

Community Management Services, Incorporated
1935 Dry Creek Road, Suite 203
Campbell, CA 95008-3631
408-559-1977

To:

Date 9/1/2021

HOA# ●-●●

Unit # ●●●

Creekside Place Homeowners Association DEMAND

Property address/owner: ●●● Sequester Court

Escrow #

Outstanding dues and late fees if applicable \$415.00 as of 9/1/2021

Dues for January 1, 2021-December 31, 2021 are \$415.00 per month.

Any additional fees: _____

Litigation? Yes _____ No ☒ X _____

Special Assessments? Yes _____ No ☒ X _____

The association is approximately 77% owner occupied.

Home currently has outstanding landscape or architectural issues? Yes _____ No ☒ X _____

If yes, please contact the seller(s) or the seller's agent to find out more information regarding:

Document Fees Due -0- Transfer Fees Due -0-. Make checks payable to CMS, Inc.

- *Disclaimer: The above tenant/owner ratio figures are reflective of information provided by owners and our billings records Only. If a homeowner's billing/mailling address differs from the unit address, it may be included in the tenant number/ratio.

IT IS REQUIRED TO GET AN UPDATED DEMAND IF ESCROW DOES NOT CLOSE WITHIN TWO (2) WEEKS OF THE DATE OF THIS DEMAND. ANY UPDATED REQUEST MUST BE DONE IN WRITING. IF AN UPDATED DEMAND IS NOT SUBMITTED WITHIN 2 WEEKS OF THE DATE OF THIS DEMAND, THE SELLER/BUYER WILL BE HELD RESPONSIBLE FOR ANY OUTSTANDING AMOUNTS OWED. Please collect outstanding dues, plus one month's dues in advance. Make checks payable to the above association.

WHEN ESCROW CLOSSES, SEND US THE NEW BUYERS NAME, BILLING ADDRESS, SIGNED
BUYERS ESCROW INSTRUCTION SHEET AND COPY OF **GRANT DEED** to:

COMMUNITY MANAGEMENT SERVICES, INC.
1935 DRY CREEK ROAD, SUITE 203
CAMPBELL, CA 95008

**LACK OF COMPLIANCE WITH THIS REQUEST WILL RESULT IN RETURN OF ALL
ITEMS FOR COMPLETION, THEREBY DELAYING PROCESSING.**

Sincerely,

Documents Department CMS, Inc.

CREEKSIDE PLACE HOMEOWNERS ASSOCIATION

CIVIL CODE § 5300 SUMMARY FORM

A:	PROPERTY: DB INSURANCE COMPANY:	10/01/2020 – 10/01/2021
	BLANKET BUILDING:	\$9,883,800 (125% REPLACEMENT)
	DEDUCTIBLE:	\$10,000
B:	GENERAL LIABILITY: DB INSURANCE COMPANY:	10/01/2020 – 10/01/2021
	PER OCCURRENCE / ANNUAL AGGREGATE:	\$1,000,000 / \$2,000,000
	HIRED & NON-OWNED AUTO:	\$1,000,000
	DEDUCTIBLE:	\$0
C:	FIDELITY BOND: LIBERTY MUTUAL INSURANCE:	10/01/2020 – 10/01/2021
	EMPLOYEE DISHONESTY:	\$500,000
	COMPUTER & WIRE FRAUD:	\$500,000
	DEDUCTIBLE:	\$5,000
D:	DIRECTORS & OFFICERS: PHILADELPHIA INSURANCE:	10/01/2020 – 10/01/2021
	EACH WRONGFUL ACT / ANNUAL AGGREGATE:	\$1,000,000 / \$1,000,000
	DEDUCTIBLE:	\$5,000
E:	WORKERS COMPENSATION: AMTRUST INSURANCE:	10/01/2020 – 10/01/2021
	EMPLOYERS LIABILITY:	\$1,000,000
	DEDUCTIBLE:	\$0
F:	UMBRELLA LIABILITY: CHUBB INSURANCE:	10/01/2020 – 10/01/2021
	PER OCCURRENCE / ANNUAL AGGREGATE:	\$10,000,000 / \$10,000,000
	DEDUCTIBLE:	\$0
G:	EARTHQUAKE: LLOYD'S OF LONDON:	10/01/2020 – 10/01/2021
	BUILDING:	\$9,200,000
	DEDUCTIBLE:	20% PER BUILDING
H:	FLOOD: NATIONAL FLOOD INSURANCE PROGRAM:	11/15/2020 – 11/15/2021
	BUILDING:	VARIES PER BUILDING (100% REPLACEMENT)
	DEDUCTIBLE:	\$25,000 PER BUILDING

CLIENT SINCE 2018

This summary of the association's policies of insurance provides only certain information, as required by subdivision (b) of § 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 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 member should consult with their individual insurance brokers or agents for appropriate additional coverage.

ALLEN & COOK, INC.

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
Creeside Place Homeowners Association

We have reviewed the accompanying financial statements of Creekside Place Homeowners Association, which comprise the balance sheet as of December 31, 2020, and the related statements of revenues, expenses, and changes in fund balances and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Association management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion on the Financial Statements

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note D, which discloses the economic uncertainties that have arisen as a result of the declared outbreak of a coronavirus (COVID-19) a pandemic by the World Health Organization. Our conclusion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information about future major repairs and replacements of common property on page 11 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on it.

Allen & Cook, Inc.

San Jose, California
February 26, 2021

Creekside Place Homeowners AssociationBalance Sheet
December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 35,581	329,932	365,513
Accounts receivable - members	1,612		1,612
Due from operating fund		80,831	80,831
Prepaid insurance	70,063		70,063
Prepaid income tax	524		524
Other receivable	<u>330</u>	<u></u>	<u>330</u>
Total Assets	<u>108,110</u>	<u>410,763</u>	<u>518,873</u>
LIABILITIES AND FUND BALANCES:			
Accounts payable	10,445	1,600	12,045
Assessments received in advance	6,997		6,997
Due to replacement fund	80,831		80,831
Contract liabilities (Note A-9) - (Assessments received in advance - replacement fund)	<u></u>	<u>409,163</u>	<u>409,163</u>
Total Liabilities	98,273	410,763	509,036
Fund Balances	<u>9,837</u>	<u></u>	<u>9,837</u>
Total Liabilities and Fund Balances	<u>\$ 108,110</u>	<u>410,763</u>	<u>518,873</u>

Creekside Place Homeowners Association
Statement of Revenues, Expenses, and Changes in Fund Balances
Year Ended December 31, 2020

	Operating Fund	Replacement Fund	Total Funds
REVENUE:			
Regular assessments (Note A-6)	\$ 198,948	60,065	259,013
Interest on savings (Note A-3)	41	1,750	1,791
Other income	<u>1,137</u>	<u> </u>	<u>1,137</u>
Total Revenue	200,126	61,815	261,941
EXPENSES:			
Management	15,600		15,600
Insurance	79,051		79,051
Legal and accounting	6,160		6,160
Other administrative expenses	2,391		2,391
Gas and electricity	6,811		6,811
Water and sewer	43,412		43,412
Garbage removal	12,684		12,684
Pest control	3,456		3,456
Landscape maintenance	8,525	9,890	18,415
Pool service and supplies	5,050	485	5,535
Lighting repair and supplies	3,444		3,444
Roof maintenance	2,765		2,765
Termite repairs		38,825	38,825
Irrigation maintenance	1,955		1,955
Fencing maintenance		5,508	5,508
Electrical and plumbing	4,335		4,335
Other common area maintenance	8,404	7,107	15,511
Income taxes (Note C)	<u>196</u>	<u> </u>	<u>196</u>
Total Expenses	<u>204,239</u>	<u>61,815</u>	<u>266,054</u>
Excess (deficiency) of revenue over expense	(4,113)		(4,113)
Beginning fund balance	<u>13,950</u>	<u> </u>	<u>13,950</u>
Ending fund balance	<u>\$ 9,837</u>	<u> </u>	<u>9,837</u>

SEE NOTES TO FINANCIAL STATEMENTS
SEE INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Creekside Place Homeowners Association

Statement of Cash Flows

Year Ended December 31, 2020

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
Cash Flows From Operating Activities:			
Excess (deficiency) of revenue over expenses	(4,113)		(4,113)
Adjustments to reconcile net income to net cash used by operating activities:			
Changes in assets and liabilities:			
Accounts receivable	851		851
Due from operating fund		(24,776)	(24,776)
Prepaid insurance	(10,346)		(10,346)
Prepaid income tax	(449)		(449)
Prepaid expense		25,768	25,768
Other receivable	(330)	2,000	1,670
Accounts payable	(1,437)	(8,125)	(9,562)
Assessments received in advance	3,432		3,432
Due to replacement fund	24,776		24,776
Contract liabilities (Assessments received in advance - replacement fund)		<u>55,867</u>	<u>55,867</u>
Net cash flows from operating activities	<u>12,384</u>	<u>50,734</u>	<u>63,118</u>
Cash Flows From Investing Activities:			
Proceeds from matured certificates of deposit		<u>150,000</u>	<u>150,000</u>
Net cash flows from investing activities		<u>150,000</u>	<u>150,000</u>
Net increase (decrease) in cash	12,384	200,734	213,118
Cash at beginning of year	<u>23,197</u>	<u>129,198</u>	<u>152,395</u>
Cash at end of year	<u>35,581</u>	<u>329,932</u>	<u>365,513</u>

Creekside Place Homeowners Association
Notes To Financial Statements
December 31, 2020

(A) - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(1) Organization

The Association was incorporated on September 1, 1983, to provide for the orderly maintenance, preservation, and architectural control of the common areas within the development, which consists of 64 residences located in the City of San Jose, California.

The Association derives its authority and responsibilities from its Declaration of Covenants, Conditions and Restrictions. An elected Board of Directors makes most policy decisions and oversees daily operations, but major decisions are referred to the general association membership if required by the governing documents.

Membership in the Association is mandatory for homeowners. Voting members consist of all owners. Each owner is obligated to pay annual assessments to the Association to support its operations and purposes.

(2) Funds

Since the Association is a not-for-profit organization, the accompanying financial statements have been prepared using a fund method of accounting. Under this method of accounting, funds are separated into two categories, operating funds and replacement funds. Operating funds are those whose disposition is at the discretion of the Board of Directors and are generally used for regular operating expenses. Replacement funds are those funds that have been limited to specific purposes by the membership or the Board of Directors.

(3) Interest Earned

It is the policy of the Board of Directors that interest earned on restricted savings is restricted and is transferred to the replacement fund when earned.

(4) Capitalization Policy and Depreciation

The Association has not capitalized in the financial statements the common area real property acquired at its inception from the developer. This policy of non-capitalization is widely followed in the homeowners association industry as all beneficial rights of ownership belong to the unit owners and not to the Association.

Creekside Place Homeowners Association
Notes To Financial Statements
December 31, 2020

(A) - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

(4) Capitalization Policy and Depreciation - Continued

Replacements and improvements to the real property are not capitalized for the same reasons described above. They are instead charged directly to either operating or restricted funds in the period they are incurred.

(5) Statement of Cash Flow Information

For purposes of the Statement of Cash Flows, the Association considers all short-term investments with maturity at date of purchase of three months or less to be cash equivalents.

(6) Member Assessments

Association members are subject to monthly assessments to provide funds for the Association's operating expenses and major repairs and replacements. Assessment revenue is recognized as the related performance obligations are satisfied at transaction amounts expected to be collected. The Association's performance obligations related to its operating assessments are satisfied over time on a daily pro-rata basis using the input method. The performance obligations related to the replacement fund assessments are satisfied when these funds are expended for their designated purpose. During the fiscal year ended December 31, 2020, regular annual assessments were payable to the Association in monthly installments of \$410 per unit per month.

Assessments receivable at the balance sheet date are stated at the amounts expected to be collected from outstanding assessments from unit owners. The Association's policy is to retain legal counsel and place liens on the properties of owners whose assessments are delinquent depends on the association's CC&Rs. The Association treats uncollectible assessments as variable consideration. Methods, inputs, and assumptions used to evaluate whether an estimate of variable consideration is constrained include consideration of past experience and susceptibility to factors outside the Association's control.

(7) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(CONTINUED)

Creekside Place Homeowners Association
Notes To Financial Statements
December 31, 2020

(A) - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES - Continued

(8) Fair Value of Financial Instruments

The carrying amounts of financial instruments, including cash, certificates of deposit, accounts receivable and accounts payable approximate their fair market value due to the short term maturities of these instruments.

(9) Contract Liabilities (Assessments Received In Advance - Replacement Fund)

The Association recognizes revenue from members as the related performance obligations are satisfied. A contract liability (assessments received in advance-replacement fund) is recorded when the Association has the right to receive payment in advance of the satisfaction of performance obligations related to replacement reserve assessments.

(B) - RESTRICTED FUNDS AND REPLACEMENT FUNDING PROGRAM

Restricted funds represent amounts designated for specific uses by the membership or Board of Directors; generally these funds are set-aside in interest bearing accounts to be retained for the designated purpose. Restricted replacement funds are amounts to be spent on future repair and replacement of selected Association common areas.

A long-term, formal funding program is one that is based on a study that identifies specific common area components such as roofs, streets, paint, decks, etc., the expected replacement costs and expected remaining service lives of each, and provides a plan for accumulating over time the funds that will be needed to replace each major item at the time that replacement becomes necessary.

An independent formal study to determine the adequacy of the current funding program for the replacement of selected Association common area components was conducted by Reserve Analysis Consulting, LLC in 2017. The 2021 budget, which was approved by the Board of Directors in October 2020, does not provide for sufficient contributions to catch up the underfunded balance by December 31, 2021. Consequently, the replacement fund is estimated to be under funded, according to the latest funding model, by approximately \$646,600 (\$10,103 per unit) by December 31, 2021. Accordingly, higher regular assessments and/or special assessments may be necessary in the future.

Actual expenditures may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

(CONTINUED)

Creekside Place Homeowners Association
Notes To Financial Statements
December 31, 2020

(C) - INCOME TAXES

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the year ended December 31, 2020, the Association was taxed as a homeowners' association. As a homeowners' association, the Association is taxed only on its non-membership income, such as interest earnings, at specified federal and state corporate rates.

Income tax expense at December 31, 2020, was \$196. During the year ending December 31, 2020, the Association paid \$645 in cash for income taxes.

(D) - COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. The spread of this virus began causing business disruptions domestically beginning in January 2020 that are anticipated to continue for the foreseeable future. The extent of the impact of the COVID-19 pandemic on the Association's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related travel restrictions and the impact of the COVID-19 pandemic on overall demand for the Association's services, all of which are highly uncertain and cannot be predicted.

(E) - FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 972-605, *Real Estate—Common Interest Realty Associations, Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which a CIRA expects to be entitled in exchange for those goods or services.

The Association adopted the new guidance as of January 1, 2019, using the modified retrospective method of transition, which requires that the cumulative effect of the changes related to the adoption be charged to beginning fund balance. The Association applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2019. Adoption of the new guidance resulted in changes to our accounting policies for assessment revenue and contract liabilities (assessments received in advance-replacement fund), as previously described.

(CONTINUED)

Creekside Place Homeowners Association
Notes To Financial Statements
December 31, 2020

(F) - INCOME STATEMENT RECONCILIATION

The following table represents reconciliation from prior year's reserve fund to current year reserve fund balance before adoption of revenue recognition requirements.

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total Funds</u>
REVENUE:			
Regular assessments (Note A-6)	\$ 198,948	115,932	314,880
Interest on savings (Note A-3)	41	1,750	1,791
Other income	<u>1,137</u>	<u> </u>	<u>1,137</u>
Total Revenue	200,126	117,682	317,808
EXPENSES:			
Total Expenses	<u>204,239</u>	<u>61,815</u>	<u>266,054</u>
Excess (deficiency) of revenue over expense	(4,113)	55,867	51,754
Beginning fund balance	<u>13,950</u>	<u>353,296</u>	<u>367,246</u>
Ending fund balance	<u>\$ 9,837</u>	<u>409,163</u>	<u>419,000</u>

As you will note, the replacement fund balance before adoption of revenue recognition requirement equals the contract liabilities \$409,163 (assessments received in advance - replacement fund) presented on the Balance Sheet.

(G) - UNINSURED CASH BALANCES

The Association has interest bearing accounts in various commercial banks. On December 31, 2020, the Association's deposits exceed federal depository insurance coverage by approximately \$121,000.

(H) - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 26, 2021, the date on which the financial statements were available to be issued. We noted no events that will have an impact on the presented financial statements and notes thereto.

Creekside Place Homeowners Association
 Supplementary Information On Future Major Repairs And Replacements (Unaudited)
 December 31, 2020

Reserve Analysis Consulting, LLC conducted a study in 2017, to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future replacement costs at the date of the study. Estimated current replacement costs have been adjusted to reflect a 3% inflation factor between the date of the study and the date that the components will require repair and replacement. A 2% after tax interest rate has been applied to the cash flow.

The following table is based on the study and presents significant information about the components of common property.

<u>Components</u>	<u>Estimated Remaining Useful Lives</u>	<u>Estimated Current Replacement Costs</u>
Landings/Balcony Surfaces	4-18 yrs	\$ 119,876
Fence	0-18 yrs	41,988
Walls	0-7 yrs	8,742
Doors	0-7 yrs	118,015
Siding & Trim	0 yr	39,619
Painting	0-4 yrs	126,828
Roofs	0-9 yrs	441,671
Gutters & Downspouts	2-25 yrs	35,481
Pool and Spa	0-22 yrs	67,371
Asphalt and Concrete	0-17 yrs	99,685
Lighting	0-7 yrs	68,186
Landscape and Irrigation	0-5 yrs	35,201
Mailboxes	16 yrs	11,200
Carports	2-30 yrs	166,034
Termite/Pest Control	0 yr	25,000
Miscellaneous	0-17 yrs	<u>12,239</u>
Total		\$ <u>1,417,136</u>

The Association uses the cash flow method of funding the replacement fund. Under the cash flow method, the funding for each individual component is not separately calculated. The contract liabilities at December 31, 2020 is \$409,163 with expected contributions of \$114,384 for the year ending December 31, 2021.

Creekside Place HOA
c/o Community Management Services
1935 Dry Creek #203/Campbell, CA 95008
Email: admin@communitymanagement.com

California law (Civil Code 4041) requires each Owner to **annually** provide written notice to their Association regarding address for notices, an alternate or secondary address for notices, any legal representative for contact, and status of unit occupancy.

Please complete & return this form to the Association, c/o Community Management Services by mail or email at 1935 Dry Creek Road #203, Campbell, CA 95008 or admin@communitymanagement.com within 30 days.

1. The address or addresses to which notices from the Association are to be delivered:

2. An alternate or secondary address to which notices from the Association are to be delivered:

3. The name and address of your legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of your extended absence from the lot/unit:

4. Is the lot/unit that you own (check one):

a. ☐ Owner Occupied

c. ☐ Developed, but vacant

b. ☐ Rented out

d. ☐ Undeveloped Land

Owner Signature

Unit Address

Print Name

Date

	OPERATING	RESERVES	TOTAL
OPERATING CASH			
HERITAGE BANK OF COMMERCE OPERATING ACCT	<u>27,719.06</u>	<u>0.00</u>	<u>27,719.06</u>
TOTAL OPERATING CASH	27,719.06	0.00	27,719.06
RESERVE SAVINGS			
HERITAGE BANK OF COMMERCE RESERVE ACCT	0.00	410,231.68	410,231.68
RESERVE DEPOSIT IN TRANSIT	<u>0.00</u>	<u>42,067.84</u>	<u>42,067.84</u>
TOTAL RESERVE SAVINGS	0.00	452,299.52	452,299.52
A/R & PREPAID - OPERATING			
ASSESSMENTS RECEIVABLE	1,739.00	0.00	1,739.00
PREPAID INSURANCE	17,914.51	0.00	17,914.51
PREPAID TAXES	<u>524.00</u>	<u>0.00</u>	<u>524.00</u>
TOTAL A/R & PREPAID - OPERATING	20,177.51	0.00	20,177.51
A/R & PREPAID - RESERVES			
DUE FROM OPERATING	<u>0.00</u>	<u>20,207.72</u>	<u>20,207.72</u>
TOTAL A/R & PREPAID - RESERVES	0.00	20,207.72	20,207.72
TOTAL ASSETS	<u>47,896.57</u>	<u>472,507.24</u>	<u>520,403.81</u>
LIABILITIES & FUND BALANCES			
OPERATING FUND BALANCE			
OPERATING FUND BALANCE	9,837.51	0.00	9,837.51
YTD INCOME OVER EXPENSE	<u>(1,492.34)</u>	<u>0.00</u>	<u>(1,492.34)</u>
TOTAL OPERATING FUNDS	8,345.17	0.00	8,345.17
LIABILITIES - OPERATING			
ACCOUNTS PAYABLE-OPERATING	12,345.29	0.00	12,345.29
PREPAID ASSESSMENTS	6,998.39	0.00	6,998.39
DUE TO RESERVES	<u>20,207.72</u>	<u>0.00</u>	<u>20,207.72</u>
TOTAL LIABILITIES - OPERATING	39,551.40	0.00	39,551.40
RESERVE FUND BALANCES			
RESERVE FUNDS	<u>0.00</u>	<u>472,507.24</u>	<u>472,507.24</u>
TOTAL RESERVE FUND BALANCES	0.00	472,507.24	472,507.24
TOTAL LIABILITIES & FUND BALANCES	<u>47,896.57</u>	<u>472,507.24</u>	<u>520,403.81</u>

**Creekside Place
Homeowners Association
2021 Budget**

**NOTICE REGARDING
DISCRIMINATORY RESTRICTIONS**
(California Government Code 12956.1)

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, veteran or military status, 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."

CREEKSIDE PLACE HOMEOWNERS ASSOCIATION

1935 Dry Creek Road, Suite 203

Campbell, California 95008

(408) 559-1977

TO: CREEKSIDE PLACE Homeowners Association Members
FROM: The Board of Directors
DATE: November 1, 2020
SUBJECT: 2021 Approved Budget

Enclosed you will find a copy of the 2021 Board of Directors approved budget for the fiscal year beginning January 1, 2021. Effective January 1, 2021 there will be an assessment increase in the monthly homeowner assessments. The 2021 assessments will be \$415/month. The assessments cover operating expenses such as domestic water, garbage and recycling, irrigation, insurance, leaking pipes inside the walls and reserve expenditures. Please be mindful of the fact that the HOA accumulates extra cost when residents dump personal debris in the common area and the association is forced to send an outside source to remove dumped items. Illegal dumping impacts assessments. Included with this cover letter is the budgeted line items reflecting which line items required an increase. Homeowners are encouraged to thoroughly review the information and save with your files.

Civil code section 1365 requires that a pro forma operating budget be distributed not less than 30 days nor more than 90 days prior to the beginning of the Association's fiscal year. The operating budget has been adjusted after reviewing actual cost over the past year with anticipated expenditures for the next twelve months.

Accompanying the budget are legal disclosures regarding the Association's reserve funding policy, arbitration and dispute resolution, the collection policy, and a homeowner's right to receive Board of Director meeting minutes, as well as the latest Insurance Disclosure Statement.

Please note if you have automatic payment of assessments set up through the Association's bank, Heritage Bank of Commerce, you will need to log onto the website listed below to enroll or update your new monthly assessment amount as this will no longer be done automatically. The website to enroll or make changes is:

<https://www.heritagebankofcommerce.bank/Homeowner-Association-Services.aspx>

Please feel free to address any questions regarding the 2021 approved budget to the Board of Directors during the open forum segment of an upcoming Board of Directors meeting.

**Creekside Place Homeowners Association
Annual Budget Report
[California Civil code Section 5300]**

This Annual Budget Report is being provided 30 to 90 days before the end of the Association's fiscal year in compliance with California Civil Code section 5300.

