

Park Paseo
Home Owners Association

November 1, 1993

Dear Home Owner:

Enclosed is the Annual Budget for 1994 fiscal year. You will note that there has been only a \$1.00 increase for 1994. Although there was no increase in the 1993 dues, revenues should be sufficient to cover anticipated and actual increases in utilities, services, insurance and special reserve funding. However, we believe that the 1994 Budget year will present certain increases, and therefore we have decided to raise the dues by \$1.00 per month to cover these anticipated increases. We will continue to fund the reserves consistent with good fiscal management and with the needs of the community. During the past several years, the association has devoted a significant amount of our resources to repairing and improving the Community assets for the enjoyment of all homeowners. The results of this effort are now starting to be felt and to be reflected in improved facility quality. We are committed to continuing this maintenance effort for all homeowners' enjoyment and peace of mind.

You will also find enclosed the delinquency procedure for Park Paseo and the reserve item levels for 1994. The annual audit was sent out in April to the homeowners of record as required by California law. If you have any questions concerning the enclosed documents please call the association office at 730-1560.

Thank you for your help, your input and your cooperation in the management of our association.

The Board of Directors



1994 Billing and Delinquency Policy

1. Beginning January 1, 1994, Park Paseo Homeowner Assessments will increase \$1.00 per unit per month to \$54.00.

2. Monthly statements are mailed in the last week of the month for the next month. For example, January 1994 statements will be mailed the last week of December 1993.

3. Assessments are due on the first day of the month but not overdue until the first day of the following month. The Association bills are printed between the 20th and 25th of the month. Payments received after the 20th may not be posted in time to show a zero balance on the outgoing statements for the next month. To be sure that your payment is posted, send or deliver your payment to the association office by the 15th of the current month. Payments received are applied to the earliest amount/s due first.

4. After statements have been sent by the association during the last week of the current month a \$10.00 late fee will be added to each unpaid assessment amount on the first day of the following month. For example, a January assessment unpaid on February 1st increases to \$64.00 for January and \$54 for February for a total of \$118.00. Returned checks will have a service charge of \$15.00 added to the account. A second returned check could be subject to California law that allows for collection of up to three times the face value of the check.

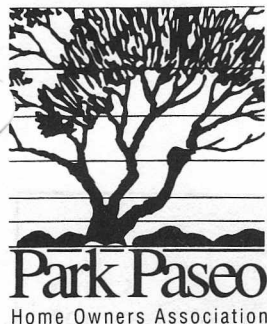
5. Accounts unpaid after 60 days will be reviewed by the Board of Directors. Remedies available to the Board include, but are not limited to: suspension of use of association facilities or participation in association activities, filing a small claims, or taking other actions to protect our interests.

6. Administrative and legal expenses will be added to the unpaid account as dictated by the Bylaws and CC&R's.

7. ONCE THE ACCOUNT HAS BEEN TURNED OVER TO THE ATTORNEY FOR COLLECTION OR FORECLOSURE THE HOMEOWNER WILL NO LONGER RECEIVE A MONTHLY STATEMENT OR BE ABLE TO DEAL WITH THE ASSOCIATION DIRECTLY. ALL CORRESPONDENCE OR ACCOUNT ACTIVITY WILL BE THROUGH THE ATTORNEY.

Unanimously adopted by the Board of Directors per Civil Code 1365 on October 18, 1993.

