

Remember, the seller may provide to the prospective purchaser current copies of any documents that are in the possession of the seller. A seller may request to purchase some or all of these documents, but is not be required to purchase all of the documents listed on this form.

• 3795 Eastwood Circle  
• Santa Clara, CA 95054  
• Phone: 408-321-8920

# Cityscape Property Management

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JUL 20 2018

CITYSCAPE PROPERTY MGT

## Request for Documents

All document fees are payable in advance – No exchanges and we do not bill through escrow. Payments by check only and please make checks payable to Cityscape Property Management. Documents will be ready within ten (10) business days. If the request is received after 12 pm the next business day will count as the first day.

**Rush Processing Fee - Documents will be ready within five (5) business days. - \$175.00**

Association:	330 N. 2nd
Property Owner & Address:	Tanya Moore 330 N. 2nd # 142
Escrow Number:	5747042
Transaction Type:	<input checked="" type="radio"/> Sale or Refinance (Circle One)
<p>If this is a sale, there is a mandatory transfer fee of <b>\$275.00</b>. Make Payable to Cityscape Property Management. This fee is due at close of escrow along with a copy of the Grant Deed.</p>	

Ordered By: Julie Clathier Phone: 408 869-9915 Fax: 866-404-5899

- CITYSCAPE PACKAGE using Cityscape's Questionnaire/Demand Form - \$375.00**  
Includes: CC&Rs, By-Laws, Articles of Incorporation, Operating Rules, Collection Policy, Insurance Summary, Current Budget, Reserve Summary and Cityscape's HOA Questionnaire/Demand Form.
- REQUESTOR PACKAGE using Requestor's Questionnaire/Demand Form - \$450.00**  
Includes: CC&Rs, By-Laws, Articles of Incorporation, Operating Rules, Collection Policy, Insurance Summary, Current Budget, Reserve Summary and Questionnaire/Demand Form provided by Agent or Homeowner.
- 4530 STANDARD PACKAGE using Requestor's Questionnaire/Demand Form - \$575.00**  
Includes: CC&Rs, By-Laws, Articles of Incorporation, Operating Rules, Collection Policy, Insurance Summary, Current Budget, Reserve Summary, Assessment & Reserve Funding Disclosure Summary, Financial Audit/Review "if Applicable", Settlement Notice "if Applicable", Statement of Fees and Questionnaire/Demand Form provided by Agent or Homeowner.

**Please Note:** Check below to add any additional items that you need at the time of request. Pricing is below.

### INDIVIDUALLY PRICED DOCUMENTS

#### Association's Governing Documents

- CC&Rs \$150.00
- By-Laws \$125.00
- Articles of Incorporation \$100.00
- Operating Rules \$100.00
- Collection Policy \$100.00

#### Insurance Documents

- Insurance Summary \$100.00

#### Other Documents

- Newsletters per year \$75.00
- Minutes per year \$100.00
- Historical Contracts \$100.00

#### Financial Documents

- Budgets per year \$100.00
- Financial Audit/Review \$100.00
- Reserve Study \$175.00
- Assessment & Reserve Funding Disclosure Summary \$100.00
- Financials per Month \$100.00

#### Disclosure Documents

- HOA Questionnaire/Demand (Using your form) \$225.00
- HOA Questionnaire/Demand (Using Cityscape form) \$150.00
- Litigation Disclosure Summary \$100.00

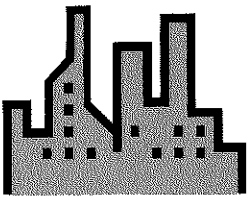
TOTAL DUE IN ADVANCE: 375 -  
TOTAL PAID: 375 -  
CHECK NUMBER: 341  
DELIVERY METHOD:  Courier, provided by requestor.  
(We do not fax or email.)  Fedex/UPS etc. Requestor must provide their own Account Number and a filled-out service provider's envelope.

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• 3795 Eastwood Circle  
 • Santa Clara, CA 95054  
 • Phone: 408-321-8920

For all your Homeowner Association Management  
 and Building Maintenance needs, always call on

# Cityscape Property Management

## Homeowners Association Certification and Occupancy Statement

1. Project Name: **350 North 2<sup>nd</sup> Street Homeowners Association**
2. Subject Property Address: **350 North 2<sup>nd</sup> Street #142, San Jose, CA 95112**
3. Amount of monthly assessment fee/dues: \$539.61
4. Currently paid through **07/31/18** and next due on **08/01/2018** through current date. 1-866-289-6000.
5. SELLER: Move OUT Procedure fee is \$150.00 payable to 350 North 2nd Street Homeowners Association,
6. BUYER: Move IN Procedure fee is \$150.00 payable to 350 North 2nd Street Homeowners Association,
7. **Style A=\$504.49, Style B=\$516.86, Style C=\$525.34, Style D=\$539.61, Style E =\$551.47, Style F=\$565.10, Style G \$580.49**
8. **Style A = 105-108, 110, 112, 114, 116, 305-307-310-312-314, 335, 339 / Style B = 117, 119, 121, 123, 125, 127, 129, 131, 144, 146, 317, 319, 321, 323, 325, 327, 329, 331, 337, 343-345 / Style C = 133, 142, 333, 341, 342 / Style D = 101, 301 / Style E = 103, 303 / Style F = 109, 111, 113, 115, 135, 139, 141 / Style G = 137, 143, 145, 147,**
9. Late charge is \$10 or 10% of the assessment, whichever is greater per month if not paid by the 15<sup>th</sup> of the month. Interest will be charged at 12% per annum.
10. Special Assessment: **No**
11. **With in 15 Days of the close of escrow, please send a copy of the deed to Cityscape Property Management.**
12. Transfer fee is \$275.00 and is payable to Cityscape Property Management.
13. Move IN and Move OUT Procedures fee is \$150.00 payable to 350 North 2nd Street Homeowners Association,
14. Designated Parking Space Number:
15. Total number of units in the project through current phase: **62**
16. Is the project subject to additional phasing or annexation: **No**
17. Total number of units that are sold and closed: **62**
18. Total number of units that are sold and pending closing: **0**
19. Total number of units that are unsold: **0**
20. Total number of units that are owner occupied: **42**
21. Total number of units that are rentals: **20**
22. Does any single entity own more than 10% of the total units in the project: **No** If so, how many? **\_\_\_**
23. Total number of units that are 30 days or more delinquent on Association dues: **2**
24. Is the HOA FHA Approved: **No**
25. Are there any planned increases in dues: **No** If yes, explain:
26. What is the present amount of the reserves for future replacement of the common areas: **\$226,630.63**
27. Are the unit owners (other than the developer) in control of the Association: **Yes**
28. What date did control of the Association pass to the unit owners: **2006**
29. Is there pending litigation against this Association: **No** If yes, explain:
30. Are all units, common areas, and facilities complete: **Yes**
31. Is the project a conversion: **No** if so, when was it converted? **N/A**
32. Does the project contain any commercial space or rental offices: **No**
33. Are any of the common areas or recreational facilities leased: **No**
34. Homeowners Association carries a master hazard policy with premiums paid as common expense: **Yes**
35. Only the Insurance carrier for the Association can give insurance information.  
 Please contact the following insurance agent:  
 Insurance Carrier: **Dennis Socher 877-317-9300 Property Policy SEP100221502**  
 Address: **Socher Insurance Agency, Inc.  
 1350 Old Bayshore Highway, Suite 630  
 Burlingame, CA 94010**
36. Is the project professionally managed: **Yes**  
**Cityscape Property Management, Inc.  
 3795 Eastwood Circle  
 Santa Clara, CA 95054**

Signature   
 Title: Escrow Manager

Date 8-1-18

**This document expires 30 days after the signature date.**

Note: The above information is not required by California Civil Code Section 1368. Although reported in good faith and based upon the best information available, neither the homeowner's association nor Cityscape Property Management assumes liability for the facts disclosed herein.

Visit our award winning web site!

<http://CityscapeHOA.com>

[Escrow@CityscapeHOA.com](mailto:Escrow@CityscapeHOA.com)





DOCUMENT: 23334879

Pages: 46



Fees..... 160.00  
Taxes....  
Copies..  
AMT PAID 160.00

Recording requested by and  
when recorded return to:

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

REGINA ALCOMENDRAS  
SANTA CLARA COUNTY RECORDER  
Recorded at the request of  
Attorney

RDE # 024  
6/14/2016  
11:20 AM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**DECLARATION OF ADOPTION OF FIRST AMENDED AND RESTATED  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF  
350 NORTH SECOND STREET**

The undersigned President of the 350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION, a California nonprofit mutual benefit corporation ("**Association**"), certifies as follows:

1. That a duly noticed written secret ballot to approve the First Amended and Restated Declaration of Covenants, Conditions and Restrictions of 350 North Second Street ("**Amended Declaration**") was provided to all Members of the Association, a true and correct copy of the Amended Declaration is recorded herewith.
2. That the Amended Declaration is intended to replace in its entirety the original Declaration of Restrictions for 350 North Second Street recorded on May 9, 2005, as Document No. 18360303, in the Official Records of the County of Santa Clara, State of California ("**Original Declaration**").
3. That Section 10.3 (Amendment) of the Original Declaration provides that the Amended Declaration may be amended by a majority of the voting power of the Association.
4. That on May 24, 2016, the ballots were counted and at least a majority of the total voting power of the Association voted in favor of the Amended Declaration.
5. That the Amended Declaration shall be effective upon the date of recordation of this Certification of Adoption in the Official Records of the County of Santa Clara, State of California.

IN WITNESS WHEREOF, the undersigned have executed this Certification of Adoption of the Amended Declaration on this 1st day of June 1, 2016.

350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION,  
a California nonprofit mutual benefit corporation

By: *Marcus Pelletier*  
Print Name: Marcus Pelletier  
Title: President

### ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of SANTA CLARA )

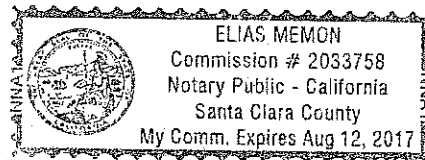
On 06/01/2016 before me, ELIAS MEMON, NOTARY PUBLIC,  
(insert name and title of the officer)

personally appeared MARCUS P. PELLETIER,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Elias Memon* (Seal)



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

**FIRST AMENDED AND RESTATED  
DECLARATION**

**OF**

**COVENANTS, CONDITIONS AND RESTRICTIONS OF  
350 NORTH SECOND STREET**

**If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.2 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.**

**TABLE OF CONTENTS**

ARTICLE 1     DEFINITIONS..... 1

ARTICLE 2     OWNERSHIP AND EASEMENTS..... 4

    2.1     Description of Project ..... 4

    2.2     Ownership of Units ..... 4

    2.3     Ownership of Common Area ..... 5

    2.4     No Separation of Unit from Common Area..... 5

    2.5     Owners' Easement over Common Area ..... 5

    2.6     Common Area ..... 5

    2.7     Association Entry for Repairs ..... 5

    2.8     Exclusive Use Common Area..... 6

    2.9     Utility Easements..... 6

    2.10    Encroachment Easements ..... 6

    2.11    Partition Prohibited ..... 7

ARTICLE 3     USE RESTRICTIONS ..... 7

    3.1     Activities Affecting Insurance ..... 7

    3.2     Animals..... 7

    3.3     Antenna and Satellite Dish ..... 8

    3.4     Clotheslines..... 8

    3.5     Common Area Restrictions ..... 8

    3.6     Condominium, Live/Work Uses ..... 8

    3.7     Decks ..... 9

    3.8     Floor Coverings ..... 9

    3.9     Garbage Refusal and Disposal ..... 9

    3.10    Nuisance ..... 10

    3.11    Parking ..... 10

3.12	Right to Lease .....	11
3.13	Signs .....	12
3.14	Smoking Prohibition .....	12
3.15	Storage.....	12
3.16	Window Covering .....	12
ARTICLE 4	MAINTENANCE OBLIGATIONS .....	13
4.1	Maintaining Common Area and Improvements .....	13
4.2	Maintaining Units.....	13
4.3	Maintaining Exclusive Use Common Area .....	14
4.4	Failure to Maintain Unit and/or Exclusive Use Common Area.....	14
4.5	Damage to Common Area or Exclusive Use Common Area Caused By Owner.....	15
4.6	Damage to Units Caused by Owner.....	15
ARTICLE 5	ARCHITECTURAL CONTROL.....	15
5.1	Alteration Requiring Prior Approval .....	15
5.2	Alteration Not Requiring Prior Approval.....	15
5.3	Architectural Standards .....	16
5.4	Submission of Plans and Specifications.....	16
5.5	Board Response.....	16
5.6	Completion .....	16
5.7	Inspection .....	17
5.8	Non-Compliance.....	17
5.9	Estoppel Certificate .....	17
5.10	Liability .....	18
5.11	Compliance with Governmental Requirements .....	18

ARTICLE 6	ASSESSMENTS, RESERVES, AND FINANCIAL REPORTING .....	18
6.1	Purpose of Assessments.....	18
6.2	Procedure for Establishing Regular Assessments .....	18
6.3	Accounting Treatment of Reserves .....	19
6.4	Limitations on Use of Reserves.....	19
6.5	Special Assessments .....	19
6.6	Allocation of Assessments .....	20
6.7	Reimbursement Assessments.....	20
6.8	Non-Waiver of Assessments; No Offsets .....	20
6.9	Assessment Due Date.....	21
6.10	Delinquent Assessments; Late Fees and Interest.....	21
ARTICLE 7	ENFORCEMENT OF ASSESSMENTS; LIENS AND FORECLOSURE .....	21
7.1	Right to Enforce.....	21
7.2	Assignment of Rents .....	22
7.3	Notice to Delinquent Owner .....	22
7.4	Owner Disputes Delinquency .....	22
7.5	Informal Dispute Resolution as applied to Assessment Dispute .....	23
7.6	Alternative Dispute Resolution as applied to Assessment Dispute .....	23
7.7	Creation of Lien .....	23
7.8	Enforcement of Lien and Foreclosure .....	24
7.9	Waiver of Homestead Protections .....	24
ARTICLE 8	INSURANCE, DAMAGE OR CONDEMNATION.....	24
8.1	Best Efforts to Obtain and Maintain Insurance Policies.....	24
8.2	Named Insured .....	24
8.3	Certificate of Insurance .....	25
8.4	Authority to Negotiate and Adjustment of Losses.....	25

8.5	Contribution .....	25
8.6	Term .....	25
8.7	General Policy Provisions .....	25
8.8	Underwriter .....	26
8.9	Types of Insurance Policies .....	26
8.10	Owner's Insurance Policies .....	27
8.11	Payment of Premiums .....	27
8.12	Notice of Lapse, Cancellation or Change in Association Insurance Policies.....	27
8.13	Damage or Destruction .....	27
8.14	Condemnation .....	29
ARTICLE 9	MORTGAGEE PROTECTION PROVISIONS .....	30
9.1	Mortgagee Permitted; Validity of Mortgage Lien .....	30
9.2	Notice to Eligible Mortgage Holder .....	30
9.3	Notice of Condemnation or Destruction.....	30
9.4	Limitation on Right of First Refusal.....	31
9.5	Priority as to Proceeds and Awards .....	31
9.6	Consent by Mortgagees to Amendments .....	31
9.7	Changes Requiring Additional First Mortgagee Approval.....	32
9.8	Consent to Terminate Legal Status of Project.....	32
9.9	Subordination; Foreclosure of Assessment Liens .....	33
9.10	Lien on Individual Unit .....	33
9.11	Rights to Inspect, Receive Statements, Attend Meetings.....	33
9.12	Deemed Approval.....	33
ARTICLE 10	DISPUTE RESOLUTION AND ENFORCEMENT .....	34
10.1	Enforcement of Governing Documents .....	34
10.2	Informal Dispute Resolution: Notice and Hearing.....	34

10.3	Formal Dispute Resolution .....	34
ARTICLE 11	AMENDMENT OR REVOCATION .....	35
11.1	Approval Required for any Action.....	35
11.2	Effective Date of Amendment.....	35
ARTICLE 12	GENERAL PROVISIONS .....	35
12.1	Term of Declaration .....	35
12.2	Binding Effect .....	35
12.3	Conflict .....	35
12.4	Headings .....	36
12.5	Gender and Number.....	36
12.6	Severability.....	36
12.7	No Discrimination .....	36
12.8	Construction of Provisions.....	36
12.9	Exhibits.....	36
12.10	Successor Statutes .....	36
12.11	Notification of Governing Documents.....	36



**FIRST AMENDED AND RESTATED DECLARATION OF  
COVENANTS, CONDITIONS AND RESTRICTIONS OF  
350 NORTH SECOND STREET**

This First Amended and Restated Declaration of Covenants, Conditions and Restrictions of 350 North Second Street ("**Declaration**"), is made by the 350 North Second Street Homeowners' Association ("**Association**"), a California nonprofit mutual benefit corporation, pursuant to California Civil Code Section 4270 and Section 10.3 (Amendment) of the original Declaration of Restrictions for 350 North Second Street recorded on May 9, 2005, as Document No. 18360303, in the Official Records of the County of Santa Clara, State of California ("**Original Declaration**"). Upon recordation, this Declaration supersedes and replaces in its entirety the Original Declaration.

**RECITALS**

A. WHEREAS, the Association is a membership organization comprised of all Owners of sixty-two (62) Units.

B. WHEREAS, the Members of the Association desire to amend and restate the restrictions heretofore adopted under a general plan of improvement for the benefit of all Units and Common Area and the Owners thereof.

C. NOW, THEREFORE, the Association hereby declares that the Project, as defined below, shall be held, sold and conveyed subject to the following easements, restrictions, covenants, and conditions which are for the purpose of providing a means of managing the Project and of protecting the value and desirability of, and which shall run with the Project and be binding on all parties having any right, title or interest in the Project or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each Owner thereof.

**ARTICLE 1 DEFINITIONS**

**1.1 "Additional Charges"** means any late charges, interest and all other costs that are incurred by the Association or its authorized agent or representative in the collection and/or enforcement of the payment of assessments, fines or penalty payments including, without limitation, reasonable attorneys' fees, accounting fees, and management fees.

**1.2 "Alteration"** means the construction, installation, remodel, repair, replacement, demolition and/or change in any Improvement or change in the color, tone, intensity, shade or hue of any Improvement.

**1.3 "Architectural Standards"** means that portion of the Association Rules which addresses architectural and aesthetic matters, as further described in Section 5.3 below.

**1.4 "Articles"** means the Articles of Incorporation of 350 North Second Street Homeowners' Association, as amended from time to time.

**1.5 "Association"** means the 350 North Second Street Homeowners' Association, a California nonprofit mutual benefit corporation, and its successors and assigns.

1.6 **"Association Rules"** means the rules and regulations adopted and amended by the Board from time to time regulating the general management and operation of the Project, the conduct of the business and affairs of the Association and the use and enjoyment of the Common Area.

1.7 **"Board of Directors" or "Board"** means the governing body of the Association.

1.8 **"Bylaws"** means the Bylaws of the Association, as amended from time to time.

1.9 **"Common Area"** means the entire Project, excluding the Units. Common Area includes, but is not limited to, the land, landscaping, the fitness area, the pool and spa, all staircases (except staircases connecting levels within one Unit) and light wells, roofs, foundations, pipes, ducts for the mutual use of adjoining Units, flues, chutes, conduits, wires, elevators and elevator equipment and other utility installations to outlets, bearing walls, columns and girders, to the unfinished surface thereto, all regardless of location within said Units.

1.10 **"Common Expenses"** means the actual and estimated expenses of operating the Property and any reasonable reserve for such purposes, as determined by the Board, and all sums designated as Common Expenses by the Governing Documents.

1.11 **"Condominium"** means an estate in real property, as defined in California Civil Code Sections 783 and 4125, consisting of an undivided interest as tenant in common in all or any portion of the Common Area, together with a separate fee interest in a Unit and any other easement interests in the Project as may be described in this Declaration, the Condominium Plan, or the deed conveying the Condominium.

1.12 **"Condominium Plan" or "Plan"** means the diagrammatic floor plan of the Units located on the Property which identifies each Unit and establishes its dimensions pursuant to California Civil Code Section 4285.

1.13 **"County"** means the County of Santa Clara, State of California.

1.14 **"Declaration"** means this First Amended and Restated Declaration of Covenants, Conditions, and Restrictions of 350 North Second Street, and subsequently recorded amendments thereto.

1.15 **"Exclusive Use Common Areas"** means those portions of the Common Area designated as "Exclusive Use Common Area" on the Condominium Plan and defined as such under California Civil Code Section 4145. Except for the handicap Parking Spaces, each Exclusive Use Common Area is set aside for the exclusive use of an Owner and is appurtenant to that Owner's Unit.

(a) **"Deck"** means each portion of the Common Area designated on the Plan as "D-" followed by the Unit number to which it is appurtenant. Each Deck is also commonly referred to as a "balcony" or "patio." An exclusive appurtenant easement for the use and possession of each Deck is granted to the adjoining Unit, as shown on the Condominium Plan. The perimeter boundaries of each Deck are to the interior unfinished surfaces of the fences and/or railings and to the exterior finished surfaces of any Common Area walls enclosing the Deck. The vertical boundaries of each Deck are to the interior unfinished surface of the floor and to a horizontal plane extended from the ceiling of the Unit which adjoins the Deck. The approximate dimensions of each Deck are shown on the Condominium Plan. Each Deck includes the

airspace encompassed within its boundaries.

(b) **"Parking Space"** means each portion of the Common Area designated on the Plan as "P-" followed by a number and deeded to a particular Unit to which it is appurtenant. The Project contains 60 standard Parking Spaces designated as "P-11" through "P-22," "P-24" through "P-32," "P-47" through "P-68," "P-70" through "P-77," and "P-79" through "P-87" on the Plan; two (2) handicap Parking Spaces designated as "HCP-23" and "HCP-78" on the Plan; and 28 tandem Parking Spaces designated as "P-33" and "P-33A," "P-34" and "P-34A," "P-35" and "P-35A," "P-36" and "P-36A," "P-37" and "P-37A," "P-38" and "P-38A," "P-39" and "P-39A," "P-40" and "P-40A," "P-41" and "P-41A," "P-42" and "P-42A," "P-43" and "P-43A," "P-44" and "P-44A," "P-45" and "P-45A," and "P-46" and "P-46A" on the Plan.

Exclusive Use Common Area also consists of internal and external wiring designed to serve a single Unit, fireplaces, windows, window frames, window boxes, screens, shutters, awnings, doorsteps, stoops, exterior doors, door frames and hardware.

**1.16 "Governing Documents"** means this Declaration and exhibits attached hereto, the Articles, the Bylaws and the Association Rules, as amended from time to time.

**1.17 "Improvement"** means everything constructed, installed or planted on real property, including, without limitation, buildings, fences, walls, obstructions, decks, screens, tents, awnings, carports, carport covers, structures, streets, paving, pipes, wires, grading, landscaping and other works of Improvement as defined in California Civil Code Section 3106, excluding only those Improvements or portions thereof which are dedicated to the public or a public or quasi-public entity or utility company, and accepted for maintenance by the public, such entity or utility company.

**1.18 "Invitee"** means any person whose presence within the Project is approved by or is at the request of the Association or a particular Owner, including, without limitation, lessees, tenants, and the family, guests, employees, licensees or invitees of Owners, tenants or lessees.

**1.19 "Major Components"** means the major components of the Common Area and of any other Improvements, facilities or personal property which the Association is obligated to repair, replace, restore or maintain. Major Components shall be identified in the Association's reserve study and shall be updated as needed by the Board and/or reserve study or reserve budget preparer.

**1.20 "Map"** means the subdivision map entitled subdivision map entitled "Tract Map No. 9489," filed for record on June 23, 2003, in Book 761 of Maps, pages 46 and 47, in the Official Records of the County of Santa Clara, State of California.

**1.21 "Member"** means every person or entity holding a membership in the Association and whose voting rights are not suspended pursuant to Section 10.1 hereof.

**1.22 "Mortgage"** means a deed of trust encumbering a Condominium and a conveyance of a security interest in real property made in good faith and for value.

**1.23 "Mortgagee"** means a beneficiary or a holder of a deed of trust, as well as a mortgage.

**1.24 "Mortgagor"** means the trustor of a deed of trust as well as a mortgagor.

**1.25 "Owner"** means a record holder or holders of title, if more than one, of a Condominium. This shall include any person having a fee simple title interest to any Unit but shall not include contract sellers and those persons or entities having any interest merely as security for the performance of any obligation. If a Unit is sold under a recorded installment land contract to a purchaser, such purchaser, rather than the fee owner, shall be considered the Owner.

**1.26 "Project"** means the entire real property shown on the Map, including all structures and improvements erected thereon or to be erected thereon and all easements and rights appurtenant to it.

**1.27 "Property"** means the Project and all real and personal property intended for or used in connection with the Project.

**1.28 "Regular Assessments"** means an assessment which is a portion of the cost of maintaining, improving, operating and managing the Property which is to be paid by each Owner, as determined by the Association.

**1.29 "Reimbursement Assessment"** means a charge against a particular Condominium made for the purpose of obtaining reimbursement of certain expenditures of the Association pursuant to Section 6.7.

**1.30 "Special Assessment"** means a supplemental assessment to meet expenses which is to be paid by each Owner when the total amount of funds necessary to defray the Common Expenses is determined to be inadequate by the Association.

**1.31 "Unit"** means each separate interest designated as a "Unit" on the Condominium Plan. Each Unit consists of space bounded by and contained within the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows and doors of the Unit. Each Unit also includes all fixtures, appliances, air heating, air conditioning, water heating equipment, alarm systems and ventilation fans, and the outlets thereof, wherever located, which are part of a discrete and complete system intended to serve only the Unit. The Unit does not include those components defined as Common Area in Section 1.9. The Unit does not include the structural component of any bearing wall or other structure member necessary to the support or structural rigidity of any portion of the Common Area. In interpreting deeds and plans, the existing physical boundaries of the Unit or Unit reconstructed in substantial accordance with the original plan shall be conclusively presumed to be its boundaries, rather than the description expressed in the Condominium Plan or any other recorded document, regardless of minor variances between boundaries shown on the Condominium Plan or in any other recorded document and those of the building and regardless of settling or lateral movement of the building.

## **ARTICLE 2 OWNERSHIP AND EASEMENTS**

### **2.1 Description of Project**

The Project consists of a building which is five stories in height and which contains sixty-two (62) Units and Common Area and all other improvements located on the real property.

### **2.2 Ownership of Units**

Title to each Unit shall be conveyed in fee to an Owner.

### **2.3 Ownership of Common Area**

Each Owner shall have, as appurtenant to his or her Unit, an undivided interest in the Common Area, as shown on the Condominium Plan.

### **2.4 No Separation of Unit from Common Area**

The foregoing undivided interests are hereby established and are to be conveyed with the respective Units as indicated above and cannot be changed, except as herein set forth. Each Owner, his or her successors, assigns and grantees covenant and agree that the undivided interest in the Common Area and the fee title to the respective Unit conveyed therewith shall not be separated or separately conveyed. Each such undivided interest shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the fee title to the Unit.

### **2.5 Owners' Easement over Common Area**

By reference to this Declaration, each grant deed to a Unit shall be deemed to be conveyed with the benefit of, and subject to, all applicable easements set forth in this Article 2, regardless of whether the instrument of transfer references all applicable easements. The easements described in this Article 2 shall not be transferred or encumbered separately from the Unit to which they are appurtenant.

### **2.6 Common Area**

Every Owner shall have a non-exclusive right and easement for the ingress, egress, use and enjoyment of the Common Area (other than Exclusive Use Common Area) which shall be appurtenant to and shall pass with the title to every Condominium, subject to the following provisions:

- (a) The right of the Association to assign, rent, license or convey any parking spaces or storage spaces that have not been deeded to an Owner;
- (b) The right of the Association to grant, convey and dedicate fee title to or easements over all or any portion of the Common Area; and
- (c) Any easement which affects the Common Area.

### **2.7 Association Entry for Repairs**

The Board or its appointed agents may enter any Unit or Exclusive Use Common Area in connection with any maintenance, repair or construction for which the Association or the Owner is responsible. The Association's right of entry shall be immediate in case of an emergency originating in or threatening any Unit or Common Area and the Association's work may be performed under such circumstances whether or not the occupant is present. The Association or its appointed agents shall furnish the Owner and occupant with at least forty-eight (48) hours' written notice (unless an emergency exists, in which case no notice need be given) to enter any Unit during reasonable hours and with as little inconvenience to the occupant as is practicable. Each Owner and Owner's tenant or lessee shall have the duty to cooperate with the Association and its agent in providing access to that Owner's Unit or Exclusive Use Common Area.

## **2.8 Exclusive Use Common Area**

(a) **Deck.** Each Owner shall have an exclusive right and appurtenant easement for the use, possession and enjoyment of the Deck adjoining that Owner's Unit, which is specifically designated in the individual Condominium grant deed.

(b) **Parking Spaces.** Each Owner shall have an exclusive easement to use one (1) Parking Space which has been deeded with that Owner's Unit and which shall not be conveyed separately from that Owner's Unit. Two Parking Spaces which are in tandem must be deeded together. For instance, both tandem Parking Spaces "P-38" and "P-38A" must be appurtenant to the same Condominium. No Owner may lease a Parking Space to any person who is not an Owner or a resident at the Project without the prior written approval of the Board.

## **2.9 Utility Easements**

The rights and duties of the Owners with respect to electric, telephone, water, gas and sanitary sewer lines, facilities and connections; cable or master television antenna lines, facilities and connections; and security system lines, facilities and connections (collectively, "utility facilities") shall be as follows:

(a) Whenever utility facilities are installed within the Property, which utility facilities or any portion thereof, lie within or upon Condominiums owned by other than the Owner of a Unit served thereby, the Board or its authorize representative shall have the right to enter (or to have the utility company enter) upon the Condominiums within or upon which such utility facilities, or any portion thereof, lie, in connection with the construction, maintenance or emergency repair for the benefit of the Common Area or the Owners in common.

(b) Whenever utility facilities are installed within the Property, which utility facilities serve more than one Condominium, the Owner of each Condominium served thereby shall be entitled to full use and enjoyment of the portions of such utility facilities that service his or her Condominium.

(c) In the event of a dispute between Owners with respect to the maintenance, repair or rebuilding of such utility facilities, or with respect to the sharing of the cost thereof, then, upon written request of one of such Owners addressed to the Association, the matter shall be submitted to the Board who shall decide the dispute and the decision of the Board shall be final and conclusive on the parties.

## **2.10 Encroachment Easements**

Each Condominium within the Property is hereby declared to have an easement over all adjoining Condominiums and the Common Area for the purpose of accommodating any encroachment due to engineering errors, errors in original construction, settling or shifting of the building, or any other cause. There shall be valid easements for the maintenance of such encroachments as long as they shall exist, and the rights and obligations of the Owners shall not be altered in any way by such encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if such encroachment occurred due to willful misconduct of such Owner or Owners. In the event that a structure is partially or totally destroyed, and subsequently repaired or rebuilt, the Owners of each Condominium agree that minor encroachments over adjoining Condominiums or Common Area shall be permitted and that there shall be valid easements for the maintenance of

such encroachments, so long as they shall exist.

### **2.11 Partition Prohibited**

The Common Area shall remain undivided as set forth above. Except as otherwise provided in California Civil Code Section 4610, no Owner shall bring any action for partition of a Unit or of the Common Area, it being agreed that this restriction is necessary in order to preserve the rights of the Owners with respect to the operation and management of the Project and each Owner, by acceptance of a deed to his or her Unit, shall be deemed to have waived and abandoned, for himself or herself, his or her successors and assigns (whether by deed, gift, devise, foreclosure or operation of law) the right to bring or maintain any such action for partition. Judicial partition by sale of a single Condominium owned by two or more persons and division of the sale proceeds is not prohibited hereby, but partition of title to a single Condominium is prohibited.

## **ARTICLE 3 USE RESTRICTIONS**

### **3.1 Activities Affecting Insurance**

In the event any act or omission of any Owner or Owner's Invitee shall in any way cause or be responsible for: (a) any increase in the premiums for any insurance purchased or obtained by the Association in accordance with the provisions of Article 8 hereof; or (b) the triggering of any policy of insurance owned by the Association, the amount (i.e. the increase in insurance or the Association's insurance deductible) shall be assessed and charged solely to and against such Owner and his or her Unit as a Reimbursement Assessment. As used herein, the term "act or omission" means a violation of any applicable statute, code, ordinance, Governing Document, or determination of fault or neglect by a court having appropriate jurisdiction.

### **3.2 Animals**

No animals shall be kept in any Unit or Common Area except for domestic dogs or cats (not to exceed two per Unit), fish and birds inside bird cages. The following breeds of dogs are prohibited from the Project: Pit Bull, Presa Canario and Rottweiler. Permitted animals shall not be kept, bred, or raised for commercial purposes.

Any dog in the Common Area (excluding the Decks) shall be leashed. After making a reasonable attempt to notify the Owner, the Association or any Owner may cause any unleashed animal found within the Common Area to be removed to a pound or animal shelter by calling the appropriate authorities. The Owner may, upon payment of all expenses, repossess the animal.

Pet owners shall prevent their pets from soiling the Common Area, including Decks, balconies and patios, except as allowed under rules about the keeping and control of pets in the Units and Common Area, as may be adopted by the Association from time to time. Pet owners shall clean up after their pets immediately. The Association can prohibit the keeping of any animal that in the sole and exclusive opinion of the Board constitutes a nuisance or danger to any other Owner. Each person bringing or keeping a pet upon the Project shall be liable to other Owners, their family members, guests, invitees, tenants, and contract purchasers, and their respective family members, guests, and invitees for any damage to persons or property proximately caused by any pet brought upon or kept upon the Project by that person or by members of his/her family, his/her guests, or invitees.

### **3.3 Antenna and Satellite Dish**

No Owner shall install a television antenna or satellite dish within the Common Area roof or building exterior without the Board's prior written consent and without signing a recordable indemnity agreement to hold the Association harmless from any future damage to such Common Area. No Owner shall install a television antenna or satellite dish within the Owner's Unit or Deck without providing at least seven (7) days notice to the Board. Notwithstanding the foregoing, the Board may impose reasonable restrictions for the installation and use of a video or television antenna, including a satellite dish, that do not significantly increase the cost of the system or significantly decrease its efficiency or performance, as set forth in Civil Code Section 4725 and the U.S. Code of Federal Regulations, 47 CFR Section 1.4000, or comparable superseding statutes and regulations.

If the Association installs a central antenna or dish that serves the entire Project, the Association may prohibit a resident from installing an individual antennae provided that: (a) the resident receives the particular video programming or fixed wireless service that the resident desires and could receive with an individual antenna; (b) the signal quality of transmission to and from the resident's Unit using the central antenna is as good as, or better than, the quality the resident could receive or transmit with an individual antenna; (c) the costs associated with the use of the central antenna are not greater than the costs of installation, maintenance and use of an individual antenna; and (d) the requirement to use the central antenna instead of an individual antenna does not unreasonably delay the resident's ability to receive video programming or fixed wireless services.

### **3.4 Clotheslines**

No exterior clothes lines may be erected and there may be no outside laundering or drying of clothes.

### **3.5 Common Area Restrictions**

(a) **Use of Common Area.** There shall be no obstruction of the Common Area. Nothing shall be stored, planted, altered, installed or constructed, in the Common Area without the prior written consent of the Board. No artwork or decorations may be placed within the Common Area without the Board's prior written consent. No Owner shall do anything that would interfere with the rights of other Owners. No Owner or Invitee shall engage in any act that damages Common Area.

(b) **Alterations to Common Area.** No wiring, insulation, mechanical devices, structural devices or object of any kind, including air-conditioning units, radio, or television antennas, may be erected, affixed or installed on exterior portions of the building, including the roof. Alterations to Common Area, including any Improvements situated therein or thereon, may be made only by the Association, subject to the limited circumstances set forth in California Civil Code Section 4760(a)(2), which permit an Owner to make an Alteration to Common Area to accommodate his or her disability.

### **3.6 Condominium, Live/Work Uses**

The primary use of each Condominium must be residential occupancy. As an incident to the primary residential use, the following uses also are permitted for ground floor Units facing a public street: professional offices, business offices and agencies, messenger offices, personal



service shops, artist studios, art galleries, collectibles shops, dress making shops (no factories), tailor shops, locksmiths and retail uses. Retail uses shall exclude public eating establishments and drinking establishments serving beer, wine and alcohol. For all other Condominiums, the following uses are permitted in addition to residential occupancy: messenger offices, personal service shops, business offices and agencies, professional offices, artist studios and art galleries. The hours of operation for any incidental non-residential use shall be limited to 6:00 a.m. to 10:00 p.m. Only occupants of the dwelling may be employees or unpaid volunteers of the live/work use. No tank for the storage of gas or an explosive or flammable substance shall be stored at the Project, except with the prior written consent of the Board. Use of hazardous substances, a kiln or similar apparatus, power tools, equipment or other machinery may be permitted only with the prior written consent of the Board. Storage of combustible, poisonous, hazardous or toxic materials shall be in accordance with building, fire, health and safety requirements of governmental authorities and insurance carriers. The Board may condition approval of the use of hazardous, explosive or flammable substances, power tools, equipment and machinery on receipt of copies of all necessary permits and approvals from governmental authorities, evidence that adequate insurance in amounts and scope of coverage satisfactory to the Board has been obtained and measures acceptable to the Board have been taken to mitigate noise and odors. Open flames and welding shall not be permitted. No use is allowed which creates conditions that are hazardous, noxious or offensive through the emission of odor, fumes, smoke, cinders, dust, gas, vibrations, glare, refuse, water-carried waste, or excessive noise.

### **3.7 Decks**

The Decks are to be used only for patio furniture and plants and are not to be used for the storage of any items including, without limitation, boxes, mops, brooms, no more than two bicycles, buckets, cleaning supplies, refrigerators, freezers or any other appliances. No leaking plants, pointed objects, high-heeled shoes, or any other item or use which might cause damage to the Deck floorings shall be allowed on the Decks. Plants must be potted in appropriate receptacles and watered carefully so that water does not flood over the Deck. Decks may not be used for beating rugs or carpets, shaking dust mops, nor may any article be draped over railings.

### **3.8 Floor Coverings**

Each hallway and room other than the kitchen and bathrooms in all Units shall have carpet and pad or other noise deadening materials approved by the Association in eighty percent (80%) of its square footage, in order to reasonably reduce noise. An Owner may not remove or replace carpet and pad or other flooring materials installed by the builder or any Owner unless the replacement materials have an acoustical insulation value equal to or greater than the acoustical insulation value of the flooring materials which have been removed or replaced. Prior to removing or replacing any flooring materials, an Owner must provide to the Association with information on the acoustical insulation value of the replacement materials. Notwithstanding any provision to the contrary, the restrictions in this Section 3.8 shall not apply to ground floor Units that have no Units below them.

### **3.9 Garbage Refusal and Disposal**

All garbage and other waste shall be kept in sanitary containers and regularly removed from the Property. Equipment for the storage or disposal of such materials shall be kept in a clean and sanitary condition and shall be kept only on the portion of the Common Area

designated by the Board.

### 3.10 Nuisance

No person may interfere with the quiet enjoyment of any other resident of the Project or carry on any activity in any part of the Property which is noxious, illegal, seriously annoying or offensive to a person of reasonable sensibility. Each Owner shall use reasonable efforts to ensure that no odor, including but not limited to cooking odors, emanates from his or her Unit. No power tools, welding equipment, or carpentry shops shall be maintained or used within the Project without the prior written consent of the Board. In general, the hours from 10:00 p.m. and 8:00 a.m. should be considered "quiet hours" and additional efforts should be made to reduce unnecessary noise that might be heard by other residents during those hours. At a minimum, there shall be no loud parties, operation of washing machines or construction during these quiet hours. Stereos, televisions, vacuum cleaners, hair dryers, exhaust fans, exercise equipment or similar noise producing products should be kept at a respectful volume at all times and should be employed only at reduced volume levels during the "quiet hours." Other sources of "shared" sound that should be avoided during quiet hours including playing of pianos and other loud musical instruments, use of garbage disposals and vacuums, hammering or other construction activities, furniture moving, running dogs, bounding across floors or up and down stairs, and banging or slamming doors. If a resident ("**Complainant**") has a noise complaint, he or she will first try to resolve the dispute by asking the offender verbally or in writing to cease such noise producing activity. If the noise continues, the Owner of the Complainant's Unit may file a written complaint to the Board, which will investigate the claim and determine whether to send a notice of violation and hearing to the offender.

### 3.11 Parking

(a) **Guest Parking Spaces.** Guest parking spaces are shown on the Condominium Plan as "GP-1" through "GP-10." Guest parking spaces may be used by guests of residents of the Project for short-term parking. Owners are not permitted to park their vehicles in the guest parking spaces. Parking by commercial vehicles for the purpose of making deliveries to residents of the Project is permitted in the guest parking spaces. The Board may adopt additional rules and regulations regarding the use of guest parking spaces.

