from 12% to 25% at a cost of \$31,475. Excess coverage (\$2,500,000) was provided by two different carriers with different ratings: Golden Bear, rated B+, costing \$8,050 and Insurance Co. Of the West, rated A-, costing \$15,450. All policies renew November 1, 2006, pending the Board's decision.

The Minutes of July 7, 2006 were not approved as Sandy Springs was unavailable. Fred Booker agreed to act as the Secretary in the absence of Sandy Springs.

Treasurer Report: Operating account balance: \$19,460.33; Reserve account balance: \$114,926.24

One homeowner is several months in arrears on dues. Ken will send a letter detailing late payment policy with a demand for back dues.

Old Business

Landscape: Fred would meet with Lois to review which trees would be immediately removed.

MSP - The Board agreed to request additional bids for crown reduction and branch removal of the 3 remaining trees adjacent to #1. (On Thursday, 10/19/06, Fred met with Lois and they both agreed that 3 previously damaged trees should be removed.)

MSP - Trimacs to landscape the small area at the front entrance between Hiller Drive and the wall to reflect the South end of the street.

New Business

Insurance: MSP - to increase the deductible to 25% on the Primary Earthquake Policy for a \$27,000 annual savings, and to go with Golden Bear Insurance Co. (B+) on the assurance from Victor Habib that Golden Bear had a good track record and reputation. The Board chose not to carry terrorism coverage as part of the Master Policy. A copy of the Associations insurance summary will be provided to homeowners next month as part of the annual disclosure handout.

The Board advises Homeowners to talk to their personal insurance agent regarding Loss Assessment and Building Property coverage to meet the increases in deductible in the event of a loss by fire or earthquake.

Voting Process: Miriam advised the Board that there are new voting process requirements imposed by the State for annual meetings and the election of officers.

MSP - Sandy to review the requirements and to develop a process for HHIA that meets the standard set by the Davis-Sterling Act.

Repairs at #42: MSP - to pay for repairs from the Reserve Account.

Annual Meeting: Set a meeting date of January 11 or 18th, 2007. Miriam to call HCC to book room.

Next Meeting

The next meeting will be held on November 16, 7:00 PM at #57 Spyglass Hill.

**MINUTES OF PHASE I OF
HOMEOWNER'S ASSOCIATION
November 16, 2006**

The Board of Directors meeting was called to order at 7: 05 p.m. on November 16, 2006 in the Fireside room of the Hiller Highlands Country Club.

Those present were:

President:	Miriam Delay-Friant
Vice President:	Fred Booker
Treasurer:	Ken Pytlewski
Secretary:	Sandy Springs

There was considerable discussion about the annual meeting which is currently set for January 11, 2007 at the Hiller Highlands Country Club Fireside room.

Please be advised that there will be an informal dinner following the annual meeting.

The minutes from the previous meeting were read and approved.

The treasurer produced a draft of the proposed budget for 2007 which is to be sent to the members prior to the annual meeting. Mr. Pytlewski will finalize the budget and forward it to the secretary so that it can be distributed in the packet to be delivered to all homeowners prior to the annual meeting.

Estimates from Trimacs were reviewed and discussed by the Board members. The Board approved \$3,000.00 for landscaping costs for 2007. The Board also approved the improvements suggested by Trimacs for the property entrance and the removal of three liquid ambers and crowning of two liquid ambers for this year. The Board deferred the additional improvements to be decided by the 2007 Board of Directors. There are various islands and other areas in need of improvement, and the current Board agreed that the 2007 Board of Directors should make those decisions with the assistance of the estimate from Trimacs.

Pursuant to a new addition this year to the California Civil Code an independent person, someone other than a member of the current Board or someone running for membership on the 2007 Board, must be appointed to count and tabulate the votes at the annual meeting. Chuck Scurich has agreed to be that person and the Board has appointed him.

The Board discussed various persons who might be agreeable to serving on the Board next year. Ken Pytlewski has graciously agreed to run for board membership to provide continuity and his name will be recommended. Tricia Scott has also agreed to serve and her name will be recommended.

There are several homeowners who have lived at Phase I for several years whose participation is necessary. Many homeowners have served several terms, and it is respectfully requested that other homeowners step forward and offer to act as a Board member for next year. New residents are also asked to volunteer. It is a good way to get to know your neighbors and understand the workings of the organization. Anyone interested in serving on the Board please call Fred Booker at 644-0630, Sandy Springs at 981-8335, Miriam Delay-Friant at 849-2007 or Ken Pytlewski at 540-5207 and let one of the board members know.

Two new rules and regulations were approved by the Board as follows:

1. Any homeowner wishing to repaint his or her home must receive approval by the Board as to the colors. The Board has a palette of colors approved previously.
2. Any homeowner wishing to change the plantings around his or her home at his/her own expense must have written agreement from any neighbors who are affected and must submit a written proposal to the Board for approval before commencing.

Ken Pytlewski asked the Board to approve the painting of his unit. It will be the same color. The board approved his request.

There was discussion about what was necessary to be placed in the packet including the ballot for the next annual meeting . Once the final budget is received the packet will go out to all homeowners.

Please remember that the Annual Association meeting will be January 11, 2007 at 7:00pm with an informal dinner following. Within the next few weeks you will receive a form asking what you can bring for the dinner.

The meeting was adjourned at 9:15pm.

cc: All Homeowners

ANN RANKIN
arankin@annrankin.com

TERRY WILKENS
twilkens@annrankin.com

LAW OFFICES OF ANN RANKIN

3911 HARRISON STREET, OAKLAND, CA 94611

WEBSITE: www.annrankin.com

E-MAIL: info@annrankin.com

TEL: (510) 653-8886
FAX: (510) 653-8889

CENTRAL AREA
TEL: (209) 441-0490

TOLL FREE
TEL: (800) 354-4529

June 14, 2006

Board of Directors
Hiller Highlands Phase I HOA
c/o Miriam Delayfriant, President
57 Spyglass Hill
Oakland, CA 94618

Re: **Legal Services**

Dear Miriam:

Thank you for your interest in our legal services. I founded Law Offices of Ann Rankin in 1986 to provide affordable, high-quality legal services to common interest development associations. My firm represents dozens of firms in general counsel, transactional and litigation matters. We would be glad to work with you.

Enclosed please find two copies of our firm brochure for your use. You may also visit our Website at www.annrankin.com. As required by the Rules of Professional Conduct for Attorneys, I enclose our standard fee agreement that explains our billing practices. Please sign and initial it where shown and return it to me to avoid any delays in providing you with the services you need.

We look forward to serving you.

Very truly yours,

LAW OFFICES OF ANN RANKIN


Ann Rankin

AR:gr

Enclosures


ATTORNEY-CLIENT FEE AGREEMENT

Hiller Highlands Phase I HOA, hereinafter "Client", agrees to retain the LAW OFFICES OF ANN RANKIN, hereinafter "Attorneys," Attorneys at Law, as attorneys to represent Client in the following legal matter(s): General Counsel.

CONDITIONS

This contract will not take effect, and the Attorneys will have no obligation to provide legal services, until Client returns a signed copy of this contract and pays the initial retainer and deposit called for below.

DEPOSITS

Client shall deposit an initial retainer and deposit, in the sum of \$.00 which will be deposited in Attorneys' trust account as security against fees and costs incurred by Attorneys. Client authorizes Attorneys to transfer funds in its trust account to its general account as fees and costs are incurred, and/or to pay costs incurred in connection with the above matter directly from the trust account. Client understands that additional deposits may be required in the future as circumstances warrant. Additional deposits shall be billed and paid in the same manner as fees and costs. Client shall at all times pay all fees, costs and additional deposits billed each month in a timely manner so as to at all times maintain the retainer deposit in an amount which is not less than the initial deposit and any additional deposits in such greater amount as is determined to be necessary. In no event shall the amount of the initial deposit or any additional deposit required of Client be deemed to limit Client's responsibility for all fees and costs incurred. No interest shall be earned on any amount so deposited by Client. (Initial: )

FEES AND COSTS

Client agrees to pay all fees for legal services and all costs incurred in handling the legal matters described above, within twenty days of receiving a bill from Attorneys therefor, and shall promptly pay all charges, fees and costs which are billed directly to the Client or are forwarded to the Client for direct payment.

Should fees and costs not be paid within thirty (30) days, Attorneys may withdraw from representation of Client and Client agrees to execute all documents necessary to facilitate such withdrawal.

Client agrees to pay all fees for legal services at the hourly rates of Attorneys' attorneys, clerks and paralegals. Client acknowledges that various attorneys and other personnel may work on the matter, at the discretion of Attorneys. In its discretion, Attorneys may also, from time to time, employ other attorneys on a contract basis or associate other attorneys in to work on Client's matters. Client also agrees to pay all cost incurred by Attorneys, including all in house costs such as photocopying, phone, tolls, travel expense, etc., at Attorneys' usual and customary rates. Client acknowledges that a schedule of current hourly rates is attached as Exhibit A which is incorporated and that hourly and other rates may increase periodically. Client will be given thirty days notice of any increases. Each such notice, shall thereafter automatically become a part of this agreement. Client acknowledges that the total amount of fees and costs is uncertain, variable, and dependant upon unknown future circumstances. Any estimate of projected fees and costs is merely an estimate, not an agreement to perform the above services at a flat rate. Client agrees to pay all fees for legal services and all costs incurred in handling the legal matters described above. In addition to the foregoing, Client shall pay all costs incurred by Attorneys on a monthly basis, when billed. All outstanding costs shall be due and payable at the time Attorneys' services are concluded.

ERRORS AND OMISSIONS INSURANCE

Attorneys maintain a professional liability insurance policy. The limit of liability for each claim is not less than \$2,000,000 and the limit of liability policy aggregate is not less than \$4,000,000.

MONTHLY BILLINGS

Attorneys' monthly billings to Client will reflect current charges for professional services rendered on an hourly basis, including all work performed by attorneys and paralegals. Variations in fee rates will arise depending upon which attorney performed the services. Such monthly billings may also reflect cash disbursements provided by Attorneys for Client's account which reflect costs incurred in connection with the performance of legal services on Client's behalf. An itemization of potential cash disbursement charges is attached hereto. Attorneys may elect, but are under no obligation, to incur these costs on Client's behalf and seek reimbursement thereof. In some circumstances prepayment of such costs by Client may be required.

Client shall have the obligation and duty to examine each statement from Attorneys when received, and immediately advise Attorneys of any disagreements or disputed items. Any errors or disagreements not reported to Attorneys in writing within sixty days of the issuance of a monthly statement are waived, and all billing items not disputed in writing within sixty days shall be conclusively presumed to be correct, fair and reasonable. Notice of disputed items must be given in writing and oral or telephonic inquiries and/or complaints will not be sufficient to preserve Client's rights. This provision may not be modified except in writing. (Initial: MAJ)

ATTORNEYS LIEN

Client's obligation to pay fees and costs shall be secured by an attorneys' lien, in the amount of all fees and costs owed by Client, and said lien shall be enforceable against any recovery obtained in this action by way of judgment, settlement, insurance payment or other proceeds. Client hereby grants Attorneys a lien on any and all claims or causes of action or funds generated therefrom that are the subject of Attorneys' representation under this contract, for all sums due and owing hereunder. (Initial: MAJ)

SETTLEMENTS

Any settlement of any legal action filed on behalf of Client will require Client's prior approval. Whenever any sums are procured for Client by Attorneys, whether by judgement, settlement or insurance payment, Attorneys are hereby authorized to receive such sums on behalf of Client, to endorse and negotiate drafts and to deposit all such proceeds into Attorneys' trust account. Attorneys are further authorized to deduct and pay from said amount, all fees and costs incurred or owing Law Office, and may also pay any other fees or costs incurred in connection with the above matter, which are owed by Client. Attorneys shall promptly remit the balance of such funds to Client.

Where an insurance payment, partial settlement or other payment by a third party is received by Attorneys prior to the conclusion of Attorneys' representation of Client, Attorneys, in their discretion, may retain such sums in Attorneys' trust account until the conclusion of Attorneys' representation of client and apply such sums to the payment of attorneys' fees and costs and deposits, as they accrue. (Initial: MAJ)

INTEREST

INTEREST will be assessed on the unpaid balance of all monthly billings after thirty (30) days at AN ANNUAL PERCENTAGE RATE of TWELVE PERCENT (12%), not to exceed the maximum legal interest rate, until paid in full.

Any forbearance of collection of fees when due shall not be deemed a waiver of Client's duty or obligation to pay fees and costs within the time periods set forth herein. (Initial: MAJ)

EXPERTS AND INVESTIGATORS

At its discretion, Attorneys may retain experts or investigators to report to Attorneys as to the facts of this matter, to testify, if necessary, at trial, or both. The experts or investigators will report exclusively to Attorneys. Said experts or investigators shall be deemed employed by Client, not by Attorneys. However, such experts and/or investigators may present bills for their services to Attorneys which may either (a) forward such bills to Client for payment or (b) pay the bills, in which event the amount paid shall be considered costs advanced by Attorneys for purposes of this Agreement. (Initial: MAJ)

NO REPRESENTATIONS OR GUARANTEES

Attorneys makes no representations or warranties concerning the successful conclusion of Client's claim or the favorable outcome of any legal action that may be filed, and does not guarantee that Attorneys will obtain compensation or reimbursement to Client of any of Client's costs, expenses, or other damages resulting from the matters out of which Client's claim arises. All statements of Attorneys on these matters are statements of opinion only. (Initial: MAJ)

ANN RANKIN
arankin@annrankin.com

TERRY WILKENS
twilkens@annrankin.com

LAW OFFICES OF ANN RANKIN

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June 14, 2006

Board of Directors
Hiller Highlands Phase I HOA
c/o Miriam Delay'friant, President
57 Spyglass Hill
Oakland, CA 94618

Re: **Legal Services**

Dear Miriam:

Thank you for your interest in our legal services. I founded Law Offices of Ann Rankin in 1986 to provide affordable, high-quality legal services to common interest development associations. My firm represents dozens of firms in general counsel, transactional and litigation matters. We would be glad to work with you.

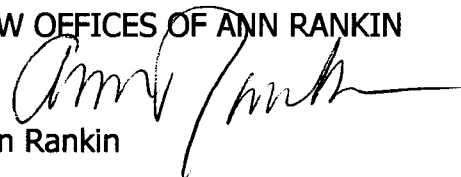
Enclosed please find two copies of our firm brochure for your use. You may also visit our Website at www.annrankin.com. As required by the Rules of Professional Conduct for Attorneys, I enclose our standard fee agreement that explains our billing practices. Please sign and initial it where shown and return it to me to avoid any delays in providing you with the services you need.

We look forward to serving you.

Very truly yours,

LAW OFFICES OF ANN RANKIN

Ann Rankin



AR:gr

Enclosures

DISCHARGE AND WITHDRAWAL

Client may discharge Attorneys at any time. Attorneys may withdraw with Client's consent or for good cause. Good cause includes Client's breach of this contract, Client's refusal to cooperate with Attorneys or to follow the advice of Attorneys on a material matter. Also, if in the opinion of Attorneys, Client is taking an unreasonable position, Attorneys reserves the right to withdraw from representation of Client. In addition, if Client requests Attorneys to take any action that Attorneys regards as unethical, Attorneys may withdraw its representation. (Initial: MS)

CLIENT'S OBLIGATIONS JOINT AND SEVERAL

If more than one person executes this Agreement as Client, then (a) each of them, jointly and severally, shall be responsible for payment of all fees, costs, and INTEREST pursuant to this Agreement; and (b) each of them waives any conflict of interest that may exist or hereafter arise between them in their representation by Attorneys, except this waiver shall not apply after written notice from one of them objecting to continued representation. (Initial: MS)

MEDIATION

Client and Attorneys agree that any dispute with respect to Client's liability for fees and costs incurred shall be submitted to mediation before the Judicial Arbitration and Mediation Service (JAMS) at any time. If the mediation is not held within forty-five (45) days of its written request by either party, either party may skip the mediation process and proceed with binding fee arbitration. If the dispute is not resolved by mediation, it shall be submitted to binding fee arbitration.

Mediation fees shall be split 50/50. Arbitration fees shall initially be split 50/50, but the arbitrator shall award all arbitration fees be paid by the party who is not the prevailing party. (Initial: MS)

ATTORNEYS FEES

any litigation arising out of this Agreement, the prevailing party shall be entitled to attorneys' fees and costs. (Initial: MS)

EFFECTIVE DATE

This contract will take effect when client has performed the "conditions" stated above, but Client's obligations to pay for fees and costs shall be retroactive to the date Attorneys first provided services. Even if this contract does not take effect, Client shall be obligated to pay Attorneys for any services Attorneys may have performed for Client.

Client acknowledges that client has read, and understands this entire agreement, including the provisions relating to FINANCE CHARGE for delinquent payment of fees and costs and that client acknowledges that this is the entire agreement between the parties and that there have been no representations or promises not set forth herein. (Initial: MS)

NOTICE TO CLIENT:

Attorneys fees including contingent fees are negotiable.

Do not sign and initial this Agreement before you read it or if it contains any blank spaces to be filled in. You are entitled to a completely filled in copy of this Agreement at any time. If you desire to pay off the full amount due, the amount which is outstanding will be furnished upon request.

You are entitled to seek the advice of independent counsel with regard to the terms and conditions of this Agreement. Your signature below indicates that you have sought such advice or that you are waiving your right to do so.

CLIENT: Board of Directors Hiller Highlands Phase I HOA c/o Miriam Delay-Friant, President 57 Spyglass Hill Oakland, CA 94618 Work: 510-625-2776 Home: 510-849-2007	LAW OFFICES OF ANN RANKIN 3911 Harrison Street Oakland, CA 94611 Office: 510-653-8886 Fax: 510-653-8889
---	--

Dated: 6/16/2006

Dated: _____

Miriam Delay-Friant
(Signature)

(Signature)

Miriam Delay-Friant
Printed Name

57 Spyglass Hill
Address

Oakland, CA 94618
City, State, Zip

PLEASE COMPLETE IF DIFFERENT FROM THE ABOVE:

BILLING ADDRESS:

Hiller Highlands Phase I HOA
Name

36 Spyglass Hill
Address

Oakland, CA 94618
City, State, Zip

510 849-2007
Phone

CORRESPONDENCE ADDRESS:

Miriam Delay-Friant
Name

57 Spyglass Hill
Address

Oakland, CA 94618
City, State, Zip

510 849-2007
Phone

LAW OFFICES OF ANN RANKIN

EXHIBIT "B" to Client Agreement

POTENTIAL CASH DISBURSEMENTS

I. GENERAL EXPENSES

- A. Photocopies
- B. Postage
- C. Overnight delivery service such as Federal Express, facsimile transmission
- D. Telephone
- E. Messenger Service
- F. Travel Reimbursement such as airfare, automobile rental, automobile mileage, hotel accommodations, and meals
- G. Computerized Legal Research

II. LITIGATION AND BANKRUPTCY-RELATED EXPENSES

- A. Court Filing Fees
- B. Deposition Costs
- C. Expert Witnesses and/or Expert Consultation
- D. Process Server
- E. Trial Materials such as exhibits and photographs
- F. Private Investigators
- G. Litigation Guarantees

III. REAL ESTATE AND BUSINESS-RELATED EXPENSES

- A. Filing and Recording Fees
- B. Title Reports
- C. Trustee's Sale Guarantees

LAW OFFICES OF ANN RANKIN may elect, but is under no obligation, to incur the foregoing costs on the Client's behalf and seek reimbursement therefor. The foregoing list is not an exhaustive list of potential cash disbursements. Attorneys reserves the right to have Client prepay any other out-of-pocket expenses which may be incurred by Attorneys on Client's behalf. In most circumstances, Client will be required to pay expenses, other than general expenses, in advance.

SANDRA J. SPRINGS
Law Offices of Sandra J. Springs
1999 Harrison Street
Suite 2675
Oakland, CA 94612
(510) 273-8777 (Office)
(510) 390-2371 (Cell)
(510) 273-8788 (Fax)

July 31, 2006

Ann Rankin
Law Offices of Ann Rankin
3911 Harrison Street
Oakland, CA 94611

Dear Ann:

Thank you for returning my call.

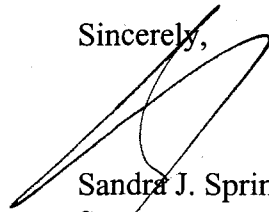
As discussed, I was out of town when the Retainer Agreement was reviewed. Thank you for agreeing to delete the arbitration clause. Please forward a new Retainer Agreement.

Secondly, we discussed the concern about the Board's liability in the event that we do not keep the reserve account properly capitalized. We believe that approximately \$30,000 will have to be taken from the reserve to pay for a problem that exists. The current balance is \$110,039.

You graciously agreed to meet with us if further discussion is needed.

Thank you for your courtesy.

Sincerely,



Sandra J. Springs,
Secretary,
Hiller Highland Homeowners' Association,
Board of Directors

SJS:klg

VICTOR HABIB INSURANCE AGENCY - CA LICENSE # 0471560
Farmers Insurance Group of Companies
2151 Salvio Street, Suite U, Concord, CA 94520 (925) 689-1112 (925) 682-0388 fax

PROPERTY INSURANCE DISCLOSURE

In compliance with Civil Code 1365, the following is a summary of the Hiller Highlands Phase I HOA insurance coverage's.

Property Insurance / General liability Coverage

1. Name of Insurer: TRUCK INSURANCE EXCHANGE (FARMERS INSURANCE EXCHANGE)
2. Property Insurance Limits: \$14,565,200
3. Deductible: \$25,000
4. General Liability Insurance Limits: \$1,000,000 (Deductible -None)
5. Policy Period : Nov 1, 2006— Nov 1, 2007
6. Policy # 600158241

Directors & Officers liability Coverage

1. Name of Insurer : TRUCK INSURANCE EXCHANGE (FARMERS INSURANCE EXCHANGE)
2. Policy Limits of Insurance: \$100,000
3. Policy Period: Nov 1, 2006– Nov 1, 2007
4. Policy # 600158241 (included in Master Policy)

Employee Dishonesty

1. Name of Insurer : TRUCK INSURANCE EXCHANGE (FARMERS INSURANCE EXCHANGE)
2. Policy Limits of Insurance: \$100,000
3. Policy # 600158241 (included in Master Policy)

Excess (Umbrella Liability)

1. Name of Insurer: TRUCK INSURANCE EXCHANGE (FARMERS INSURANCE EXCHANGE)
2. Policy Limits of Insurance : \$2,000,000 with self-insured retention \$10,000
3. Insurance Deductible : None
4. Policy # 600671638

Earthquake Insurance Policy / Dif/Con - (Flood Insurance not Covered)

1. Name of Insurer: REDLAND INSURANCE CO. (Primary Policy)
2. Policy #: siu 32289-02
3. Policy Limits: \$10,000,000
4. Deductible 25% per Building Value \$25,000 min/occurrence
5. Name of Insurer : Golden Bear Ins. Co. (Excess Policy)
6. Policy # : Pending
7. Policy Limits: \$2,500,000

“This summary of the association’s policy 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 policy of insurance. Any association member may, 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.”