PARK PASEO ANNUAL BUDGET 1994



	1993 Projected Actual Expense	1994 Budget
INCOME		
Dues/Assessment	397500	405000 (\$54/unit/mo)
Interest Income	6885	6000
Late Fee	275	4000
Document Fee	844	2000
Transfer Fee	4516	4000
Misc Income	1002	500
Total Income	411022	421500
OPERATING EXPENSES		
Facilities Rec.		
Electricity	17900	19000
Gas	10854	13000
Telephone	1396	1600
Trash Collection	916	1050
Handyman Services	6856	4500
Janitorial Contract	7613	9000
Janitorial Supplies	728	1000
Pool Service Contract	9445	11000
Pool Supplies	1643	1350
Pool Repairs	1665	3750
Building Repairs	4575	4000
Electrical Repairs	5421	3500
Furniture/Equip Repairs	1307	2000
Lifeguard Contract	18132	18000
Gate/lock Repair	3212	2920
Miscellaneous	1570	2000
Tennis Supplies/Repair	184	400
Pest Control	825	1000
Pool Monitor Services	21700	23000
Licenses/Permits	1067	1000
Dues/Pub./Education	109	500
Social	764	500
Subtotal	117862	124070
Landscaping		
Landscaping Contract	116367	116500
Landscape Supplies	555	2500
Sprinkler Repair	7012	5500
Miscellaneous	1000	1000
Pruning Regular/Special	6614	5000
Water	12218	15000
Subtotal	143766	145500
Administrative		
Management	42300	44000
Audit	5790	5000
Federal/State Taxes	1944	3600
Insurance	18900	20000
Legal	4320	3000
Postage	3780	4200
Office Supplies	1558	1600
Newsletter	1890	1600
Printing	3711	3800
Dance Floor Setup	850	750
Miscellaneous	3651	3700
Subtotal	88694	91250
Total Operating Expenses	350342	360820
Excess Income	60680	60680
Reserve Expense	60680	60680
Excess Funds	0	0

Park Paseo Homeowners Association
Irvine, California
California Summary



Report Date	May 20, 1992	Parameters:	
Version	006	Inflation	5.00%
Account Number	1393	Annual Contribution Increase	5.00%
Budget Year Beginning	1/ 1/92	Investment Yield	5.50%
Ending	12/31/92	Taxes on Yield	30.00%
Total Units Included	625	Contingency	3.00%
Phase Development	1 of 1	Accumulated Reserve Balance as of	
		1/ 1/92:	\$228,046.78

Phase Increment Detail/Age

Unless otherwise indicated in this report, we have used January of 1977 as the basis for aging the various components of the clubhouse and main pool, and January of 1982 for the components of the Prosa pool area.

Summary of Calculations

Monthly Contribution to Reserves Required:	\$3,656.61
(\$5.85 per unit per month)	
Average Net Monthly Interest Contribution This Year:	\$576.57
Net Monthly Allocation to Reserves 1/ 1/92 to 12/31/92:	\$4,233.18
(\$6.77 per unit per month)	

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**Park Paseo Homeowners Association
California Summary**