(b) **Deeded Parking Spaces.** Parking Spaces which are appurtenant to the Condominiums shall be used solely for the parking of bicycles and non-commercial passenger motor vehicles, which means automobiles, station wagons, pickup trucks, motorcycles, light vans and suburban utility vehicles. More than one motor vehicle may be parked in a Parking Space. However, no person shall park a motor vehicle anywhere upon the Property other than his or her designated Parking Space or parking areas designated by the Board for temporary parking. Any parking spaces that have not been deeded to a Condominium will be treated as Common Area and the Board shall assign or otherwise designate the use of them. Repair or washing of any motor vehicle shall not be permitted anywhere on the Property, except an emergency repair. Each Owner shall keep his or her designated Parking Space neat and clean and shall immediately remove any oil, grease or other waste emitted from his or her vehicle.

(c) **Prohibited Vehicles.** No boat, trailer, recreational vehicle, camper, truck (other than a standard size pickup truck or standard size van) or vehicular machine shall be parked or left on any driveway, Parking Space or on any other portion of the Project, other than the specific Parking Space of the Owner owning such vehicle for a reasonable time in which the Owner shall have such vehicle placed in an operating condition. Only commercial vehicles

which are used both for business and personal use (including standard size vans and pickup trucks) shall be permitted; provided, however, that any signs or markings of a commercial nature on such vehicles shall be unobtrusive and inoffensive as determined by the Board. No vehicle shall be operated upon the Project which emits extraordinary and offensive levels of exhaust pollution, oil, grease or noise, as such levels may be determined by the Board.

(d) **Handicap Parking Spaces.** A handicap Parking Space may be used for the parking of a van modified for a disabled person. In the event the Owner of a Unit to which one of the handicap Parking Spaces is appurtenant ("**affected Owner**") is not handicapped, and an existing Owner of a Unit becomes handicapped, or a Condominium is purchased by a new Owner who is handicapped ("**handicapped Owner**"), the Board must temporarily reassign one of the handicap Parking Spaces to the handicapped Owner at the written request of the handicapped Owner. The affected Owner will be reassigned the Parking Space which the handicapped Owner has the right to use. The right of the handicapped Owner to use the handicap Parking Space will terminate when the handicapped Owner ceases to be handicapped or when the handicapped Owner ceases to occupy a Condominium at the Project. In either of these events, the Board immediately must reassign the handicap Parking Space to the Owner to whom it originally was assigned. Evidence of handicap status shall be by license plate or placard issued by the California Department of Motor Vehicles. The Board will decide which handicap Parking Space is exchanged and will be responsible for coordinating the exchange of Parking Spaces. The Board shall adopt rules with respect to the use and exchange of Parking Spaces, including a hearing and opportunity for the affected Owner to be heard and review of evidence of handicap status. The right to exchange a non-handicap Parking Space for a handicap Parking Space will be available to any handicapped Owner on a first-come, first served basis.

(e) **Removal.** Any vehicle that violates this Section 3.11 may be towed as long as the Association follows the requirements of California Vehicle Code Section 22658 and/or may be subject to a fine, a Reimbursement Assessment and suspension of voting rights. Each Owner, trespasser, licensee, and invitee, shall indemnify, defend and hold the Association, its Board members, officers, manager and employees harmless for any damage to person or property which may result.

### 3.12 Right to Lease

No Unit may be rented or leased for less than thirty (30) days. No Unit may be advertised as a fully-furnished Unit for less than thirty (30) days on airbnb, VRBO, Craigslist, Homeaway, Flipkey or any other similar website. Subject to these restrictions, an Owner may lease his or her Condominium, provided the lease is in writing, is made subject to the Governing Documents and a copy of the lease is sent to the Association prior to commencement. Whenever an Owner leases his or her Unit, both the Owner and the tenant are required to sign a lease addendum supplied by the Association that requires, among other things, (a) the lease be for the entire Unit; (b) no assignments or subleases are allowed; (c) the lease is for not less than thirty (30) days; (d) the tenant agrees to comply with the Governing Documents and be subject to the its disciplinary procedures; (e) the Owner assigns rents from his or her Unit to the Association in the event the Owner becomes delinquent in assessments; and (e) the tenant agrees to pay the Owner's assessments in the event of delinquent assessments.

### **3.13 Signs**

No signs shall be placed or posted within the Common Area without prior written approval from the Board. No sign or billboard of any kind shall be displayed to the public view on or from any Unit, except:

- (a) Directional signs established by the Association;
- (b) Such signs as may be required for legal proceedings or notices;
- (c) During the time of construction of any Improvement, one job identification sign not larger than eighteen (18) by twenty-four (24) inches in height and width and having a face area not larger than three (3) square feet;
- (d) Signs advertising Condominiums "for sale" or "for rent" which do not exceed five square feet in size and which shall be removed within forty-eight (48) hours of the Condominium being sold or rented; and
- (e) Noncommercial signs, posters, flags or banners otherwise permitted by law, except that under no circumstances may a noncommercial sign or poster exceed nine (9) square feet in size or a noncommercial flag or banner exceed fifteen (15) square feet in size.

### **3.14 Smoking Prohibition**

No Owner, family member, tenant, resident, guest, business invitee, or visitor shall smoke within the Common Area, including but not limited to the elevators, basements, storage areas, fire escapes, hallways, garages, lobbies or any other enclosed space. This prohibition does not apply to smoking within the Units or the Decks. The term "smoke" means to inhale, exhale, burn or carry any lighted cigarette, cigar or other tobacco product, electronic cigarette, pipes, marijuana, or illegal substance. The term "business invitee" shall include, but is not limited to, any contractor, agent, household worker, or other person hired by the Owner, tenant or resident to provide a service or product to the Owner, tenant or resident. Any Owner who sells his or her Unit shall specifically disclose to all potential buyers and realtors that smoking is prohibited within the Common Area. Any resident smoking marijuana for medical purposes must submit appropriate documentation. Smoking within the Units (including medical marijuana) shall not be done in a manner that creates a nuisance to other residents. If requested by the Board, the smoker must install HEPA filters or other measures to mitigate the impact of his or her second hand smoke. If the smoker fails to take any mitigation measures after being provided with reasonable notice from the Board, the Board may levy a fine and/or a Reimbursement Assessment after notice and a hearing.

### **3.15 Storage**

Any obstruction of the Common Area is prohibited. Nothing may be stored in the Common Area without the prior consent of the Board, except in designated storage areas.

### **3.16 Window Covering**

All window coverings visible from the street or Common Area shall be in a neutral color, unless otherwise approved by the Board.

## ARTICLE 4 MAINTENANCE OBLIGATIONS

### 4.1 Maintaining Common Area and Improvements

(a) **Generally.** Except as otherwise provided in Section 4.2, the Association shall maintain in good condition, repair, replace and manage the Common Area, including all Exclusive Use Common Areas, all utility installations except those maintained by utility companies, equipment and landscaping located on the Common Area, and all furnishings and property acquired by the Association. The Association shall clean exterior glass surfaces. The responsibility of the Association for maintenance and repair shall not extend to the repair of damage to the Common Area, which originates from a Unit or which is caused by the negligence of an Owner or Owner's Invitee, as described in Section 4.5 (Damage to Common Area or Exclusive Use Common Area Caused By Owner), in which case the responsible Owner shall pay to repair the damage and/or pay the Association's insurance deductible.

(b) **Termites.** The Association shall contract for regular termite inspection and treatment of the Common Area (including Exclusive Use Common Areas). The costs for temporary relocation, if necessary during treatment, are to be borne by the Owner affected and not by the Association pursuant to California Civil Code Section 4775(b). Written notice of treatment shall be sent to the Owners and occupants at least two (2) weeks in advance of treatment.

(c) **Utilities.** The Association shall maintain all utility connections, sanitary sewers and storm drainage facilities located in the Common Area, except for those installations maintained by utility companies, public, private, or municipal. The Association shall pay all charges for utilities supplied to the Project, except those metered or charged separately to the Condominiums.

### 4.2 Maintaining Units

Each Owner shall maintain the Owner's Unit, including, without limitation, all appliances, lighting fixtures, recessed bathroom lighting, bathroom and kitchen exhaust fans, individual Unit heating system, and appurtenances therein. The Association may adopt Association Rules which further clarify those Improvements which are to be maintained by an Owner and those which are to be maintained by the Association.

(a) **Unit Interiors.** Except for those portions of the Project which the Association is required to maintain and repair, each Owner shall, at his or her sole cost and expense, maintain and repair his or her Unit, keeping the same in good condition. Subject to the Association Rules, each Owner shall have the exclusive right to paint, plaster, tile, wax, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, windows, and doors bounding his or her Unit in a manner which does not intrude on or into the Common Area. Each Owner is responsible for the interior surface of his or her wall, while the Association is responsible for the unfinished drywall that makes up the outer shell of the Unit.

(b) **Doors, Windows and Glass Surfaces.** Each Owner shall maintain the interior surface of all windows and doors and shall repair and replace all door locks, including cylinders and deadbolts; provided, however, all exterior doors and exterior hardware must precisely match the item replaced unless otherwise approved by the Board. Each Owner shall repair and replace the window glass and frames of that Owner's windows and sliding glass door after obtaining the Board's written approval. The Association shall clean the exterior surfaces of all

Unit windows including windows which are accessible only with ladders or other specialized commercial equipment.

(c) **Wiring and Plumbing.** Each Owner shall maintain, repair and replace, as necessary, all fixtures, appliances, showers, bathtubs, sinks, and toilets inside his or her Unit. No plumbing fixtures within the Units may be relocated without the Owner's submittal of an application under Article 5 (Architectural Control) and receipt of the Board's prior written approval. Modification, replacement, or repair of any wall containing electrical conduit or plumbing or any wiring or plumbing systems that connect to systems serving other Units and/or the Common Area requires the Board's prior written approval. If the Owner's Unit is exclusively served by a damaged pipe, the Owner of that Unit shall be responsible for the cost of repairing that damaged pipe even if it is located within the Common Area walls.

(d) **Water Damage.** Each Owner shall be financially responsible for any water damage arising out of their Units or any system exclusively serving that Owner's Unit (e.g. damaged water pipes, faulty shower valve, etc.), without regard to negligence. Any leaks in a Unit that are not reported immediately upon discovery may subject the Owner to a Reimbursement Assessment if it is determined that the Association suffered additional costs that could have been avoided but for the Owner's failure to promptly report.

#### **4.3 Maintaining Exclusive Use Common Area**

No Alteration may be made to Exclusive Use Common Area until it has been approved by the Board in accordance with the provisions of Article 5 (Architectural Control).

(a) **Deck.** Each Owner shall sweep, clean, water and remove dead landscaping and clear the drains within his or her Deck. The Association shall provide structural repair and replacement of the Deck, including joists underneath, resurfacing the flooring, sealing, weather stripping, caulking, and replacement or repainting of the wood railings and caps of such Decks. Each Owner shall change the light bulbs and maintain the fixtures for any exterior lighting on the Decks.

(b) **Parking Space.** Each Owner and resident shall keep their deeded or assigned Parking Space in a neat and orderly condition and remove any oil spills caused by their vehicles.

#### **4.4 Failure to Maintain Unit and/or Exclusive Use Common Area**

In the event an Owner fails to maintain the interior of his or her Unit or Exclusive Use Common Area in a manner that affects any other Common Area or which the Board otherwise deems necessary to preserve the appearance and value of the Project, the Board may notify the Owner of the work required and request that it be done within sixty (60) days from the giving of such notice. In the event an Owner fails to carry out such maintenance within said period, the Board may, after written notice to the Owner and an opportunity for a hearing before the Board, may cause such work to be done, and the cost of such work shall be levied as a Reimbursement Assessment pursuant to Section 6.7. Entry into a Unit shall be made only after forty-eight (48) hours' notice pursuant to Section 2.7, above.

#### **4.5 Damage to Common Area or Exclusive Use Common Area Caused By Owner**

If any portion of the Common Area is damaged and such damage originates from a Unit or any Exclusive Use Common Area, the Owner of the Unit or Exclusive Use Common Area from which the damage originated shall pay to repair such damage without regard to negligence. If any portion of the Common Area is damaged and such damage is caused by the negligent act or omission of an Owner or Owner's Invitee, the Owner shall pay to repair such damage. If an Owner fails to pay to repair the damage or the Association's insurance deductible (where applicable), the Association may make such payment on behalf of the responsible Owner and then levy a Reimbursement Assessment against that Owner and that Owner's Condominium.

#### **4.6 Damage to Units Caused by Owner**

If any portion of a Unit is damaged, such damage is covered by the Association's insurance policy and such damage originates from a Unit, the Owner of the Unit from which the damage originated shall pay to repair the damage without regard to negligence. If an Owner fails to pay to repair the damage, the Association may repair such damage on behalf of the responsible Owner and then levy a Reimbursement Assessment against that Owner and that Owner's Condominium.

### **ARTICLE 5 ARCHITECTURAL CONTROL**

#### **5.1 Alteration Requiring Prior Approval**

Prior Board approval in accordance with this Article 5 is required for: (a) any proposed Alteration to the interior of any Unit that extends beyond the boundary of a Unit (beyond the interior surface of the ceiling, subfloor or drywall of the Unit); (b) any Alteration to the existing electrical, plumbing, HVAC or other mechanical equipment or lines, window assembly or frames; (c) any Alteration that affects the structural integrity or structural component of the building; (d) any installation of hard flooring material that would increase sound transmission between the Units; and (e) any Alteration to the exterior of the building including, but not limited to, placement of tiling or other floor covering surfaces or other Improvements on the Decks. No Owner shall alter the exterior of the building in any manner whatsoever.

#### **5.2 Alteration Not Requiring Prior Approval**

Notwithstanding the foregoing, an Owner may improve or alter any Improvements located within the interior boundaries of the Owner's Unit without Board approval such as replacement of wall coverings; replacement of floor coverings (which does not increase sound transmission); and the placement of artwork, mirrors, wall covering or other items to be affixed to the drywall but which do not penetrate beyond the drywall. All construction shall be conducted in accordance with the Association Rules regarding entry onto the Association property, hours of construction, and limited use of the elevator for materials and workers. Owners shall be fully responsible for any property damage or personal injury caused by their contractors, subcontractors, employees, residents or agents of the Owners.

### **5.3 Architectural Standards**

The Board may, from time to time, adopt, amend, and repeal rules and regulations to be known as "Architectural Rules." Said Architectural Rules shall interpret and implement the provisions of this Article 5 by setting forth the standards and procedures for Board review and guidelines for architectural design, placement of buildings and other structures, and landscaping, color schemes, exterior finishes and materials, and similar features which are recommended for use in the Project; provided, however, that said Architectural Rules shall not be in derogation of the minimum standards required by this Declaration.

### **5.4 Submission of Plans and Specifications**

Prior to commencing any Alteration that requires approval, the Owner shall submit a completed architectural application form, plans and specifications, evidence of contractor's license and certificate of insurance, a refundable deposit and other information required by the Association Rules. The contractor's insurance must name the Owner as well as the Association as additional insureds. The refundable deposit, in an amount determined by the Board, shall cover any repairs or losses resulting from damage to the Common Area by the Owner's contractor or agent. The full amount of the damage deposit must be maintained during the entire construction project. If funds are removed to reimburse the Association for any damage, the funds must be replenished by the Owner in order for construction to continue.

### **5.5 Board Response**

The Board shall respond in writing to an Owner's notice of the proposed Alteration within sixty (60) business days of the Board's receipt of the completed application and plans and specifications. If the Board fails to respond within sixty (60) business days, the applicant may deliver a written demand for action. If the Board fails to approve or disapprove the application within sixty (60) business days of the written demand, approval shall be deemed granted unless a written extension is executed by the person submitting the application or by the Board. The Board's response may be an approval, a conditional approval, or denial of the proposed Alteration. If the Board's response is a conditional approval or denial, the reasons for such decision shall be provided in the written response provided to the Owner. If the Board's response is a conditional approval, the written response shall also include direction as to how the Owner should modify the proposed Alteration to obtain an unconditional approval. The Board may require the applicant to sign a recordable indemnity agreement that will require the Owner of the Unit in question to perform all needed maintenance, repair and replacement at his or her expense. The agreement shall then be recorded in the chain of title to the Unit so it will be binding on successor Owners of the Unit.

### **5.6 Completion**

Upon approval by the Board, no subsequent material modification to the approved plans and specifications shall be permitted, unless the Owner first requests and obtains approval of such modification from the Board. If the work is not commenced within ninety (90) days after receipt of approval or is not completed within one hundred and eighty (180) days after receipt of approval or by such other date approved by the Board, the approval automatically shall be deemed revoked and no further work shall be done without again obtaining the written approval of the Board.



## **5.7 Inspection**

Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon twenty-four (24) hours' oral or written notice, Board members or representatives shall have the right to inspect the jobsite during the construction or installation of the proposed Alteration to confirm that work is proceeding in accordance with the approved plans and specifications. If it is not, the Owner shall be notified in writing by the Board of the violation(s) and shall have thirty (30) business days to remedy the non-compliance.

(b) Upon completion of the construction or installation work, the Owner shall provide the Board with a written notice of completion.

(c) Within sixty (60) business days after the Board receives the notice of completion, the Board's designated representative shall have the right to inspect the completed work to determine whether or not said work substantially complies with the approved plans and specifications.

## **5.8 Non-Compliance**

If an Owner violates any provision of this Article 5, then the Board shall provide the Owner with written notice of the non-compliance, describing the violation(s). Where the Board discovers a violation during the sixty (60) day final inspection period, the notice of non-compliance must be mailed or delivered to the Owner within that sixty (60) day timeframe. The Owner shall be provided with thirty (30) business days to rectify the violation(s), measured from the date the Board delivers its notice of non-compliance to the Owner. If the Owner fails to rectify the violation(s) within the thirty (30) day timeframe, the Board shall provide notice and an opportunity for a hearing to consider the Owner's continuing non-compliance. At the hearing, if the Board finds that there is no valid reason for the continuing non-compliance, the Board shall determine the estimated costs of correcting it. The Board shall then require the Owner to remedy or remove the non-complying Improvement within a period of not more than forty-five (45) days from the date of the Board's determination. If the Owner does not comply with the Board's ruling within such forty-five (45) day timeframe, or within any extension of such period as the Board, in its discretion, may grant, the Board may either remove the non-complying Improvement or remedy the non-compliance. The costs of such action shall be levied against the Owner as a Reimbursement Assessment. Such costs include but are not limited to: (a) reconstruction or repair to the Unit and its related costs; (b) reconstruction or repair to the Common Areas or Exclusive Use Common Areas and its related costs; (c) attorneys' fees; and (d) court costs.

## **5.9 Estoppel Certificate**

Within thirty (30) days after written demand is delivered to the Association by any Owner, and upon payment to the Association of a reasonable fee (as fixed from time to time by the Board), the Board shall cause to be recorded an estoppel certificate, certifying (with respect to any Unit of said Owner) that as of the date thereof, either: (a) all Improvements made and other work completed by said Owner comply with this Declaration, or (b) such Improvements or work do not so comply, in which event the certificate shall also identify the noncomplying Improvements or work and set forth with particularity the basis of such non-compliance. Any purchaser from the Owner, or from anyone deriving any interest in a Unit through him or her, shall be entitled to rely on said certificate with respect to the matters therein set forth, such

matters being conclusive as between the Association and all Owners and such persons deriving any interest through them.

#### **5.10 Liability**

Neither the Board nor any member thereof shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of: (a) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (b) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (c) the development of any property within the Project; or (d) the execution and filing of an estoppel certificate pursuant to Section 5.9, whether or not the facts therein are correct; provided, however, that the Board, or any member thereof, has acted in good faith on the basis of such information as may be possessed by him or her.

#### **5.11 Compliance with Governmental Requirements**

The application to the Association and the review and approval of any proposals, plans, or other submittals shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements, the responsibility for which lies solely with the respective Owner.

### **ARTICLE 6 ASSESSMENTS, RESERVES, AND FINANCIAL REPORTING**

#### **6.1 Purpose of Assessments**

The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of all residents of the Project and for the improvement and maintenance of the Common Area for the common good of the Project.

#### **6.2 Procedure for Establishing Regular Assessments**

(a) **Pro Forma Operating Budget.** Not less than thirty (30) days nor more than ninety (90) days before the end of the fiscal year, the Association shall distribute the pro forma operating budget with the Annual Budget Report, as described in Section 11.1 of the Bylaws.

(b) **Regular Assessments.** Not less than thirty (30) days nor more than ninety (90) days before the end of the fiscal year, the Board shall establish the Regular Assessments for each fiscal year when it approves the pro forma operating budget for that fiscal year, as described in Section 11.1 of the Bylaws. If the Board fails to fix the amount of the Regular Assessment for the coming fiscal year, the amount of the Regular Assessment established for the preceding fiscal year shall continue until a new Regular Assessment amount is fixed.

(c) **Limitations on Regular Assessments.** The Board may not establish a Regular Assessment for any fiscal year which is increased by more than twenty percent (20%) of the Regular Assessment for the prior fiscal year without the approval by secret ballot, as described in the Bylaws, of a majority of the votes cast during an election where a quorum has been established. For purposes of this Section, a "quorum" means more than fifty percent (50%) of the Members. These limitations do not apply to increases in Regular Assessments that address any one of the following emergency situations:

- (1) Complying with the requirements of a court order;

(2) Repairing or maintaining the Project, or any part of it for which the Association is responsible where an immediate threat to personal safety on the Project is discovered; or

(3) Repairs to or maintenance of the Project that could not have been reasonably foreseen in preparing the pro forma operating budget, provided that prior to the imposition of the assessment, the Board shall have made and distributed to the Owners written findings as to the necessity of such repairs or maintenance and the reason that they could not have been reasonably foreseen.

### **6.3 Accounting Treatment of Reserves**

Unless the Association or its assessment income shall be exempt from federal or state income taxes, to the extent possible, all reserves shall be accounted for and handled as contributions to the capital of the Association and as trust funds segregated from the regular income of the Association or in such other manner authorized by law or regulations of the Internal Revenue Service and the California Franchise Tax Board as will prevent such funds from being taxed as income of the Association.

### **6.4 Limitations on Use of Reserves**

The signatures of at least two (2) Board members shall be required for the withdrawal of funds designated as reserve funds. The Board shall not expend funds designated as reserve funds for any purpose other than the repair, restoration, replacement or maintenance of Major Components for which the reserve funds were established or litigation relating thereto. Notwithstanding this limitation, the Board (a) may authorize the temporary transfer of money from the reserve account to the Association's operating account to meet short term cash flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons why the transfer is needed, and describing when and how the money will be repaid to the reserve account, (b) shall cause the transferred funds to be restored to the reserve account within one (1) year of the date of the initial transfer; however, the Board may, upon making a documented finding that a delay of restoration of the funds to the reserve account would be in the best interests of the Project, delay the restoration until such time as it reasonably determines to be necessary, and (c) shall exercise prudent fiscal management in maintaining the integrity of the reserve account and shall, if necessary, levy a Special Assessment to recover the full amount of the expended funds within the period described in (b) above. Any such Special Assessments shall not be subject to the limitations specified in Section 6.5 (Special Assessments). If the Board uses reserve funds or temporarily transfers money from the reserve account to pay for litigation, the Association shall notify the Owners of that decision and the availability of an accounting on those expenses in the next available mailing. The Association shall make an accounting of expenses related to the litigation on at least a quarterly basis. The accounting shall be made available for inspection by the Owners at the principal office of the Association.

### **6.5 Special Assessments**

(a) **Determination of Amount.** If at any time the Board determines that the estimated total amount of funds necessary to defray the Common Expenses for a given fiscal year is or will become inadequate to meet expenses for any reason, including, without limitation, unanticipated delinquencies, costs of construction, costs to purchase Condominiums following damage or destruction, or unexpected repairs or replacements of Major Components, the Board

shall determine the approximate amount necessary to defray such expenses, and if the amount is approved by a majority vote of the Board, then that amount shall become the amount of the Special Assessment to be levied against Owners.

(b) **Limitations on Special Assessments.** Notwithstanding Section 6.5(a) (Determination of Amount), any Special Assessment exceeding five percent (5%) of the budgeted gross expense of the Association for the fiscal year shall require the approval by secret ballot, as described in the Bylaws, of a majority of the votes cast during an election where a quorum has been established. For purposes of this Section, a "quorum" means more than fifty percent (50%) of the Members. These limitations do not apply to Special Assessments levied pursuant to Section 8.13 (Damage or Destruction) or levied for any one of the emergency situations described in Section 6.2(c).

#### **6.6 Allocation of Assessments**

The expenses for Regular Assessments shall be divided among the Owners equally, except for assessments for insurance, gas and water and reserves for the roof and paint, which shall be prorated to each Owner according to his or her percentage interest in the Common Area as shown in Exhibit "A" attached hereto. Special Assessments shall be divided among the Owners on the same basis as Regular Assessments, except where the Special Assessment is levied to raise funds for the rebuilding or major repair of structural Common Area which houses the Units. In that case, the Special Assessment shall be divided upon the basis of the ratio of the square footage of the floor area of the Unit to be assessed to the total square footage of the floor area of all Units to be assessed. Unless otherwise agreed by the Owners, Property Tax Assessments shall be divided among the Owners according to each Owner's percentage interest in the Common Area.

#### **6.7 Reimbursement Assessments**

After providing notice and a hearing pursuant to Section 10.2 (Informal Dispute Resolution: Notice and Hearing), the Association shall have the power to levy a Reimbursement Assessment against an Owner to reimburse the Association for expenditures made by the Association: (a) to repair damage caused by an Owner or an Owner's Invitee; (b) to perform maintenance that the Owner is obligated to perform under the Governing Documents; (c) to enforce the Governing Documents against an Owner or Owner's Invitee; or (d) to discharge any lien on the Project for which such Owner is responsible. A Reimbursement Assessment may be enforced by lien pursuant to California Civil Code Section 5725(a) if levied to repair damage to the Common Area. A Reimbursement Assessment is separate and distinct from a fine or other monetary penalty.

#### **6.8 Non-Waiver of Assessments; No Offsets**

No Owner may waive or otherwise escape personal liability for the payment of all assessments levied against that Owner's Condominium by non-use or abandonment of the Common Area or that Owner's Condominium. No offset against any assessment shall be permitted for any reason, including any claim made by an Owner that the Association is not properly discharging its duties and obligations.

## **6.9 Assessment Due Date**

The first day of each month shall be the due date for all monthly installments of Regular Assessments and Special Assessments. If, in the sole discretion of the Board, a Special Assessment is levied in a single payment and not pro-rated over the remaining months of the fiscal year, said Special Assessment shall be due and payable to the Association when levied upon the Owner. Reimbursement Assessments shall be due and payable to the Association when levied upon an Owner. A Reimbursement Assessment shall be due and payable to the Association within thirty (30) days after the mailing of notice of the Reimbursement Assessment.

## **6.10 Delinquent Assessments; Late Fees and Interest**

All payments not received within fifteen (15) calendar days of the due date shall be deemed delinquent. There shall accrue with each delinquent assessment, or installment thereof, a late charge equal to the maximum amount permitted under California Civil Code Section 5605 (or under any successor provision of California law which limits the amounts of such late charge). Any waiver of such late fee shall require a vote of the Board. The Association may recover its reasonable costs incurred in collecting delinquent assessments or installments, including, without limitation, attorneys' fees, accounting fees, management fees and the Board's internal fees, from the delinquent Owner. Interest on all assessments or installments owing by an Owner, including reasonable costs of collection and late charges, shall accrue at an annual percentage rate of twelve percent (12%), commencing thirty (30) days after the assessment or installment becomes due, or such higher rate as may be allowed by law and specified from time to time by the Board. Any payments toward a delinquent assessment or installment shall first be applied to the assessment or installments amounts owed, and only after the assessment or installments owed are paid in full shall such payments be applied to the fees and costs of collection, attorneys' fees, accounting fees, management fees, late charges or interest. When an Owner makes a payment, the Owner may request a receipt and the Association shall provide it. The receipt shall indicate the date of payment and the person who received it. The Association shall provide a mailing address for overnight payment of assessments or installments.

## **ARTICLE 7 ENFORCEMENT OF ASSESSMENTS; LIENS AND FORECLOSURE**

### **7.1 Right to Enforce**

The right to collect and enforce assessments is vested in the Association, which shall have the authority to delegate the exercise of such right to an agent, including any management company or representative thereof. The Association or its authorized agent can enforce the obligation of the Owners to pay assessments provided for in this Declaration by suspending rights to use Common Area facilities, suspending voting rights, collecting rent from the Owner's tenant as described in Section 7.2 (Assignment of Rents) below, filing a suit at law or equity, recording a lien pursuant to Section 7.7 (Creation of Lien) and/or pursuing its lien foreclosure and enforcement rights under Section 7.8 (Enforcement of Lien and Foreclosure). A suit to recover a money judgment for unpaid assessments together with all Additional Charges shall be maintainable without waiving the Association's lien rights. The Association shall have the right to attach, to seek appointment of a receiver or to pursue any other remedy permitted by law in connection with any action to collect a delinquent assessment or to foreclose its lien.

## 7.2 Assignment of Rents

When an Owner who is leasing his or her Unit fails to pay any Regular Assessment or other assessment or charge to be paid by the Owner to the Association pursuant to this Declaration for a period of more than thirty (30) days after it is due and payable, then the delinquent Owner hereby consents to the assignment of any rent received from the tenant or lessee during the period of delinquency, and, upon request by the Board, tenant or lessee shall pay to the Association all such rent until all unpaid amounts owned by the Owner to the Association have been paid in full. All such payment made by tenant or lessee shall reduce, by the same amount, tenant's or lessee's obligation to make monthly rental payments to lessor. This Section shall not be construed to release the Owner from any obligation, including the obligation for assessments, for which he or she would otherwise be responsible. In order to enforce this provision, the Association must record a lien and serve a "Demand to Pay Rent" to the tenant in accordance with California Civil Code Section 2938 or any successor statute.

## 7.3 Notice to Delinquent Owner

At least thirty (30) days before recording a lien against the Condominium of an Owner pursuant to Section 7.7(a)(Recordation of Notice of Delinquent Assessment), the Association shall notify the record Owner in writing by certified mail of the following:

(a) A general description of the collection and lien enforcement procedures of the Association; the method of calculation of the amount; a statement that the Owner has the right to inspect the Association records pursuant to California Corporations Code Section 8333; and the following statement in 14-point boldface type, if printed, or in capital letters, if typed:

**"IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION";**

(b) An itemized statement of the charges owed by the Owner, including items on the statement which indicate the amount of any delinquent assessments, the fees and reasonable costs of collection, reasonable attorneys' fees, accounting fees, management fees, late charges, and interest, if any;

(c) A statement that the Owner shall not be liable to pay the charges, interest, and costs of collection, if it is determined the assessment(s) was paid on time to the Association; and

(d) The right to request a meeting with the Board to discuss a payment plan for the amount owing by the Owner.

## 7.4 Owner Disputes Delinquency

An Owner may dispute the amount owing as shown in the Association notice described in Section 7.3 (Notice to Delinquent Owner), above, by submitting to the Board a written explanation of the reasons for his or her disagreement within fifteen (15) calendar days of the postmark of the notice sent by the Board ("**Owner Explanation**"). On receipt of the Owner Explanation, the Association shall inform the Owner that the Owner may resolve the dispute through informal dispute resolution, as described in Section 7.5 (Informal Dispute Resolution as applied to Assessment Dispute), through alternative dispute resolution ("**ADR**") as set forth in

California Civil Code Section 5925 *et seq.*, by civil action, or by any other procedures to resolve the dispute that may then be available through the Association.

#### **7.5 Informal Dispute Resolution as applied to Assessment Dispute**

The Board shall respond in writing to the Owner within fifteen (15) days of the date of the postmark of the Owner Explanation, if the Owner Explanation is mailed within fifteen (15) days of the date of the postmark of the Association notice. An Owner may also submit a written request to meet with the Board to discuss a payment plan for the amount owing as shown in the Association notice. The Association shall provide the Owner with the standards for payment plans, if any exist. The Board shall meet with the requesting Owner in executive session within forty five (45) days of the postmark of the Owner Explanation, if the Owner Explanation is mailed within fifteen (15) days of the date of the postmark of the Association notice, unless there is no regularly scheduled Board meeting within that period, in which case the Board may designate one or more directors to meet with the Owner.

#### **7.6 Alternative Dispute Resolution as applied to Assessment Dispute**

An Owner may request and shall be awarded through ADR reasonable interest to be paid by the Association on the total amount paid by the Owner under protest if the arbitrator/mediator determines that the assessment levied by the Association was not correctly levied.

#### **7.7 Creation of Lien**

If there is a delinquency in the payment of any assessment or installment thereof applicable to a Condominium, as determined in accordance with Section 6.9 (Assessment Due Date), above, or in the payment of any other amount with respect to which a lien is authorized to be imposed by the Association pursuant to this Declaration or by law, the Association shall have a lien against the Condominium in the amount of the delinquent payments plus all Additional Charges.

(a) **Recordation of Notice of Delinquent Assessment.** The lien shall be effective upon the recordation of a "Notice of Delinquent Assessment" in the Official Records of the County pursuant to California Civil Code Section 5675. The notice shall state: (a) the amount of the assessment and other sums owing, (b) a legal description of the Owner's Condominium, (c) the name of the Owner as reflected in the recorded deed to the Condominium, and (d) the name and address of the trustee authorized by the Association to enforce the lien by sale as provided in Section 7.8 (Enforcement of Lien and Foreclosure). The notice shall be signed by the President of the Association, or by a person authorized by resolution of the Board, and mailed in the manner set forth in California Civil Code Section 2924b to all record Owners of the Condominium no later than ten (10) calendar days after recordation. The notice shall not be recorded unless the Association has complied with the provisions of Section 7.3 (Notice to Delinquent Owner) and Section 7.4 (Owner Disputes Delinquency), above.

(b) **Duration of Lien.** The lien shall continue until the Association records a further notice stating the satisfaction and release of the lien as provided in California Civil Code Section 5685, or until foreclosure as provided hereinafter. Within twenty one (21) days of the payment of the sums specified in the notice of delinquent assessment, the Association shall record a "Lien Release" or "Notice of Rescission" in the Official Records of the County and shall provide the Owner with a copy of the release or notice, showing that the lien has been satisfied.

(c) **Priority of Lien.** A lien created pursuant to this Section 7.7 (Creation of Lien) shall be prior to all other liens recorded subsequent to the recordation of the Notice of Delinquent Assessment, except for Mortgages to which such lien is expressly made subordinate under this Declaration or by separate written instrument of subordination executed by the Association.

#### **7.8 Enforcement of Lien and Foreclosure**

Thirty (30) days following the recordation of a "Notice of Delinquent Assessment," as described in Section 7.7(a)(Recordation of Notice of Delinquent Assessment), the lien may be enforced in one of the following ways:

(a) If the delinquency exceeds One Thousand Eight Hundred Dollars (\$1,800.00) or is more than twelve (12) months overdue, the lien may be enforced in any manner permitted by law, including sale of the Condominium by the court upon judicial foreclosure, sale of the Condominium by the trustee designated in the notice of delinquent assessment, or sale of the Condominium by the trustee substituted pursuant to California Civil Code Section 2934a.

(b) If the delinquency is less than One Thousand Eight Hundred Dollars (\$1,800.00) or is less than twelve (12) months overdue, the Association may not use judicial or nonjudicial foreclosure to enforce the lien. The Association must use the enforcement mechanisms set forth in Section 7.5 (Informal Dispute Resolution as applied to Assessment Dispute) and Section 7.6 (Alternative Dispute Resolution as applied to Assessment Dispute) or file a court action.

#### **7.9 Waiver of Homestead Protections**

Each Owner, to the extent permitted by law, waives the protections of any declared homestead or homestead exemption under the laws of California as applied to any action to enforce the assessments levied by the Association.

### **ARTICLE 8 INSURANCE, DAMAGE OR CONDEMNATION**

#### **8.1 Best Efforts to Obtain and Maintain Insurance Policies**

The Board shall make every reasonable effort to obtain and maintain the following types of insurance policies as provided in this Article 8. If the Board is unable to purchase a policy or if the Board believes that the cost of the policy is unreasonable, the Board shall call a special membership meeting to determine what action to take. The Board shall comply with any resolution concerning insurance coverage adopted at such a meeting. If the failure to obtain or maintain the following types of insurance policies is due to the unavailability of such insurance from reputable insurance companies, or if such policies, in the sole judgment of the Board, are available at commercially unreasonable rates, neither the Board, the Association, nor the management company shall be liable for such failure.

#### **8.2 Named Insured**

The named insured on all insurance policies shall be the Association or its authorized representative, as a trustee for the Owners; provided, however, all such policies are for the benefit of all Owners and their Mortgagees, as their interests may appear.



### **8.3 Certificate of Insurance**

If reasonably available, the Association shall provide each Owner with a certificate of insurance specifying the amounts and types of such insurance applicable to that Owner's Condominium.

### **8.4 Authority to Negotiate and Adjustment of Losses**

Each Owner, by accepting a deed to a Condominium, shall be deemed to appoint the Association as such Owner's attorney-in-fact to negotiate and agree on the value and extent of any loss under any insurance policy. The Association is granted full authority to negotiate and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

### **8.5 Contribution**

In no event shall the insurance coverage obtained and maintained by the Association be brought into contribution with insurance purchased by the Owners or their Mortgagees.

### **8.6 Term**

The period of each insurance policy shall not exceed three (3) years, provided that the policy permits short rate cancellation by the insured.

### **8.7 General Policy Provisions**

To the greatest extent possible, the Board shall insure that each insurance policy provides for the following:

- (a) A waiver of subrogation by the insurer as to any claims against the Board, the Association's management company, the Owners and the Owners' Invitees;
- (b) A waiver by the insurer of its right to repair and reconstruct instead of paying cash;
- (c) That no policy may be cancelled, invalidated, or suspended on account of any Owner's act or omission;
- (d) That no policy may be cancelled, invalidated, or suspended on account of any act or omission by the Association or any of its employees or contractors, by any Board member, or by the Association's management company without the insurer's prior written notice (i) identifying the default and (ii) permitting a reasonable amount of time to cure by the Association;
- (e) That the policy will be primary and shall not require contribution by any individual insurance policy held by an Owner even where such individual insurance covers the same loss;
- (f) That no policy may be cancelled or substantially modified without at least sixty (60) days' prior written notice to the Association;
- (g) An agreed amount of endorsement, if the policy contains a co-insurance clause;

- (h) A guaranteed replacement cost or replacement cost endorsement; and
- (i) An inflation guard endorsement.

### 8.8 Underwriter

All such policies of insurance and bonds shall be obtained from insurance companies with a financial rating of Class VI or better and a policyholder's rating of A or better, both by Best's insurance rating guide. In the event Best's should revise its rating system, the Association shall select insurance companies with equivalent financial and policyholder's ratings under the rating system then being used by Best's or, in the event Best's discontinues its rating system, insurance companies with equivalent financial and policyholder's ratings under such comparable rating system as the Board may select.

### 8.9 Types of Insurance Policies

The Association shall obtain the following policies of insurance:

(a) **Fire and Casualty.** A master policy of fire and casualty insurance covering the Project and the Property, providing multi-peril coverage endorsement and coverage for such other risks as are commonly covered with respect to projects similar to the Project in construction, location and use, or such other fire and casualty insurance as the Board determines gives substantially equal or greater protection. Coverage shall be in an amount equal to the full replacement value of the Project and shall include an agreed amount or equivalent endorsement. The policy shall be in a form and from an insurance carrier satisfactory to the Board and to any first Mortgagee who inquires of the Association as to the acceptability of any policy.

(b) **Liability Insurance.** Comprehensive public liability coverage insuring against such risks as are customarily covered with respect to projects similar to the Project in construction, location and use, against liability to the public, or to any Owner, his or her tenants and invitees, incident to the ownership and use of the Project. Coverage under the policy shall not be less than Two Million Dollars (\$2,000,000) per occurrence. The policy shall be issued on a comprehensive liability basis and provide cross-liability endorsements so the rights of any named insured under the policy shall not be prejudiced in an action against another named insured.

(c) **Worker's Compensation.** A worker's compensation insurance policy to the extent necessary to comply with all applicable laws of the State of California or the regulations of any governmental body or authority having jurisdiction over the Project.

(d) **Fidelity Insurance.** A fidelity bond or policy of insurance against dishonest acts on the part of any person entrusted with or permitted to handle funds belonging to or administered by the Association, including a professional manager and his or her employees, naming the Association as the insured. The bond or insurance shall be in an amount not less than one and one-half times the estimated annual operating expenses plus accumulated reserves of the Association.

(e) **Director and Officer Liability Insurance.** The Association shall purchase and maintain insurance in the amount of not less than Five Hundred Thousand Dollars (\$500,000) or such greater amount as the Board deems reasonable on behalf of any director, officer or

member of a committee of the Association against any liability asserted against or incurred by any of these persons in their capacity or arising out of their status as agents of the Association, regardless of whether the Association has the power to indemnify these persons against liability under applicable law or the Bylaws.

(f) **Insurance Required by Certain Lenders.** Notwithstanding the foregoing or any other provision of this Declaration, in the event the casualty, boiler or machinery, liability insurance and fidelity bond requirements established for condominium projects by the Federal National Mortgage Association (“**FNMA**”) or the Federal Home Loan Mortgage Corporation (“**FHLMC**”) are greater than those insurance and fidelity bond requirements specified in this Declaration, the FNMA or FHLMC requirements, whichever are greater, shall be maintained by the Association. This requirement as to FNMA or FHLMC shall remain so long as FNMA or FHLMC is a Mortgagee, Insurer or Guarantor of a Mortgage, or an Owner of a Condominium within the Project; provided however, to the extent such coverage is not available or has been modified or waived in writing by FNMA or FHLMC, it need not be obtained.