- (1) A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis **[Exhibit 1]**.
- (2) A summary of the association's reserves, prepared pursuant to Section 5565 **[Exhibit 2]**.
- (3) The reserve funding plan adopted by the board, as specified in paragraph (5) of subdivision (b) of Section 5550, is as follows:

The reserve funding practices of the Association are reviewed and approved annually by the Board of Directors. The estimated replacement costs of the reserve components are increased annually by inflation and the estimated remaining lives are adjusted annually. An independent study of the reserve components and funding methods has been performed by the following company:

Reserve Study Company: **Reserve Analysis Consulting, LLC**
Date of Study: **March 16, 2017**

The full reserve study plan is available, and the Association shall provide the full reserve plan to any member upon written request. Copies will be made available at a cost of \$25.00. The costs shown in the association's Reserve Funding Summary are estimates only, which are obtained from the reserve study or by the Board of Directors. Actual expenses may vary in cost and may not occur as budgeted, while other expenses may occur sooner than budgeted.

- (4) The Board has not determined to defer or undertake repairs or replacement of one or more major components with a remaining life of 30 years or less because the replacement is not needed at this time.
- (5) In preparation of this budget, for the Association, the Board of Directors has not determined, nor does it anticipate, that the levy of one or more special assessments may be required to repair, replace, or restore any major component or to provide adequate reserves.
- (6) The Board plans to fund reserves to repair or replace major components through assessments.
- (7) The Board of Directors has relied on the independent reserve study cited above and prudent business judgment to calculate and establish those reserves necessary to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain per the governing documents of the Association.
- (8) The Association does not have any outstanding loans with an original term of more than one year.
- (9) A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies **[Exhibit 3]**.
- (10) The Assessment and Reserve Funding Disclosure Summary form, prepared pursuant to Section 5570 **[Exhibit 4]**.

Creekside Place Homeowners Association
Annual Budget Report
[California Civil code Section 5300]

- (11) Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development **is** a condominium project. The association of this common interest development **is not** certified by the Federal Housing Administration. The FHA status is accurate as of October 29, 2020. Owners should check the following website for the most up to date information: <https://entp.hud.gov/idapp/html/condlook.cfm>
- (12) Certification by the federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest. This common interest development **is** a condominium project. The association of this common interest development **is not** certified by the federal Department of Veterans Affairs. The VA status is accurate as of October 29, 2020. Owners should check the following website for the most up to date information: <https://vip.vba.va.gov/portal/VBAH/VBAHome/condopudsearch>

**Creekside Place Homeowners Association
Annual Policy Statement
[California Civil Code Section 5310]**

This Annual Policy Statement is being provided within 30 to 90 days before the end of the Association's fiscal year in compliance with California Civil Code Section 5310.

- (1) The name and address of the person designated to receive official communications to the association, pursuant to Section 4035 is:

Tanya Ruiz
Community Management Services, Inc.
1935 Dry Creek Road, Suite 203
Campbell, CA 95008

- (2) Upon receipt of a written request from a Member providing a secondary address for delivery of notice of the following types, the Association shall deliver an additional copy of those notices to the secondary address identified in the request: (1) The documents to be delivered to the member pursuant to Article 7 (commencing with Section 5300) of Chapter 6; (2) The documents to be delivered to the member pursuant to Article 2 (commencing with Section 5650) of Chapter 8, and Section 5710.

- (3) The designated location for posting general notices is the mailbox kiosk by the swimming pool.

- (4) If a member requests to receive general notices by individual delivery, all general notices to that member shall be delivered by individual delivery pursuant to Civil Code Section 4040.

- (5) Civil Code Section 4950 requires that Homeowners be advised of their right to receive a copy or summary of minutes of Board of Directors meetings. Copies of summaries or minutes will be made available upon written request. Requests must include specific meeting dates desired and the appropriate distribution fee. Fee schedule is as follows:

Current calendar year	Previous calendar year	2019 or older
\$ 5.00 per meeting	\$ 5.00 per meeting	\$ 5.00 per meeting

All requests should be submitted, in writing, to the management company.

- (6) The statement of assessment collection policies required by Section 5730 **[Exhibit 5]**.
- (7) The statement describing the Association's policies and practices in enforcing lien rights or other legal remedies for default in the payment of assessments **[Exhibit 6]**.
- (8) The statement describing the Association's discipline policy, including any schedule of penalties for violations of the governing documents pursuant to Section 5850.
- (9) A summary of the dispute resolution procedures, pursuant to Sections 5920 and 5965 **[Exhibit 7]**.
- (10) An architectural application is required for approval of physical changes to the property as set forth in the Association's Governing Documents and Rules. An application to make such physical changes must be submitted and approved by the Board and/or Committee before any covered physical changes can be made. The appropriate application form can be obtained through management.
- (11) The mailing address for overnight payment of assessments is 1935 Dry Creek Road, Suite 203, Campbell, CA 95008.

Creekside Place Homeowners Association

2021 Board of Directors APPROVED Pro Forma Budget

10/28/2020

EXPENDITURES	2020 BUDGET MONTHLY	2020 AVERAGE MONTHLY	2021 BUDGET MONTHLY	2021 BUDGET FULL YEAR	COST PER UNIT	% OF TOTAL BUDGET
Corporate						
40000 Insurance	3,141.00	3,175.89	3,500.00	42,000.00	54.69	13%
40100 Flood Insurance	3,167.00	3,073.67	3,000.00	36,000.00	46.88	11%
40500 Legal	300.00	325.86	300.00	3,600.00	4.69	1%
41000 CPA/Tax Returns	183.33	187.50	187.50	2,250.00	2.93	1%
42000 Taxes	50.00	57.50	50.00	600.00	0.78	0%
42500 License & Permits	107.67	107.67	107.67	1,292.00	1.68	0%
43000 Management	1,300.00	1,267.00	1,325.00	15,900.00	20.70	5%
44000 Postage & Copies	100.00	83.35	100.00	1,200.00	1.56	0%
49000 Miscellaneous Expenses	25.00	0.00	25.00	300.00	0.39	0%
49500 Bad Debt/Collections	0.00	0.00	0.00	0.00	0.00	0%
Sub-Total	8,374.00	8,278.43	8,595.17	103,142.00	134.30	32%
Utilities						
50000 Gas & Electric	600.00	955.98	750.00	9,000.00	11.72	3%
52000 Water	3,700.00	3,679.63	3,700.00	44,400.00	57.81	14%
53000 Disposal	1,045.00	1,035.05	1,045.00	12,540.00	16.33	4%
Sub-Total	5,345.00	5,670.67	5,495.00	65,940.00	85.86	21%
Maintenance						
60000 Landscape Contract	775.00	645.83	775.00	9,300.00	12.11	3%
60100 Additional Landscape	0.00	0.00	0.00	0.00	0.00	0%
61000 Pest Control	288.00	308.83	288.00	3,456.00	4.50	1%
62000 Custodial	0.00	0.00	0.00	0.00	0.00	0%
63000 Pool/Spa Contract	350.00	350.00	350.00	4,200.00	5.47	1%
65000 Security	0.00	0.00	0.00	0.00	0.00	0%
66000 Tree Maintenance	0.00	0.00	0.00	0.00	0.00	0%
Sub-Total	1,413.00	1,304.67	1,413.00	16,956.00	22.08	5%
Repairs						
70000 Roofing	100.00	230.42	200.00	2,400.00	3.13	1%
72000 Irrigation Maintenance	197.00	37.08	100.00	1,200.00	1.56	0%
74000 Pool/Spa Repairs & Maint	200.00	53.33	150.00	1,800.00	2.34	1%
75500 Light Runs	200.00	194.35	200.00	2,400.00	3.13	1%
78000 Plumbing & Sewer	150.00	327.50	275.00	3,300.00	4.30	1%
79000 General Repairs	600.00	683.71	600.00	7,200.00	9.38	2%
Sub-Total	1,447.00	1,526.39	1,525.00	18,300.00	23.83	6%
TOTAL OPERATING	16,579.00	16,780.16	17,028.17	204,338.00	266.07	64%
Reserves						
80000 Monthly Reserve	9,661.00	9,359.33	9,532.00	114,384.00	148.94	36%
TOTAL RESERVES	9,661.00	9,359.33	9,532.00	114,384.00	148.94	36%
TOTAL EXPENSES	26,240.00	26,139.49	26,560.17	318,722.00	415.00	100%

Creekside Place Homeowners Association

2021 BUDGET SUMMARY

	BUDGET YEAR		
	2020	2021	% Change
OPERATING EXPENSES	16,579.00	17,028.17	3%
Other Income	0.00	0.00	
Interest	0.00	0.00	
Operating Surplus	0.00	0.00	
RESERVE CONTRIBUTIONS	9,661.00	9,532.00	-1%
TOTAL EXPENSES	26,240.00	26,560.17	1%

STATEMENT OF ESTIMATED REVENUE

INCOME	2020 Total Per Month	2020 Per Unit Per Month	2021 Total Per Month	2021 Per Unit Per Month	Percentage Change Per Unit
Assessments	\$26,240.00	\$410.00	\$26,560.17	\$415.00	1%
Other Income	\$0.00		\$0.00		
Interest	\$0.00		\$0.00		
Operating Surplus	\$0.00		\$0.00		
Total Revenue	\$26,240.00		\$26,560.17		
Total 2021 Annual Revenue:			\$318,722.00		

Creskide Place Homeowners Association

2021 Reserve Funding Summary - as required by Civil Code Section 5565

ACCOUNT NUMBER	COMPONENT	ESTIMATED REPLACEMENT COST	ESTIMATED USEFUL LIFE	ESTIMATED REMAINING LIFE	ESTIMATED BEGINNING FUND BALANCE	ESTIMATED NECESSARY BALANCE ON COMPONENT FUNDING BASIS	ESTIMATED ANNUAL COMPONENT FUNDING LIABILITY
90000	Entry Landings - Resurface	10,044	10	8	821	2,009	1,004
90000	Entry Landings & Stairs - Repair/Rplc	97,832	20	18	3,999	9,783	4,892
90100	Balcony Surfaces Re-Coat	12,000	10	4	2,943	7,200	1,200
90300	Fences-Patio Wood	3,846	5	0	1,572	3,846	769
90400	Fencing Gate/Wall Rpr/Rplc Allow.	2,185	5	0	893	2,185	437
90400	Perimeter Fence-SW Property Line	13,441	30	18	2,198	5,376	448
90400	Perimeter Fence-N & NW Property Line	20,871	30	6	6,826	16,697	696
90400	Walls - Masonry @ Street	5,464	20	7	1,452	3,551	273
90400	Walls - Masonry @ Trash Area	3,278	35	0	1,340	3,278	94
92800	Trash Enclosure Fence	1,645	35	0	672	1,645	47
90500	Doors - Replacement Allowance	97,908	20	7	26,017	63,640	4,895
90500	Doors - Wood Utility Set	17,484	35	0	7,147	17,484	500
90500	Doors - Pool House	2,623	45	7	905	2,215	58
90600	Wood Siding & Trim-Repair/Replace	39,619	10	0	16,197	39,619	3,962
90700	Paint-Buildings/Carports/Pool House	126,828	10	4	31,109	76,097	12,683
90700	Paint - Site Components	0	6	0	0	0	0
90900	Roofing - Built Up Flat Roof	125,375	20	2	46,129	112,838	6,269
91000	Roofing-Insect, Repair & Rplc Ongoing	1,639	2	0	670	1,639	820
91000	Roofing-Insect, Repair & Rplc	21,472	15	9	3,511	8,589	1,431
91000	Roofing - Tile	293,183	40	2	113,862	278,524	7,330
91100	Gutters & Downspouts	34,443	40	2	13,376	32,721	861
91100	Gutters & Downspouts	1,038	30	25	71	173	35
91200	Metal Fence-Pool	14,227	30	21	1,745	4,268	474
91300	Railing - Metal @ Stairs	481	55	17	136	332	9
91400	Pool-Resurfacing-Plaster	13,695	15	7	2,986	7,304	913
91400	Pool-Resurfacing-Tile	3,442	30	7	1,079	2,639	115
91400	Pool-Resurfacing-Coping	4,131	55	17	1,167	2,854	75
91500	Spa-Resurfacing-Plaster	2,140	10	2	700	1,712	214
91500	Spa-Resurfacing-Tile	956	30	2	365	892	32
91500	Spa-Resurfacing-Coping	1,147	55	17	324	793	21
91600	Pool-Filter	1,639	15	6	402	983	109
91700	Spa-Filter	1,639	20	0	670	1,639	82
91800	Pool-Heater	3,278	15	6	804	1,967	219
91900	Spa-Heater	3,278	15	6	804	1,967	219
92000	Pool/Spa-Pumps	2,185	10	0	893	2,185	219
92000	Pool/Spa - Chlorinator	1,639	10	4	402	983	164
92000	Pool/Spa - Controllers	1,940	15	9	317	776	129
92000	Pool/Spa - Equipment	586	3	0	239	586	195
92000	Pool/Spa - Lights	1,136	15	7	248	606	76
92000	Pool/Spa - Skimmers	3,278	55	12	1,048	2,563	60
92000	Pool/Spa - Mastic/Walk Joints	1,407	10	0	575	1,407	141
92000	Pool/Spa - Rails	2,623	30	22	286	699	87
92000	Pool/Spa - Furniture	2,185	5	0	893	2,185	437
92000	Pool/Spa - Signs	820	5	0	335	820	164
92100	Concrete Repair/Replace Allowance	3,825	2	0	1,563	3,825	1,912
92100	Concrete Pool Deck	51,304	55	17	14,491	35,446	933
92200	Asphalt - Resurface	31,158	12	4	8,492	20,772	2,597
92300	Asphalt - Seal & Striping	7,166	6	0	2,930	7,166	1,194
92400	Asphalt - Repair	6,232	6	0	2,548	6,232	1,039
92500	Lighting Replacement Allowance	7,540	5	0	3,082	7,540	1,508
92600	Pole Lights & Fixtures	60,646	45	7	20,936	51,212	1,348
92700	Mailboxes	11,200	25	16	1,648	4,032	448
92800	Fire Extinguisher Cabinets	1,748	25	8	486	1,189	70
93000	Landscape Enhancement Allow.	5,000	3	0	2,044	5,000	1,667
93100	Tree Maintenance	6,556	3	1	1,787	4,371	2,185
93100	Tree Maintenance-Major	15,450	9	5	2,807	6,867	1,717
93200	Irrigation Controllers	3,278	20	4	1,072	2,623	164
93300	Irrigation Backflows	2,185	40	2	849	2,076	55
93300	Irrigation Equipment	2,732	1	0	1,117	2,732	2,732
93400	Carports - Tile Roof Underlay/Repl	130,439	40	2	50,658	123,917	3,261
93400	Carports - Tile Roof Underlay/Repl	13,823	40	30	1,413	3,456	346
93400	Carports - Structure Repairs	8,195	20	2	3,015	7,376	410
93400	Carports - Lights Fluorescent Fixt.	6,502	25	4	2,233	5,461	260
93400	Carports - Motion Sensor Fixtures	5,928	25	17	775	1,897	237
93400	Carports - Wall Mount Flood Fixt.	1,147	25	17	150	367	46
93500	Termite/Pest Control	25,000	15	14	681	1,667	1,667
93600	Security System Upgrade	2,000	5	0	818	2,000	400
93700	Signage	1,639	3	0	670	1,639	546
93800	Sewers	4,371	2	0	1,787	4,371	2,185
94000	Reserve Study	2,000	3	0	818	2,000	667
95000	Contingency-Unscheduled	0	10	0	0	0	0
TOTALS		1,417,136			427,000	1,044,503	82,447

Reserve Percentage Funded Disclosure Per Civil Code Section 5565

ESTIMATED ACTUAL FUND BALANCE AT BEGINNING OF FISCAL YEAR: \$427,000

ESTIMATED NECESSARY FUND BALANCE AT BEGINNING OF FISCAL YEAR: \$427,000

 PERCENTAGE OF NECESSARY BALANCE ACTUALLY FUNDED: 100%
 (Estimated Actual Fund Balance / Estimated Necessary Fund Balance)

This Percentage Funded figure has been determined using a cash flow basis for reserve funding.

For comparison purposes only, the percentage funded below has been calculated on a component funding basis:

 Estimated Actual Fund Balance at Beginning of Fiscal Year: \$427,000
 Estimated Necessary Fund Balance on a Component Funding Basis at Beginning of Fiscal Year: \$1,044,503

 Percentage of Component Funding Balance Actually Funded: 41%

The Board of Directors has elected to use the cash flow funding model to represent the funding obligations and percentage of funding actually in place for the association based on all available information.

Inflation Rate: 3.00%

Interest Rate: 2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Starting Reserve Balance	427,000	415,781	531,544	5,352	117,058	18,749	76,210	134,621	32,278	144,324
Annual Reserve Contribution	114,384	117,816	121,350	124,990	128,740	132,602	136,580	140,678	144,898	149,245
Interest Income	6,943	9,177	0	0	0	0	0	0	0	3,299
Planned Special Assessments										
TOTAL RESERVE FUNDS	548,327	542,774	652,894	130,342	245,798	151,351	212,791	275,299	177,176	296,869
EXPENDITURES										
Entry Landings - Resurface	0	0	0	0	0	0	0	0	12,724	0
Entry Landings & Stairs - Repair/Rplc	0	0	0	0	0	0	0	0	0	0
Balcony Surfaces Re-Coat	0	0	0	0	13,506	0	0	0	0	0
Fences-Patio Wood	3,846	0	0	0	0	4,459	0	0	0	0
Fencing Gate/Wall Rpr/Rplc Allow.	2,185	0	0	0	0	2,534	0	0	0	0
Perimeter Fence-SW Property Line	0	0	0	0	0	0	0	0	0	0
Perimeter Fence-N & NW Property Lin	0	0	0	0	0	0	24,921	0	0	0
Walls - Masonry @ Street	0	0	0	0	0	0	0	6,720	0	0
Walls - Masonry @ Trash Area	3,278	0	0	0	0	0	0	0	0	0
Trash Enclosure Fence	1,645	0	0	0	0	0	0	0	0	0
Doors - Replacement Allowance	0	0	0	0	0	0	0	120,415	0	0
Doors - Wood Utility Set	17,484	0	0	0	0	0	0	0	0	0
Doors - Pool House	0	0	0	0	0	0	0	3,225	0	0
Wood Siding & Trim-Repair/Replace	39,619	0	0	0	0	0	0	0	0	0
Paint-Buildings/Carports/Pool House	0	0	0	0	142,747	0	0	0	0	0
Paint - Site Components	0	0	0	0	0	0	0	0	0	0
Roofing - Built Up Flat Roof	0	0	133,010	0	0	0	0	0	0	0
Roofing-Inspct, Repair & Rplc Ongoing	1,639	0	1,739	0	1,845	0	1,957	0	2,076	0
Roofing-Inspct, Repair & Rplc	0	0	0	0	0	0	0	0	0	28,016
Roofing - Tile	0	0	311,038	0	0	0	0	0	0	0
Gutters & Downspouts	0	0	36,540	0	0	0	0	0	0	0
Gutters & Downspouts	0	0	0	0	0	0	0	0	0	0
Metal Fence-Pool	0	0	0	0	0	0	0	0	0	0
Railing - Metal @ Stairs	0	0	0	0	0	0	0	0	0	0
Pool-Resurfacing-Plaster	0	0	0	0	0	0	0	16,843	0	0
Pool-Resurfacing-Tile	0	0	0	0	0	0	0	4,233	0	0
Pool-Resurfacing-Coping	0	0	0	0	0	0	0	0	0	0
Spa-Resurfacing-Plaster	0	0	2,270	0	0	0	0	0	0	0
Spa-Resurfacing-Tile	0	0	1,014	0	0	0	0	0	0	0
Spa-Resurfacing-Coping	0	0	0	0	0	0	0	0	0	0
Pool-Filter	0	0	0	0	0	0	1,957	0	0	0
Spa-Filter	1,639	0	0	0	0	0	0	0	0	0
Pool-Heater	0	0	0	0	0	0	3,914	0	0	0
Spa-Heater	0	0	0	0	0	0	3,914	0	0	0
Pool/Spa-Pumps	2,185	0	0	0	0	0	0	0	0	0
Pool/Spa - Chlorinator	0	0	0	0	1,845	0	0	0	0	0
Pool/Spa - Controllers	0	0	0	0	0	0	0	0	0	2,531
Pool/Spa - Equipment	586	0	0	640	0	0	699	0	0	764
Pool/Spa - Lights	0	0	0	0	0	0	0	1,398	0	0
Pool/Spa - Skimmers	0	0	0	0	0	0	0	0	0	0
Pool/Spa - Mastic/Walk Joints	1,407	0	0	0	0	0	0	0	0	0
Pool/Spa - Rails	0	0	0	0	0	0	0	0	0	0
Pool/Spa - Furinture	2,185	0	0	0	0	2,534	0	0	0	0
Pool/Spa - Signs	820	0	0	0	0	950	0	0	0	0
Concrete Repair/Replace Allowance	3,825	0	4,057	0	4,305	0	4,567	0	4,845	0
Concrete Pool Deck	0	0	0	0	0	0	0	0	0	0
Asphalt - Resurface	0	0	0	0	35,069	0	0	0	0	0
Asphalt - Seal & Striping	7,166	0	0	0	0	0	8,557	0	0	0
Asphalt - Repair	6,232	0	0	0	0	0	7,441	0	0	0
Lighting Replacement Allowance	7,540	0	0	0	0	8,741	0	0	0	0
Pole Lights & Fixtures	0	0	0	0	0	0	0	74,587	0	0
Mailboxes	0	0	0	0	0	0	0	0	0	0
Fire Extinguisher Cabinets	0	0	0	0	0	0	0	0	2,215	0
Landscape Enhancement Allow.	5,000	0	0	5,464	0	0	5,970	0	0	6,524
Tree Maintenance	0	6,753	0	0	7,379	0	0	8,063	0	0
Tree Maintenance-Major	0	0	0	0	0	17,911	0	0	0	0
Irigation Controllers	0	0	0	0	3,690	0	0	0	0	0
Irrigation Backflows	0	0	2,319	0	0	0	0	0	0	0
Irrigation Equipment	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360	3,461	3,564
Carports - Tile Roof Underlay/Repl	0	0	138,383	0	0	0	0	0	0	0
Carports - Tile Roof Underlay/Repl	0	0	0	0	0	0	0	0	0	0
Carports - Structure Repairs	0	0	8,695	0	0	0	0	0	0	0
Carports - Lights Fluorescent Fixt.	0	0	0	0	7,318	0	0	0	0	0
Carports - Motion Sensor Fixtures	0	0	0	0	0	0	0	0	0	0
Carports - Wall Mount Flood Fixt.	0	0	0	0	0	0	0	0	0	0
Termite/Pest Control	0	0	0	0	0	0	0	0	0	0
Security System Upgrade	2,000	0	0	0	0	2,319	0	0	0	0
Signage	1,639	0	0	1,791	0	0	1,957	0	0	2,139
Sewers	4,371	0	4,637	0	4,919	0	5,219	0	5,537	0
Reserve Study	2,000	0	0	2,185	0	0	2,388	0	0	2,610
Contingency-Unscheduled	11,523	1,663	942	219	1,353	32,528	1,445	4,176	1,995	1,996
TOTAL EXPENDITURES	132,546	11,230	647,542	13,284	227,049	75,141	78,170	243,021	32,852	48,144
ENDING RESERVE BALANCE	415,781	531,544	5,352	117,058	18,749	76,210	134,621	32,278	144,324	248,725
Minimum Acceptable Balance	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
RESERVE BALANCE NEEDED	415,781	531,544	5,352	117,058	18,749	76,210	134,621	32,278	144,324	248,725
CASH FLOW PERCENTAGE FUNDED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Inflation Rate: 3.00%