REPORT DATE: May 20, 1992
 VERSION: 006
 ACCOUNT NUMBER: 1393

DESCRIPTION	USE/REM LIFE	CURRENT COST	IDEAL RESERVES	ASSIGNED RESERVES	ANNUAL CONTRIBUTN
Roofs - Cedar Shake, Clubhouse	25/ 5	14,496	10,872	10,000	1,053
Roofs - Cedar Shake, Prosa Cabana	25/ 5	2,966	2,225	2,225	180
Roofs - Main Spa Equipment Roof	18/10	215	31	0	23
Roofs - Rolled (Clubhouse)	15/ 3	394	329	329	26
*** CATEGORY SUMMARY:		18,071	13,456	12,553	1,282
Painting - Int Restrms/Club (Main)	5/ 3	1,681	600	600	382
Painting - Int Restrooms (Prosa)	5/ 3	767	274	274	174
Painting - Main Spa, Equipment Room	5/ 4	268	11	11	68
Painting - Woodwork	4/ 3	1,721	614	614	391
Painting - Woodwork, Clubhouse	4/ 3	6,278	2,242	2,242	1,426
Painting - Wrought Iron, Clubhouse	4/ 3	2,613	201	201	840
Painting - Wrought Iron, Prosa	2/ 1	1,160	527	527	658
Painting - Wrought Iron, Street	2/ 1	852	122	122	754
*** CATEGORY SUMMARY:		15,339	4,592	4,592	4,693
Parking Lot - Asphalt Overlay	20/ 1	5,414	5,075	5,075	403
Parking Lot - Repairs	20/ 3	1,173	977	977	78
Parking Lot - Slurry Sealing	3/ 0	996	996	996	346
*** CATEGORY SUMMARY:		7,583	7,049	7,049	828
Lighting - Ext (Main Pool/Club)	10/ 9	7,524	458	458	849
Lighting - Ext (Prosa Pool), 1991	10/ 9	1,466	89	89	165
Lighting - Int (Clubhouse)	25/10	7,952	4,771	216	838
Lighting - Int (Prosa Pool)	25/15	858	343	0	63
Lighting - Walkway, 1990	15/13	5,280	406	0	446
*** CATEGORY SUMMARY:		23,080	6,068	764	2,361
Pool - Filter, 210 Sq Ft, Main	20/ 5	9,371	7,028	7,028	568
Pool - Filter, Prosa	12/ 2	945	788	788	90
Pool - Heater, 1,266K BTU, Main	15/ 3	6,983	5,819	5,819	466
Pool - Heater, Prosa	12/ 3	1,505	1,158	1,158	133
Pool - Replaster/Tile Repl, Main	10/ 7	25,016	6,901	6,901	2,827
Pool - Replaster/Tile Repl, Prosa	10/ 2	7,632	6,360	6,360	727
Spa - Filter, 60 Sq Ft, Main	10/ 8	900	142	142	103
Spa - Heater, Main, 400K BTU	10/ 5	1,500	818	818	152
Spa - Replaster/Tile Repl, Main	10/ 7	1,775	490	490	201
Wader - Filter, 36 Sq Ft, Main	9/ 6	1,682	506	506	213
Wader - Heater, 125K BTU, Main	8/ 6	1,215	284	284	167
Wader - Replaster/Tile Repl, Main	8/ 2	1,598	1,273	1,273	182
*** CATEGORY SUMMARY:		60,122	31,567	31,567	5,829
Main Pool - Pump Motor	10/ 5	3,656	1,828	1,828	404