(g) **Other Insurance.** The Association shall maintain other types of insurance that the Board, in its discretion and good faith judgment, determines are necessary to fully protect the interests of the Owners.

#### **8.10 Owner’s Insurance Policies**

The Association’s insurance policies described in Section 8.9 (Types of Insurance Policies) are not intended to cover and do not cover any Improvement, fixtures, appliances or any personal property situated within an Owner’s Unit. Each Owner is responsible for obtaining homeowner’s insurance covering any damage or injury occurring within that Owner’s Unit, the full replacement value for Improvements and betterments added to his or her Unit, loss assessment, loss of use, and loss of rental income.

#### **8.11 Payment of Premiums**

Insurance premiums for the policies required hereby shall be a Common Expense to be included in the monthly assessment levied by the Association.

#### **8.12 Notice of Lapse, Cancellation or Change in Association Insurance Policies**

The Association shall, as soon as reasonably practical, notify Owners by first-class mail if any of the insurance policies described in this Article 8 have lapsed, been canceled, and are not immediately renewed, restored, or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, for any policy. The Association shall immediately notify Owners if the Association receives any notice of non-renewal of any of the policies described in this Article 8 and replacement coverage will not be in effect by the date the existing coverage lapses.

#### **8.13 Damage or Destruction**

(a) **Damage to a Single Unit.** If a single Unit within the Project is damaged by a casualty which is covered by insurance, the insurance proceeds shall be paid to the Owner of the Unit and his or her Mortgagee according to their respective interests in the Condominium. The insurance proceeds shall be used to rebuild and repair the Unit. If the proceeds are insufficient to complete the work, the Owner shall pay whatever additional sums may be

necessary to complete the rebuilding and repair. If a single Unit within the Project is damaged by a casualty which is not covered by insurance, the entire cost of repairing and rebuilding the Unit shall be paid by the Owner.

(b) **Damage to Two or More Units or Common Area.** If the damage extends to two or more Units or any part of the Common Area, the following procedures shall be employed for the disposition of insurance proceeds and guidance in reconstruction:

(i) **Minor Casualty.** If the available insurance proceeds initially offered or paid by the insurer exceed ninety percent (90%) of the cost of repairing or rebuilding, the insurance proceeds shall be paid to a bank, savings and loan association, or another trustee designated by the Board ("**insurance trustee**"). The Board, on behalf of the Association and the Owners, shall enter into an insurance trust agreement, consistent with this Declaration, with the insurance trustee, relating to its powers, duties and compensation. The Board shall promptly contract to repair and rebuild the damaged portions of all Units and the Common Area. If the insurance proceeds are insufficient to pay all of the costs of repairing or rebuilding, the Board shall levy a Special Assessment on all Owners, subject to the provisions of this Declaration governing Special Assessments and membership approval of them.

(ii) **Major Casualty.** If Section 8.13(b)(i)(Minor Casualty) is inapplicable, (including inapplicability due to the fact that the damage is uninsured) then the following shall apply:

A. Any insurance proceeds shall be paid to the insurance trustee and held for the benefit of the Owners and their Mortgagees, according to their respective interests in the Condominiums.

B. The Board shall obtain firm bids, including the obligation to obtain a performance bond, from two or more responsible contractors to rebuild the Project. The Board shall promptly call a special meeting of the Owners to consider the bids. The Board may also obtain an estimate from the insurance carrier of the work it will perform for the amount of the insurance coverage. If the Board fails to do the above within sixty (60) days after the casualty occurs, any Owner may obtain the contractors' bids or insurance estimate and call and conduct the meeting to consider the bids. Failure by the Board and the Owners to call a meeting or to repair the casualty damage within twelve (12) months from the date the damage occurred shall be deemed a decision not to rebuild the damaged or destroyed improvements. At the meeting, the Owners may vote to reject all bids or estimates and not rebuild. A vote of fifty-one percent (51%) of the Members shall be required to reject all bids or estimates. Failure to reject all bids and estimates shall authorize the Board to accept the un-rejected bid it considers most favorable, unless acceptance of that bid would require the levy of a Special Assessment. In that case, the acceptance shall only be granted following membership approval of the Special Assessment pursuant to Section 6.5. If membership approval of the Special Assessment is not obtained, the bid shall be deemed to have been rejected.

C. If a bid or estimate is accepted, the Board shall levy a Special Assessment on all Owners to make up any deficiency between the total insurance proceeds and the cost of the repairs or rebuilding. The Special Assessment and all insurance proceeds, whether or not subject to liens of Mortgagees, shall be paid to the insurance trustee to be used for the rebuilding.

D. Upon an election not to rebuild, the Association, as agent, shall promptly sell the entire Project, in its then condition, on terms satisfactory to the Board. For the purposes of effecting a sale under this Section, each Owner grants to the Association an irrevocable power of attorney to sell the entire Project for the benefit of the Owners, to terminate the Declaration and to dissolve the Association. This Declaration shall then terminate. The net proceeds and all funds held by the insurance trustee shall be distributed to the Owners and their respective Mortgagees proportionately, according to the respective fair market values of the Units at the time of the destruction as determined by a qualified independent appraiser with an M.A.I. certificate or the equivalent. The appraiser shall be selected by the Board. The Association shall pay the cost of the appraisal. If the Association fails promptly to sell the Project, any Owner may bring an action for judicial partition of the tenancy in common ownership of the Project.

(c) **Standards for Rebuilding and Repair.** All reconstruction of the Project shall be made in accordance with the conditions existing immediately prior to the damage, modified to comply with building codes and construction standards in effect at the time of the rebuilding.

(d) **Full Insurance Settlement.** Notwithstanding any provision to the contrary, if the insurance carrier offers the full amount required to repair and restore all of the damage, then the Board must contract to repair and rebuild the damaged portions of all Units and the Common Area in the manner provided in Section 8.13(b)(i)(Minor Casualty).

(e) **Emergency Repairs.** Without waiting to obtain insurance settlements or bids, the Board may undertake emergency repair work as it deems necessary.

(j) **Notice of Damage or Destruction.** Within sixty (60) days after damage or destruction occurs, the Board or, if it does not, any Owner, Mortgagee, the insurer or the insurance trustee, shall record in the Recorder's Office of the County of Santa Clara, California, a sworn declaration setting forth a description of the damage or destruction, the name of the insurer against whom the claim is made, the name of the insurance trustee and that the sworn declaration is recorded pursuant to this Section.

#### **8.14 Condemnation**

The Association shall represent the Owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the Common Area, or part thereof. In the event of a taking or acquisition of part or all of the Common Area by a condemning authority, the award or proceeds of settlement shall be payable to the Association, or any trustee appointed by the Association, for the use and benefit of the Owners and their mortgagees as their interests may appear. In the event of a taking of any Condominium in the Project by eminent domain, the Owner shall be entitled to receive the award. After acceptance of the award, the Owner and his or her Mortgagee shall be divested of all interest in the Project. The remaining Owners shall decide by majority vote whether to rebuild the Project or take other action. If the Owners decide to rebuild the Project, the remaining portion of the Project shall be resurveyed, if necessary, and the Declaration shall be amended to readjust proportionately the percentages of undivided interest of the remaining Owners. If the Owners decide not to rebuild the Project, the Project shall be sold in accordance with the procedure set forth in Section 8.13(b)(ii)(D)(Major Casualty). An award for a taking which extends to two Condominiums or the Common Area shall be apportioned among the Owners according to a court judgment or agreement between the condemning authority and each of the Owners. In the absence of such an apportionment, the award shall be distributed

among the Owners and their respective Mortgagees according to the relative values of the Condominiums affected as determined by independent appraisal in accordance with the procedure set forth in Section 8.13(b)(ii)(D)(Major Casualty).

## **ARTICLE 9 MORTGAGEE PROTECTION PROVISIONS**

### **9.1 Mortgagee Permitted; Validity of Mortgage Lien**

Any Owner may encumber his or her Condominium with a Mortgage. No breach of any of the covenants, conditions and restrictions nor the enforcement of any lien provisions contained in this Declaration, shall defeat or render invalid the lien of any first Mortgage made in good faith and for value, but all of the covenants, conditions and restrictions shall be binding upon and effective against any Owner whose title is derived through foreclosure or trustee's sale, or otherwise.

### **9.2 Notice to Eligible Mortgage Holder**

As used in this Article 9, "eligible mortgage holder" shall mean a first Mortgagee or the insurer or governmental guarantor of a first Mortgage who has requested notice of certain actions in accordance with this Section. Upon written request to the Association, identifying the name and address of the eligible mortgage holder and the Condominium number and address, an eligible mortgage holder shall be entitled to timely written notice of the following:

- (a) Any condemnation or any casualty loss that affects a material portion of the Project or any Condominium on which there is a Mortgage held, insured or guaranteed by an eligible mortgage holder;
- (b) Any delinquency in the payment of assessments owed by an Owner subject to a Mortgage held, insured, or guaranteed by an eligible mortgage holder which remains uncured for a period of sixty (60) days;
- (c) Any default in the performance of an obligation under the Governing Documents by an Owner subject to a Mortgage held, insured or guaranteed by an eligible mortgage holder which remains uncured for a period of sixty (60) days;
- (d) Any lapse, cancellation or material modification of an insurance policy or fidelity bond maintained by the Association; or
- (e) Any proposed action which would require the consent of eligible mortgage holders, as specified in Sections 9.6, 9.7 and 9.8.

Any failure by the Association to give such notice of default shall not in any event relieve the Owner of responsibility to cure the default or prevent the Association from enforcing the performance of the defaulted obligations by any of the procedures provided for in the Governing Documents.

### **9.3 Notice of Condemnation or Destruction**

In the event of the total or substantial destruction of the Project or the commencement of eminent domain proceedings or other acquisition procedures by a condemning authority against the Project or any portion of it, Mortgagees of first Mortgages shall be given timely written notice

of such destruction or proceedings.

#### **9.4 Limitation on Right of First Refusal**

The right of an Owner to sell, transfer, or otherwise convey his or her Condominium shall not be subject to any right of first refusal or any similar restriction in favor of the Association. In the event there is permitted a right of first refusal in favor of any other person or entity, it shall not impair the rights of a Mortgagee of a first Mortgage to foreclose or take title to a Condominium pursuant to the remedies provided in the Mortgage, accept a deed (or assignment) in lieu of foreclosure in the event of a default by the Mortgagor, or sell or lease a Condominium acquired by the first Mortgagee.

#### **9.5 Priority as to Proceeds and Awards**

No Owner and no other party shall have priority over any rights of a Mortgagee pursuant to its Mortgage in the case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Units and/or the Common Area.

#### **9.6 Consent by Mortgagees to Amendments**

Without the vote or prior written consent of sixty-seven percent (67%) of the total voting power for the Association (based on one vote for each Condominium encumbered, unless a higher percentage of voting power is specifically required elsewhere in this Declaration), and the approval of fifty-one percent (51%) of eligible mortgage holders, the Association shall not amend any material provisions of the Governing Documents which establish, provide for, govern or regulate any of the following:

- (a) Voting rights;
- (b) Increases in assessments that increase the previously assessed amount more than twenty-five percent (25%), assessment liens or priority of such liens;
- (c) Reductions in reserves for maintenance, repairs and replacement of the Common Area;
- (d) Hazard or fidelity insurance requirements;
- (e) Reallocation of interests in or rights to use the Common Area or Exclusive Use Common Area;
- (f) Responsibility for maintenance and repair of the Project;
- (g) Expansion or contraction of the Project or the additions, annexation or withdrawal of property to or from the Project;
- (h) Redefinition of boundaries of any Unit;
- (i) Convertibility of Units into Common Area or of Common Area into Units;
- (j) Imposition of any restrictions on the leasing of Units;

(k) Imposition of any right of first refusal or any other restriction on the right of an Owner to sell, transfer or otherwise convey his or her Condominium;

(l) Restoration or repair of the Project (after a hazard damage or partial condemnation) in a manner other than that specified in the Governing Documents;

(m) Any provisions which are for the express benefit of mortgage holders, insurers or guarantors; and

(n) A decision by the Association to establish self management when professional management has been required previously by the Governing Documents or by an eligible mortgage holder.

### **9.7 Changes Requiring Additional First Mortgagee Approval**

Except as provided by statute in case of condemnation or substantial loss to the Units and/or Common Area, unless at least sixty-seven percent (67%) of all Owners or first Mortgagees (based on one vote for each Condominium encumbered) have given their prior written approval, neither the Association nor the Owners shall:

(a) By act or omission to seek to abandon or terminate the Project;

(b) Change the pro rata interest or obligations of any Condominium for purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each Condominium in the Common Area;

(c) Partition or subdivide any Condominium;

(d) By act or omission to seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area. (The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Area by the Association or the Owners shall not be deemed a transfer within the meaning of this clause); or

(e) Use hazard or for losses to Property (whether to Units or Common Area) for other than the repair, replacement or reconstruction of Property, except as provided by statute in case of substantial loss to the Units or Common Area.

### **9.8 Consent to Terminate Legal Status of Project**

Any action to terminate the legal status of the Project after substantial destruction or condemnation occurs shall require the vote or prior written consent of sixty-seven percent (67%) of the total voting power of the Association (unless a higher percentage of voting power is specifically required elsewhere in this Declaration) and the approval of fifty-one percent (51%) of eligible mortgage holders (based upon one vote for each Condominium encumbered). Any action to terminate the legal status of the Project for reasons other than substantial destruction or condemnation shall require the vote or prior written consent of sixty-seven percent (67%) of the total voting power of the Association (unless a higher percentage of voting power is specifically required elsewhere in this Declaration) and the approval of sixty-seven percent (67%) of eligible mortgage holders (based upon one vote for each Condominium encumbered).



### **9.9 Subordination; Foreclosure of Assessment Liens**

Any lien created or claimed under the provisions of this Declaration is subject and subordinate to the rights of any first Mortgagee with a first Mortgage that encumbers a Condominium. No such lien shall in any way defeat, invalidate or impair the obligation or priority of a first Mortgage unless the Mortgagee expressly subordinates its interest to such lien in writing. Each holder of a first Mortgage who obtains title to a Condominium pursuant to a foreclosure proceeding shall not be liable for unpaid assessments and charges against the Condominium which accrued prior to the acquisition of it by the first Mortgagee. However, such first Mortgagee shall be liable for any assessments becoming due after the date of the transfer. Subsequently levied assessments may include previously unpaid assessments provided all Owners are required to pay their proportionate share of the previously unpaid assessments.

### **9.10 Lien on Individual Unit**

All taxes, assessments and charges which may become liens prior to the first Mortgage under local law shall relate only to the individual Condominiums and not to the Project as a whole.

### **9.11 Rights to Inspect, Receive Statements, Attend Meetings**

(a) All Owners and lenders, and all holders, insurers or guarantors of any first Mortgage shall be entitled to inspect current copies of the Declaration, Bylaws, the Association Rules and any other rules concerning the Project and the books, records and financial statements of the Association. Such inspection shall be upon request, during normal business hours or under other reasonable circumstances.

(b) An eligible mortgage holder shall be entitled to have an audited financial statement for the immediately preceding fiscal year of the Association prepared at its expense if one is not otherwise available, and the Association shall make its records available for such purpose in accordance with Section 9.11(a). If such a financial statement had already been prepared for the Association, it shall be furnished to the eligible mortgage holder without charge within 120 days of the Association's fiscal year end.

(c) Any first Mortgagee shall, upon written request to the Association, be entitled to receive written notice of all annual and special meetings of the Association, and first Mortgagees shall further be entitled to designate a representative to attend all such meetings in order to, among other things, draw attention to violations of this Declaration which have not been corrected or made the subject of remedial action by the Association; provided, however, nothing contained in this Section shall give a first Mortgagee the right to call a meeting of the Board or of the Members for any purpose or to vote at any such meeting.

### **9.12 Deemed Approval**

For purposes of this Article 9, any Mortgagee who receives a written request to approve additions or amendments to the Governing Documents and who does not deliver or post with the Association a negative response within thirty (30) days, shall be deemed to have approved such request, provided the request was delivered by certified or registered mail, "return receipt" requested.

## ARTICLE 10 DISPUTE RESOLUTION AND ENFORCEMENT

### 10.1 Enforcement of Governing Documents

(a) **Enforcement Rights.** The Association and/or any Owner shall have the power to enforce the provisions of the Governing Documents in any manner provided by law or in equity and in any manner provided in this Declaration. The Association may suspend rights to use the Common Area facilities, suspend voting rights, levy Reimbursement Assessment and/or impose a fine against the Owner after providing notice and a hearing, as described in Section 10.2(b) below. However, the Association has no power to cause a forfeiture or abridgement of an Owner's right to the full use and enjoyment of that Owner's Condominium, including access thereto, due to the Owner's failure to comply with the provisions of the Governing Documents, unless the loss or forfeiture is the result of an order of a court or an order pursuant to a final and binding arbitration decision.

(b) **Violation.** A violation shall be defined as a single act or omission occurring on a single day. If the detrimental effect of a violation continues for additional days, discipline imposed by the Board shall include one component for the violation and a per diem component for so long as the detrimental effect continues, according to the Board's discretion. Similar violations on different days shall justify cumulative imposition of discipline.

### 10.2 Informal Dispute Resolution: Notice and Hearing

(a) **Generally.** Informal dispute resolution shall initially be attempted as a means of resolving any dispute between the Association and a Member, unless the seriousness of the alleged violation, in the sole discretion of the Board, demands that formal dispute resolution be used. Informal dispute resolution means: (a) the Board shall provide the Owner with notice of the alleged violation(s) of any one of the Governing Documents; and (b) the Board shall provide the Owner with the opportunity for a hearing before the Board.

(b) **Procedure.** The Board shall notify the Owner in writing, by either personal delivery or first-class mail, at least fifteen (15) days prior to the hearing. The notice shall contain, at a minimum, the date, time, and place of the hearing, the nature of the alleged violation(s), and a statement that the Owner has a right to attend the hearing. If requested by the Owner, the Board shall meet in executive session and the Owner shall have the right to address the Board during its executive session rather than during its open session. If the Board imposes discipline on an Owner, the Board shall give written notice to the Owner of the disciplinary action, by either personal delivery or first-class mail, within five (5) days following the hearing. A disciplinary action shall not be effective against an Owner unless the Board fulfills the requirements of this Section 10.2(b).

### 10.3 Formal Dispute Resolution

(a) **Alternative Dispute Resolution: Mediation or Arbitration.** If informal dispute resolution fails to resolve the dispute between the Association and a Member, or if the Board has determined that the nature of the alleged Owner violation necessitates formal dispute resolution without the initial use of informal dispute resolution, the Board shall attempt to resolve the dispute through mediation, non-binding arbitration or binding arbitration (collectively, "**Alternative Dispute Resolution**" or "**ADR**") in accordance with the provisions and procedures set forth in California Civil Code Section 5925 *et seq.* Arbitration shall be conducted in accordance with the procedures adopted by the Judicial Arbitration and Mediation Service

(JAMS) and shall use only one (1) neutral arbitrator.

**(b) Legal Action**

(i) **Generally.** The Association may commence a civil legal action against an Owner subject to the requirements of California Civil Code Section 5925 *et seq.*

(ii) **For Delinquent Assessments.** The Association may commence a civil legal action against any Owner personally obligated to pay a delinquent assessment, including all Additional Charges. The Association may, but is not obligated, to engage in informal dispute resolution, as described in Section 10.2 (Informal Dispute Resolution: Notice and Hearing), or ADR, as described in Section 10.3(a)(Alternative Dispute Resolution: Mediation or Arbitration) before commencing a civil legal action for delinquent assessments.

**ARTICLE 11 AMENDMENT OR REVOCATION**

**11.1 Approval Required for any Action**

Any amendment to any provision of this Declaration shall require an affirmative vote of a majority of the total voting power of the Association in accordance with the secret ballot procedures set forth in the Bylaws. Notwithstanding the foregoing provisions, the percentage of voting interest necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

**11.2 Effective Date of Amendment**

Any amendment of this Declaration shall be effective only after: (a) the affirmative vote of the Members is obtained pursuant to Section 11.1 above; (b) that fact has been certified in a writing executed and acknowledged by the President, Secretary or other duly authorized officer of the Association; and (c) that writing has been recorded in the Official Records of the County.

**ARTICLE 12 GENERAL PROVISIONS**

**12.1 Term of Declaration**

This Declaration will continue for a term of fifty (50) years from its date of recordation. Thereafter, this Declaration will be automatically extended for successive periods of ten (10) years until or unless two thirds (2/3) of the Owners approve a termination of this Declaration.

**12.2 Binding Effect**

This Declaration shall inure to the benefit of and be binding on the heirs, personal representatives, grantees, tenants, successors and assigns of the Owners.

**12.3 Conflict**

To the extent there are conflicts or inconsistencies between this Declaration and the Bylaws or the Association Rules, this Declaration shall prevail.

#### **12.4 Headings**

The headings used in this Declaration are for convenience only and are not to be used to interpret the meaning of any of the provisions of this Declaration.

#### **12.5 Gender and Number**

The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

#### **12.6 Severability**

The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision or provisions shall not invalidate any other provisions.

#### **12.7 No Discrimination**

No Owner shall execute or cause to be recorded any instrument which imposes a restriction upon the sale, leasing or occupancy of the Owner's Unit on the basis of gender, gender identity, gender expression, race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, familial status, source of income, or disability.

#### **12.8 Construction of Provisions**

The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision thereafter. Where used in this Declaration, the term "including" and its co-relative terms shall be construed as terms of explication rather than limitation as if followed immediately by the words "without limitation" in each provision.

#### **12.9 Exhibits**

All exhibits referred to are attached to this Declaration and incorporated by reference.

#### **12.10 Successor Statutes**

Any reference in any one of the Governing Documents to a statute will be deemed a reference to any amended or successor statute.

#### **12.11 Notification of Governing Documents**

As more particularly provided in California Civil Code Section 4525 as soon as practicable before transfer of title or the execution of a real property sales contract with respect to any Condominium, the Owner thereof must give the prospective purchaser a current copy of the Governing Documents and a true statement in writing from the Association ("**delinquency statement**") as to the amount of any delinquent assessments, together with information relating to penalties, attorneys' fees, accounting fees, management fees and other charges due with respect to the Condominium as of the date the statement is issued. In order to carry out the intent and purposes of this statutory provision, the Association shall, within ten (10) days of the

mailing or delivery of a request therefor, provide the Owner with a copy of the current Governing Documents, together with the delinquency statement described herein. The Association shall be entitled to impose a fee for providing the Governing Documents and delinquency statement equal to (but not more than) the reasonable cost of preparing and reproducing the materials.

EXHIBIT "A"

PERCENTAGE INTEREST IN COMMON AREA

Style	Unit Number	% Interest in Common Area
Style A	105 106 107 108 110 112 114 116 305 306 307 308 309 310 311 312 313 314 335 339	29%
Style B	117 119 121 123 125 127 129 131 144 146 317 319 321 323 325 327 329 331 337 343 344 345	37%
Style C	133 142 333 341 342	8%
Style D	101 301	3%
Style E	103 303	3%
Style F	109 111 113 115 135 139 141	12%
Style G	137 143 145 147	7%

**FIRST AMENDED AND RESTATED BYLAWS**

**OF**

**350 NORTH SECOND STREET HOMEOWNERS'  
ASSOCIATION**

**TABLE OF CONTENTS**

ARTICLE 1 THE ASSOCIATION.....1

ARTICLE 2 DEFINITIONS.....1

ARTICLE 3 MEMBERSHIP MEETINGS AND VOTING .....1

    3.1 Annual Membership Meetings.....1

    3.2 Special Membership Meetings .....1

    3.3 Delivery of Documents .....1

    3.4 Membership Quorum.....3

    3.5 Voting .....3

    3.6 Methods of Voting .....4

    3.7 Action without Meeting .....5

    3.8 Cumulative Voting and Proxies .....5

ARTICLE 4 BOARD OF DIRECTORS QUALIFICATIONS, TERM AND VACANCY .....5

    4.1 Number and Term of Office.....5

    4.2 Removals .....5

    4.3 Resignation .....6

    4.4 Vacancies.....6

    4.5 Compensation .....6

ARTICLE 5 NOMINATION AND ELECTION OF DIRECTORS.....6

    5.1 Qualifications.....6

    5.2 Nomination .....6

    5.3 Election.....7

ARTICLE 6 BOARD MEETINGS.....7

    6.1 Regular Board Meetings.....7

    6.2 Special Board Meetings .....7

    6.3 Notice of Board Meetings to Members .....7



6.4	Board Quorum.....	7
6.5	E-Mail Meetings.....	7
6.6	Executive Session.....	8
6.7	Participation in Meetings by Teleconference.....	8
6.8	Emergency Meetings.....	8
ARTICLE 7	BOARD DUTIES AND POWER.....	8
7.1	Duties.....	8
7.2	Powers.....	9
7.3	Limitation of Powers.....	10
7.4	Conflict of Interest.....	11
7.5	Indemnification.....	11
ARTICLE 8	OFFICERS AND THEIR DUTIES.....	11
8.1	Enumeration of Offices.....	11
8.2	Election of Officers.....	12
8.3	Term.....	12
8.4	Resignation and Removal.....	12
8.5	Vacancies.....	12
8.6	Duties.....	12
8.7	Board Officer Powers.....	13
ARTICLE 9	COMMITTEES.....	13
ARTICLE 10	BOOKS AND RECORDS.....	13
10.1	Members' Right to Inspect.....	13
10.2	Directors' Right to Inspect.....	13
ARTICLE 11	ANNUAL BUDGET REPORT AND POLICY STATEMENT.....	13
11.1	Annual Budget Report.....	13
11.2	Annual Policy Statement.....	15

ARTICLE 12	AMENDMENTS .....	16
12.1	Amendments .....	16
12.2	Records of Amendments .....	16
ARTICLE 13	GENERAL PROVISIONS .....	16
13.1	Conflicting Provisions .....	16
13.2	Fiscal Year .....	17
13.3	Severability .....	17

**FIRST AMENDED AND RESTATED BYLAWS  
OF  
350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION**

**ARTICLE 1 THE ASSOCIATION**

The name of this California mutual benefit corporation is 350 North Second Street Homeowners' Association, hereinafter referred to as the "Association." These First Amended and Restated Bylaws supersede and replace in their entirety the original Bylaws of 350 North Second Street Homeowners' Association certified on May 1, 2005. The principal office of the Association shall be located at 350 North Second Street, Unit 101, San Jose, California, or any other location designated by the Board.

**ARTICLE 2 DEFINITIONS**

Unless separately defined herein, the definitions contained in the First Amended and Restated Declaration of Covenants, Conditions and Restrictions of 350 North Second Street recorded in the County of Santa Clara, State of California, hereinafter referred to as the "Declaration," are incorporated by reference herein.

**ARTICLE 3 MEMBERSHIP MEETINGS AND VOTING**

**3.1 Annual Membership Meetings**

The annual meeting of the Members shall be held each year in March or such other date as may be fixed by the Board but in no event shall an annual meeting be held less than once each calendar year. Notice to the Members shall be provided at least ten (10) days before the annual meeting in the manner described in Section 3.3(b)(Delivery to Individual) below.

**3.2 Special Membership Meetings**

Special meetings of the Members shall be promptly scheduled by the Board in response to a majority vote of the Board, the President or the Members who are entitled to exercise five percent (5%) of the total voting power of the Association. If the notice is not given within twenty (20) days after receipt of the request, the persons requesting the special meeting may give the notice at their own cost and expense. Nothing contained in this Section shall be construed as limiting, fixing, or affecting the time when a special meeting of the Members may be called by the Board or the President. Notice to the Members shall be provided at least ten (10) days before the special meeting in the manner described in Section 3.3(b)(Delivery to Individual) below.

**3.3 Delivery of Documents**

(a) **Delivery to Association.** If a provision of the Davis Stirling Common Interest Development Act (Cal. Civ. Code §§4000-6150)("Act") requires that a document be delivered to the Association, the document shall be delivered to the person designated in the annual policy statement, prepared pursuant to California Civil Code Section 5310 ("**Annual Policy Statement**"), to receive documents on behalf of the Association. If no person has been designated, the document shall be delivered to the President or Secretary. A document delivered pursuant to this Section may be delivered by any of the following methods:

(1) By e-mail, facsimile, or other electronic means, if the Association has consented to that method of delivery. Delivery is deemed complete at the time of transmission.

(2) By personal delivery, if the Association has consented to that method of delivery. If the Association accepts a document by personal delivery, it shall provide a written receipt acknowledging delivery of the document.

(3) By first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier.

The following requests shall be delivered in writing to the Association: (i) a request to change a Member's information in the membership list; (ii) a request to add or remove a second address for delivery of individual notices; (iii) a request for individual delivery of general notices; (iv) a request to opt out of the membership list; (v) a request to receive a full copy of a specified annual budget report or Annual Policy Statement; and (vi) a request to receive all reports in full.

(b) **Delivery to Individual.** If a provision of the Act requires that the Association deliver a document by "individual delivery" or "individual notice," the document shall be delivered by one of the following methods:

(1) By first-class mail, postage prepaid, registered or certified mail, express mail, or overnight delivery by an express service carrier. Delivery is deemed complete on deposit into the United States mail. The document shall be addressed to the recipient at the address last shown on the books of the Association.

(2) By e-mail, facsimile, or other electronic means, if the recipient has consented, in writing, to that method of delivery. The consent may be revoked, in writing, by the recipient.

Upon receipt of a request by a Member, pursuant to California Civil Code Section 5260, identifying a secondary address for the delivery of notices, the Association shall deliver an additional copy of those notices to the secondary address identified in the request: (i) the documents to be delivered to the Member pursuant to California Civil Code Sections 5300 through 5320 and (ii) the documents to be delivered to the Member pursuant to California Civil Code Sections 5650 through 5690, and California Civil Code Section 5710. For the purposes of this Section, an unrecorded provision of the Governing Documents providing for a particular method of delivery does not constitute agreement by a Member to that method of delivery. The option provided in this Section 3.3(b) shall be described in the Annual Policy Statement, as further described in Section 11.2 below

(c) **General Delivery.** If a provision of the Act requires "general delivery" or "general notice," the document shall be provided by one or more of the following methods:

(1) Any method provided for delivery of an individual notice, as described in Section 3.3(b)(Delivery to Individual) above.

(2) Inclusion in a billing statement, newsletter, or other document that is delivered by one of the methods provided in this Section.

(3) Posting the printed document in a prominent location that is accessible to all Members, if the location has been designated for the posting of general notices by the

Association in the Annual Policy Statement.

Notwithstanding this Section 3.3(c), if a Member requests to receive general notices by individual delivery, all general notices to that Member given under this Section 3.3(c) shall be delivered pursuant to Section 3.3(b)(Delivery to Individual) above.

### 3.4 Membership Quorum

(a) **Quorum for Actions Other than Election of Directors and Certain Assessments.** Notwithstanding the provisions of Sections 3.4(b) and 3.4(c), the presence at the meeting, either in person or by ballot, of twenty five percent (25%) of the votes of the membership shall constitute a quorum for any action.

(b) **Quorum Required for Annual Meetings and Election of Directors.** Notwithstanding the provisions of Sections 3.4(a) and 3.4(c), the quorum for annual meetings and for the election of Directors shall be the number of votes cast in person or by ballot.

(c) **Quorum Required for Approval of Certain Assessments.** Notwithstanding the provisions of Sections 3.4(a) and 3.4(b), the Board may not impose a Regular Assessment increase of more than twenty percent (20%) greater than the Regular Assessment for the Association's preceding fiscal year or impose Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without the approval of a majority of a quorum of the Members, unless an "emergency situation" exists as defined by California Civil Code Section 5610 or successor statute. For purposes of this Section, a "quorum" means more than fifty percent (50%) of the Members.

### 3.5 Voting

(a) **Voting Rights.** Members shall be entitled to cast one (1) vote for each Unit owned, provided that when more than one (1) person owns an interest in a Unit, the vote for such Unit shall be cast as a whole either: (1) as a majority of the co-Owners of such Unit agree (in the absence of which agreement no vote shall be cast for such Unit on the particular matter upon which they cannot agree); or (2) by one (1) of the Owners of such Unit designated by the record Owners of the Unit by written notice to the Board as the voting Member for such Unit. Such designation shall be revocable at any time by actual notice to the Board given by any of the record Owners or by the death or judicially declared incompetency of any record Owner. The power to designate a voting Member or to revoke such designation may be exercised by a Unit Owner's conservator, by the guardian of such Owner's estate, by the trustee of an Owner's trust, by the parent(s) or legal guardian(s) of such Owner in the case of an Owner who is a minor, or by the executor or administrator of a deceased record Owner where such deceased Owner's interest in the Unit is subject to estate administration.

(b) **Eligibility to Vote.** Only Members in "good standing" shall be entitled to vote on any issue or matter presented to the Members for approval. In order to be in "good standing," a Member must not be delinquent in the payment of any assessment levied against the Member's Unit and must not be subject to any suspension of membership rights as a result of any disciplinary proceeding. A Member's "good standing" shall be determined as of the record date, which is the date for determining which Members are entitled to (i) receive notice of any meeting, (ii) vote or (iii) act by written ballot without a meeting. Only those Members who, as of the "record date" established hereunder for any given meeting, are listed as Members on the books and records of the Association shall be entitled to receive notice of such meeting or to

vote. Unless the record date is fixed by the Board, the record date shall be as follows:

(1) The record date for determining those Members entitled to receive notice of a meeting of Members shall be the business day preceding the day on which notice is given.

(2) The record date for determining those Members entitled to vote at a meeting of Members shall be the day of the meeting or, in the case of an adjourned meeting, the day of the adjourned meeting.

(3) The record date for determining those Members entitled to vote by secret ballot, or by written ballot without a meeting, on proposed Association actions, shall be the day on which the first secret ballot or written ballot is mailed or solicited. When prior action of the Board has been taken, it shall be the day on which the Board adopts the resolution relating to that action.

### 3.6 Methods of Voting

(a) **Voting by Secret Ballot.** The Association shall establish Association Rules for the selection and use of one (1) or three (3) election inspector(s) to conduct secret ballot voting for all items legally requiring such a voting method. The election inspector(s) shall receive ballots or receive the tally report from an electronic balloting service provider. The election inspector(s) shall gather and tabulate all votes, including the votes indicated on the tally report received from an electronic balloting service provider, and report results to the Association. The election inspector shall retain the ballots until the time allowed by California Civil Code Section 5145 [one year] for challenging the election has expired, at which time custody shall be transferred to the Association. If secret ballots are mailed to the election inspector(s), membership approval shall only be valid if a majority of the total voting power approve of the action, unless another provision of the Governing Documents requires a higher percentage for the proposed action.

(b) **Matters that Must be Determined by Secret Ballot.** Elections regarding any of the following matters must be conducted by secret ballot pursuant to California Civil Code Section 5100(a) and as described herein:

(1) Assessments that cannot be enacted without a vote of the Members as provided in California Civil Code Section 5605;

(2) Election and removal of Board members;

(3) Amendments to the Governing Documents; and/or

(4) The grant of exclusive use of Common Area to a Member pursuant to California Civil Code Section 4600.

(c) **Distribution of Secret Ballots.** Secret ballots shall be distributed to all eligible Members at least thirty (30) days prior to the final date the secret ballots must be received in order to be counted. All secret ballots shall state on the face of the secret ballot, or in an accompanying notice, the date by which the secret ballot must be returned in order to be counted. The election inspector(s) may reserve the right to extend the time to return secret ballots if such an extension is necessary in order to obtain a membership quorum.

(d) **Electronic Voting.** To the extent permitted by law, the Association may conduct elections or other membership balloting by electronic voting in accordance with California Corporations Code Section 7510. The Association shall provide each Member with an opportunity to indicate that he or she will be voting electronically. The Association shall mail or deliver a hard copy of the ballot package to a Member who did not indicate that he or she would be voting electronically.

### 3.7 Action without Meeting

Any action which may be taken by the vote of Members at a regular or special meeting and which is not required to be determined by secret ballot pursuant to California Civil Code Section 5100(a) may be taken without a meeting if done by written ballot in compliance with the procedures specified in California Corporations Code Section 7513. Any action which must be taken by secret ballot pursuant to California Civil Code Section 5100(a), as described in Section 3.6(b)(Matters that Must be Determined by Secret Ballot), may not be taken pursuant to this Section 3.7.

### 3.8 Cumulative Voting and Proxies

Cumulative voting shall be prohibited. Proxies shall be prohibited because the ballot procedure removes the need for proxies.

## ARTICLE 4 BOARD OF DIRECTORS QUALIFICATIONS, TERM AND VACANCY

### 4.1 Number and Term of Office

The Board shall consist of five (5) Directors. At the first election following certification of these Bylaws, the two (2) candidates receiving the two largest numbers of votes shall serve a term of two (2) years and the three (3) candidates receiving the third, fourth and fifth largest number of votes shall serve a term of one (1) year. Thereafter, each Director shall serve for a staggered term of one (1) year so that three (3) Directors are elected one year and two (2) Directors are elected the following year. When there is a vacancy on the Board, the remaining Board members shall appoint a successor for the uncompleted term of the Director whom the successor replaces.

### 4.2 Removals

(a) **Removal by Membership.** Except as provided in Section 4.2(b)(Removal by Board), a Director may be removed from office prior to the expiration of his or her term only by the affirmative vote of a majority of the Members voting by secret ballot.

(b) **Removal by Board.** The Board shall have the power and authority to remove a Director and declare his or her office vacant if he or she (1) has been declared of unsound mind by a final order of court; (2) has been convicted of a felony; (3) has been found by a final order or judgment of any court to have breached any duty under California Corporations Code Section 7231 (relating to the standards of conduct of Directors); (4) fails to satisfy any provision of Section 5.1 (Qualifications); or (5) fails to attend three (3) consecutive meetings of the Board in any calendar year.

### **4.3 Resignation**

A Director may resign at any time, effective upon giving written notice to the President, Secretary or Board, unless the notice specifies a later time for the resignation of a Director to be effective. If the resignation of a Director is effective at a future time, the Board may elect a successor to take office when the resignation becomes effective.

### **4.4 Vacancies**

A vacancy on the Board shall be deemed to exist in any of the following events:

- (a) Death, resignation or removal of a Director;
- (b) The Board, by resolution, declares vacant the office of a Director for any of the reasons provided in Section 4.2(b)(Removal by Board);
- (c) The authorized number of Directors is increased; or
- (d) The Members fail to elect and to fill all vacant Director positions.

Vacancies on the Board may be filled by a majority of the remaining Directors, regardless of whether or not there is a Board quorum (as defined in Section 6.4), except that a vacancy created when a Director is removed by the Members must be filled by the Members. If the Director(s) are unable to fill any vacancy/vacancies on the Board, the Members shall elect replacement Director(s) by secret ballot pursuant to Sections 3.5 (Voting) and 3.6 (Methods of Voting).

### **4.5 Compensation**

No Director or officer of the Association shall receive compensation for any service he or she may render to the Association. However, any Director or officer may be reimbursed for actual, reimbursable, and necessary expenses incurred in the performance of his or her duties.

## **ARTICLE 5 NOMINATION AND ELECTION OF DIRECTORS**

### **5.1 Qualifications**

Candidates for the Board must be an Owner, who is in "good standing." As used herein, the term "good standing" means the Owner must not be subject to any disciplinary action by the Association at the time of his or her nomination and must be current in the payment of all assessments. No more than one (1) Owner per Unit may serve at any one time on the Board. If any Director ceases to be an Owner, membership on the Board shall terminate immediately. In the event the Owner is a corporation or trust, the president of the corporation or the trustee of the trust may designate the person who will be eligible to serve as a Director.

### **5.2 Nomination**

At least thirty (30) days before mailing the secret ballot package for the Director election, the Board shall notify all Members in writing that the Members may nominate candidates to the Board. Members may nominate themselves or other Members prior to the nomination deadline designated by the Board. The Board may declare that all of the qualified nominees are elected



without further action if, after the nomination deadline, the number of qualified nominees is equal to or less than the number of Directors to be elected. In that event, the Board shall send notice to the Members that the candidates have been elected by "acclamation."

### **5.3 Election**

Election to the Board shall be by secret ballot, processing and vote tabulation to be conducted by the election inspector as provided in Section 3.6 (Methods of Voting). Candidates may campaign for open positions thirty (30) to forty-five (45) days prior to the election. The candidates receiving the most votes shall be deemed elected.

## **ARTICLE 6 BOARD MEETINGS**

### **6.1 Regular Board Meetings**

Regular meetings of the Board shall be held at least once each calendar quarter so that the Board can review the Association's financial documents. Notice of any regular meeting of the Board shall be given to each Director at least four (4) days prior to the date fixed for such meeting. Notice to each Director shall be sent by personal delivery, by first-class mail or by e-mail if that Director provided written consent to e-mail transmission. The notice shall specify the time, place and agenda for the meeting.

### **6.2 Special Board Meetings**

Special meetings of the Board shall be held when called by the President of the Association, or by any two (2) Directors other than the President. Notice of any special meeting of the Board shall be given in the same manner as a notice for a regular meeting of the Board.

