



October 15th, 2012

To: Community Managers and Boards

Re: Remote Phone Programming Pricing and Remote Transmitter Sales and Support Plans.

Dear Property Managers and Board Members:

We would like to thank you for your business as we know you have options and we appreciate you choosing California Gate and Entry Systems. We are continually evaluating methods to provide the highest quality customer service in the most cost effective manner and we have managed to not increase our service call rates for over five years now. We are currently exploring ways to refrain from any service call rate increases for 2013 as well. We have been evaluating our operational costs for any areas of potential efficiency improvements or necessary changes and we have found two services we currently provide some customers as a convenience, but often at revenue neutral or an actual loss for California Gate and Entry Systems. These two areas are "remote phone system programming", which is inclusive of access control systems as well, and "remote transmitter support and sales". After considering our evaluation results, we have concluded it more equitable to adjust our pricing for these two areas, which are not utilized by all of our customers, so we can refrain from raising standard service call rates as long as possible. Therefore, we are implementing new pricing and support plans for these two areas as follows:

Options for Communities with Remote Transmitter Control of Gates (garage door type remotes)

1. Communities can order preprogrammed remote transmitters in bulk (10+) for the community, to be mailed to the HOA or property manager for distribution, and **we will waive monthly fees** and the community will also receive a 35% discount from our standard individual pricing with each transmitter ordered.
 - a. We will also provide the designated person with detailed instructions and programming details for your community's remote transmitters as this option will NOT include phone support directly to residents from California Gate and Entry Systems. We will continue to support property managers when necessary, especially during the initial transition.
 - b. We will provide generic instructions and a compatibility matrix for remote transmitters on our website at www.californiagate.com under the "downloads" tab at the top of the webpage as well.
2. Communities that would like to continue to have residents contact California Gate directly for their remote transmitter sales and support for remote transmitters **purchased from** California Gate and Entry Systems will be billed a **\$50.00 monthly fee** for this service.
3. Communities that would like to continue to have residents contact California Gate directly for their remote transmitter sales and support for remotes transmitters purchased from other companies or from California Gate and Entry Systems will be billed a **\$95.00 monthly fee** for this service.



Communities currently utilizing cloned remote transmitters systems that would like to consider transitioning to an automatic vehicle RFID system with tags costing as low as \$7.25 each can also be provided a quote for this option as this would eliminate the necessity of direct technical support for remote transmitter programming and sales. These systems also provide a higher level of security for communities as the RFID tags are destroyed upon removal so they cannot be stolen or moved from vehicle to vehicle, but can also be deactivated if a resident moves or sells the vehicle. Please request a quote if desired.

In addition to the above remote transmitter support pricing plans, we are also adjusting our “remote phone programming” (including access control systems) support plans pricing as follows:

1. Customers with a monthly, bi-monthly or quarterly preventative maintenance contract (PMC) in place with California Gate and Entry Systems will pay **\$45 for any month in which a programming change is requested** with a limit of 10 changes per month.
2. Customers without a monthly, bi-monthly or quarterly preventative maintenance contract (PMC) in place with California Gate and Entry Systems will pay **\$75 for any month in which a programming change is requested** with a limit of 10 changes per month.

Both these plans include a redundant off-site backup of the community system database. One backup is on the dedicated programming computer at the office of California Gate and Entry Systems, the other is with a outside backup service for disaster recovery services.

We have decided to implement the above pricing adjustments and plans for 2013, but to ensure communities have time to discuss this and take action with their board meeting schedules we are delaying implementation of the remote phone programming pricing changes will go into effect on **January 1st of 2013**, but we will delay the implementation of the Remote Transmitter Support Plans until **February 1st of 2013**.

Please note that residents from communities that have not responded in writing accepting one of the remote transmitters support plans after January 31st, 2013 will not be sold remote transmitters or provided support for remote transmitters beginning **February 1st 2013**. If you are responsible for one of these communities, please ensure your community board of directors addresses this issue before this date so the residents in the community are not negatively affected.

Thank you for your consideration and understanding in these matters and please feel free to contact us should you require any further information. You may contact us at service@californiagate.com or at the below listed phone number.

Best Regards,
Kevin Squire