10/23/2006

TO: HILLER HIGHLANDS PHASE I HOA OWNERS

BELOW ARE IMPORTANT ITEMS TO DISCUSS WITH YOUR INSURANCE AGENT TO MAKE SURE THAT YOU HAVE PROPER COVERAGE ON YOUR CONTENTS POLICY AS WELL AS YOUR OWN EARTHQUAKE POLICY.

CONTENTS POLICY

**How much contents coverage do I have?
How much loss of use coverage do I have?
How much liability coverage do I have?
How much extra would it cost to go to \$500,000 ?
How much extra would it cost to go to \$1,000,000 ?**

**How much coverage do I have for building coverage on my contents policy?
This coverage is also known as building additions and alteration coverage. This coverage would be used to replace items in your home that was not original at the time the units were built such as new cabinetry, wall to wall carpeting, hardwood floors, toilets, baths etc.
I recommend at least \$50,000**

**How much loss assessment coverage do I have?
This coverage comes into play in case you were assessed by the association for a covered loss.
I recommend at least \$50,000**

**EARTHQUAKE POLICY
(IMPORTANT)**

**I would recommend that each unit owner purchase a separate earthquake policy for contents, loss of use, real property (interior walls, counter tops etc.) and most importantly "LOSS ASSESSMENT COVERAGE FOR EARTHQUAKE".
I recommend \$50,000 and more if you can find it for loss assessment.
I recommend \$25,000 for real property coverage (this is the only amount sold thru CEA)
Loss of use and Contents coverage are bundled together and loss of use is sold at \$1,500, \$10,000 and \$15,000.**

The California Earthquake Authority sells a policy that you may obtain thru your insurance agent. THIS COVERAGE WILL HELP TO BUY DOWN YOUR DEDUCTIBLE IN CASE OF AN EARTHQUAKE SHOULD YOU BE ASSESSED BY THE ASSOCIATION.

Should anyone at Hiller Highlands Phase I HOA need any assistance, please call me.

**Victor Habib (Broker)
2151 Salvio st. #U
Concord, Ca. 94520
Ca. License #0471560**

10/23/2006

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**Victor Habib (Broker)
2151 Salvio st. #U
Concord, Ca. 94520
Ca. License #0471560**

Sandy
FYI

FACSIMILE TRANSMISSION FROM

HABIB INSURANCE AGENCY

2151 SALVIO STREET, SUITE # U

CONCORD, CA. 94520

TELE: 925 689-1112 FAX 925 682-0388

IMPORTANT NOTE: THIS FACSIMILE TRANSMISSION INCLUDING ALL OF ITS ACCOMPANYING DOCUMENTS, MAY CONTAIN INFORMATION WHICH IS CONFIDENTIAL OR PRIVILEGED IN NATURE. **LEGAL PRIVILEGES AND CONFIDENTIALITY ARE NOT WAIVED** JUST BECAUSE THE MESSAGE IS SENT BY FACSIMILE. IF YOU ARE NOT THE INTENDED RECIPIENT YOU ARE HEREBY NOTIFIED THAT ANY DISCLOSURE, COPYING, DISTRIBUTION, OR OTHER USE OF THE CONTENTS OF THIS TELECOPIED INFORMATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS COMMUNICATION IN ERROR, PLEASE NOTIFY HABIB INSURANCE OFFICES BY PHONE IMMEDIATELY AND RETURN THE DOCUMENT(S) BY MAIL. THANK YOU.

TO: *MARIAM*
DELAY-FREANT

DATE: *10/20/06*

FROM: VIC HABIB

FAX# *1510-208-8437*

RE: *HELLER HIGHLANDS*
PHASE I HOA.

OF PAGES INCLUDING COVER: *4*

HE MARIAM, PLEASE SEE ATTACHED FINANCE AGREEMENT FOR THE PRIMARY & EXCESS POLICY COMBINED.

ANY QUESTIONS, PLEASE CALL

I WILL NEED YOU TO SIGN, DATE + PICK UP THE DEPOSIT \$11,118²⁵ OR IN FULL \$39,525⁰⁰

BEST TO YOU

**VICTOR HABIB
BROKER**

RESPONSE (IF ANY):

FINANCE would BE \$11,118²⁵ DOWN
9X \$3,319⁵³ PER MONTH
STARTING 12/1/06

FINANCE C/VG IS \$1,469⁵²

FAX TRANSMISSION

To:

From:

Subject: Financing for Hiller Highlands

This fax was sent by GFI FAXmaker

Message:

Here you go. Both companies on one finance agreement.

Sincerely

Johnny Huang
EQ Insurance
925-945-8800
925-945-8802 fax

Visit us at www.eqinsuranceonline.com for more information.



2280 Diamond Blvd.
Concord, CA 94520
(925)602-2730 FAX: (800)765-5355

Premium Financing Specialists of California, Inc.

License # 973 9750

A	CASH PRICE (TOTAL PREMIUMS)	✓ \$39,525.00	AGENT (Name & Place of business)	INSURED (Name and residence or business)
B	CASH DOWN PAYMENT	✓ \$11,118.75	EQ INSURANCE	MILLER HIGHLANDS PHASE I
C	PRINCIPAL BALANCE (A MINUS B)	\$28,406.25	255 YGNACIO VALLEY RD #100 WALNUT CREEK CA 94596 (925)945-8800	36 SPY GLASS HILL OAKLAND CA 94618 (-)

LOAN DISCLOSURE

Quote Number: 966062

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.
12.25 %	\$1,469.52	\$28,406.25	\$29,875.77

YOUR PAYMENT SCHEDULE WILL BE

ITEMIZATION OF THE AMOUNT FINANCED. THE FULL AMOUNT FINANCED WAS PAID TO THE INSURANCE COMPANY (COMPANIES).

Number of Payments	Amount of Payments	When Payments Are Due	MONTHLY
9	\$3,319.53	Beginning:	12/1/2006

Security: You are giving a security interest in the unearned premiums and, on commercial policies, loss payments which will reduce the unearned premium of the policies.

Late Charges: A late charge will be imposed on any installment in default 10 days or more. This late charge will be 5% of the installment due.

Prepayment: If you pay your account off early, you may be entitled to a refund of a portion of the finance charge computed as provided in Sec. 18635, California Statute. The finance charge includes a predetermined interest rate plus a non-refundable service/origination fee of \$25.

POLICY PREFIX AND NUMBER	EFFECTIVE DATE OF POLICY	SCHEDULE OF POLICIES INSURANCE COMPANY AND GENERAL AGENT	COVERAGE	POL TRMS	PREMIUM	
PENDING	11/1/2006	REDLAND INSURANCE COMPANY CROUSE & ASSOCIATES	DIFCON	12	\$30,375.00	
			FEES		\$150.00	
PENDING	11/1/2006	GOLDEN BEAR INSURANCE COMPANY CROUSE & ASSOCIATES	EXCESS	12	\$7,500.00	
			FEES		\$100.00	
				Broker Fee	\$1,400.00	
(CHECK CORRECT BOX) <input type="checkbox"/> PERSONAL <input checked="" type="checkbox"/> COMMERCIAL					TOTAL \$	\$39,525.00

The undersigned insured directs Premium Financing Specialists of California, (herein, referred to as "Lender") to pay the premiums on the policies described above. In consideration of such premium payments, the insured agrees to pay Lender at the branch office address shown above, or as otherwise directed by Lender, the amount stated as Total of Payments in accordance with the Payment Schedule, both as shown in Loan Disclosure, subject to the provisions herein set forth.

- The named insured:
1. Assigns to Lender as security for the total amount payable hereunder all unearned premiums and, on commercial policies, loss payments which will reduce the unearned premium which become payable under the policies listed above, as to all of which insured gives to Lender a security interest.
 2. Understands that the finance charge begins to accrue as of the earliest policy effective date.
 3. Agrees to all provisions set out above and on page 2.

4. Irrevocably appoints Lender attorney-in-fact of the Insured with full power of substitution and full authority upon any default to cancel all policies above identified, receive all sums assigned to Lender or in which it has granted Lender a security interest and to execute and deliver on behalf of the insured documents, instruments, forms and notices relating to the listed insurance policies in furtherance of this agreement.

NOTICE:

- A. Do not sign this before you read the writing on the second page, even if otherwise advised.
- B. Do not sign this if it contains any blank lines.
- C. You are entitled to an exact copy of any agreement you sign.
- D. You have the right to pay in advance the unpaid balance due under this agreement and you may be entitled to a partial refund of the finance charge.

FOR INFORMATION CONTACT THE DEPARTMENT OF FINANCIAL INSTITUTIONS, STATE OF CALIFORNIA

Signature of Insured or Authorized Agent _____ DATE _____
The undersigned hereby warrants and agrees to Agent's Representations set forth herein.

SIGNATURE OF AGENT _____ DATE _____

FURTHER PROVISIONS OF PREMIUM FINANCE AGREEMENT

Insured and Lender agree that:

5. EFFECTIVE DATE: Agrees that this agreement shall be effective when written acceptance is mailed to insured by Lender.

6. DELINQUENT PAYMENTS: The acceptance by Lender of one or more late payments from the insured shall not estop Lender or be a waiver of the rights of Lender to exercise all of its rights hereunder in the event of any subsequent late payment.

7. CANCELLATION: Lender may cancel the insurance policies after providing at least 10 days notice of its intent to cancel or any other required statutory notice if the insured does not pay any installment according to the terms of this Agreement and the unpaid balance due to Lender shall be immediately payable by the insured. Lender at its option may enforce payment of this debt without recourse to the security given to Lender.

8. CANCELLATION CHARGES: If Lender cancels any insurance policy in accordance with the terms of this Agreement and applicable law, then the insured will pay Lender a cancellation charge of \$15, if permitted, up to the limit specified by law. If cancellation occurs, the insured agrees to pay a finance charge on the balance due at the contract rate of interest until the balance is paid in full or until such other dates as required by law. (Not applicable in KY, NV, and VT)

9. INSUFFICIENT FUNDS (NSF) CHARGES: If an insured's check or electronic funding is dishonored for any reason, the insured will pay to Lender a fee, if permitted by law, of \$5 or the maximum permitted by law. (Not applicable in AL and KY)

10. MONEY RECEIVED AFTER CANCELLATION: Any payments made to Lender after Lender's Notice of Cancellation of the insurance policy(ies) has been mailed may be credited to the insured's account without any obligation on the part of Lender to request reinstatement of the policy. Any money Lender receives from an insurance company shall be credited to the balance due Lender with any surplus refunded to whomever is entitled the money. In the event that Lender does request a reinstatement of the policy on behalf of the insured, such a request does not guarantee that coverage under the policy will be reinstated or continued. Only the insurance company has authority to reinstate the policy. The insured agrees that Lender has no liability to the insured if the policy is not reinstated.

11. ASSIGNMENT: The insured agrees not to assign any policy listed hereon or any interest therein except for the interest of mortgages or loss payees, without the written consent of Lender, that Lender may sell, transfer and assign its rights hereunder or under any policy without the consent of the insured, and that all agreements made by the insured hereunder and all rights and benefits conferred upon Lender shall insure to the benefit of Lender's successors and assigns (and any assignees thereof).

12. INSURANCE AGENT OR BROKER: The insured agrees that: the insurance agent or broker soliciting the policies or through whom the policies were issued is not the agent of Lender; and the agent or broker named on the front of this Agreement is neither authorized by Lender to receive installment payments under this Agreement nor is to make representations, orally or in writing, to the insured on Lender's behalf (except to the extent expressly required by applicable law).

13. FINANCING NOT A CONDITION: The law does not require a person to enter into a premium finance agreement as a condition of the purchase of insurance.

14. COLLECTION COSTS: Insured agrees to pay attorney fees and other collection costs to Lender to the extent permitted by law, if this Agreement is referred to an attorney, who is not a salaried employee of Lender, to collect any money insured owes under this Agreement. (Not applicable in KY)

15. LIMITATION OF LIABILITY: The insured agrees that Lender's liability to the insured, any other person or entity for breach of any of the terms of this Agreement for the wrongful or improper exercise of any of its powers under this Agreement shall be limited to the amount of the principal balance outstanding, except in the event of Lender's gross negligent or willful misconduct. (Not applicable in KY)

16. CLASSIFICATION AND FORMATION OF AGREEMENT: This Agreement is and will be a general intangible and not an instrument (as those terms are used in the Uniform Commercial Code) for all purposes. Any electronic signature or electronic record may be used in the formation of this Agreement, and the signatures of the insured and agent and the record of this Agreement may be in electronic form (as those terms are used in the Uniform Electronic Transactions Act). A photocopy, a facsimile or other paper or electronic record of this Agreement shall have the same legal effect as a manually signed copy.

17. REPRESENTATIONS AND WARRANTIES: The insured represents that the insured is not insolvent or presently the subject of any insolvency proceeding (or if the insured is a debtor of bankruptcy, the bankruptcy court has authorized this transaction), if the insured is not an individual, that the signatory is authorized to sign this Agreement on behalf of the insured, and all parties responsible for payment of the premium are named and have signed this Agreement.

18. ENTIRE DOCUMENT: This document is the entire Agreement between Lender and the insured and can only be changed in writing and signed by both parties except that the insured authorizes Lender to insert or correct on this Agreement, if omitted or incorrect, the insurer's name and the policy number(s). Lender is also authorized to correct patent errors and omissions in this Agreement. The laws of the state indicated in the insured's address on the Agreement will govern this Agreement.

AGENT'S REPRESENTATION

The agent/broker executing this agreement represents, warrants and agrees: (1) the insured has received a copy of this Agreement and has authorized this transaction, the insured's signature is genuine, and the down payment has been received from the insured, (2) the policies are in full force and effect and the information in the Schedule of Policies including the premium amounts is correct, (3) no direct company bill, audit, or reporting form policies or policies subject to retrospective rating or to minimum earned premium are included, except as indicated, and the deposit of provisional premiums is not less than anticipated premiums to be earned for the full term of the policies, (4) the policies can be cancelled by the insured or Lender (or its successors and assigns) on 10 days notice and the unearned premiums will be computed on the standard short rate or pro rata table except as indicated, (5) there are no bankruptcy, receivership, or insolvency proceedings affecting the insured, (6) to hold Lender, its successors and assigns harmless against any loss or expense (including attorney fees) resulting from these representations or from errors, omissions or inaccuracies of agent in preparing this agreement, and (7) to pay the down payment and any funding amounts received from Lender under this Agreement to the insurance company or general agent (less any commissions where applicable) (8) to hold in trust for Lender any payments made or credited to the insured through or to you directly or indirectly, actually or constructively by the insurance companies and to pay the monies, as well as the unearned commissions to Lender upon demand to satisfy the outstanding indebtedness of the insured.

SANDRA J. SPRINGS
28 Spyglass Hill
Oakland, CA 94618
(510) 981-8335 (Home)
(510) 390-2371 (Cell)
(510) 273-8777 (Office)

March 16, 2006

Attention: Victor Habib
Farmer's Insurance
2151 Salvio Street
Unit U
Concord, CA 94520

Dear Mr. Habib:

This letter will confirm our telephone conference regarding two issues. First, you were going to ascertain whether or not the policy in effect at the time of the discovery of the dryrot in the carport, August, 2005, had an exclusion for construction defect. Further, you were going to ascertain whether or not a claim and investigation had been made regarding the problem. If one has not, then we would ask that a claim be made, and an investigation be made. It is possible that if the water is from rainfall or other source, that it may be covered under the policy. If you believe that we should discuss this further before you send out a contractor, that is agreeable. However, we would like to move forward with these repairs as soon as possible.

I also told you that we would like to make a claim for the water intrusion under the wall in one of the units owned by Mr. Booker. I do not know if you have discussed this with him, but if not, it would be helpful since he has firsthand knowledge. As we discussed, we have reason to believe that the drainage is coming from Phase III, and that if they are over watering, or diverting the water, then they would be liable. We would like to make the claim, have you investigate it, and seek subrogation against Phase III's carrier if necessary. Mr. Booker estimates it will cost about \$8,000 to perform this repair, which apparently involves a French drain. Again, Mr. Booker has far more firsthand information regarding this than do I, and he would be the person with whom to discuss the details.

We also need to make a claim for a crack in Unit 57's retaining wall. Please contact Ms. Miriam Delay-Friant to set a time for you to view it.



FARMERS

Send all correspondence to:
Farmers National Document Center
P.O. Box 268994
Oklahoma City, OK 73126-8994
Fax: (877) 217-1389
Email: claimsdocuments@farmersinsurance.com

April 13, 2006

Hiller Highlands Phase I Hoa
36 Spy Glass HI
Oakland, CA 94618

RE: Insured: Hiller Highlands Phase I Hoa
Claim Unit Number: 1008147358-1-1
Policy Number: 600158241
Loss Date: 08/05/2005
Loss Location: 42 Spy Glass Hill, Oakland

Dear Ms. Springs:

Thank you for your assistance in the handling of this matter. This letter will serve to inform you that Truck Insurance Exchange has completed its evaluation of your claim. You reported water is leaking into the sub floor of the carport that is connected to a paved walkway.

Claims Representative, Ronald Dyon, inspected the loss location on April 11, 2006, with Mr. Booker, vice president of the HOA. Mr. Dyon observed extensive dry/wet rot to the floor joist, bottom plate and plywood sheathing underneath the carport in the mid section of the crawl space. Upon completion of the inspection, it was determined that the predominant cause of loss is deterioration caused by rainwater over a long period of time that seeped under the walkway pavement adjoining the carport wall. As you suspected, arrant nails driven through the sheathing allowed surface water to penetrate the floor joist and bottom plate that compromised the water proof membrane between the plywood sheath and the pavement. Unfortunately, your insurance contract specifically excludes loss caused by decay, deterioration, and hidden or latent defect.

Your policy of insurance limits coverage to certain types of water damage. The policy provides coverage for water damage that results from a sudden accidental breaking apart, or cracking of a plumbing line or appliance, which allows the water to escape. As there was no break or cracking in a plumbing line or an appliance, we will be unable to extend coverage for this loss.

In order to determine the coverage applicable to this loss, we have reviewed your **Condominium Property Coverage Form, E3422, 3rd edition**. It states in part:

Condominium Property Coverage Form, E3422 3rd Edition.

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

Z52MP4WH11

06 02 013786 Z52MP4WH01 CD0413P2 06 013786



FARMERS

HABIB INSURANCE AGENCY

VICTOR Y. HABIB

2151 SALVIO ST. SUITE# U CONCORD, CA. 94520
925 689-1112 FAX 925 682-0388

TO: HILLER HIGHLANDS PHASE I HOA
C/O Miriam Delay-Friant, President
36 Spy Glass Hill
Oakland, Ca. 94618-2308

09/25/06

Dear Miriam:

It was very nice talking to you last Friday. As per our conversation, please note the following changes in regards to Hiller Highland Phase I HOA insurance renewal for the Nov 1, 2006 to Nov 1, 2007 period. I have also enclosed the "property Insurance Disclosure" for the new term as well as last years.

I am still waiting for quotes from several carriers regarding the earthquake insurance for Hiller Highlands Phase I HOA. I have been told that due to the recent hurricanes (Katrina) that the reinsurance market has become quite the challenge to obtain insurance from. I will do everything I possibly can to make sure that we obtain coverage for earthquake for Hiller Highlands Phase I HOA by Nov 1, 2006. I also have been told that the reinsurance market is reassessing the market daily and I may not get a quote until the last day of the term if at all. I will keep you informed as I am calling on this problem 2 to 3 times a week.

Please call me to let me know what time and what address so I may attend the next board meeting. I have it on my calendar for Wednesday Oct the 4th

1) MASTER FIRE POLICY: # 600158241 / EFFECTIVE DATE NOV 1, 2006—NOV 1, 2007

**Premium for the new term: \$ 26,595.00—Terrorism Coverage \$263.00 . Net cost \$ 26,332.00
Cost last year: \$26,022 Total increase in premium \$310**

Coverage for the new term: \$ 14,565,200 vs \$ 13,740,800. Net coverage increase \$ 824,000

2) MASTER COMMERCIAL UMBRELLA POLICY (EXCESS LIABILITY) # 600671638


**Policy Effective date: Nov 1, 2006 thru Nov 1, 2007
Cost of new term: \$1,058.00 (cost same as last year)**

3) COMMERCIAL EARTHQUAKE INSURANCE (PRIMARY) / (EXCESS)

To be determined.

Should you have any questions, please call.

Best to you Always


Victor Habib
Broker

November 29, 2006

Hiller Highlands Homeowners Association Phase I
36 Spyglass Hill
Oakland, CA 94618

Dear Homeowner:

The Homeowners annual association meeting will be held on January 11, 2007 at the Hiller Highlands Country Club, beginning at 7:00pm.

Voting procedures: California Civil Code section 1363.03 sets out the requirements for election procedures for homeowners associations. To qualify as a candidate for the Board of Directors, one must be an owner of one of the units of Phase I. The current Board of Directors may recommend members at the annual meeting, and you may also nominate members at the meeting or by writing in a name on the ballot. Currently Ken Pytlewski and Tricia Scott are being put forth for election.

One vote by one homeowner is allowed per unit. Enclosed please find a ballot, a large envelope and a small envelope. There is also space for write in candidates.

The Code requires that an independent third party act as an inspector to collect and tabulate the votes. The inspector will receive the ballots, verify signatures on the outside envelope, and count and tabulate the votes. A quorum is necessary in order to elect the Board of Directors. Therefore, we are requesting that all votes be returned either by hand delivery to mailbox #36 or by mail by January 10, 2007, or hand deliver them at the meeting

The voting is by secret ballot according to the following procedure:

- (1) Please mark your ballot by writing the members names for whom you are voting. If you wish to write in a candidate, write that candidates name on any line. Do not sign the ballot, but insert it into the small envelope that is marked "ballot". Seal the small envelope. Place the small envelope into the second pre addressed envelope and seal that envelope.