### **6.3 Notice of Board Meetings to Members**

Except for an emergency meeting described in Section 6.8 below, notice to the Members shall be posted at a prominent place within the Common Area at least four (4) days prior to any regular meeting or special meeting of the Board and at least two (2) days before any executive session meeting. Notice shall also be given by individual delivery (as described in Section 3.3(b) above) to any Member who has submitted a written request to the Association for such method of delivery. The notice shall contain the time, place and agenda for the meeting.

### **6.4 Board Quorum**

A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act performed or decision made by a majority of the voting Directors present at a duly held meeting at which a quorum is present shall be regarded as an act of the Board.

### **6.5 E-Mail Meetings**

E-mail meetings are disallowed and the Board shall not conduct a meeting via a series of electronic transmissions, except for (a) emergency meetings, as described in Section 6.8 below, and (b) an item of business that the Board has validly delegated to a person, as described in California Civil Code Section 4155. For example, the Board may delegate administrative and oversight tasks to the President. Once delegated, the President will make the administrative and oversight decisions and retain the right of e-mail consultation with the

Directors and the Association's attorneys. A majority of Directors may send and receive e-mails among themselves for non-business matters such as setting dates and times for meetings, distributing information for meetings, requesting that items be placed on the agenda (create committees, paint buildings, repair roofs, etc.), and sending informational e-mails (informing Directors of educational events, reporting the status of repairs, distributing interim financial statements, etc.).

#### **6.6 Executive Session**

The Board may convene in a closed executive session meeting to discuss and vote upon formation of contracts with third parties, Member discipline, personnel matters, and orders of business of a similar or otherwise sensitive nature. The matters discussed shall be generally announced and noted in the minutes of the next Board meeting.

#### **6.7 Participation in Meetings by Teleconference**

Members of the Board may participate in any meeting, regular or special, through use of a teleconference in which a majority of the Board members in different locations are connected by electronic means, through audio or video or both. Except for a meeting that will be held solely in executive session, the notice of the teleconference meeting shall identify at least one physical location so that Members of the Association may attend the open portion of the teleconference meeting and at least one Board designee shall be present at that location. Participation by Board members in a teleconference meeting constitutes presence at that meeting as long as all Board members participating in the meeting are able to hear one another and Members of the Association.

#### **6.8 Emergency Meetings**

An emergency meeting of the Board may be called by the President or by any two (2) Directors other than the President if there are circumstances that could not have been reasonably foreseen which require immediate attention and possible action by the Board and which of necessity make it impracticable to provide notice as required by this Article 6 (Board Meetings).

### **ARTICLE 7 BOARD DUTIES AND POWER**

#### **7.1 Duties**

It shall be the duty of the Board to undertake all duties and responsibilities of the Association as expressed herein or in the Declaration. Such duties shall include, but are not limited to, the following:

(a) Maintain the Project in accordance with Section 4.1 (Maintaining Common Area and Improvements) of the Declaration.

(b) Maintain insurance as required by Section 8.9 (Types of Insurance Policies) of the Declaration.

(c) Discharge by payment if necessary any lien against the Common Area and assess the cost thereof to the Member responsible for the existence of such a lien; provided, however, that such Member is given notice and an opportunity for a hearing before the

discharge of any such lien.

(d) Fix, levy, collect and enforce assessments as set forth in Article 7 (Enforcement of Assessments; Liens and Foreclosure) of the Declaration.

(e) Pay all expenses and obligations incurred by the Association in the conduct of its business, including, without limitation, all licenses, taxes or governmental charge levied or imposed against the property of the Association.

(f) Cause to be kept a complete record of all of its acts and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting where such a statement is requested in writing by one of the Members.

(g) Supervise all officers, agents and employees of the Association and see that their duties are properly performed.

(h) Establish, maintain and review bank accounts and prepare financial documents and other reports, as set forth in Article 11 below.

(i) Enforce the Governing Documents.

## 7.2 Powers

The Board, subject to all applicable law, shall manage the affairs of the Association. Excepting only those powers expressly reserved to the Members, it shall have all the powers conferred upon it by law, these Bylaws, or the Declaration, including, without limitation, the following:

(a) Acquire, provide and pay for water, sewer, garbage disposal, refuse and rubbish collection, electrical, telephone, gas and other necessary utility services for the Common Area and for the Units that are not separately billed to an Owner; provided, however, the Association shall have no liability to any Owner arising out of the temporary or permanent failure of any utility, governmental entity or quasi-utility to deliver such services after the Association has contracted for such services.

(b) Levy and collect assessments and impose late charges, interest, collection costs and attorney's fees, as provided in Section 7.1 (Right to Enforce) of the Declaration.

(c) Adopt and amend Association Rules governing the use of the Common Area and all Improvements and the personal conduct of the Members and their tenants and guests thereon in accordance with California Civil Code Section 4340 *et seq.* Association Rules may include, but are not limited to: election and voting rules; architectural standards; pet restrictions; fine schedule; and a policy addressing late or non-payment of assessments or other Association charges.

(d) Employ a professional manager or other managing agent to perform all or any part of the duties or responsibilities of the Association, except the initiation and execution of disciplinary proceedings against Members; provided, however, that any management contract shall not exceed a one (1) year term and shall provide for the right of the Association to terminate upon thirty (30) days written notice without cause and without a termination fee.

(e) Contract for goods and/or services, subject to the limitations set forth in Section 7.3(a) below.

(f) Delegate its authority and powers to committees, officers and employees of the Association, excluding the powers (i) to make capital expenditures; (ii) to levy fines, hold hearings or impose discipline; (iii) to file suit, record a claim of lien, or foreclose for failure to pay assessments; and (iv) to levy Regular Assessments, Special Assessments and Reimbursement Assessments.

(g) Enter upon any Unit or Exclusive Use Common Area as necessary in connection with maintenance, construction, nuisance abatement or other emergency situation.

(h) Borrow money secured by the future obligation of the Members to pay assessments; provided, however, that any loan requiring a Special Assessment for repayment must be approved in accordance with California Civil Code Section 5605 or comparable superseding statute.

(i) Grant an exclusive easement over any portion of the Common Area to a Member for storage or parking purposes pursuant to California Civil Code Section 4600(b)(3)(G) or superseding statute.

### 7.3 Limitation of Powers

The Board shall not take any of the following actions without the affirmative vote of a majority of the total voting power of the Association:

(a) Enter into a contract with a third person to furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

(i) Agreements for cable television services and equipment, satellite dish television services and internet services not exceeding five (5) years;

(ii) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration;

(iii) A contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(iv) Prepaid casualty or liability insurance policy not exceeding three (3) years duration, provided that the policy permits short rate cancellation by the insured.

(v) Agreements of sale or lease of burglar alarm and fire alarm equipment, installation and services not exceeding five (5) years; or

(vi) A contract for a term not exceeding three (3) years that is terminable by the Association after no longer than one (1) year without cause, penalty or other obligation, upon ninety (90) days written notice of termination to the other party.

(b) Incur aggregate expenditures for Major Components to the Common Area that did not exist when construction of the Project was complete in any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except for which reserve funds are collected by the Association.

(c) Sell, during any fiscal year, property of the Association having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(d) Pay compensation to Directors or officers of the Association; provided, however, the Board may cause a Director or officer to be reimbursed for actual, reasonable and necessary expenses incurred in carrying on the business of the Association.

(e) Fill a vacancy created by the removal of a Director by the Members.

#### **7.4 Conflict of Interest**

In order to avoid any conflict of interest, a Director or member of a committee shall not vote on any of the following matters: (a) discipline of the Director or committee member; (b) an assessment against the Director or committee member for damage to the Common Area or facilities; (c) a request, by the Director or committee member, for a payment plan for overdue assessments; (d) a decision whether to foreclose on a lien on the Unit of the Director or committee member; (e) review of a proposed physical change to the Unit of the Director or committee member; or (f) a grant of Exclusive Use Common Area to the Director or committee member. Whenever a Director or officer has a financial or personal interest (i.e. vendor is friend or relative of the interested officer or Director) in any matter coming before the Board, the Board shall ensure that: (i) the interest of such officer or Director is fully disclosed to the Board; (ii) no interested officer or Director may vote or lobby on the matter; and (iii) the minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.

#### **7.5 Indemnification**

Each Director, officer, employee or other agent of the Association shall be entitled to indemnification by the Association and the Members against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of the fact that the Director was or is an agent of the Association, provided such person acted in good faith and in a manner he or she believed to be in the best interests of the Association, and provided further that the Association determines in accordance with California Corporations Code Section 7237 that the agent is entitled to indemnification pursuant thereto.

### **ARTICLE 8 OFFICERS AND THEIR DUTIES**

#### **8.1 Enumeration of Offices**

The officers of the Association shall be a President, a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

## 8.2 Election of Officers

The election of officers shall take place at the first meeting of the Board following each Director election. An election of officers shall also take place at the first meeting of the Board following the removal and replacement of any Director.

## 8.3 Term

The officers of the Association shall be elected annually by the Board and shall hold office for one (1) year unless one shall sooner resign, or otherwise be disqualified to serve, or unless an officer shall be re-elected to serve a successive term.

## 8.4 Resignation and Removal

Any officer may be removed from office by the Board with or without cause. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

## 8.5 Vacancies

A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces.

## 8.6 Duties

The duties of the officers are as follows:

(a) President. The President shall preside at all meetings of the Board; shall see that all orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all checks and promissory notes unless the Board has designated an additional person to execute such documents.

(b) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; shall serve notice of the meetings of the Board and of the Members; shall keep appropriate current records showing the Members of the Association together with their addresses; shall keep the Association's archives up to date; shall annually compile and distribute a directory of contact information of the Association's Owners and tenants; and shall perform such other duties as required by the Board.

(c) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board; shall sign all checks and promissory notes of the Association unless the Board has designated an additional person to execute documents; shall keep proper books of account; and shall cause financial statements to be prepared and distributed to each Member in accordance with Section 11.1 (Annual Budget Report).

## **8.7 Board Officer Powers**

(a) **Execution of Corporate Contracts and Instruments.** Except as otherwise specifically authorized by the Board, all contracts, leases, mortgages, deeds and other written instruments entered into in the name of the Association shall require the signatures of two (2) officers of the Association.

(b) **Checks, Drafts, Notes, Evidence of Indebtedness.** All checks, drafts, notes or other evidences of indebtedness issued in the name of or payable by the Association shall be signed or endorsed by any two (2) officers of the Association, except as otherwise specifically authorized by the Board.

## **ARTICLE 9 COMMITTEES**

The Board shall appoint any committee as it may deem appropriate in the performance of its duties and delegate to any such committee those powers which the Board deems necessary or advisable to serve at the pleasure of the Board.

## **ARTICLE 10 BOOKS AND RECORDS**

### **10.1 Members' Right to Inspect**

Association records shall be available for inspection and copying by any Member or his/her duly appointed representative at the Association office so long as the Member seeking the records states in writing the purpose for the request. Records so obtained may not be used for any improper or commercial purpose. Current year Association records shall be available within ten (10) business days of written request and the previous two years of Association records shall be available within thirty (30) calendar days of written request. Members may request, in writing, to be removed from the membership list which is part of the Association records in order to protect privacy interests. The Board shall establish reasonable Association Rules with respect to:

(a) Notice to be given to the custodian of records by any Member desiring to make the inspection; and

(b) Payments of the cost of reproducing and redacting copies of documents requested by a Member.

### **10.2 Directors' Right to Inspect**

Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of an inspection by a Director includes the right to make extracts and copies of documents at the Association's expense.

## **ARTICLE 11 ANNUAL BUDGET REPORT AND POLICY STATEMENT**

### **11.1 Annual Budget Report**

The Association shall distribute an annual budget report ("**Annual Budget Report**") thirty (30) to ninety (90) days before the end of its fiscal year, which contains the following

information:

(a) A pro forma operating budget showing the estimated revenue and expenses on an accrual basis.

(b) A summary of the Association's reserves prepared pursuant to California Civil Code Section 5565.

(c) A summary of the reserve funding plan adopted by the Board, as specified in California Civil Code Section 5550(b)(5). The summary shall include notice to Members that the full reserve study plan is available upon request and the Association shall provide the full reserve plan to any Member upon request.

(d) A statement as to whether the Board has determined to defer or not undertake repairs or replacement of any Major Component with a remaining life of thirty (30) years or less, including a justification for the deferral or decision not to undertake the repairs or replacement.

(e) A statement as to whether the Board, consistent with the reserve funding plan adopted pursuant to California Civil Code Section 5560, has determined or anticipates that the levy of one or more Special Assessments will be required to repair, replace, or restore any Major Component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment.

(f) A statement as to the mechanism or mechanisms by which the Board will fund reserves to repair or replace Major Components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms.

(g) A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those Major Components that the Association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described in California Civil Code Section 5570(b)(4), and may not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

(h) A statement as to whether the Association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired.

(i) A summary of the Association's property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any. To the extent that any of the required information is specified in the insurance policy declaration page, the Association may meet its obligation to disclose that information by making copies of that page and distributing it with the Annual Budget Report. The summary distributed pursuant to this paragraph shall contain, in at least 10-point boldface type, the following statement:

"This summary of the Association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and



provision of reasonable notice, review the Association's insurance policies and, 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."

The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to California Civil Code Section 5570, shall accompany each Annual Budget Report or summary of the Annual Budget Report that is delivered pursuant to this Section. The Annual Budget Report shall be made available to the Members in full or in a summary format, except if a Member has requested to receive the Annual Budget Report in full, the Association shall deliver the full report to that Member rather than a summary. The summary shall include a general description of the content of the report. Instructions on how to request a complete copy of the report at no cost to the Member shall be printed in at least 10-point boldface type on the first page of the summary.

## **11.2 Annual Policy Statement**

Within thirty (30) to ninety (90) days before the end of its fiscal year, the Association shall distribute an Annual Policy Statement that provides the Members with information about the Association's policies. The Annual Policy Statement shall include all of the following information:

- (a) The name and address of the person designated to receive official communications to the Association pursuant to California Civil Code Section 4035.
- (b) A statement explaining that a Member may submit a request to have notices sent to a maximum of two different specified addresses pursuant to California Civil Code Section 4040(b).
- (c) The location(s) designated for posting the Association's general notices pursuant to California Civil Code Section 4045(a)(3).
- (d) Notice of a Member's option to receive general notices by individual delivery pursuant to California Civil Code Section 4045(b).
- (e) Notice of a Member's right to receive copies of meeting minutes pursuant to California Civil Code Section 4950(b).
- (f) The statement of assessment collection policies required by California Civil Code Section 5730.
- (g) A statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for any default in the payment of assessments.
- (h) A statement describing the Association's discipline policy, if any, including any schedule of penalties for violations of the Governing Documents pursuant to California Civil

Code Section 5850.

(i) A summary of dispute resolution procedures, pursuant to California Civil Code Sections 5920 and 5965, including the following language:

“Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member’s right to sue the Association or another member of the Association regarding enforcement of the Governing Documents or the applicable law.”

(j) A summary of any requirements for Association approval of a physical change to property pursuant to California Civil Code Section 4765.

(k) The mailing address for overnight payment of assessments pursuant to California Civil Code Section 5655.

(l) Any other information that is required by law or the Governing Documents or that the Board determines to be appropriate for inclusion.

The Annual Policy Statement shall be made available to the Members in full or in a summary format, except if a Member has requested to receive the Annual Policy Statement in full, the Association shall deliver the full report to that Member rather than a summary. The summary shall include a general description of the content of the Annual Policy Statement. Instructions on how to request a complete copy of the Annual Policy Statement at no cost to the Member shall be printed in at least 10-point boldface type on the first page of the summary.

## **ARTICLE 12 AMENDMENTS**

### **12.1 Amendments**

These Bylaws may be amended by the affirmative vote of a majority of the total voting power of the Association. Notwithstanding the above, the percentage of a quorum or of the voting powers of the Association or of Members necessary to amend a specific clause or provision in these Bylaws shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause or provision.

### **12.2 Records of Amendments**

A record shall be kept of all amendments or new Bylaws adopted, which record shall show the date of amendment or adoption and, in the case of an amendment, the date of the original Bylaws being amended. If any Bylaws repeal any portion of the original Bylaws, the records shall reflect the date of the meeting at which the repeal was enacted or the date the written consent to repeal was filed.

## **ARTICLE 13 GENERAL PROVISIONS**

### **13.1 Conflicting Provisions**

In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control. In case any of these Bylaws conflict with the provisions of the laws of the State of California, the provisions of such laws shall control.

### 13.2 Fiscal Year

The fiscal year of the Association shall begin on the 1st day of January and end of the 31st day of December of every year, except as designated by the Board.

### 13.3 Severability

Invalidation of any provision of the Bylaws by judgment or court order shall not impair or affect in any manner, the validity, enforceability or effect of the rest of the Bylaws and all of the terms hereof are hereby declared severable.

### CERTIFICATE OF SECRETARY

The undersigned is the Secretary of the 350 North Second Street Homeowners' Association ("**Association**"). The foregoing Bylaws comprising 17 pages, including this page, were duly adopted on the 24<sup>th</sup> day of May, 2016 by a majority of the votes of the Members, as required by Section 16 of the original Bylaws certified on May 1, 2005, and that they now constitute said Bylaws of the Association.

IN WITNESS WHEREOF, I have hereunto subscribed my name on this 6<sup>th</sup> day of June, 2016.

350 NORTH SECOND STREET HOMEOWNERS'  
ASSOCIATION,  
a California nonprofit mutual benefit corporation



Secretary

Print Name: SHARON GRENNAN

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JUN 09 1916  
By \_\_\_\_\_

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FILED  
Secretary of State  
State of California

JUN 09 2016

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FIRST AMENDED AND RESTATED  
ARTICLES OF INCORPORATION

OF

350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION

We, Marcus Pelletier, and Sharan Gramon, certify:

1. That we are the President and Secretary, respectively, of 350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION.
2. That the Articles of Incorporation of this corporation are amended and restated to read as follows; See Exhibit A attached hereto and incorporated herein by reference as if fully set forth herein ("First Amended and Restated Articles of Incorporation").
3. Said First Amended and Restated Articles of Incorporation have been approved by the required vote of the members on May 24, 2016, pursuant to the original Articles of Incorporation endorsed filed on August 20, 2003.
4. Said First Amended and Restated Articles of Incorporation have been approved by the Board of Directors of 350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION.

Each of the undersigned further declares, under penalty of perjury, under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Executed at San Jose, California, on June 1, 2016

Marcus Pelletier  
President

Sharan Gramon  
Secretary

**EXHIBIT A**

**FIRST AMENDED AND RESTATED ARTICLES OF INCORPORATION OF  
350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION**

**ARTICLE 1  
NAME**

The name of the corporation is 350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION.

**ARTICLE 2  
PURPOSES**

This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law. This corporation does not contemplate pecuniary gain or profit to its members. The specific primary purposes for which it is formed are to provide for management, administration, maintenance, preservation and architectural control of the Units and Common Area within that certain condominium project located in the City of San Jose, commonly known as 350 North Second Street ("**Project**"), and to promote the health, safety and welfare of all residents within the Project.

**ARTICLE 3  
DAVIS - STIRLING COMMON INTEREST DEVELOPMENT ACT**

This corporation is formed to manage a common interest development under the Davis-Stirling Common Interest Development Act. This corporation shall be managed in accordance with the provisions of its duly adopted First Amended and Restated Bylaws ("**Bylaws**") and its First Amended and Restated Declaration of Covenants, Conditions and Restrictions of 350 North Second Street ("**Declaration**"), recorded or to be recorded with respect to the Project in the Official Records of the County of Santa Clara, State of California. The manner in which directors shall be chosen and removed from office, their qualifications, powers, duties, compensation and tenure in office, the manner of filling vacancies on the Board of Directors and the manner of calling and holding meetings of directors are set forth in the Declaration and the Bylaws. The authorized number and qualifications of directors, the property, the voting and other rights and privileges of the members and their liability for dues and assessments and the method of collection thereof are set forth in the Bylaws and the Declaration. Notwithstanding any of the above statements of purposes and powers, the corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the primary purposes of the corporation.

**ARTICLE 4  
MANAGING AGENT**

The Association's current managing agent is Cityscape Property Management, Inc., 3795 Eastwood Circle, Santa Clara, CA 95054.

**ARTICLE 5  
NONPROFIT CORPORATION LAW**

The corporation is intended to qualify as a homeowners association under the applicable provisions of the Internal Revenue Code and the Revenue and Taxation Code of California. No part of the net earnings of this organization shall inure to the benefit of any private individual, except as expressly provided in those sections with respect to the acquisition, construction, or provision for management, maintenance, and care of the corporation property, and other than by a rebate of excess membership dues, fees, or assessments. In the event of the dissolution, liquidation, or winding up of the corporation, upon or after termination of the Project in accordance with the provisions of the Declaration, its assets remaining after payment, or provision for payment, of all debts and liabilities of the corporation shall be divided among and distributed to the members in accordance with their respective rights therein.

**ARTICLE 6  
AMENDMENT**

These articles may be amended only by the affirmative vote of a majority of the members of the Board of Directors and by the affirmative vote of a majority of the total voting power of the corporation. However, the percentage of voting interest necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

①

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Oct. 28, 2015.

**Subject: 350 N. 2<sup>nd</sup> St HOA Rules – Approved Oct. 27, 2015**

Dear Homeowner,

The attached Rules have completed the 30 day membership review and were approved as final by the Board of Directors on Oct. 27, 2015.

Thank you for helping maintain the Community. If you have questions, please call Cityscape Property Management between 9:00 am and 5:00 pm, Monday thru Friday at 408-321-8920.

Respectfully yours,

Cityscape Property Management  
Cc: File

# 350 N. 2nd Street Homeowners Association

## Rules and Regulations

The Board of Directors hereby adopts the following Rules & Regulations in accordance with the 350 North Second Street Homeowners Association Covenants, Conditions & Restrictions, Article V, Section 5.1(I), which states:

“ADOPTION OF RULES: The association may adopt reasonable rules not inconsistent with this Declaration relating to the use of parking spaces and guest parking spaces, the pool spa and fitness area and all other portions of the Common Area and Exclusive Use Common Area, pets and the conduct of the Owners and their tenants and guests with respect to the Property and other Owners. The Board shall furnish copies to all owners”

### Table of Contents

Plumbing Rules.....	2
Parking Rules.....	3
Pool Area Rules .....	4
Gym Rules.....	5
Window Treatment Rules .....	5
Animal Rules.....	7
Fine Schedule .....	8
Notice and Hearing Procedure.....	9

### Plumbing Rules

General plumbing problems, such as overflowing toilets, dishwashers or washing machines are the owner’s responsibility. They may be covered by your insurance policy.

If you are going to call a plumber, you are recommended to call Aqua-Tek Plumbing, Inc. at 408-295-7767. They are the HOA’s preferred plumber and they are familiar with the plumbing system at our community.

**If the plumbing issue is determined to be within common area and the direct cause cannot be determined, the HOA will only reimburse plumbing expenses if you use Aqua-Tek Plumbing, Inc., so their use is highly recommended.**

## Parking Rules

These guidelines are intended to ensure the Five (5) parking spaces designated "Visitor" Parking remain available for use by 350 N. 2nd St. Visitors; and that these Visitor parking spaces be shared equitably among the 62 units in the complex. They also set out penalties for violations of the guidelines.

All vehicles parked in Visitor Parking **MUST** display a Parking Pass at all times.

### 1) OWNER/RESIDENT PARKING:

- A. Owners/Residents may park their vehicles only in the spaces assigned to the unit in which they own/dwell. These spaces are located in the secured area behind the garage gates.
- B. Residents may park in Visitor parking overnight for a maximum of three (3) nights (Monday-Sunday) from 8:00 p.m. to 9:00 a.m. must display an official 350 N. 2<sup>nd</sup> St. "Resident Parking Pass" on their dashboard. Owner/Residents are provided sequentially, but non-public identifying numbered passes.

### 2) VISITOR PARKING:

- A. Visitors must display an official 350 N. 2nd St. "Visitor Parking Pass" on their dashboard at all times. Visitor Parking Passes are provided by Owner/Resident and are available in 2nd. St. lobby.
- B. Visitor parking spaces are reserved for Visitors who are visiting any resident of the complex. Each Owner/Resident is allowed only one (1) space for a Visitor at any one time.
- C. Visitors may park in one of the five (5) Visitor parking spaces designated for short-term parking. In addition, Visitors may park in the U.S. Postal Service space before or after the hours posted; or in the Disabled Parking space if the vehicle displays a valid Disabled Person Parking placard or license plate, in addition to a Visitor Parking Pass.
- D. All vehicles parked in the Visitor Parking must be no wider than the space between the painted lines and no longer than the distance from the cement block wall to the end of the columns/posts.
- E. Each Visitor vehicle may park in visitor parking on no more than three (3) times, regardless of length of time, within any one week period (Monday – Sunday). Exceptions may be pre-approved by the Parking Committee.

### 3) VIOLATIONS:

- A. Violations of the parking rules will result in a Parking Warning Notice being issued. All warnings are logged for future reference. Further violations will make the vehicle subject to immediate tow-away at the vehicle owner's expense.
- B. Known Owners in violation of these guidelines shall be subject to fines and required to appear before the HOA Board of Directors, or other action taken (i.e. tow away), in accordance with the CC&R's and parking guidelines of the HOA.
- C. All costs incurred in the removal of a vehicle, including, but not limited to towing charges, storage expense and attorney fees, shall be borne by the vehicle owner.
- D. The HOA, Management Company, or Towing Contractor is NOT responsible for any damage incurred to a vehicle if that vehicle has to be towed due to non-compliance with these guidelines.

## Pool Area Rules

Pool Hours: Sunday-Thursday 6AM to 10PM, Friday-Saturday 6AM to Midnight.

(Pool water will be heated from April 1 through October 31. The Spa is heated year around.)

No Lifeguard is on duty. All persons using the pool do so at their own risk.

All guest must be accompanied by a resident.

Persons under the age of sixteen (16) must be accompanied by an adult.

No diving, running, rough play or horseplay is allowed.

Glass and glass containers are prohibited

Pets are not allowed in the pool area with the exception of certified service animals.

All residents must clean up after themselves and their guests/certified service animals, including returning furniture back to an orderly and neat position.

All residents are responsible for the actions of their guests/children/certified service animals.

All users must keep noise to a level acceptable for all residents.

Cooking, grilling and barbequing are not allowed in the pool area.

Smoking of all tobacco products is not allowed, including vapor and e-cigarettes

Any person responsible for any property damage or loss with be responsible for the cost thereof.

The HOA is not responsible for any loss or damage of personal property of any kind. Residents/Guests are advised against unguarded valuables in the pool area.

Users who are observed violating pool area rules may be asked to leave the pool area immediately. Repeat violations result in a fine or revocation of pool area privileges.

The Pool Area may be closed my Management or the HOA Board at any time if deemed necessary.

Group functions involving six (6) or more individuals must secure advance permission from the HOA Board. This is accomplished through requesting and receiving advance permission at least one week in advance of the scheduled event. No event will be granted exclusive use of the pool area or facilities.

The HOA and its agents assume no responsibility for any accidents or injuries in connection with use of the pool area. Persons using the pool area release and indemnify the HOA and its members and agents from any claims in connection with any loss of life or personal injury or damage to or loss of personal property.

## Gym Rules

1. Athletic shoes and proper exercise attire must be worn at all times.
2. Wipe off exercise equipment after use.
3. Children 10-14 should be accompanied by an adult.
4. For their safety, no children under 10 should be in the gym.
5. Be mindful of others waiting to use equipment.
6. Turn off standing fans and TVs when not in use and before leaving the gym.
7. Return all gym equipment to its original location.

**The HOA and its agents assume no responsibility for any accidents or injuries in connection with the use of the gym. Persons using the gym release and indemnify the HOA and its members and agents from any claims in connection with any loss of life or personal injury or damage to or loss of personal property.**

## Window Treatment Rules

The board of Directors hereby resolves that all Homeowners are required to follow these Rules & Regulations regarding the installation of window film (tinting) on the Main Window Areas located between the living rooms and the Common Area / Exterior of each Unit. Failure to follow these Rules & Regulations may result in fines being assessed to the Homeowner's account on a daily basis until the violation is corrected. This is done in accordance with Article VII (Use Restrictions) and Article VI (Architectural Control) of the 350 North Second Street Homeowners Association Covenants, Conditions & Restrictions, which state:

*WINDOW COVERING: All window coverings visible from the street or Common Area shall be a neutral color, unless otherwise approved by the Board. (Article VII, Section 7.9)*

*GENERAL: No building, fence, wall, balcony, screen, patio, awning, carport, improvement, or structure of any kind may be erected or maintained upon the Common Area, nor shall any alteration, modification or improvement be made to the Common Area, until approved in writing by the board. The approval of the Board shall not be unreasonably withheld. Plans specifications showing the nature, shape, color, size, materials and location of any improvements, modifications or alterations shall be submitted to the Board for approval as to quality of workmanship, design, harmony of external design with existing structure, and location in relation to surrounding structures. (Article VI, Section 6.1)*

In order to maintain an outwardly uniform aesthetic between the individual Units, all window treatments (tinting) within the 350 North Second Street Homeowners Association will require final approval and must adhere to the following set of standards for consideration:

**THESE RULES AND REGULATIONS ARE SUBJECT TO CHANGE. Approved 10-27-15**

- 1) A detailed proposal must be submitted to the Board of Directors for review prior to installation, which precisely specified the windows to be treated and includes a Spec Sheet, Quote Sheet or Proposal that confirms conformity with the following Specifications:

SHADING COEFFICIENT – 51%

UV REFLECTION – 99%

GLARE REDUCTION – 63%

- 2) A proposed date for installation.
- 3) Business name and contact information for the vendor to be used on the installation.

In order to maintain conformity of the various facade areas (Street side, pool side, railroad side) of the Main Windows, the 350 North Second Street Board of Directors has approved the following treatment grade that will keep a consistent look should you decide to tint your windows. Again, this only has an effect on the MAIN WINDOW AREAS. This grade, because it is an unnoticeable, but effective grade, that would blend in with those that decide NOT TO tint their windows.

The 350 North Second Street Board concludes that Window Tinting is acceptable at the MAIN WINDOWS (Living Room Windows) ONLY, based on the following:

SHADING COEFFICIENT, UV REFLECTION, GLARE REDUCTION.

-SHADING COEFFICIENT – 51%

-UV REFLECTION – 99%

-GLARE REDUCTION – 63%

Recommended Brand/Type: VISTA V33 (Soft Horizon) Window Film

\*\*\*\*\*BUYING & SAMPLE INFO

To see an example, please make arrangements with Diane & Gary in unit 109 to see what has been installed.

Diane's email is [dianedrew11@yahoo.com](mailto:dianedrew11@yahoo.com)

CONTACT INFO:

If you chose to use the same installer, the contact is owner Tim Dollenze of Western Window Tinting Inc. at (408) 999-0990

DISCOUNT:

We have worked out a 10% discount for those living in 230 N 2<sup>nd</sup> if you use this outfit.

**THESE RULES AND REGULATIONS ARE SUBJECT TO CHANGE. Approved 10-27-15**

## Animal Rules

### In accordance with the CC&R's: Section 7.6:

- 1) Up to two (2) domestic cats and dogs are allowed.
  - The following breeds of dogs are prohibited from the project per the CC&Rs.
    - i. Pit Bull
    - ii. Presa Canario
    - iii. Rottweiler
- 2) Fish are allowed, and birds in cages are allowed.
- 3) Permitted pets shall not be kept, bred, or raised for commercial purposes.
- 4) Pets in the common area must be leashed.
  - Unleashed animals may be removed by animal control and all cost shall be paid by the owner.
- 5) Pet owners shall prevent their pets from soiling in the common areas.
  - Pet owners shall clean up after their pets immediately
- 6) Per the CC&Rs, the Association can prohibit the keeping of any animal that in the sole and exclusive opinion of the Board constitutes a nuisance or danger to any other Owner.

## Fine Schedule

The Board of Directors ("**Board**") of the 350 North Second Street Homeowners Association ("**Association**") hereby adopts the following Fine Schedule and Notice and Hearing Procedure ("**Fine Schedule**") that will be applied to all Members, tenants, residents and their guest(s) or invitees for any violation of the Association's Rules and Regulations ("**Rules**") or the Declaration of Restrictions for 350 North Second Street ("**CC&Rs**") and any amendments thereto (collectively, "**Governing Documents**").

### A. FINE SCHEDULE

Fines are due and payable within five (5) days of receipt of written notice. The Board has the obligation to take all necessary legal action to obtain reimbursement of costs incurred in repair or replacement of damaged items including all cost of legal fees.

The general fine schedule for violations of the Rules or Governing Documents is as follows:

✓	First Violation	\$100.00
✓	Second Violation	\$200.00
✓	Third Violation	\$300.00
✓	Violations with damage	Fine plus cost of repairing damage

Fines for moving in or out without proper notification.

✓	Move-in or Move-out without notice	\$300.00
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Fines and consequences for pet urination or defecation in the community common areas.

✓	First Violation	\$300.00
✓	Second Violation	\$500.00
✓	Third Violation	Removal of the pet from the community.

#### **CC&R's: Section 7.6: Animals**

Pet owners shall clean up after their pet "immediately". Association can prohibit the keeping of any animal that in the sole and exclusive opinion of the Board constitutes a "nuisance" or danger to any of the owners.

In addition to or in lieu of imposing a fine, the Board may also take any one or more of following actions:

- (a) Levy an Expenditure to reimburse the Association for costs incurred by it in the repair of damage to the Common Area and facilities caused by the Member, as authorized under Section 5.1F of the CC&Rs;
- (b) Suspend the Member's voting privileges;

**THESE RULES AND REGULATIONS ARE SUBJECT TO CHANGE. Approved 10-27-15**



- (c) Enter upon a Unit or Exclusive Use Common Area to perform work to preserve the appearance, value and sanitation of the condominium project and levy an Expenditure to recover its costs, as authorized under Section 10.4 of the CC&Rs;
- (d) Suspend the right of the Member or Member's tenant to use any Common Area facilities; and/or
- (e) Serve a Request for Resolution demanding that the Member participate in alternative dispute resolution pursuant to California Civil Code Sections 1369.510-590.

If the Member does not timely pay the fines and/or the Expenditure by the due date, the Association may sue the Member in Small Claims Court, obtain a judgment, and record an Abstract of Judgment, which will create a lien against that Member's Unit. The Association may also levy the Member's bank account.

## Notice and Hearing Procedure

Prior to imposing fines and penalties, the Board uses the following Notice and Hearing Procedure:

1. **First Violation – Notice of Hearing:** The Board shall serve a notice of hearing to the Member at least ten (10) days prior to the hearing.
2. **Hearing:** The hearing shall be held before the Board in executive session. Failure to appear at a scheduled hearing does not preclude the Board from proceeding with the hearing and of making a finding. The violator shall be notified in writing of the findings of the Board within fifteen (15) days of the Board's decision. If the Board finds that a violation has occurred, the violator shall have fifteen (15) days to comply unless the Board specifies a later date.
2. **Rebuttal:** The owner shall have fifteen (15) days after notification of the findings to request a hearing to rebut the findings of a hearing.
3. **Continuing Violation:** If the violation continues, the Association shall attempt to resolve the dispute through mediation, non-binding arbitration, or binding arbitration ("**ADR**") in accordance with the provisions and procedures set forth in California Civil Code Section 1369.510 *et seq.* The Association shall serve on the other party a copy of a "Request for Resolution" containing (i) a brief description of the dispute, (ii) a request for mediation or arbitration, and (iii) a notice that the party receiving such Request for Resolution must respond within thirty (30) days of receipt of the Request or such recipient shall be deemed to have rejected the Request. Failure to respond within such time shall be deemed a rejection of the Request. Arbitration shall be conducted in accordance with the procedures adopted by the Judicial Arbitration and Mediation Service (JAMS) and shall use only one (1) neutral arbitrator. If the Owner fails to respond or rejects the Request, the Association may commence a civil legal action for declaratory and/or injunctive relief. In any lawsuit to enforce the Governing Documents, California Civil Code Section 1354 provides that the prevailing party shall be awarded attorneys' fees and costs. Section 1369.580 provides that if any party has refused to participate in ADR prior to the lawsuit being filed, the court may consider whether that refusal was reasonable when it determines how large or small the award should be.



**350 North 2nd Street Homeowners Association**  
**Move In/Move Out Procedures**

**Prior to your move:**

Before moving in or out of the building it is necessary that you contact Cityscape Property Management to schedule a specific time for the use of the elevator. At that time the manager will provide further information and assistance relevant to your move. An appointment to schedule a move MUST be made seven (7) working days in advance of the actual moving date. You must determine if you will be using the 2<sup>nd</sup> St. or 3<sup>rd</sup> St. elevator.

**Designated moving times:**

You may only move in and out of the building between 8:00 a.m. and 8:00 p.m. Monday through Friday and between 10:00 a.m. and 9:00 p.m. on Saturdays and Sundays. NO EXCEPTIONS.

**The Move:**

- 1) Please choose your moving company carefully! You, as the Unit Owner, or tenant, are fully responsible for any damage done to the Common Area, i.e., hallways, elevators, lobbies, etc.
- 2) Make a plan. You will save time and money if you plan the location of your furniture in your new home before it is delivered.
- 3) Measure your large items to be sure they fit through the standard door openings, elevator and tight corners in the halls.
- 4) Make sure that furniture or other belongings are not dragged across the lobby, corridors or other entry area floors. Dollies or hand trucks must be used at all times.
- 5) Front lobby door must NEVER be left unattended when open.
- 6) **Protective elevator wall blankets will be installed by management for a maximum of 5 days.**
- 7) Don't park moving vehicles in red zones as it makes it dangerous to enter and exit the building.
- 8) Garage openers and all keys need to be turned over to the new owner if selling your home.

**Move In/Out fee:**

All residents of 350 North 2<sup>nd</sup> Street Lofts will be charged a move in and a move out fee of \$150.00 to cover costs associated with the installation of temporary protective measures designed to minimize damage to the property and the repair of minor damage that may not have been identified immediately following the move.

**After the move:**

At the end of the move, the corridors and elevator must be cleared of all debris. Packing material and containers must be deposited in the trash room/recycling bins in the garage. All cartons must be flattened.

**Future deliveries:**

In the event that you find it necessary to have other items delivered, you will be responsible for the cost of any damage, repair, cleaning, or other liabilities that may occur as the result of your delivery.

*I HAVE READ THE MOVE-IN/MOVE-OUT PROCEDURES FOR 350 NORTH 2<sup>ND</sup> ST. LOFTS. I UNDERSTAND AND AGREE THAT IF DAMAGE IS INCURRED AS A RESULT OF MY MOVE, I WILL ACCEPT TOTAL RESPONSIBILITY FOR THE COST OF ANY DAMAGE, REPAIR, CLEANING, LOSSES OR OTHER LIABILITIES. I FURTHER UNDERSTAND AND AGREE TO PAY THE FEE OF \$150.00 PRIOR TO MY MOVE FOR REASONS STATED ABOVE.*

**\$300 PENALTY WILL BE ASSESSED IF NOT COMPLYING WITH ABOVE GUIDELINES.**

\_\_\_\_\_  
*Date and Time of planned move.*

\_\_\_\_\_  
*Which elevator? (3<sup>rd</sup> St, 2<sup>nd</sup> St., None)*

\_\_\_\_\_  
*Homeowner Printed Name*

\_\_\_\_\_  
*350 N. 2<sup>nd</sup> St. Unit Number*

\_\_\_\_\_  
*Homeowner Signature*

\_\_\_\_\_  
*Date*

**Email completed form to [Cityscape@CityscapeHOA.com](mailto:Cityscape@CityscapeHOA.com) For questions, call Phone: 408-321-8920.**

Approved 1/27/14



**350 NORTH SECOND STREET HOMEOWNER'S ASSOCIATION**  
**DELINQUENT ASSESSMENT COLLECTION POLICY**

**Approved**

**April 08, 2015**

1. It is the fiduciary responsibility of the Board of Directors to collect all assessments for the maintenance and replacement of common area property and other association expenses in a timely fashion. The Association is entitled to recover assessments, reasonable collection costs, reasonable attorney's fees, late fees and interest. The Association will not use non-judicial foreclosure to collect fines or penalties but other remedies are available to collect these and any sums not suitable for collection by non-judicial foreclosure. The association shall comply with requirements of their CC&R's and the California Civil Code when collecting delinquent assessments. If an error is made that requires termination of any collection proceeding or beginning a collection process over, the Association shall bear the costs; otherwise, the owner is responsible for all costs as identified above.

2. Assessments are due on the first day of each month and are delinquent at 5:00 p.m. on the 15TH day of the month, at which time a late charge of \$10.00 or 0% of the assessment (or special assessment), whichever is greater, will be charged [per the governing documents] on the 16TH day of the month. All balances due as of 5:00 p.m. on the 30th day of the month will be subject to interest of 12% per annum.

3. **IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.**

4. On or about the 46th day after a payment is due, a 30-day Pre-Lien Notice will be prepared and sent, by certified mail, to the delinquent record owner(s) at the owners' last mailing address provided to the Association. If the delinquent record owner(s) have provided a written notice of a secondary address, all notices shall be sent to that address also. Such notice will include an itemized statement of the total amounts delinquent, including but not limited to, assessments, late charges, interest and costs of collection, if any, and a notice that the owner is entitled to ask to meet with the Board or Board representative(s) pursuant to the Association's internal dispute resolution "meet and confer" program.