Interest Rate: 2.00%

YEAR	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Starting Reserve Balance	248,725	265,506	426,110	536,828	701,133	590,364	731,801	828,673	921,121	862,633
Annual Reserve Contribution	153,723	158,334	163,084	167,977	173,016	178,207	183,553	189,059	194,731	200,573
Interest Income	3,581	6,681	8,802	11,972	9,747	12,465	14,308	16,063	14,856	18,659
Planned Special Assessments										
TOTAL RESERVE FUNDS	406,029	430,521	597,996	716,777	883,896	781,036	929,662	1,033,795	1,130,708	1,081,865
EXPENDITURES										
Entry Landings - Resurface	0	0	0	0	0	0	0	0	17,100	0
Entry Landings & Stairs - Repair/Rplc	0	0	0	0	0	0	0	0	166,552	0
Balcony Surfaces Re-Coat	0	0	0	0	18,151	0	0	0	0	0
Fences-Patio Wood	5,169	0	0	0	0	5,993	0	0	0	0
Fencing Gate/Wall Rpr/Rplc Allow.	2,937	0	0	0	0	3,405	0	0	0	0
Perimeter Fence-SW Property Line	0	0	0	0	0	0	0	0	22,882	0
Perimeter Fence-N & NW Property Line	0	0	0	0	0	0	0	0	0	0
Walls - Masonry @ Street	0	0	0	0	0	0	0	0	0	0
Walls - Masonry @ Trash Area	0	0	0	0	0	0	0	0	0	0
Trash Enclosure Fence	0	0	0	0	0	0	0	0	0	0
Doors - Replacement Allowance	0	0	0	0	0	0	0	0	0	0
Doors - Wood Utility Set	0	0	0	0	0	0	0	0	0	0
Doors - Pool House	0	0	0	0	0	0	0	0	0	0
Wood Siding & Trim-Repair/Replace	53,245	0	0	0	0	0	0	0	0	0
Paint-Buildings/Carports/Pool House	0	0	0	0	191,839	0	0	0	0	0
Paint - Site Components	0	0	0	0	0	0	0	0	0	0
Roofing - Built Up Flat Roof	0	0	0	0	0	0	0	0	0	0
Roofing-Inpect, Repair & Rplc Ongoing	2,203	0	2,337	0	2,479	0	2,630	0	2,790	0
Roofing-Inpect, Repair & Rplc	0	0	0	0	0	0	0	0	0	0
Roofing - Tile	0	0	0	0	0	0	0	0	0	0
Gutters & Downspouts	0	0	0	0	0	0	0	0	0	0
Gutters & Downspouts	0	0	0	0	0	0	0	0	0	0
Metal Fence-Pool	0	0	0	0	0	0	0	0	0	0
Railing - Metal @ Stairs	0	0	0	0	0	0	0	795	0	0
Pool-Resurfacing-Plaster	0	0	0	0	0	0	0	0	0	0
Pool-Resurfacing-Tile	0	0	0	0	0	0	0	0	0	0
Pool-Resurfacing-Coping	0	0	0	0	0	0	0	6,827	0	0
Spa-Resurfacing-Plaster	0	0	3,051	0	0	0	0	0	0	0
Spa-Resurfacing-Tile	0	0	0	0	0	0	0	0	0	0
Spa-Resurfacing-Coping	0	0	0	0	0	0	0	1,896	0	0
Pool-Filter	0	0	0	0	0	0	0	0	0	0
Spa-Filter	0	0	0	0	0	0	0	0	0	0
Pool-Heater	0	0	0	0	0	0	0	0	0	0
Spa-Heater	0	0	0	0	0	0	0	0	0	0
Pool/Spa-Pumps	2,937	0	0	0	0	0	0	0	0	0
Pool/Spa - Chlorinator	0	0	0	0	2,479	0	0	0	0	0
Pool/Spa - Controllers	0	0	0	0	0	0	0	0	0	0
Pool/Spa - Equipment	0	0	835	0	0	913	0	0	997	0
Pool/Spa - Lights	0	0	0	0	0	0	0	0	0	0
Pool/Spa - Skimmers	0	0	4,674	0	0	0	0	0	0	0
Pool/Spa - Mastic/Walk Joints	1,891	0	0	0	0	0	0	0	0	0
Pool/Spa - Rails	0	0	0	0	0	0	0	0	0	0
Pool/Spa - Furinture	2,937	0	0	0	0	3,405	0	0	0	0
Pool/Spa - Signs	1,101	0	0	0	0	1,277	0	0	0	0
Concrete Repair/Replace Allowance	5,140	0	5,453	0	5,785	0	6,137	0	6,511	0
Concrete Pool Deck	0	0	0	0	0	0	0	84,797	0	0
Asphalt - Resurface	0	0	0	0	0	0	49,999	0	0	0
Asphalt - Seal & Striping	0	0	10,217	0	0	0	0	0	12,200	0
Asphalt - Repair	0	0	8,885	0	0	0	0	0	10,609	0
Lighting Replacement Allowance	10,133	0	0	0	0	11,747	0	0	0	0
Pole Lights & Fixtures	0	0	0	0	0	0	0	0	0	0
Mailboxes	0	0	0	0	0	0	17,973	0	0	0
Fire Extinguisher Cabinets	0	0	0	0	0	0	0	0	0	0
Landscape Enhancement Allow.	0	0	7,129	0	0	7,790	0	0	8,512	0
Tree Maintenance	8,811	0	0	9,628	0	0	10,521	0	0	11,497
Tree Maintenance-Major	0	0	0	0	23,370	0	0	0	0	0
Irrigation Controllers	0	0	0	0	0	0	0	0	0	0
Irrigation Backflows	0	0	0	0	0	0	0	0	0	0
Irrigation Equipment	3,671	3,781	3,895	4,012	4,132	4,256	4,384	4,515	4,651	4,790
Carports - Tile Roof Underlay/Repl	0	0	0	0	0	0	0	0	0	0
Carports - Tile Roof Underlay/Repl	0	0	0	0	0	0	0	0	0	0
Carports - Structure Repairs	0	0	0	0	0	0	0	0	0	0
Carports - Lights Fluorescent Fixt.	0	0	0	0	0	0	0	0	0	0
Carports - Motion Sensor Fixtures	0	0	0	0	0	0	0	9,798	0	0
Carports - Wall Mount Flood Fixt.	0	0	0	0	0	0	0	1,896	0	0
Termite/Pest Control	0	0	0	0	37,815	0	0	0	0	0
Security System Upgrade	2,688	0	0	0	0	3,116	0	0	0	0
Signage	0	0	2,337	0	0	2,554	0	0	2,790	0
Sewers	5,874	0	6,232	0	6,611	0	7,014	0	7,441	0
Reserve Study	0	0	2,852	0	0	3,116	0	0	3,405	0
Contingency-Unscheduled	31,785	630	3,272	2,004	870	1,665	2,330	2,149	1,634	5,823
TOTAL EXPENDITURES	140,523	4,411	61,168	15,644	293,532	49,235	100,989	112,674	268,075	22,110
ENDING RESERVE BALANCE	265,506	426,110	536,828	701,133	590,364	731,801	828,673	921,121	862,633	1,059,756
Minimum Acceptable Balance	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
RESERVE BALANCE NEEDED	265,506	426,110	536,828	701,133	590,364	731,801	828,673	921,121	862,633	1,059,756
CASH FLOW PERCENTAGE FUNDED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Inflation Rate: 3.00%

Interest Rate: 2.00%

YEAR	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Starting Reserve Balance	1,059,756	1,125,410	1,295,413	1,202,831	1,417,862	1,257,208	1,443,176	1,689,335	1,714,567	1,869,278
Annual Reserve Contribution	206,590	212,788	219,172	225,747	232,519	239,495	246,680	254,080	261,702	269,553
Interest Income	19,883	23,151	21,268	25,415	22,193	25,766	30,517	30,933	33,886	38,251
Planned Special Assessments										
TOTAL RESERVE FUNDS	1,286,229	1,361,349	1,535,852	1,453,992	1,672,574	1,522,469	1,720,372	1,974,348	2,010,156	2,177,083
EXPENDITURES										
Entry Landings - Resurface	0	0	0	0	0	0	0	0	22,981	0
Entry Landings & Stairs - Repair/Rplc	0	0	0	0	0	0	0	0	0	0
Balcony Surfaces Re-Coat	0	0	0	0	24,394	0	0	0	0	0
Fences-Patio Wood	6,947	0	0	0	0	8,054	0	0	0	0
Fencing Gate/Wall Rpr/Rplc Allow.	3,947	0	0	0	0	4,576	0	0	0	0
Perimeter Fence-SW Property Line	0	0	0	0	0	0	0	0	0	0
Perimeter Fence-N & NW Property Lin	0	0	0	0	0	0	0	0	0	0
Walls - Masonry @ Street	0	0	0	0	0	0	0	12,136	0	0
Walls - Masonry @ Trash Area	0	0	0	0	0	0	0	0	0	0
Trash Enclosure Fence	0	0	0	0	0	0	0	0	0	0
Doors - Replacement Allowance	0	0	0	0	0	0	0	217,483	0	0
Doors - Wood Utility Set	0	0	0	0	0	0	0	0	0	0
Doors - Pool House	0	0	0	0	0	0	0	0	0	0
Wood Siding & Trim-Repair/Replace	71,556	0	0	0	0	0	0	0	0	0
Paint-Buildings/Carports/Pool House	0	0	0	0	257,816	0	0	0	0	0
Paint - Site Components	0	0	0	0	0	0	0	0	0	0
Roofing - Built Up Flat Roof	0	0	240,232	0	0	0	0	0	0	0
Roofing-Inpect, Repair & Rplc Ongoing	2,960	0	3,141	0	3,332	0	3,535	0	3,750	0
Roofing-Inpect, Repair & Rplc	0	0	0	0	43,648	0	0	0	0	0
Roofing - Tile	0	0	0	0	0	0	0	0	0	0
Gutters & Downspouts	0	0	0	0	0	0	0	0	0	0
Gutters & Downspouts	0	0	0	0	0	2,174	0	0	0	0
Metal Fence-Pool	0	26,467	0	0	0	0	0	0	0	0
Railing - Metal @ Stairs	0	0	0	0	0	0	0	0	0	0
Pool-Resurfacing-Plaster	0	0	26,241	0	0	0	0	0	0	0
Pool-Resurfacing-Tile	0	0	0	0	0	0	0	0	0	0
Pool-Resurfacing-Coping	0	0	0	0	0	0	0	0	0	0
Spa-Resurfacing-Plaster	0	0	4,100	0	0	0	0	0	0	0
Spa-Resurfacing-Tile	0	0	0	0	0	0	0	0	0	0
Spa-Resurfacing-Coping	0	0	0	0	0	0	0	0	0	0
Pool-Filter	0	3,049	0	0	0	0	0	0	0	0
Spa-Filter	2,960	0	0	0	0	0	0	0	0	0
Pool-Heater	0	6,098	0	0	0	0	0	0	0	0
Spa-Heater	0	6,098	0	0	0	0	0	0	0	0
Pool/Spa-Pumps	3,947	0	0	0	0	0	0	0	0	0
Pool/Spa - Chlorinator	0	0	0	0	3,332	0	0	0	0	0
Pool/Spa - Controllers	0	0	0	0	3,943	0	0	0	0	0
Pool/Spa - Equipment	0	1,090	0	0	1,191	0	0	1,301	0	0
Pool/Spa - Lights	0	0	2,178	0	0	0	0	0	0	0
Pool/Spa - Skimmers	0	0	0	0	0	0	0	0	0	0
Pool/Spa - Mastic/Walk Joints	2,542	0	0	0	0	0	0	0	0	0
Pool/Spa - Rails	0	0	5,025	0	0	0	0	0	0	0
Pool/Spa - Furinture	3,947	0	0	0	0	4,576	0	0	0	0
Pool/Spa - Signs	1,480	0	0	0	0	1,716	0	0	0	0
Concrete Repair/Replace Allowance	6,908	0	7,328	0	7,775	0	8,248	0	8,750	0
Concrete Pool Deck	0	0	0	0	0	0	0	0	0	0
Asphalt - Resurface	0	0	0	0	0	0	0	0	71,287	0
Asphalt - Seal & Striping	0	0	0	0	14,567	0	0	0	0	0
Asphalt - Repair	0	0	0	0	12,668	0	0	0	0	0
Lighting Replacement Allowance	13,618	0	0	0	0	15,787	0	0	0	0
Pole Lights & Fixtures	0	0	0	0	0	0	0	0	0	0
Mailboxes	0	0	0	0	0	0	0	0	0	0
Fire Extinguisher Cabinets	0	0	0	0	0	0	0	0	0	0
Landscape Enhancement Allow.	0	9,301	0	0	10,164	0	0	11,106	0	0
Tree Maintenance	0	0	12,563	0	0	13,728	0	0	15,000	0
Tree Maintenance-Major	0	0	0	30,492	0	0	0	0	0	0
Irrigation Controllers	0	0	0	0	6,664	0	0	0	0	0
Irrigation Backflows	0	0	0	0	0	0	0	0	0	0
Irrigation Equipment	4,934	5,082	5,234	5,391	5,553	5,720	5,891	6,068	6,250	6,438
Carports - Tile Roof Underlay/Repl	0	0	0	0	0	0	0	0	0	0
Carports - Tile Roof Underlay/Repl	0	0	0	0	0	0	0	0	0	0
Carports - Structure Repairs	0	0	15,703	0	0	0	0	0	0	0
Carports - Lights Fluorescent Fixt.	0	0	0	0	0	0	0	0	0	15,322
Carports - Motion Sensor Fixtures	0	0	0	0	0	0	0	0	0	0
Carports - Wall Mount Flood Fixt.	0	0	0	0	0	0	0	0	0	0
Termite/Pest Control	0	0	0	0	0	0	0	0	0	58,914
Security System Upgrade	3,612	0	0	0	0	4,188	0	0	0	0
Signage	0	3,049	0	0	3,332	0	0	3,641	0	0
Sewers	7,894	0	8,375	0	8,885	0	9,426	0	10,000	0
Reserve Study	0	3,721	0	0	4,066	0	0	4,443	0	0
Contingency-Unscheduled	23,565	1,981	2,902	247	4,037	18,777	3,936	3,603	2,858	295
TOTAL EXPENDITURES	160,819	65,937	333,022	36,130	415,366	79,293	31,037	259,781	140,877	80,969
ENDING RESERVE BALANCE	1,125,410	1,295,413	1,202,831	1,417,862	1,257,208	1,443,176	1,689,335	1,714,567	1,869,278	2,096,114
Minimum Acceptable Balance	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
RESERVE BALANCE NEEDED	1,125,410	1,295,413	1,202,831	1,417,862	1,257,208	1,443,176	1,689,335	1,714,567	1,869,278	2,096,114
CASH FLOW PERCENTAGE FUNDED	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%



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 CA Lic# 6001721

CREEKSIDE PLACE HOMEOWNERS ASSOCIATION

CIVIL CODE § 5300 SUMMARY FORM

A:	PROPERTY: DB INSURANCE COMPANY:	10/01/2020 – 10/01/2021
	BLANKET BUILDING:	\$9,883,800 (125% REPLACEMENT)
	DEDUCTIBLE:	\$10,000
B:	GENERAL LIABILITY: DB INSURANCE COMPANY:	10/01/2020 – 10/01/2021
	PER OCCURRENCE / ANNUAL AGGREGATE:	\$1,000,000 / \$2,000,000
	HIRED & NON-OWNED AUTO:	\$1,000,000
	DEDUCTIBLE:	\$0
C:	FIDELITY BOND: LIBERTY MUTUAL INSURANCE:	10/01/2020 – 10/01/2021
	EMPLOYEE DISHONESTY:	\$500,000
	COMPUTER & WIRE FRAUD:	\$500,000
	DEDUCTIBLE:	\$5,000
D:	DIRECTORS & OFFICERS: PHILADELPHIA INSURANCE:	10/01/2020 – 10/01/2021
	EACH WRONGFUL ACT / ANNUAL AGGREGATE:	\$1,000,000 / \$1,000,000
	DEDUCTIBLE:	\$5,000
E:	WORKERS COMPENSATION: AMTRUST INSURANCE:	10/01/2020 – 10/01/2021
	EMPLOYERS LIABILITY:	\$1,000,000
	DEDUCTIBLE:	\$0
F:	UMBRELLA LIABILITY: CHUBB INSURANCE:	10/01/2020 – 10/01/2021
	PER OCCURRENCE / ANNUAL AGGREGATE:	\$10,000,000 / \$10,000,000
	DEDUCTIBLE:	\$0
G:	EARTHQUAKE: LLOYD'S OF LONDON:	10/01/2020 – 10/01/2021
	BUILDING:	\$9,200,000
	DEDUCTIBLE:	20% PER BUILDING
H:	FLOOD: NATIONAL FLOOD INSURANCE PROGRAM:	11/15/2020 – 11/15/2021
	BUILDING:	VARIES PER BUILDING (100% REPLACEMENT)
	DEDUCTIBLE:	\$25,000 PER BUILDING

CLIENT SINCE 2018

This summary of the association's policies of insurance provides only certain information, as required by subdivision (b) of § 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 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 member should consult with their individual insurance brokers or agents for appropriate additional coverage.

Creekside Place Homeowners Association

**Assessment and Reserve Funding Disclosure Summary For the Fiscal Year Ending 12/31/2021,
pursuant to Civil Code Section 5570**

(1) The current regular assessment per ownership interest is \$415.00 per month.

NOTE: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ____ of the attached summary.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date Assessment will be Due:	Amount per ownership interest per Month or year (If assessments are variable, see note immediately below):	Purpose of the Assessment:
	Total:	

NOTE: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page _____ of the attached report.

(3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years?

YES X NO

(4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not yet been approved by the board or its members.

Approximate Date Assessment will be Due:	Amount per ownership interest per month or year:
	Total:

(5) All major components are included in the reserve study and are included in its calculations.

(6) Based on the method of calculation in Section 5570, the estimated amount required in the reserve fund balance at the end of the current fiscal year is \$1,044,502.00 based in whole or in part on the last reserve study or update prepared by Reserve Analysis Consulting, LLC as of March 16, 2017. The projected reserve fund cash balance at the end of the current fiscal year is \$427,000.00, resulting in the reserves being 41 percent funded at this date. If an alternate but generally accepted method of calculation is also used, the required reserve amount is \$N/A. (see attached explanation).

(7) Based on the method of calculation in Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is:

2021	\$1,044,502
2022	\$1,036,104
2023	\$1,144,802
2024	\$603,239
2025	\$700,674

and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is:

2021	\$427,000
2022	\$415,781
2023	\$531,544
2024	\$5,352
2025	\$117,058

leaving the reserve at:

2021	41%
2022	40%
2023	46%
2024	1%
2025	17%

percent funding. If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years will be \$(see above), leaving the reserve at (see above) percent funding.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time.

NOTE: The financial representations set forth in this summary are based on the best information available to the City. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserved funds was 2.00 percent per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00 percent per year.

Exhibit 5

ASSOCIATION COLLECTION POLICY STATEMENT PURSUANT TO CIVIL CODE SECTION 5730

"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

Exhibit 5

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 with the payment plan standards of the association, if they exist. (Section 5665 of the Civil Code).

Exhibit 6

CREEKSIDE PLACE HOMEOWNERS ASSOCIATION DELINQUENT ASSESSMENT COLLECTION POLICY STATEMENT

Prompt payment of assessments by all owners is critical to the financial health of the Association and to the enhancement of the property values of your homes. Your Board of Directors takes very seriously its obligation under the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) and the California Civil Code to enforce the members' obligation to pay assessments. The policies and practices outlined shall remain in effect until such time as they may be changed, modified, or amended by a duly adopted resolution of the Board of Directors. Therefore, pursuant to the CC&Rs and Civil Code Section 5310(a)(7), the following are the Association's assessment practices and policies:

1. Regular assessments and any special assessments are due on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof. Once an assessment becomes delinquent, the association is entitled by both the Davis-Stirling act & the governing documents to recover the following sums (Civil Code Sections 5650(b) and 5675):

- A. The amount of the delinquent assessment
- B. Reasonable costs incurred to collect the assessment (including reasonable attorney fees)
- C. A late charge not exceeding 10 percent of the amount of the delinquent assessment or \$10.00, whichever is greater.
- D. Interest on all sums (assessments, costs, late charges, and legal fee) at a rate not to exceed 12 percent per annum. Interest begins to accrue from and after the time the delinquent assessment is 30 days past due.

2. A courtesy billing statement is sent each month to the billing address on record. However, it is the owner of record's responsibility to pay each assessment in full each month regardless of whether a statement is received.

3. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.

4. If all such amounts have not been received ninety (90) days after the original due date thereof, the account may be forwarded to a collection agency or at a later date as determined by the Board, and all resulting collection fees and costs will be added to the total delinquent amount.

5. If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien and the delinquent assessment exclusive of any accelerated assessments, late charges, attorney's fees, fees, interest and costs of collection that equals or exceeds Eighteen Hundred Dollars (\$1,800.00) and/or the delinquent assessment is more than Twelve (12) months delinquent, the Association may, without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the property owner(s). However, the Association has the right at all times to attempt to collect any delinquent regular or special assessment, which equals or exceeds Eighteen Hundred Dollars (\$1,800.00) and/or the delinquent assessment is less than Twelve (12) months, including accelerated assessments, late charge, attorney's fees, fees, interest and costs of collection by any manner provided by law (including a civil lawsuit) except for judicial and non-judicial foreclosure.

6. The Association shall collect a "returned check charge" of twenty-five dollars (\$25.00) for all payments returned as "non-negotiable," "insufficient funds" or any other reason.

7. The mailing address for overnight payment of assessments is 1935 Dry Creek Rd, Suite 203, Campbell, CA 95008.

8. Any owner who is unable to pay assessments is entitled to make a written request for a payment plan to the Board of Directors. The Board will consider the requests on a case-by-case basis and is under no obligation to grant payment plan requests.

Adopted by the Board of Directors on: January 14, 2015

Exhibit 7

Arbitration and Dispute Resolution

Civil Code Section 5905 requires associations to provide a fair, reasonable and expeditious procedure for resolving disputes. The procedure provided by the **Creekside Place Homeowners Association** is pursuant to Civil Code Section 5915 which is deemed by statute to be a fair, reasonable, and expeditious dispute resolution procedure. The procedure applies to disputes between the association and a member involving their rights, duties, or liabilities under the Davis-Stirling Common Interest Development Act, under the Nonprofit Mutual Benefit Corporation law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code), or under the governing documents of the Association.

Either party to a dispute may invoke the following procedure:

- (1) The party may request the other party to meet and confer in an effort to resolve the dispute. The request shall be in writing.
- (2) A member of an association may refuse a request to meet and confer. The association may not refuse a request to meet and confer.
- (3) The association's board of directors shall designate a member of the board to meet and confer.
- (4) The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other, and confer in good faith in an effort to resolve the dispute. The parties may be assisted by an attorney or another person at their own cost when conferring.
- (5) A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association.
- (c) A written agreement reached under this section binds the parties and is judicially enforceable if it is signed by both parties and both of the following conditions are satisfied:
 - (1) The agreement is not in conflict with law or the governing documents of the common interest development or association.
 - (2) The agreement is either consistent with the authority granted by the board of directors to its designee or the agreement is ratified by the board of directors.
- (d) A member of the association may not be charged a fee to participate in the process.

Disputes may also be subject to Chapter 10, Article 3 (Alternative Dispute Resolution Prerequisite to Civil Action) of the California Civil Code. The provision of Chapter 10, Article 3 are set forth below. **Failure of a member of the association to comply with the alternative dispute resolution requirements of Section 5930 (ADR Prerequisite to Enforcement Action) 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.**

California Civil Code, Chapter 10, Article 3

§ 5925.

As used in this article:

- (a) "Alternative dispute resolution" means mediation, arbitration, conciliation, or other nonjudicial procedure that involves a neutral party in the decisionmaking process. The form of alternative dispute resolution chosen pursuant to this article may be binding or nonbinding, with the voluntary consent of the parties.
- (b) "Enforcement action" means a civil action or proceeding, other than a cross-complaint, for any of the following purposes:
 - (1) Enforcement of this act.
 - (2) Enforcement of the Nonprofit Mutual Benefit Corporation Law (Part 3 (commencing with Section 7110) of Division 2 of Title 1 of the Corporations Code).
 - (3) Enforcement of the governing documents.

§ 5930.

- (a) An association or a member may not file an enforcement action in the superior court unless the parties have endeavored to submit their dispute to alternative dispute resolution pursuant to this article.