In the upper left hand corner of the second envelope, please sign your name, print your name, and print the address of your unit that entitles you to vote.

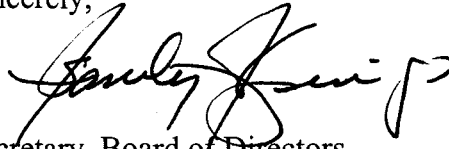
The votes shall be counted at the annual meeting and the results announced at that meeting.

A quorum is necessary for the annual meeting. A quorum consists of 26 homeowners either present or by proxy at the meeting. Therefore, if you are unable to attend it is requested that you sign a proxy allowing another member of the Homeowners Association to appear for you. Enclosed is a proxy form for your signature and a pre addressed envelope to return your proxy to the Board of Directors.

Also enclosed please find the proposed annual budget, the summary of our Homeowners Insurance policy, the alternate dispute resolution, a Ballot, envelopes, proxy, the 2007 monthly allocation table, the delinquent assessment, collection policy statement, proposed budget and statement regarding minutes.

Thank you for your courtesy.

Sincerely,

A handwritten signature in black ink, appearing to read "Stanley J. Smith". The signature is fluid and cursive, with a long horizontal stroke at the end.

Secretary, Board of Directors

SJS:jt

Enclosures:

- Ballot and envelopes
- Summary of insurance
- Proposed annual budget
- alternative Dispute resolution
- Proxy and envelope
- Monthly allocation
- Delinquent policy
- Statement re: minutes



NOTE TO ALL HOMEOWNERS:

Because we currently have only two members who have volunteered to serve, you may wish to wait a few weeks to cast your ballot if you do not plan to be at the meeting, so that we can provide other names.

**Hiller Highlands Phase I Association
36 Spyglass Hill, Oakland, CA 94618**

November 29, 2006

Re: Fiscal Year 2007 Pro forma Operating Budget and Annual Insurance Disclosure

Dear Hiller Highlands Phase I Homeowners Association owners and residents:

The Association annual meeting will be held on Thursday, January 11, 2007, at Highlands Country Club at 7:00pm. The meeting will be followed by an informal dinner. Please fill out and return the form as to what you can bring.

There will be an increase in monthly dues for the coming fiscal year due to anticipated increases in the cost of landscape maintenance.

This package of material includes:

1. The 2007 Annual Budget.
2. The Assessment and Reserve Funding Disclosure Summary.
3. The 2007 Monthly Assessment Allocation Table. (Note: a percentage of both the fire and earthquake policies are estimated to be for common area coverage and these costs are shared equally.)
4. A current summary of the Association's Reserve Fund Analysis, prepared by the Board.
5. Hiller Highlands Phase I Annual Insurance Disclosure.
6. Hiller Highlands Phase I Delinquent Assessment Collection Policy statement.
7. A statement regarding the availability of meeting minutes.
8. Alternative dispute resolution.

Please continue to send all correspondence and dues checks to 36 Spyglass Hill, the association's mailbox located at the northeast corner of Unit #42.

If you have any questions regarding this material, please do not hesitate to write the Board. We will be happy to answer any question you might have.

Sincerely,
THE BOARD OF DIRECTORS
HILLER HIGHLANDS PHASE I ASSOCIATION

Please fill out and return this part of the form to MIRIAM DELAY-FRIANT # 57

This year the Board will be providing a main course of lasagna and French bread. The rest will be potluck, so it is important that you **RSVP**.

Yes, I/we are delighted to attend the Annual Meeting party and volunteer for:

to work on the set-up committee

to bring a salad

to bring a dessert

to bring wine

to work on the clean-up detail

Name(s): _____

VICTOR HABIB INSURANCE AGENCY - CA LICENSE # 0471560
Farmers Insurance Group of Companies
2151 Salvio Street, Suite U, Concord, CA 94520 (925) 689-1112 (925) 682-0388 fax

PROPERTY INSURANCE DISCLOSURE

In compliance with Civil Code 1365, the following is a summary of the Hiller Highlands Phase I HOA insurance coverage's.

Property Insurance / General liability Coverage

1. Name of Insurer: TRUCK INSURANCE EXCHANGE (FARMERS INSURANCE EXCHANGE)
2. Property Insurance Limits: \$13,740,800
3. Deductible: \$25,000
4. General Liability Insurance Limits: \$1,000,000 (Deductible -None)
5. Policy Period : Nov 1, 2005— Nov 1, 2006
6. Policy # 600158241

Directors & Officers liability Coverage

1. Name of Insurer : TRUCK INSURANCE EXCHANGE (FARMERS INSURANCE EXCHANGE)
2. Policy Limits of Insurance: \$100,000
3. Policy Period: Nov 1, 2005– Nov 1, 2006
4. Policy # 600158241 (included in Master Policy)

Employee Dishonesty

1. Name of Insurer : TRUCK INSURANCE EXCHANGE (FARMERS INSURANCE EXCHANGE)
2. Policy Limits of Insurance: \$100,000
3. Policy # 600158241 (included in Master Policy)

Excess (Umbrella Liability)

1. Name of Insurer: TRUCK INSURANCE EXCHANGE (FARMERS INSURANCE EXCHANGE)
2. Policy Limits of Insurance : \$2,000,000 with self-insured retention \$10,000
3. Insurance Deductible : None
4. Policy # 600671638

Earthquake Insurance Policy / Dif/Con - (Flood Insurance not Covered)

1. Name of Insurer: REDLAND INSURANCE CO. (Primary Policy)
2. Policy #: Pending
3. Policy Limits: \$10,000,000
4. Deductible 12.5% per Building Value
5. Name of Insurer : GREAT AMERICAN INS. CO. (Excess Policy)
6. Policy # : Pending
7. Policy Limits: \$2,500,000

"This summary of the association's policy 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 policy of insurance. Any association member may, 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."

HILLER HIGHLANDS PHASE I HOMEOWNERS' ASSOCIATION
Delinquent Assessment Collection Policy Statement

1. 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 late charge of ten dollars (\$10.00) or ten percent (10%) of the delinquent assessment, whichever is greater, shall be due on any such delinquent assessment.
2. At the option of the Association, interest shall be due on all such amounts, once due and unpaid for thirty (30) days, at the rate of twelve percent (12%) per annum.
3. If any portion of any such assessment or late charge remains unpaid thirty (30) 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.
4. 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 "Letter of Intent" date to the time that all such amounts are paid in full.
5. If all such amounts have not been received sixty (60) 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 amount.
6. 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).
7. 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.
8. The Association shall charge a "returned check charge" of twenty-five dollars (\$25.00) for all checks returned as "non-negotiable," "insufficient funds" or any other reason.
9. 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).
10. If the assessment is paid "under protest" the record owner(s) within thirty days of receiving a notice of delinquent assessment, must pay to the association (1) the amount of the assessments in dispute, (2) all late charges, (3) all interest and (4) all costs associated with the preparation and filing of the notice of delinquent assessment, including all mailing costs and including attorney fees not to exceed four hundred twenty five dollars (\$425.00). The owner must indicate in the payment transmittal that the payment is made "under protest."
11. No offsets of any nature shall be allowed against the assessments owed by an owner.
12. The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.

Date of Disclosure: 11/28/06

HILLER HIGHLANDS PHASE I HOMEOWNERS' ASSOCIATION

Statement Regarding Meeting Minutes

Hiller Highlands Phase 1 Association will produce copies of minutes, minutes proposed for adoption marked to indicate draft status, or a summary of the minutes, of any meeting of the board of Directors of the Association, other than Executive session. Copies shall be available to members within thirty days of the meeting.

Hiller Highlands Phase 1 Association members requesting copies of meeting minutes, must do so in writing delivered to the Association's Box #36, and provide the Board with sufficient notice within which to reproduce applicable copies. The Association *may* recover the costs associated with reproducing the meeting minutes and the cost of mailing meeting minutes to the member.

Date of Disclosure: 11/28/06

PROXY
(Cumulative Voting)

I hereby revoke all previous proxies and appoint _____ or if no one is named the Board of Directors to act as my proxy and vote in my place at the Annual Meeting of the members to be held on Jan 11, 2007 at 7:00P.M. at HILLIERZ, and at any adjournment thereof.
HIGHLANDS COUNTRY CLUB

Proxyholder Defined. A proxyholder is someone, at least 18 years old, who votes in your place at the meeting according to your instructions as indicated above. Your proxyholder does not need to be a member, but must be present at the meeting for this proxy to be valid.

Revocation of Proxy. This proxy may be revoked by (i) written notice from you delivered to the Association prior to the vote, (ii) execution of a later-dated proxy delivered to the Association prior to the vote, or (iii) your appearance at the meeting requesting a ballot to vote at the meeting.

I AUTHORIZE my proxy to vote as follows:

1. **ABSTAIN** from voting (use for quorum purposes only), or
2. **VOTE** at proxyholder's discretion, or
3. **VOTE** as indicated on the attached page.

Date: _____ Signature: _____

Address: _____

Hiller Highlands Phase I Homeowners Association

DESCRIPTION OF INTERNAL DISPUTE RESOLUTION PROCEDURE

Civil Code Section 1363.850

This policy applies to a dispute between the Association and a member involving their rights, duties, or liabilities under the Davis-Stirling Act, under the provisions of the Corporations Code relating to mutual benefit corporation (commencing with Corporations Code Section 7110), or under the Association's governing documents.

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

1. Either the association or the member may request that the other side meet and confer in an effort to resolve the dispute. The request must be in writing. The association may not refuse such a request, and the member may not be charged a fee to participate in the process.
2. The association's Board of Directors shall designate one or more members to meet and confer with the other party.
3. The parties shall meet promptly, but not to exceed 45 days from the date of the request, unless both sides agree to a later date, at a mutually convenient time and place. At the meeting, the parties must explain their positions to each other and must confer in good faith in an effort to resolve the dispute.
4. If the parties agree on a resolution of the dispute, the agreement must be put in writing and signed by the parties. The agreement is binding and can be enforced by the courts if: a) it is not in conflict with the law or the governing documents, and b) the association's representative(s) had the authority to enter into the settlement or the settlement is ratified by the board.

4/08/2006

ALTERNATIVE DISPUTE RESOLUTION
Summary of Civil Code 1369.510-1369.590

Sections 1369.510 to 1369.590 of the Civil Code require that before owners and associations file lawsuits against each other for declaratory relief or injunctive relief in connection with a claim for money damages under \$5,000 or for enforcing the associations governing documents, the filing party shall endeavor to submit the dispute to alternative dispute resolution (ADR). Forms of ADR include mediation, negotiation, and binding or nonbinding arbitration. This provision does not apply to the filing of cross-complaints.

The ADR process is initiated by one party serving a Request for Resolution upon the other parties to the dispute. The request must include (i) a brief description of the dispute, (ii) a request for ADR, (iii) a notice that a response must be received within thirty (30) days or it will be deemed rejected, and (iv) a copy of Civil Code Sections 1369.510 to 1369.590.

If the individual receiving the request agrees to ADR, the process must be completed within ninety (90) days unless otherwise extended by agreement. The cost of ADR is to be paid by the participating parties. If a civil suit is filed, the filing party must submit to the court a Certificate of Compliance indicating the party has complied with the requirements of Sections 1369.510 to 1369.590. Failing to do so would be grounds for challenging the lawsuit.

Although the prevailing party is entitled to reasonable attorneys fees and costs, the court may consider a partys refusal to participate in ADR when making the award.

A description of the Associations internal dispute resolution process, as required by Civil Code Section 1363.850, is attached.

NOTE: Failure by any member of the association to comply with the alternative dispute resolution requirements of Civil Code 1369.520 may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.

Updated 11/2/2005

Hiller Highlands I Association
Oakland, California
RA Component Funding Model Summary

Report Date	June 06, 2006
Account Number	9131
Version	15.1
Budget Year Beginning	January 01, 2007
Budget Year Ending	December 31, 2007
Total Units	34
Phase Development	1 of 6

<i>Report Parameters</i>	
Inflation	3.00%
Annual Assessment Increase	3.00%
Interest Rate on Reserve Deposit	3.00%
Tax Rate on Interest	30.00%
Contingency	3.00%
2007 Beginning Balance	\$91,189.00

Component Funding Model

For budgeting purposes, unless otherwise indicated, we have used January 1994 as the average placed-in-service date to begin aging the original components examined in this reserve study. The association was originally constructed in 1968 but suffered a catastrophic fire in 1991 and was rebuilt in 1993.

This 14 unit condominium and 20 planned development units is located off of Hiller Drive on the street of Spyglass Hill in the city of Oakland, California.

The last Applied Reserve Analysis, LLC field inspection was completed on May 7, 2006.

NOTE: This reserve analysis study is provided as an aid for planning purposes and not as an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. A reserve analysis, to remain accurate, should be updated on an annual basis to reflect such changes as shifts in economic parameters, the addition of assets or phases, or the expenditure of reserve funds.

<i>CFM Model Summary of Calculations</i>	
Monthly Reserve Assessment Required	\$1,822.30
<i>\$53.59 per unit per monthly</i>	
Average Net Monthly Interest Earned	<u>\$164.31</u>
Total Monthly Allocation to Reserves	\$1,986.62
<i>\$58.43 per unit monthly</i>	

Hiller Highlands I Association
RA Component Funding Model Projection

Beginning Balance: \$91,189

Year	Current Cost	Annual Assessment	Annual Interest	Annual Expenditures	Projected Ending Reserves	Fully Funded Reserves	Percent Fully Funded
2007	197,824	21,868	1,972	10,000	105,029	129,495	81%
2008	203,759	21,900	2,344	6,298	122,974	141,837	86%
2009	209,871	22,042	2,515	16,261	131,270	144,534	90%
2010	216,168	21,732	2,969	2,994	152,976	161,857	94%
2011	222,653	21,913	2,659	39,393	138,155	141,569	97%
2012	229,332	21,614	3,041	6,404	156,406	156,170	100%
2013	236,212	21,762	3,296	12,687	168,778	165,058	102%
2014	243,298	20,441	3,345	22,041	170,523	164,819	103%
2015	250,597	19,010	3,786	2,217	191,102	186,149	102%
2016	258,115	19,032	3,374	42,272	171,236	166,187	103%
2017	265,859	24,354	1,955	92,189	105,357	93,727	112%
2018	273,835	21,459	2,480		129,295	117,506	110%
2019	282,050	20,723	2,671	14,506	138,183	127,238	108%
2020	290,511	19,269	2,906	11,550	148,807	141,045	105%
2021	299,226	27,823	1,975	70,667	107,939	93,218	115%
2022	308,203	25,880	2,585		136,403	119,613	114%
2023	317,449	24,924	3,178		164,505	147,508	111%
2024	326,973	24,373	3,719	2,260	190,336	174,571	109%
2025	336,782	26,479	4,013	15,353	205,476	189,308	108%
2026	346,885	26,458	4,288	17,518	218,704	202,963	107%
2027	357,292	27,470	4,569	18,061	232,682	217,248	107%
2028	368,011	25,933	5,231		263,845	251,944	104%
2029	379,051	28,943	5,267	31,085	266,970	255,548	104%
2030	390,423	27,347	5,669	14,356	285,630	277,878	102%
2031	402,135	34,072	4,938	71,148	253,492	241,524	104%
2032	414,199	32,869	5,480	12,803	279,037	266,902	104%
2033	426,625	35,084	5,936	18,033	302,024	288,443	104%
2034	439,424	36,316	5,976	39,809	304,506	288,509	105%
2035	452,607	34,026	6,761	4,005	341,288	327,572	104%
2036	466,185	29,474	7,549	1,178	377,133	371,844	101%

Hiller Highlands I Association
RA Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserve	Fully Funded
Streets/Asphalt							
Streets - Asphalt Slurry Seal Coating	2013	8	0	6	8,392	2,098	2,098
Streets - Asphalt, Overlay	2017	20	3	10	51,329	1,991	29,012
Streets - Asphalt, Repairs	2009	4	0	2	2,232	1,116	1,116
Streets - Asphalt, Seal Coat	2009	8	1	2	5,035	3,916	3,916
Streets/Asphalt - Total					\$66,989	\$9,121	\$36,143
Painting							
Paint - Exterior, Entry Walls	2009	10	0	2	1,154	923	923
Paint - Exterior, Stucco, Bldgs C1/C2	2009	10	0	2	2,440	1,952	1,952
Paint - Exterior, Stucco, Bldgs E1/E2	2009	10	0	2	702	562	562
Paint - Interior, Garages, Bldgs C1/C2	2009	10	0	2	1,302	1,042	1,042
Seal - Wood Walkways, Bldgs D1/D2	2010	5	0	3	1,750	700	700
Painting - Total					\$7,348	\$5,179	\$5,179
Lighting							
Lighting - Exterior, Entry Walls, Replace	2009	15	0	2	404	350	350
Lighting - Exterior, Path Lights, Replace	2016	22	0	9	17,920	10,589	10,589
Lighting - Exterior, Street Lights, Replace	2016	22	0	9	8,840	5,224	5,224
Lighting - Total					\$27,164	\$16,163	\$16,163
Decks/Balconies							
Walkway - Wood, Bldg D1/D2, Replace	2014	20	0	7	15,948	10,366	10,366
Decks/Balconies - Total					\$15,948	\$10,366	\$10,366
Railings							
Railing - Garage, Building C1/C2, Replace	2019	25	0	12	4,576	0	2,380
Railings - Total					\$4,576		\$2,380
Doors							
Doors - Storage, Bldgs C1/C2, Replace	2016	22	0	9	2,936	1,735	1,735
Doors - Storage, Bldgs E1/E2, Replace	2016	22	0	9	2,202	1,301	1,301
Doors - Total					\$5,138	\$3,036	\$3,036
Fencing/Security							
Fencing - Wood, Carport G3, Unit 30, Repl.	2010	16	0	3	990	804	804
Fencing/Security - Total					\$990	\$804	\$804
Walls							
Bench/Wall - Wood, Spyglass Hill, Replace	2014	20	0	7	1,973	1,283	1,283
Walls - Stucco, Repairs	2009	15	0	2	963	835	835
Walls - Total					\$2,937	\$2,118	\$2,118
Irrigation							
Irrigation - Drip System, Replace	2007	10	3	0	10,000	10,000	10,000

Hiller Highlands I Association
RA Component Funding Model Assessment & Category Summary

Description	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Assigned Reserve	Fully Funded
Irrigation continued...							
Irrigation Controllers - Replace	2008	12	2	1	<u>6,115</u>	<u>5,678</u>	<u>5,678</u>
Irrigation - Total					\$16,115	\$15,678	\$15,678
Landscaping							
Landscape - Plants, Replenish/Replace	2011	10	0	4	<u>35,000</u>	<u>21,000</u>	<u>21,000</u>
Landscaping - Total					\$35,000	\$21,000	\$21,000
Grounds Components							
French Drain - PVC System, Cleanout	2016	10	0	9	500	50	50
French Drain - PVC System, Repairs/Repl.	2026	20	0	19	<u>8,500</u>	<u>0</u>	<u>425</u>
Grounds Components - Total					\$9,000	\$50	\$475
Mailboxes							
Mailboxes/Wood Kiosks - Replace	2012	18	0	5	<u>5,524</u>	<u>3,990</u>	<u>3,990</u>
Mailboxes - Total					\$5,524	\$3,990	\$3,990
Signs							
Signs - Wood, Painted, Replace	2009	12	3	2	<u>1,094</u>	<u>948</u>	<u>948</u>
Signs - Total					\$1,094	\$948	\$948
Software							
Software - Reserve Study, Replace					<i>unfunded</i>		
Software - Total							
Contingency							
Carport/Concrete Framing - Inspections					<i>unfunded</i>		
Concrete - Stairs/Pads/Prkng/Drive					<i>unfunded</i>		
Copy & FAX Machines - Replace					<i>unfunded</i>		
Reserve Payback - IX, Replacement					<i>unfunded</i>		
Trench Drain - Replace/Repairs					<i>unfunded</i>		
Walls - Retaining, Repairs					<i>unfunded</i>		
Contingency - Total							
Total Asset Summary					\$197,824	<u>\$88,453</u>	<u>\$118,279</u>
Contingency at 3.00%						<u>\$2,736</u>	<u>\$3,658</u>
Summary Total						\$91,189	\$121,937
Fully Funded Level						75%	
Current Average Liability per Unit (Total Units:34)						\$-903	

HHI Association Budget				
	11/15/2005	YTD	Estimated	11/30/2006
	2006	11/16/2006	2006	2007
	Proposed Budget	Income & Expenses	Income & Expenses	Proposed Budget
Income				
Dues Assessments	\$115,000	\$105,116	\$115,008	\$134,778
Excess Income from Previous Year	\$11,713	\$9,292	\$9,292	\$3,116
Fees, Misc. Income & Spec Assessment	\$0	\$1,284	\$1,284	\$0
Interest Income	\$1,130	\$1,331	\$1,500	\$2,000
Total Income:	\$127,843	\$117,023	\$127,084	\$139,894
Administrative Expenses				
Annual Meeting Dinner & Socials	\$75	\$48	\$48	\$75
Legal	\$0	\$301	\$301	\$300
Office - General	\$100	\$111	\$111	\$300
Professional Association - CAI	\$110	\$260	\$260	\$260
Reserve Study	\$900	\$1,140	\$1,140	\$0
Tax Preparation & Financial Review	\$875	\$875	\$875	\$900
Taxes & Licenses Fees	\$35	\$462	\$462	\$375
C.O.R.E	\$100	\$0	\$0	\$100
Total Administrative:	\$2,195	\$3,197	\$3,197	\$2,310
Insurance				
Fire/Property/Liability Insurance	\$26,517	\$24,243	\$26,467	\$26,595
Earthquake Insurance	\$34,050	\$32,910	\$36,326	\$39,525
Blanket Umbrella Insurance	\$1,643	\$1,058	\$1,058	\$1,100
Total Insurance:	\$62,210	\$58,211	\$63,851	\$67,220
Landscape				
Landscape: contract	\$22,800	\$13,948	\$17,748	\$23,940
Landscape: extras	\$2,500	\$200	\$935	\$3,000
FireSafe Vegetation Management	\$1,000	\$0	\$0	\$0
Irrigation + Backflow Check Valve	\$1,000	\$487	\$487	\$500
Memorial Garden Maintenance	\$100	\$0	\$0	\$100
Total Landscape:	\$27,400	\$14,635	\$19,170	\$27,540
Maintenance				
Other Maintenance & Repairs	\$600	\$30	\$30	\$500
Total Maintenance:	\$600	\$600	\$30	\$600
Utilities				
Gas & Electric	\$2,857	\$3,376	\$3,661	\$3,844
Irrigation Permit	\$768	\$0	\$0	\$0
Water	\$13,097	\$10,943	\$13,943	\$14,640
Total Utilities:	\$16,722	\$14,319	\$17,604	\$18,484
Reserve Fund				
Reserve Contribution & Interest Payment	\$18,716	\$15,302	\$20,116	\$23,840
Total:	\$18,716	\$15,302	\$20,116	\$23,840
Total Expenses	\$127,843	\$106,264	\$123,968	\$139,894
Income - Gain or (Loss):	\$0	\$10,759	\$3,116	\$0
Assets & (Liabilities)				
Reserve Balance: Beginning of Year	\$110,625	\$110,625	\$110,625	\$91,189
Reserve Expenses:	-\$17,950	-\$10,452	-\$39,552	-\$10,000
Annual Reserve Contribution	\$17,616	\$14,102	\$18,716	\$21,868
Interest - Reserve Account	\$1,100	\$1,200	\$1,400	\$1,972
Repay Reserve Fund for Cost Overruns	\$0	\$0	\$0	\$0
Reserve Balance: End of Year	\$111,391	\$115,475	\$91,189	\$105,029
Total Assets (Income + Reserve):	\$111,391	\$126,234	\$94,305	\$105,029
Contingency (3%):	\$3,123	\$3,855	\$2,736	\$2,736
Current Replacement Cost:	\$192,712	\$198,493	\$197,824	\$197,824
Fully Funded Reserve:	\$108,466	\$128,486	\$128,486	\$129,495
Percent Fully Funded:	101%	103%	71%	75%