5. The decision to record a lien shall be made by the Board of Directors, approved by a majority vote in an open meeting. The Board shall record the vote in the minutes of that meeting referring to the property by parcel number, and not name of the owner. Likewise, the decision to file in small claims shall be made by the Board and not the Association's agent.

6. On or about the 30th day after the Pre-Lien Notice is sent the Association may record a lien on the property to secure the debt; however, there are limitations that may preclude foreclosure of the lien at this time (see paragraph 7).

7. If all sums secured by the lien are not paid in full within thirty (30) days after recordation, and the amount of delinquent regular or special assessments reaches \$1,800.00, not including any accelerated assessments, late charges, fees and costs of collection, attorney's fees, or interest, or has been delinquent more than 12 months, the Board may make the decision to foreclose the lien. All resulting collection fees and costs will be added to the total delinquent amount. At some point in time prior to initiating foreclosure, the Board shall offer the owner and, if so requested by the owner, shall participate in dispute resolution pursuant to the association's "meet and confer" program or alternative dispute resolution with a neutral third party. The decision to pursue dispute resolution shall be the choice of the owner, except that binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

8. The decision to initiate foreclosure shall be made only by the Board of Directors, by majority approval, and while the discussion may be held in executive session, the decision shall be recorded in the minutes of an open meeting in the same form as the decision to record a lien was made (by parcel number only). A Board vote to approve foreclosure of a lien must take place at least 30 days prior to any public sale.

9. If the Board votes to foreclose, the Board shall provide notice of its decision by personal service to an owner who occupies the separate interest or to the owner's legal representative. If the owner does not occupy the separate interest, said notice will be sent by first-class mail, postage prepaid, to the most current address shown on the books of the Association. In the absence of written notification by the owner to the association, the address of the owner's separate interest may be treated as the owner's mailing address. In addition, statutory procedures including recorded notices regarding foreclosure and sale will be accomplished.

10. A non-judicial foreclosure by an association shall be subject to the owner's right to redeem the property up to 90 days after the sale.

11. All charges assessed to the assessment account must be paid in full as a condition to curing and releasing a recorded Lien and other documents of foreclosure. If the account is not paid in full, arrangements must be made with the Association's Agent assigned to the collection of the account or the Board or Board representative, at a meeting arranged under the "meet and confer" process of the Association.

12. When a payment is made, the owner may request a receipt and the association will provide it. On the receipt, the association shall indicate the date of payment and person who received it.

13. You may, but are not obligated to, pay under protest, any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

14. Each payment from an owner shall be applied first to the principal assessments owed, and, only after the assessments owed are paid in full shall the payments be applied to costs of

collection, attorney's fees, late charges, or interest, unless an alternate agreement is entered into between the Association and the owner.

15. An owner may request the association to consider a payment plan to satisfy a delinquent assessment. The Board will inform the owners of the standards for payment plans, to the extent standards have been adopted by the Board. Certain timelines apply as follows: If an owner's request is mailed within 15 days of the date of the postmark of the notice of delinquency (lien), the Board will meet with the owner in executive session within 45 days of the postmark of that request. However, if there is no regularly scheduled Board meeting during that period, the Board may designate one or more Directors to meet with the owner. Payment plans may incorporate any assessments that accrue during the payment plan period, however they shall not impede an association's ability to record a lien to secure payment of delinquent assessments. Additional late fees shall not accrue during the payment plan period if the owner is in compliance with the terms of the payment plan. Payment plans will include all assessments, late charges, interest and costs of collection, that accrued prior to the commencement of the payment plan. The owner will be charged a payment plan fee to administer the payment plan. In the event of a default on any payment plan, the association may resume its efforts to collect the delinquent assessments from the time prior to entering into the payment plan and all late fees and interest that would have accrued for the time period the payment plan was in effect, will be reinstated to the Owners' account.

16. Any check returned by the bank for insufficient funds, stop payment or any other reasons will be charged back to the unit and a \$25.00 administrative fee plus any bank fees will be assessed to the account. If the account has been turned over to the Association's agent for collection and a check is returned, the account will be assessed whatever administrative fees as the Agent provides.

17. The mailing address for overnight payment of assessments is the same as that for routine assessment payments unless otherwise noted.

18. An owner of a separate interest has the right to inspect the association's financial books and records to verify the delinquency, per laws related to inspection of HOA records.

19. Except where prohibited by law, 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. To the extent there are any general discretionary changes (rather than compliance related to the law or governing documents); the Board shall circulate the policy to owners at least 30 days before the meeting at which the revisions will be considered.

This policy is consistent with the Association's CC&R's as well as the following Civil Code Sections in the Davis-Stirling Act:

DAVIS-STIRLING CONVERSION CHART		
Re: Collection Policy		
Civil Code 2013	Civil Code 2014	Subject
1363(f)&(g)	5850-5855	Monetary Penalty Schedule, Hearing Notice and Decision
1366	5600-5650	Levy of Assessments; Limitations, Increases; Delinquent Assessments; Late Fees and Interest
1367.1-1367.4	5650-5725	Payments; Disputes As To Debt; Procedure; Enforcement Of Lien; Penalty; Priority Of Lien; Assignment Or Pledge Of Right To Collect Payments; Actions Under Code Of Civil Procedure; Correction Of Errors; Application Of Section
1367.1	5665	Right To Request Meet And Confer (IDR) With The Board; Debts For Assessments That Arise On And After January 1, 2006; Collection Of Delinquent Assessments
1367.4	5715-5740	Application Of Limitation On Foreclosure Of Assessment Liens, Minimum Requirements Before Foreclosure Is Allowed, Right Of Redemption
1362.5	5205	Right To Inspect Association Records
1363.810	5900	IDR
1369.510	5925	ADR



## NOTICE ASSESSMENTS AND FORECLOSURE

This notice outlines some of the rights and responsibilities of owners of property in common interest developments and the associations that manage them. Please refer to the sections of the Civil Code indicated for further information. A portion of the information in this notice applies only to liens recorded on or after January 1, 2003. You may wish to consult a lawyer if you dispute an assessment.

### ASSESSMENTS AND FORECLOSURE

Assessments become delinquent 15 days after they are due, unless the governing documents provide for a longer time. The failure to pay association assessments may result in the loss of an owner's property through foreclosure. Foreclosure may occur either as a result of a court action, known as judicial foreclosure, or without court action, often referred to as nonjudicial foreclosure. For liens recorded on and after January 1, 2006, an association may not use judicial or nonjudicial foreclosure to enforce that lien if the amount of the delinquent assessments or dues, exclusive of any accelerated assessments, late charges, fees, attorney's fees, interest, and costs of collection, is less than one thousand eight hundred dollars (\$1,800). For delinquent assessments or dues in excess of one thousand eight hundred dollars (\$1,800) or more than 12 months delinquent, an association may use judicial or nonjudicial foreclosure subject to the conditions set forth in Article 3 (commencing with Section 5700) of Chapter 8 of Part 5 of Division 4 of the Civil Code. When using judicial or nonjudicial foreclosure, the association records a lien on the owner's property. The owner's property may be sold to satisfy the lien if the amounts secured by the lien are not paid. (Sections 5700 through 5720 of the Civil Code, inclusive)

In a judicial or nonjudicial foreclosure, the association may recover assessments, reasonable costs of collection, reasonable attorney's fees, late charges, and interest. The association may not use nonjudicial foreclosure to collect fines or penalties, except for costs to repair common area damaged by a member or a member's guests, if the governing documents provide for this. (**Section 5725** of the Civil Code)

The association must comply with the requirements of Article 2 (commencing with **Section 5650**) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the

requirements are the responsibility of the association. (**Section 5675** of the Civil Code)

At least 30 days prior to recording a lien on an owner's separate interest, the association must provide the owner of record with certain documents by certified mail, including a description of its collection and lien enforcement procedures and the method of calculating the amount. It must also provide an itemized statement of the charges owed by the owner. An owner has a right to review the association's records to verify the debt. (**Section 5660** of the Civil Code)

If a lien is recorded against an owner's property in error, the person who recorded the lien is required to record a lien release within 21 days, and to provide an owner certain documents in this regard. (**Section 5685** of the Civil Code)

The collection practices of the association may be governed by state and federal laws regarding fair debt collection. Penalties can be imposed for debt collection practices that violate these laws.

## **PAYMENTS**

When an owner makes a payment, the owner may request a receipt, and the association is required to provide it. On the receipt, the association must indicate the date of payment and the person who received it. The association must inform owners of a mailing address for overnight payments. (**Section 5655** of the Civil Code)

An owner may, but is not obligated to, pay under protest any disputed charge or sum levied by the association, including, but not limited to, an assessment, fine, penalty, late fee, collection cost, or monetary penalty imposed as a disciplinary measure, and by so doing, specifically reserve the right to contest the disputed charge or sum in court or otherwise.

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with **Section 5900**) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing

with **Section 5925**) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

An owner is not liable for charges, interest, and costs of collection, if it is established that the assessment was paid properly on time. (**Section 5685** of the Civil Code)

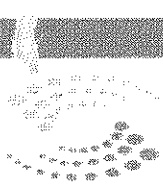
### **MEETINGS AND PAYMENT PLANS**

An owner of a separate interest that is not a time-share interest may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform owners of the standards for payment plans, if any exists. (**Section 5665** of the Civil Code)

The board must meet with an owner who makes a proper written request for a meeting to discuss a payment plan when the owner has received a notice of a delinquent assessment. These payment plans must conform to the payment plan standards of the association, if they exist. (**Section 5665** of the Civil Code)

(b) An association distributing the notice required by this section to an owner of an interest that is described in Section 11212 of the Business and Professions Code that is not otherwise exempt from this section pursuant to subdivision (a) of Section **11211.7** of the Business and Professions Code may delete from the notice described in subdivision (a) the portion regarding meetings and payment plans.





**SOCHER**

Corporate Headquarters  
1350 Old Bayshore Hwy., Suite 630  
Burlingame, CA 94010

East Bay Office  
7901 Stoneridge Dr., Suite 445  
Pleasanton, CA 94568

Socher Insurance Agency, Inc.  
Toll-Free: 877.317.9300  
Fax: 877.317.9305  
www.socheinurance.com  
CA Broker License: #0C97535

March 23, 2018

**350 NORTH SECOND STREET HOMEOWNERS' ASSOCIATION**  
Civil Code 5300(b)(9) Disclosure Summary Form

Property: Travelers Property Casualty Company: 03/31/2018 – 03/31/2019

\$20,348,500 Special Form (wind included), 100% Replacement Cost Basis with No Co-Insurance and a \$10,000 Deductible per Occurrence.

General Liability: Travelers Property Casualty Company: 03/31/2018 – 03/31/2019

\$1,000,000 per Occurrence / \$2,000,000 General Aggregate with a \$0 Deductible.  
Non-owned and Hired Automobile Liability is included in this Policy.

Umbrella Liability: National Surety Corporation: 03/31/2018 – 03/31/2019

\$5,000,000 Each Occurrence / \$5,000,000 General Aggregate with a \$0 Self Insured Retention Each Occurrence. This coverage is in excess of the General Liability, Non-owned and Hired Automobile Liability, Directors' & Officers Liability and Workers' Compensation (if applicable).

Directors' and Officers Liability: Continental Casualty Company: 03/31/2018 – 03/31/2019

\$1,000,000 per Occurrence and Annual Aggregate with a \$1,000 Retention per Occurrence.

Employee Dishonesty: Continental Casualty Company: 03/31/2018 – 03/31/2019

\$550,000 per Occurrence with a \$2,500 Deductible. Coverage is provided for both Board of Directors and employees the Association has or might have during the Policy year.

Workers' Compensation: Wesco Insurance Company: 03/31/2018 – 03/31/2019

\$1,000,000 Coverage statutory limits as required by California law.

Equipment Breakdown Coverage: Hartford Steam Boiler: 03/31/2018 – 03/31/2019

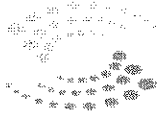
Equipment Breakdown coverage ("Boiler and Machinery Coverage") protects your business' equipment, machinery and systems that operate your building. This coverage pays for damage caused by such things as electrical arcing, mechanical breakdown, power surges, centrifugal force and more. The limits of liability are \$20,608,900 with a \$10,000 deductible.

Earthquake Insurance: No coverage through our agency.

Flood: No coverage through our agency.

**This summary of the Association's policies of insurance provides only certain information, as required by subdivision (b) of Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and provision of reasonable notice, review the Association's Insurance Policies and, 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.**

**\*\*For lender and/or unit specific Evidence of Insurance please call EOI Direct at 877-456-3643. For general proof of insurance please contact Socher Insurance at 877-317-9300\*\***



**SOCHER**

Corporate Headquarters  
1350 Old Bayshore Hwy., Suite 630  
Burlingame, CA 94010

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7901 Stoneridge Dr., Suite 445  
Pleasanton, CA 94566

Socher Insurance Agency, Inc.  
Toll-Free: 877.317.9300  
Fax: 877.317.9305  
[www.hoainurance.net](http://www.hoainurance.net)  
CA Broker License: #0C97535

**\*\*For lender and/or unit specific Evidence of Insurance please call EOI Direct at 877-456-3643. For general proof of insurance please contact Socher Insurance at 877-317-9300\*\***



350NO-1

OP ID: KR

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/23/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Socher Insurance Agency, Inc. 1350 Old Bayshore Highway Suite 630 Burlingame, CA 94010 House Account	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____ <b>E-MAIL ADDRESS:</b> _____ <b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Travelers Prop Casualty Co Ame <b>INSURER B:</b> National Surety Corporation <b>INSURER C:</b> Wesco Insurance Company <b>INSURER D:</b> Continental Casualty Co. <b>INSURER E:</b> _____ <b>INSURER F:</b> _____
<b>INSURED</b> 350 North Second Street Homeowners' Association Cityscape Property Mgmt Inc 3795 Eastwood Circle Santa Clara, CA 95054	<b>NAIC #</b> _____

**COVERAGES****CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____			680-5K015736	03/31/2018	03/31/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			680-5K015736	03/31/2018	03/31/2019	COMBINED SINGLE LIMIT (Ea accident) \$ Included BODILY INJURY (Per person) \$ _____ BODILY INJURY (Per accident) \$ _____ PROPERTY DAMAGE (Per accident) \$ _____
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0			SUO00032271991-5572-5	03/31/2018	03/31/2019	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
C	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below		N / A	WWC3331905	03/31/2018	03/31/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	<input type="checkbox"/> Directors' & Officers Liability			0598948801	03/31/2018	03/31/2019	Limit: \$ 1,000,000 Ded: \$ 1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Please see Certificate of Property, Acord 24, for building values.

**CERTIFICATE HOLDER**

FORINFO

For Informational Purposes

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE











**Budget for the Year Ending December 31, 2018**

**The monthly dues per unit is effective starting 1 January 2018**

**Operating Expenses**

Annual Audit/Review & Taxes	\$	1,490.00
Insurance	\$	34,739.50
Management - Contract	\$	15,288.00
Management - Extras/Misc	\$	7,000.00
Taxes - State	\$	10.00
Taxes - Corporate Filing	\$	35.00
Telephone & Internet	\$	10,500.00
<b>Total Administration</b>	<b>\$</b>	<b>69,562.50</b>

Landscape - Contract	\$	5,880.00
Landscape - Extras	\$	4,000.00
Trees	\$	3,500.00
<b>Total Landscape</b>	<b>\$</b>	<b>13,380.00</b>

Maintenance - General/Common Area	\$	30,002.38
Gym - Contract	\$	900.00
Fire System - Contract	\$	960.00
Fire System - Extras	\$	450.00
Maintenance - Garage & Gate	\$	400.00
Janitorial - Contract	\$	22,284.00
Window Cleaning	\$	8,300.00
HVAC - Contract	\$	15,000.00
Plumbing & Sewer Repaires	\$	18,000.00
Plumbing & Sewer - Salt	\$	3,500.00
Pest Control - Contract	\$	1,100.00
Elevator - Contract	\$	5,520.00
Elevator - Permit & License	\$	1,800.00
Elevator - Repairs / Extras	\$	600.00
Solar Panels	\$	29,000.00
<b>Total Maintenance</b>	<b>\$</b>	<b>137,816.38</b>

Pool - Contract	\$	6,100.00
Pool - License and permits	\$	1,300.00
Pool - Repair and Supplies	\$	800.00
<b>Total Pool</b>	<b>\$</b>	<b>8,200.00</b>

Utilities - Gas & Electric	\$	18,000.00
Utilities - Trash	\$	11,000.00
Utilities - Water	\$	24,000.00
<b>Total Utilities</b>	<b>\$</b>	<b>53,000.00</b>

**Totals**

<b>Operating Expenses</b>	<b>\$</b>	<b>281,958.88</b>	<b>72%</b>
<b>Reserve Allocations</b>	<b>\$</b>	<b>108,608.00</b>	<b>28%</b>
<b>Total Operating and Reserve Expenses</b>	<b>\$</b>	<b>390,566.88</b>	<b>100%</b>

<b>Annual Budget</b>		<b>\$</b>	<b>390,566.88</b>
<b>Style A</b>	105 106 107 108 110 112 114 116 305 306 307 308 309 310 311 312 313 314 335 339	\$	504.49
<b>Style B</b>	117 119 121 123 125 127 129 131 144 146 317 319 321 323 325 327 329 331 337 343 344 345	\$	516.86
<b>Style C</b>	133 142 333 341 342	\$	525.34
<b>Style D</b>	101 301	\$	539.61
<b>Style E</b>	103 303	\$	551.47
<b>Style F</b>	109 111 113 115 135 139 141	\$	565.10
<b>Style G</b>	137 143 145 147	\$	580.49



San Francisco Office  
268 Bush Street #3434  
San Francisco, CA 94104



tel 877/618.1955  
415/694.8931  
916/912.4188  
fax 415/762.3662  
www.reservestudy.com

*Reserve Studies for Community Associations*

## Update “With-Site-Visit” Reserve Study



**350 N. 2nd Street**  
**San Jose, CA**

**Report #: 22099-3**  
**For Period Beginning: January 1, 2016**  
**Ending: December 31, 2016**

**Date Prepared: October 26, 2015**



---

## **Hello, and welcome to your Reserve Study!**

**T**his Report is a valuable budget planning tool, for with it you control the future of your association. It contains all the fundamental information needed to understand your current and future Reserve obligations, the most significant expenditures your association will face.

**W**ith respect to Reserves, this Report will tell you “where you are”, and “where to go from here”.

**In this Report, you will find...**

- 1) A List of What you’re Reserving For**
- 2) An Evaluation of your Reserve Fund Size and Strength**
- 3) A Recommended Multi-Year Reserve Funding Plan**

### **More Questions?**

Visit our website at [www.ReserveStudy.com](http://www.ReserveStudy.com) or call us at:

877/618-1955



*Reserve Studies for Community Associations*

# Table of Contents

<b>Executive Summary .....</b>	<b>i</b>
Reserve Study Summary .....	i
Reserve Component List – Table 1 .....	ii
<b>Introduction, Objectives, and Methodology .....</b>	<b>1</b>
Which Physical Assets are Covered by Reserves?.....	2
How are Useful Life and Remaining Useful Life established?.....	2
How are Cost Estimates Established? .....	2
How much Reserves are enough?.....	3
How much should we contribute? .....	3
What is our Funding Goal? .....	4
<b>Site Inspection.....</b>	<b>5</b>
<b>Projected Expenses .....</b>	<b>6</b>
Expense Graph – Figure 1 .....	6
<b>Reserve Fund Status &amp; Recommended Funding Plan .....</b>	<b>7</b>
Funding Plan Graph – Figure 2.....	7
Cash Flow Graph – Figure 3.....	8
% Funded Graph – Figure 4.....	8
<b>Table Descriptions .....</b>	<b>9</b>
Reserve Component List Detail – Table 2.....	10
Contribution & Fund Breakdown – Table 3 .....	11
30 Year Reserve Plan Summary – Table 4.....	13
30 Year Reserve Plan Year by Year Detail – Table 5 .....	15
<b>Accuracy, Limitations, and Disclosures .....</b>	<b>27</b>
<b>Terms and Definitions.....</b>	<b>27</b>
<b>Photographic Inventory .....</b>	<b>Appendix</b>

## 3- Minute Executive Summary

**Association:** 350 N. 2nd Street **Assoc. #: 22099-3**  
**Location:** San Jose, CA  
**# of Units:** 62  
**Report Period:** January 1, 2016 through December 31, 2016

**Results as-of 1/1/2016:**

<b>Projected Starting Reserve Balance:</b>	<b>\$129,022</b>
<b>Fully Funded Reserve Balance:</b>	<b>\$608,160</b>
<b>Average Reserve Deficit (Surplus) Per Unit:</b>	<b>\$7,728</b>
<b>Percent Funded:</b>	<b>21.2%</b>
<b>Recommended 2016 monthly Reserve Contribution:</b>	<b>\$7,088</b>
<b>Recommended 2016 Special Assessment for Reserves:</b>	<b>\$0</b>

**Most Recent Reserve Contribution Rate:**.....\$6,274

**Economic Assumptions:**

**Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 1.00%**  
**Annual Inflation Rate..... 3.00%**

- This is an "Update With-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves for your 2015 Fiscal Year. The information in this Reserve Study is based on our site inspection on September 23, 2015.
- This Reserve Study was prepared by, or under the supervision of, a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 21.2% Funded, this means the association's special assessment & deferred maintenance risk is currently high.
- The objective of your multi-year Funding Plan is to Fully Fund your Reserves, where associations enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point, your anticipated future expenses and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.



Table 1. Executive Summary

22099-3

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
<b>Common Area</b>					
103	Concrete Walkway - Repair (10%)	15	4	\$6,200	\$6,978
104	Balcony Surfaces -Seal/Repair	8	4	\$16,500	\$18,571
105	Balcony Surfaces - Resurface	40	36	\$158,000	\$457,928
107	Exterior Walkway - Seal/Repair	8	4	\$15,300	\$17,220
108	Exterior Walkway - Resurface	40	36	\$124,500	\$360,836
109	Sun Deck - Replace	20	9	\$49,500	\$64,586
302	HVAC Units (small) - Replace	18	7	\$7,750	\$9,532
303	HVAC Units (Large)- Replace	15	4	\$55,000	\$61,903
324	Exterior Wall Lights - Replace	26	15	\$8,050	\$12,542
325	Interior Lights - Replace	30	19	\$19,250	\$33,755
326	Flood/Emergency Lights - Replace	25	14	\$19,250	\$29,117
326	Garage Lights - Replace	30	19	\$13,800	\$24,198
403	Mailboxes - Replace	28	17	\$10,300	\$17,024
507	Exterior Iron Rail - Replace	30	19	\$72,400	\$126,954
601	Carpet - Replace	12	1	\$26,500	\$27,295
604	Concrete Stairs - Repair	20	9	\$5,950	\$7,763
701	Main Entrance Door - Replace	30	19	\$3,500	\$6,137
703	Utility Doors - Replace	30	19	\$13,500	\$23,672
704	Intercom - Replace	12	8	\$3,715	\$4,706
705	Overhead Gate Operator - Replace	15	4	\$8,000	\$9,004
706	Overhead Vehicle Gates- Replace	30	19	\$16,500	\$28,933
709	Trash Gate Operator - Replace	15	4	\$3,500	\$3,939
710	Trash Gate - Replace	25	14	\$7,250	\$10,966
803	Boilers - Replace	15	4	\$21,000	\$23,636
804	Water Tank - Replace	15	11	\$5,000	\$6,921
807	Pressure Booster System - Replace	24	13	\$32,500	\$47,727
902	Exercise Equipment - Replace	20	9	\$17,500	\$22,834
903	Lobby Furniture - Replace	12	6	\$3,500	\$4,179
909	Bathroom - Refurbish	15	4	\$4,600	\$5,177
910	Exercise Room - Remodel	20	9	\$10,950	\$14,287
920	Trash Rooms - Replace	14	3	\$2,750	\$3,005
1003	Irrigation Controllers - Replace	15	4	\$2,000	\$2,251
1006	Irrigation System - Repair/Replace	20	19	\$13,000	\$22,796
1107	Exterior Iron Rail - Repaint	6	2	\$8,460	\$8,975
1110	Interior Surfaces - Repaint	14	3	\$18,000	\$19,669
1111	Garage - Repaint	15	4	\$26,750	\$30,107
1115	Exterior Building - Repaint	12	8	\$90,850	\$115,086
1135	Exterior Trim - Repaint	6	2	\$15,750	\$16,709
1303	Comp Shingle Roof - Replace	30	19	\$41,750	\$73,209
1306	Flat Roof - Replace	20	9	\$175,400	\$228,857
1310	Gutters/Downspouts - Replace	40	19	\$20,700	\$36,298
1801	Elevator - Modernize	30	21	\$155,000	\$288,346
1802	Elevator Cab - Remodel	15	6	\$21,500	\$25,672
1803	Fire Alarm System - Replace	25	14	\$12,500	\$18,907
1925	Reserve Study - Update	3	2	\$1,665	\$1,766
<b>Pool/Spa Area</b>					

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
404	Pool Furniture - Replace	10	3	\$5,650	\$6,174
411	Drinking Fountain - Replace	30	19	\$1,650	\$2,893
503	Metal Fence/Gate - Replace	30	19	\$25,250	\$44,276
1107	Metal Fence - Repaint	6	2	\$2,650	\$2,811
1201	Pool Deck - Seal/Repair	15	12	\$10,050	\$14,329
1202	Pool - Resurface	12	1	\$15,050	\$15,502
1203	Spa - Resurface	6	1	\$5,500	\$5,665
1204	Pool/Spa - Retile/Coping	24	14	\$10,400	\$15,731
1207	Pool Filter - Replace	12	1	\$1,650	\$1,700
1207	Spa Filter - Replace	12	1	\$1,650	\$1,700
1208	Pool Heater - Replace	10	6	\$5,000	\$5,970
1208	Spa Heater - Replace	10	4	\$5,000	\$5,628
1209	Pool/Spa Chlorinators - Replace	12	1	\$1,450	\$1,494
1210	Pool/Spa Pump - Replace	10	0	\$5,250	\$7,056
59	Total Funded Components				

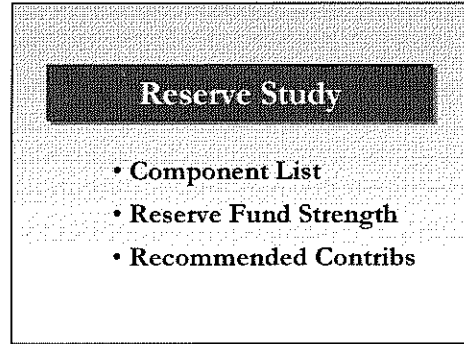
Note 1: Yellow highlighted line items are expected to require attention in initial year.

Note 2: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

## Introduction

A Reserve Study is the art and science of anticipating, and preparing for, an association's major common area repair and replacement expenses. Partially art, because in this field we are making projections about the future. Partially science, because our work is a process of research and analysis along well defined methodologies.

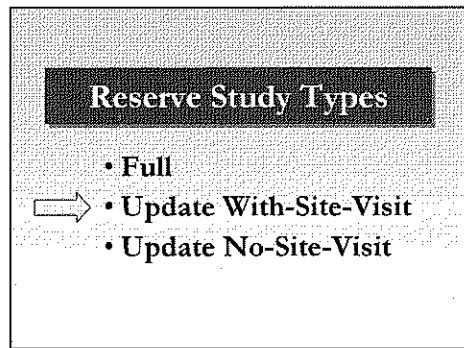
In this Report you will find the Reserve Component List (what you are reserving for). It contains our estimates for Useful Life, Remaining Useful Life, and the current repair or replacement cost for each major component the association is obligated to maintain. Based on that List and your starting balance we computed the association's Reserve Fund Strength (measured as "Percent Funded"), and created a recommended multi-year Reserve Funding Plan to offset future Reserve expenses.



As the physical assets age and deteriorate, it is important to accumulate financial assets to keep the two "in balance". A stable Reserve Funding Plan that offsets the irregular Reserve expenses will ensure that each owner pays their own "fair share" of ongoing common area deterioration.

## Methodology

First we establish what the projected expenses are, then we determine the association's financial status and create a Funding Plan. For this "Update With-Site-Visit" Reserve Study, we started with a review of your prior Reserve Study, recent Reserve expenditures, an evaluation of how expenditures are handled (ongoing maintenance vs Reserves), and research into any well-established association precedents. We performed an on-site inspection to evaluate your common areas, updating and adjusting your Reserve Component List as appropriate.



*Which Physical Assets are Covered by Reserves?*

There is a national-standard four-part test to determine which expenses should be funded through Reserves. First, it must be a common area maintenance responsibility. Second, the component must have a limited life. Third, the limited life must be predictable (or it by definition is a "surprise" which cannot be accurately anticipated). Fourth, the component must be above a minimum threshold cost. This limits Reserve

<b>Reserve Components</b>
<ul style="list-style-type: none"><li>• <b>Common Area</b></li><li>• <b>Limited Useful Life</b></li><li>• <b>Predictable Life Limit</b></li><li>• <b>Cost must be Significant</b></li></ul>

Components to major, predictable expenses. Within this framework, it is inappropriate to include "lifetime" components, unpredictable expenses (such as damage due to fire, flood, or earthquake), and expenses more appropriately handled from the Operational Budget or as an insured loss.

*How are Useful Life and Remaining Useful Life established?*

- 1) Visual Inspection (observed wear and age since last report)
- 2) Association Reserves database of experience
- 3) Client Component History
- 4) Vendor Evaluation and Recommendation

*How are Cost Estimates Established?*

Financial projections are based on the average of our Best Case and Worst Case estimates, which are established in this order...

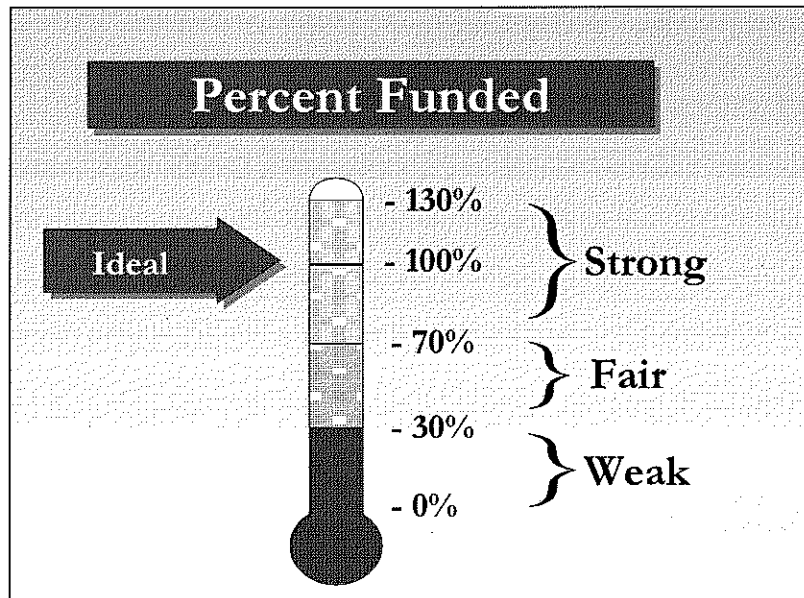
- 1) Client Cost History
- 2) Comparison to Association Reserves database of work done at similar associations
- 3) Vendor Recommendations
- 4) Reliable National Industry cost estimating guidebooks

*How much Reserves are enough?*

Your Reserve cash Balance can measure reserves, but the true measure is whether the funds are adequate. Adequacy is measured in a two-step process:

- 1) Calculate the association's Fully Funded Balance (FFB).
- 2) Compare to the Reserve Fund Balance, and express as a percentage.

The FFB grows as assets age and the Reserve needs of the association increase, but shrinks when projects are accomplished and the Reserve needs of the association decrease. The Fully Funded Balance changes each year, and is a moving but predictable target.



Special assessments and deferred maintenance are common when the Percent Funded is below 30%. While the 100% point is Ideal, a Reserve Fund in the 70% -130% range is considered "strong" because in this range cash flow problems are rare.

Measuring your Reserves by Percent Funded tells how well prepared your association is for upcoming Reserve expenses. New buyers should be very aware of this important disclosure!

*How much should we contribute?*

There are four Funding Principles that we balance in developing your Reserve Funding Plan. Our first objective is to design a plan that provides you with sufficient cash to perform your Reserve projects on time. A stable contribution rate is desirable because it is a hallmark of a proactive plan.

Reserve contributions that are evenly distributed over the owners, over the years, enable each owner to pay their “fair share” of the association’s Reserve expenses (this means we recommend special assessments only when all other options have been exhausted). And finally, we develop a plan that is fiscally responsible and “safe” for Board Members to recommend to their association.

**Funding Principles**

- Sufficient Cash
- Stable Contribution Rate
- Evenly Distributed
- Fiscally Responsible

*What is our Recommended Funding Goal?*

Maintaining the Reserve Fund at a level equal to the physical deterioration that has occurred is called “Full Funding” the Reserves (100% Funded). As each asset ages and becomes “used up”, the Reserve Fund grows proportionally. **This is simple, responsible, and our recommendation.** As stated previously, associations in the 100% range rarely experience special assessments or deferred maintenance.

Allowing the Reserves to fall close to zero, but not below zero, is called Baseline Funding. In these associations, deterioration occurs without matching Reserve contributions. With a low Percent Funded, special assessments and deferred maintenance are common.

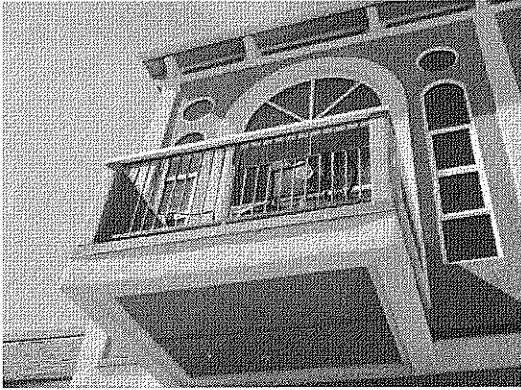
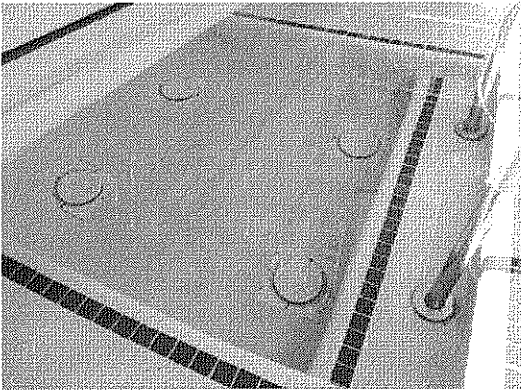
Threshold Funding is the title of all other objectives randomly selected between Baseline Funding and Full Funding.

**Funding Goals**

- Full Funding
- Threshold Funding
- Baseline Funding

**Site Inspection Notes**

During our site visit on September 23, 2015, we started the site inspection beginning with the garage area. We visually inspected all the buildings, and were able to see most areas. We were not able to inspect the Bike Storage Room.



### Projected Expenses

The figure below shows the array of the projected future expenses at your association. This figure clearly shows the near term and future expenses that your association will face.

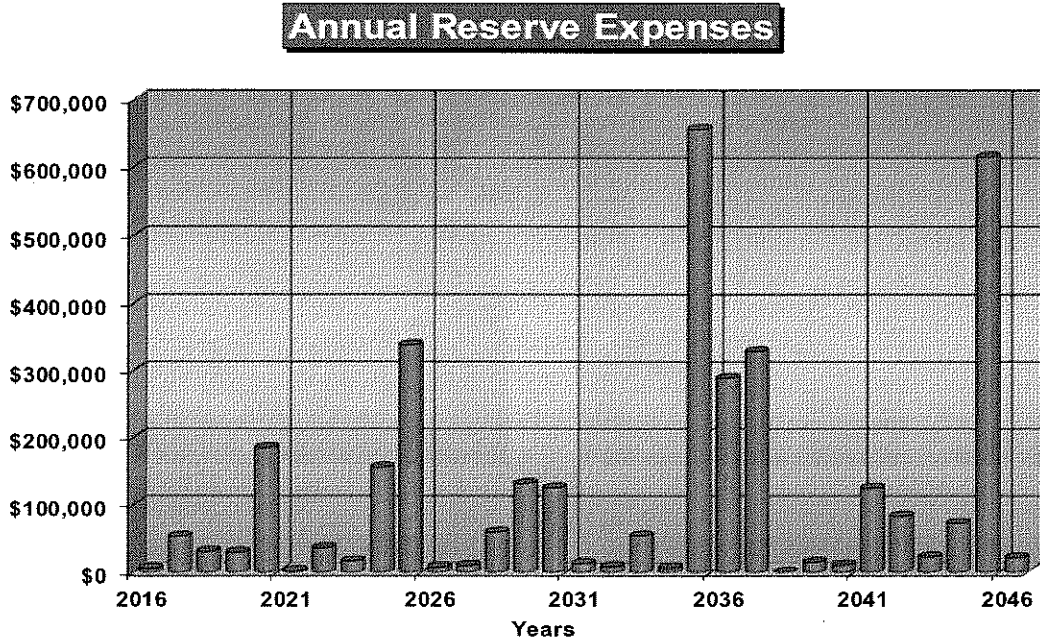


Figure 1

A summary of this information is shown in Table 4, while details of the projects that make up this information are shown in Table 5. Since this is a projection about future events that may or may not take place as anticipated, we feel more certain about “near-term” projects than those many years away. While this Reserve Study is a one-year document, it is based on 30 years worth of looking forward into the future.



### Reserve Fund Status

The starting point for our financial analysis is your Reserve Fund balance, projected to be \$129,022 as-of the start of your Fiscal Year on January 1, 2016. This is based on your actual balance on 7/31/2015 of \$97,653 and \$ 31,369 in anticipated Reserve contributions with no expenses projected through the end of your Fiscal Year. As of January 1, 2016, your Fully Funded Balance is computed to be \$608,160 (see Table 3). This figure represents the deteriorated value of your common area components. Comparing your Reserve Balance to your Fully Funded Balance indicates your Reserves are 21% Funded.

### Recommended Funding Plan

Based on your current Percent Funded and your projected cash flow requirements, we are recommending Reserve contributions of \$7,088/month this Fiscal Year. This represents the first year of the 30-year Funding Plan shown below. This same information is shown numerically in both Table 4 and Table 5.

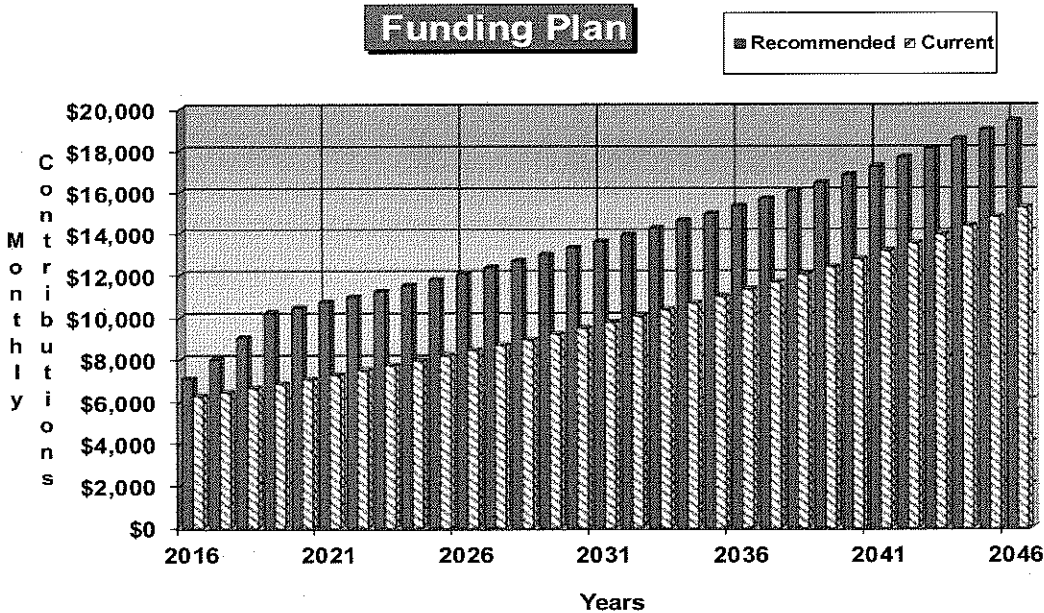


Figure 2

The following chart shows your Reserve balance under our recommended Funding Plan and your current Funding Plan, and your always-changing Fully Funded Balance target.