Exhibit 7

(b) This section applies only to an enforcement action that is solely for declaratory, injunctive, or writ relief, or for that relief in conjunction with a claim for monetary damages not in excess of the jurisdictional limits stated in Sections 116.220 and 116.221 of the Code of Civil Procedure.

(c) This section does not apply to a small claims action.

(d) Except as otherwise provided by law, this section does not apply to an assessment dispute.

§ 5935.

(a) Any party to a dispute may initiate the process required by Section 5930 by serving on all other parties to the dispute a Request for Resolution. The Request for Resolution shall include all of the following:

(1) A brief description of the dispute between the parties.

(2) A request for alternative dispute resolution.

(3) A notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the request will be deemed rejected.

(4) If the party on whom the request is served is the member, a copy of this article.

(b) Service of the Request for Resolution shall be by personal delivery, first-class mail, express mail, facsimile transmission, or other means reasonably calculated to provide the party on whom the request is served actual notice of the request.

(c) A party on whom a Request for Resolution is served has 30 days following service to accept or reject the request. If a party does not accept the request within that period, the request is deemed rejected by the party.

§ 5940.

(a) If the party on whom a Request for Resolution is served accepts the request, the parties shall complete the alternative dispute resolution within 90 days after the party initiating the request receives the acceptance, unless this period is extended by written stipulation signed by both parties.

(b) Chapter 2 (commencing with Section 1115) of Division 9 of the Evidence Code applies to any form of alternative dispute resolution initiated by a Request for Resolution under this article, other than arbitration.

(c) The costs of the alternative dispute resolution shall be borne by the parties.

§ 5945.

If a Request for Resolution is served before the end of the applicable time limitation for commencing an enforcement action, the time limitation is tolled during the following periods:

(a) The period provided in Section 5935 for response to a Request for Resolution.

(b) If the Request for Resolution is accepted, the period provided by Section 5940 for completion of alternative dispute resolution, including any extension of time stipulated to by the parties pursuant to Section 5940.

§ 5950.

(a) At the time of commencement of an enforcement action, the party commencing the action shall file with the initial pleading a certificate stating that one or more of the following conditions are satisfied:

(1) Alternative dispute resolution has been completed in compliance with this article.

(2) One of the other parties to the dispute did not accept the terms offered for alternative dispute resolution.

(3) Preliminary or temporary injunctive relief is necessary.

Exhibit 7

(b) Failure to file a certificate pursuant to subdivision (a) is grounds for a demurrer or a motion to strike unless the court finds that dismissal of the action for failure to comply with this article would result in substantial prejudice to one of the parties.

§ 5955.

(a) After an enforcement action is commenced, on written stipulation of the parties, the matter may be referred to alternative dispute resolution. The referred action is stayed. During the stay, the action is not subject to the rules implementing subdivision (c) of Section 68603 of the Government Code.

(b) The costs of the alternative dispute resolution shall be borne by the parties.

§ 5960.

In an enforcement action in which attorney's fees and costs may be awarded, the court, in determining the amount of the award, may consider whether a party's refusal to participate in alternative dispute resolution before commencement of the action was reasonable.

§ 5965.

(a) An association shall annually provide its members a summary of the provisions of this article that specifically references this article. The summary shall include 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."

(b) The summary shall be included in the annual policy statement prepared pursuant to Section 5310.

DAVIS-STIRLING ACT

Civil Code §4528. Document Disclosure Summary Form.

[Old: Civ. Code §1368.2]

The form for billing disclosures required by Section 4530 shall be in at least 10-point type and substantially the following form:

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*			
Property Address: <u>Creskide Place Homeowners Association</u>			
Owner of Property: _____			
Owner's Mailing Address (If known or different from property address.): _____			
Provider of the Section 4525 Items: _____			
Print Name _____ Position or Title _____ Association or Agent _____			
Date Form Completed: _____			
Check or Complete Applicable Column or Columns Below:			
Document	Civil Code Section Included	Fee for Document	Not Available (N/A) or Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	\$12	
CC&Rs	Section 4525(a)(1)	\$25	
Bylaws	Section 4525(a)(1)	\$20	
Operating Rules	Section 4525(a)(1)	\$15	
Age restrictions, if any	Section 4525(a)(2)	n/a	
Rental restrictions, if any	Section 4525(a)(9)	in CC&Rs	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$15	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	in Budget	

Financial statement review	Sections 5305 and 4525(a)(3)	\$25	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)	in budget	
Insurance summary	Sections 5300 and 4525(a)(3)	in budget	
Regular assessment	Section 4525(a)(4)	in budget	
Special assessment	Section 4525(a)(4)	in budget	
Emergency assessment	Section 4525(a)(4)	n/a	
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)	\$125	
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)	in budget	
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100	litigation letter	
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100	litigation letter	
Notice(s) of violation	Sections 5855 and 4525(a)(5)	Demand	
Required statement of fees	Section 4525	Demand	
Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$5/each	

Total fees for these documents:

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 may be charged separately.

**Creekside Place
Homeowners Association
Amended Bylaws**

**NOTICE REGARDING
DISCRIMINATORY RESTRICTIONS**

(California Government Code 12956.1)

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, victim of abuse 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."

**AMENDED BY-LAWS OF
CREEKSIDE PLACE HOMEOWNERS ASSOCIATION**

ARTICLE I NAME AND LOCATION

The name of the corporation is CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, a California Nonprofit Mutual Benefit Corporation, hereinafter referred to as the "Association." The principal office of the corporation shall be located in the City of San Jose, County of Santa Clara, California.

ARTICLE II DEFINITIONS

- 2.1 Articles. "Articles" shall mean the Articles of Incorporation of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.
- 2.2 Association. "Association" shall mean CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, its successors and assigns.
- 2.3 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION.
- 2.4 By-Laws. "By-Laws" shall mean the By-Laws of the ASSOCIATION as they shall be adopted by the Board of Directors and Members and any duly-adopted Amendments thereof.
- 2.5 Common Area. "Common Area" shall mean all of the property comprising the Creekside Homeowners Association Project which is owned by all of the Owners in common, but excluding the Units. The Common Area includes, without limitation, the land; covered and open parking; driveway areas; swimming pool; spa; exterior stairs; patios; patio fences; balconies; front stoops; storage areas; bearing walls; columns; girders; breezeways; ceiling

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AMENDED BY-LAWS OF
CREEKSIDE PLACE HOMEOWNERS ASSOCIATION**

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joists; subfloors; unfinished floors; roofs; foundations; reservoirs; tanks; pumps and other central services; pipes, ducts, flues, chutes, conduits, wires and other utility installations wherever located (except the outlets thereof and utility installations when located within the Unit), and when required to provide power, light, telephone, gas, water, sewerage, drainage, heat, and other utility services; and sprinklers, sprinkler pipes, and sprinkler heads which protrude into the airspace of a Unit.

- 2.6 Condominium. "Condominium" shall mean an estate in real property as defined in California *Civil Code* sections 783 and 1351(f), consisting of an undivided interest in common in the Common Area, and a separate fee interest in a Unit together with any easements or other interests in the Project or any portion thereof as are described in the Declaration, in the Condominium Plan, or in the Deed conveying a Condominium.
- 2.7 Condominium Plans. "Condominium Plans" shall mean the diagrammatic floor plans of the Units built within the Project which identify each Unit and shows its dimensions and recorded pursuant to section 1351 of the California *Civil Code*. The Condominium Plans are designated as "Condominium Plan, Lot 1, Tract No. 7209"; "Condominium Plan, Lot 1, Tract No. 7210"; and "Condominium Plan, Lot 1, Tract No. 7211"; copies of which Condominium Plans were recorded in the Official Records of the Recorder of Santa Clara County, California, as Series No. 7812028 (7209); Series No. 7812029 (7210); and Series No. 7812030 (7211), inclusive, respectively.
- 2.8 Declaration. "Declaration" shall mean this Amended Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place Homeowners Association, recorded in the Office of the County Recorder of Santa Clara County, California, and any Amendments thereof.
- 2.9 Governing Documents. "Governing Documents" shall mean the Articles, By-Laws, Declaration and Rules, and the policies and resolutions adopted by the Board and distributed to the Members.
- 2.10 Member. "Member" shall mean each person or entity who is a record owner of a fee or undivided fee interest in any Condominium within the Project, except any such person or entity who holds an interest in a Condominium merely as security for the performance of an obligation.

- 2.11 Member in Good Standing. "Member in good standing" shall mean a Member of the Association who is current in the payment of all dues, assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents and who is in compliance with all of the provisions of the Governing Documents.
- 2.12 Owner. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Condominium which is a part of the Project, including contract sellers, but excluding contract purchasers and excluding those having such interest merely as security for the performance of an obligation.
- 2.13 Project. "Project" shall mean all of the real property comprising the Creekside Place Homeowners Association Condominium Project, as described in the Declaration.
- 2.14 Regulatory Agreement. "Regulatory Agreement" shall mean that Agreement between the Association and the Federal Housing Commissioner of the Federal Housing Administration ("FHA"), which was recorded on September 14, 1983, in Book H889, Pages 589 to 594, as Instrument No. 7813830, in the Official Records of Santa Clara County, State of California, as Exhibit "2" to the original Enabling Declaration to Establish a Plan for Condominium Ownership of Creekside Place recorded on September 14, 1983.
- 2.15 Resident. "Resident" shall mean any person who resides in a Unit within the Project whether or not such person is an Owner as defined in Section 2.12 above.
- 2.16 Rules. "Rules" shall mean the rules and regulations governing the use, occupancy, management, administration and operation of the Project or any part thereof as adopted and published by the Board of Directors from time to time.
- 2.17 Unit. "Unit" shall mean the element of a Condominium which is not owned in common with the Owners of the other Condominiums in the Project. Each Unit is an individual residence which is shown, defined and delineated on the Condominium Plans as an individually numbered parcel, and consists of the space bounded by and contained within the interior unfinished surfaces of the floors, ceiling, interior beams and columns, perimeter walls,

windows, doors, door frames and trim, as more particularly set forth in the Declaration.

ARTICLE III MEMBERSHIP AND VOTING

- 3.1 Membership. Membership in the Association shall include, and shall be limited to, all Owners of record of any Condominium located within the Project. Membership shall be appurtenant to and may not be separated from ownership of a Condominium. Upon becoming the Owner of a Condominium, each Owner shall automatically be a Member of the Association and shall remain a Member until such time as his or her Condominium ownership ceases for any reason. Membership in the Association shall not be transferred, encumbered, pledged, alienated or hypothecated in any way, except upon the transfer or encumbrance of the Condominium to which it is appurtenant and then only to the transferee or mortgagee, as the case may be, of such Condominium. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a Condominium including a transfer upon the death of an Owner, Membership in the Association shall pass automatically to the transferee.
- 3.2 Regulatory Agreement. All Owners, tenants, or their employees, or any other person that might use the facilities in the Project in any manner, are subject to the regulations set forth in the Governing Documents and in the Regulatory Agreement between the Association and the Federal Housing Commissioner. Acquisition, rental, or occupancy of any Unit shall constitute acceptance and ratification of the provisions of the Governing Documents and the Regulatory Agreement.
- 3.3 Voting. Members shall be entitled to cast one (1) vote for each Condominium owned. In the event more than one (1) person owns a given Condominium, the vote for such Condominium shall be exercised as the Owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Condominium. If the joint Owners are unable to agree among themselves as to how their vote or votes are to be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Condominium, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other

Owners of that Condominium. The vote at any meeting of Members may be by voice vote, or by ballot; provided, however, that all elections of Directors must be by ballot if a demand therefor is made by a Member at any election before the voting commences.

3.4 Delegation of Membership Rights. Any Member who has sold his or her Condominium to a contract purchaser shall be entitled to delegate to such contract purchaser his or her rights and privileges of membership in the Association, and such Member shall be deemed to have delegated to a contract purchaser who has assumed occupancy of the Member's Unit all rights of use and enjoyment to the Common Area. No such delegation to a non-resident contract purchaser shall be binding, however, unless it shall be set forth in a written instrument which has been delivered to the Board of Directors. Notwithstanding any delegation, a contract seller shall remain liable for all assessments, fines and other charges imposed by the Board until fee title to the Condominium has been transferred. Any Member who has leased or rented his or her Condominium to another person or persons shall in all events be deemed to have delegated to his or her tenants all rights of use and enjoyment of the Common Area. It is the express purpose and intent of the provisions of this Section 3.4 to limit the right of use and enjoyment of the Common Area to Residents of the Project and members of their households and their guests.

3.5 Record Date. The Board of Directors may fix a time not more than ninety (90) days or less than ten (10) days preceding the date of any Meeting of the Members as a record date for the determination of the Members entitled to notice of and to vote at any such Meeting, and in such case, only those persons or entities identified as Members in the records of the Association on the date so fixed shall be entitled to notice of and to vote at such Meeting. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to notice of and to vote at any Meeting shall be the thirtieth (30th) day preceding the date of the Meeting as of 8:00 a.m. on such day.

ARTICLE IV

MEETINGS OF MEMBERS

- 4.1 Annual Meeting. The Annual Meeting of the Members shall be held on the third Tuesday in January at 7:30 p.m. of each year, or on a date and at a time and place to be designated by the Board of Directors, upon proper written notice to all of the Members.
- 4.2 Special Meetings. Special Meetings of the Members may be called at any time by the President or by the Board of Directors; pursuant to the written request of Members entitled to cast at least five percent (5%) of the total voting power of the Membership; or at the request of the Federal Housing Commissioner or his duly authorized representative.
- 4.3 Notice of Meetings. Written notice of each Meeting of the Members shall be given by or at the direction of the Secretary or other person authorized to call a Meeting, by mailing a copy of such notice, postage prepaid, or by otherwise causing delivery of such notice to be made, at least ten (10) but not more than ninety (90) days before such Meeting, to each Member entitled to vote thereat addressed or otherwise delivered to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. In the case of a Special Meeting called pursuant to a written request of Members as provided in Section 4.2, Notice of such Special Meeting shall be mailed or otherwise delivered within twenty (20) days after receipt of such written request by the Board, and the date set for such Special Meeting shall be not sooner than thirty-five (35) days nor later than ninety (90) days after the date of the Board's receipt of such written request, and in the case of a Special Meeting called by the Federal Housing Commissioner, at least thirty-five (35) but not more than ninety (90) days before such meeting, to each institutional lender requesting notice. Notice of any Meeting of Members shall specify the date, hour and place of the Meeting, and the general nature of those matters which the Board intends to present for action by the Members. Notwithstanding the foregoing, any proper matter may be presented at the Meeting for action by the Members; provided, however, that the only matters that may be acted upon at any Meeting of Members which is actually attended, in person or by proxy, by less than one-third (1/3) of the total voting power of the Association are matters the general nature of which has been set forth in the notice of such Meeting.

Institutional lenders may designate, in writing, a representative to attend all meetings.

- 4.4 Conduct of Meetings. All meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt, including but not limited to the following suggested order of business:

- (a) Roll Call;
- (b) Proof of notice of meeting or waiver of notice;
- (c) Reading of Minutes of preceding Meeting;
- (d) Reports of Officers;
- (e) Reports of Committees;
- (f) Election of inspectors of election;
- (g) Election of Directors;
- (h) Unfinished business; and
- (i) New business

If present, a representative of the Department of Housing and Urban Development ("HUD") will be given an opportunity to address any Regular or Special Meeting.

- 4.5 Place of Meetings. Annual and Special Meetings shall be held at a location within the Project, provided that the Board may designate, by resolution, a convenient place located within the city limits of the City of San Jose, which location shall be identified and published by the Board of Directors by and through the Secretary of the Association in accordance with Section 4.3, herein.

- 4.6 Quorum. The presence at any Meeting, in person or by proxy, of Members entitled to cast a majority of the votes of all the Members shall constitute a quorum for the transaction of any business, except as otherwise provided in the Governing Documents. If, however, such quorum shall not be present or represented at any Meeting, the Members otherwise entitled to vote thereat shall have power to adjourn the Meeting from time to time, to a date not more than thirty (30) days from the date of the adjourned Meeting, without notice other than announcement at the Meeting, until a quorum shall be present or represented. At the continuation of any meeting so adjourned, the presence in person or by proxy of Members entitled to cast at least one-third (1/3) of the votes of all of the Members shall constitute a quorum.

- 4.7 Proxies. At all Meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and shall be filed with the Secretary. Every proxy shall be revocable. Any proxy duly executed is not revoked and continues in full force and effect until an instrument revoking it or a duly-executed proxy bearing a later date is filed with the Secretary of the Association; except that no proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the person executing it specified therein the length of time for which such proxy is to continue in force, which in no case shall exceed three (3) years from the date of its execution; and provided further that a proxy shall automatically cease upon conveyance by the Member of his or her Condominium.
- 4.8 Vote of the Members. If a quorum is present, in person or by proxy, the affirmative vote of the majority of the voting power so present and voting on any matter shall constitute the act of the Members, unless the approval of a greater number or proportion of Members is required by any provision of the Governing Documents or of law.
- 4.9 Adjournment. Whether or not a quorum is present, any Meeting of Members may be adjourned from time to time to be reconvened on a later date by the vote of a majority of the Members present in person or by proxy at such Meeting; provided, however, that in the absence of a quorum, no business other than adjournment may be transacted.
- 4.10 Action Without A Meeting.
- (a) Any action, other than the election of Directors, which may be taken at a Regular or Special Meeting, may be taken without a Meeting of Members, if the Association distributes a written ballot to every Member entitled to vote. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association, which shall be a date not earlier than thirty (30) days after distribution of the written ballot to the Members.
 - (b) Approval by written ballot shall be valid only when the number of votes cast equals or exceeds the quorum required to be present at a Meeting authorizing the action

and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a Meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

- (c) The ballot solicitation shall identify both the number of responses needed to meet the quorum requirement and the percentage and/or number of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted.

ARTICLE V BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

- 5.1 Number. The affairs of this Association shall be managed by or under the direction of a Board of five (5) Directors, who shall be Members in good standing of the Association. The number of Directors may be changed by amendment of the By-Laws, provided that the number of Directors shall not at any time be reduced to less than five (5) members.
- 5.2 Election and Term of Office. At Annual Meetings of the Association, the Members shall, in alternate years, elect three (3) Directors and two (2) Directors, respectively, for terms of two (2) years each. At all elections of Directors, cumulative voting shall be permitted, subject to the procedural prerequisites set forth in section 7615(b) of the *California Corporations Code*. Only persons who are Members in good standing of the Association shall be eligible to be elected to the Board. Each Director shall serve until the expiration of his or her term and thereafter until a successor is elected, or until the earlier death, resignation, or removal of such Director.
- 5.3 Removal. Any Director may be removed from the Board, with or without cause, by the vote of a majority of the total voting power of the Association; provided, however, that unless the entire Board is removed, no Director may be removed prior to expiration of his or her term when the number of votes cast against removal, or the number of members not consenting by written ballot to such removal, would be sufficient to elect such Director, if voted cumulatively at an election at which the same total number of votes were cast (or, if such action is taken by written ballot, all

Memberships entitled to vote were voted), and the entire number of Directors authorized at the time of the affected Director's most recent election were then being elected.] No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

- 5.4 Compensation. No Director shall receive compensation for any service he or she may render to the Association as a Director. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.
- 5.5 Vacancies. A vacancy shall exist on the Board of Directors in the event of the death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Members fail to elect the full authorized number of Directors. A reduction in the authorized number of Directors shall not cause removal of a Director prior to the expiration of his or her term. The Board of Directors shall have the right to declare the office of a Director vacant if the Director is found by a court to be of unsound mind or is convicted of a felony; if within sixty (60) days within notice of election, he or she fails to accept such office, either in writing or by attending a Meeting as a Director; or if he or she is absent from three (3) consecutive Board Meetings.
- 5.6 Filling Vacancies. Any vacancy occurring on the Board of Directors may be filled by a vote of the majority of the remaining Directors, though they are less than a quorum of the Board, or by a sole remaining Director. A Director so chosen shall serve the remainder of the term of office of the Director whom he or she replaces.

The Members may elect a Director at any time to fill any vacancy not filled by the Directors. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board or, if the Board fails to act, the Members, may elect a successor to take office when the resignation becomes effective.

ARTICLE VI NOMINATION AND ELECTION OF DIRECTORS

- 6.1 Nomination. Nominations for election to the Board of Directors shall be made by a Nominating Committee prior to any Meeting

of Members at which one or more Directors are to be elected. Nominations may also be made from the floor during any such Meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each Annual Meeting of the Members to serve from the close of such Annual Meeting until the close of the next Annual Meeting, and such appointment shall be announced at each Annual Meeting. The Nominating Committee shall nominate as many candidates for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled at a particular Meeting. Such nominations shall be made from among Members in good standing.

- 6.2 Election. At each election of Directors, the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to cast under the provisions of the Declaration. Voting shall be by written ballot. The persons receiving the largest number of votes shall be elected. Cumulative voting shall be permitted.

ARTICLE VII MEETINGS OF DIRECTORS

- 7.1 Organizational Meetings. Within thirty (30) days after each Annual Meeting of Members, the Board of Directors shall hold a meeting for the purpose of organization, election of officers, and transaction of other business, as appropriate.
- 7.2 Regular Meetings. Regular Meetings of the Board of Directors shall be held monthly without notice, at a place within the Project and at a day and hour as fixed from time to time by resolution of the Board or at another day and time as set forth in a proper Notice which conforms to the provisions of Section 7.5 of these By-Laws. Should the date for any Meeting fall upon a legal holiday, then that Meeting shall be held at the same time on the next day which is not a legal holiday. In the event the Board should determine that the business to be transacted by the Board does not reasonably justify monthly Meetings, then Regular Meetings of the Board shall be held at such intervals as the Board may determine, but not less frequently than quarterly.

- 7.3 Special Meetings. Special Meetings of the Board of Directors shall be held when called by the President of the Association or by any two Directors.
- 7.4 Telephone Meetings. Any meeting, Regular or Special, may be held by conference telephone or similar communication equipment, so long as all Directors participating in the Meeting can hear one another, and all such Directors shall be deemed to be present in person at such Meeting. An explanation of the action taken shall be posted at a prominent place or places with the Common Area within seventy-two (72) hours after the Meeting.
- 7.5 Notice. Written notice of the time and place of each Meeting of the Board of Directors, setting forth any special business to be considered, shall be posted at a prominent place or places within the Common Area or shall be disseminated to all Members in a manner reasonably designed to provide prior actual notice of such Meeting. Except as otherwise provided in these By-Laws, notice of each Directors Meeting shall be communicated to members of the Board of Directors not less than four (4) days prior to a Regular Meeting, and seventy-two (72) hours prior to a Special Meeting; provided that shorter notice may be given in the case of a bona fide emergency; and provided further that notice of a Meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding the Meeting.
- 7.6 Open Meeting. Regular and Special Meetings of the Board of Directors shall be open to all Members of the Association; provided however, that Association Members who are not Directors may not participate in any deliberation, discussion or vote, unless expressly so authorized by the vote of a majority of a quorum of the Board of Directors. The Board of Directors may, with the approval of a majority of a quorum of the Directors, adjourn a Meeting and reconvene in executive session to confer with legal counsel or to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and matters that relate to the formation of contracts with third-parties. The nature of any and all business to be considered in executive session shall first be announced in open session. In any matter relating to the discipline of an Association Member, the Board shall meet in executive session, if requested to do so by that Member, and that Member shall be entitled to attend the executive session. Any matter discussed in executive session shall be generally noted in the minutes of the Board of Directors.