Hiller Highlands I Association, Monthly Assessment Allocation Table							
2007 Budget Year (January 1 - December 31)							
	Proposed Dues Assessment 2007:	\$134,778					
	Estimated Fire & Earthquake Building Coverage 2007:	\$53,694	=	net of fire & earthquake building coverage			
	Estimate of Costs to be shared Equally in 2007:	\$81,084	=	(total budget) - (net of fire & earthquake building coverage)			
	Article 6.2 of March 27, 2001 CC&Rs	Homeowners		Homeowners	2007	2006	
Spyglass Hill	Percent of Fire & Earthquake	Percentage		Equal Share Of	Monthly	Monthly	
Address	Insurance To Be Assessed	Of Insurance		Other Costs	Assessment	Assessment	
						% Change	
1	3.91%	\$174.95		\$198.74	\$374	\$321	17%
3	3.91%	\$174.95		\$198.74	\$374	\$321	17%
5	3.91%	\$174.95		\$198.74	\$374	\$321	17%
7	3.91%	\$174.95		\$198.74	\$374	\$321	17%
9	3.91%	\$174.95		\$198.74	\$374	\$321	17%
11	3.91%	\$174.95		\$198.74	\$374	\$321	17%
20	3.00%	\$134.24		\$198.74	\$333	\$284	17%
22	3.00%	\$134.24		\$198.74	\$333	\$284	17%
24	3.00%	\$134.24		\$198.74	\$333	\$284	17%
26	3.00%	\$134.24		\$198.74	\$333	\$284	17%
28	3.00%	\$134.24		\$198.74	\$333	\$284	17%
29	3.39%	\$151.69		\$198.74	\$350	\$300	17%
30	3.00%	\$134.24		\$198.74	\$333	\$284	17%
31	3.39%	\$151.69		\$198.74	\$350	\$300	17%
33	2.01%	\$89.94		\$198.74	\$289	\$244	18%
35	2.01%	\$89.94		\$198.74	\$289	\$244	18%
38	2.25%	\$100.45		\$198.74	\$299	\$254	18%
40	1.55%	\$69.35		\$198.74	\$268	\$226	19%
41	3.87%	\$173.16		\$198.74	\$372	\$319	17%
42	2.42%	\$108.28		\$198.74	\$307	\$261	18%
43	2.71%	\$121.26		\$198.74	\$320	\$273	17%
44	2.25%	\$100.45		\$198.74	\$299	\$254	18%
45	2.71%	\$121.26		\$198.74	\$320	\$273	17%
46	1.55%	\$69.35		\$198.74	\$268	\$226	19%
47	2.71%	\$121.26		\$198.74	\$320	\$273	17%
48	2.73%	\$122.15		\$198.74	\$321	\$273	18%
51	2.01%	\$89.94		\$198.74	\$289	\$244	18%
53	2.01%	\$89.94		\$198.74	\$289	\$244	18%
55	3.39%	\$151.69		\$198.74	\$350	\$300	17%
57	3.39%	\$151.69		\$198.74	\$350	\$300	17%
59	3.39%	\$151.69		\$198.74	\$350	\$300	17%
60	2.71%	\$121.26		\$198.74	\$320	\$273	17%
61	3.38%	\$151.69		\$198.74	\$350	\$300	17%
62	2.71%	\$121.26		\$198.74	\$320	\$273	17%
34 Units	100.00%	\$4,474.50		\$6,757.00	\$11,232	\$9,584.00	17%
	Annual Assessment:	\$53,694.00		\$81,084.00	\$134,784.00	\$115,008	

SPYGLASS HILL
HILLER HIGHLANDS I ASSOCIATION

December 2006

Homeowner	Unit #	Phone
Lois Gold	1	644-0160
Udo Araktingi & Rachael Downie (Non-res. Owner)	3	(303) 805-7067
Andrew Coburn & Helen Mulligan	3	Unknown
Helen Wehr	5	704-9176
Tricia Swift	7	843-8009
Mary & David Roth	9	665-5532
Howard Pearlman & Kenneth Pytlewski (Treasurer)	11	540-5207
Diane Bent (Non-res. Owner)	20	(808) 966-7607
Malcolm "Mal" and Lonnie Singer	20	406-0058
Mildred Hughes	22	540-0151
Lyle & Margaret Byers	24	841-0271
Steven & Dawn Willoughby	26	644-2019
Lynn Mallard & Sandra Springs (Secretary)	28	981-8335
Robert Heymann (Non-res. Owner)	29	644-9519
KC & Mary Mathew	29	841-0271
Diane Reilly (Non-res. Owner)	30	206-2903
Jenny Webster	30	547-0600
Diane Reilly	31	206-2903
Blythe Mickelson & Fred Booker (Non-res. Owner)	33	(209) 532-3470
Evelyn Mickelson	33	548-3415
Steven Cobbledick (Core)	35	849-4658
Roger & Faye Baron	38	704-0457
Evan Delegeane	40	499-1825
Blythe Mickelson & Fred Booker (Vice Pres.)	41	644-0630
Nahid Rezai (Non-res. Owner)	42	(925) 980-6067
Sonja S. Woodham	43	883-1404
Anyo & Michael Lemarie	44	Unknown
Gary Firestone	45	486-0707
Keith Dawson	46	Unknown
Robert & Jeanne Williams	47	845-1915
John & Ann Mulligan	48	845-2255
Neville Colaco	51	848-8881
Ruth Bailey (Non-res. Owner)	53	(925) 284-1533
Erin Bailey	53	666-1377
Suha & Chuck Scurich	55	204-9180
Andre Friant & Miriam Delay-Friant (Pres.)	57	849-2007
Rosalind Palmer & Edward Ono	59	841-1826
Suha & Chuck Scurich (Non-res. Owner)	60	204-9180
Pat & Judy Geoghegan	61	841-4141
Suha & Chuck Scurich (Non-res. Owner)	62	204-9180
Helen Fisher	62	701-0667

**HILLER HIGHLANDS I ASSOCIATION
NON-RESIDENT OWNERS**

Udo Araktingi & Rachel Downie (#3)
20327 vista Circle
Parker, CO 80138
udo@att.net

Diane Bent (#20)
HCR #2, Box 6833 (Mail)
Keaau, HI 96749-9313
Phone: (808) 966-7607
Fax: (808) 966-7497

Robert Heymann (#29)
1023 Amito Ave.
Berkeley, CA 94705
Phone: (510) 644-9519

Mrs. Alice Lyman Westbie (#33)
P.O. box 97
Soulsbyville, CA 95372-0097
Phone: (209) 532-3470

Nahid Rezai (#42)
109 Mt. Whitney Way
Clayton, CA 94517-1540
Phone: (925) 980-6067

Ruth Bailey (#53)
3302 Beechwood
Lafayette, CA 94549
Phone (925) 284-1533

SPYGLASS HILL

HILLER HIGHLANDS I ASSOCIATION

March 3, 2006

Homeowner	Unit #	Phone
Lois Gold.....	1	644-0160
Udo Araktingi & Rachael Downie (Non-res. Owner)	3	(303) 805-7067
Andrew Coburn & Helen Mulligan.....	3	Unknown
Helen Wehr.....	5	704-9176
Tricia Swift.....	7	843-8009
Mary & David Roth.....	9	665-5532
Howard Pearlman & Kenneth Pytlewski (Treasurer)	11	540-5207
David Diane Bent (Non-res. Owner).....	20	(808) 966-7607
Malcolm "Mal" and Lonnie Singer	20	406-0058
Mildred Hughes.....	22	540-0151
Lyle & Margaret Byers.....	24	841-2965
Steven & Dawn Willoughby	26	644-2019
Lynn Mallard & Sandra Springs (Secretary)	28	981-8335
Robert Heymann (Non-res. Owner)	29	644-9519
KC & Mary Mathew.....	29	841-0271
Diane Reilly (Non-res. Owner)	30	206-2903
Michael Thaler and Jenny Webster.....	30	547-0600
Diane Reilly.....	31	206-2903
Blythe Mickelson & Fred Booker (Non-res. Owner).....	33	(209) 532-3470
Evelyn Mickelson.....	33	548-3415
Steven Cobblepick (CORE)	35	849-4658
Roger & Faye Baron.....	38	704-0457
Evan Delegeane.....	40	499-1825
Blythe Mickelson & Fred Booker (Vice Pres.)	41	644-0630
Nahid Rezai (Non-res. Owner).....	42	(925) 980-6067
Sonja S. Woodham.....	43	883-1404
Anyo & Michael Lemarie.....	44	Unknown
Gary Firestone	45	486-0707
Gedent Mobility (Jim Wright) Keith Dawson	46	(925) 736-5400
Joe & Mickey Hunt Robert & Jeannette Williams	47	843-3836
John & Ann Mulligan.....	48	845-2255
Neville Colaco	51	848-8881
Ruth Bailey (non-res. Owner)	53	(925) 284-1533
Erin Bailey.....	53	666-1377
Suha & Chuck Scurich	55	204-9180
Andre Friant & Miriam Delay-Friant (Pres.)	57	849-2007
Rosalind Palmer & Edward Ono	59	841-1826
Suha & Chuck Scurich (non-res. owner).....	60	204-9180
Pat & Judy Geoghegan	61	841-4141 ✓
Suha & Chuck Scurich (non-res. owner).....	62	204-9180
Helen Fisher	62	701-0667

This phone list is for Spyglass Hill residents only. Do not distribute.

*Chuck Scurich Mickelson
Diane Reilly*

Hiller Highlands I Association

NON-RESIDENT OWNERS

Udo Araktingi & Rachel Downie (#3)
20327 Vista Circle
Parker CO 80138
(303) 805-7067
udo@att.net

~~R. David~~ & Diane Bent (#20)
HCR #2, Box 6833 (Mail)
Keaau, HI 96749-9313
15-604 Beach Rd. (street)
Keaau, HI 96749-9313
Ph: (808) 966-7607
Fx: (808) 966-7497

Robert Heymann (#29)
1023 Amato Ave.
Berkeley, CA 94705
644-9519

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P. O. Box 97
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(209) 532-3470

Nahid Rezai (#42)
109 Mt. Whitney Way
Clayton, CA 94517-1540
(925) 980-6067

Jon Wright (#46)
Cedent Mobility
54 Rainbow Circle
Denyille, CA 94506
(925) 736-5400



Ruth Bailey (#53)
3302 Beechwood
Lafayette, CA 94549
(925) 284-1533

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EILEEN MCCAULEY
emccauley@annrankin.com

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E-MAIL: info@annrankin.com

TEL: (510) 653-8886
FAX: (510) 653-8889

TOLL FREE
TEL: (800) 354-4529

June 26, 2006

Hiller Highlands Phase I HOA
C/o Miriam Delay-Friant, President
57 Spyglass Hill
Oakland, CA 94618

Re: **Kevin Dawson Issues**

Dear Board Members:

Thank you for your letter of June 17 regarding your issues with Kevin Dawson. I have read the materials, and I offer the following advice:

It is unfortunate that Mr. Dawson has interpreted communications from the Association as some sort of racially based discrimination against him. In any communications with him, it is important to focus on the governing documents and on the rights and responsibilities of the Association and of the Members.

Your CC&Rs, Section 6.4, provides for a "Reimbursement Assessment." Section 6.4 provides, as pertinent: "The Board shall levy an assessment against any Owner whose failure to comply with this Declaration or the Rules of the Association results in monies being expended by the Association from the operating fund in performing its functions under this Declaration. Such assessments shall be for the purpose of reimbursing the Association, shall be limited to the amount so expended, and shall be due and payable to the Association when levied."

The subject of such disciplinary actions by the Association is also governed by Civil Code 1636(h), which provides as follows: "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 a right to attend and may address the board at the meeting. The board of directors of the association shall meet in executive session if requested by the member being disciplined. If the board imposes discipline on the member, the board shall provide the member a written notification of the disciplinary action, by either personal delivery or first-class mail, within 15 days following the action. A disciplinary action shall not be effective against a member unless the board fulfills the requirements of this subdivision."

Conclusions:

1. Regarding possible damage to the Common Area, you need to obtain a written opinion from a contractor, and, if possible, photographs. If Mr. Dawson has caused damage, give him notice and an opportunity for a hearing, in accordance with Civil Code 1363(h). The hearing should reference the Section 6.4 of the CC&Rs, as well as the sections of the CC&Rs that Mr. Dawson allegedly violated, including Section 4.2.1.3. At the hearing, present evidence and witnesses. Allow him to question the witnesses. The board will then conclude the hearing and make its decision. Inform him of the decision, in writing, within 15 days.
2. Whether or not you impose a Reimbursement Assessment, I suggest that you also address his other complaints, such as the issue of the red painting of the curb and the issue of the alleged racial remarks. I don't have enough information about the curb-painting issue to shed any light on it. If an Owner who is not a board member did make racial remarks, the Association is not responsible for them unless the Association somehow ratifies them. Mr. Dawson may not understand this. If Mr. Dawson believes that another Owner is in violation of the CC&Rs, he can make a written complaint to the Board, and the Board can hold a rules enforcement hearing. You may want to invite him to an Informal Dispute Resolution Meeting ("IDR") for the purpose of listening to his complaints and trying to clear the air. If it would be helpful for me to attend any such IDR meeting, please let me know. Following the IDR meeting, you may wish to send Mr. Dawson a letter summarizing the Board's positions and disavowing any racially-based epithets or statements that were alleged by Mr. Dawson.
3. If you don't have written procedures for Members to ask the board to hold a hearing about another Member's alleged violation of the CC&Rs, you may want to adopt them.
4. I was surprised by the statement that the Association has no Rules and Regulations. You may want to implement some, as they are more flexible and easier to change than CC&Rs. Under Civil Code 1357.100 et seq. you must distribute new Operating Rules to the Members for a thirty-day comment period before you adopt them.

Board of Directors
Hiller Highlands I HOA
C/o Ms. Miriam Delay-Friant
June 26, 2006
Page 3

5. Of course, please make sure that you enforce the CC&Rs and all Rules in an even-handed manner. Discriminatory enforcement of CC&Rs is the most common cause of lawsuits against associations.

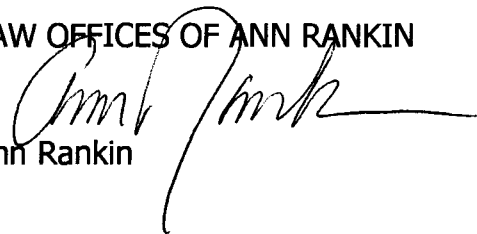
This concludes my comments. I hope this helps.

Please call, fax or email me any questions.

Very truly yours,

LAW OFFICES OF ANN RANKIN

Ann Rankin

A handwritten signature in black ink, appearing to read 'Ann Rankin', with a long horizontal flourish extending to the right.

AR:gr



RESIDENTIAL BROKERAGE

0 1 2 3 4 5 6 7 8 9 . - _ A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

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V12

Notes:
Hello Kevin,

I am the escrow coordinator for Liat for 46 Spyglass. here is a document I need you to acknowledge: there are no rules and regulations for the homeowner association and I had Liat send me an email to that effect. Please sign , date and fax back to me at 510-339-4791.

Thanks so much.
Joan Alford
Coldwell Banker

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From: Liat Bostick <liatbostick@yahoo.com>
 To: jfalford@ix.netcom.com
 Cc: liatbostick@yahoo.com
 Subject: rules and regulations
 Date: Mar 15, 2006 11:21 AM

Hi Joan,

I am re-emailing you this message since you did not get the right format last week. After speaking to Mariam, the HOA secretery, I found out that there are no rules or regulation. Mariam said that she checked the box by mistake. My phone conversation with her took place last Thursday March 9TH at 7pm. Thanks,Liat.

Read & Received

✓ _____
 ✓ _____
 ✓ Date _____
 # of Pages 1

May 22, 2006

Miriam Delay-Friant, President
Hiller Highlands Phase I Homeowners Association

Re: 46 Spyglass Hill, Oakland, California

To Whom It May Concern:

It has come to my attention that persons claiming to act under the authority of the Homeowners' Association (HOA) have instructed both my workers and me to act in the manner inconsistent with the rights of the unit owner and the duties of the Association.

On or about May 10, 2006, Fred Booker, claiming to represent the Association, interceded with my workers during the installation of tile and granite in my unit. He claimed that we had no right to cut tile outside, "on the property owned by the Association". Further, he interrupted our operations and delayed the job until the workers contacted me for further instruction. I informed Fred that he was wrong about the rights and ownership of the common area, as the Association is no more than a collection of the rights of the individual owners and, as such, I am, in fact an equitable and legal owner in this Association. That said, we have a right to utilize every square inch of common-area property in a manner consistent with the ownership and utilization of said property.

Fred suggested we cut tile inside the apartment. Aside from his ignorance over the legal rights and obligations of the Association and their respective owners, he has shown significant ignorance in the details of construction. It is simply impossible to utilize a water saw in an enclosed area such as an apartment. The resultant damage would be significant.

Nevertheless, the belligerent and hostile behavior of Fred Booker, acting as a representative of the Association, was further manifest on May 18, 2006 by yet another resident.

On that date, a small-frame man living at 48 Spyglass Hill, the unit above my assigned parking space, approached me in a hostile and, again, belligerent manner. He instructed me to clean up the common areas as the grounds were soiled by workmen who were installing flooring, and allegedly, tile in my unit. The damage was caused by carpet installers in another unit during the same time-frame.

This person has limited control over the English language. I am unable to determine if his accent is Scottish or Irish, however understanding his English through that accent was quite cumbersome. But his menacing and hostile behavior was clear.

In my short ownership, approximately three weeks, I have been engaged in hostile conversations with two white men allegedly representing your Association. Further, my parking areas have been encroached upon by non-assigned users, both my covered and uncovered parking spaces have been used randomly by non-assigned drivers.

I am easy to get along with, but will not accept hostile behavior from belligerent, ill-educated and ignorant people.

I can surely educate the Association on their rights, duties and obligations as a homeowners' association. I am well versed in these legal issues as a result of my extensive work as a representative of business entities with relationships with homeowners' associations.

I am placing you, as an officer of the Association, on notice that my rights will be protected and defended, wherever my interest may appear. This includes my legal and personal interests, utilizing all of the resources I have available to address any threats to my person or to my property.

I noticed on Friday, May 19th maintenance had occurred in the common area adjacent to my property including the parking areas. All of the areas that were alleged to have been soiled by my workmen were, in fact, clean.

But I also noted a specific separation of the grounds and decking around my unit that had not been touched by the HOA maintenance workers. I suspect that the covert behavior employed by Fred, and the small man who speaks fractured English, and others representing the Association is intended to deny my interests and my rights.

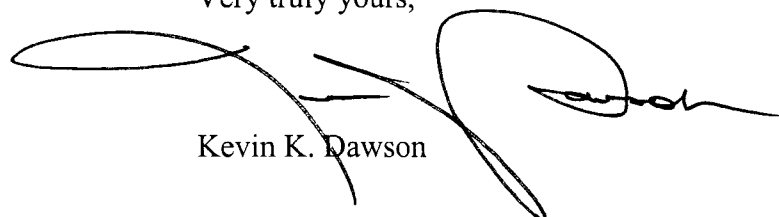
Therefore, I expect the grounds, including the lights for my address number "46" to be maintained consistent with the level of the surrounding common-area property. Let me be clear so there is no ambiguity. I expect the Association to properly maintain, clean and protect my property, including the common area.

I further expect that the Association will disavow any of the hostile behavior, including the racial derogatory remarks by the little man, in a subsequent communication.

Unless the Association separates itself from the hostile and belligerent actions of its members, allegedly acting under the color of authority of said Association, I will construe any further hostile actions against my person and my property as actions from the Association.

I do not make threats. I will protect my interest.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin K. Dawson". The signature is stylized with large loops and a long horizontal stroke at the end.

Kevin K. Dawson

June 7, 2006

Miriam Delay-Friant
President
Hiller Highlands Phase I Homeowners Association
36 Spyglass Hill
Oakland, Cal. 94618

Via FedEx

RE: 46 Spyglass Hill, Oakland, California

Dear Mariam:

Please refer to our telephone conversation of June 1, 2006.

After further consideration, I felt it incumbent upon me to respond to the improper attempts to assert authority against me and my property as outlined in your May 31, 2006 letter.

First and foremost, the conflict originated from Fred Booker's incursion into my construction activity, conducted by Superior Marble on May 10, 2006. He alleged that the unidentified tenant had access blocked to the unit below mine and, as a consequence, my workers needed to "cut marble inside your unit."