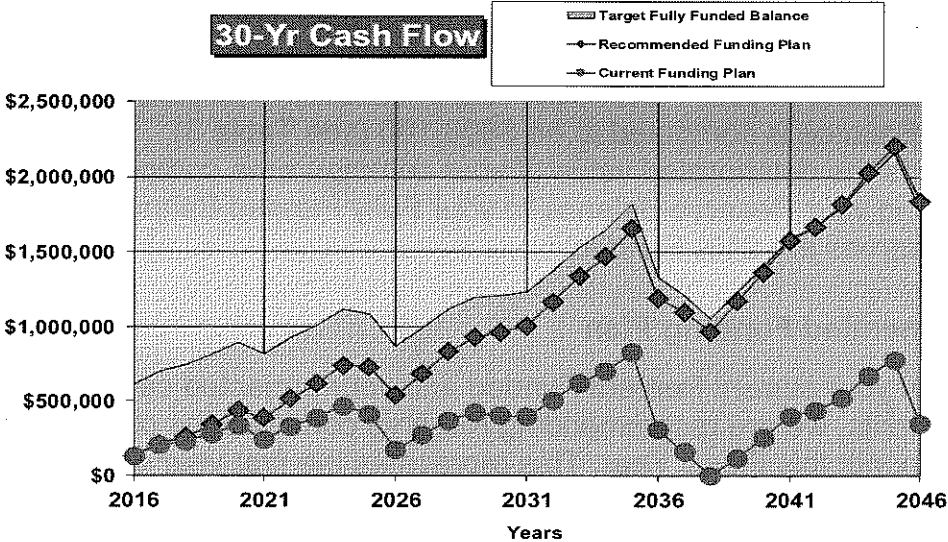


Figure 3

In this figure it is easy to see how your Reserve Fund gradually draws closer to the Fully Funded (100%) level.

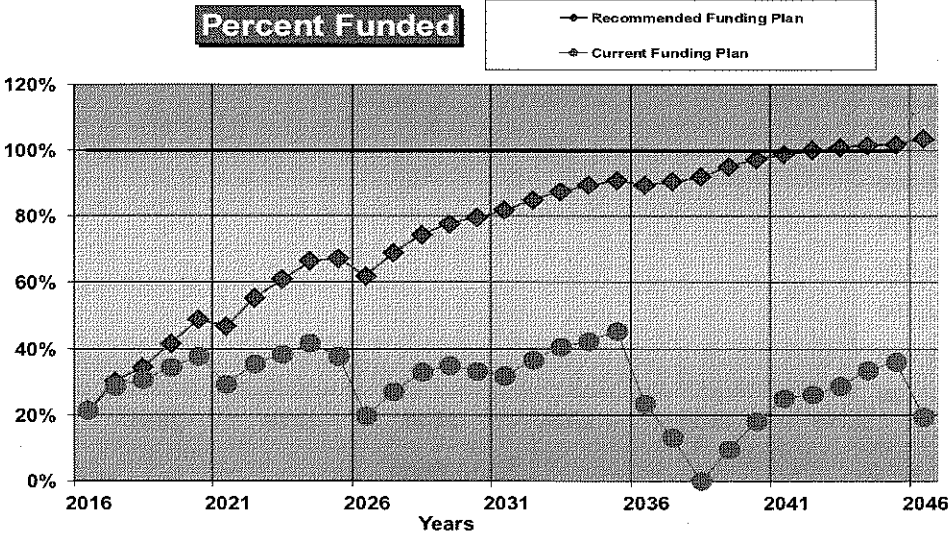


Figure 4

## Table Descriptions

The tabular information in this Report is broken down into five tables.

Table 1 summarizes your funded Reserve Components, and is part of the Executive Report summary that appeared earlier in this Report.

Table 2 provides the main component description, life, and cost factors for all components determined to be appropriate for Reserve designation. This table represents the core information from which all other tables are derived.

Table 3 is presented primarily as an accounting summary page. The results of the individual line item Fully Funded Balance computations are shown. These individual quantities are summed to arrive at the Fully Funded Balance for the association as of the start date of the Report. The figures in the Current Fund Balance column and the Monthly Reserve Contribution column show our distribution throughout the line items. If the association is underfunded, Reserve Funds are distributed first to components with a short Remaining Useful Life. If the association's Reserve Balance is above 100% Funded, funds are distributed evenly for all components. Contribution rates for each component are a proportionate distribution of the total contribution on the basis of the component's significance to the association (current cost divided by useful life). This presentation is not meant to cause clients to redistribute association funds, it simply presents one way to evenly distribute the total among all the different line items.

Table 4: This table provides a one-page 30-year summary of the cash flowing into and out of the association, compared to the Fully Funded Balance for each year.

Table 5: This table shows the cash flow detail for the next 30 years. This table makes it possible to see what components are projected to require repair or replacement each year, and the size of those individual expenses.

**Table 2: Reserve Component List Detail**

**22099-3**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
<b>Common Area</b>						
103	Concrete Walkway - Repair (10%)	Approx 3,130 GSF x 10%	15	4	\$5,500	\$6,900
104	Balcony Surfaces -Seal/Repair	(60) Balconies	8	4	\$15,000	\$18,000
105	Balcony Surfaces - Resurface	(60) Balconies	40	36	\$144,000	\$172,000
107	Exterior Walkway - Seal/Repair	Approx 3,825 GSF	8	4	\$13,900	\$16,700
108	Exterior Walkway - Resurface	Approx 3,825 GSF	40	36	\$115,000	\$134,000
109	Sun Deck - Replace	Approx 1,610 GSF	20	9	\$45,000	\$54,000
302	HVAC Units (small) - Replace	(2) Mitsubishi HVAC	18	7	\$7,000	\$8,500
303	HVAC Units (Large)- Replace	(5) Carrier HVAC	15	4	\$50,000	\$60,000
324	Exterior Wall Lights - Replace	(46) Fixtures	26	15	\$6,900	\$9,200
325	Interior Lights - Replace	(110) Fixtures	30	19	\$16,500	\$22,000
326	Flood/Emergency Lights - Replace	(70) Fixtures	25	14	\$17,500	\$21,000
326	Garage Lights - Replace	(55) Fixtures	30	19	\$12,300	\$15,300
403	Mailboxes - Replace	(70) Boxes	28	17	\$9,100	\$11,500
507	Exterior Iron Rail - Replace	Approx 940 LF	30	19	\$65,800	\$79,000
601	Carpet - Replace	Approx 348 GSY	12	1	\$24,000	\$29,000
604	Concrete Stairs - Repair	(4) Sets of Stairs	20	9	\$5,400	\$6,500
701	Main Entrance Door - Replace	(1) Front Door	30	19	\$3,000	\$4,000
703	Utility Doors - Replace	(10) Utility Doors	30	19	\$12,000	\$15,000
704	Intercom - Replace	(1) DKS Intercom	12	8	\$3,280	\$4,150
705	Overhead Gate Operator - Replace	(2) Gate Operators	15	4	\$7,000	\$9,000
706	Overhead Vehicle Gates- Replace	(2) Metal Vehicle Gates	30	19	\$14,000	\$19,000
709	Trash Gate Operator - Replace	(1) Trash Gate Operator	15	4	\$3,000	\$4,000
710	Trash Gate - Replace	(1) Overhead Trash Gate	25	14	\$6,500	\$8,000
803	Boilers - Replace	(2) Boilers	15	4	\$18,000	\$24,000
804	Water Tank - Replace	(1) Large Water Tank	15	11	\$4,500	\$5,500
807	Pressure Booster System - Replace	(1) System	24	13	\$30,000	\$35,000
902	Exercise Equipment - Replace	(10) Various Pieces	20	9	\$15,000	\$20,000
903	Lobby Furniture - Replace	(6) Various Pieces	12	6	\$3,000	\$4,000
909	Bathroom - Refurbish	(1) Bathroom	15	4	\$4,000	\$5,200
910	Exercise Room - Remodel	(1) Exercise Room	20	9	\$9,700	\$12,200
920	Trash Rooms - Replace	(4) Trash Chutes	14	3	\$2,500	\$3,000
1003	Irrigation Controllers - Replace	(1) Irrigation Controller	15	4	\$1,800	\$2,200
1006	Irrigation System - Repair/Replace	Common Area Irrigation	20	19	\$10,400	\$15,600
1107	Exterior Iron Rail - Repaint	Approx 940 LF	6	2	\$7,520	\$9,400
1110	Interior Surfaces - Repaint	Approx 17,485 GSF	14	3	\$16,300	\$19,700
1111	Garage - Repaint	Approx 38,960 GSF	15	4	\$24,300	\$29,200
1115	Exterior Building - Repaint	Approx 63,050 GSF	12	8	\$80,700	\$101,000
1135	Exterior Trim - Repaint	(62) Units	6	2	\$13,500	\$18,000
1303	Comp Shingle Roof - Replace	Approx 5,790 GSF	30	19	\$37,900	\$45,600
1306	Flat Roof - Replace	Approx 19,475 GSF	20	9	\$155,800	\$195,000
1310	Gutters/Downspouts - Replace	Approx 1,650 LF	40	19	\$18,400	\$23,000
1801	Elevator - Modernize	(2) 3-Stop Elevator	30	21	\$140,000	\$170,000
1802	Elevator Cab - Remodel	(2) Elevator Cab	15	6	\$18,000	\$25,000
1803	Fire Alarm System - Replace	(1) Fire Alarm Panel	25	14	\$10,000	\$15,000
1925	Reserve Study - Update	(1) Reserve Study Update	3	2	\$1,480	\$1,850

**Table 2: Reserve Component List Detail**

**22099-3**

#	Component	Quantity	Useful Life	Rem. Useful Life	Best Cost	Current Worst Cost
<b>Pool/Spa Area</b>						
404	Pool Furniture - Replace	(39) Various Pieces	10	3	\$4,700	\$6,600
411	Drinking Fountain - Replace	(1) Drinking Fountain	30	19	\$1,500	\$1,800
503	Metal Fence/Gate - Replace	Approx 290 LF, (2) Gates	30	19	\$22,500	\$28,000
1107	Metal Fence - Repaint	Approx 290 LF	6	2	\$2,300	\$3,000
1201	Pool Deck - Seal/Repair	Approx 2,915 GSF	15	12	\$8,600	\$11,500
1202	Pool - Resurface	(1) Pool	12	1	\$13,500	\$16,600
1203	Spa - Resurface	(1) Spa	6	1	\$5,000	\$6,000
1204	Pool/Spa - Retile/Coping	Approx. 145 LF	24	14	\$9,300	\$11,500
1207	Pool Filter - Replace	(1) Pool Filter	12	1	\$1,300	\$2,000
1207	Spa Filter - Replace	(1) Spa Filter	12	1	\$1,300	\$2,000
1208	Pool Heater - Replace	(1) Pool Heater	10	6	\$4,500	\$5,500
1208	Spa Heater - Replace	(1) Spa Heater	10	4	\$4,500	\$5,500
1209	Pool/Spa Chlorinators - Replace	(2) Chlorinators	12	1	\$1,300	\$1,600
1210	Pool/Spa Pump - Replace	(3) Pumps	10	0	\$4,500	\$6,000
59	Total Funded Components					

**Table 3: Contribution and Fund Breakdown**

**22099-3**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
<b>Common Area</b>							
103	Concrete Walkway - Repair (10%)	15	4	\$6,200	\$4,547	\$4,546.67	\$39.50
104	Balcony Surfaces -Seal/Repair	8	4	\$16,500	\$8,250	\$8,250.00	\$197.10
105	Balcony Surfaces - Resurface	40	36	\$158,000	\$15,800	\$0.00	\$377.48
107	Exterior Walkway - Seal/Repair	8	4	\$15,300	\$7,650	\$7,650.00	\$182.77
108	Exterior Walkway - Resurface	40	36	\$124,500	\$12,450	\$0.00	\$297.44
109	Sun Deck - Replace	20	9	\$49,500	\$27,225	\$0.00	\$236.52
302	HVAC Units (small) - Replace	18	7	\$7,750	\$4,736	\$0.00	\$41.15
303	HVAC Units (Large)- Replace	15	4	\$55,000	\$40,333	\$14,579.91	\$350.40
324	Exterior Wall Lights - Replace	26	15	\$8,050	\$3,406	\$0.00	\$29.59
325	Interior Lights - Replace	30	19	\$19,250	\$7,058	\$0.00	\$61.32
326	Flood/Emergency Lights - Replace	25	14	\$19,250	\$8,470	\$0.00	\$73.58
326	Garage Lights - Replace	30	19	\$13,800	\$5,060	\$0.00	\$43.96
403	Mailboxes - Replace	28	17	\$10,300	\$4,046	\$0.00	\$35.15
507	Exterior Iron Rail - Replace	30	19	\$72,400	\$26,547	\$0.00	\$230.63
601	Carpet - Replace	12	1	\$26,500	\$24,292	\$24,291.67	\$211.04
604	Concrete Stairs - Repair	20	9	\$5,950	\$3,273	\$0.00	\$28.43
701	Main Entrance Door - Replace	30	19	\$3,500	\$1,283	\$0.00	\$11.15
703	Utility Doors - Replace	30	19	\$13,500	\$4,950	\$0.00	\$43.00
704	Intercom - Replace	12	8	\$3,715	\$1,238	\$0.00	\$29.59
705	Overhead Gate Operator - Replace	15	4	\$8,000	\$5,867	\$0.00	\$50.97
706	Overhead Vehicle Gates- Replace	30	19	\$16,500	\$6,050	\$0.00	\$52.56
709	Trash Gate Operator - Replace	15	4	\$3,500	\$2,567	\$0.00	\$22.30
710	Trash Gate - Replace	25	14	\$7,250	\$3,190	\$0.00	\$27.71
803	Boilers - Replace	15	4	\$21,000	\$15,400	\$0.00	\$133.79
804	Water Tank - Replace	15	11	\$5,000	\$1,333	\$0.00	\$31.85
807	Pressure Booster System - Replace	24	13	\$32,500	\$14,896	\$0.00	\$129.41
902	Exercise Equipment - Replace	20	9	\$17,500	\$9,625	\$0.00	\$83.62
903	Lobby Furniture - Replace	12	6	\$3,500	\$1,750	\$0.00	\$27.87
909	Bathroom - Refurbish	15	4	\$4,600	\$3,373	\$0.00	\$29.31
910	Exercise Room - Remodel	20	9	\$10,950	\$6,023	\$0.00	\$52.32
920	Trash Rooms - Replace	14	3	\$2,750	\$2,161	\$2,160.71	\$18.77
1003	Irrigation Controllers - Replace	15	4	\$2,000	\$1,467	\$0.00	\$12.74
1006	Irrigation System - Repair/Replace	20	19	\$13,000	\$650	\$0.00	\$62.12
1107	Exterior Iron Rail - Repaint	6	2	\$8,460	\$5,640	\$5,640.00	\$134.75
1110	Interior Surfaces - Repaint	14	3	\$18,000	\$14,143	\$14,142.86	\$122.87
1111	Garage - Repaint	15	4	\$26,750	\$19,617	\$0.00	\$170.42
1115	Exterior Building - Repaint	12	8	\$90,850	\$30,283	\$0.00	\$723.50
1135	Exterior Trim - Repaint	6	2	\$15,750	\$10,500	\$10,500.00	\$250.86
1303	Comp Shingle Roof - Replace	30	19	\$41,750	\$15,308	\$0.00	\$132.99
1306	Flat Roof - Replace	20	9	\$175,400	\$96,470	\$0.00	\$838.10
1310	Gutters/Downspouts - Replace	40	19	\$20,700	\$10,868	\$0.00	\$49.45
1801	Elevator - Modernize	30	21	\$155,000	\$46,500	\$0.00	\$493.75
1802	Elevator Cab - Remodel	15	6	\$21,500	\$12,900	\$0.00	\$136.98
1803	Fire Alarm System - Replace	25	14	\$12,500	\$5,500	\$0.00	\$47.78
1925	Reserve Study - Update	3	2	\$1,665	\$555	\$555.00	\$53.04
<b>Pool/Spa Area</b>							

**Table 3: Contribution and Fund Breakdown****22099-3**

#	Component	Useful Life	Rem. Useful Life	Current (Avg) Cost	Fully Funded Balance	Current Fund Balance	Reserve Contributions
404	Pool Furniture - Replace	10	3	\$5,650	\$3,955	\$3,955.00	\$53.99
411	Drinking Fountain - Replace	30	19	\$1,650	\$605	\$0.00	\$5.26
503	Metal Fence/Gate - Replace	30	19	\$25,250	\$9,258	\$0.00	\$80.43
1107	Metal Fence - Repaint	6	2	\$2,650	\$1,767	\$1,766.67	\$42.21
1201	Pool Deck - Seal/Repair	15	12	\$10,050	\$2,010	\$0.00	\$64.03
1202	Pool - Resurface	12	1	\$15,050	\$13,796	\$13,795.83	\$119.85
1203	Spa - Resurface	6	1	\$5,500	\$4,583	\$4,583.33	\$87.60
1204	Pool/Spa - Retile/Coping	24	14	\$10,400	\$4,333	\$0.00	\$41.41
1207	Pool Filter - Replace	12	1	\$1,650	\$1,513	\$1,512.50	\$13.14
1207	Spa Filter - Replace	12	1	\$1,650	\$1,513	\$1,512.50	\$13.14
1208	Pool Heater - Replace	10	6	\$5,000	\$2,000	\$0.00	\$47.78
1208	Spa Heater - Replace	10	4	\$5,000	\$3,000	\$3,000.00	\$47.78
1209	Pool/Spa Chlorinators - Replace	12	1	\$1,450	\$1,329	\$1,329.17	\$11.55
1210	Pool/Spa Pump - Replace	10	0	\$5,250	\$5,250	\$5,250.00	\$50.17
59	Total Funded Components				\$608,160	\$129,022	\$7,088

**Table 4: 30-Year Reserve Plan Summary Recommended by Association Reserves**

**22099-3**

Fiscal Year Beginning: 01/01/16

Interest:	1.00%	Inflation:	3.0%
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Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2016	\$129,022	\$608,160	21.2%	Weak	12.98%	\$85,056	\$0	\$1,697	\$5,250
2017	\$210,525	\$697,392	30.2%	Fair	13.00%	\$96,113	\$0	\$2,330	\$53,354
2018	\$255,614	\$742,046	34.4%	Fair	13.00%	\$108,608	\$0	\$2,961	\$30,262
2019	\$336,921	\$814,185	41.4%	Fair	13.00%	\$122,727	\$0	\$3,856	\$28,848
2020	\$434,656	\$892,376	48.7%	Fair	2.40%	\$125,672	\$0	\$4,071	\$184,415
2021	\$379,986	\$815,183	46.6%	Fair	2.40%	\$128,689	\$0	\$4,454	\$1,930
2022	\$511,198	\$926,213	55.2%	Fair	2.40%	\$131,777	\$0	\$5,617	\$35,822
2023	\$612,771	\$1,008,323	60.8%	Fair	2.40%	\$134,940	\$0	\$6,752	\$16,296
2024	\$738,167	\$1,115,744	66.2%	Fair	2.40%	\$138,178	\$0	\$7,326	\$155,927
2025	\$727,745	\$1,085,386	67.0%	Fair	2.40%	\$141,495	\$0	\$6,322	\$338,328
2026	\$537,234	\$869,148	61.8%	Fair	2.40%	\$144,891	\$0	\$6,089	\$7,056
2027	\$681,159	\$990,624	68.8%	Fair	2.40%	\$148,368	\$0	\$7,542	\$9,226
2028	\$827,842	\$1,116,588	74.1%	Strong	2.40%	\$151,929	\$0	\$8,780	\$59,668
2029	\$928,883	\$1,197,548	77.6%	Strong	2.40%	\$155,575	\$0	\$9,449	\$132,095
2030	\$961,813	\$1,209,606	79.5%	Strong	2.40%	\$159,309	\$0	\$9,832	\$125,432
2031	\$1,005,523	\$1,232,253	81.6%	Strong	2.40%	\$163,132	\$0	\$10,858	\$12,542
2032	\$1,166,971	\$1,375,324	84.9%	Strong	2.40%	\$167,047	\$0	\$12,522	\$8,024
2033	\$1,338,517	\$1,530,911	87.4%	Strong	2.40%	\$171,057	\$0	\$14,034	\$54,073
2034	\$1,469,535	\$1,647,412	89.2%	Strong	2.40%	\$175,162	\$0	\$15,613	\$5,959
2035	\$1,654,351	\$1,820,754	90.9%	Strong	2.40%	\$179,366	\$0	\$14,228	\$655,548
2036	\$1,192,396	\$1,334,121	89.4%	Strong	2.40%	\$183,671	\$0	\$11,449	\$289,231
2037	\$1,098,285	\$1,214,214	90.5%	Strong	2.40%	\$188,079	\$0	\$10,329	\$328,342
2038	\$968,350	\$1,054,565	91.8%	Strong	2.40%	\$192,593	\$0	\$10,695	\$0
2039	\$1,171,638	\$1,232,583	95.1%	Strong	2.40%	\$197,215	\$0	\$12,688	\$14,437
2040	\$1,367,105	\$1,405,462	97.3%	Strong	2.40%	\$201,948	\$0	\$14,697	\$10,164
2041	\$1,573,586	\$1,592,452	98.8%	Strong	2.40%	\$206,795	\$0	\$16,221	\$124,684
2042	\$1,671,917	\$1,671,755	100.0%	Strong	2.40%	\$211,758	\$0	\$17,442	\$83,083
2043	\$1,818,034	\$1,801,085	100.9%	Strong	2.40%	\$216,840	\$0	\$19,241	\$22,324
2044	\$2,031,791	\$2,001,819	101.5%	Strong	2.40%	\$222,044	\$0	\$21,161	\$72,756
2045	\$2,202,240	\$2,161,720	101.9%	Strong	2.40%	\$227,373	\$0	\$20,177	\$614,981



**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**

**22099-3**

Fiscal Year	2016	2017	2018	2019	2020
Starting Reserve Balance	\$129,022	\$210,525	\$255,614	\$336,921	\$434,656
Annual Reserve Contribution	\$85,056	\$96,113	\$108,608	\$122,727	\$125,672
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$1,697	\$2,330	\$2,961	\$3,856	\$4,071
<b>Total Income</b>	<b>\$215,775</b>	<b>\$308,968</b>	<b>\$367,183</b>	<b>\$463,504</b>	<b>\$564,400</b>
# Component					
<b>Common Area</b>					
103 Concrete Walkway - Repair (10%)	\$0	\$0	\$0	\$0	\$6,978
104 Balcony Surfaces - Seal/Repair	\$0	\$0	\$0	\$0	\$18,571
105 Balcony Surfaces - Resurface	\$0	\$0	\$0	\$0	\$0
107 Exterior Walkway - Seal/Repair	\$0	\$0	\$0	\$0	\$17,220
108 Exterior Walkway - Resurface	\$0	\$0	\$0	\$0	\$0
109 Sun Deck - Replace	\$0	\$0	\$0	\$0	\$0
302 HVAC Units (small) - Replace	\$0	\$0	\$0	\$0	\$0
303 HVAC Units (Large)- Replace	\$0	\$0	\$0	\$0	\$61,903
324 Exterior Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
325 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Flood/Emergency Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Garage Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
507 Exterior Iron Rail - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$27,295	\$0	\$0	\$0
604 Concrete Stairs - Repair	\$0	\$0	\$0	\$0	\$0
701 Main Entrance Door - Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
705 Overhead Gate Operator - Replace	\$0	\$0	\$0	\$0	\$9,004
706 Overhead Vehicle Gates- Replace	\$0	\$0	\$0	\$0	\$0
709 Trash Gate Operator - Replace	\$0	\$0	\$0	\$0	\$3,939
710 Trash Gate - Replace	\$0	\$0	\$0	\$0	\$0
803 Boilers - Replace	\$0	\$0	\$0	\$0	\$23,636
804 Water Tank - Replace	\$0	\$0	\$0	\$0	\$0
807 Pressure Booster System - Replace	\$0	\$0	\$0	\$0	\$0
902 Exercise Equipment - Replace	\$0	\$0	\$0	\$0	\$0
903 Lobby Furniture - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$5,177
910 Exercise Room - Remodel	\$0	\$0	\$0	\$0	\$0
920 Trash Rooms - Replace	\$0	\$0	\$0	\$3,005	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$2,251
1006 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1107 Exterior Iron Rail - Repaint	\$0	\$0	\$8,975	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$19,669	\$0
1111 Garage - Repaint	\$0	\$0	\$0	\$0	\$30,107
1115 Exterior Building - Repaint	\$0	\$0	\$0	\$0	\$0
1135 Exterior Trim - Repaint	\$0	\$0	\$16,709	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1306 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 0 through 4)**

**22099-3**

Fiscal Year	2016	2017	2018	2019	2020
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1801 Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$0	\$0	\$0	\$0
1803 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1925 Reserve Study - Update	\$0	\$0	\$1,766	\$0	\$0
<b>Pool/Spa Area</b>					
404 Pool Furniture - Replace	\$0	\$0	\$0	\$6,174	\$0
411 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence/Gate - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$2,811	\$0	\$0
1201 Pool Deck - Seal/Repair	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$0	\$15,502	\$0	\$0	\$0
1203 Spa - Resurface	\$0	\$5,665	\$0	\$0	\$0
1204 Pool/Spa - Retile/Coping	\$0	\$0	\$0	\$0	\$0
1207 Pool Filter - Replace	\$0	\$1,700	\$0	\$0	\$0
1207 Spa Filter - Replace	\$0	\$1,700	\$0	\$0	\$0
1208 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$5,628
1209 Pool/Spa Chlorinators - Replace	\$0	\$1,494	\$0	\$0	\$0
1210 Pool/Spa Pump - Replace	\$5,250	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$5,250</b>	<b>\$53,354</b>	<b>\$30,262</b>	<b>\$28,848</b>	<b>\$184,415</b>
<b>Ending Reserve Balance:</b>	<b>\$210,525</b>	<b>\$255,614</b>	<b>\$336,921</b>	<b>\$434,656</b>	<b>\$379,986</b>

**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)**

**22099-3**

Fiscal Year	2021	2022	2023	2024	2025
Starting Reserve Balance	\$379,986	\$511,198	\$612,771	\$738,167	\$727,745
Annual Reserve Contribution	\$128,689	\$131,777	\$134,940	\$138,178	\$141,495
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$4,454	\$5,617	\$6,752	\$7,326	\$6,322
<b>Total Income</b>	<b>\$513,128</b>	<b>\$648,593</b>	<b>\$754,463</b>	<b>\$883,672</b>	<b>\$875,562</b>
# Component					
<b>Common Area</b>					
103 Concrete Walkway - Repair (10%)	\$0	\$0	\$0	\$0	\$0
104 Balcony Surfaces -Seal/Repair	\$0	\$0	\$0	\$0	\$0
105 Balcony Surfaces - Resurface	\$0	\$0	\$0	\$0	\$0
107 Exterior Walkway - Seal/Repair	\$0	\$0	\$0	\$0	\$0
108 Exterior Walkway - Resurface	\$0	\$0	\$0	\$0	\$0
109 Sun Deck - Replace	\$0	\$0	\$0	\$0	\$64,586
302 HVAC Units (small) - Replace	\$0	\$0	\$9,532	\$0	\$0
303 HVAC Units (Large)- Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
325 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Flood/Emergency Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Garage Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
507 Exterior Iron Rail - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
604 Concrete Stairs - Repair	\$0	\$0	\$0	\$0	\$7,763
701 Main Entrance Door - Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$4,706	\$0
705 Overhead Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
706 Overhead Vehicle Gates- Replace	\$0	\$0	\$0	\$0	\$0
709 Trash Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
710 Trash Gate - Replace	\$0	\$0	\$0	\$0	\$0
803 Boilers - Replace	\$0	\$0	\$0	\$0	\$0
804 Water Tank - Replace	\$0	\$0	\$0	\$0	\$0
807 Pressure Booster System - Replace	\$0	\$0	\$0	\$0	\$0
902 Exercise Equipment - Replace	\$0	\$0	\$0	\$0	\$22,834
903 Lobby Furniture - Replace	\$0	\$4,179	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Exercise Room - Remodel	\$0	\$0	\$0	\$0	\$14,287
920 Trash Rooms - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1006 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1107 Exterior Iron Rail - Repaint	\$0	\$0	\$0	\$10,717	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1111 Garage - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Exterior Building - Repaint	\$0	\$0	\$0	\$115,086	\$0
1135 Exterior Trim - Repaint	\$0	\$0	\$0	\$19,952	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1306 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$228,857

**Table 5: 30-Year Income/Expense Detail (yrs 5 through 9)**

**22099-3**

Fiscal Year	2021	2022	2023	2024	2025
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1801 Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$25,672	\$0	\$0	\$0
1803 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1925 Reserve Study - Update	\$1,930	\$0	\$0	\$2,109	\$0
<b>Pool/Spa Area</b>					
404 Pool Furniture - Replace	\$0	\$0	\$0	\$0	\$0
411 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence/Gate - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$3,357	\$0
1201 Pool Deck - Seal/Repair	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
1203 Spa - Resurface	\$0	\$0	\$6,764	\$0	\$0
1204 Pool/Spa - Retile/Coping	\$0	\$0	\$0	\$0	\$0
1207 Pool Filter - Replace	\$0	\$0	\$0	\$0	\$0
1207 Spa Filter - Replace	\$0	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$0	\$5,970	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
1209 Pool/Spa Chlorinators - Replace	\$0	\$0	\$0	\$0	\$0
1210 Pool/Spa Pump - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$1,930</b>	<b>\$35,822</b>	<b>\$16,296</b>	<b>\$155,927</b>	<b>\$338,328</b>
<b>Ending Reserve Balance:</b>	<b>\$511,198</b>	<b>\$612,771</b>	<b>\$738,167</b>	<b>\$727,745</b>	<b>\$537,234</b>

**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)**

**22099-3**

Fiscal Year	2026	2027	2028	2029	2030
Starting Reserve Balance	\$537,234	\$681,159	\$827,842	\$928,883	\$961,813
Annual Reserve Contribution	\$144,891	\$148,368	\$151,929	\$155,575	\$159,309
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$6,089	\$7,542	\$8,780	\$9,449	\$9,832
<b>Total Income</b>	<b>\$688,214</b>	<b>\$837,068</b>	<b>\$988,551</b>	<b>\$1,093,907</b>	<b>\$1,130,954</b>
# Component					
<b>Common Area</b>					
103 Concrete Walkway - Repair (10%)	\$0	\$0	\$0	\$0	\$0
104 Balcony Surfaces -Seal/Repair	\$0	\$0	\$23,525	\$0	\$0
105 Balcony Surfaces - Resurface	\$0	\$0	\$0	\$0	\$0
107 Exterior Walkway - Seal/Repair	\$0	\$0	\$21,814	\$0	\$0
108 Exterior Walkway - Resurface	\$0	\$0	\$0	\$0	\$0
109 Sun Deck - Replace	\$0	\$0	\$0	\$0	\$0
302 HVAC Units (small) - Replace	\$0	\$0	\$0	\$0	\$0
303 HVAC Units (Large)- Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
325 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Flood/Emergency Lights - Replace	\$0	\$0	\$0	\$0	\$29,117
326 Garage Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
507 Exterior Iron Rail - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$38,916	\$0
604 Concrete Stairs - Repair	\$0	\$0	\$0	\$0	\$0
701 Main Entrance Door - Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
705 Overhead Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
706 Overhead Vehicle Gates- Replace	\$0	\$0	\$0	\$0	\$0
709 Trash Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
710 Trash Gate - Replace	\$0	\$0	\$0	\$0	\$10,966
803 Boilers - Replace	\$0	\$0	\$0	\$0	\$0
804 Water Tank - Replace	\$0	\$6,921	\$0	\$0	\$0
807 Pressure Booster System - Replace	\$0	\$0	\$0	\$47,727	\$0
902 Exercise Equipment - Replace	\$0	\$0	\$0	\$0	\$0
903 Lobby Furniture - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Exercise Room - Remodel	\$0	\$0	\$0	\$0	\$0
920 Trash Rooms - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1006 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1107 Exterior Iron Rail - Repaint	\$0	\$0	\$0	\$0	\$12,797
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1111 Garage - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Exterior Building - Repaint	\$0	\$0	\$0	\$0	\$0
1135 Exterior Trim - Repaint	\$0	\$0	\$0	\$0	\$23,823
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1306 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 10 through 14)**

**22099-3**

Fiscal Year	2026	2027	2028	2029	2030
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1801 Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$0	\$0	\$0	\$0
1803 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$18,907
1925 Reserve Study - Update	\$0	\$2,305	\$0	\$0	\$2,518
<b>Pool/Spa Area</b>					
404 Pool Furniture - Replace	\$0	\$0	\$0	\$8,297	\$0
411 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence/Gate - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$4,008
1201 Pool Deck - Seal/Repair	\$0	\$0	\$14,329	\$0	\$0
1202 Pool - Resurface	\$0	\$0	\$0	\$22,101	\$0
1203 Spa - Resurface	\$0	\$0	\$0	\$8,077	\$0
1204 Pool/Spa - Retile/Coping	\$0	\$0	\$0	\$0	\$15,731
1207 Pool Filter - Replace	\$0	\$0	\$0	\$2,423	\$0
1207 Spa Filter - Replace	\$0	\$0	\$0	\$2,423	\$0
1208 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$7,563
1209 Pool/Spa Chlorinators - Replace	\$0	\$0	\$0	\$2,129	\$0
1210 Pool/Spa Pump - Replace	\$7,056	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$7,056</b>	<b>\$9,226</b>	<b>\$59,668</b>	<b>\$132,095</b>	<b>\$125,432</b>
<b>Ending Reserve Balance:</b>	<b>\$681,159</b>	<b>\$827,842</b>	<b>\$928,883</b>	<b>\$961,813</b>	<b>\$1,005,523</b>

**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)**

**22099-3**

Fiscal Year	2031	2032	2033	2034	2035
Starting Reserve Balance	\$1,005,523	\$1,166,971	\$1,338,517	\$1,469,535	\$1,654,351
Annual Reserve Contribution	\$163,132	\$167,047	\$171,057	\$175,162	\$179,366
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$10,858	\$12,522	\$14,034	\$15,613	\$14,228
<b>Total Income</b>	<b>\$1,179,513</b>	<b>\$1,346,541</b>	<b>\$1,523,608</b>	<b>\$1,660,310</b>	<b>\$1,847,945</b>
# Component					
<b>Common Area</b>					
103 Concrete Walkway - Repair (10%)	\$0	\$0	\$0	\$0	\$10,872
104 Balcony Surfaces -Seal/Repair	\$0	\$0	\$0	\$0	\$0
105 Balcony Surfaces - Resurface	\$0	\$0	\$0	\$0	\$0
107 Exterior Walkway - Seal/Repair	\$0	\$0	\$0	\$0	\$0
108 Exterior Walkway - Resurface	\$0	\$0	\$0	\$0	\$0
109 Sun Deck - Replace	\$0	\$0	\$0	\$0	\$0
302 HVAC Units (small) - Replace	\$0	\$0	\$0	\$0	\$0
303 HVAC Units (Large)- Replace	\$0	\$0	\$0	\$0	\$96,443
324 Exterior Wall Lights - Replace	\$12,542	\$0	\$0	\$0	\$0
325 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$33,755
326 Flood/Emergency Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Garage Lights - Replace	\$0	\$0	\$0	\$0	\$24,198
403 Mailboxes - Replace	\$0	\$0	\$17,024	\$0	\$0
507 Exterior Iron Rail - Replace	\$0	\$0	\$0	\$0	\$126,954
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
604 Concrete Stairs - Repair	\$0	\$0	\$0	\$0	\$0
701 Main Entrance Door - Replace	\$0	\$0	\$0	\$0	\$6,137
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$23,672
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
705 Overhead Gate Operator - Replace	\$0	\$0	\$0	\$0	\$14,028
706 Overhead Vehicle Gates- Replace	\$0	\$0	\$0	\$0	\$28,933
709 Trash Gate Operator - Replace	\$0	\$0	\$0	\$0	\$6,137
710 Trash Gate - Replace	\$0	\$0	\$0	\$0	\$0
803 Boilers - Replace	\$0	\$0	\$0	\$0	\$36,824
804 Water Tank - Replace	\$0	\$0	\$0	\$0	\$0
807 Pressure Booster System - Replace	\$0	\$0	\$0	\$0	\$0
902 Exercise Equipment - Replace	\$0	\$0	\$0	\$0	\$0
903 Lobby Furniture - Replace	\$0	\$0	\$0	\$5,959	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$8,066
910 Exercise Room - Remodel	\$0	\$0	\$0	\$0	\$0
920 Trash Rooms - Replace	\$0	\$0	\$4,545	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$3,507
1006 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$22,796
1107 Exterior Iron Rail - Repaint	\$0	\$0	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$29,751	\$0	\$0
1111 Garage - Repaint	\$0	\$0	\$0	\$0	\$46,906
1115 Exterior Building - Repaint	\$0	\$0	\$0	\$0	\$0
1135 Exterior Trim - Repaint	\$0	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$73,209
1306 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 15 through 19)**

**22099-3**

Fiscal Year	2031	2032	2033	2034	2035
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$36,298
1801 Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$0	\$0	\$0	\$0
1803 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1925 Reserve Study - Update	\$0	\$0	\$2,752	\$0	\$0
<b>Pool/Spa Area</b>					
404 Pool Furniture - Replace	\$0	\$0	\$0	\$0	\$0
411 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$2,893
503 Metal Fence/Gate - Replace	\$0	\$0	\$0	\$0	\$44,276
1107 Metal Fence - Repaint	\$0	\$0	\$0	\$0	\$0
1201 Pool Deck - Seal/Repair	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
1203 Spa - Resurface	\$0	\$0	\$0	\$0	\$9,644
1204 Pool/Spa - Retile/Coping	\$0	\$0	\$0	\$0	\$0
1207 Pool Filter - Replace	\$0	\$0	\$0	\$0	\$0
1207 Spa Filter - Replace	\$0	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$0	\$8,024	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
1209 Pool/Spa Chlorinators - Replace	\$0	\$0	\$0	\$0	\$0
1210 Pool/Spa Pump - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$12,542</b>	<b>\$8,024</b>	<b>\$54,073</b>	<b>\$5,959</b>	<b>\$655,548</b>
<b>Ending Reserve Balance:</b>	<b>\$1,166,971</b>	<b>\$1,338,517</b>	<b>\$1,469,535</b>	<b>\$1,654,351</b>	<b>\$1,192,396</b>



**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)**

**22099-3**

Fiscal Year	2036	2037	2038	2039	2040
Starting Reserve Balance	\$1,192,396	\$1,098,285	\$968,350	\$1,171,638	\$1,367,105
Annual Reserve Contribution	\$183,671	\$188,079	\$192,593	\$197,215	\$201,948
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$11,449	\$10,329	\$10,695	\$12,688	\$14,697
<b>Total Income</b>	<b>\$1,387,516</b>	<b>\$1,296,692</b>	<b>\$1,171,638</b>	<b>\$1,381,541</b>	<b>\$1,583,750</b>
# Component					
<b>Common Area</b>					
103 Concrete Walkway - Repair (10%)	\$0	\$0	\$0	\$0	\$0
104 Balcony Surfaces -Seal/Repair	\$29,801	\$0	\$0	\$0	\$0
105 Balcony Surfaces - Resurface	\$0	\$0	\$0	\$0	\$0
107 Exterior Walkway - Seal/Repair	\$27,634	\$0	\$0	\$0	\$0
108 Exterior Walkway - Resurface	\$0	\$0	\$0	\$0	\$0
109 Sun Deck - Replace	\$0	\$0	\$0	\$0	\$0
302 HVAC Units (small) - Replace	\$0	\$0	\$0	\$0	\$0
303 HVAC Units (Large)- Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
325 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Flood/Emergency Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Garage Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
507 Exterior Iron Rail - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$0	\$0	\$0	\$0	\$0
604 Concrete Stairs - Repair	\$0	\$0	\$0	\$0	\$0
701 Main Entrance Door - Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$6,710	\$0	\$0	\$0	\$0
705 Overhead Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
706 Overhead Vehicle Gates- Replace	\$0	\$0	\$0	\$0	\$0
709 Trash Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
710 Trash Gate - Replace	\$0	\$0	\$0	\$0	\$0
803 Boilers - Replace	\$0	\$0	\$0	\$0	\$0
804 Water Tank - Replace	\$0	\$0	\$0	\$0	\$0
807 Pressure Booster System - Replace	\$0	\$0	\$0	\$0	\$0
902 Exercise Equipment - Replace	\$0	\$0	\$0	\$0	\$0
903 Lobby Furniture - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Exercise Room - Remodel	\$0	\$0	\$0	\$0	\$0
920 Trash Rooms - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1006 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1107 Exterior Iron Rail - Repaint	\$15,280	\$0	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1111 Garage - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Exterior Building - Repaint	\$164,085	\$0	\$0	\$0	\$0
1135 Exterior Trim - Repaint	\$28,446	\$0	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1306 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$0

**Table 5: 30-Year Income/Expense Detail (yrs 20 through 24)**

**22099-3**

Fiscal Year	2036	2037	2038	2039	2040
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1801 Elevator - Modernize	\$0	\$288,346	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$39,996	\$0	\$0	\$0
1803 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1925 Reserve Study - Update	\$3,007	\$0	\$0	\$3,286	\$0
<b>Pool/Spa Area</b>					
404 Pool Furniture - Replace	\$0	\$0	\$0	\$11,151	\$0
411 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence/Gate - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$4,786	\$0	\$0	\$0	\$0
1201 Pool Deck - Seal/Repair	\$0	\$0	\$0	\$0	\$0
1202 Pool - Resurface	\$0	\$0	\$0	\$0	\$0
1203 Spa - Resurface	\$0	\$0	\$0	\$0	\$0
1204 Pool/Spa - Retile/Coping	\$0	\$0	\$0	\$0	\$0
1207 Pool Filter - Replace	\$0	\$0	\$0	\$0	\$0
1207 Spa Filter - Replace	\$0	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$0	\$0	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$10,164
1209 Pool/Spa Chlorinators - Replace	\$0	\$0	\$0	\$0	\$0
1210 Pool/Spa Pump - Replace	\$9,482	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$289,231</b>	<b>\$328,342</b>	<b>\$0</b>	<b>\$14,437</b>	<b>\$10,164</b>
<b>Ending Reserve Balance:</b>	<b>\$1,098,285</b>	<b>\$968,350</b>	<b>\$1,171,638</b>	<b>\$1,367,105</b>	<b>\$1,573,586</b>