- 7.7 Action Taken Without a Meeting. The Directors shall have the right to take any action without a Meeting, which they could take at a Meeting, by obtaining the written approval of all the Directors of such action. Any action so approved shall have the same effect as though taken at a duly-called and noticed Meeting of the Directors. Any action taken pursuant to the approval of a majority of the Directors shall be as valid as though taken at a Meeting duly held after regular call and notice if, either before or after the action, each Director signs a written waiver of notice, approval of minutes of a Meeting, or consent to the action so taken. All such waivers, approvals and consents shall be filed with the official records and minutes of the proceedings of the Board.
- 7.8 Quorum. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business. Every act or decision performed or made by a majority of the Directors present at a duly-held Meeting at which a quorum is present shall be regarded as the act of the Board.
- 7.9 Minutes of Meetings of Directors. Within thirty (30) days after the date of any meeting of the Board, the Board shall make available to the Members either the Minutes of that meeting as adopted by the Board, the Minutes proposed for adoption which shall be marked to indicate draft status or a summary of the Minutes; provided, however, that the foregoing requirement shall not apply to Minutes of any executive session. Copies of the minutes, proposed minutes, or summary of minutes shall be provided to any Member of the Association upon request and upon reimbursement of the Association's costs in providing such copies. Members of the Association shall be notified annually in writing either at the time that the pro forma budget required in section 1365 of the California *Civil Code* is distributed or at the time of any general mailing to the entire membership of the Association of their right to obtain copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

ARTICLE VIII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

- 8.1 Powers. In addition to such other powers as may be expressly set forth in the Governing Documents or provided by law, the Board of Directors shall have the power to:

- (a) Adopt, publish, amend, repeal and enforce rules and regulations governing the administration, management, operation, use and occupancy of the Project, including the use of the Common Area and facilities, the personal conduct of the Members and their tenants and guests within the Project, and any other matter which is within the jurisdiction of the Association;
- (b) Determine, after notice and an opportunity for a hearing by the Board, that a Member is not a Member in good standing during any period in which the Member is in default in the payment of any assessment, fine or other charge levied by the Board or is in violation of any provision of the Governing Documents; provided, however, that a Member shall not be denied any privileges of membership on the basis of such Member's lack of good standing except upon an explicit finding by the Board of Directors, after prior notice and an opportunity for a hearing by the Board, that a Member is not a Member in good standing for specified reasons; and provided, further, that a Member found by the Board to be not in good standing shall continue to be deemed a Member not in good standing until the Board shall make a determination, either upon the Board's own initiative or upon the request of the Member, that such Member is, once again, a Member in good standing of the Association;
- (c) Establish and impose monetary penalties (fines) for the infraction of any provision of the Governing Documents, not to exceed a maximum of One Hundred Dollars (\$100.00) for each violation; suspend the voting or other membership rights and privileges of a Member, including the right to use the recreational facilities during any period in which such Member shall be in default in the payment of any assessment, fine or other charge levied by the Association, and/or for any infraction of the Governing Documents; provided, however, that such monetary penalty or suspension shall be effective only after written notice to the affected Member, mailed or personally delivered to the Member at least fifteen (15) days prior to the effective date of such penalty or suspension, which notice shall state the reasons for the penalty or suspension and shall provide the opportunity for a hearing by the Board of Directors, orally or in writing in the Board's discretion, at least five (5) days

before the effective date thereof. In the case of a continuing violation where a Member fails to cease or remedy a violation after notice from the Board to do so, the Board may deem such continuing violation to constitute two or more separate and distinct violations of the same Governing Document provision and to impose separate and successive sanctions for each such violation; provided, however, that the Board shall not treat any such continuing violation as a separate and distinct violation and impose a separate sanction therefor more than once during any thirty (30) day period. It is the intent and purpose of this provision to authorize and empower the Board in exercise of its discretion to impose a monetary fine or other sanction against a Member for a continuing violation of the same Governing Document provision once during each successive thirty (30) day period, provided that each time the Board decides to impose a sanction, it shall provide the affected Owner with prior notice and an opportunity to be heard by the Board prior to the effective date of any such sanction. The Board may limit the scope of such hearing to facts and circumstances occurring subsequent to the previous Board hearing relating to the subject continuing violation;

- (d) Employ the services of a manager or management company as either an employee or an independent contractor, and such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties. The Board of Directors shall have the power to delegate its powers and authority to Committees, officers or employees of the Association or to a Manager employed by the Association, provided that the activities and affairs of the Association shall be managed and all corporate powers shall be exercised under the ultimate direction of the Board.
- (e) Consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out its authority and responsibility under the Governing Documents and the law, and to pay for such professional services;
- (f) Enter a Unit, when necessary, in connection with maintenance, repair, or replacement for which the Association is responsible or which it is authorized to perform, provided that the Board shall provide the Unit

Owner with reasonable prior notice, except that in the case of a bona fide emergency, notice shall be given as the exigencies of the situation permit;

- (g) Pay all real property taxes and assessments levied upon any property within the Project to the extent not separately assessed to the Owners. Such taxes and assessments may be contested or compromised by the Association, provided that any such taxes are paid or that a bond insuring the payment is posted, prior to the sale or other disposition of any property to satisfy the payment of such taxes;
- (h) To the extent permitted by law, participate in mergers and consolidations with other non-profit organizations organized for the same purposes as this Association, provided that any such merger or consolidation shall be approved by the affirmative vote or written consent of at least two-thirds (2/3) of the voting power of the Association;
- (i) Acquire, own, hold, convey, transfer, dedicate or otherwise dispose of real or personal property consistent with the purposes and powers of the Association and the management, administration and operation of the Project or the business and affairs of the Association, and grant and convey easements, licenses, and rights of way in, over, upon or under the Common Area, all subject to any applicable provisions set forth in the Declaration;
- (j) Indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a director, officer, employee or agent of the Association or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, and other amounts, as those terms are defined by California law, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a director, officer, employee or agent of the Association or member of any committee appointed by the Board;
- (k) Open bank accounts, designate signatories upon such bank accounts, and borrow money on behalf of the Association,

subject to any restrictions set forth in the Governing Documents; and

- (l) Exercise for the Association all powers, duties and authority vested in or delegated to the Association and not reserved to the Members by other provisions of the Governing Documents, and take any action on behalf of the Association as the Board shall deem necessary or proper in furtherance of the purposes and powers of the Association and/or the interests of the Association and its Members.

8.2 Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and the corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board and committees of the Board, and to present a statement thereof to the Members at the Annual Meeting of the Members;
- (b) Prepare and distribute to the Members annually, not less than forty-five (45) days nor more than sixty (60) days prior to the beginning of each fiscal year, a pro forma operating budget which shall include all of the following:
 - (1) An estimate of the Association's revenue and expenses for such fiscal year on an accrual basis;
 - (2) A summary of the Association's reserves based upon the most recent review or study conducted pursuant to law, which summary shall be printed in bold type and shall include all of the following:
 - A. The current estimated replacement cost, estimated remaining life, and estimated useful life of each major component the Association is obligated to maintain, restore, repair or replace.
 - B. As of the end of the fiscal year for which the study is prepared:

- (i) A current estimate of the amount of cash reserves necessary to maintain, restore, repair or replace such major components; and
 - (ii) The current amount of accumulated cash reserves actually set aside to maintain, restore, repair or replace such major components.
- C. The percentage of the amount of cash reserves necessary (per Subparagraph B[i]) that is represented by the amount of cash reserves actually set aside (per Subparagraph B[ii]);
- (3) A statement as to whether the Board of Directors has determined or anticipates that the levy of one or more special assessments will be required to restore, repair or replace any of the major components or to provide adequate reserves therefor; and
- (4) A general statement setting forth the procedures used for the calculation and establishment of reserves to defray the future cost of repair, replacement or additions to those major components that the Association is obligated to maintain, restore, repair or replace.

In lieu of the distribution of the pro forma operating budget, the Board may distribute a summary of such budget to all Members together with a written notice that the budget is available at the office of the Association or at another suitable location within the boundaries of the Project and that copies will be provided to a Member upon a Member's request and at the expense of the Association. If any Member so requests, the Association shall provide a copy of the pro forma operating budget to such Member by United States mail first class postage prepaid by the Association and mailed within five (5) days of such request. The written notice that is distributed to each Association Member as set forth herein shall be set forth in at least 10-point bold type of the front page of the summary of the budget;

- (c) At least once every three (3) years cause a study of the reserve account requirements of the Association to be conducted if the current replacement value of the major components which the Association is obligated to maintain, restore, repair or replace is equal to or greater than one-half of the gross budget of the Association for any fiscal year; and review such study annually and consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review;
- (d) Not expend funds designated as reserve funds for any purpose other than the maintenance, restoration, repair or replacement of, or litigation involving the maintenance, restoration, repair or replacement of, major components which the Association is obligated to maintain, restore or replace, and for which the reserve fund was established; provided, however, that the Board may authorize a temporary transfer of money from a reserve fund to the Association's general operating fund to meet short term cash flow requirements or other expenses; and provided further that any such transferred funds shall be restored to the reserve fund within three (3) years of the date of the initial transfer, except as otherwise expressly provided by law;
- (e) For any fiscal year in which the gross income to the Association exceeds Seventy-five Thousand Dollars (\$75,000.00), distribute to all Members of the Association within one hundred twenty (120) days after the close of such fiscal year a review of the financial statements of the Association prepared in accordance with generally accepted accounting principles by a licensee of the California State Board of Accountancy;
- (f) Review the Association's operating and reserve accounts at least in accordance with the following minimum requirements:
 - (1) Review a current reconciliation of the Association's operating accounts on at least a quarterly basis;
 - (2) Review a current reconciliation of the Association's reserve accounts on at least a quarterly basis;

- (3) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget;
- (4) Review the latest account statements prepared by the financial institutions where the Association keeps its operating and reserve accounts; and
- (5) Review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis.

As used in this subsection, the term "reserve accounts" shall mean monies that the Board has identified in its annual budget for use to defray the future repair or replacement of, or additions to, those major components which the Association is obligated to maintain, restore, repair or replace;

- (g) Supervise all officers, agents and employees of the Association, and see that their duties are properly performed;
- (h) As more fully provided in the Declaration, to:
 - (1) Send written notice to each Owner in advance of each fiscal year of the regular assessment levied against his or her Condominium for that fiscal year; and
 - (2) Collect assessments levied by the Association by foreclosing the lien against any property for which assessments are not paid as required in the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same;
- (i) Issue, or cause an appropriate officer to issue, upon demand by any proper person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

- (j) Procure and maintain adequate casualty, liability and other insurance on property owned by the Association, as set forth in the Declaration.
- (k) Enforce the provisions of the Governing Documents, as more particularly set forth in the Declaration, and perform all acts required of the Board under the Governing Documents or required by law.

ARTICLE IX OFFICERS AND THEIR DUTIES

- 9.1 Enumeration of Offices. The officers of this Association shall be a President and Vice-President, who shall at all times be members of the Board of Directors, a Secretary, and a Chief Financial Officer, and such other officers as the Board of Directors may, from time to time, by resolution appoint.
- 9.2 Election of Officers. The election of officers shall take place at the first Meeting of the Board of Directors, following each Annual Meeting of the Members.
- 9.3 Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year, unless he or she shall sooner resign, be removed by the Board, or otherwise be disqualified to serve.
- 9.4 Special Appointments. 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.
- 9.5 Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. 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.
- 9.6 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 replaces, subject to the Board's right to remove an officer.

9.7 Multiple Offices. The offices of Secretary and Chief Financial Officer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of special offices created pursuant to Section 9.4 of this Article.

9.8 Duties. The duties of the officers shall be as follows:

- (a) President. The President shall be the Chief Executive Officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and other officers and the employees and agents of the Association. The President shall preside at all Meetings of the Members and at all Meetings of the Board of Directors, shall have the general powers and duties of management usually vested in the office of the President of an Association, and shall have such other powers and duties as may be prescribed by the Board of Directors and the By-Laws, subject, however, to any limitations contained in the Declaration.
- (b) Vice-President. In the absence or disability of the President, the Vice-President shall perform all the duties of the President, and when so acting, shall have all of the powers of, and be subject to all of the restrictions upon, the President. The Vice-President shall have such other powers and perform such other duties as, from time to time, may be prescribed by the Board of Directors.
- (c) Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may prescribe, a book of minutes of all Meetings of Directors, Members, and Committees of the Board setting forth the time and place of holding of such meetings; whether Regular or Special, and if Special, how authorized; the notice thereof given; the names of those present at Directors or Committee Meetings; the number of memberships and votes present or represented at Members Meetings; and all the proceedings thereof. The Secretary shall give, or cause to be given, notice of all Meetings of the Members and of the Board of Directors required by the

By-Laws or by law to be given and shall maintain a proper record of the giving thereof, and shall keep the books, records, and documents of the Association and the seal of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

- (d) Chief Financial Officer. The Chief Financial Officer shall be responsible for the receipt and deposit in appropriate accounts of all monies of the Association and shall cause disbursement of such funds as directed by resolution of the Board of Directors; may sign all checks and promissory notes of the Association; shall keep proper books of account; shall cause an annual review of the Association's books and financial statements to be made by a public accountant at the completion of any fiscal year for which such review is required by law or as determined by the Board; shall assist the Board in preparation of an annual budget and a statement of income and expenditures to be presented to the Members of the Association as provided by law; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

ARTICLE X COMMITTEES

The Board may appoint an Architectural Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors may appoint such other committees, including a Disciplinary Committee, as it deems appropriate in carrying out the powers and purposes of the Association.

ARTICLE XI BOOKS, RECORDS AND FUNDS

- 11.1 Inspection by Members. The books, records and papers of the Association shall, upon written request and during reasonable hours, be subject to inspection by any Member for any purpose, specified in writing, which is reasonably related to such Member's interest as a Member of the Association. The Governing Documents shall be available for inspection by any Member at the principal office of the Association, where copies may be

purchased at reasonable cost. The Board may adopt and publish reasonable rules and regulations establishing procedures relating to a Member's inspection and obtaining copies of Association records.

- 11.2 Contracts. The Board of Directors may, by resolution, authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association by any contract or agreement, or to pledge the credit of the Association, or to render the Association liable for any purpose or on any account. No contract with any person or entity to supply or furnish the Association with goods or services shall be for a term in excess of one (1) year, except upon the prior affirmative vote or written consent of a majority of the Members; provided, however, that the foregoing shall not apply to (a) a management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration; (b) a contract with a public utility company, if the rates charged for the materials or services to be furnished are regulated by the California Public Utilities Commission, the term of which contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; (c) prepaid casualty and/or liability insurance policies not to exceed three (3) years' duration, which policy or policies shall permit short rate cancellation by the insured; (d) lease agreements for laundry fixtures and equipment not to exceed five (5) years' duration; and (e) agreements for cable television services and equipment not to exceed five (5) years' duration.
- 11.3 Checks, Drafts and Evidences of Indebtedness. All checks, drafts, or other orders for payment of money, or notes or other evidences of indebtedness issued in the name of, or payable to the Association, shall be signed or endorsed by two or more Directors of the Association, and in the manner as specified by the Board of Directors; provided, however, that the signatures of at least two (2) persons who shall be members of the Board of Directors or one (1) member of the Board of Directors and one (1) officer who is not a member of the Board of Directors shall be required for the withdrawal of funds from the Association's reserve account.
- 11.4 Funds and Deposits. Any funds of the Association shall be deposited, from time to time, to the credit of the Association in

such banks or other depositories as the Board of Directors shall determine.

- 11.5 Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December of every year, or as otherwise determined by resolution of the Board of Directors.

ARTICLE XII CORPORATE SEAL

The Association may, but shall not be required to, have a seal in circular form, having within its circumference the words: "Creekside Place Homeowners Association, Incorporated September 1, 1983." Such seal, if adopted, shall be affixed to all Association documents; provided, however, that failure to affix the seal to any document shall not affect the validity thereof.

ARTICLE XIII AMENDMENTS

- 13.1 Approval by the Members. These By-Laws may be amended by the affirmative vote or written consent of a majority of the Members voting on such amendment, provided that the number of Members voting thereon shall be sufficient to constitute a quorum.
- 13.2 Prior Approval of Material Amendment. Notwithstanding the above provision, pursuant to the Regulatory Agreement, the prior written approval of the Federal Housing Commissioner is required before any material amendment is made to the By-Laws.

ARTICLE XIV MISCELLANEOUS

Conflict. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

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**CERTIFICATE OF AMENDMENT OF
AMENDED BY-LAWS OF
CREEKSIDE PLACE HOMEOWNERS ASSOCIATION**

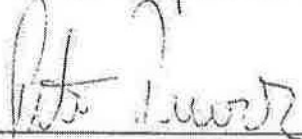
We, the undersigned, hereby certify that:

We are the President and Secretary, respectively, of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION.


The foregoing Amended By-Laws of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION were duly approved by the Board of Directors on the 12th day of October, 1993.

The foregoing Amended By-Laws of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION were duly approved upon the affirmative vote or written consent of Members of the Association constituting at least a majority of the total voting power of the Association on the 28th day of February, 1994.

Executed this 24th day of July, 1995.



President Peter Reeves



Secretary Lynne Donnely

**Creekside Place
Homeowners Association
Amended CC&Rs**

**NOTICE REGARDING
DISCRIMINATORY RESTRICTIONS**

(California Government Code 12956.1)

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, victim of abuse 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."

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

CREEKSIDE PLACE HOMEOWNERS ASSOCIATION
c/o BERDING & WEIL
3240 Stone Valley Road West, Suite 102
Alamo, CA 94507
(510) 838-2090

REG FEE	79
IMP	25
MGRO	1
RTCP	74
LIEN	
S. OF	
E. PCOR	

JAN 30 1995

FILED FOR RECORD
AT REQUEST OF

ATTORNEY

95 JAN 30 AM 10:37

OFFICIAL RECORDS
SANTA CLARA COUNTY
BRENDA DAVIS
RECORDER

SANTA CLARA COUNTY

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AMENDED ENABLING DECLARATION ESTABLISHING
A PLAN FOR CONDOMINIUM OWNERSHIP OF
CREEKSIDE PLACE HOMEOWNERS ASSOCIATION

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**AMENDED ENABLING DECLARATION ESTABLISHING
A PLAN FOR CONDOMINIUM OWNERSHIP OF
CREEKSIDE PLACE HOMEOWNERS ASSOCIATION**

This Amended Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place Homeowners Association is made on the date hereinafter set forth by CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, a California Non-Profit Mutual Benefit Corporation (hereinafter referred to as the "Association").

RECITALS

WHEREAS, the Association is the successor in interest to Cappa Construction, Inc., a California Corporation, which, as Declarant, executed an Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place, dated August 31, 1983, and recorded on September 14, 1983, as Instrument No. 7813830 in the Official Records of Santa Clara County, State of California; and

WHEREAS, the aforesaid September 14, 1983, Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place establishes certain limitations, easements, covenants, restrictions, conditions, liens and charges which run with and are binding upon all parties having or acquiring any right, title or interest in that certain parcel of real property located in the County of Santa Clara, State of California, and more particularly described as follows:

Lot 1 of that certain Map of Tract 7209 filed for record in Book 517 of Maps, Pages 16 and 17, Official Records of Santa Clara County, California,

Lot 1 of that certain Map of Tract 7210 filed for record in Book 517 of Maps, Pages 18 and 19, Official Records of Santa Clara County, California,

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Lot 1 of that certain Map of Tract 7211 filed for record
in Book 517 of Maps, Pages 20 and 21, Official
Records of Santa Clara County, California;

and

WHEREAS, the Members of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, constituting at least sixty-seven percent (67%) of the total voting power of the Association and fifty-one percent (51%) of the Eligible Holders, desire to amend, modify, and otherwise change the aforesaid September 14, 1983 Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place pursuant to Article IX thereof;

NOW, THEREFORE, pursuant to the Article IX of the aforesaid September 14, 1983, Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place, the Members of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, constituting at least sixty-seven percent (67%) of the total voting power of the Association and fifty-one percent (51%) of the Eligible Holders, do hereby declare that the aforesaid Enabling Declaration Establishing a Plan of Condominium Ownership of Creekside Place Homeowners Association, dated August 31, 1983, and recorded August 14, 1983, as Instrument No. 7813830, Book 781330, Santa Clara County Official Records, be and it is hereby, AMENDED to read in full as follows:

IT IS FURTHER HEREBY DECLARED that all of the real property described herein constitutes a Condominium Project within the meaning of section 1351(f) of the California *Civil Code*; and

IT IS FURTHER HEREBY DECLARED that all of the real property described herein is held and owned and shall be held, owned, operated, managed, conveyed, hypothecated, encumbered, leased, used, occupied, and improved subject to the following covenants, conditions, and restrictions, all of which are declared and agreed to be in furtherance of a plan and purpose of protecting, preserving, and enhancing the value, desirability, and attractiveness of the said real property and every part thereof, and of fostering the development, management, improvement, enjoyment and sale of the said real property and any part thereof; and

IT IS FURTHER HEREBY DECLARED that all of the covenants, conditions, and restrictions herein set forth shall constitute enforceable equitable servitudes as provided in section 1354 of the California *Civil Code*, shall constitute covenants that shall run with the said real property, and shall

be binding upon and inure to the benefit of each Owner of any portion of the said real property or of any interest therein and their heirs, successors, and assigns.

ARTICLE I DEFINITIONS

- 1.1 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures, including without limitation, interest, late charges, attorneys' fees, recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of assessments, fines, and/or penalties.
- 1.2 Architectural Committee. "Architectural Committee" shall mean the Committee created pursuant to Article X of this Declaration and Article X of the By-Laws.
- 1.3 Articles. "Articles" shall mean the Articles of Incorporation of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.
- 1.4 Association. "Association" shall mean CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, its successors and assigns.
- 1.5 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION.
- 1.6 By-Laws. "By-Laws" shall mean the By-Laws of the ASSOCIATION as they shall be adopted by the Board of Directors and Members and any duly-adopted Amendments thereof.
- 1.7 City. "City" shall mean the City of San Jose.
- 1.8 Common Area. "Common Area" shall mean all of the property comprising the Creekside Homeowners Association Project which is owned by all of the Owners in common, but excluding the Units. The Common Area includes, without limitation, the land; covered and open parking; driveway areas; swimming pool; spa; exterior stairs; patios; patio fences; balconies; front

stoops; storage areas; bearing walls; columns; girders; breezeways; ceiling joists; subfloors; unfinished floors; roofs; foundations; reservoirs; tanks; pumps and other central services; pipes, ducts, flues, chutes, conduits, wires and other utility installations wherever located (except the outlets thereof and utility installations when located within the Unit), and when required to provide power, light, telephone, gas, water, sewerage, drainage, heat, and other utility services; and sprinklers, sprinkler pipes, and sprinkler heads which protrude into the airspace of a Unit.

- 1.9 Condominium. "Condominium" shall mean an estate in real property as defined in California *Civil Code* sections 783 and 1351(f), consisting of an undivided interest in common in the Common Area, and a separate fee interest in a Unit together with any easements or other interests in the Project or any portion thereof as are described in the Declaration, in the Condominium Plan, or in the Deed conveying a Condominium.
- 1.10 Condominium Building or Building. "Condominium Building" or "Building" shall mean a residential structure containing Condominium Units.
- 1.11 Condominium Plans. "Condominium Plans" shall mean the diagrammatic floor plans of the Units built within the Project which identify each Unit and shows its dimensions and recorded pursuant to California *Civil Code* section 1351 and any amendments thereto which identify the Common Area and each separate interest in the Project. The Condominium Plans are designated as "Condominium Plan, Lot 1, Tract No. 7209"; "Condominium plan, Lot 1, Tract No. 7210"; and "Condominium Plan, Lot 1, Tract No. 7211"; copies of which Condominium Plans were recorded in the Official Records of the Recorder of Santa Clara County, California, Series No. 7812028 (Tract 7209); Series No. 7812029 (Tract 7210); and Series No. 7812030 (Tract 7211), respectively.
- 1.12 County. "County" shall mean the County of Santa Clara.
- 1.13 Declaration. "Declaration" shall mean this Amended Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place Homeowners Association, recorded in the Office of the County Recorder of Santa Clara County, California, and any Amendments thereof.