I had no knowledge of a tenant living downstairs. In fact, I was told that the owner was away in India. I never saw a tenant enter or leave those premises. My workers informed me that it was housecleaning staff attending to the unit below mine that had access blocked.

In my conversation with Booker, he could not verify the presence of a tenant in the lower unit.

Apparently, Fred believed I had no authority or opportunity to use the Common Area to perform marble cutting operations. In fact, Fred informed me in a telephone conversation that same date that the Common Area belonged to the Association and, consequently, I needed to seek Association permission before using said property.

Not only is this a ridiculous position, it is an illegal definition of the Common Area. As a member of the HOA, I too own a portion of every square inch of this area.

I informed Booker of such and further instructed him to cease interfering with my workers. I have been informed by staff of Superior Marble that he bantered with them for nearly two hours in an effort to obstruct their progress.

The workers of Superior Marble are of Chinese decent. They are independent contractors.

You made reference to the maintenance and resurfacing of the walkways and the cost of \$1,540.00; prior to issuing any threats of curing alleged damage, certain issues must properly be identified before a consideration can be made. There will not be any assertion of authority by the Association over me, my property, or my financial resources without due process.

It appears that the assertion of jurisdiction or authority over me and my unit has begot this communication of May 31, 2006.

In order to dispense with this issue, I demand that the original resurfacing specifications and invoices be presented to my attention; we need to determine what warranty, if any, was offered under that original resurfacing; we further need to know why the sealant used was not impervious to water, as the granite operations only included the cutting of stone and the use of water to temper the heat caused by such stone cutting operations.

I inquired and you concurred, there is no evidence of damage whatsoever to that walkway. There is an allegation of damage presumably offered by Booker, or, initiated by some other party. The fact is water residual and dust cannot be considered damage.

I will not accept any determination of damage by a third party that is hostile to my interest. I expect that the information requested herein will be acknowledged and furnished as well as any finding by any party of the allegation of damage. Thereafter, I expect to have an opportunity to review, rebut and consider any evidence so tendered.

I will not pay any money for any findings by those hostile to my interest. I believe that this allegation is simply a pretext to assert authority over my person and my property. I told Booker that his efforts were not gentlemanly and were certainly hostile to my interest, including the manner in which he talked to my workers, as well as the manner in which he talked to me.

I further told you that I had been verbally assaulted through racial hostility originated by Johnny Mulligan who lives over the carport in Unit 48. Find enclosed a letter that I previously authored, that I initially decided not to send, given the fact that I was just moving into the unit and wanted to cease any hostilities by simply ignoring them.

I am no longer willing to ignore hostilities against myself, my person, or property.

This HOA letter dated May 31, 2006 is without just cause; I consider this a pretext in the assertion of some authority by the HOA, hostile to my interests, asserting rules that simply do not exist.

During my escrow closing I signed a document stating that no HOA rules existed. I will not be subjected to an assertion of non-existent rules or ad hoc renegade rule making.

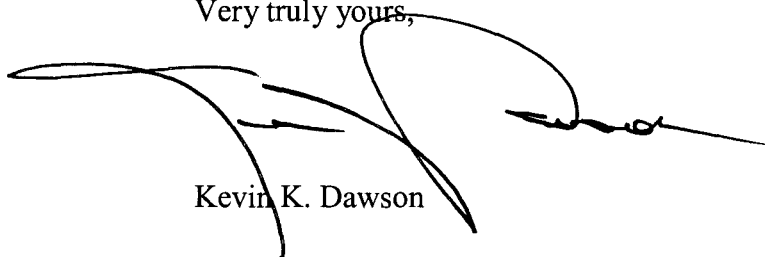
An example of the lack of enforceability by the HOA is exemplified by the vigilante parking regulations created by Mulligan. Note a curb painted "No Parking" in red outside of his unit.

This marking did not exist until I arrived and is atypical to the balance of Spyglass Hill. The unenforceable regulation of a non-existing right asserted by a single HOA member is damage to the Common Area.

Will you order the removal of this painted area and threaten the levy of cost for the damages?

Let it be clear and unambiguous. You and your cohorts are without authority over my person and my property. If the HOA or any of those who have acted hostile to me in the past seek to assert any authority over me, I will adamantly defend my person, my property and my financial interests.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin K. Dawson". The signature is fluid and cursive, with a large loop at the end.

Kevin K. Dawson

**HILLER HIGHLANDS, PHASE I
Homeowner's Association**

July 13, 2006

Kevin K. Dawson
46 Spyglass Hill
Oakland, CA 94618

Dear Mr. Dawson:

Thank you for your letter of June 6, 2006. First, on behalf of the Board of Directors and the community in general, we want to welcome you to Hiller Highlands. It is unfortunate, that a disagreement arose so soon after your purchase.

We wish to make it very clear, on behalf of the Board of Directors of Hiller Highlands, that the Board does not condone racist behavior, whether with actions or words. Further, the Board of Directors does not condone ethnic slurs or attacks on a person's origin. Other than what you have related, we have no knowledge of, nor involvement with, the exchange between you and Mr. Mulligan.

You are correct, there is a constitutional right to free speech, and therefore, we cannot legislate it, nor are we responsible for it. We suggest that this is a matter which you should take up with your neighbor directly.

In regard to your concerns about the use of the common area, we refer you to the CC&Rs. It is surprising that you would take the position that you have a right to perform personal work, or have your contractors do so, in the common area. That is simply not the case. Even if it were, the common area could not be used to the detriment of other homeowners.

Fred Booker has been a dedicated member of the Board of Directors for the last several years, and has given a great deal of his personal time to the organization. He did not intend any offense in carrying out his duties of informing Superior Marble of the problem. In addition to the fact that common areas are not to be used for construction, ingress or egress cannot be blocked. There have been several of the homeowners who have had extensive tile work done over the last few years, and some within the last several months. All of their marble and tile workers did their cutting either inside the unit with the area protected by partitions or plastic, or on their own personal decks.

Surely, based on your extensive knowledge of Homeowners' Associations, you are aware that when someone joins such an association, they give up certain privileges and gain others. The advantages of the Homeowners' Association include the spreading of the costs of insurance, maintenance, and landscaping over the number of units. There are other benefits. With that come certain restrictions, including the fact that all members give up certain rights, including the right to do work unless it is for the common good, and authorized by the Board of Directors.

We can assure you that no one is attempting to "assert" any authority over you, your property, or your financial resources. Rather, our efforts, and those specifically of Mr. Booker, were for the sole purpose of protecting all homeowners.

In regard to the "no parking" lettering on the unit, that was approved and authorized by the Homeowners' Association because people had begun to park in this area, an area where parking is not allowed. Parking in that area interferes with the ingress and egress of those units in the proximity of that curb, including your own unit.

The Board invites you to its next meeting, which will be held on July 26, 2006, at 28 Spyglass Hill, beginning at 7:00 p.m. We would welcome you attending at that time to air your concerns, and have a discussion with the Board about any issues which you choose to raise at that time, either related to the previous incident, or any other business.

If you wish to attend on that date, please leave a note to that effect in the mailbox of 28 Spyglass Hill, Sandra J. Springs, and we will make sure that you are heard promptly at 7:00 p.m. before other business is conducted, so that you do not have to wait.

In regard to your comments regarding "due process," please be advised that Civil Code §1636(h) provides that when the Board of Directors is to meet to consider or impose discipline on a member, the Board shall notify the member in writing, by either personal delivery or First Class Mail, at least ten days prior to the meeting. We will be reviewing the damage to the wooden walkway, if any, over the next few weeks, and will advise you of the results.

Finally, if you believe that any member of the Association is in violation of the CC&Rs, then you can make a written complaint to our Board, and request a Rules Enforcement Hearing.

The Homeowners' Association has an informal dispute resolution process, and if you wish to invoke this, you may do so. That form was sent with last month's minutes.

July 20, 2006

Hiller Highlands Phase I Homeowners Association
57 Spyglass Hill
Oakland, California 94618

Re: 46 Spyglass Hill, Oakland

To Whom It May Concern:

I have received your letter of July 16, 2006. Aside from your responsive comments to my earlier communication, I take this as some notice of alleged "discipline on a member", purportedly based upon an assumption of authority under California Civil Code § 1636(h).

I appreciate your distancing yourself from the inappropriate conduct of other members of the association in earlier interactions with myself. However, aside from your praise of Fred Booker, his conduct and behavior in interacting with me simply do not rise to the level of "protecting all homeowners".

Simply stated, Booker asserted authority that was both unnecessary and without a reasonable or logical basis. Whatever other homeowners have or have not done with tile cutting, one can approach an issue with concern and respect. Booker did neither.

Although Mr. Booker is now praised for his dedicated and selfless service to the association, we must question the integrity of his representations as well as those of the Association.

When Booker harangued my workers, the foreman phoned me to advise me of Booker's complaints. In my conversations with Booker, he informed me that the unit owner below me was unable to have access for his "tenant" who occupies that unit during the owner's absence.

In fact, I was informed by my realtor at the close of escrow that the lower unit owner lived in India and was then currently in that country. Further, after utilizing the deck area for several days, we never saw one person enter that lower unit.

For you to create such a storm of controversy over the alleged blockage, curtailed access or any other assertion of presumed power against my utilization of this area, it was based simply on a falsehood.

That unit owner was in India at the time. I have gotten to know the unit owner and discovered that the unit is never rented. In fact, the access that Booker alleged was blocked was the access provided to a housecleaner for dusting the unit in the absence of the unit's owner.

One thing I have learned from my residency in the Phase 1 Hiller Highlands complex is not to trust the representation of anyone who speaks to me. Not only is Mulligan an ignorant lout, Booker simply, as a representative of this association, made material misrepresentations of fact in an effort to create a controversy and to force hostility against my person and my property.

Booker told me I:

“You should have asked permission of the Board before cutting in the common area.”

A simple matter of cutting tile in an area that was not utilized, not a thoroughfare and not a throughway to other members is simply preposterous. Booker’s own words, also:

“You should have cut in the driveway or some other area and not blocked this walkway.”

Your current position that I cannot use any area of the common area is simply wrong, demonstrates ignorance and lacks enforceability. The Board does not own the common areas.

May I suggest that you promulgate rules and apply those rules uniformly, after proper approvals.

When I signed my escrow documents it was clear that the HOA Phase 1 had no rules. To now create rules and apply them as you see fit not only creates a problem with enforceability but belies the true motive of this entire controversy. Simply stated, I will not bend to the will of a renegade board.

The Association’s discrimination in enforcing the alleged rules is evident given the activity I witnessed this morning. Today, July 19, 2006 at 9:30am an unmarked van of an apparently unlicensed vendor was tossing old carpet and pad onto the common area driveway from a third floor balcony. This is the second time I have witnessed this activity.

Certainly, old carpet and pad being thrown from the third floor is a hazard and nuisance which hinders the intended use of the common driveway. What action is the Association taking to address this issue? Further, debris from the carpet litters the common areas.

In regards to maintenance of the common area, there are burned out light bulbs in the light fixtures that light the common area around my unit. The effort and energy you spend harassing me would be better spent ensuring the safety and maintenance of the common area.

I suggest transparency and honesty in the communications by the board, the board members and the members of the association. Then, and only then, will I have any interest in further communication. I do not want to be disturbed during my occupancy with the actions of this dishonest forum.

Since I am not under the authority of Booker and I recognize no authority by this Board of Directors to "consider or impose discipline on a member." I see no need to meet and debate any issue at your July 26, 2006 meeting.

Frankly, I would like to live peacefully in a unit I purchased in good faith and invested significant funds in updating to modern standards. I have a right to quiet enjoyment. You have no right to deny this benefit of ownership.

Beware of any attempt to veil your agenda in asserting authority for rules that have never been offered. I read the CC&Rs as a condition of my purchase; I also understand that this association claims to have "no rules." I consider your assertion of arbitrary and unenforceable rules where none were disclosed as a material misrepresentation.

Now, after I close escrow and personally engaged two members of your association in hostile interactions, it seems disingenuous, inappropriate and ill timed to now allege some imposition of discipline. I will neither accept any assertion of authority nor entertain any further disputes.

This letter writing will end now.

In my earlier communications I asked a series of questions regarding the purported, alleged and asserted "damage". None of those issues have been addressed. If you seek a legal battle with me you have chosen the right person.

I suggest that your next set of communications be responsive to alleges of damage with the ability to prove any assertion of damage. Thereafter, be prepared to prove your allegations in the appropriate forum.

Very truly yours,

Kevin K. Dawson



**HILLER HIGHLANDS, PHASE I
Homeowners' Association**

July 31, 2006

Kevin K. Dawson
46 Spyglass Hill
Oakland, CA 94618

Dear Mr. Dawson:

Thank you for your July 20, 2006, letter. We are sorry that you made the decision not to meet with us personally.

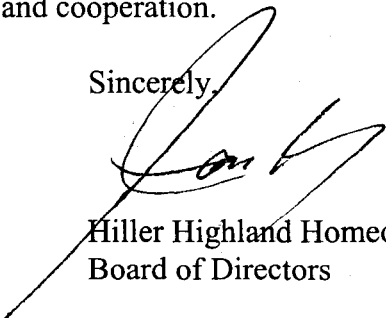
You are correct that you have a right to quiet enjoyment, but so do all Homeowners. We will respect your rights to the same degree that we respect all others.

If there has been any damage to the walkway of a permanent nature, we will inform you.

In the meantime, we welcome you to Hiller Highlands, appreciate your comments, insights and concerns, and look forward to your joining our community. In the meantime, if you should change your mind and wish to address the Board, the next meeting will be held August 30, 2006, at 7:00 p.m., at the home of Ken Pytlewski at 11 Spyglass Hill.

Thank you for your courtesies and cooperation.

Sincerely,



Hiller Highland Homeowners' Association,
Board of Directors

SJS:klg

In my short ownership, approximately three weeks, I have been engaged in hostile conversations with two white men allegedly representing your Association. Further, my parking areas have been encroached upon by non-assigned users, both my covered and uncovered parking spaces have been used randomly by non-assigned drivers.

I am easy to get along with, but will not accept hostile behavior from belligerent, ill-educated and ignorant people.

I can surely educate the Association on their rights, duties and obligations as a homeowners' association. I am well versed in these legal issues as a result of my extensive work as a representative of business entities with relationships with homeowners' associations.

I am placing you, as an officer of the Association, on notice that my rights will be protected and defended, wherever my interest may appear. This includes my legal and personal interests, utilizing all of the resources I have available to address any threats to my person or to my property.

I noticed on Friday, May 19th maintenance had occurred in the common area adjacent to my property including the parking areas. All of the areas that were alleged to have been soiled by my workmen were, in fact, clean.

But I also noted a specific separation of the grounds and decking around my unit that had not been touched by the HOA maintenance workers. I suspect that the covert behavior employed by Fred, and the small man who speaks fractured English, and others representing the Association is intended to deny my interests and my rights.

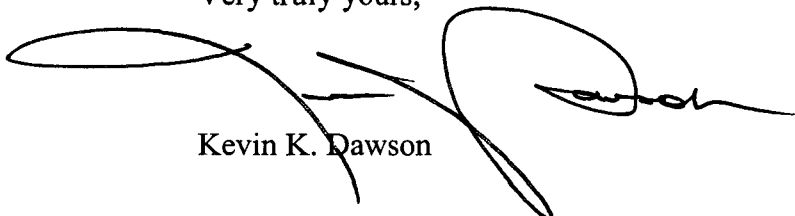
Therefore, I expect the grounds, including the lights for my address number "46" to be maintained consistent with the level of the surrounding common-area property. Let me be clear so there is no ambiguity. I expect the Association to properly maintain, clean and protect my property, including the common area.

I further expect that the Association will disavow any of the hostile behavior, including the racial derogatory remarks by the little man, in a subsequent communication.

Unless the Association separates itself from the hostile and belligerent actions of its members, allegedly acting under the color of authority of said Association, I will construe any further hostile actions against my person and my property as actions from the Association.

I do not make threats. I will protect my interest.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin K. Dawson". The signature is stylized with large loops and a long horizontal stroke at the end.

Kevin K. Dawson

May 22, 2006

Miriam Delay-Friant, President
Hiller Highlands Phase I Homeowners Association

Re: 46 Spyglass Hill, Oakland, California

To Whom It May Concern:

It has come to my attention that persons claiming to act under the authority of the Homeowners' Association (HOA) have instructed both my workers and me to act in the manner inconsistent with the rights of the unit owner and the duties of the Association.

On or about May 10, 2006, Fred Booker, claiming to represent the Association, interceded with my workers during the installation of tile and granite in my unit. He claimed that we had no right to cut tile outside, "on the property owned by the Association". Further, he interrupted our operations and delayed the job until the workers contacted me for further instruction. I informed Fred that he was wrong about the rights and ownership of the common area, as the Association is no more than a collection of the rights of the individual owners and, as such, I am, in fact an equitable and legal owner in this Association. That said, we have a right to utilize every square inch of common-area property in a manner consistent with the ownership and utilization of said property.

Fred suggested we cut tile inside the apartment. Aside from his ignorance over the legal rights and obligations of the Association and their respective owners, he has shown significant ignorance in the details of construction. It is simply impossible to utilize a water saw in an enclosed area such as an apartment. The resultant damage would be significant.

Nevertheless, the belligerent and hostile behavior of Fred Booker, acting as a representative of the Association, was further manifest on May 18, 2006 by yet another resident.

On that date, a small-frame man living at 48 Spyglass Hill, the unit above my assigned parking space, approached me in a hostile and, again, belligerent manner. He instructed me to clean up the common areas as the grounds were soiled by workmen who were installing flooring, and allegedly, tile in my unit. The damage was caused by carpet installers in another unit during the same time-frame.

This person has limited control over the English language. I am unable to determine if his accent is Scottish or Irish, however understanding his English through that accent was quite cumbersome. But his menacing and hostile behavior was clear.

In my short ownership, approximately three weeks, I have been engaged in hostile conversations with two white men allegedly representing your Association. Further, my parking areas have been encroached upon by non-assigned users, both my covered and uncovered parking spaces have been used randomly by non-assigned drivers.

I am easy to get along with, but will not accept hostile behavior from belligerent, ill-educated and ignorant people.

I can surely educate the Association on their rights, duties and obligations as a homeowners' association. I am well versed in these legal issues as a result of my extensive work as a representative of business entities with relationships with homeowners' associations.

I am placing you, as an officer of the Association, on notice that my rights will be protected and defended, wherever my interest may appear. This includes my legal and personal interests, utilizing all of the resources I have available to address any threats to my person or to my property.

I noticed on Friday, May 19th maintenance had occurred in the common area adjacent to my property including the parking areas. All of the areas that were alleged to have been soiled by my workmen were, in fact, clean.

But I also noted a specific separation of the grounds and decking around my unit that had not been touched by the HOA maintenance workers. I suspect that the covert behavior employed by Fred, and the small man who speaks fractured English, and others representing the Association is intended to deny my interests and my rights.

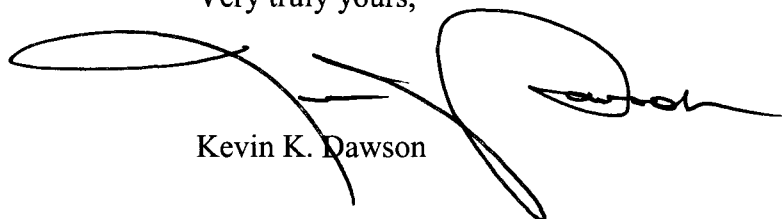
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I further expect that the Association will disavow any of the hostile behavior, including the racial derogatory remarks by the little man, in a subsequent communication.

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I do not make threats. I will protect my interest.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin K. Dawson". The signature is stylized with large loops and a long horizontal stroke extending to the left.

Kevin K. Dawson

*Sandy -
This is a copy of the
letter I mentioned on your recent
message.
Miriam*

June 7, 2006

Miriam Delay-Friant
President
Hiller Highlands Phase I Homeowners Association
36 Spyglass Hill
Oakland, Cal. 94618

Via FedEx

RE: 46 Spyglass Hill, Oakland, California

Dear Mariam:

Please refer to our telephone conversation of June 1, 2006.

After further consideration, I felt it incumbent upon me to respond to the improper attempts to assert authority against me and my property as outlined in your May 31, 2006 letter.

First and foremost, the conflict originated from Fred Booker's incursion into my construction activity, conducted by Superior Marble on May 10, 2006. He alleged that the unidentified tenant had access blocked to the unit below mine and, as a consequence, my workers needed to "cut marble inside your unit."

I had no knowledge of a tenant living downstairs. In fact, I was told that the owner was away in India. I never saw a tenant enter or leave those premises. My workers informed me that it was housecleaning staff attending to the unit below mine that had access blocked.

In my conversation with Booker, he could not verify the presence of a tenant in the lower unit.

Apparently, Fred believed I had no authority or opportunity to use the Common Area to perform marble cutting operations. In fact, Fred informed me in a telephone conversation that same date that the Common Area belonged to the Association and, consequently, I needed to seek Association permission before using said property.

Not only is this a ridiculous position, it is an illegal definition of the Common Area. As a member of the HOA, I too own a portion of every square inch of this area.

I informed Booker of such and further instructed him to cease interfering with my workers. I have been informed by staff of Superior Marble that he bantered with them for nearly two hours in an effort to obstruct their progress.

The workers of Superior Marble are of Chinese decent. They are independent contractors.

You made reference to the maintenance and resurfacing of the walkways and the cost of \$1,540.00; prior to issuing any threats of curing alleged damage, certain issues must properly be identified before a consideration can be made. There will not be any assertion of authority by the Association over me, my property, or my financial resources without due process.

It appears that the assertion of jurisdiction or authority over me and my unit has begot this communication of May 31, 2006.

In order to dispense with this issue, I demand that the original resurfacing specifications and invoices be presented to my attention; we need to determine what warranty, if any, was offered under that original resurfacing; we further need to know why the sealant used was not impervious to water, as the granite operations only included the cutting of stone and the use of water to temper the heat caused by such stone cutting operations.

I inquired and you concurred, there is no evidence of damage whatsoever to that walkway. There is an allegation of damage presumably offered by Booker, or, initiated by some other party. The fact is water residual and dust cannot be considered damage.

I will not accept any determination of damage by a third party that is hostile to my interest. I expect that the information requested herein will be acknowledged and furnished as well as any finding by any party of the allegation of damage. Thereafter, I expect to have an opportunity to review, rebut and consider any evidence so tendered.