**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)**

**22099-3**

Fiscal Year	2041	2042	2043	2044	2045
Starting Reserve Balance	\$1,573,586	\$1,671,917	\$1,818,034	\$2,031,791	\$2,202,240
Annual Reserve Contribution	\$206,795	\$211,758	\$216,840	\$222,044	\$227,373
Planned Special Assessments	\$0	\$0	\$0	\$0	\$0
Interest Earnings	\$16,221	\$17,442	\$19,241	\$21,161	\$20,177
<b>Total Income</b>	<b>\$1,796,601</b>	<b>\$1,901,117</b>	<b>\$2,054,115</b>	<b>\$2,274,996</b>	<b>\$2,449,790</b>
# Component					
<b>Common Area</b>					
103 Concrete Walkway - Repair (10%)	\$0	\$0	\$0	\$0	\$0
104 Balcony Surfaces -Seal/Repair	\$0	\$0	\$0	\$37,751	\$0
105 Balcony Surfaces - Resurface	\$0	\$0	\$0	\$0	\$0
107 Exterior Walkway - Seal/Repair	\$0	\$0	\$0	\$35,005	\$0
108 Exterior Walkway - Resurface	\$0	\$0	\$0	\$0	\$0
109 Sun Deck - Replace	\$0	\$0	\$0	\$0	\$116,650
302 HVAC Units (small) - Replace	\$16,227	\$0	\$0	\$0	\$0
303 HVAC Units (Large)- Replace	\$0	\$0	\$0	\$0	\$0
324 Exterior Wall Lights - Replace	\$0	\$0	\$0	\$0	\$0
325 Interior Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Flood/Emergency Lights - Replace	\$0	\$0	\$0	\$0	\$0
326 Garage Lights - Replace	\$0	\$0	\$0	\$0	\$0
403 Mailboxes - Replace	\$0	\$0	\$0	\$0	\$0
507 Exterior Iron Rail - Replace	\$0	\$0	\$0	\$0	\$0
601 Carpet - Replace	\$55,485	\$0	\$0	\$0	\$0
604 Concrete Stairs - Repair	\$0	\$0	\$0	\$0	\$14,022
701 Main Entrance Door - Replace	\$0	\$0	\$0	\$0	\$0
703 Utility Doors - Replace	\$0	\$0	\$0	\$0	\$0
704 Intercom - Replace	\$0	\$0	\$0	\$0	\$0
705 Overhead Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
706 Overhead Vehicle Gates- Replace	\$0	\$0	\$0	\$0	\$0
709 Trash Gate Operator - Replace	\$0	\$0	\$0	\$0	\$0
710 Trash Gate - Replace	\$0	\$0	\$0	\$0	\$0
803 Boilers - Replace	\$0	\$0	\$0	\$0	\$0
804 Water Tank - Replace	\$0	\$10,783	\$0	\$0	\$0
807 Pressure Booster System - Replace	\$0	\$0	\$0	\$0	\$0
902 Exercise Equipment - Replace	\$0	\$0	\$0	\$0	\$41,240
903 Lobby Furniture - Replace	\$0	\$0	\$0	\$0	\$0
909 Bathroom - Refurbish	\$0	\$0	\$0	\$0	\$0
910 Exercise Room - Remodel	\$0	\$0	\$0	\$0	\$25,804
920 Trash Rooms - Replace	\$0	\$0	\$0	\$0	\$0
1003 Irrigation Controllers - Replace	\$0	\$0	\$0	\$0	\$0
1006 Irrigation System - Repair/Replace	\$0	\$0	\$0	\$0	\$0
1107 Exterior Iron Rail - Repaint	\$0	\$18,245	\$0	\$0	\$0
1110 Interior Surfaces - Repaint	\$0	\$0	\$0	\$0	\$0
1111 Garage - Repaint	\$0	\$0	\$0	\$0	\$0
1115 Exterior Building - Repaint	\$0	\$0	\$0	\$0	\$0
1135 Exterior Trim - Repaint	\$0	\$33,966	\$0	\$0	\$0
1303 Comp Shingle Roof - Replace	\$0	\$0	\$0	\$0	\$0
1306 Flat Roof - Replace	\$0	\$0	\$0	\$0	\$413,342

**Table 5: 30-Year Income/Expense Detail (yrs 25 through 29)**

**22099-3**

Fiscal Year	2041	2042	2043	2044	2045
1310 Gutters/Downspouts - Replace	\$0	\$0	\$0	\$0	\$0
1801 Elevator - Modernize	\$0	\$0	\$0	\$0	\$0
1802 Elevator Cab - Remodel	\$0	\$0	\$0	\$0	\$0
1803 Fire Alarm System - Replace	\$0	\$0	\$0	\$0	\$0
1925 Reserve Study - Update	\$0	\$3,591	\$0	\$0	\$3,924
<b>Pool/Spa Area</b>					
404 Pool Furniture - Replace	\$0	\$0	\$0	\$0	\$0
411 Drinking Fountain - Replace	\$0	\$0	\$0	\$0	\$0
503 Metal Fence/Gate - Replace	\$0	\$0	\$0	\$0	\$0
1107 Metal Fence - Repaint	\$0	\$5,715	\$0	\$0	\$0
1201 Pool Deck - Seal/Repair	\$0	\$0	\$22,324	\$0	\$0
1202 Pool - Resurface	\$31,511	\$0	\$0	\$0	\$0
1203 Spa - Resurface	\$11,516	\$0	\$0	\$0	\$0
1204 Pool/Spa - Retile/Coping	\$0	\$0	\$0	\$0	\$0
1207 Pool Filter - Replace	\$3,455	\$0	\$0	\$0	\$0
1207 Spa Filter - Replace	\$3,455	\$0	\$0	\$0	\$0
1208 Pool Heater - Replace	\$0	\$10,783	\$0	\$0	\$0
1208 Spa Heater - Replace	\$0	\$0	\$0	\$0	\$0
1209 Pool/Spa Chlorinators - Replace	\$3,036	\$0	\$0	\$0	\$0
1210 Pool/Spa Pump - Replace	\$0	\$0	\$0	\$0	\$0
<b>Total Expenses</b>	<b>\$124,684</b>	<b>\$83,083</b>	<b>\$22,324</b>	<b>\$72,756</b>	<b>\$614,981</b>
<b>Ending Reserve Balance:</b>	<b>\$1,671,917</b>	<b>\$1,818,034</b>	<b>\$2,031,791</b>	<b>\$2,202,240</b>	<b>\$1,834,809</b>

## Accuracy, Limitations, and Disclosures

Because we have no control over future events, we cannot claim that all the events we anticipate will occur as planned. We expect that inflationary trends will continue and we expect that financial institutions will provide interest earnings on funds on-deposit. We believe that reasonable estimates for these figures are much more accurate than ignoring these economic realities. The things we can control are measurements, which we attempt to establish within 5% accuracy. Your starting Reserve Balance and current Reserve interest earnings are also numbers that can be identified with a high degree of certainty. These figures have been provided to us, and were not confirmed by our independent research. Our projections assume a stable economic environment and lack of natural disasters.

Because both the physical status and financial status of the association change each year, this Reserve Study is by nature a "one-year" document. This information can and should be adjusted annually as part of the Reserve Study Update process so that more accurate estimates can be reflected in the Reserve plan. Reality often differs from even the best assumptions due to changing economic factors, physical factors, and ownership expectations. Because many years of financial preparation help prepare for large expenses, this Report shows expenses for the next 30 years. We fully expect a number of adjustments will be necessary through the interim years to both the cost and timing of distant expense projections. It is our recommendation and that of the American Institute of Certified Public Accountants (AICPA) that your Reserve Study be updated annually.

Association Reserves – SF, LLC, and its employees have no ownership, management, or other business relationships with the client other than this Reserve Study engagement. Derek Eckert, R.S., company president, is a credentialed Reserve Specialist (#114). All work done by Association Reserves is performed under his Responsible Charge. There are no material issues to our knowledge that have not been disclosed to the client that would cause a distortion of the association's situation.

We have relied upon the client to provide the current (or projected) Reserve Balance, the estimated net-after-tax current rate of interest earnings, and to indicate if those earnings accrue to the Reserve Fund. In addition, we have considered the association's representation of current and historical Reserve projects reliable, and we have considered the representations made by its vendors and suppliers to also be accurate and reliable.

Component quantities indicated in this Report were derived from the prior Reserve Study, unless otherwise noted in our "Site Inspection Notes". No destructive or intrusive testing was performed, nor should the site inspection be assumed to be anything other than for budgeting purposes.

Association Reserves' liability in any matter involving this Reserve Study is limited to our Fee for services rendered.

Where any uncertainties exist, we urge the association to obtain a legal review and written opinion of the legitimacy of the funding policies, as stipulated or permitted under your Declaration and local statutes. As these are legal questions, we highly recommend use of an experienced real property attorney specializing in association law.

Re-use of reserve study, figures or calculations in any other format absolves ARSF of all responsibility.

## Terms and Definitions

<b>BTU</b>	British Thermal Unit (a standard unit of energy)
<b>DIA</b>	Diameter
<b>GSF</b>	Gross Square Feet (area)
<b>GSY</b>	Gross Square Yards (area)
<b>HP</b>	Horsepower
<b>LF</b>	Linear Feet (length)

**Effective Age:** The difference between Useful Life and Remaining Useful Life. Note that this is not necessarily equivalent to the chronological age of the component.

**Fully Funded Balance (FFB):** The Reserve Balance that is in direct proportion to the fraction of life “used up” of the current Repair or Replacement cost. This benchmark balance represents the value of the deterioration of the Reserve Components. This number is calculated for each component, then summed together for an association total.

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age}) / \text{Useful Life}$$

**Inflation:** Cost factors are adjusted for inflation at the rate defined in the Executive Summary and compounded annually. These increasing costs can be seen as you follow the recurring cycles of a component on Table 5.

**Interest:** Interest earnings on Reserve Funds are calculated using the average balance for the year (taking into account income and expenses through the year) and compounded monthly using the rate defined in the Executive Summary. Annual interest earning assumption appears in the Executive Summary, page ii.

**Percent Funded:** The ratio, at a particular point in time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

**Remaining Useful Life:** The estimated time, in years, that a common area component can be expected to continue to serve its intended function.

**Useful Life:** The estimated time, in years, that a common area component can be expected to serve its intended function.

## Photographic Inventory Appendix

# Association Reserves -SF, LLC

# Component Details

Client: 22099A 350 N 2nd Street - Common Area

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**Comp # : 103**      **Concrete Walkway - Repair (10%)**      Quantity: Approx 3,130 GSF x 10%

Location : 1st Floor Walkways

Funded? : Yes

History :

Evaluation : All surfaces are intact, no abnormal conditions observed. Concrete flatwork typically has a very extended or indefinite life under normal circumstances. Although difficult to predict timing, cost and scope, we suggest a rotating funding allowance to supplement the operating/maintenance budget for periodic larger repairs. Adjust as conditions, actual expense patterns dictate within future reserve study updates.

Useful Life:

15 years

Remaining Life:

4 years



Best Case: \$5,500

Worst Case: \$6,900

Lower allowance to repair (10%)

Higher allowance to repair (10%)

Cost Source: ARSF Cost Database

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**Comp # : 104**      **Balcony Surfaces -Seal/Repair**      Quantity: (60) Balconies

Location : Private Use Balconies

Funded? : Yes

History : Balconies last repaired in 2012.

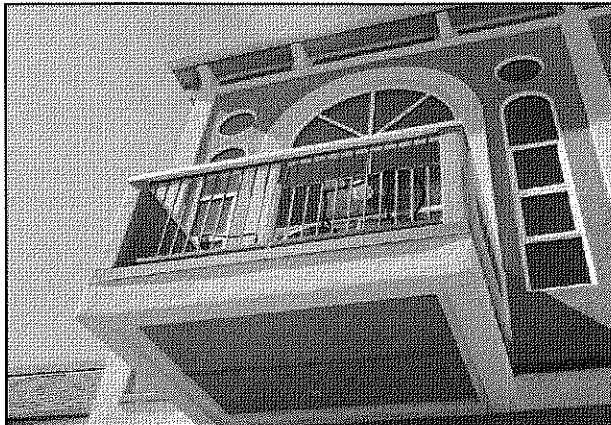
Evaluation : Unable to closely inspect the balcony surfaces at the time of the site inspection. Surface appearance was of that of a urethane/elastomeric coating. Coatings lose thickness each year due to wear and exposure to ultraviolet sunlight. Re-application of the topcoat is typically recommended every 6-8 years to maintain waterproof integrity.

Useful Life:

8 years

Remaining Life:

4 years



Best Case: \$15,000

Worst Case: \$18,000

Lower allowance to seal/repair

Higher allowance to seal/repair

Cost Source: ARSF Cost Database

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**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099A 350 N 2nd Street - Common Area**

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**Comp # : 105      Balcony Surfaces - Resurface      Quantity: (60) Balconies**  
Location : Private Use Balconies  
Funded? : Yes

History : Balconies last repaired in 2012.

Evaluation : Even with regular preventive maintenance (cleaning/repairing/sealing), decking system will eventually wear down to the point of failure. If not resurfaced or replaced with a new system, water penetration can damage the building structure. Keep good coat sealant on surfaces to maintain the waterproof barrier and keep well protected.

Useful Life:  
40 years

Remaining Life:  
36 years



Best Case: \$144,000

Worst Case: \$172,000

Lower allowance to seal/repair

Higher allowance to seal/repair

Cost Source: ARSF Cost Database

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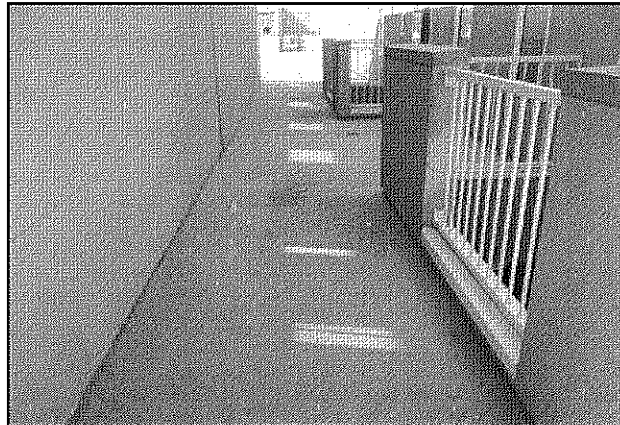
**Comp # : 107      Exterior Walkway - Seal/Repair      Quantity: Approx 3,825 GSF**  
Location : 3rd Floor, 4th Floor, and Roof Top Walkway  
Funded? : Yes

History :

Evaluation : Surface appearance was of that of a urethane/elastomeric coating and appear to be aging well at this time. Isolated areas of waterponding stains noted, mostly near drainage areas. No bubbling, splitting or cracking of the seal coat. Coatings lose thickness each year due to wear and exposure to ultraviolet sunlight. Re-application of the topcoat is typically recommended every 6-8 years to maintain waterproof integrity.

Useful Life:  
8 years

Remaining Life:  
4 years



Best Case: \$13,900

Worst Case: \$16,700

Lower allowance to seal

Higher allowance to seal

Cost Source: ARSF Cost Database

---

# Association Reserves -SF, LLC

# Component Details

Client: 22099A 350 N 2nd Street - Common Area

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**Comp # : 108 Exterior Walkway - Resurface**  
Location : 3rd Floor, 4th Floor, and Roof Top Walkway  
Funded? : Yes

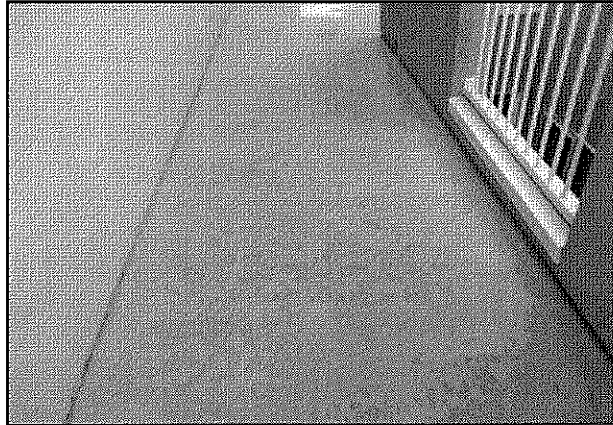
Quantity: Approx 3,825 GSF

History :

Evaluation : Even with regular preventive maintenance (cleaning/repairing/sealing), decking system will eventually wear down to the point of failure. If not resurfaced or replaced with a new system, water penetration can damage the building structure. Keep good coat sealant on surfaces to maintain the waterproof barrier and keep well protected.

Useful Life:  
40 years

Remaining Life:  
36 years



Best Case: \$115,000  
Lower allowance to resurface

Worst Case: \$134,000  
Higher allowance to resurface

Cost Source: ARSF Cost Database

---

**Comp # : 109 Sun Deck - Replace**  
Location : 3rd Floor  
Funded? : Yes

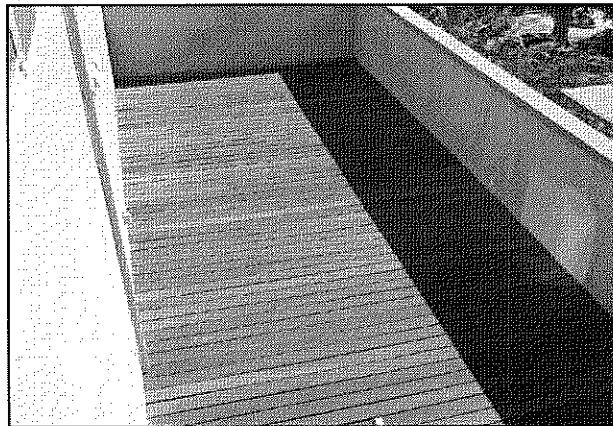
Quantity: Approx 1,610 GSF

History :

Evaluation : (4) Sundecks located on the 3rd floor only. Sun decks are constructed on wood and are in stable condition. No advance wood rot, deterioration, or abuse noted. Wood appeared to be dry which is normal wear due to solar exposure and its exterior location.

Useful Life:  
20 years

Remaining Life:  
9 years



Best Case: \$45,000  
Lower allowance to replace

Worst Case: \$54,000  
Higher allowance to replace

Cost Source: ARSF Cost Database

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**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099A 350 N 2nd Street - Common Area**

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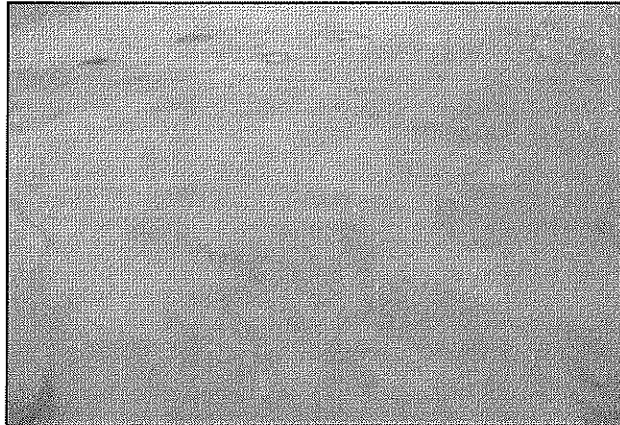
**Comp # : 205 Concrete Drive - Repair** Quantity: Extensive GSF  
Location : Garage and Driveway  
Funded? : No . It is too difficult for us to predict the remaining useful life.

History :

Evaluation : All surfaces are intact, no abnormal conditions observed. Concrete flatwork typically has a very extended or indefinite life under normal circumstances.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

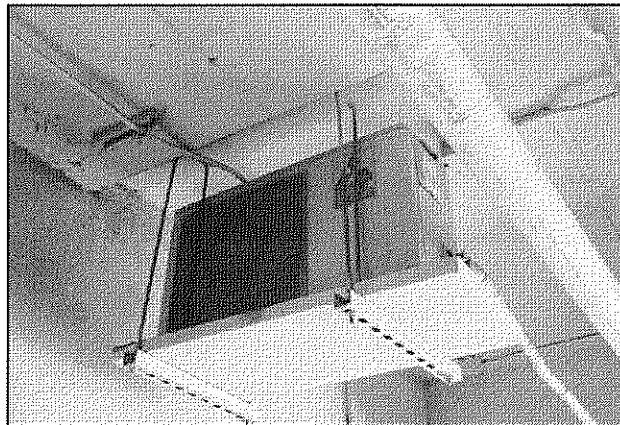
**Comp # : 302 HVAC Units (small) - Replace** Quantity: (2) Mitsubishi HVAC  
Location : Near Lobbies / Garage Area  
Funded? : Yes

History :

Evaluation : (2) Mitsubishi Electric Mr. Slim HVAC units. Both are functioning properly with no problems reported. As routine maintenance, regular professional inspections and maintenance will help to extend useful life cycles.

Useful Life:  
18 years

Remaining Life:  
7 years



Best Case: \$7,000

Worst Case: \$8,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

---

# Association Reserves -SF, LLC

# Component Details

Client: 22099A 350 N 2nd Street - Common Area

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**Comp # : 303 HVAC Units (Large)- Replace**

Quantity: (5) Carrier HVAC

Location : Roof and 3rd Floor

Funded? : Yes

History :

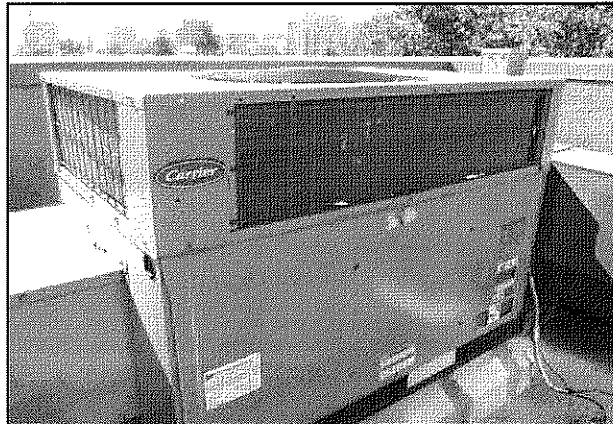
Evaluation : (5) Carrier HVAC units all located in exterior locations. Model 48GSN01804035587. Serial numbers 5004G30992, 5009C31012, 5004G30990, 5004G30991 and 5004G30993. All are located in exterior locations. (3) are located on the roof and (2) are located at the ends of the 3rd floor walkways. No problems or issues reported. Functioning properly. Units should be inspected and serviced regularly by HVAC vendor or maintenance staff to ensure proper function and to help attain full life expectancy.

Useful Life:

15 years

Remaining Life:

4 years



Best Case: \$50,000

Worst Case: \$60,000

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp # : 324 Exterior Wall Lights - Replace**

Quantity: (46) Fixtures

Location : 1st Floor Lights, Pool Area, and 3rd Floor

Funded? : Yes

History :

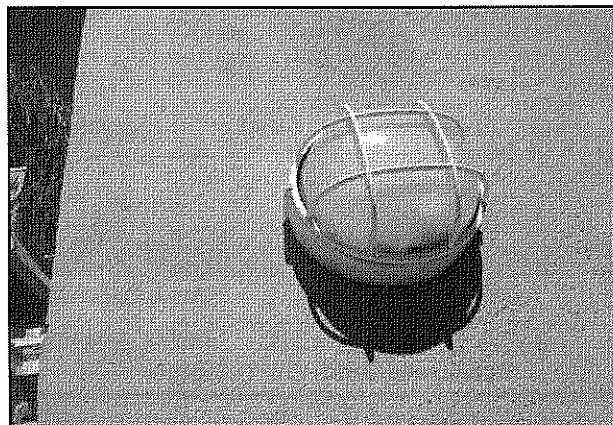
Evaluation : Observed during daylight hours; assumed to be in functional operating condition. As routine maintenance, clean by wiping down with an appropriate cleaner, change bulbs and repair as needed. Best to plan for large-scale replacement, timed to coincide with paint cycle, at the time frame below for cost efficiency and consistent cost/appearance throughout association.

Useful Life:

26 years

Remaining Life:

15 years



Best Case: \$6,900

Worst Case: \$9,200

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099A 350 N 2nd Street - Common Area**

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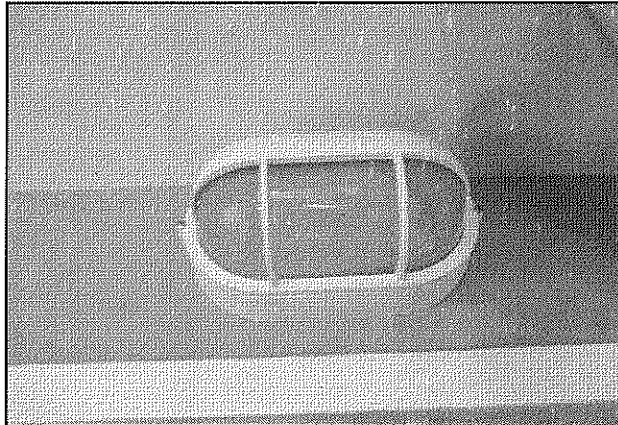
**Comp # : 325 Interior Lights - Replace** Quantity: (110) Fixtures  
Location : Interior Hallway, Lobbies, and Stairways  
Funded? : Yes

History :

Evaluation : Various styles including ceiling lights, unit lights, and recessed lights. There are no signs of premature wear or abuse. Replace all at once to maintain a uniform and attractive aesthetic appearance throughout the association.

Useful Life:  
30 years

Remaining Life:  
19 years



Best Case: \$16,500

Lower allowance to replace

Worst Case: \$22,000

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp # : 326 Flood/Emergency Lights - Replace** Quantity: (70) Fixtures  
Location : Hallways, Lobbies, and Garage  
Funded? : Yes

History :

Evaluation : Lights were observed during the day and assumed functional. There are no signs of premature wear or abuse. As routine maintenance, clean by wiping down with an appropriate cleaner, change bulbs and repair as needed.

Useful Life:  
25 years

Remaining Life:  
14 years



Best Case: \$17,500

Lower allowance to replace

Worst Case: \$21,000

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

Client: 22099A 350 N 2nd Street - Common Area

---

**Comp # : 326**      **Garage Lights - Replace**      Quantity: (55) Fixtures  
Location : Garage  
Funded? : Yes  
History :

Evaluation : All lights are functional. No problems or issues reported.

Useful Life:  
30 years

Remaining Life:  
19 years



Best Case: \$12,300  
Lower allowance to replace

Worst Case: \$15,300  
Higher allowance to replace

Cost Source: ARSF Cost Database

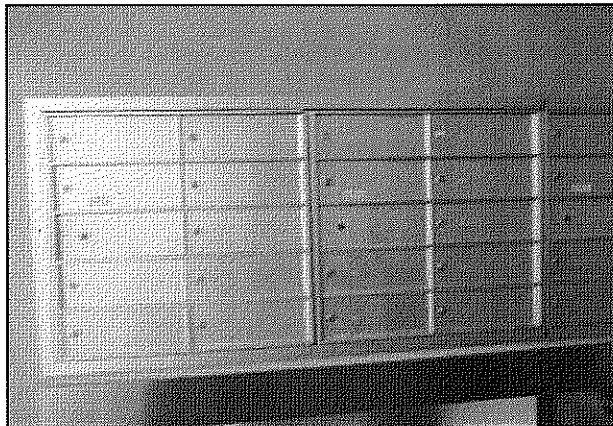
---

**Comp # : 403**      **Mailboxes - Replace**      Quantity: (70) Boxes  
Location : Association Entrance  
Funded? : Yes  
History :

Evaluation : Extended life is possible, but plan on future replacement. 2nd street lobby has (40) individual Bommer industries boxes and the 3rd street lobby has (30) individual Bommer industries boxes Located in an interior location, protected from the elements. Boxes show minimal surface wear which is typical with common use.

Useful Life:  
28 years

Remaining Life:  
17 years



Best Case: \$9,100  
Lower allowance to replace

Worst Case: \$11,500  
Higher allowance to replace

Cost Source: ARSF Cost Database

---



**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099A 350 N 2nd Street - Common Area**

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**Comp # : 507      Exterior Iron Rail - Replace      Quantity: Approx 940 LF**  
Location : Handrails, Fencing, and Balconies  
Funded? : Yes

History :

Evaluation : Overall good condition with an attractive appearance. Rail is sturdy and securely anchored to the walls and floor. No signs of premature deterioration. Inspect regularly to ensure stability of railing. Durable and typically long lived component with ordinary care and maintenance, however, we recommend setting aside funding for eventual replacement at the interval indicated below.

Useful Life:  
30 years

Remaining Life:  
19 years



Best Case: \$65,800  
Lower allowance to replace

Worst Case: \$79,000  
Higher allowance to replace

Cost Source: ARSF Cost Database

---

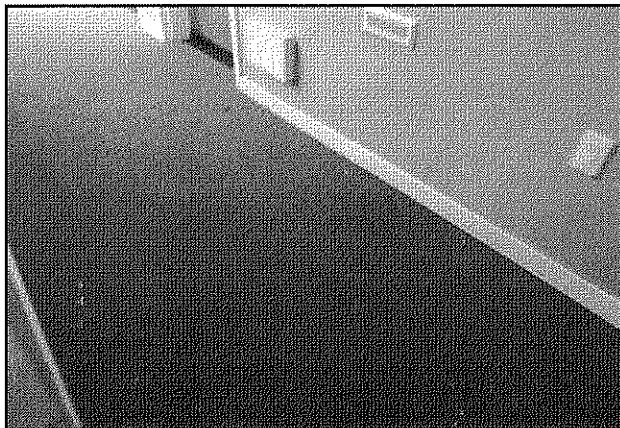
**Comp # : 601      Carpet - Replace      Quantity: Approx 348 GSY**  
Location : 3rd Floor Hallways  
Funded? : Yes

History :

Evaluation : Carpet is intact but shows wear by being significantly stained and worn, especially in high traffic areas. Some seam exposure and fraying noted. Replace in the near future to maintain an attractive aesthetic appearance. As part of ongoing maintenance program, vacuum regularly and professionally clean as needed, best timed with Interior Surface - Repaint (component #1110) to maintain a quality appearance.

Useful Life:  
12 years

Remaining Life:  
1 years



Best Case: \$24,000  
Lower allowance to replace

Worst Case: \$29,000  
Higher allowance to replace

Cost Source: ARSF Cost Database

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**Association Reserves -SF, LLC**

**Component Details**

**Client:** 22099A 350 N 2nd Street - Common Area

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**Comp # :** 603 **Tile Floor - Replace**

**Quantity:** Approx 840 GSF

**Location :** Entrance to Association and Elevator Lobbies

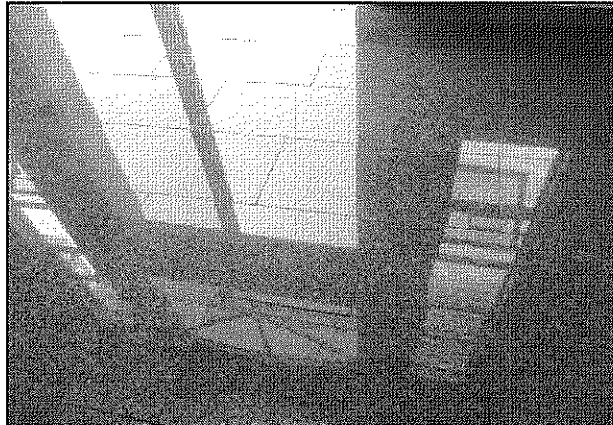
**Funded? :** No . The useful life of this item is not well defined under normal circumstances because it is too difficult for us to predict the remaining useful life.

**History :**

**Evaluation :** All surfaces are intact, no abnormal conditions observed. Tile flatwork typically has a very extended or indefinite life under normal circumstances.

Useful Life:

Remaining Life:



Best Case:

Worst Case:

Cost Source:

---

**Comp # :** 604 **Concrete Stairs - Repair**

**Quantity:** (4) Sets of Stairs

**Location :** Ends of Each Hallway

**Funded? :** Yes

**History :**

**Evaluation :** (2) Sets of stairs go from G-3 and (2) sets of stairs go from G-4. Stairs are in fair structural condition for their age with isolated areas of hairline cracking. Monitor cracks to ensure stability and to address any needed repairs as soon as they arise to maintain a safe stairway. This component provides a general allowance for repairs. Funding will need to be adjusted should major replacement become necessary. Interior concrete stairs supported by metal stringers.

Useful Life:  
20 years

Remaining Life:  
9 years



Best Case: \$5,400

Worst Case: \$6,500

Lower allowance to repair/replace

Higher allowance to repair/replace

Cost Source: ARSF Cost Database

---



# Association Reserves -SF, LLC

# Component Details

Client: 22099A 350 N 2nd Street - Common Area

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Comp # : 701      Main Entrance Door - Replace      Quantity: (1) Front Door

Location : Main Entrance

Funded? : Yes

History :

Evaluation : Door is located in an exterior location with exposure to the elements. Door show normal wear including scratches.  
Overall door is in fair condition and show no signs of abuse or abnormal deterioration.

Useful Life:  
30 years

Remaining Life:  
19 years



Best Case: \$3,000

Lower allowance to replace

Worst Case: \$4,000

Higher allowance to replace

Cost Source: ARSF Cost Database

---

Comp # : 703      Utility Doors - Replace      Quantity: (10) Utility Doors

Location : Access to Back Patio and Garage

Funded? : Yes

History :

Evaluation : These are heavy duty doors, which are overall in fair condition and show no signs of abuse or abnormal deterioration.

Useful Life:  
30 years

Remaining Life:  
19 years



Best Case: \$12,000

Lower allowance to replace

Worst Case: \$15,000

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

**Client:** 22099A 350 N 2nd Street - Common Area

---

**Comp # :** 704      **Intercom - Replace**

**Quantity:** (1) DKS Intercom

**Location :** Main Entryway of Property

**Funded? :** Yes

**History :** Intercom was last replaced in 2012.

**Evaluation :** (1) Newly replaced DKS intercom. The unit is functional, with no reported problems. We recommend professional inspections and maintenance. Wipe down surfaces periodically with an appropriate cleaner for appearance, being careful to avoid control buttons.

**Useful Life:**  
12 years

**Remaining Life:**  
8 years



**Best Case:** \$3,280

Lower allowance to replace

**Worst Case:** \$4,150

Higher allowance to replace

**Cost Source:** Cost History, plus Inflation

---

**Comp # :** 705      **Overhead Gate Operator - Replace**

**Quantity:** (2) Gate Operators

**Location :** At Garage Entrance

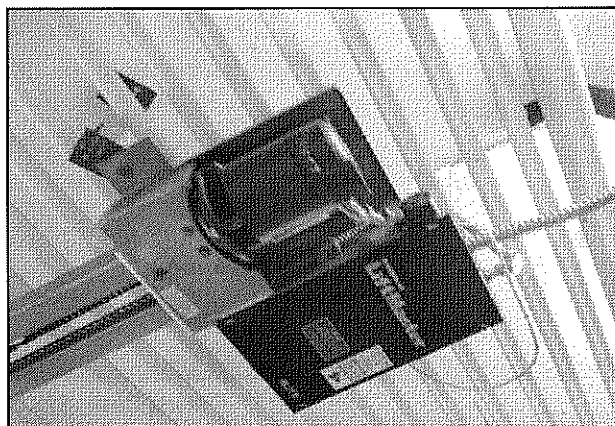
**Funded? :** Yes

**History :** Manufactured on 7/26/05 and 8/9/05

**Evaluation :** (1) Liftmaster Model HCT50100. Serial 245-A5-06039E. Manufactured on 8/9/05. (1) Liftmaster Model HCT 50110. Serial 315-A5-11558E. Manufactured on 7/26/05. Operates smoothly. No reported problems. Functional. We strongly recommend regular professional inspections, maintenance and repairs to help extend useful life cycles.

**Useful Life:**  
15 years

**Remaining Life:**  
4 years



**Best Case:** \$7,000

Lower allowance to replace

**Worst Case:** \$9,000

Higher allowance to replace

**Cost Source:** ARSF Cost Database

---

# Association Reserves -SF, LLC

# Component Details

Client: 22099A 350 N 2nd Street - Common Area

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**Comp # : 706**      **Overhead Vehicle Gates- Replace**      Quantity: (2) Metal Vehicle Gates  
Location : At Garage Entrance  
Funded? : Yes

History :

Evaluation : (2) Metal overhead vehicle gates. Functional with no problems reported. There is potential for extended life beyond the projected remaining useful life, but plan on future replacement. We recommend maintaining adequate paint coverage to prevent rust.

Useful Life:  
30 years

Remaining Life:  
19 years



Best Case: \$14,000

Lower allowance to replace

Worst Case: \$19,000

Higher allowance to replace

Cost Source: ARSF Cost Database

---

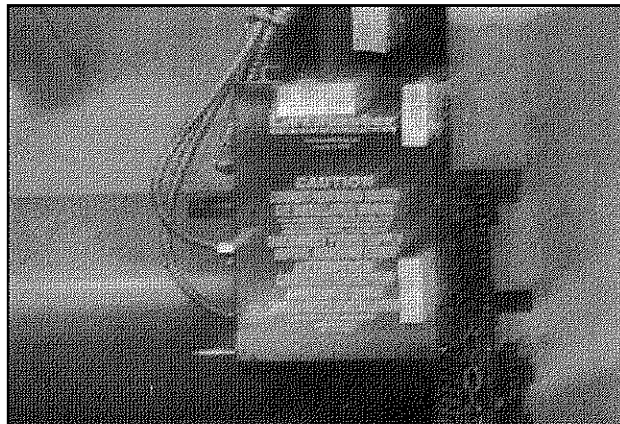
**Comp # : 709**      **Trash Gate Operator - Replace**      Quantity: (1) Trash Gate Operator  
Location : At Garage Entrance  
Funded? : Yes

History :

Evaluation : (1) Liftmaster overhead trash gate operator. Functional with no problems reported. We strongly recommend regular professional inspections, maintenance and repairs to help extend useful life cycles.

Useful Life:  
15 years

Remaining Life:  
4 years



Best Case: \$3,000

Lower allowance to replace

Worst Case: \$4,000

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

Client: 22099A 350 N 2nd Street - Common Area

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**Comp # : 710      Trash Gate - Replace**

Quantity: (1) Overhead Trash Gate

Location : At Garage Entrance

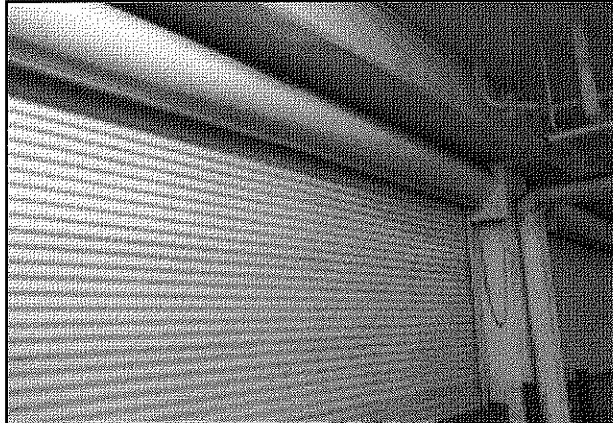
Funded? : Yes

History :

Evaluation : (1) Overhead roll up metal trash gate. In good condition with no history of issues or repairs. Functional. Trash gate should be checked and repaired as needed by servicing vendor as routine maintenance. This component provides an allowance for future replacement.

Useful Life:  
25 years

Remaining Life:  
14 years



Best Case: \$6,500  
Lower allowance to replace

Worst Case: \$8,000  
Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp # : 803      Boilers - Replace**

Quantity: (2) Boilers

Location : Garage Area

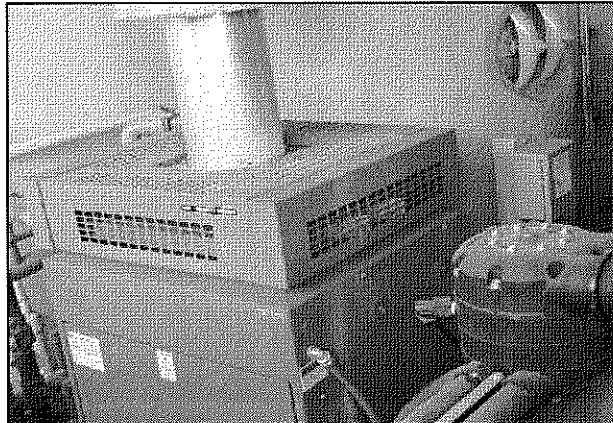
Funded? : Yes

History :

Evaluation : (2) Laars Mighty Therm water heater. Located in a locked area, unable to closely inspect at the time of the site inspection. No problems reported. With routine inspection and maintenance, the boiler should have an approximate useful life as shown below before replacement with future technology and efficiencies will be warranted.