**Park Paseo Homeowners Association
California Summary**

DESCRIPTION	USE/REM LIFE	CURRENT COST	IDEAL RESERVES	ASSIGNED RESERVES	ANNUAL CONTRBTN
Pool Area - Deck Caulking, Main, 87	4/ 0	1,879	1,879	1,879	492
Pool Area - Deck Caulking, Main, 91	4/ 3	5,559	1,390	1,390	1,463
Pool Area - Deck Caulking, Prosa, 91	4/ 3	2,452	613	613	645
Pool Area - Diving Board (Main)	0/ 0	1,000	1,000	1,000	0
Pool Area - Furniture (Main)	6/ 3	22,440	10,560	10,560	4,240
Pool Area - Furniture (Prosa)	6/ 3	7,244	3,409	3,409	1,369
*** CATEGORY SUMMARY:		44,230	20,678	20,678	8,613
Rec Area - Barbecue Repl (Main)	5/ 2	1,737	1,351	1,351	214
Rec Area - Barbecue Repl (Prosa)	5/ 3	1,158	772	772	142
Rec Area - Ceramic Shower (Prosa)	15/ 5	1,727	1,151	1,151	133
Rec Area - Drnkng Fntns (Chilled)	12/ 4	2,032	1,451	1,451	168
Rec Area - Drnkng Fntns (Concrete)	20/ 7	2,890	1,970	1,970	161
Rec Area - Play Equip (Main)	20/ 5	8,994	6,746	6,746	545
Rec Area - Play Equip (Prosa/Alba)	20/ 5	12,244	8,163	8,163	946
Rec Area - Rstrm Counters (Prosa)	20/10	592	296	0	64
Rec Area - Rstrm Fixtures (Prosa)	25/15	3,332	1,333	0	246
Rec Area - Rstrm Partition (Prosa)	15/ 5	1,478	985	985	114
Rec Area - Rstrm Tile (Prosa)	20/10	4,532	2,266	0	490
Rec Area - Sand Repl (Main)	10/ 8	1,984	328	328	225
Rec Area - Sand Repl (Prosa/Alba)	10/ 8	2,240	370	370	254
*** CATEGORY SUMMARY:		44,940	27,182	23,287	3,797
Fencing - Wrought Iron, Fence Extn	1/ 0	22,700	22,700	22,700	0
Fencing - Wrought Iron, Main Pool	10/10	27,000	0	0	2,917
Fencing - Wrought Iron, Prosa Pool	10/ 9	6,615	662	662	718
Fencing - Wrought Iron, Street, 86	25/19	2,522	605	0	150
Fencing - Wrought Iron, Street, 90	25/23	235	14	0	12
*** CATEGORY SUMMARY:		59,071	23,981	23,362	3,797
Clubhouse - Appliances, 1977	15/ 1	1,865	1,748	1,748	139
Clubhouse - Appliances, 1991	15/14	800	53	0	63
Clubhouse - Billiard Tables	25/10	5,292	3,175	3,175	262
Clubhouse - Cabinets	20/ 1	1,288	1,208	1,208	96
Clubhouse - Carpet	8/ 3	4,692	3,412	3,412	481
Clubhouse - Counter Tops (Formica)	20/ 5	1,014	761	761	61
Clubhouse - Double Stainless Sink	20/ 5	368	276	276	22
Clubhouse - Furnishings	8/ 1	17,625	15,667	15,667	2,187
Clubhouse - Heat/Air Conditioning	18/ 3	17,716	14,763	14,763	1,183
Clubhouse - Office Copier	5/ 3	6,000	1,592	1,592	1,548
Clubhouse - Office Furnishings	15/ 0	999	999	999	74
Clubhouse - Office Typewriter	8/ 0	500	500	500	67
Clubhouse - Restroom Ceramic Tile	20/18	9,017	764	0	564
Clubhouse - Restroom Fixtures	25/23	4,933	333	0	247
Clubhouse - Restroom Partitions	15/13	2,340	301	0	197
Clubhouse - Restroom Shower Doors	20/18	788	67	0	49
Clubhouse - Shades	8/ 0	3,281	3,281	3,281	0
Clubhouse - Wallpaper	15/ 3	5,916	4,303	4,303	0

**Park Paseo Homeowners Association
California Summary**

DESCRIPTION	USE/REM LIFE	CURRENT COST	IDEAL RESERVES	ASSIGNED RESERVES	ANNUAL CONTRBTN
Clubhouse - Water Heater (100 Gal)	12/10	2,741	392	392	258
Prosa - Water Heater	10/ 2	564	470	470	54
*** CATEGORY SUMMARY:		87,740	54,065	52,546	8,597
Tennis Court - Benches 8'	15/11	3,150	840	0	311
Tennis Court - Chain Link	25/10	12,078	7,247	0	1,305
Tennis Court - Lighting	0/ 0	10,000	10,000	10,000	0
Tennis Court - Resurfacing	6/ 1	4,752	3,926	3,926	894
Tennis Court - Windscreen	6/ 3	2,056	968	968	388
*** CATEGORY SUMMARY:		32,036	22,980	14,893	2,898
Irrigation Controller - Repl	0/ 0	8,000	8,000	8,000	0
*** CATEGORY SUMMARY:		8,000	8,000	8,000	0
Landscape - Tree Trimming	0/ 0	22,113	22,113	22,113	0
*** CATEGORY SUMMARY:		22,113	22,113	22,113	0
TOTAL ASSET SUMMARY:		422,325	241,731	221,405	42,601
CONTINGENCY @ 3.00%:			7,252	6,642	1,278
GRAND TOTAL:			248,983	228,047	43,879

Percent Ideally Funded: 91.59%