I will not pay any money for any findings by those hostile to my interest. I believe that this allegation is simply a pretext to assert authority over my person and my property. I told Booker that his efforts were not gentlemanly and were certainly hostile to my interest, including the manner in which he talked to my workers, as well as the manner in which he talked to me.

I further told you that I had been verbally assaulted through racial hostility originated by Johnny Mulligan who lives over the carport in Unit 48. Find enclosed a letter that I previously authored, that I initially decided not to send, given the fact that I was just moving into the unit and wanted to cease any hostilities by simply ignoring them.

I am no longer willing to ignore hostilities against myself, my person, or property.

This HOA letter dated May 31, 2006 is without just cause; I consider this a pretext in the assertion of some authority by the HOA, hostile to my interests, asserting rules that simply do not exist.

During my escrow closing I signed a document stating that no HOA rules existed. I will not be subjected to an assertion of non-existent rules or ad hoc renegade rule making.

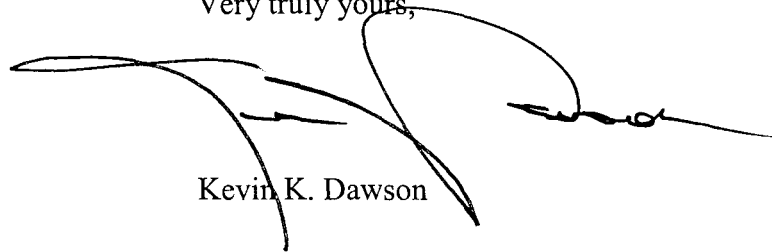
An example of the lack of enforceability by the HOA is exemplified by the vigilante parking regulations created by Mulligan. Note a curb painted "No Parking" in red outside of his unit.

This marking did not exist until I arrived and is atypical to the balance of Spyglass Hill. The unenforceable regulation of a non-existing right asserted by a single HOA member is damage to the Common Area.

Will you order the removal of this painted area and threaten the levy of cost for the damages?

Let it be clear and unambiguous. You and your cohorts are without authority over my person and my property. If the HOA or any of those who have acted hostile to me in the past seek to assert any authority over me, I will adamantly defend my person, my property and my financial interests.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kevin K. Dawson". The signature is fluid and cursive, with a large loop at the end. It is positioned to the right of the typed name "Kevin K. Dawson".

Kevin K. Dawson

June 7, 2006

Miriam Delay-Friant
President
Hiller Highlands Phase I Homeowners Association
36 Spyglass Hill
Oakland, Cal. 94618

Via FedEx

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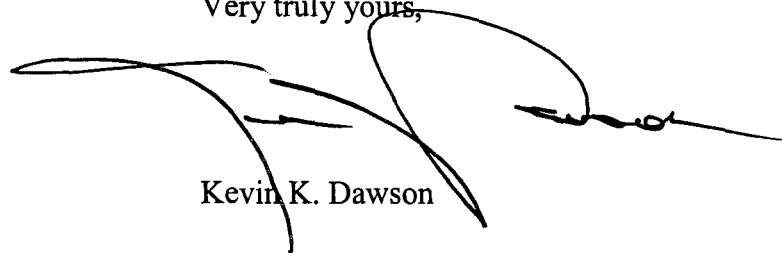
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Kevin K. Dawson



FAX TO ANY EMAIL ADDRESS

RESIDENTIAL BROKERAGE

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Underline all boxes that contain numbers

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From: (Identifies Sender, Enables Replies, Provides Confirmation, Tracking Number & Archive Copy to Email)

J F A L F O R D

@ I X . N E T C O M . C O M

V12

Notes: Hello Kevin,

I am the escrow coordinator for Liat for 46 Spyglass. here is a document I need you to acknowledge: there are no rules and regulations for the homeowner association and I had Liat send me an email to that effect. Please sign , date and fax back to me at 510-339-4791.

Thanks so much.

Joan Alford
Coldwell Banker

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HILLER HIGHLANDS, PHASE I
Homeowner's Association

July 13, 2006

Kevin K. Dawson
46 Spyglass Hill
Oakland, CA 94618

Dear Mr. Dawson:

Thank you for your letter of June 6, 2006. First, on behalf of the Board of Directors and the community in general, we want to welcome you to Hiller Highlands. It is unfortunate, that a disagreement arose so soon after your purchase.

We wish to make it very clear, on behalf of the Board of Directors of Hiller Highlands, that the Board does not condone racist behavior, whether with actions or words. Further, the Board of Directors does not condone ethnic slurs or attacks on a person's origin. Other than what you have related, we have no knowledge of, nor involvement with, the exchange between you and Mr. Mulligan.

You are correct, there is a constitutional right to free speech, and therefore, we cannot legislate it, nor are we responsible for it. We suggest that this is a matter which you should take up with your neighbor directly.

In regard to your concerns about the use of the common area, we refer you to the CC&Rs. It is surprising that you would take the position that you have a right to perform personal work, or have your contractors do so, in the common area. That is simply not the case. Even if it were, the common area could not be used to the detriment of other homeowners.

Fred Booker has been a dedicated member of the Board of Directors for the last several years, and has given a great deal of his personal time to the organization. He did not intend any offense in carrying out his duties of informing Superior Marble of the problem. In addition to the fact that common areas are not to be used for construction, ingress or egress cannot be blocked. There have been several of the homeowners who have had extensive tile work done over the last few years, and some within the last several months. All of their marble and tile workers did their cutting either inside the unit with the area protected by partitions or plastic, or on their own personal decks.

Surely, based on your extensive knowledge of Homeowners' Associations, you are aware that when someone joins such an association, they give up certain privileges and gain others. The advantages of the Homeowners' Association include the spreading of the costs of insurance, maintenance, and landscaping over the number of units. There are other benefits. With that come certain restrictions, including the fact that all members give up certain rights, including the right to do work unless it is for the common good, and authorized by the Board of Directors.

We can assure you that no one is attempting to "assert" any authority over you, your property, or your financial resources. Rather, our efforts, and those specifically of Mr. Booker, were for the sole purpose of protecting all homeowners.

In regard to the "no parking" lettering on the unit, that was approved and authorized by the Homeowners' Association because people had begun to park in this area, an area where parking is not allowed. Parking in that area interferes with the ingress and egress of those units in the proximity of that curb, including your own unit.

The Board invites you to its next meeting, which will be held on July 26, 2006, at 28 Spyglass Hill, beginning at 7:00 p.m. We would welcome you attending at that time to air your concerns, and have a discussion with the Board about any issues which you choose to raise at that time, either related to the previous incident, or any other business.

If you wish to attend on that date, please leave a note to that effect in the mailbox of 28 Spyglass Hill, Sandra J. Springs, and we will make sure that you are heard promptly at 7:00 p.m. before other business is conducted, so that you do not have to wait.

In regard to your comments regarding "due process," please be advised that Civil Code §1636(h) provides that when the Board of Directors is to meet to consider or impose discipline on a member, the Board shall notify the member in writing, by either personal delivery or First Class Mail, at least ten days prior to the meeting. We will be reviewing the damage to the wooden walkway, if any, over the next few weeks, and will advise you of the results.

Finally, if you believe that any member of the Association is in violation of the CC&Rs, then you can make a written complaint to our Board, and request a Rules Enforcement Hearing.

The Homeowners' Association has an informal dispute resolution process, and if you wish to invoke this, you may do so. That form was sent with last month's minutes.

**HILLER HIGHLANDS, PHASE I
Homeowner's Association**

July 13, 2006

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46 Spyglass Hill
Oakland, CA 94618

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July 13, 2006

Page 2

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We can assure you that no one is attempting to "assert" any authority over you, your property, or your financial resources. Rather, our efforts, and those specifically of Mr. Booker, were for the sole purpose of protecting all homeowners.

In regard to the "no parking" lettering on the unit, that was approved and authorized by the Homeowners' Association because people had begun to park in this area, an area where parking is not allowed. Parking in that area interferes with the ingress and egress of those units in the proximity of that curb, including your own unit.

The Board invites you to its next meeting, which will be held on July 26, 2006, at 28 Spyglass Hill, beginning at 7:00 p.m. We would welcome you attending at that time to air your concerns, and have a discussion with the Board about any issues which you choose to raise at that time, either related to the previous incident, or any other business.

If you wish to attend on that date, please leave a note to that effect in the mailbox of 28 Spyglass Hill, Sandra J. Springs, and we will make sure that you are heard promptly at 7:00 p.m. before other business is conducted, so that you do not have to wait.

In regard to your comments regarding "due process," please be advised that Civil Code §1636(h) provides that when the Board of Directors is to meet to consider or impose discipline on a member, the Board shall notify the member in writing, by either personal delivery or First Class Mail, at least ten days prior to the meeting. We will be reviewing the damage to the wooden walkway, if any, over the next few weeks, and will advise you of the results.

Finally, if you believe that any member of the Association is in violation of the CC&Rs, then you can make a written complaint to our Board, and request a Rules Enforcement Hearing.

The Homeowners' Association has an informal dispute resolution process, and if you wish to invoke this, you may do so. That form was sent with last month's minutes.



FOUNDATION REPAIR, RETAINING WALLS, DRAINAGE & SOIL STABILAZATION Lic. No. 696828

~~December 7, 2005~~
March

Mr. Fred Booker
Hiller Highlands Phase I
41 Spyglass Hill
Oakland, CA 94618

Subject: Surface & Subsurface Drainage @
Left of 1 Spyglass Hill, Oakland, California

Dear Mr. Booker:

Following our visit for the subject site on March 7, 2006 and discussions with you, we propose to furnish labor, equipment and material to improve surface and subsurface drainage on the front left side of # 1 spyglass Hill (along the street) for approximately 40 feet for the sum of \$ 4,900.00.

The subdrain will consist of a 4- inch diameter, PVC plastic, perforated drainpipe wrapped in filter fabric. Trenches would be two to three feet deep and trench bases would have a grade of 1 % direct to the existing surface drain on the street and grading the area on the left side of the above residence and install surface drain to collect surface water and direct to the existing surface drain using 3" solid pipe.

There might be some damage to the landscaping at the work area, and we will take all effort to keep minimum damage.

Regarding the drainage improvement on the back 33 Spyglass Hill in which you suggest sawcut the slab on the front of the wall and install drainage system to collect seepage from behind the wall, we would like to inform you that will not help relieving hydrostatic pressure from behind the wall and undermine the footing the above wall.

Sincerely,

Adel Yassin, P.E.
Senior Engineer

Approved by : Name Signature Date

Payment Schedule

10 % Upon signing contract
Partial Payment Upon Progress.

Limitations :

The opinion expressed in this report is based on one-hour visual inspection of reasonably accessible interior and exterior spaces of the above building. It included no testing, or other special investigation techniques. No detailed calculation was performed for the recommendations contained in this report. In no way should this report be considered as a comprehensive evaluation of the structural issues undetectable within the scope of a visual inspection. The findings of this report are the opinion of the engineer based on his training and experiences with similar conditions.

While we believe that our conclusions and recommendations are well founded, it is possible that there may be some undiscovered conditions that could cause us to change our opinions and /or recommendations. This report, there for, should not be of any type of guarantee or insurance.

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the Registrar of the Board whose address is:

Contractors' State License Board
1020 N Street,
Sacramento, CA 95814

To the Board of HHPI
From Lois Gold
January 14, 2006

and March 5, 2006

#28

Sandy - this will be an
agenda item for the next
Board meeting (3/22)
Shanks,
Yvonne

I am the representative on the Landscape Committee for Zone 1, which includes the entry garden and the area around #1 and #3. I had phoned Ed Ono, the President, about the following, and he indicated to me that I should write to the Board. In the area of the garden with rocks, under the streetlamp, there is a drain that is not functioning properly and that causes water to pool into the street. Sometimes the water extends 20 feet into the street, particularly if it has been raining. Ed indicated that Fred Booker told him the drain had only been partially repaired in the past, and that the problem should be addressed. I am not knowledgeable about these matters, but I do have a concern that the pooling of water near #1 might adversely affect the drainage under the house.

Thank you.

Lois S. Gold
1 Spyglass Hill

3/5/06

I am inquiring again about this. Also attached is an old estimate from 2002 for this problem.
Thank you. Lois

DATE: December 16, 2002
CLIENT: Hiller Highlands Phase 1 Association
c/o Rosalind Palmer
59 Spyglass Hill
Oakland, CA 94618

PREPARED BY: Mike Barton
Mike Barton, Site Manager

We are providing these recommendations/estimates to give you continuing management information concerning landscape rejuvenation and repair. Please note that prices quoted in these estimates are valid for 90 days. Please contact us if you wish to discuss any aspect of this information or if you would like to schedule the work.

<u>RECOMMENDATION</u>	<u>ESTIMATE</u>
1. At the entrance along Hiller Drive by the chain barricade: Plant 9 (5-gal) Phormium tenax 'Bronze Baby' 7 flats (4" pot size) Erigeron karvinskianus	\$ 796
2. On the left of the garage at #57: Remove and dispose of failing Viburnum Plant 1 (5-gal) Camellia japonica	53
3. On the hill above #53-57: Plant 25 (5-gal) Cotoneaster 'Lowfast' Run drip irrigation to each new plant	1,255
4. Between #1 and #3: Remove and dispose of 1 leaning Pacific Myrtle	224
5. On the side of #1: Remove and dispose of 1 Pittosporum closest to garage and size control other down to 4' high	330
6. Along the left side of Spyglass Hill going in from the first light pole to the grate. The drain has been crushed by cars driving off the street. This drain no longer catches water off hill before it drains-onto street. To remedy: Dig a trench Remove and dispose of fouled drain Install a 3" PVC perforated pipe wrapped in filter fabric Fill trench with gravel Connect pipe into existing catch basin Note: Soil from trench will be disposed of on site	1,791

The following items(s) are authorized: _____

Acceptance date: _____ By: _____
Owner/Agent for Owner



4026 Pacheco Blvd.
Martinez, CA 94553-2224
License #588770

Tel (925) 372-7973
Fax (925) 372-3853

Hiller Highlands Phase I Homeowners' Association

To: Lois Gold
From: Miriam Delay-Friant
Date: 9/6/2006
Re: Your voicemail message

Lois, I got your message on my answering machine regarding your correspondence to the Association Board of Directors. Even though we did not send you a written reply to each point you brought up, we have considered the issues you presented, as reflected in the Minutes of the Board meetings.

The Board takes its responsibilities seriously and is giving appropriate consideration to your concerns. We will respond specifically to each of your concerns as soon as we have finished our analysis. Thank you for your input.

Miriam

cc: Ken Pytlewski, ~~18~~ Sandy Springs, Fred Booker

11/28

June 12, 2006

Dear Hiller Homes Associations Boards:

The steering committee for Neighbors for Safety in Hiller Highlands (NSHH) continues to work with City Planning and Bentley School to improve public safety and access at lower Hiller Drive.

We appreciate your support of the petition drive which resulted in close to 200 signatures. These petitions have proven effective in persuading city officials that public safety is at risk and is of great concern to neighbors. We're tabulating who hasn't signed and will try to collect more.

In the coming week we will start a formal mediation process with a neutral mediator, Planning Department, and a team from both the neighborhood and Bentley. Writing ground rules and goals for this process has already occurred. We believe that the mediation process is our best chance to get a CUP for Bentley that could substantially improve public safety on Hiller Drive. Bob Kuzma, Linda Harris and Nadine Prah have agreed to represent the neighborhood in the mediation which is expected to take about 3-6 meetings and be concluded before school begins in the fall.

Now we need 2 things from you:.

FIRST (needs action now):

City Planning has asked that each side, neighbors and school, indicate who they represent in the form of a "Letter of Participation" from the respective constituencies. Bentley's board is the governing body for the school. Our task is more difficult because we don't have a governing body for all of Hiller Highlands and further, Homes Associations have limited powers.

Nonetheless, we need to have an indication from our neighbors through the homes associations that they are aware of the process and trust the mediators to make a good faith effort to represent the interests of neighbors while coming up with a fair and reasonable agreement with Bentley.

The mediation is non binding. If an agreement is reached within the mediation it will then be vetted with neighbor and school groups, and if approved will go to the Planning Commission for consideration and approval.

This letter creates no financial or legal obligation. I'm attaching the Letter of Participations to this email and we will be happy to clarify any details that you require. Betsy Ferguson, Bob Kuzma, Stan Seifired, Donna Karch, Nadine Prah and Linda Harris have all been active in the drafting of the letter and in planning for the mediation. You can call any of us.

We need to get these letters from associations asap so the mediation process can begin. We apologize for this urgent timing – we have waited more than 6 months for Planning Department to get this started and now we're hurrying to make up time. The City works in strange ways!

SECOND (needs action soon when more information is provided):

The Planning Department and the mediator have also asked that Leila Moncharsh, land use attorney with whom we have consulted, attend the mediation meetings with us. Bentley will also have an attorney present. The purpose of this is to be certain that both sides are adequately informed of the land use issues in this matter as the mediation progresses and to be informed about what is a legal and enforceable condition and what might not be.

Leila Moncharsh has agreed to a \$3750 fixed fee for her work on this matter. Several neighbors have agreed to guarantee her fee with the expectation that we will be able to raise money among associations and/or individual neighbors to cover the mediation expense which will be \$3750 - \$5,000 (depending on whether we have to get an independent opinion from a traffic engineer). We are not responsible for any of the mediation expenses.

We are not asking for a decision about financing at this time but hope that you will be supportive of the mediation getting started as we work out the financial details within the next couple of weeks. If we spread out the cost over the associations (HHHA paid \$1500 and Phase II contributed \$100 for the earlier work that got us to this point) and/or individuals who are concerned, it will be a minimal burden.

What's next:

Review and discuss the attached letter. Call one of the mediation team if you have questions. If your board agrees, sign the letter and fax it to Linda Harris at 649-0226 and please also mail the original signed letter to Linda at 37 Hiller Drive.

We are hoping to get a letter of participation from each association.

During the mediation process the mediation team will be bound by a nondisclosure rule but when an agreement has been drafted, we will return to the associations for discussions and to ask for your support.

Thank you for your help in moving this process along with your letter of participation.

The Steering Committee (NSHH)

Contacts: Bob Kuzma 981-1445, Nadine Prah 486-0376; Stan Seifried 548-1968; Donna Karch 849-0623; Linda Harris 548-1633

Dowling Associates, Inc.

Transportation Engineering · Planning · Research · Education

April 29, 2004

Ms. Barbara Armstrong
Bentley School
1 Hiller Drive
Oakland, CA 94618

SUBJECT: Bentley School Traffic Study Report

Dear Ms. Armstrong:

We have completed our study of traffic operations at the Bentley School Hiller Campus (K-8) and have summarized our findings below. The location of the Bentley School is shown in Figure 1.

Background

This study was conducted at the request of the City of Oakland in response to the Bentley School's request for an update of its conditional use permit to accommodate 360 students. The school currently serves 354 students and no significant growth is anticipated.

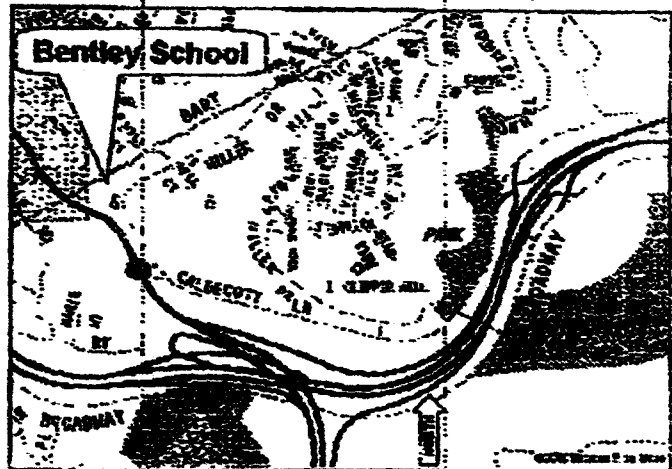


Figure 1: Bentley School Location

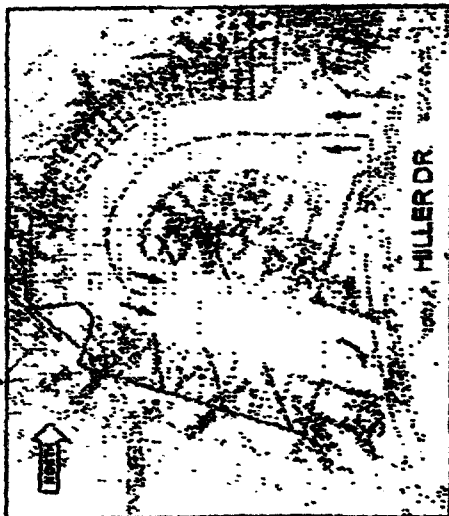


Figure 2: Vehicular Access to Bentley School

The City of Oakland (Heather Klein, Planner) has asked that a study be conducted to ensure that traffic at the school will operate efficiently.

Approximately two years ago, a new student drop-off and parking area was installed at the entry to the Bentley School (Figure 2). The present system for drop-off and pick-up is controlled by volunteer flagmen, who direct approximately six vehicles into the circle at a time. School administrators and parents open the doors of the vehicles for students entering the site. The vehicles exit the circle and more vehicles then are directed to enter. Traffic from the nearby Kaiser Elementary School is sometimes included in the traffic stream passing by Bentley School.

Existing Traffic Operations

Dowling Associates observed traffic operations at the Bentley School during the morning and afternoon peak periods on April 21, 2004. Observations during the morning peak period were conducted from 8:00 to 8:35 a.m. to cover the drop-off for middle school classes (which start at 8:25 a.m.) and lower school classes (which start at 8:30 a.m.). Observations during the evening peak period were conducted from 2:30 to 3:45 p.m. to cover the end of classes, which occurs in 20 minute intervals from 2:40 to 3:40 p.m.

During the morning peak period, the weather was overcast and a light mist began to fall during the observation period. The weather was sunny during the afternoon peak period.

Morning Peak Hour Traffic Operations

A summary of operations during the morning peak period is provided in Table 1 and Figure 3. The vehicles shown include parents dropping off students, teachers or others that park in the parking lot in front of Bentley School, and two buses that unloaded on Hiller Drive between the two Bentley School driveways. Some motorists parked along Hiller Drive to drop off students. It is likely the number of students dropped off along Hiller Drive might be higher on days with better weather.

