

ITEM K.2



September 25, 2014

Don Russell
Beach Road Entry
C/o Webb Community Mgmt.
960 Calle Amanecer
San Clemente, CA 92673

Re: 2015 Budget – Beach Road Entry

Dear Don,

We pride ourselves on providing a quality service at a fair price, and we often absorb minor cost increases without passing them on to our clients. As you are probably aware, however, certain legislative changes have occurred that alter the cost structure of labor intensive industries such as ours. Most notably, the Patient Protection and Affordable Care Act goes into effect January 1, 2015. This is the most costly legislation we have had to comply with in over 40 years in business. In addition, the California minimum wage was increased on July 1, 2014, and rising workers compensation insurance rates and supplier price increases have occurred.

The impact of all of this is that we must modestly increase our fees across the board, and we are requesting a change in your monthly contract fee to \$1,102.50 (5%) as of January 1, 2015. We have worked diligently to keep this to a minimum, and we are notifying you well before the effective date to allow adequate time for you to update your budget.

Please sign below acknowledging your acceptance of the change and return a copy of this letter to our office. If you have any questions please feel free to give me a call.

Sincerely,
Bemus Landscape, Inc.

Colin Bemus

Colin Bemus
President, Landscape Management

Accepted:

Signature

Date

Print Name