- 1.14 Eligible Holder. "Eligible Holder" shall mean any institutional first mortgage holder, insurer, or guarantor who requests, in writing to the Association, notice of any action which, pursuant to this Declaration, requires the consent of a specified percentage of institutional first mortgage holders, insurers or guarantors.
- 1.15 Exclusive Use Common Area. "Exclusive Use Common Area" shall mean any portion of the Common Area the exclusive use of which is set aside, allocated, assigned and restricted to the exclusive use or possession of the Residents of a particular Unit. An exclusive easement to such Exclusive Use Common Area may be specifically granted in each individual Grant Deed conveying a Condominium; provided, however, that failure of any such Deed to set forth such grant of easement shall not invalidate the exclusive easement herein granted.
- 1.16 Family. "Family" shall mean two or more persons who live together and maintain a common household in a Unit whether or not they are all related to each other by birth, marriage, or legal adoption.
- 1.17 FHA. "FHA" shall mean the Federal Housing Administration.
- 1.18 Governing Documents. "Governing Documents" shall mean the Articles, By-Laws, Declaration and Rules, and the policies and resolutions duly adopted by the Board and distributed to the Members.
- 1.19 Institutional Lender. "Institutional Lender" shall mean any bank, savings and loan association, insurance company, mortgage banker, trustee, or other financial institution holding a recorded first mortgage on any Unit.
- 1.20 Maintenance. "Maintenance" shall mean the act of caring for property and keeping it in its existing state, preserving it from failure or deterioration, including painting, caulking, cleaning and minor, non-structural upkeep.
- 1.21 Maps. "Maps" shall mean that certain Subdivision Map of Tract No. 7209 filed for record in Book 517 of Maps, Pages 16 and 17, Official Records of Santa Clara County, California; that certain Subdivision Map of Tract No. 7210 filed for record in Book 517 of Maps, Pages 18 and 19, Official Records of Santa

Clara County, California; and that certain Subdivision Map of Tract No. 7211 filed for record in Book 517 of Maps, Pages 20 and 21, Official Records of Santa Clara County, California.

- 1.22 Member. "Member" shall mean each person or entity who is a record Owner of a fee or undivided fee interest in any Condominium within the Project, except any such person or entity who holds an interest in a Condominium merely as security for the performance of an obligation.
- 1.23 Member in Good Standing. "Member in good standing" shall mean a Member of the Association who is current in the payment of all dues, assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents, and who is in compliance with all of the provisions of the Governing Documents, as more particularly set forth in the By-Laws.
- 1.24 Mortgage. "Mortgage" shall mean a deed of trust as well as a mortgage in the conventional sense.
- 1.25 Mortgagee. "Mortgagee" shall mean a beneficiary under a deed of trust as well as under a mortgage.
- 1.26 Mortgagor. "Mortgagor" shall mean the trustor of a Deed of Trust as well as a Mortgagor of a Mortgage.
- 1.27 Owner. "Owner" shall mean the record Owner, whether one or more persons or entities, of the fee simple title to any Condominium which is a part of the Project, including contract sellers, but excluding contract purchasers and excluding those having such interest merely as security for the performance of an obligation.
- 1.28 Project. "Project" shall mean all of the real property described in this Declaration which comprises the Creekside Place Homeowners Association Condominium Project, including all structures and other improvements located at any time upon said real property.
- 1.29 Regulatory Agreement. "Regulatory Agreement" shall mean that Agreement between the Association and the Federal Housing Commissioner of the Federal Housing Administration ("FHA") which was recorded on September 14, 1983, in

attached Book H889, Pages 589 to 594, as Instrument No. 7813830 in the Official Records of Santa Clara County, State of California, as Exhibit "2" to the aforesaid September 14, 1983, Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place.

- 1.30 Repair. "Repair" shall mean the minor restoration of property that is torn, broken, or otherwise damaged, or has sustained wear, tear, or deterioration such that minor restoration is necessary.
- 1.31 Replacement. "Replacement" shall mean substantial reconstruction, restoration, or substitution of the whole or a substantial part of property that has been damaged or destroyed through usage or through hazard or catastrophe such that it is no longer useable or serviceable in its current condition.
- 1.32 Resident. "Resident" shall mean any person who resides on a Unit within the Project whether or not such person is an Owner as defined in Section 1.25 above.
- 1.33 Rules. "Rules" shall mean the rules and regulations governing the use, occupancy, management, administration and operation of the Project or any part thereof as adopted and published by the Board of Directors from time to time.
- 1.34 Unit. "Unit" shall mean the elements of a Condominium that are not owned in common with the other Owners of Condominiums within the Project, which Units are shown as separately designated and numbered areas on the Condominium Plan. Each Unit consists of the interior space bounded by and contained within the interior unfinished surfaces of the perimeter walls, floors, ceilings, windows and window frames, doors, door frames and trim, of each of such interior spaces; provided, however, that bearing walls located within the aforesaid boundaries of a Unit (except for the finished surfaces thereof) are Common Area and not part of the Unit. Each Unit includes the utility installations, fixtures, and appliances located within its boundaries and/or which exclusively serve the Unit including, without limitation, oven, range and fans, garbage disposal unit; dishwasher unit; hot water heaters; space heaters; lighting fixtures; heating conduits; any air conditioning units, condensers, and equipment serving such Unit; bathtubs, sinks and wash basins, shower stalls, toilets, and other plumbing

fixtures; and interior partitions which are located entirely within the boundaries of the Unit they serve. Each Unit includes both the portion of the building so described and the air space so encompassed. Each Unit is subject to such encroachments as are contained in the Building in which the Unit is located, whether the same now exist or may be later caused or created in any manner referred to herein under Article III, Section 3.2. In interpreting deeds, the Declaration and the Condominium Plan, the then existing physical boundaries of a Unit, shall be conclusively presumed to be its boundaries rather than the metes and bounds or other description expressed in the deed, the Declaration, or the Condominium Plan, regardless of any settling or lateral movement of buildings and regardless of minor variance between the boundaries shown on the deed, the Declaration, or the Condominium Plan and the actual existing physical boundaries.

ARTICLE II PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT

- 2.1 Ownership of Condominium; Exclusive Easements. Ownership of each Condominium within the Project shall include a designated Unit, an undivided fractional interest as tenant in common in the Common Area as set forth in Exhibit "A," a Membership in the Association and any Exclusive Easements or Easements appurtenant to such Unit upon the Exclusive Use Common Area, and such other easements as are applicable, all as described in the Declaration, in the deed to the Unit, or in the Condominium Plan. The undivided interests in the Common Area established in this Amended Declaration cannot be changed without the consent of all the Unit Owners affected and approval of Eligible Holders as provided for in Article IX of this Declaration. The undivided interests in the Common Area shall not be severed or conveyed separately from the respective Units to which they are appurtenant and each such undivided interest shall in all cases be deemed to be conveyed or encumbered along with the respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. Any purported severance or separate conveyance of an undivided interest in the Common Area apart from a conveyance of the respective Unit shall, for all purposes, be null, void, and unenforceable.

2.2 Owners Exclusive Easements of Enjoyment. Every Owner of a Condominium shall have a non-exclusive easement of use of and enjoyment in, to and throughout the Common Area of the Project for ingress, egress, and support over and through the Common Area; provided, however, such non-exclusive easements shall be subordinate to, and shall not interfere in any way with the exclusive easements, if any, appurtenant to Units over Exclusive Use Common Area. Each such non-exclusive easement shall be appurtenant to and pass with the title to every Condominium, subject to the following rights and restrictions:

- (a) The right of the Board of Directors to establish and enforce reasonable rules and regulations governing the use of the Common Area and facilities thereon;
- (b) The right of the Board to charge reasonable admission and other fees for the use of any facilities situated upon the Common Area;
- (c) The right of the Board to determine that a Member is not a Member in good standing or to suspend an Owner's rights and privileges as a Member, including voting rights and right to use the recreational facilities for any period during which any assessment against such Owner's Condominium remains unpaid and/or for infraction of the Governing Documents of the Association, after prior notice and the right to a hearing by the Board of Directors, as more particularly provided in the By-Laws;
- (d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members, provided that no such dedication or transfer shall be effective unless the terms thereof are approved by the affirmative vote or written consent of at least two-thirds (2/3) of the Members;
- (e) The right of the Board to grant easements, licenses and rights of way upon the Common Area as provided in Article V, Section 5.13, of this Amended Declaration;

- (f) The right of the Association to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and facilities thereon as security for money borrowed by the Association subject to any restrictions and limitations set forth in the Governing Documents; and
- (g) The right of the Association or its authorized agents, as provided in this Declaration, to perform its obligations under this Declaration, including obligations with respect to construction, maintenance, repair or replacement for the benefit of the Common Area or the Owners in common.

2.3 Exclusive Use Common Area. Certain portions of the Common Area, referred to as "Exclusive Use Common Areas," are subject, as the servient tenements, to exclusive easements in favor of the Units to which they are attached or assigned, as the dominant tenements, and such exclusive easements shall be appurtenant to those designated Units. Exclusive Use Common Area shall include:

- (a) Patios (including a storage area), designated on the Condominium Plan with the letter "P" and followed by the Unit Number;
- (b) Balconies (including a storage area), designated on the Condominium Plan with the letter "B" and followed by the Unit number;
- (c) Carports, all located on Lot 1 of Tract No. 7209, designated on the Condominium Plan with the letter "C" and followed by the Unit number;
- (d) Telephone wiring designated to serve exclusively a single Unit but allocated to the Unit to be served by such wiring.

Each Unit will receive the right to use and occupy as Exclusive Use Common Area at least one (1) patio or one (1) balcony, one of which will be appurtenant to the Owner's Unit, and one (1) carport.

2.4 Delegation of Use. Any Owner may delegate his rights of use and enjoyment, including easements, in the Project to the

members of his family, tenants, contract purchasers, guests and invitees, and to such other persons as may be permitted by the Governing Documents and subject to the terms thereof and, upon the leasing or renting of a Unit, or upon occupancy of a Unit by a contract purchaser, the Owner shall be deemed to have delegated and assigned all such rights exclusively to the tenants or contract purchasers of such Unit. Each Owner shall notify the Secretary of the Association of the names of any tenants or any such contract purchasers of such Owner's Unit. Each Owner, tenant or contract purchaser shall also notify the Secretary of the Association of the names of all persons to whom such Owner, tenant or contract purchaser has delegated any rights of enjoyment in the Project as provided herein and the relationship which each such person bears to such Owner, tenant or contract purchaser. Any rights of enjoyment delegated pursuant hereto are subject to suspension to the same extent that rights of Owners are subject thereto as provided in the Declaration.

- 2.5 Common Area. Subject to the provisions of the Declaration, the Common Area shall be held, maintained, and used to meet the common interests of the Members of the Association, and their families, tenants, resident contract purchasers and guests as provided in the Governing Documents, and there shall be no use of the Common Area except by such persons. Except as otherwise provided in this Declaration, there shall be no obstruction of the Common Area nor shall anything be altered, constructed, placed, kept, stored, parked, planted on or removed from the Common Area without the prior written consent of the Board. The Common Area shall be kept free of rubbish, debris and other unsightly or unsanitary materials. Each Owner shall avoid causing any damage to the Common Area and shall be liable to the Association and shall reimburse to the Association all costs incurred by reason of any damage to the Common Area and improvements thereon, including landscaping, which is caused by an Owner or an Owner's family, pets, tenants, contract purchasers, guests, invitees, agents, or representatives as more particularly set forth in Article XI, Section 11.3. Nothing shall be done or kept upon the Common Area which will result in the cancellation of any insurance maintained by the Association or an increase in premiums for such insurance.

- 2.6 Common Area Construction. Except as may be authorized by the Board, no person or entity, other than the Association or its duly-authorized agents, shall construct, reconstruct, refinish, alter, or maintain any improvement upon the Common Area, or shall make or create any excavation or fill upon the Common Area, or shall change the natural or existing drainage of the Common Area, or shall plant, remove, or destroy any seed, plant material, tree, shrub, or other vegetation upon the Common Area. ✓
- 2.7 Mechanic's Liens. In the event there shall be filed against the Common Area a Notice of Mechanic's Lien for, or purporting to be for, labor or material alleged to have been furnished or delivered for any Owner within the Project or his or her Condominium, such Owner shall forthwith cause such lien to be discharged by payment, bond or otherwise. If the Owner fails to discharge the lien, the Board may send written notice to the Owner specifying that unless the Owner discharges the lien within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five (5) day period, the Owner shall be permitted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At that time, the Board shall determine whether the lien adversely and improperly affects and encumbers the rights and interests of the Association or the other Owners. If the Board of Directors determines that the lien does adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond, or otherwise. The Board shall have the right to levy a Reimbursement Assessment against the Owner responsible for the lien in an amount equal to all amounts paid by the Association together with interest thereon at the legal rate and all costs and expenses paid or incurred in connection therewith, including reasonable attorneys' fees.
- 2.8 No Partition. There shall be no judicial partition of the Project or any part thereof, nor shall any Owner or any person acquiring any interest in the Project or any part thereof seek any judicial partition thereof; provided, however, that if any Condominium shall be owned by two or more co-tenants as tenants in common, or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition by sale as between such co-tenants.

- 2.9 Regulatory Agreement. All Owners, tenants, or their employees, or any other person that might use the facilities in the Project in any manner, are subject to the regulations set forth in the Governing Documents and in the Regulatory Agreement between the Association and Federal Housing Commissioner, which is further defined in Section 1.27 of this Declaration. Acquisition, rental, or occupancy of any Unit shall constitute acceptance and ratification of the provisions of the Governing Documents and the Regulatory Agreement.

ARTICLE III EASEMENTS

- 3.1 Easements in General. There are hereby specifically reserved and granted for the benefit of the Units and Unit Owners in common and for each Unit and Unit Owner severally, and for the Association, as their respective interests shall obtain, in addition to all easements, if any, reserved and granted on the Subdivision Maps applicable to the Project, the easements, reciprocal negative easements, secondary easements and rights of way as particularly identified in this Article III.
- 3.2 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Common Area adjacent thereto and/or as between adjacent Units due to engineering errors, errors in original construction, the unwillful placement or settling or shifting of the improvements constructed, reconstructed or altered thereon in accordance with the terms of the Declaration, or any other cause; provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, tenant or the Association.

In the event that a structure on any Unit is partially or totally destroyed and then repaired or rebuilt in accordance with the provisions of the Declaration, the Owners of each Unit agree that minor encroachments over adjoining Units shall be permitted and there shall be easements for the maintenance of said encroachments so long as they shall exist. In addition, each Unit and its Owner are hereby declared to have an easement for retaining walls, footings, roofs, balconies, eaves, and all other encroachments as originally constructed over each

adjoining Unit and/or Common Area for the maintenance thereof, together with an easement for the drainage of water from such roofs, gutters, balconies, eaves, and all other encroachments over each such adjoining Unit and/or Common Area.

3.3 Utility Easements. Easements over and under the Project or any portion thereof for the installation, repair and maintenance of electric, telephone, water, gas and sanitary sewer lines and facilities, heating and air-conditioning facilities, cable or master television antenna lines, drainage facilities, walkways and landscaping as shown on the recorded map of the Project, and as may be hereafter required or needed to service the Project, are reserved by the Association, together with the right to grant and transfer the same. The Association shall maintain all utility installations 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 Units.

3.4 Easements Granted by Association. The Association shall have the power to grant and convey to any person or entity easements and rights of way, in, on, over or under the Common Area for the purpose of constructing, erecting, operating or maintaining thereon, therein or thereunder overhead or underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkling systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association, and each purchaser, in accepting a Deed to a Unit, expressly consents thereto; provided, however, that no such easements may be granted if same would interfere with the use, occupancy or enjoyment by an Owner or Resident of any Unit and any existing exclusive easements over Common Area appurtenant thereto, if any.

ARTICLE IV

USE RESTRICTIONS

4.1 Residential Use. Units shall be occupied and used for residential purposes only.

- (a) Resident Moving Fee. Whenever a Resident moves out of a Unit, a fee of \$25 shall be imposed. If the change in residency is due to a sale of the Unit, the fee shall be imposed against the Seller of the Unit. If the change in residency is due to a change in tenants, the fee shall be imposed against the Owner of the Unit.

4.2 Rental of Units. Any leasing or renting of any Unit within the Development shall be subject to all the provisions of the Governing Documents and of this Section 4.2.

Not more than thirty percent (30%) of the Units within the Development shall, at any particular time, be leased or rented or occupied by anyone other than an Owner, members of his or her household, or temporary guests, except and subject to the following:

- (a) Restrictions on Leasing. The restrictions on leasing and renting contained in this Section 4.2 shall not apply to any Member who is an Owner of a Unit on the date this Amended Declaration is recorded. Notwithstanding the foregoing, the restrictions on leasing and renting contained in this Section 4.2 shall apply to any Unit or Units upon transfer of title to such Unit subsequent to the date this Amended Declaration is recorded.
- (b) Exceptions. The Board of Directors shall have the right to waive some or all of the provisions of this Section 4.2 either in cases of deserving and unusual hardship or for a limited term not to exceed one (1) year upon written request of an Owner representing that he or she will retake possession and occupancy of the Unit as a Resident thereof upon the expiration of such limited term. The Board shall have the right to review and approve the lease for such limited term. Exceptions as authorized by the Board shall take precedence over the order of priority established pursuant to Subsection (c)(vii), below.

(c) Procedure.

- (i) Any Owner desiring to lease or rent his or her Unit shall submit an application in writing to the Board of Directors, which shall state: the name, mailing address, Unit address, and record ownership date of the Owner; the proposed lease term; the number of tenants; and such other information which the Board of Directors may reasonably require from time to time. ✓
- (ii) Each record Owner shall have the further right, upon written request delivered to the Association, to appear in person before the Board of Directors and to discuss the request to lease or rent his or her Unit. ✓
- (iii) Within thirty (30) days after receipt of such application to lease or rent, the Board of Directors shall review such application, and approve or disapprove it in a written notice transmitted to the requesting Owner, which notice shall specify the exact reason or reasons therefor if the application is disapproved; provided that the Board shall grant the application, unless doing so will increase the number of Units leased or rented within the Development to more than allowed under this Subsection 4.2, or will otherwise result in the violation of any provision of this Section 4.2. ✓
- (iv) If the application is disapproved, the record Owner concerned shall have a right to rehearing upon written request to the Board of Directors, at its next regular meeting, or as otherwise agreed between the parties. The Owner shall have the right to appear at the rehearing and present his or her case, and on termination of such rehearing, the Board shall transmit its written determination to the requesting Owner within ten (10) days thereafter, and, if again disapproved, shall specify the reasons for such disapproval. ✓
- (v) The decision of the Board of Directors in approving or disapproving an application of a record Owner to lease his or her Unit shall be absolute and ✓

conclusive, unless in clear violation of this Section 4.2.

- (vi) The Board of Directors shall prepare a list of all record Owners currently leasing or renting a Unit, which list shall include the Owner's name, mailing address, Unit address, date of record ownership and term of the lease. Such list shall be made available to any Owner upon payment of a reasonable administrative charge to be set by the Board of Directors. ✓
- (vii) The Board shall establish and maintain a priority list, identifying the name, mailing address, address of Unit, record date of ownership, and date of application of each Owner who has submitted a written request to the Board to lease or rent his or her Unit. When the number of Units leased or rented in the Development is less than the number allowed under this Subsection 4.2, the Board shall authorize the Owner who submitted the earliest application to lease or rent his or her Unit; provided, however, that once an Owner obtains permission to lease or rent, he or she may do so to consecutive lessees or renters without interruption or may reoccupy his or her Unit for a period not to exceed thirty (30) days, without having to reapply to the Board for permission to lease or rent. ✓
- (d) Owner Responsibility. Each Owner leasing a Unit pursuant to this Section 4.2 shall be strictly responsible and liable to the Association for the actions of such Owner's tenant(s) in or about all Units and Common Area and for each tenant's compliance with the provisions of all Association Governing Documents. An Owner leasing or renting a Unit shall provide the tenant(s) with copies of the Governing Documents and all subsequent Amendments. ✓
- (e) Requirements of Lease or Rental Agreement. Any lease or rental of any Unit within the Development shall be by written instrument, a copy of which shall be filed with the Board, which shall expressly provide that its terms are subject to all of the provisions of the Governing Documents, that the tenants and lessees of such Unit shall comply with all said provisions, and that any

violation of any of said provisions shall constitute a breach and default of the terms of such lease or rental agreement. Any Lease or Rental Agreement entered into between an Owner and a lessee or renter shall be for a minimum term of one (1) year.

- 4.3 Window Coverings. All drapes, curtains, shutters, blinds, window shades, and other window coverings visible from the street or Common Area shall bear colors and/or patterns which meet the approval of the Board or Architectural Committee and which are otherwise compatible and consistent with the initial window coverings supplied and installed by the Developer of the Project.
- 4.4 Clothes Lines and Appliances. There shall be no outside laundering or drying of clothes on clothes lines of any kind except within a fenced patio and only if the clothes line and laundry are not visible from the street. Further, no clothes washers, clothes dryers, refrigerators, or freezers or other similar type appliances may be kept, stored, or operated on any patio, porch, or other exterior area. A portable barbecue grill shall not be restricted by this provision. ✓
- 4.5 Power Equipment and Car Maintenance. No power equipment, hobby shops, or car maintenance (other than emergency repair work) shall be permitted within the Project except with prior written approval of the Board. Approval shall not be unreasonably withheld, and in deciding whether to grant approval, the Board shall consider the effects of noise, air pollution, dirt or grease, fire hazard, interference with radio or television reception, and similar objections. ✓
- 4.6 Sports Apparatus. No sports apparatus such as basketball standards, volleyball poles, hockey goal nets, football and soccer poles and the like shall be placed upon, attached or affixed to any portion of the Project without the written permission of the Board or Architectural Committee.
- 4.7 Open Parking Spaces. In addition to the covered carports which are assigned to each Unit, there are 51 open parking spaces located within the Project. These spaces may be used by the Residents and their guests for vehicular parking only, unless otherwise approved in writing by the Board. At the Board's discretion, a reasonable number of open parking spaces may be assigned to certain Unit Owners who demonstrate to the Board a need for exclusive use of additional spaces, and any such

assignment shall be subject to special assessment against such Owners for the right to the exclusive use thereof.

- 4.8 Restriction on Businesses. No business of any kind shall be established, maintained, operated, permitted or conducted within the Project except such professional and administrative professions as may be permitted by applicable governmental ordinances and provided that there shall be no external evidence thereof.
- 4.9 Offensive Conduct, Nuisances. No noxious, harmful or offensive activities shall be carried on, upon, or within any part of the Project, nor shall anything be done thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance or annoyance to any residents of the Project, or which shall in any way interfere with their use of the Common Area and facilities thereon or the use and enjoyment of their Condominiums or Units. Without limiting any of the foregoing, no resident shall permit noise, including but not limited to the barking of dogs, to emanate from the resident's Unit, which would unreasonably disturb another resident's enjoyment of his or her Unit or of the Common Area.
- 4.10 Hazards. There shall be no obstruction of any part of the Common Area. Nothing shall be done, placed, or kept within the Project that will increase the rate of insurance or result in the cancellation of insurance under any insurance policy obtained by the Association, or which will be in violation of any governmental statute, ordinance, rule or regulation. Nothing shall be stored in the Common Area without the prior consent of the Board.
- 4.11 Mailboxes and Exterior Newspaper Tubes. Mailboxes shall comply with all applicable postal regulations. There shall be no free-standing exterior mailboxes or newspaper tubes.
- 4.12 Antennas, Cable Telephone System. No antennas of any kind, including but not limited to antennas used for amateur radios, community broadcasting, or AM or FM radio, satellite reception/transmission, telephone reception/transmission, or any other form of electronic, radio wave or optical reception/transmission shall be erected or maintained on any portion of the Project, except as authorized in writing by the Architectural Committee, or, if none, by the Board. The location

of common antennae or connection facilities for any cable television serving more than one Unit shall be designated by the Architectural Committee, or, if none, by the Board. Each Unit and its Owners/occupants shall be subject to the right of the other Owners or the Association to install, use, and maintain such common antennae or cable facilities. There shall be no alteration to or modification of the Project's common antennae or cable facilities except as authorized in writing by the Architectural Committee, or, if none, by the Board. Fees for use of any common antennae or cable facilities shall be solely the responsibility of the subscribing Owner(s).