Table 1: Morning Peak Drop-Off Traffic

Beginning Time	Entering Vehicles (Observed)	Maximum Queue on Hiller Dr.	Bus Passengers
7:30 AM	1		
7:35 AM	2		
7:40 AM	3		
7:45 AM	4		
7:50 AM	5		
7:55 AM	5		
8:00 AM	10		
8:05 AM	24		6
8:10 AM	25	6	15
8:15 AM	45	10	
8:20 AM	32		
8:25 AM	17		
8:30 AM	6		
Total	180		21

Note: Data shown before 8:00 a.m. was estimated.

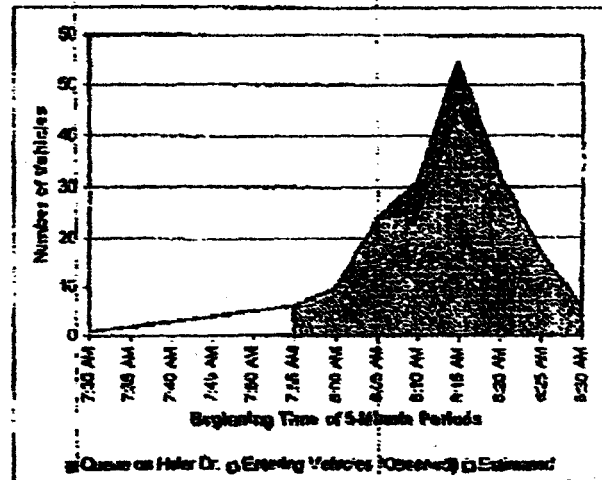


Figure 3: Morning peak traffic entering the Bentley School site.

Vehicle queues were observed between 8:10 and 8:20 a.m. on Hiller Drive for northbound vehicles waiting to access the drop-off area. Through traffic on Hiller Drive was able to bypass the queue and proceed with minimal delay. The flagman was essential in controlling traffic and ensuring safety for

access to the school. The flagman sometimes stopped southbound traffic on Hiller Drive so northbound vehicles could access the site. At other times the flagman stopped northbound vehicles to allow southbound vehicles to proceed. The flagman also was available to assist students that may need to cross Hiller Drive, although no students were observed making that crossing on the day of the study.

Afternoon Peak Hour Traffic Operations

A summary of operations during the afternoon peak period is provided in Table 2 and Figure 4. One bus was observed picking up students during the afternoon peak period but the number of students getting on the bus was not observed. Many motorists parked along Hiller Drive to pick up students and walked to the site to pick up students. Only the vehicles that entered the school driveway were counted.

Table 2: Afternoon Peak Pick-Up Traffic

Beginning Time	Entering Vehicles (Observed)	Maximum Queue on Hiller Dr.
2:30 PM	1	
2:35 PM	4	
2:40 PM	5	3
2:45 PM	1	1
2:50 PM	3	1
2:55 PM	4	1
3:00 PM	3	5
3:05 PM	18	17
3:10 PM	7	7
3:15 PM	13	4
3:20 PM	13	8
3:25 PM	6	7
3:30 PM	14	20
Total	92	

Note: The counting of vehicles entering the Bentley School driveway was terminated at 3:35 p.m. due to an incident on Hiller Drive.

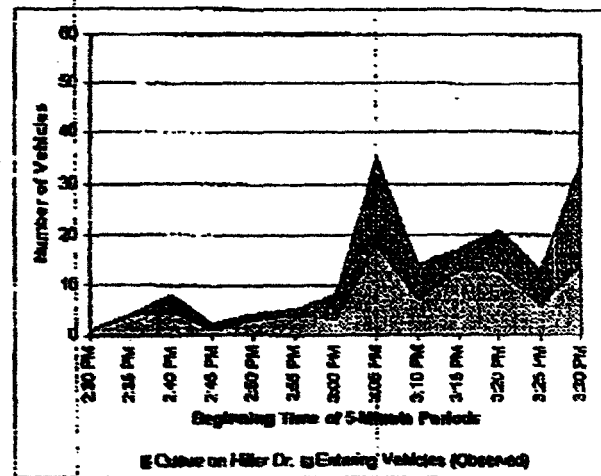


Figure 4: Afternoon peak traffic entering the Bentley School site.

The number of vehicles entering the school during the afternoon peak period was substantially less than during the morning peak period due to two primary reasons. Classes are released at four different times at twenty-minute intervals, and the school provides after school care as part of the normal cost of tuition (many students are picked up after the afternoon peak).

Ms. Barbara Armstrong
April 29, 2004
Page 4

Northbound vehicle queues on Hiller Drive were observed during most of the afternoon observation period. In one instance, a vehicle waited to make a left turn from Hiller Drive into the site for some time even though there was ample room on site. Two or three northbound vehicles went around this vehicle to enter the site before the motorist entered, at the direction of a school administrator.

At approximately 3:10 p.m., a vehicle stopped along the east curb of Hiller Drive adjacent to the "No Parking" sign. The motorist, out of gasoline, left the site and walked toward Tunnel Road. At about 3:25 p.m., the motorist returned and pushed the vehicle northward to a location across Hiller Drive from just south of the southern school driveway. This incident resulted in the blockage of northbound vehicles attempting to bypass the traffic queue waiting to enter the school site. School administrators and maintenance staff were on the scene within 5 to 10 minutes to help move the vehicle, but by then the peak period was winding down and no action was taken. This incident made it impossible to continue the traffic count due to the commingling of school traffic and through traffic. Observation of traffic was continued until 4:45 p.m. when the queue dissipated. At no time did the queue extend back to the Hiller Drive / Tunnel Road intersection.

Other Observations

School staff stated that on one other occasion a disabled vehicle parked in the no parking area south of the school. The flagman said that about every two weeks an incident occurs on State Route 24 that causes Tunnel Road to become congested, resulting in long southbound queues on Hiller Drive that sometimes blocks access into the Bentley School site.

During both peak periods, few vehicles were observed using the left lane in the parking/drop-off area. On occasion, those seeking parking spaces would use the left lane. During the morning peak period, few motorists used the left lane to depart from behind vehicles that had not yet moved. The unloading process was efficient, with all on-site vehicles discharging students at the same time. During the afternoon peak, the left lane was used more, as might be expected because of the greater variability in student pickup.

Parking

There are approximately 45 total parking spaces at Bentley School serving 60 faculty and staff. The main parking lot at Hiller Drive has 23 striped parking spaces. The back parking lot, with access from Tunnel Road, is paved and unmarked; it can accommodate approximately 22 vehicles. A small amount of additional parking is available at the driveway from Tunnel Road that serves the headmaster's quarters.

On the day of the observation, the front parking lot was fully occupied during the morning peak period but only about 80 percent occupied at the beginning of the afternoon peak. During the morning peak period, the back lot was less than half full; no observation was made during the afternoon peak period.

Ms Barbara Armstrong
April 29, 2004
Page 5

Conclusions and Recommendations

Under normal circumstances, traffic operations seem to be reasonably well-managed although there is room for improvement. The following traffic management program should be implemented:

- The current system for managing traffic should be maintained. Senior school administration and parent volunteers should continue to be involved with traffic management on a daily basis. Flagging operations are essential for safe and efficient traffic operations during the morning peak period.
- The primary recommendation is to educate parents to help traffic flow safely and efficiently. Specifically, parents who park on the east side of Hiller Drive during the morning should cross where the flagman can assist them (the flagman said he was concerned with parents that cross at other locations). Also, parents entering the site should be instructed to follow the direction of school administrators, particularly during the morning peak period, and to enter during the afternoon if there is space available in the right traffic lane of the parking lot (i.e., the pick-up area).
- We recommend painting the curb red on the east side of Hiller Drive south of the school from the existing red curb south to the end of the curb – approximately 80 feet – and posting signs indicating “No Parking Any Time – Tow Away”.
- We recommend installing pavement markings to identify parking stalls in the back parking lot to increase the effective parking supply (although no parking shortage was observed).

We trust this report provides the information you need for the Bentley School's application for an update of its conditional use permit with the City of Oakland. Please call if you have questions or comments.

Sincerely,
Dowling Associates, Inc.

(sent via email)

Mark A. Bowman, P.E.
Principal

attachment

TO <i>Linda Harris</i>	FROM <i>Heather Klein</i>
Co./Dept.	Co.
Phone #	Phone #
Fax # <i>649-0226</i>	Fax #

Dowling Associates, Inc.

Transportation Engineering · Planning · Research · Education

August 23, 2004

Ms. Barbara Armstrong
 Bentley School
 1 Hiller Drive
 Oakland, CA 94618

SUBJECT: Bentley School Supplemental Traffic Investigation

P04030

Dear Ms. Armstrong:

At your request we have re-examined the traffic operations issues at the Bentley School Hiller Campus. At our meeting at the site on August 16, 2004, we reviewed field conditions again and addressed the following issues:

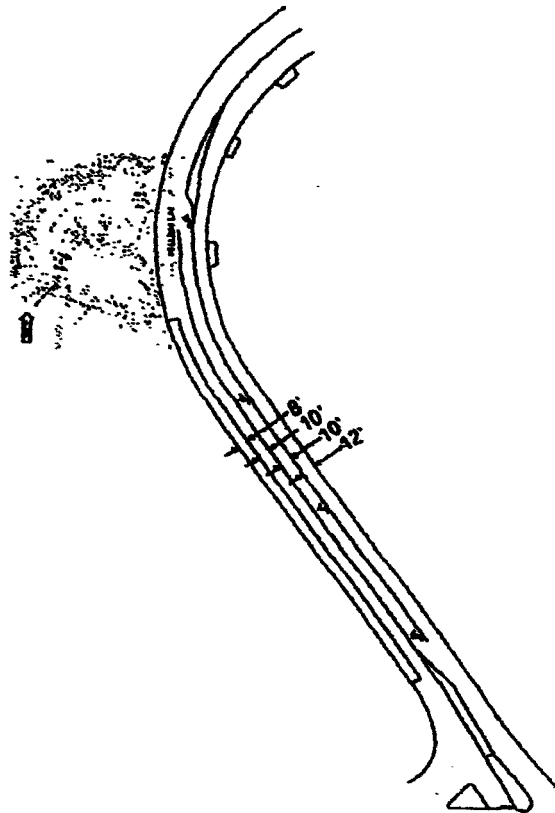
- The potential to provide a left-turn lane into the school parking area, and
- How to accommodate buses.

Potential for a Left-Turn Lane

The figure shows how a left-turn lane could be developed on Hiller Drive to serve the school site. The dimensions of the roadway south of the school from left to right are:

- 8-foot parking
- 10-foot southbound through lane
- 10-foot northbound left-turn lane
- 12-foot northbound through lane

A left-turn lane would be helpful to prevent left-turning vehicles from blocking vehicles proceeding northbound on Hiller Drive. The need for a left-turn lane is most pronounced during the afternoon pick-up period when parents queue their vehicles on Hiller Drive and wait for their children to be released from school. The left-turn lane would store approximately 16 to 18 vehicles.



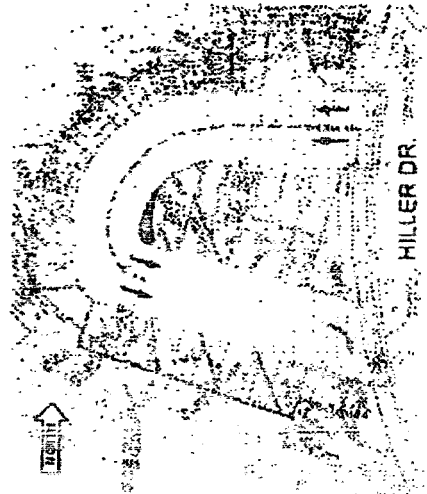
Ms. Barbara Armstrong
August 23, 2004
Page 2

Accommodating Buses

We evaluated possible alternatives to having buses parking directly in front of the school parking lot where a fire hydrant is located. During typical morning and afternoon drop-off and pick-up, a single bus parks briefly in front of the school parking lot. On days when field trips are planned, up to three buses park in front of the school to pick-up and discharge students. Buses for field trips arrive to pick up students after the morning parent drop-off period and return before the afternoon pick-up period.

Two alternatives have been explored to address the concerns of some in the neighborhood that the school bus would block access to the fire hydrant. The first alternative would be to reserve space to park all three buses south of the parking lot exit driveway. That alternative would require approximately 160 feet of curb space, which would require parking prohibitions during the times when buses would need to use the area (7:00 to 9:00 a.m. and 2:00 to 4:00 p.m.). The parking prohibitions would affect parking that currently serves approximately eight vehicles.

A second alternative would be to provide a reserved space for one or two buses on the street and accommodate the field trip bus or buses in the parking lot. This option would require approximately 60 to 110 feet of on-street curb space (the equivalent of three to six car parking spaces) but might require a minor modification to the parking lot to allow buses to maneuver through the aisle. The island at the end of the center parking row may have to be modified to accommodate bus turning movements (as shown by the shaded island removal area in the figure). We checked the layout using the turning template for a city bus - which is probably a conservative test. The definitive answer would be provided by having a bus driver attempt the maneuver.



We trust this supplemental report provides the information you need for the Bentley School's application for an update of its conditional use permit with the City of Oakland. Please call if you have questions or comments.

Sincerely,
Dowling Associates, Inc.

[Signature]

WALTER P. DOWLING, P.E.
Principal

ASSESSOR'S MAP 46H

CASE No. 11-11-11

7576

Map of Undivided Mountain Hill Lane - V.G.O. Peruity Rancho (18, 19, 20)

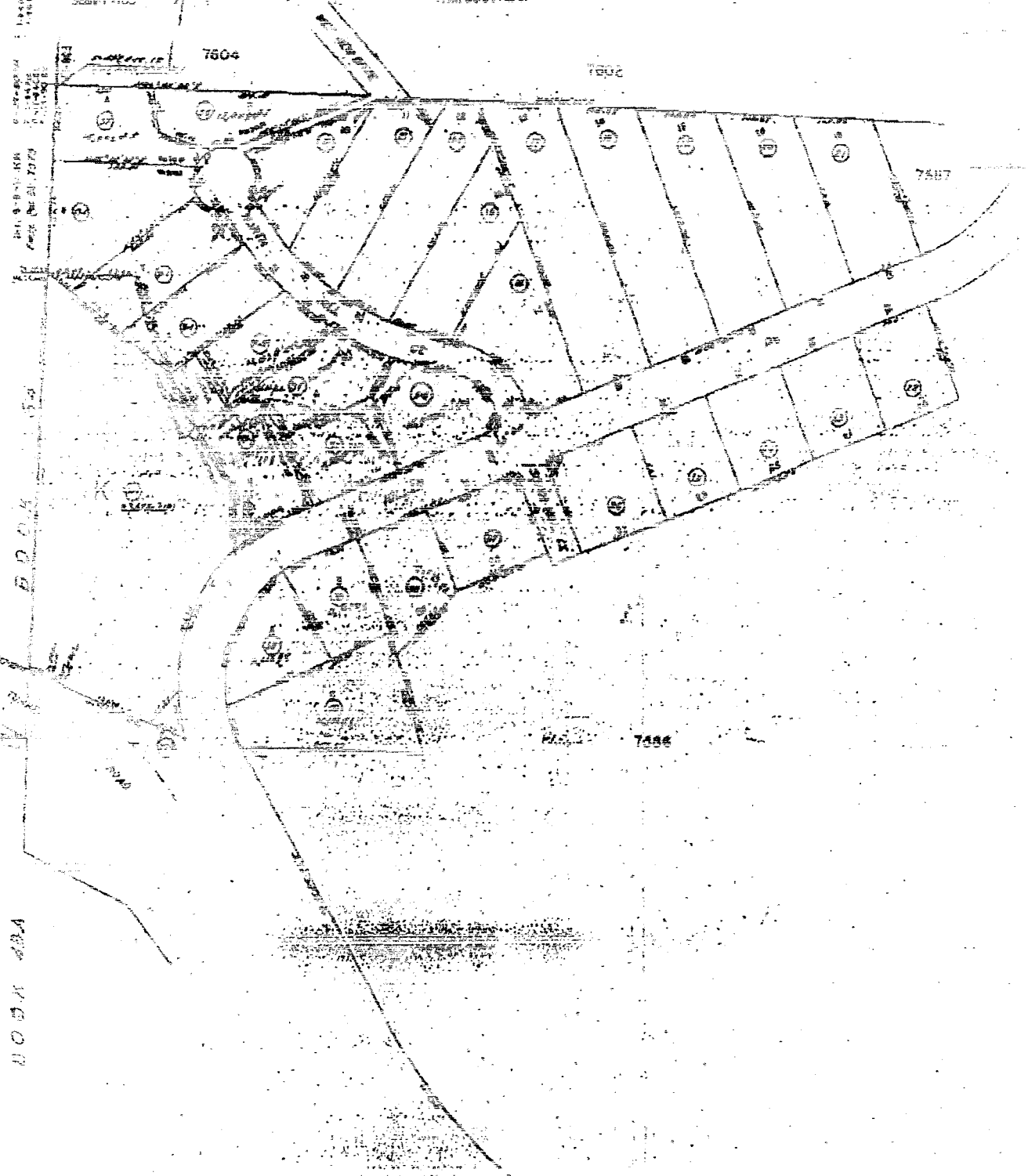
TRACT 2085 (18, 19, 20)

P.M. 2418 (18/7)

P.M. 3061 (19/7)

P.M. 3071 (18/7)

Scale 1" = 100'
1/4" = 100'
1/8" = 100'
1/16" = 100'



1100 N 4th St

Reminder: AOL will never ask you to send us your password or credit card number in an email.

This message has been scanned for known viruses.

From: kpytlewski@comcast.net
To: Sold4sure@aol.com
Cc: friant@sbcglobal.net, lmfi@aol.com, kpytlewski@comcast.net, fred@geomorph.com
Subject: Re: Landscaping 31 Spyglass
Date: Sat, 22 Apr 2006 21:59:46 +0000

Diane,

The Board approved the new landscape contract with Trimacs, so we'll be issuing Landscape Care their walking papers. I can give Don one last try, but I've contacted him twice about this already. The second time he assured me he would meet with you. That was 3-4 weeks ago. Asking him again to do this will be like pissing in the wind. I might as well come over there myself and hack away at it.

Nevertheless, I'll call Don again.

His boys (at least 2) are here on Mondays for about 4 hrs. Although they have strict orders not to take orders or requests from homeowners (per Don), you could try to round up one and tell him what you want him to do. At this point, we have nothing to loose.

So, when I get no response to a third request to Don the good news is that if you can hold out another few weeks, your issue will be the first one we'll get Trimacs on when they take over. I'm sure they'll be incredibly responsive, bright-eyed and zealous when they get the new contract at least at the start.

Let me know if this is acceptable to you.

n

----- Original message -----

From: Sold4sure@aol.com

Hi Ken -- I don't mean to be a pest, but my backyard area is totally overgrown and the bushes from the common area are pushing against my fence and crawling over my shed. It's been a couple of months since I brought this to the attention of the landscape committee. I would really like to meet with someone from the landscape company and show them how it used to be maintained before it fell off the landscape radar. When the common area bushes are cut back I will be able to start cleaning up my side of the fence. Please ask the landscape company to start on this immediately.

Also, since the annual meeting I have not received an updated phone/email roster for the neighborhood. Is it possible you or Chuck would be able to forward this to me via email? I hope the updated list includes email address.

Thanks for your help, Diane

Reminder: AOL will never ask you to send us your password or credit card number in an email.

This message has been scanned for known viruses.

From: kpytlewski@comcast.net
To: Fred Booker, Mirtiam Delay Friant, Sandy Springs, Fred Booker
Subject: Re: deck repair for #42
Date: Sat, 22 Apr 2006 21:47:33 +0000

Fred

I can't recall what the total costs were for each, but multiplying the numbers (300*97) and (50*300) still puts Montclair at about half the cost.

Why would Montclair think they only need to remove 50 sq ft of concrete but Sherrill believes 300 needs to be remove? Sherrill is removing way more than the leaking area then? Is that necessary? I have no idea what's right for this repair.

Do we need to have more discussion with Montclair so we have an apples to apples bid? Why do they think so much less concrete needs to be removed? Why not just tell them that another contractor thinks that more concrete needs to be removed, and ask why they think 50 sq ft is sufficient. They should realize that if the job isn't done correctly we'll be after their ass, and that now that we know this is a potential problem spot for us, we'll probably be inspecting/checking regularly. If we ask them to bid at removing 300 sq ft, then aren't we basically deciding that Sherrill is right?

This seems to me to boil down to -- who do we trust? I'll give you my proxy on this decision because I don't know any of these contractors or who's good/bad.

I would like to take a look at the area BEFORE we start tearing it up, and to take some pictures (if you haven't already) so we know what to inspect after this job is done and in future years. When you have some time -- and on a day my hips feel good and stable -- I'd like to go under there and see all this firsthand.

Ken

----- Original message -----

From: Fred Booker <fred@geomorph.com>

> Dear Board Members, In reviewing the contracts of R.D. Sherrill &
> Montclair Construction I noticed that there are significant differences
> in how they looked at the job. Both Sherrill & the original bid which I
> have not seen but was told about were going to remove approximately 300
> sq ft of concrete deck, whereas Montclair is removing 50 sq ft. In
> essence 2 contractors were going to remove the entire deck, replace the
> waterproof membrane, then replace the concrete. Montclair is only going
> to remove concrete in the immediate area of the leak, replace a portion
> of the membrane, then replace the concrete. If you take the cost of the
> Sherrill repair it comes to \$97/sq ft whereas the Montclair bid costs
> \$300/sq ft. Considering this fact are you still in favor of hiring
> Montclair? I will not send out the signed contract until I hear back
> from all of you.
>
> Sincerely,
>
> Fred Booker

March 31, 2006

Hiller Highlands Phase I Association
c/o Miriam Delay-Friant
57 Spyglass Hill
Oakland, CA 94618

Dear Board of Directors:

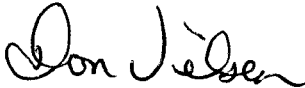
Landscape Care Company is committed to an aggressive cost control program and continually strives to improve our cost monitoring system. However, several cost factors such as labor and fuel remain beyond our control. Our projections for the next 12 months require an increase in the monthly maintenance fee of 4% to offset these costs.

Please know that we understand budgetary constraints very well and are absorbing as much of the increases as possible. The new monthly fee will be \$1,248 effective as of May 1, 2006. This reflects an additional \$1.41 per unit per month.