Useful Life:  
15 years

Remaining Life:  
4 years



Best Case: \$18,000  
Lower allowance to replace

Worst Case: \$24,000  
Higher allowance to replace

Cost Source: ARSF Cost Database

---

Client: 22099A 350 N 2nd Street - Common Area

Comp # : 804 Water Tank - Replace

Quantity: (1) Large Water Tank

Location : Garage Area

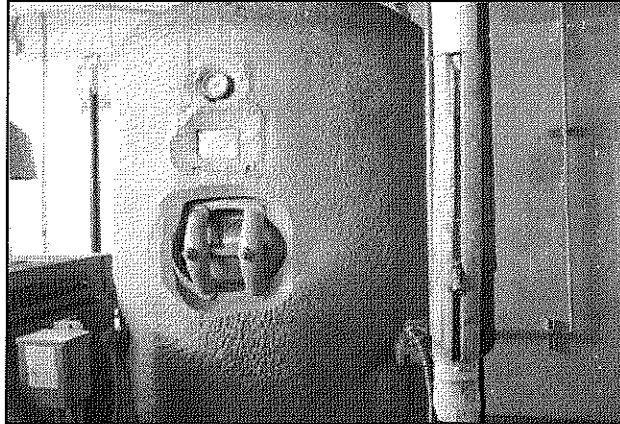
Funded? : Yes

History : Water tank was last replaced in 2012.

Evaluation : (1) Large water storage tank. Located in a locked area, unable to closely inspect at the time of the site inspection. One side show significant corrosion. Informed that the water tank was replaced in 2012 after the site inspection and is functioning properly.

Useful Life:  
15 years

Remaining Life:  
11 years



Best Case: \$4,500

Worst Case: \$5,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

Comp # : 807 Pressure Booster System - Replace

Quantity: (1) System

Location : Garage Area

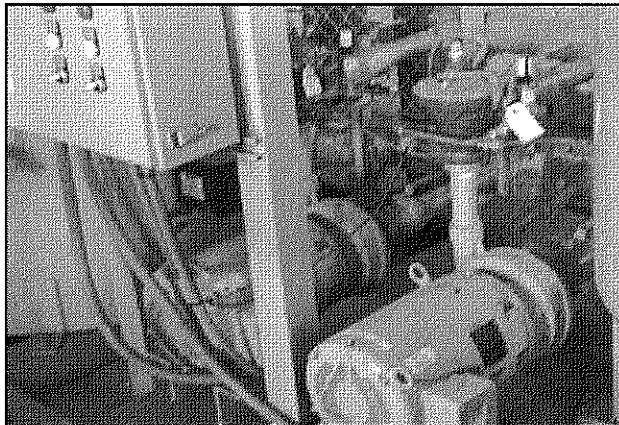
Funded? : Yes

History :

Evaluation : Domestic Water Pump System with (1) Miller pressure booster control panel with (2) circulating pumps. Located in a locked area, unable to closely inspect at the time of the site inspection. No problems reported. Water pumps and control system should be inspected regularly and repaired as-needed by serving vendor or maintenance staff to ensure proper function and optimal performance.

Useful Life:  
24 years

Remaining Life:  
13 years



Best Case: \$30,000

Worst Case: \$35,000

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

# Association Reserves -SF, LLC

# Component Details

Client: 22099A 350 N 2nd Street - Common Area

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**Comp # : 902**      **Exercise Equipment - Replace**      Quantity: (10) Various Pieces

Location : Exercise Room

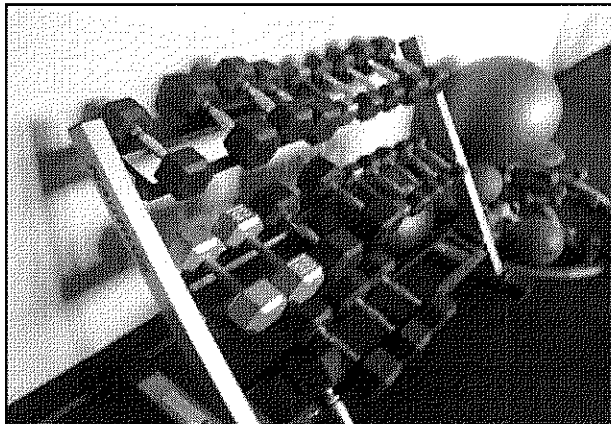
Funded? : Yes

History :

Evaluation : One machine was not functional at the time of the site inspection. (2) Nautilus Super Soft Treadmills, (2) Nautilus Elliptical Machines, (1) Diamond Back 1100ES Stair Stepper, (2) Nautilus NR3000 Stationary Bike, (1) Vector Services VX Weight Machines, (1) Weight Bench with (1) set of free weights. Also (2) TVs mounted on the wall ,(1) missing a the time of the site inspection. Life expectancy depends on the amount of use, anticipate replacement at the time interval below.

Useful Life:  
20 years

Remaining Life:  
9 years



Best Case: \$15,000

Lower allowance to replace

Worst Case: \$20,000

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp # : 903**      **Lobby Furniture - Replace**      Quantity: (6) Various Pieces

Location : Ground Floor Lobbies

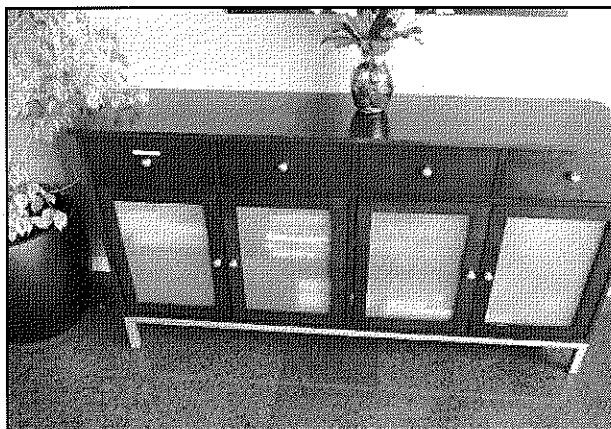
Funded? : Yes

History : (1) credenza in the 2nd street lobby was bought in 2012

Evaluation : The 3rd Street lobby has (1) mirror, (1) bench , and (1) table. The 2nd Street lobby has (1) mirror, (1) bench , and (1) credenza in the 2nd street lobby was bought in 2012. The useful life and costs of this component is highly dependent on the level of aesthetics desired by the association. Adjust as future conditions dictate.

Useful Life:  
12 years

Remaining Life:  
6 years



Best Case: \$3,000

Lower allowance to replace

Worst Case: \$4,000

Higher allowance to replace

Cost Source: ARSF Cost Database

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# Association Reserves -SF, LLC

# Component Details

Client: 22099A 350 N 2nd Street - Common Area

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**Comp # : 909 Bathroom - Refurbish**

Quantity: (1) Bathroom

Location : Adjacent to Exercise Room

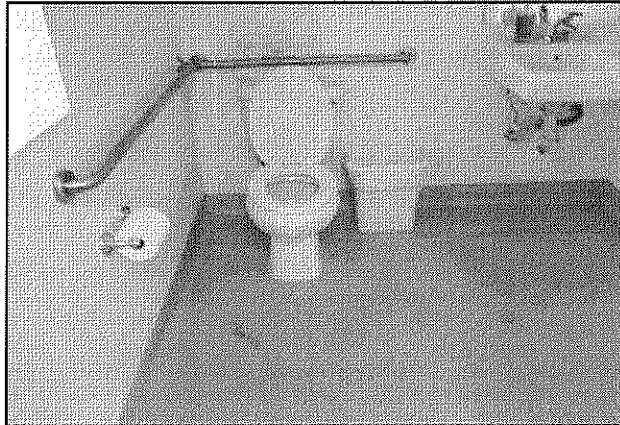
Funded? : Yes

History :

Evaluation : Approx 40 GSF with linoleum flooring and 290 interior paint. (1) Toilet, (1) sink, (1) mirror and (1) fan. Simple restroom. Linoleum flooring is aged and shows peeling and lifting especially at the edges. Useful life is dependent greatly on the level of aesthetics desired by the association.

Useful Life:  
15 years

Remaining Life:  
4 years



Best Case: \$4,000

Worst Case: \$5,200

Lower allowance to refurbish

Higher allowance to refurbish

Cost Source: ARSF Cost Database

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**Comp # : 910 Exercise Room - Remodel**

Quantity: (1) Exercise Room

Location : Adjacent to Lobby

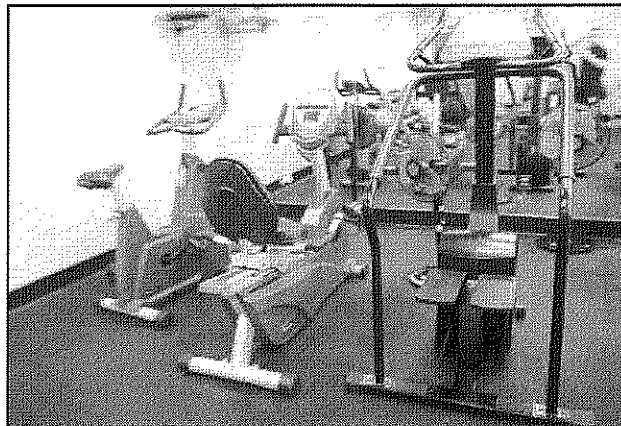
Funded? : Yes

History :

Evaluation : Approx 540 GSF of exercise flooring and 1,520 interior paint with (11) florescent lights. The room is in good condition. The paint shows minimal wear and the exercise flooring is all intact and in good condition.

Useful Life:  
20 years

Remaining Life:  
9 years



Best Case: \$9,700

Worst Case: \$12,200

Lower allowance to remodel

Higher allowance to remodel

Cost Source: ARSF Cost Database

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**Association Reserves -SF, LLC**

**Component Details**

**Client:** 22099A 350 N 2nd Street - Common Area

---

**Comp # :** 920 **Trash Rooms - Replace**

**Quantity:** (4) Trash Chutes

**Location :** Floors 1 and 3

**Funded? :** Yes

**History :**

**Evaluation :** (4) Simple trash rooms approx 25 GSF each. Kept clean and free of debris. Plan on repainting and making minor repairs at the same time as the interior hallways are repainted and re-carpeted.

**Useful Life:**  
14 years

**Remaining Life:**  
3 years



**Best Case:** \$2,500

**Worst Case:** \$3,000

Lower allowance to replace

Higher allowance to replace

**Cost Source:** ARSF Cost Database

---

**Comp # :** 950 **Bike Storage Room - Refurbish**

**Quantity:** (1) Bike Storage Room

**Location :** Common Area

**Funded? :** No . Repairs and paint handled out of the Operating budget.

**History :**

**Evaluation :** We had no access to the room at the time of inspection. Bike storage room has wall mounted bike racks for (18) bikes. No expectation to replace. Make minor repairs and paint touch ups out of the operating fund. No reserve funding necessary.

**Useful Life:**

**Remaining Life:**

Photo Not Available

**Best Case:**

**Worst Case:**

**Cost Source:**

---



**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099A 350 N 2nd Street - Common Area**

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**Comp # : 1003    Irrigation Controllers - Replace**

**Quantity: (1) Irrigation Controller**

Location : Garage Utility Closet

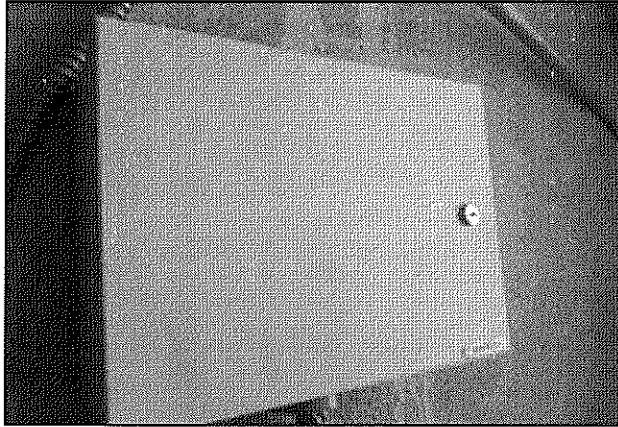
Funded? : Yes

History :

Evaluation : (1) Locked irrigation controller. The unit if functioning properly with no problems reported.

Useful Life:  
15 years

Remaining Life:  
4 years



Best Case: \$1,800

Worst Case: \$2,200

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp # : 1006    Irrigation System - Repair/Replace**

**Quantity: Common Area Irrigation**

Location : Common Area

Funded? : Yes

History : Replaced - 2015

Evaluation : Informed that the association replaced the irrigation with drip lines in 2015. As routine maintenance, inspect regularly, test system, repair as needed from operating budget. This component provides an allowance for future repairs and replacements at the time interval below.

Useful Life:  
20 years

Remaining Life:  
19 years



Best Case: \$10,400

Worst Case: \$15,600

Lower allowance to repair/replace

Higher allowance to repair/replace

Cost Source: Cost History, plus Inflation

---

**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099A 350 N 2nd Street - Common Area**

---

**Comp # : 1107 Exterior Iron Rail - Repaint**

Quantity: Approx 940 LF

Location : Handrails, Fencing, and Balconies

Funded? : Yes

History : Rail last repainted in 2012.

Evaluation : Paint coverage was good, smooth and clean on the exterior iron railing. Plan on painting every 5-6 years to protect the metal surfaces from the elements.

Useful Life:  
6 years

Remaining Life:  
2 years



Best Case: \$7,520  
Lower allowance to repaint

Worst Case: \$9,400  
Higher allowance to repaint

Cost Source: ARSF Cost Database

---

**Comp # : 1110 Interior Surfaces - Repaint**

Quantity: Approx 17,485 GSF

Location : Hallways, Lobby, and Stairs

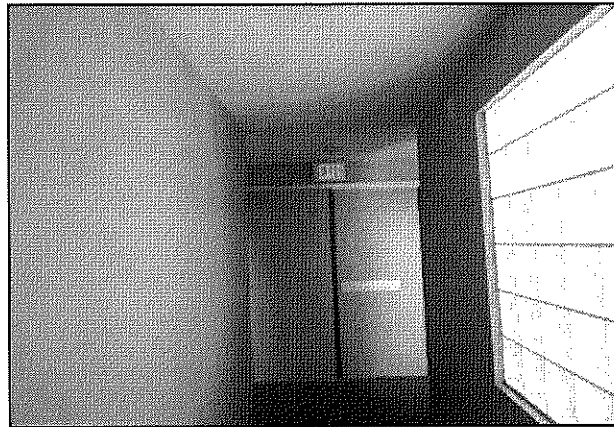
Funded? : Yes

History :

Evaluation : No signs of significant chipping, cracking or premature deterioration. Paint coverage is fair and color is still vibrant. Regular cycles of paint are recommended to maintain appearance.

Useful Life:  
14 years

Remaining Life:  
3 years



Best Case: \$16,300  
Lower allowance to repaint

Worst Case: \$19,700  
Higher allowance to repaint

Cost Source: ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099A 350 N 2nd Street - Common Area**

---

**Comp # : 1111 Garage - Repaint**

**Quantity: Approx 38,960 GSF**

**Location : Garage Walls and Ceiling**

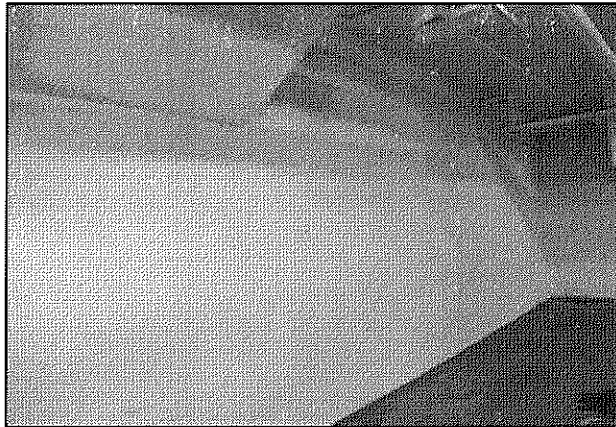
**Funded? : Yes**

**History :**

**Evaluation :** Garage paint shows normal wear for its age. Minor staining and scuffs noted. Regular cycles of paint are recommended to maintain appearance.

**Useful Life:**  
15 years

**Remaining Life:**  
4 years



**Best Case: \$24,300**  
Lower allowance to repaint

**Worst Case: \$29,200**  
Higher allowance to repaint

**Cost Source: ARSF Cost Database**

---

**Comp # : 1115 Exterior Building - Repaint**

**Quantity: Approx 63,050 GSF**

**Location : Exterior Building Surfaces**

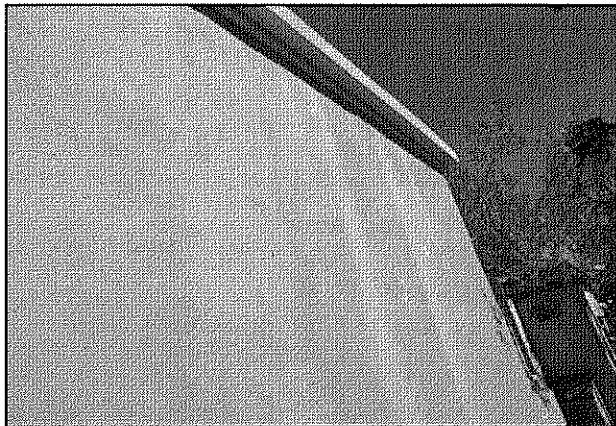
**Funded? : Yes**

**History :** Repainted in 2012

**Evaluation :** Minor discoloration and staining in isolated areas. General appearance is fair. Painting recommended every 10-12 years to preserve the surfaces of the stucco and maintain appearance. Future painting should be done in conjunction with other exterior surfaces.

**Useful Life:**  
12 years

**Remaining Life:**  
8 years



**Best Case: \$80,700**  
Lower allowance to repaint

**Worst Case: \$101,000**  
Higher allowance to repaint

**Cost Source: ARSF Cost Database**

---

**Association Reserves -SF, LLC**

**Component Details**

**Client:** 22099A 350 N 2nd Street - Common Area

---

**Comp # :** 1135 **Exterior Trim - Repaint**

**Quantity:** (62) Units

**Location :** Building Exteriors

**Funded? :** Yes

**History :** Repainted in 2012

**Evaluation :** No signs of significant chipping, cracking or premature deterioration. Paint coverage is fair and color is still vibrant. Wood surfaces will need to be painted in this environment every 5-6 years to protect against wood rot and natural deterioration.

**Useful Life:**  
6 years

**Remaining Life:**  
2 years



**Best Case:** \$13,500  
Lower allowance to repaint

**Worst Case:** \$18,000  
Higher allowance to repaint

**Cost Source:** ARSF Cost Database

---

**Comp # :** 1303 **Comp Shingle Roof - Replace**

**Quantity:** Approx 5,790 GSF

**Location :** Rooftop of Building

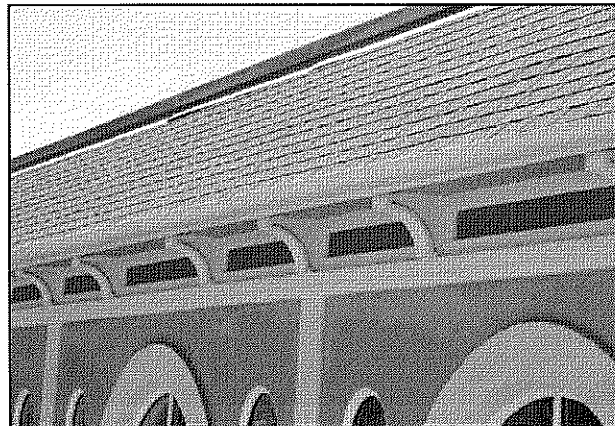
**Funded? :** Yes

**History :**

**Evaluation :** Fair quality shingles that show no signs of premature aging. No signs of warping, curling or water ponding. In fair condition overall. We recommend a have a professional inspection in the near term to accurately determine the condition.

**Useful Life:**  
30 years

**Remaining Life:**  
19 years



**Best Case:** \$37,900  
Lower allowance to replace

**Worst Case:** \$45,600  
Higher allowance to replace

**Cost Source:** ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099A 350 N 2nd Street - Common Area**

---

**Comp # : 1306 Flat Roof - Replace** Quantity: Approx 19,475 GSF

Location : Rooftop

Funded? : Yes

History :

Evaluation : No access to inspect the roof at the time of the site inspection. We recommend having the roof professionally inspected regularly so that any needed repairs can be addressed immediately.

Useful Life:  
20 years

Remaining Life:  
9 years

Photo Not Available

Best Case: \$155,800  
Lower allowance to replace

Worst Case: \$195,000  
Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp # : 1310 Gutters/Downspouts - Replace** Quantity: Approx 1,650 LF

Location : Perimeter of Roofs and Downspouts

Funded? : Yes

History :

Evaluation : Gutters and downspouts are intact and functional. No problems reported. Inspect regularly, keep gutters and downspouts free of debris to ensure water evacuating from rooftops as designed and handle minor repair as needed from general operating funds. Best to plan for replacement at the same intervals as roof replacement cost efficiency.

Useful Life:  
40 years

Remaining Life:  
19 years



Best Case: \$18,400  
Lower allowance to replace

Worst Case: \$23,000  
Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

**Client:** 22099A 350 N 2nd Street - Common Area

---

**Comp # :** 1801 **Elevator - Modernize**

**Quantity:** (2) 3-Stop Elevator

**Location :** Center of Building

**Funded? :** Yes

**History :** Last tested on 4/4/2011.

**Evaluation :** Both elevators were manufactured by OTIS elevator company. Submersible hydraulic pump motors. 2nd street elevator: state number 135941 and 3rd street elevator: state number 138035. Elevators are professionally maintained and serviced, smooth operating, minimal service calls. Complete replacement not expected, but plan on modernizing major components (door operators, controllers etc).

**Useful Life:**  
30 years

**Remaining Life:**  
21 years

Photo Not Available

**Best Case:** \$140,000

**Worst Case:** \$170,000

Lower allowance to modernize

Higher allowance to modernize

**Cost Source:** ARSF Cost Database

---

**Comp # :** 1802 **Elevator Cab - Remodel**

**Quantity:** (2) Elevator Cab

**Location :** Center of Building

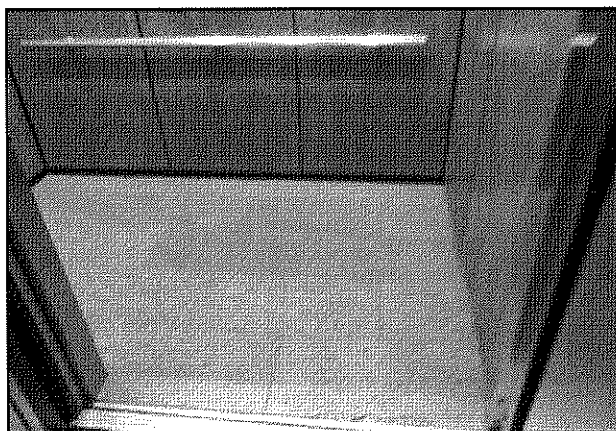
**Funded? :** Yes

**History :**

**Evaluation :** The elevator is in good condition with an attractive appearance. (20) Elevator cabs approx 36 GSF each. Both have tiles floors with wood paneling walls, and 6 lights. Tile flooring is beginning to crack at the elevator entrance. Current appearance is satisfactory at this time. Life cycle, timing and quality of remodel can vary greatly on the level of aesthetics desired by the association. Adjust as future conditions dictate.

**Useful Life:**  
15 years

**Remaining Life:**  
6 years



**Best Case:** \$18,000

**Worst Case:** \$25,000

Lower allowance to remodel

Higher allowance to remodel

**Cost Source:** ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

**Client:** 22099A 350 N 2nd Street - Common Area

---

**Comp # :** 1803      **Fire Alarm System - Replace**

**Quantity:** (1) Fire Alarm Panel

**Location :** Garage Area

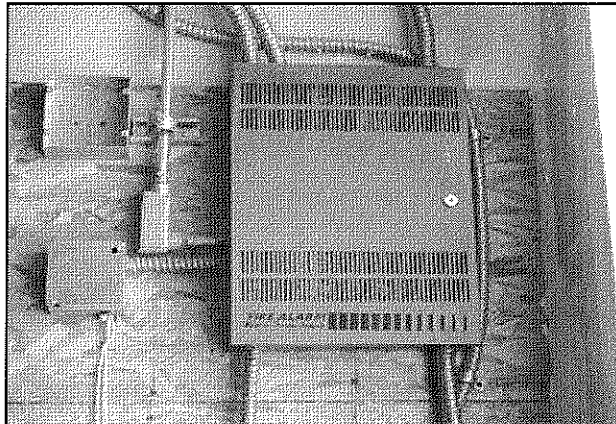
**Funded? :** Yes

**History :**

**Evaluation :** (1) Quick Start fire alarm system. Monitored by Quality alarms. Regular testing and inspection indicated. No known problems at this time. Fire panels may last for an extended period barring unforeseen electrical incidents. In our experience however, design obsolescence, parts availability, technological advances and codes dictate the need to plan for periodic replacement. There is a wide range of panels/features available in today's market; general funds allowance factored below.

**Useful Life:**  
25 years

**Remaining Life:**  
14 years



**Best Case:** \$10,000

**Worst Case:** \$15,000

Lower allowance to replace

Higher allowance to replace

**Cost Source:** ARSF Cost Database

---

**Comp # :** 1925      **Reserve Study - Update**

**Quantity:** (1) Reserve Study Update

**Location :** Association Reserves (415) 694-8931

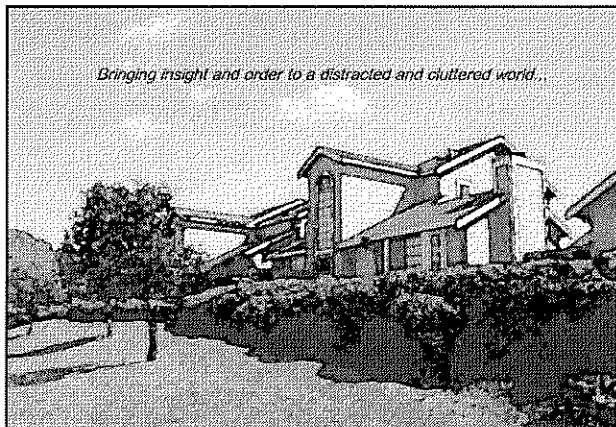
**Funded? :** Yes

**History :**

**Evaluation :** The Association is on a three year annual Reserve Study update plan. The next site visit is planned in 2018 for the 2019 Reserve Study.

**Useful Life:**  
3 years

**Remaining Life:**  
2 years



**Best Case:** \$1,480

**Worst Case:** \$1,850

Lower allowance

Higher allowance

**Cost Source:** ARSF Cost Database

---



**Association Reserves -SF, LLC**

**Component Details**

**Client:** 22099B 350 N 2nd Street - Pool/Spa Area

---

**Comp # :** 404      **Pool Furniture - Replace**      **Quantity:** (39) Various Pieces

**Location :** Pool Area

**Funded? :** Yes

**History :**

**Evaluation :** (19) Wooden chairs, (13) plastic lounges, (4) wooden tables, and (3) umbrellas. Pieces have an aged appearance. Chairs and lounges have straps that are dry and faded. Pieces are functional but worn. All pieces are uniform so plan on replacement all at one time to maintain a cohesive appearance.

**Useful Life:**  
10 years

**Remaining Life:**  
3 years



**Best Case:** \$4,700

Lower allowance to replace

**Worst Case:** \$6,600

Higher allowance to replace

**Cost Source:** ARSF Cost Database

---

**Comp # :** 411      **Drinking Fountain - Replace**      **Quantity:** (1) Drinking Fountain

**Location :** Attached to Pool Equipment Room

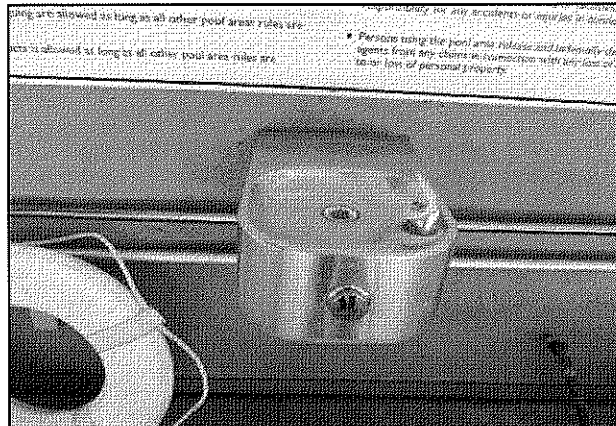
**Funded? :** Yes

**History :**

**Evaluation :** (1) Elkay drinking fountain. Functional with no rust or abnormal deterioration.

**Useful Life:**  
30 years

**Remaining Life:**  
19 years



**Best Case:** \$1,500

Lower allowance to replace

**Worst Case:** \$1,800

Higher allowance to replace

**Cost Source:** ARSF Cost Database

---



# Association Reserves -SF, LLC

# Component Details

Client: 22099B 350 N 2nd Street - Pool/Spa Area

---

**Comp # : 503 Metal Fence/Gate - Replace**

Quantity: Approx 290 LF, (2) Gates

Location : Pool Perimeter

Funded? : Yes

History :

Evaluation : Overall good condition with an attractive appearance. Fence is sturdy and securely anchored to the walls and ground. No signs of premature deterioration. Inspect regularly to ensure stability of fence. Durable and typically long lived component with ordinary care and maintenance, however, we recommend setting aside funding for eventual replacement at the interval indicated below.

Useful Life:

30 years

Remaining Life:

19 years



Best Case: \$22,500

Worst Case: \$28,000

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp # : 1107 Metal Fence - Repaint**

Quantity: Approx 290 LF

Location : Pool Perimeter

Funded? : Yes

History :

Evaluation : Paint is in fair condition for its age with normal fading and wear noted. Plan on painting every 5-6 years to keep well protected from costly repairs and/or replacement.

Useful Life:

6 years

Remaining Life:

2 years



Best Case: \$2,300

Worst Case: \$3,000

Lower allowance to repaint

Higher allowance to repaint

Cost Source: ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

Client: 22099B 350 N 2nd Street - Pool/Spa Area

---

**Comp # : 1201 Pool Deck - Seal/Repair**

Quantity: Approx 2,915 GSF

Location : Pool Area

Funded? : Yes

History :

Evaluation : All surfaces are intact, but the seal is wearing thin. Beyond that, no damage was noted nor other signs of major concern. Concrete flatwork typically has a very extended or indefinite life under normal circumstances. This component provides an allowance for general repairs.

Useful Life:  
15 years

Remaining Life:  
12 years



Best Case: \$8,600

Worst Case: \$11,500

Lower allowance to seal/repair

Higher allowance to seal/repair

Cost Source: ARSF Cost Database

---

**Comp # : 1202 Pool - Resurface**

Quantity: (1) Pool

Location : Pool/Spa Area

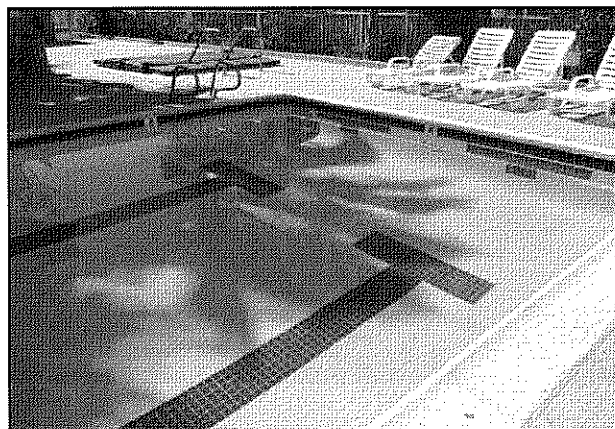
Funded? : Yes

History :

Evaluation : Pool is in declining condition showing signs of plaster loss and discoloration. Pool resurfacing will restore the aesthetic quality of the pool while protecting the actual concrete shell of the pool from deterioration. While drained for resurfacing, any other repairs to lighting, handrails, stairs, ladders, etc. should be conducted as needed. This type of project is best suited for slow/offseason to minimize downtime during periods when pool is used heavily. Should be expected at the approximate interval shown below to preserve this important amenity of the association.

Useful Life:  
12 years

Remaining Life:  
1 years



Best Case: \$13,500

Worst Case: \$16,600

Lower allowance to resurface

Higher allowance to resurface

Cost Source: ARSF Cost Database

---

# Association Reserves -SF, LLC

# Component Details

Client: 22099B 350 N 2nd Street - Pool/Spa Area

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Comp # : 1203 Spa - Resurface

Quantity: (1) Spa

Location : Pool/Spa Area

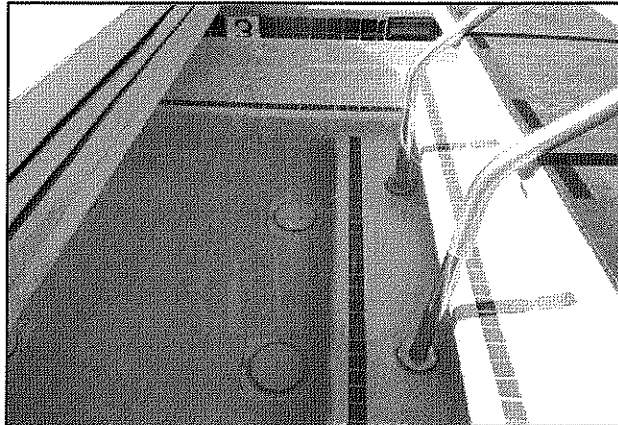
Funded? : Yes

History :

Evaluation : Spa surface is in fair condition. Minor staining and discoloration noted. No cracking or surface bubbling noted. Tile all intact with no cracks or missing pieces. Spa surfaces typically do not last as long as pool surfaces due to higher heat and chemical levels.

Useful Life:  
6 years

Remaining Life:  
1 years



Best Case: \$5,000

Worst Case: \$6,000

Lower allowance to resurface

Higher allowance to resurface

Cost Source: ARSF Cost Database

---

Comp # : 1204 Pool/Spa - Retile/Coping

Quantity: Approx. 145 LF

Location : Pool/Spa Area

Funded? : Yes

History :

Evaluation : Pool has (approx. 100 LF) of tile and coping and the spa has (approx. 45LF). Majority appears in good condition with no significant fading, cracking or other damage/deterioration noted. Best to plan for regular intervals of replacement, best timed to coincide with every other pool/spa resurface project for cost efficiency and quality appearance. Adjust as future conditions dictate.

Useful Life:  
24 years

Remaining Life:  
14 years



Best Case: \$9,300

Worst Case: \$11,500

Lower allowance to retile and replace coping

Higher allowance to retile and replace coping

Cost Source: ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

**Client:** 22099B 350 N 2nd Street - Pool/Spa Area

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**Comp # :** 1207 **Pool Filter - Replace**

**Quantity:** (1) Pool Filter

**Location :** Pool Equipment Area, Enclosed

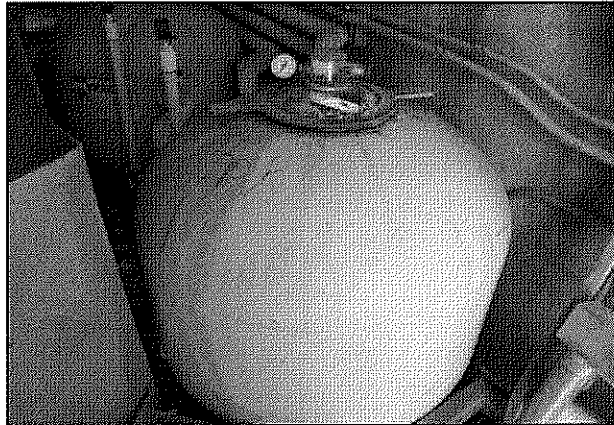
**Funded? :** Yes

**History :**

**Evaluation :** (1) Triton II TR100 Pool filter. In fair condition. No exterior signs of leaking or problems. Functional with no issues reported.

**Useful Life:**  
12 years

**Remaining Life:**  
1 years



**Best Case:** \$1,300

**Worst Case:** \$2,000

Lower allowance to replace

Higher allowance to replace

**Cost Source:** ARSF Cost Database

---

**Comp # :** 1207 **Spa Filter - Replace**

**Quantity:** (1) Spa Filter

**Location :** Pool Equipment Area, Enclosed

**Funded? :** Yes

**History :**

**Evaluation :** (10) triton II Pentair spa filter. In fair condition. No exterior signs of leaking or problems. Functional with no issues reported.

**Useful Life:**  
12 years

**Remaining Life:**  
1 years



**Best Case:** \$1,300

**Worst Case:** \$2,000

Lower allowance to replace

Higher allowance to replace

**Cost Source:** ARSF Cost Database

---

**Association Reserves -SF, LLC**

**Component Details**

**Client: 22099B 350 N 2nd Street - Pool/Spa Area**

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**Comp # : 1208 Pool Heater - Replace**

**Quantity: (1) Pool Heater**

Location : Pool Equipment Area, Enclosed

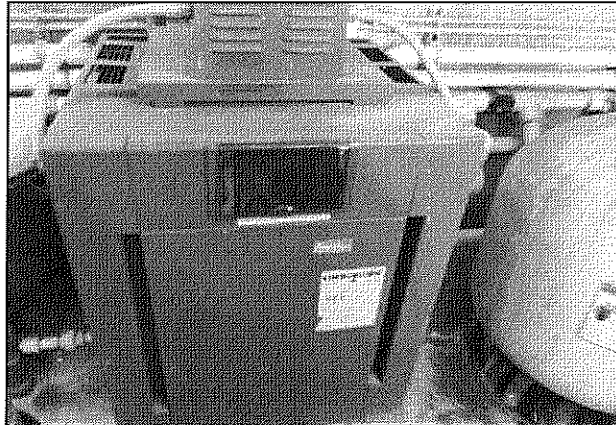
Funded? : Yes

History : Replaced - 2012

Evaluation : (1) RayPak Rheem pool heater. Model CR406AENXASME. Serial 1010319446. We recommend regular professional inspections, maintenance and repair to help maximize useful life cycles.

Useful Life:  
10 years

Remaining Life:  
6 years



Best Case: \$4,500

Worst Case: \$5,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

---

**Comp # : 1208 Spa Heater - Replace**

**Quantity: (1) Spa Heater**

Location : Pool Equipment Area, Enclosed

Funded? : Yes

History : Replaced - 2010

Evaluation : (1) Raypak Rheem commercial pool heater. Model CR406AENCASME. Serial 0805282570. Functional with no problems reported. We recommend regular professional inspections, maintenance and repair to help maximize useful life cycles.

Useful Life:  
10 years

Remaining Life:  
4 years



Best Case: \$4,500

Worst Case: \$5,500

Lower allowance to replace

Higher allowance to replace

Cost Source: ARSF Cost Database

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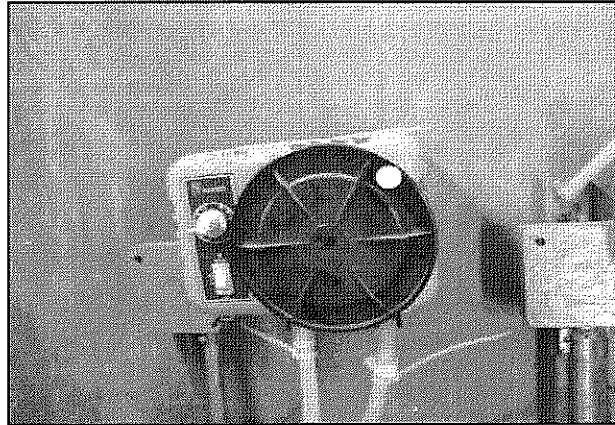
Client: 22099B 350 N 2nd Street - Pool/Spa Area

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**Comp # : 1209 Pool/Spa Chlorinators - Replace** Quantity: (2) Chlorinators  
Location : Pool Equipment Area, Enclosed  
Funded? : Yes  
History :  
Evaluation : (2) RolaChem chlorinators. Functioning properly.

Useful Life:  
12 years

Remaining Life:  
1 years



Best Case: \$1,300  
Lower allowance to replace

Worst Case: \$1,600  
Higher allowance to replace

Cost Source: ARSF Cost Database

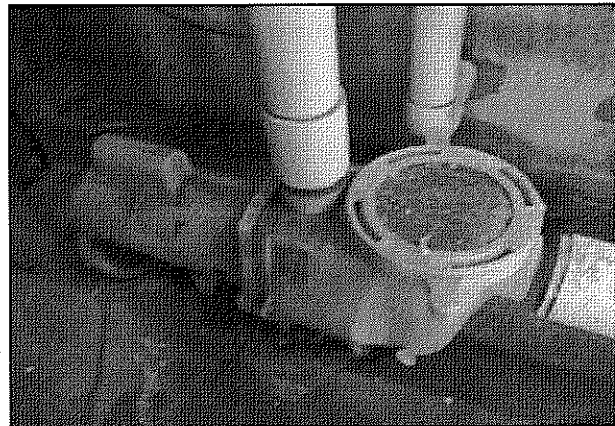
---

**Comp # : 1210 Pool/Spa Pump - Replace** Quantity: (3) Pumps  
Location : Pool Equipment Area, Enclosed  
Funded? : Yes  
History :

Evaluation : (2) 1hp Whisperflow pool pumps SER: 0326176050638L, (1) US Motor SER: All three are functional, but one appears to be leaking. Inspect for performance and leaks, repair and replace as needed from operating budget. This component provides for complete replacement of the pumps.

Useful Life:  
10 years

Remaining Life:  
0 years



Best Case: \$4,500  
Lower allowance to replace

Worst Case: \$6,000  
Higher allowance to replace

Cost Source: ARSF Cost Database

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