4.13 Animals. Usual and ordinary household pets may be kept, provided such pets are not kept, bred or maintained for any commercial purposes, are kept under reasonable control at all times, and otherwise comply with any applicable local laws, rules or regulations. No other animals, reptiles, birds, fish, livestock or poultry shall be kept in any Unit or elsewhere in the Project. Notwithstanding the foregoing, no pets may be kept in the Project which are a serious annoyance or are obnoxious to the Owners. No animal shall be permitted in any portion of the Common Area that is not Exclusive Use Common Area except while on a leash which is held by a person capable of controlling it. Any animal not on a leash may be removed by the Association or its authorized agent to any pound or shelter within the county in which the Project is located and subject to the laws and rules governing such pound or shelter. The costs of any such removal shall be the responsibility of the Owner of the Unit to which the animal belongs, whether such animal belongs to such Owner or to any other occupant of such Unit. Owners and occupants shall prevent their pets from soiling all portions of the Common Area and shall promptly clean up any fouling by their pets. Owners shall be solely responsible for any damage or injury caused by their pets or the pets of any of their family members, tenants, guests, invitees, agents, employees and independent contractors. No dogs shall be allowed within the Project which weigh more than 25 pounds. The Board may adopt and enforce Pet Rules in addition to the provisions in this Section 4.13. ✓

4.14 Trash Disposal. Trash, garbage, accumulated waste plant material, or other waste and refuse ("waste materials") shall be kept only in covered sanitary containers located in an appropriate area and concealed from view. No Owner or

Resident shall permit or cause any such waste materials to be kept upon any portion of the Project, except in such containers. All waste materials shall be regularly removed from the Units and the Project and shall not be allowed to accumulate therein or thereon. The Board shall contract on behalf of all Owners for the removal of such waste materials and include the costs thereof in the Common Area expense assessed against all Units as part of the regular Annual Assessments. No portion of the Project shall be used for the storage of building materials other than in connection with approved construction.

4.15 Signs. No sign of any kind shall be displayed to the public view from any portion of the Project except that this limitation shall not apply to:

- (a) Such signs as may be required by legal proceedings;
- (b) Signs the prohibition of which is precluded by law;
- (c) A single identification sign which has been approved by the Architectural Committee located on a Unit identifying the number or address of the Unit;
- (d) A single sign of customary and reasonable dimension and design, complying with the provisions of any applicable ordinance and reasonably located on a Unit advertising a Unit for sale or rent;
- (e) Such signs as have been approved by the Association located at or near any entrance to the Project identifying the Project;
- (f) Such signs as may be required for traffic control and regulation of streets or open areas within the Project; and
- (g) Such signs on the Common Area as may be approved by the Board for a purpose reasonably related to the affairs of the Association.

4.16 Vehicles and Parking. Each Unit is allocated one carport parking space as designed in the Condominium Plan or Owner's Deed, as Exclusive Use Common Area. Each Unit shall also be assigned through the Association or its Manager, in accordance with the Rules, one parking permit for the parking of one authorized vehicle in an uncovered or open parking space in the Project.

Unless otherwise permitted by the Rules, no vehicle shall be parked or left within the Project other than within a carport or provided such vehicle has a valid and properly issued and displayed parking permit when parked in an uncovered or open space.

No trailer, camper, mobile home, boat or similar equipment or commercial vehicle, truck other than a standard size pickup truck, or dilapidated, inoperable or abandoned vehicle shall be parked, kept, stored or permitted to remain upon any area within the Project, other than temporarily in accordance with the Rules. The term "commercial vehicles" shall not include sedans or standard size pickup trucks which are used both for business and personal uses, provided that such signs or markings of a commercial nature on such vehicles shall be unobtrusive and unoffensive as determined by the Board. No unreasonably noisy and no smoky vehicles shall be operated within the Project.

- 4.17 Parking Enforcement. In addition to the provisions of Section 4.16 above, the Board shall have the power and authority to adopt, promulgate and enforce Parking Rules and the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to vehicles and parking. Such Power shall include the power and authority to cause the towing of vehicles at the vehicle owner's expense which are parked within the Project in violation of any of the provisions of the Governing Documents and/or applicable law. Costs incurred by the Association relating to the towing and/or storage of any vehicle parked in violation of any provision of the Governing Documents shall be assessed against the Condominium Owner responsible or whose household members, tenants, contract purchasers or guests are responsible for the presence of such vehicle as a reimbursement assessment, and such assessment may be enforced against the Condominium Owner in the same manner as provided in this Declaration relative to the recording and foreclosure of liens for non-payment of assessments.
- 4.18 Carports. Notwithstanding the maintenance provisions set forth in Article VIII, each Owner and Resident shall keep his or her carport in a neat, orderly, sanitary and safe condition. ✓
- 4.19 Outbuildings. No outbuilding, tent, shack, trailer, shed, or temporary building of any kind shall be located within the Project, except in strict compliance with the provisions of this Declaration, and in no event shall any such structure or any vehicle be used as a residence or for residential purposes, either temporarily or permanently.

- 4.20 Fires; Gas or Liquid Storage. There shall be no exterior fires whatsoever except barbecue fires contained within receptacles designed for such purposes and used only within the confines of Exclusive Use Common Area, other than carports, allocated to the Unit occupied by the person using such barbecue fires. No tank for the storage of gas or liquid shall be maintained in any portion of the Project without the prior written consent of the Board.
- 4.21 Adherence to Rules. There shall be no violation of the Rules of the Association. Any breach of such Rules may be remedied as provided herein or by such actions at law or in equity as may be appropriate to remedy such breach or to enforce compliance with such Rules.
- 4.22 Exploration for Oil/Gas/Minerals. No drilling or mining operations of any kind shall be permitted in, on or under any part of the Project.
- 4.23 Uniformity of Exterior Appearance. Except as otherwise permitted by this Declaration, nothing shall be placed in or affixed to the exterior of the Units or in or to any window of any exterior or interior window surface in the Project, including, but not limited to, any telephone installations, electrical or other wiring, air conditioning or ventilation system, or otherwise affecting the exterior uniformity of the Project, except as permitted by the Governing Documents and the Rules or as authorized in writing by the Architectural Committee, or, if none, by the Board.

ARTICLE V

HOMEOWNERS ASSOCIATION

- 5.1 Management and Operation. The Association shall manage and operate the Project in accordance with the applicable provisions of the Governing Documents, the Regulatory Agreement and the applicable provisions of California law including provisions of law applicable to a non-profit mutual benefit corporation and to a common interest development. The Association shall have all of the powers set forth in the Governing Documents together with general power to do any and all things that a non-profit mutual benefit corporation may lawfully do under the laws of

the State of California, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

- 5.2 Membership. Every Owner of a Condominium within the Project shall be a Member of the Association and shall remain a Member thereof until such time as his or her Condominium ownership ceases for any reason. Membership shall be appurtenant to and may not be separated from ownership of a Condominium and shall not be transferred, encumbered, pledged, alienated or otherwise hypothecated in any way, except in connection with the sale or encumbrance of the Condominium to which it is appurtenant.
- 5.3 Voting. Only Members shall be entitled to vote, and only one vote shall be cast for each Condominium, as more particularly set forth in the By-Laws.
- 5.4 Board of Directors. The affairs of the Association shall be managed by or under the direction of a Board of Directors. The number and qualifications of Directors shall be as established in the By-Laws, and the members of the Board shall be elected as provided in the By-Laws. The Board of Directors shall have all of the powers and duties set forth in any provision of the Governing Documents, including without limitation such powers and duties as may be expressly set forth in this Declaration.
- 5.5 Association Rules. The Board of Directors shall have the power and the authority to establish, promulgate, amend, repeal and enforce such Rules as the Board deems necessary for the management and operation of the Project and the conduct of business and affairs of the Association. Such Rules may concern, but need not be limited to, matters pertaining to use of the Common Area, including Exclusive Use Common Area; pets; signs; collection and disposal of refuse; minimum standards for maintenance of property; use of recreation facilities, parking and traffic regulations; rental or leasing of Units within the Project; and any other subject matter within the jurisdiction of the Association as provided in the Governing Documents or by law.
- 5.6 Manager and Other Personnel. The Board of Directors shall have the power and authority to employ a manager and such other persons or entities as the board shall deem appropriate to assist it in managing the Project and conducting the business

and affairs of the Association, as more particularly set forth in the By-Laws.

- 5.7 Utility Services. The Association shall have the authority to obtain, for the benefit of all of the Condominiums, all water, gas and electric service, refuse collection and janitorial or window cleaning service for the entire Project, including the Common Areas.
- 5.8 Assessments. The Board shall have the power and duty to fix, levy and collect assessments, as more particularly set forth in Article VI of this Amended Declaration.
- 5.9 Insurance. The Board shall procure and maintain liability insurance and property insurance as it shall deem proper and as more particularly set forth in the By-Laws.
- 5.10 Expenses. The Board shall pay all expenses and obligations incurred by the Association in the conduct of the Association's business and operation, including, without limitation, all taxes, licenses, or governmental charges levied or imposed against the property of the Association subject to the provisions of the Governing Documents.
- 5.11 Security Services. The Board shall have the power to contract for security services for the Common Area subject to the restrictions and limitations set forth in the By-Laws.
- 5.12 Capital Improvements. The Board of Directors shall have the power and authority to provide for the construction, reconstruction, installation, or acquisition of capital improvements upon the Common Area. ✓
- 5.13 Dedication. The Board of Directors shall have the power and authority to dedicate, sell, or transfer any interest in or to all or any part of the Common Area to any person or entity, including, without limitation, any public agency, authority, or utility, to be used for such purposes and subject to such conditions as the Board shall deem necessary, appropriate or beneficial to the Association and not inconsistent with its purposes and interests; provided, however, that no such dedication, sale, or transfer shall be effective unless the terms of such dedication, sale, or transfer has been approved, in writing, by at least two-thirds

(2/3) of the total Membership and approval of the Eligible Holders as provided for in Article IX of this Declaration.

- 5.14 Acquisition of Property. The Board acting on behalf of the Association shall have the power to acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, and maintain real or personal property in connection with the affairs of the Association. No acquisition or transfer of property shall be effective unless the terms of such acquisition or transfer has been approved, in writing, by at least two-thirds (2/3) of the total Membership. ✓
- 5.15 Easements. Notwithstanding any other provisions of the Governing Documents, the Board shall have the power to grant and convey easements, licenses for use and rights of way in, over or under the Common Area or any portion thereof to Condominium Owners, for such purposes as the Board deems to be appropriate and not inconsistent with the purposes and interests of the Association.
- 5.16 Access. The Board and its duly authorized agents or representatives shall have the right, after reasonable notice to the Owner thereof, to enter any Unit for the purpose of performing the maintenance authorized herein or for any other purpose reasonably related to the performance by the Association or the Board of their responsibilities. ✓

ARTICLE VI ASSESSMENTS AND LIENS

- 6.1 Covenant of Owner. Each Owner of a Condominium within the Project, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association: (a) Annual Assessments; (b) Special Assessments; (c) Reimbursement Assessments; and (d) Enforcement Assessments levied by the Association as hereinafter provided, together with all additional charges. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or appropriate for the collection of such assessments and charges and for the enforcement of the liens hereinafter provided for. Each assessment levied by the

Association under this Article, together with all additional charges, shall be a separate, distinct, and personal debt and obligation of the Owner against whom it is assessed, and shall bind his or her heirs, devisees, personal representatives, successors and assigns. Such obligation to pay assessments and charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of record of any Condominium within the Project shall, in turn, become liable to pay all such assessments and charges assessed during the time he or she is record Owner of such Condominium. After a record Owner transfers, of record, any Condominium he or she owns, he or she shall not be liable for any assessments levied thereafter with respect to such Condominium. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with applicable charges accruing until time of collection. A contract seller of any Condominium shall continue to be liable for all assessments and charges until a conveyance by deed of such Condominium is recorded in the Office of the County Recorder of Santa Clara County.

- 6.2 Creation of Lien. Each assessment levied by the Association pursuant to this Article, together with all additional charges, shall be a charge upon the land and upon levy shall be secured by a continuing lien upon the property against which such assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Condominium to secure the payment of any such assessments and charges as may be levied under this Article. The lien provided for herein shall continue to secure all assessments and additional charges levied upon any Condominium notwithstanding the transfer of record title to such Condominium, and any such transfer shall be subject to the Association's lien, as long as, prior to such transfer, a Notice of Delinquent Assessment has been recorded as provided in the Declaration and by law. The priority of all such liens on each Condominium shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Condominium, any sale of such Condominium, pursuant to foreclosure of the lien, will be made subject to all liens securing the respective monthly assessments and charges on such Condominium for succeeding months.

6.3 Purpose of Annual Assessments. The Annual Assessments levied by the Board shall be used exclusively to pay for the costs of management and operation of the Project, of conducting the business and affairs of the Association, to promote the recreation, health, safety, welfare, benefit and interests of the Owners and Residents in the Project, and for the improvement and maintenance of the Common Area and, to the extent provided for in the Governing Documents or by law, of the Units situated within the Project or which, in the opinion of the Board, shall be deemed to be necessary or proper for the management of the Project or of the affairs of the Association, or the benefit of the Condominium Owners, or for the enforcement of the Governing Documents. The Annual Assessments shall include an amount to be allocated for contingencies and to a reserve fund for restoration, repair and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis.

6.4 Annual Assessments.

- (a) Not later than forty-five (45) days prior to the beginning of each fiscal year, the Board shall complete and distribute to all Owners an estimate of the net funds required by the Association for such fiscal year, including a reasonable amount allocated to contingencies and reserves, to manage, administer, operate, and maintain the Project, to conduct the affairs of the Association and to perform all of its duties in accordance with this Declaration. The Board shall allocate and assess the amount of said estimated funds equally among the Condominiums by dividing the said amount by the number of Condominiums within the Project.
- (b) If, as of the end of any fiscal year, a surplus of cash results in the Association's current maintenance and operating account, as reflected in the Association's financial statement for such fiscal year, such surplus shall be applied in accordance with current state and federal taxation codes.
- (c) Except as otherwise provided by law, the Board shall not increase the Annual Assessment for any fiscal year above the amount of the Annual Assessment for the preceding

fiscal year by more than the maximum amount permitted by law, except upon the affirmative vote or written consent of a majority of Members voting thereon, provided that the number of such Members voting thereon shall be sufficient to at least constitute a quorum at a meeting of the Association as set forth in the By-Laws.

- (d) Unless the Board shall designate otherwise, Annual Assessments shall be levied on an annual basis and shall be paid in twelve (12) equal monthly installments during the fiscal year, and each installment shall be due and payable on the first day of each month.

6.5 Special Assessments. If at any time during any fiscal year the Annual Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof or the unexpected repair, replacement or reconstruction of improvements located in the Project, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost, which amount shall be allocated and assessed equally among the Condominiums; provided, however, that, except in the case of an emergency situation as defined in section 1366 of the California *Civil Code* and except in the case of restoring funds temporarily transferred from a reserve fund to the Association's operating fund as provided by law, in any fiscal year the Board may not levy such Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the affirmative vote or written consent of at least a majority of the Members voting on any such Special Assessment, provided that the number of Members voting thereon shall be sufficient to at least constitute a quorum of Members of the Association as set forth in the By-Laws.

6.6 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner and his or her Condominium if a failure by such Owner or members of his or her household or his or her tenants, contract purchasers, guests, invitees or pets to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association to deal with such lack of compliance or to bring such Owner or his Condominium into compliance. A

Reimbursement Assessment shall include any costs, including attorneys' fees, incurred by the Association, and shall be due and payable to the Association when levied.

- 6.7 Enforcement Assessments. The Board may levy an Enforcement Assessment, and any fine imposed by the Board in accordance with the provisions of the Governing Documents shall be deemed to be such an Enforcement Assessment, for violation of any of the provisions of the Governing Documents, and any Enforcement Assessment shall include any costs, including attorneys' fees, incurred by the Association in connection with such violation and shall be due and payable to the Association when levied.
- 6.8 Failure to Fix Assessments. The failure or omission by the Board to fix or levy any Annual Assessment provided for by the terms of this Declaration before the expiration of any fiscal year, for that fiscal year or the next fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay assessments or any installment thereof for that or any subsequent year, but the amount of the Annual Assessment fixed for the preceding fiscal year shall be the amount of the Annual Assessment for the ensuing fiscal year until a new Annual Assessment is levied.
- 6.9 Offsets. All assessments levied by the Board shall be payable in the full amount specified, including any additional charges imposed as provided by the terms of this Declaration, and no offsets against any such amounts shall be permitted for any reason whatsoever, including without limitation a claim that the Association has failed to properly exercise its duties of maintenance or enforcement.
- 6.10 Delinquent Assessments. Any installment or other portion of an assessment not paid within fifteen (15) days after its due date shall be delinquent and shall be subject to interest and late charges not to exceed the maximum rate permitted by law, as well as all other additional charges. The Board, on behalf of the Association, may enforce the payment of any delinquent assessment plus applicable charges by bringing an action at law against any Owner personally obligated to pay the same, or by foreclosing the Lien against the Owner's Condominium. No procedures shall be initiated to foreclose the Lien securing any

assessment levied under this Article until at least ten (10) days following the mailing of a Notice of Delinquent Assessment, duly signed by a designated officer or agent of the Association, to the Owner or Owners of the subject Condominium, and the recording of such Notice in the Office of the Recorder of Santa Clara County, California. Said Notice of Delinquent Assessment shall state the amount of the assessment, together with all accrued additional charges; a description of the Condominium against which the same has been assessed; the name or names and mailing addresses of the Record Owner or Owners thereof; and the name and address of the Trustee authorized by the Association to enforce the Lien by foreclosure and sale. Upon the recording of the Notice referred to above, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Owner, immediately due and payable, which total sum may then be included in any suit, action, or other procedure initiated to collect said sums, including all additional charges.

6.11 Power of Sale. Each Owner does hereby appoint the Association as Trustee to enforce and to foreclose any Lien which is established pursuant to the terms of this Declaration, by private power of sale, as provided in Division III, Part 4, Title 14, Chapter 2, Article 1, of the *Civil Code* of the State of California, and does further grant to the Board of Directors, on behalf of the Association, the authority and power to sell the Condominium of such Owner in the event of any default in payment of any assessments or additional charges levied against such Condominium, for lawful money of the United States, to the highest bidder, to satisfy said Lien. The Association, as Trustee for the remaining Owners, or any other Owner, may purchase the Condominium at said sale. The Board may commence any procedure for the collection of delinquent assessments upon its own decision, and it must so proceed upon the written request therefor signed by any five (5) Owners. The remedies provided in this Declaration for collection of delinquent assessments shall be cumulative and not exclusive.

6.12 Certificate of Satisfaction. Upon payment in full of a delinquent assessment, including any charges, or the satisfaction thereof, the Board shall cause to be recorded, in the same manner as the Notice of Delinquent Assessment, a further Certificate stating the satisfaction thereof, and the release of the Lien.

- 6.13 Priority. Except as otherwise expressly provided by law, the Lien securing each of the assessments provided for under this Article VI shall have priority as of the date of recording of the original Declaration applicable to the Project over all other liens and encumbrances applicable to the Condominiums; provided, however, that such assessment lien shall be subordinate to the Lien of any first mortgage or deed of trust recorded against the Condominium; and provided, further, that such subordination shall apply only to the assessments which have become due and payable prior to the sale of such property pursuant to a Decree of Foreclosure of any such mortgage or deed of trust, or pursuant to a Power of Sale contained in any such mortgage. Such foreclosure sale shall not relieve such property from liability for any assessments and charges thereafter becoming due, nor from the lien of any such subsequent assessment.
- 6.14 Association Funds. Unless otherwise determined by the Board, the assessments collected by the Association shall be properly deposited into at least two separate accounts in such bank or other depository selected by the Board, which accounts shall be clearly designated CREEKSIDE PLACE HOMEOWNERS ASSOCIATION OPERATING ACCOUNT and CREEKSIDE PLACE HOMEOWNERS ASSOCIATION RESERVE ACCOUNT. The assessments collected by the Association shall be held in trust by the Association for and on behalf of each Owner and shall be used for the purposes set forth in Section 6.3 of this Article VI. The Board shall allocate a portion of said funds as collected for the annual maintenance and operation of the Project and another portion of said funds as collected as reserves for contingencies, replacement and deferred maintenance of the capital improvements of the Project, as specified in the annual budget. Upon sale or transfer of any Condominium by any Owner, the Owner's interest in the funds held in trust by the Association shall terminate and shall be deemed automatically transferred to the successor-transferee of such Owner.
- 6.15 Waiver of Exemptions. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any Liens created pursuant to this Article VI, the benefit of any homestead or exemption laws of the State of California in effect at the time any assessment, or installment thereof, becomes delinquent or any Lien is imposed pursuant to the terms hereof.

6.16 Property Exempt From Assessments. The following property subject to this Declaration shall be exempt from the assessments, charges and Liens created herein:

- (a) All property dedicated to and accepted by the City or County or other local public authority and devoted to public use; and
- (b) Any Condominium which is owned by the Association as a result of the Association having acquired such Condominium through foreclosure; provided, however, that such exemption shall be applicable only during the period in which the Association is record owner of such Condominium; and
- (c) All Common Area.

**ARTICLE VII DAMAGE OR DESTRUCTION OF BUILDINGS;
CONDEMNATION**

7.1 Damage or Destruction of Buildings. If any of the Project improvements are damaged by fire or other casualty, insurance proceeds payable to the Association shall be used to rebuild or repair such damage substantially in accordance with the original plans and specifications therefor, unless such damage results in costs in excess of fifty percent (50%) of the total replacement cost of the Project, which such damage shall be deemed "substantial and material." In such event, the Association shall hold a Special Meeting to determine by majority vote of its Members, whether or not to rebuild. In any such meeting, the following procedure shall apply:

- (a) A special election shall be held, after not less than thirty (30) days' written notice to all Owners and their first mortgagees of record, at a suitable location within the Project, or as close thereto as practicable, which location shall be specified in such notice.
- (b) The building(s) shall be repaired or reconstructed in accordance with the original "as built" plans and specifications as hereinafter provided, unless: (1) at such special election at least sixty-seven percent (67%)

of the total voting power of the Association votes against such repair or reconstruction; or (2) the available insurance proceeds, plus reserves of the Association, are inadequate to pay the cost of repair or reconstruction, and a Special Assessment in excess of five percent (5%) of the budgeted gross expenses of the Association for the fiscal year is required to provide such funds, and such assessment fails to pass by a majority of the voting power of the Association.

- (c) In the event the requisite number of votes are not cast against such repair or reconstruction, and if a Special Assessment in excess of five percent (5%) of the budgeted gross expenses of the Association for the fiscal year is approved by a majority of the voting power of the Association, all of the insurance proceeds payable on account of such damage or destruction shall be made available for such repair or reconstruction and shall be deposited with a commercial lending institution experienced in the disbursement of construction loan funds (the "Depository"). The Depository shall be appointed by the Board. Such funds shall be disbursed in accordance with the normal construction loan practices for the Depository, which are reasonably acceptable to the Board and as set forth in paragraph (e), below. The restoration or reconstruction shall be substantially in accordance with the original "as built" plans and specifications for the building, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstruction or in accordance with such other plans and specifications as may be approved by the Architectural Committee and the respective first mortgagees.
- (d) The Board and the Architectural Committee shall designate a construction consultant (the "Construction Consultant"), a general contractor (the "General Contractor"), and an architect (the "Architect") for the repair or reconstruction contemplated by this paragraph. In the event of a dispute regarding the selection of the Construction Consultant, the General Contractor and the Architect, the selection of such individuals or firms shall be submitted to and be subject to the rules of the American Arbitration Association.