Thank you for your continued confidence in our dedication to provide you with quality service since we began working with you in 1999. I have enclosed two copies of the contract addendum to reflect the price change. Please sign both and return one to us for our records.

Please call me if you have any questions.

Sincerely,



Don Nielsen
President

Enc.



4026 Pacheco Blvd.
Martinez, CA 94553-2224
State License #588770

Tel (925) 372-7973
Fax (925) 372-3853
www.landscapecare.net

LANDSCAPE CARE COMPANY
ADDENDUM TO CONTRACT
HILLER HIGHLANDS PHASE I ASSOCIATION

In reference to the landscape maintenance contract between Landscape Care Company and Hiller Highlands Phase I Association: The price is \$14, 976 to be paid in monthly installments of \$1,248.

All provisions of the original contract, maintenance specifications, and addendum(s) to contract are continued.

Effective date of this addendum to contract is May 1, 2006.



Don Nielsen
President
Landscape Care Company

Hiller Highlands Phase I Association
Owner or Agent for Owner

Printed name of owner or Agent for
Owner

Date: 3-31-06

Date: _____



4026 Pacheco Blvd.
Martinez, CA 94553-2224
State License #588770

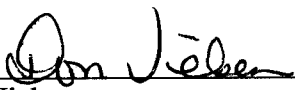
Tel (925) 372-7973
Fax (925) 372-3853
www.landscapcare.net

LANDSCAPE CARE COMPANY
ADDENDUM TO CONTRACT
HILLER HIGHLANDS PHASE I ASSOCIATION

In reference to the landscape maintenance contract between Landscape Care Company and Hiller Highlands Phase I Association: The price is \$14, 976 to be paid in monthly installments of \$1,248.

All provisions of the original contract, maintenance specifications, and addendum(s) to contract are continued.

Effective date of this addendum to contract is May 1, 2006.



Don Nielsen
President
Landscape Care Company

Hiller Highlands Phase I Association
Owner or Agent for Owner

Printed name of owner or Agent for
Owner

Date: 3-31-06

Date: _____



4026 Pacheco Blvd.
Martinez, CA 94553-2224
State License #588770

Tel (925) 372-7973
Fax (925) 372-3853
www.landscapcare.net

Mr. Fred Booker
December 28, 2005
Page 2

Conclusions

The measured electrical conductivity values and hill slope observations indicate that the seepage is likely native groundwater and not from a nearby tap water source, such as a broken water pipe. Additional investigation, including subsurface investigation, could confirm or deny this conclusion; however, the cost thereof would likely exceed the cost of collecting the seepage.

Recommendations

A simple and esthetically acceptable method of collecting the seepage from the retaining wall weep hole would be to install a slot drain approximately 2 to 3 feet long against the bottom of the retaining wall and centered on the weep hole. An additional slot drain or solid drain pipe can be installed perpendicular to the retaining wall approximately 4 feet to an existing catch basin that apparently discharges to the street and a storm-drain catch basin. The following drainage contractor is recommended to install these drains:

Bill Gibson
Engineered Soil Repairs
Walnut Creek
(925) 210-2150

Limitations

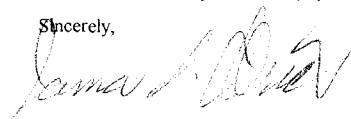
In carrying out this investigation, accepted hydrogeology and engineering geology procedures were employed and the opinions and conclusions made are in accordance with generally accepted principles and practices of the profession. This warranty is in lieu of all other warranties, either expressed or implied.

The scope of this investigation was limited to that previously stated. Site observations were limited to surface conditions that were visible and accessible at the time of my visit. It is possible that data produced from additional investigative methods could modify the conclusions of this report.

The design of repair recommendations were not within the scope of this investigation. All repairs should be designed and constructed by licensed professionals.

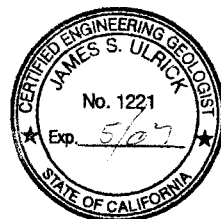
Please contact me if you have any questions.

Sincerely,



James S. Ulrick, P.G., C.E.G., C.HG.
Consulting Hydrogeologist

Attachment: Topographic Map



Ulrick & Associates Groundwater Hydrology

19 Donna Maria Way
Orinda, CA 94563-4111

telephone 925 376-3721
facsimile 925 376-2771

ulrick@ulrick.com
www.ulrick.com

December 28, 2005

Mr. Fred Booker
Hiller Highlands Phase I
41 Spyglass Hill
Oakland, CA 94618

Subject: Drainage Conditions at 33 Spyglass Hill

Dear Mr. Booker:

The following report was prepared at your request.

Observations

Water was observed seeping through a weep hole near the bottom of the low retaining wall at the rear, upslope side of the townhouse at 33 Spyglass Hill (see attached topographic map). This water reportedly flows year around.

Electrical conductivity is a measure of the amount of solutes dissolved in water. Rain and snow-melt water, such as San Francisco tap water from Hetch Hetchy Reservoir, has a low conductivity. Groundwater that has been in contact with rock and soil for some time contains dissolved minerals and has a high conductivity. The electrical conductivity of the seepage water was measured at 950 umhos/cm. The electrical conductivity of a sample of tap water from a hose bib was measured at 55 umhos/cm.

The hill slope above the seep was inspected and the following observations were made. An area of damp surface soil extends upslope and to the east (right) from the top of the retaining wall. No localized source for this damp soil could be found.

There is a concrete surface water drainage v-ditch approximately 30 feet upslope from the retaining wall. Surface water runoff from the upslope hillside, and down-spout drains from the upslope homes, discharge into the v-ditch. Some of the v-ditch joints were observed to leak causing small areas of surface soil below the v-ditch to be damp.

Above the v-ditch and north (left) of the retaining wall, two leaking sprinklers were observed. An extensive area of saturated soil and seepage extended downslope from these sprinklers to the townhouses below. This area of saturated soil was not upslope from the subject retaining wall, however; it may affect the downslope townhouses.



FOUNDATION REPAIR, RETAINING WALLS, DRAINAGE & SOIL STABILAZATION Lic. No. 898828

December 3, 2005

The Grubb Co.
1960 Mountain Boulevard
Oakland, CA 94611
Attention: Ms. Mavis Delacroix

Subject: Drainage Inspection For Residence @
33 Spyglass Hill, Oakland, California


Dear Ms. Delacroix:

As per your request we visited the subject site on December 2, 2005 and conducted visual inspection for the drainage and the seepage from behind the brick retaining wall on the back of the subject residence.

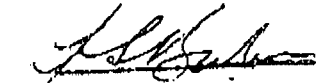
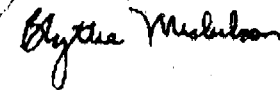
We propose to furnish labor, equipment and material to install drainage system behind the existing brick retaining on the back of the subject residence for the sum of \$ 7,950.00 which includes excavating behind the above brick wall, apply bitumen water proof on the back of the wall, install 4-inch perforated plastic pipe wrapped in filter fabric and fill with drain rock. The drainpipe would be connected to the existing drain on the rear left corner.

Landscaping repair is not included in the above estimate.

Sincerely,


Adel Yassin, P.E.
Senior Engineer



REVIEWED

 12/3/05
 12/3/05

Approved by : Name Signature Date

Payment Schedule

10 % Upon signing contract
Partial Payment Upon Progress.

 12/5/05
 12/5/05

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the Registrar of the Board whose address is:

Contractors' State License Board
1020 N Street,
Sacramento, CA 95814



4040 Civic Center Drive, Suite 200 • San Rafael, California 94903 • Office: 800-500-8505 • Fax: 800-500-7305 • www.ARA-LLC.com

January 6, 2004

Mr. Fred Booker, Board Member
Hiller Highlands I Association
41 Spyglass Hill
Oakland, CA 94618

Ref: Account # 9131, Version # 14.1

Dear Mr. Booker:

Enclosed is your updated Applied Reserve Analysis, LLC (ARA) report for Hiller Highlands I Association for the fiscal year beginning January 1, 2004. The change to the useful life of the path lights has been made as requested.

Your report is presented in three parts:

Part 1 provides an easy-to-understand introduction to reserve budgeting and terminology along with a Users' Guide to your reserve analysis study.

Part 2 provides your reserve study, which includes, if requested and/or appropriate, analyses for the ARA *Current Assessment Funding*, *Threshold Funding*, and *Component Funding* Models. Additionally, you will find the report summary, distribution of accumulated reserves, asset listing/summary, detail reports for each asset, 30-year projections, annual expenditure detail, and an alphabetical detail index. These analyses use the same parameters and are listed on Page 2-1 in the upper right corner.

Part 3 provides the most recent California legislation affecting community associations along with a notes section. If the association requires common interest legislation information from other states, it can be found on our website at "www.ARA-LLC.com".

The *Current Assessment Funding Model* analysis is similar to the *Threshold Funding Model* analysis except that the restricted parameter is the initial annual contribution to reserves and there is no guarantee that there will be adequate funds for planned reserve expenditures. This initial contribution was set at the association's current annual contribution of \$0. For purposes of this report, this funding model merely informs the association of how long the current reserve balance would last, with 3% earnings on investments (see page 2.2). Should the association assess an amount for reserves between the *Component Funding Model* and the *Threshold Funding Model* calculated current assessments, it should then have adequate reserves for all scheduled reserve expenditures as identified in the report.

The *Threshold Funding Model* analysis calculates the minimum reserve contributions with the restriction that the reserve balance is not allowed to go below \$0, or other predetermined threshold, during the period of time examined and that all funds for planned reserve expenditures are available on the first day of each fiscal year. The *Threshold Funding Model* analysis calculation results in an initial annual contribution to reserves of \$9,102. This type of reserve funding does not attempt to

regulate or plot a path to a 100% fully funded reserve position. The *Percent Fully Funded* is listed for comparison purposes only. This funding model usually calculates the minimum annual assessment to meet all scheduled reserve expenses.

The *Component Funding Model* analysis results in an initial annual contribution to reserves of \$12,508. One of this funding model's long-term reserve objectives is to provide a funding plan for fully funded reserves over the longest period of time practical. This method is considered to be the most conservative funding model.

According to the *ARA Component Funding Model* the association ends FY 2003 at 105% fully funded. The "Current Average Equity per Unit" for 2003 is \$130. This information is noted on the *Component Funding Model Assessment & Category Summary*, the *Distribution of Accumulated Reserves*, and on each *Owners' Summary*. What this information discloses is that if the association were to collect that amount from each unit owner (Liability) or distribute that amount to each unit owner (Equity), it would end FY2003 at a 100% fully funded reserve position. By providing this information, we do not imply that this funding is suggested, it merely meets the disclosure standards adopted by ECHO (Executive Council of Homeowners) a common interest development support organization, as explained fully in the February 2003 issue of the ECHO Journal.

At the end of Section 3, you will find an Owners' Summary for each of the funding models provided in the report. They are identified as the *ARA Current Assessment Funding Model Owners' Summary*, the *ARA Threshold Funding Model Owners' Summary* and the *ARA Component Funding Model Owners' Summary*. Choose the Owners' Summary corresponding to the appropriate funding model as your member disclosure document.

The *Annual Expenditure Detail* report lists all of the association's projected expenditures, in future dollars, for the 30-year period examined.


We hope that you find our report format both informative and useful. Should you desire, any or all of the parameters and data used in your reserve study may be changed and a revised study prepared. Please let us know if you would like to make any revisions.

All of us at ARA have enjoyed serving you and providing Hiller Highlands I Association with the most detailed, comprehensive and useful reserve analysis study available.

If you have any additional questions or comments, please call me at (800) 500-8505.

Thank you.

Sincerely,



Lesley Moore
Senior Project Manager

Enclosures

DeMarcus Drainage Company

Lic. # 570004

March 22, 2006

To: Fred Booker
41 Sprglass Hill
Oakland, CA 94618-

RE: 1 Spyglass Hill

Dear Fred:

Per our conversation, Enclosed is the bid covering the items that we have discussed at your home.

I appreciate you contacting me. Hopefully, I may work with you on improving your drainage system.

In summary i am recommending the following:

1. Install a new French drain along the driveway and connect into the existing drain from 1 Spyglass sidewalk to drain.
2. Install a French drain along the retaining wall of 33 Spyglass Hill and connect it into the existing drain on the left side of the house.

If I can be of any further assistance regarding this report please feel free to contact me.

Sincerely,



Don DeMarcus
Owner

DeMarcus Drainage Company

Lic. # S70004

2

TO: Fred Booker
RE: 1 Spyglass Hill

PROPOSAL & CONTRACT

Dear Fred:

I propose to furnish and perform all labor and material necessary to complete the following at 1 Spyglass Hill.

All of the above work to be completed in a substantial and workman like manner according to standard practices for the sum of \$4,300.00 DOLLARS.

1. **Install a new French drain along the driveway and connect into the existing drain from 1 Spyglass sidewalk to drain.**
2. **Install a French drain along the retaining wall of 33 Spyglass Hill and connect it into the existing drain on the left side of the house.**

Note: ONE PAYMENT UPON COMPLETION.

Any alteration or deviation from the above specifications involving extra cost of material or labor will only be executed upon written orders for same, and will become an extra charge over the sum mentioned in this contract. All agreements must be made in writing.

SUBMITTED by: [Signature] March 22, 2006

ACCEPTANCE:

You are hereby authorized to furnish all materials and labor required to complete the work mentioned in the above proposal, for which I agree to pay the amount mentioned in said proposal and according to the terms thereof.

ACCEPTANCE BY: [Signature] DATE: [Signature] BID GOOD FOR 30 DAYS ONLY!

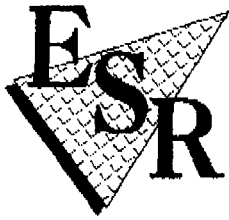
NOTICE TO OWNER

Contractors are required by law to be licensed and regulated by the Contractors' State License Board. Any questions concerning a contractor may be referred to the registrar of the board whose address is: Contractors' State License Board, 1020 N Street, Sacramento, California 95814

Under the Mechanics' Lien Law, any contractor, subcontractor, laborer, materialman or other person who helps to improve your property and is not paid for his labor, services or material, has a right to enforce his claim against your property.

Under the law, you may protect yourself against such claims by filing, before commencing such work or improvement an original contract for the work of improvement or a

modification thereof, in the office of the county recorder of the county where the property is situated and requiring that a contractor's payment bond be recorded in such office. Said bond shall be in an amount not less than fifty percent (50%) of the contract price and shall, in addition to any conditions for the performance of the contract, be conditioned for the payment in full of the claims of all persons furnishing labor, services, equipment or materials for the work described in said contract.



ENGINEERED SOIL REPAIRS, INC.

FOUNDATIONS • DRAINAGE • RETAINING WALLS • SLIDE REPAIRS

March 22, 2006

Mr. Fred Booker
36 Spyglass Hill
Oakland, CA 94618

RE: Hiller Highlands HOA
1 and 41 Spyglass Hill
Oakland, California

Dear Mr. Booker:

In accordance with your request, I met with you to examine drainage problems at the two separate sites within the Hiller Highlands Complex in Oakland. Based on my examination of the problem areas I have the following observations and recommendations.

41 Spyglass Hill

The problem is with the seepage water coming out of the rear retaining wall weep slots and flowing across the rear concrete patio. The seepage water creates a mossy surface and a trip fall hazard. To intercept seepage water out of the weep slots, I recommend installing a slot drain across the rear concrete patio adjacent to the rear wall.

Specifically, we propose to do the following work:

1. Sawcut and remove a two-foot wide strip of the rear concrete patio adjacent to the rear wall and a strip of the patio up to the existing drain inlet set into the patio.
2. Install 16 feet of precast slot drain across the rear patio adjacent to the wall.
3. Install a buried 3-inch diameter, PVC drain pipe to connect the new slot drain to the existing patio drain inlet.
4. Pour back the removed section of concrete patio.
5. Remove excess soil and concrete rubble from the site.

We will provide all material, equipment and labor to do this work for a lump sum of \$5,439.00.

1267 Springbrook Road
Walnut Creek, CA 94597-3916
State License #668184

esr@pachell.net
www.esrweb.com

(925) 210-2150
FAX (925) 210-2158

Ms. Fred Booker
March 22, 2006
Page 2

RE: Hiller Highlands HOA
1 and 41 Spyglass Hill
Oakland, California

1 Spyglass Hill

The problem is with the seepage water flowing out of slope near 1 Spyglass Hill. The seepage water flows out of the slope and ponds adjacent to the concrete curb and gutter. To collect this water, I recommend a shallow subdrain be installed adjacent to the curb and gutter and a separate branch extending up the slope for approximately 10 feet. Water collected by this subdrain will empty into the existing surface drain inlet.

Specifically, we propose to do the following work:

1. Install 37 linear feet of subdrain adjacent to the curb and gutter. The subdrain will consist of a 4-inch diameter, SDR-35, perforated drain pipe and 3/4-inch drain rock wrapped in filter fabric.
2. Install ten linear feet of subdrain extending upslope from the curb subdrain to collect another area of seepage water. The subdrain will consist of a 4-inch diameter, SDR-35, perforated drain pipe and 3/4-inch drain rock wrapped in filter fabric.
3. Remove excess soil from the site.

We will provide all material, equipment and labor to do this work for a lump sum of \$4,263.00.

We will repair any damage as a result of our construction to the gas, water, sewer, electric, telephone, T.V. cable or irrigation lines. Nothing has been included in the above bids for landscape restoration or for work not specifically mentioned.

Standard Conditions

In an effort to control shrinkage cracks, control joints will be installed and the new sections of walkway will be reinforced with half-inch diameter steel bars on 18-inch centers in each direction. To prevent offsetting, the new sections will be doweled into the surrounding concrete flatwork. As much as possible the coloration, texture and composition of the surrounding flatwork will be matched. However, sometimes this is difficult to achieve and cannot be guaranteed.

Our evaluation has been completed in accordance with our interpretation of the "Standard of Practice" for the industry. Our recommendations have been made based on the conditions we have observed and only enough information has been presented to give you a clear understanding as to our interpretation of the problem and how we propose to correct it. Since it is only a bid proposal and does not contain any engineering details, it should not be used by other contractors for bidding or construction purposes. Any use by other contractors is at their sole risk.

Ms. Fred Booker
March 22, 2006
Page 3

RE: Hiller Highlands HOA
1 and 41 Spyglass Hill
Oakland, California

This repair proposal will be in effect for 90 days. If you wish to proceed with the work, please sign and return a copy of this proposal in the enclosed envelope. We would expect payment of 30% of the contract amount upon commencement of work at the site, along with periodic progress payments. All progress billings must be paid within 7 days of the invoice date or there will be a cessation of the project. All invoices are due upon receipt. Past due accounts greater than 30 days will accumulate interest at the legal prevailing rate of 1 1/2 percent per month or 18% per annum.

If you have any questions concerning this proposal, please contact me.

Sincerely,



for
William J. Gibson
Principal Engineer

WJG/jm

APPROVED:

41 Spyglass Hill
Drainage and Concrete Work
(\$5,439.00)

(signature)

1 Spyglass Hill
Subdrain System
(\$4,263.00)

(signature)

DATE: _____

Ms. Fred Booker
March 22, 2006
Page 4

RE: Hiller Highlands HOA
1 and 41 Spyglass Hill
Oakland, California

As a contractor, we are required by law to be licensed and are regulated by the Contractors' State License Board. As part of the requirements, we are enclosing Notice to Owner regarding mechanics' liens and Notice of Cancellation. If you have questions concerning us or any other contractor, your questions should be referred to the Registrar of the Board at the following address:

Contractors' State License Board
P.O. Box 26000
Sacramento, CA 95826

Hiller Highlands HOA-1 and 36 Spyglass Hill.doc



California Landscape Contractors Association

California Landscape Contractor's Association Standard Bid Form

Name: Hiller Highlands I
Address: 36 Spyglass Hill
Oakland, CA, 94618

Date: 10-04-06

Job Location:

Work to be performed as follows:

Unit 11

On the slope in back	
Add 4 yards of shredded Bark	380.00
Add Jute netting over the bark	375.00

Unit 30

Remove and dispose of the specified plant material and bird bath	125.00
Add (5) 5 gallon Rhododendrons	175.00
Add (7) 5 gallon Dwarf Nandinas	210.00
Add (15) 1 gallon Erigerons	150.00
Add soil conditioner to each plant	30.00
Add 1 yard of 3/4 bark	95.00

Unit 48

Remove existing dwarf Escallonia	
Add (3) Dwarf Nandinas	90.00
Add (7) 1 gallon Erigerons	70.00
Add soil conditioner to each plant	12.00
Add bark	48.00

Unit 57

Remove the Escallonia and transplant the Agapanthus and Dietes	30.00
Add (3) 5 gallon Dwarf Nandinas	90.00
Add (6) 1 gallon Gauras	60.00
Add soil conditioner to each plant	10.00
Add Bark	24.00

Property Entrance

Remove and transplant the Society garlic (the best plants will be re-used in both planters here)	95.00
Add (9) 5 gallon Phormiums (maori queen)	360.00
Add (20) 1 gallon Erigerons	200.00
Add soil conditioner to each plant	30.00
Add bark	50.00

47/53 Island

Remove and transplant the existing Dietes	90.00
Add (3) Phormiums (maori queen)	120.00
Add (13) 1 gallon Erigerons	130.00
Add soil conditioner	20.00
Add bark	25.00

43/45 Island

Remove and transplant the existing Dietes	145.00
Add (5) 5 gallon Margurites	150.00
Add (10) 1 gallon Gauras	100.00
Add (25) 1 gallon Erigerons	250.00
Add soil conditioner	40.00
Add bark	50.00

29 Island

Add (10) 1 gallon Erigerons	100.00
Add soil conditioner	15.00
Add bark	15.00

We agree to supply labor and materials in order to execute the work as outlined above in a workmanlike manner for the sum of: **\$3,959.00*** which owner agrees to pay in accordance with the terms of payment hereafter set forth.

PAYMENT TERMS:

100% - Due upon completion \$ _____

*Prices are based on availability and quantity.

*Prices are subject to change if quantity changes.

*If irrigation repair is necessary it will be charged on a time and material basis.

*Bids subject to review after 30 days.

Acceptance:

Signature

Date

TRIMACS

INDEX

1- 2006 BOARD
minutes

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agreement

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4- 2007 Annual
meeting package

5- Roster

6- Correspondance

7- BOARD list of tasks
+ Timeline

8- miscellaneous