- (e) The insurance proceeds shall be disbursed by the Depository pursuant to its normal construction loan practices as approved by the Board and upon the certificate of the Construction Consultant, General Contractor and Architect dated not more than ten (10) days prior to any such request for disbursement, setting forth the following:
 - (1) That all the work completed as of the date of such request for disbursement has been done in compliance with the approved plans and specifications;
 - (2) That such disbursement request represents monies which either have been paid by or on behalf of the Construction Consultant, the General Contractor or the Architect and/or is justly due to contractors, subcontractors, materialmen, engineers, or other persons (whose name and address shall be stated) who have rendered or furnished certain services and materials and the principal subdivisions or categories thereof and the respective amounts paid or due to each of said persons in respect thereof; and stated the progress of the work up to the date of said certificate;
 - (3) That the sum then requested to be disbursed plus all sums previously disbursed does not exceed the cost of the work insofar as actually accomplished up to the date of such certificate;
 - (4) That no part of the cost of the services and materials described in the foregoing paragraph (1) has been or is being made the basis for the disbursement of any funds in any previous or then pending application; and
 - (5) That the amount held by the Depository will, after payment of the amount requested in the pending disbursement request, be sufficient to pay in full the cost of such repair or reconstruction.
- (f) In the event the insurance proceeds available for repair or reconstruction are less than the total cost of such repair

or reconstruction, the Association may use sums from its account or, if necessary, may levy Special Assessments on the Members to restore or rebuild the areas affected, provided that any assessment that exceeds five percent (5%) of the budgeted gross expenses of the Association for that fiscal year shall require the vote or written consent of a majority of the voting power of the Association, and provided, further, if such Special Assessment fails to be approved by the requisite majority, and the Project cannot be repaired or reconstructed without the funds from such Special Assessment, the provisions of paragraph (g), below, shall apply, and if the First Mortgagees are unable or unwilling to supply the necessary funds, the provisions of paragraph (i), below, shall apply.

- (g) In the event any portion of the Common Area has been damaged or destroyed and that portion of the insurance proceeds applicable to the damage or destruction is insufficient to reconstruct or repair the damaged or destroyed portion, the Association shall supply the excess funds required to restore or rebuild the affected area, as provided in paragraph (f), above; provided, however, that in the event the Association and the Members refuse or are unable to supply such excess funds, the first mortgagees of the Units affected shall have the option of supplying such excess funds or of applying that portion of the insurance proceeds allowable to that damaged or destroyed area to the debt secured by such mortgagees' mortgages or deeds of Trust, as provided in paragraph (i), below.
- (h) All such funds to be supplied by the Association or individual Owners shall be deposited with the Depository and shall be disbursed pursuant to the provisions of this paragraph 9. In the event that there is any dispute over the allocation of insurance proceeds or the amount of funds in excess of the insurance proceeds which any party must deposit with the Depository, such dispute shall be submitted and be subject to the rules of the American Arbitration Association.
- (i) In the event the Owners elect not to repair or reconstruct a building or elect not to approve a Special Assessment

to provide funds for rebuilding as provided in paragraphs (b) and (f), above, the provisions of *Civil Code* section 1359, regarding partition and sale, shall be deemed satisfied, and the insurance proceeds payable on account of such damage or destruction shall be disbursed as follows:

- (1) To the Owners and their first mortgagees in proportion to the respective fair market values of their Units and their interests in the Building at the time of the destruction as determined by an independent appraisal from a licensed appraiser appointed by the Association. In the event that any Owner or mortgagee protests the proposed distribution based upon the fair market values as determined by the appraiser, another appraiser shall be selected who is satisfactory to the Association and the protesting Owner or mortgagee. In the event of a failure to agree upon an appraiser, the appraiser shall be appointed by FHA.

- 7.2 Condemnation. In the event of an award for the taking of any Unit in the Project by eminent domain, the Owner of such Unit shall be entitled to receive the award for such taking, and after acceptance thereof, he or she and his or her mortgagee shall be divested of all interest in the Project if such Owner shall vacate his or her Unit as a result of such taking. The remaining portion of the Project shall be resurveyed, if necessary, and this Declaration shall be amended to reflect such taking and readjust proportionately the percentages of undivided interest of the remaining Owners in the Project. In the event of a taking by eminent domain of any part of the Common Area, the Association shall participate in the negotiations and shall propose the method of division of the proceeds of condemnation where Units are not valued separately by the condemning authority or by the court. When the condemnation award is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners, the proceeds of condemnation shall be distributed among the affected Owners of Units and their respective mortgagees according to the relative values of the Units affected by the condemnation as determined by an

independent appraiser who is selected under the same procedure as set forth under paragraph 7.1 (9)(i)(1), above.

The institutional lenders of any Unit subject to condemnation or eminent domain proceedings will be entitled to timely written notice of such proceedings or proposed acquisition, and no provision of any document establishing the Project will entitle the Owner of a Condominium or other party to priority over such institutional lender with respect to the distribution of condemnation proceeds or of any award or settlement.

- 7.3 Appraisals. Where the provisions of this Article require an independent appraisal of property, said appraisal shall be made by a qualified real estate appraiser with an M.A.I. certificate or the equivalent, which appraiser shall be selected by the Board.

ARTICLE VIII MAINTENANCE OF PROPERTY

8.1 Association Responsibility for Common Area.

- (a) The Association shall provide for the maintenance, repair, replacement, restoration, operation and management of the Common Area and all facilities, improvements, furnishings, equipment and landscaping thereon, and all property that may be acquired by the Association, including, without limitation, painting, maintaining, cleaning, repairing and replacing any elements of the Common Areas, including open parking areas, the swimming pool, spa and related facilities and Exclusive use Common Area carports. The Association shall further be responsible for the maintenance, repair and replacement of private streets, private driveways, walks, and all other real and/or personal property that may be acquired by the Association, keeping such property in first-class condition and good repair; provided, however, that the Association shall not be responsible for maintenance, repair or replacement of Exclusive Use Common Area and other portions of the Common Area to the extent the responsibility therefor is expressly assigned to one or more Owners, as set forth in this Article VIII. The Association shall further be responsible for providing

lighting, landscaping, gardening and janitorial services for the Common Area, as needed, and shall cause any and all other acts to be done which may be necessary to assure the maintenance of the Common Area in first-class condition and repair, including painting of the exterior surfaces of the Buildings, exterior doors and exterior windows of Units, and such other portions of the Common Area as the Board, in its discretion, determines to be necessary.

Notwithstanding the above, the Association shall not be responsible for the maintenance of landscaping within the Exclusive Use Common Area private patio areas or any other Exclusive Use Common Area, except for carports and exterior doors and windows of Units.

- (b) Utilities. The Association shall maintain all utility installations, including fire hydrants, located in any portion of the Common Area (except those maintained by utility companies or herein required to be maintained by the Owners). No utility work affecting any Common Area or utility installations therein shall be performed by any Owner without the prior written consent of the Board. The Association shall pay all charges for utilities supplied to the Project (including without limitation, electricity for Common Area lighting), to the extent not separately metered or charged to the individual Units. Utility charges paid by the Association shall be included as a Common Area expense in calculating Annual Assessments to be levied against all Units pursuant to Article VI. Electricity and telephone services to the individual Units are separately metered and charged to each Unit. The Owners of each Unit are exclusively responsible for the costs of the same and any other utility or service separately metered and charged. Water service to the individual Units is not separately metered and shall be a Common Area expense until such time as it should become separately metered.

- 8.2 Authority for Entry of Unit or Exclusive Use Common Area. The Association or its agents may enter any Unit or any portion of Exclusive Use Common Area which has been designated or assigned for the exclusive use of the Residents of a particular Unit, whenever such entry is necessary, in the Board's sole

discretion, in connection with the performance of any maintenance, repair, construction or replacement for which the Board is responsible or which it is authorized to perform. Such entry shall be made with as little inconvenience to the residents as practicable and only upon reasonable advance written notice of not less than twenty-four (24) hours, except in emergency situations.

Whenever storm or sanitary sewer, drainage, plumbing, water, electricity, gas, television, telephone, heating or other connections (including lines, conduits, ducts, or flues) are installed within the Project, which connections, or any portion thereof, lie in or upon Units owned by other than the Owner of the Unit served by said connections, the Owner of any Unit served shall have the right of reasonable access for him or herself or for utility companies to repair, replace and generally maintain said connections as and when necessary, as further set forth in Article III, Section 3.3 herein. Whenever such connections serve more than one Unit, the Owner of each Unit served by said connection shall be entitled to full use and enjoyment of such portions of said connections, as service his or her Unit.

8.3 Owner Responsibility.

- (a) Units. Except for those portions of the Project and the Units which the Association is expressly required to maintain, replace and repair, as set forth in section 8.1, above, each Owner shall be responsible for providing maintenance, repair and replacement of his or her Unit or any portion thereof, including any equipment, utility facilities, and fixtures and appliances located therein, and the finished surfaces of the interior walls, ceilings, and floors of the Unit, in a clean, sanitary, workable and attractive condition, subject to the provisions of this Article VIII. Each Owner shall also be responsible for the cleaning, maintenance, repair and replacement of all interior doors, interior windows and interior glass serving his or her Unit. Each Owner shall further be responsible for providing maintenance, repair and replacement of the internal installations, appliances, equipment, and other features servicing his or her Unit, even though located partly outside of such Unit, including, without limitation, garbage disposals, hot water heaters, ranges,

refrigerators, freezers, dishwashers, and other kitchen appliances, washing machines, driers, light fixtures, heating, ventilating and air conditioning units, condensers and equipment, light bulbs and light fixtures, plumbing facilities, showers, bathtubs, sinks, toilets, telephone facilities and any other accessories within the boundaries of the Unit. Each Owner shall, at his or her sole cost and expense maintain and repair all utilities located within his or her Condominium Unit. The provisions of this Subparagraph shall not be construed to permit any interference with or damage to the structural integrity of any building. ✓

- (b) Exclusive Use Common Area. Except for carports and exterior doors and windows, each Owner shall be responsible for the maintenance, repair, and replacement of all Exclusive Use Common Area appurtenant to his or her Unit. ~~Each Owner shall further be responsible for maintaining the landscaping within any Exclusive Use Common Area patio which is appurtenant to his or her Unit.~~ All planting and landscaping in patios or balconies to which the Residents of a Unit have been assigned or granted a right of exclusive use shall be installed and maintained by the Resident of such Unit at the Resident's expense in conformity with plans approved by the Architectural Committee. ✓

- 8.4 Interior Decorations. Each Owner shall have complete discretion as to furniture, furnishings and interior decorating of the interior of his or her Unit and shall have the exclusive right to paint, plaster, panel, tile, wax, paper, or otherwise refinish and decorate the interior surfaces of the walls, ceilings, and doors bounding his or her Unit, and to substitute new finished surfaces for the finished surfaces existing on said walls, ceilings, and doors, including, without limiting the generality of the foregoing, substitution of paint for paper or paper for paint, substitution of any type of panel for plaster or plaster for paneling, substitution of tile for paneling or paneling for tile or substitution of wood for linoleum or tile or of linoleum or tile for wood; provided that no Owner shall do anything in or about his or her Unit that will affect the structural integrity of the building in which it is located, and provided further that windows shall be covered only by drapes or shades and shall not under any circumstances be painted or covered by foil, cardboard or other ✓

similar materials. No change in the floor covering materials originally installed in the Units shall be permitted except with the consent of the Architectural Committee. To reduce sound transmission, all Units which are above other Units in the Project shall have all floor areas, except kitchens and bathrooms, covered with carpets or other material which provides equivalent insulation against sound transmission to the Unit below.

8.5 Owner Liability.

- (a) The Board shall have the absolute discretion to determine whether any maintenance, repair or replacement, which is the responsibility of an Owner, is necessary to preserve the appearance and value of the property within the Project or any portion thereof and may notify an Owner of the work it deems necessary. In the event an Owner fails to perform such work within fifteen (15) days after notification by the Board to the Owner, the Board may, after written notice to the Owner, and the right of a hearing before the Board, cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment.
- (b) In the event the need for any maintenance, repair or replacement is caused by the willful or negligent act or omission of an Owner or an Owner's family, tenants, contract purchaser, guests, invitees or household pets, the cost of such maintenance, repair or replacement, including the cost of materials, labor, supplies, and services shall be charged to, and paid by, such Owner in the form of a Reimbursement Assessment.

ARTICLE IX RIGHTS OF INSTITUTIONAL LENDERS

- 9.1 Priority of First Mortgages. No breach of any of the covenants, conditions or restrictions herein contained, nor the enforcement of any lien provisions herein shall render invalid the lien of any first mortgage (meaning a mortgage with first priority over any other mortgage) on any Unit made in good faith and for value, but all of said 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 Rights of Institutional Lenders. Notwithstanding any provisions in the Governing Documents to the contrary, Eligible Holders of a first mortgage shall have the following rights:

- (a) Copies of Governing Documents. Upon written request to the Association, the Association shall make available to Eligible Holders, current copies of the Governing Documents of the Project and the books, records and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours or under other reasonable circumstances.
- (b) Financial Statements. Upon written request to the Association, any Eligible Holder shall be entitled to any financial statement or budget which the Association has prepared or distributed to its Members pursuant to the requirements set forth in the Davis-Stirling Common Interest Development Act. Such statement shall be furnished free of charge within a reasonable time following such request. ✓
- (c) Notice of Action. Upon written request to the Association by an Eligible Holder, identifying the name or address of the Eligible Holder, and the Unit number and address for which such Eligible Holder holds a mortgage, such Eligible Holder will be entitled to timely written notice of: ✓
 - (1) Condemnation loss or any casualty loss which affects a material portion of the Project or any Unit on which there is a first mortgage held, insured, or guaranteed by such mortgage holder, insurer or guarantor, as applicable;
 - (2) Any default in performance of obligations under the Governing Documents or delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to a first mortgage held, insured or guaranteed by such mortgage holder, insurer or guarantor, which remains uncured for a period of sixty (60) days;

Areas or of Common Areas into Units; (xi) leasing of Units; (xii) imposition of any right of first refusal or similar restriction on the right of a Unit Owner to sell, transfer, or otherwise convey his or her Unit; and (xiii) any provisions which are for the express benefit of mortgage holders, eligible holders or eligible insurers or guarantors of first mortgage on Units.

An addition or amendment to such document shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within thirty (30) days shall be deemed to have approved such request;

B. Termination of Professional Management.

Any decision by the Association to terminate the use of professional management and to establish self-management; and

C. Restoration or Repair.

Any restoration or repair of the Project, after a partial condemnation or damage due to an insurable hazard, not performed substantially in accordance with the Declaration and the original plans and specifications. All such lenders shall be entitled to review and approve plans for rebuilding or reconstruction if they are substantially different from the original plans.

- (2) Any of the following actions shall require the approval of at least sixty-seven percent (67%) of the Eligible Holders and the approval of the Members in accordance with the provisions of the Governing Documents:

- A. Termination of Project. After substantial destruction or condemnation of the Project, any election to terminate the legal status of the Project;
 - B. Reallocation of Interests. Any reallocation of interests in the Common Area resulting from a partial condemnation or partial destruction of the Project;
 - C. Transfer of Common Area. Any action, by act or omission dedicate, to sell or transfer any interest in or to all or any part of the Common Area to any person or entity, including, without limitation, any public agency, authority, or utility; and
 - D. Insurance Proceeds. Any decision to use hazard insurance proceeds issued on account of losses to any property within the Project, whether to Units or to Common Area, for purposes other than repair, replacement or reconstruction of such property.
- (e) Right of First Refusal. The Governing Documents contain no provisions creating a right of first refusal, but should any such right be created in the future, such right shall not impair the rights of any first lender to (1) foreclose or take title to a Unit pursuant to the terms of the mortgage, or (2) accept a deed of assignment in lieu of foreclosure, or (3) sell or lease a Unit acquired by a first lender. In addition, any such right so created must include uniform, objective standards for invoking a restriction upon the Owner's right to sell or lease, none of which shall be based upon race, color, religion, sex, sexual orientation, marital status, national origin or ancestry of the Owner's vendee or lessee. Any right of first refusal shall be exercised within fifteen (15) days after Owner has notified the Association of his or her intention to sell, and any such exercise of such right shall include an offer on terms not less favorable to the Owner than the terms the Owner has negotiated with his or her bona fide vendee or lessee.

- (f) Reserves. Assessments or charges shall include an adequate reserve fund for maintenance, repair, and replacement of those Common Area improvements and Exclusive Use Common Area improvements which the Association is obligated to maintain that must be replaced on a periodic basis and shall be payable in regular monthly installments rather than by Special Assessments.
- (g) Distribution of Insurance or Condemnation Proceeds. No provision of the Governing Documents shall give an Owner, or any other party, priority over any rights of first mortgagees of Units pursuant to their mortgages in the case of distribution to Owners of insurance proceeds or condemnation awards for losses to or taking of Units and/or Common Area. Timely notice shall be given to all first mortgagees of all damage or destruction.

ARTICLE X ARCHITECTURAL COMMITTEE

- 10.1 Establishment. The Board may appoint an Architectural Committee consisting of three (3) persons who shall be Members of the Association. The Board may also appoint one (1) alternate Committee member who may be designated by the Committee to act as substitute on the Committee in the event of absence or disability of any Committee member. In the event of death or resignation of any member of the Committee, the Board shall have the full authority to designate a successor. If at any time there is not a duly-constituted Architectural Committee, the Board shall exercise the functions of said Committee in accordance with the terms of this Article X. ✓
- 10.2 Duties. It shall be the duty of the Architectural Committee to consider and act upon proposals or plans submitted to it pursuant to the terms hereof, to perform other duties delegated to it by the Board, and to carry out all other duties imposed upon it by this Declaration.
- 10.3 Meetings. The Architectural Committee shall meet as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the members shall constitute an act by the Committee. The Committee shall keep and maintain a record of all actions taken by it at such meetings or otherwise. ✓

The Architectural Committee and its members shall be entitled to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any Architectural Committee function.

- 10.4 Rules. The Architectural Committee may, from time to time, and subject to the Board's approval, adopt, amend and repeal rules and regulations to be known as "Architectural Rules." Said Rules shall interpret and implement the provisions hereof by setting forth the standards and procedures for Architectural Committee 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. ✓

- 10.5 Submission of Plans and Specifications. Except for improvements made or constructed on behalf of the Association, no building, fence, wall, obstruction, outside or exterior wiring, balcony, screen, patio, patio cover, tent, awning, carport, carport cover, improvement or other structure of any kind or any landscaping shall be commenced, installed, erected, painted, repainted or maintained within the Project, nor shall any exterior improvement, addition to or change or alteration therein be made, until the plans and specifications showing the nature, kind, shape, color, height, size, materials, and location of the same shall have been submitted to and approved in writing by the Architectural Committee, and if required, by the City, as to quality of workmanship and design, harmony of external design and location in relation to surrounding structures, topography and finished grade elevation.

No landscaping of patios or yards visible from the street or from the Common area not involving the use of natural grass, plants, trees, or shrubs shall be undertaken by any Owner until plans and specifications showing the nature, kind, shape, and location of the materials have been submitted to and approved in writing by the Architectural Committee.

- 10.6 Application. Any Owner proposing to perform any work of any kind whatever, which requires prior approval pursuant to this Article X, shall apply for approval by notifying the Association, ✓

in writing, of the nature of the proposed work and furnishing such information and documentation as the Committee or Board may require.

10.7 Grant of Approval. The Architectural Committee shall grant the requested approval only if:

- (a) The Owner shall have complied with the provisions of Section 10.5 above;
- (b) The Committee shall find that the plans and specifications conform to this Declaration and to the Architectural Rules in effect at the time such plans were submitted to such Committee; and
- (c) The Committee shall determine that the proposed improvements would be consistent with the standards of the Project and the purposes of this Declaration as to quality of workmanship, design and materials, as to harmony of exterior design with the existing structures and as to location with respect to topography and finished grade elevations.

10.8 Form of Approval. All approvals and rejections of requests for approval shall be in writing; provided, however, that any request for approval which has not been acted upon within forty-five (45) days from the date of submission thereof to the Architectural Committee shall be deemed approved. ✓

10.9 Board Review. The Committee shall submit a copy of its findings and determinations to the Board, which may review any decision of the Committee, upon its own initiative, or upon the written request of the Committee or of any Association Member, provided that any such request shall be presented to the Board within thirty (30) days after submission of the Committee's findings and determinations to the Board. ✓

10.10 Commencement. Upon receipt of approval pursuant to Sections 10.7 and 10.8 above, the Owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with the commencement and completion of all construction, reconstruction, refinishing, alterations and excavations pursuant to said approval, said commencement to occur, in all cases, within ninety (90) days from the date of such approval. If the ✓

Owner shall fail to comply with this paragraph, any approval previously given shall be deemed revoked unless the Board, upon written request of the Owner made prior to the expiration of said ninety (90) day period, extends the time for such commencement. No such extension shall be granted except upon a finding by the Board that there has been no change in the circumstances upon which the original approval was granted.

10.11 Completion. The Owner shall, in any event, complete the construction, reconstruction, refinishing or alteration of any such improvement within the time period after commencing construction which has been set and approved by the Architectural Committee, except and for as long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities or other supervening forces beyond the control of the Owner or his agents. If an Owner fails to comply with this Section 10.11, the Architectural Committee shall notify the Board of such failure, and the Board shall proceed in accordance with the provisions of Section 10.12, below, as though the failure to complete the improvements was a non-compliance with approved plans.

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

- (a) Upon the completion of any construction, reconstruction, alteration or refinishing of the exterior of any improvements, or upon the completion of any other work for which approved plans are required under this Article, the Owner shall give written notice thereof to the Architectural Committee. ✓
- (b) Within sixty (60) days thereafter, the Committee, or its duly authorized representative, may inspect such improvement to determine whether it was constructed, reconstructed, altered or refinished to substantial compliance with the approved plans. If the Committee finds that such construction, reconstruction, alteration or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty (60) day period, ✓

specifying particulars of non-compliance and shall require the Owner to remedy such non-compliance.

- (c) If the Owner shall have failed to remedy such non-compliance upon the expiration of thirty (30) days from the date of such notification, the Committee shall notify the Board in writing of such failure. The Board shall then set a date on which a hearing before the Board shall be held regarding the alleged non-compliance. The hearing date shall be not more than thirty (30) nor less than fifteen (15) days after notice of the non-compliance is given to the Board by the Architectural Committee. Notice of the hearing date shall be given at least ten (10) days in advance thereof by the Board to the Owner, to the Architectural Committee and, in the discretion of the Board, to any other interested party. ✓
- (d) At the hearing the Owner, the Architectural Committee and, in the Board's discretion, any other interested person, may present information relevant to the question of the alleged non-compliance. After considering all such information, the Board shall determine whether there is a non-compliance, and, if so, the nature thereof and the estimated cost of correcting or removing the same. If a non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board's ruling. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying improvement or remedy the non-compliance and all expenses incurred in connection therewith shall be assessed against the Owner as a Reimbursement Assessment. ✓
- (e) If, for any reason, the Architectural Committee fails to notify the Owner of any non-compliance within sixty (60) days after receipt of said notice of completion from the Owner, the improvement shall be deemed to be in accordance with said approved plans. ✓

10.13 Preliminary Approval. Any Owner proposing to construct improvements requiring the prior approval of the Architectural ✓

Committee may apply to the Committee for preliminary approval by submission of preliminary drawings of the proposed improvements in accordance with the Architectural Rules. The purpose of the preliminary approval procedure is to allow an Owner proposing to make substantial improvements an opportunity to obtain guidance concerning design considerations before expending substantial sums for plans and other exhibits required to apply for final approval. Application for preliminary approval shall be considered and disposed of as follows:

- (a) Within thirty (30) days after proper application for preliminary approval, the Architectural Committee shall consider and act upon such request. The Committee shall grant the approval only if the proposed improvement, to the extent its nature and characteristics are shown by application, would be entitled to a final approval on the basis of a full and complete application. In granting or denying approval, the Committee may give the applicant such directions concerning the form and substance of the final application for approval as it may deem proper or desirable for the guidance of the applicant.
- (b) Any preliminary approval granted by the Architectural Committee shall be effective for a period of ninety (90) days from the date of the issuance thereof. During said period, any application for final approval which consists of proposed improvements in accordance with the provisions of the preliminary approval, and is otherwise acceptable under the terms of this Declaration, shall be approved by the Architectural Committee.
- (c) In no event shall any preliminary approval be deemed to be an approval authorizing construction of the subject improvements.

10.14 Non-Waiver. The approval by the Architectural Committee of any plans, drawings or specifications for any work done or proposed, or for any other matter requiring the approval of the Committee under this Declaration, shall not be deemed to constitute a waiver of any right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

- 10.15 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 Condominium of said Owner) that based on 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 non-complying 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 Condominium through him, 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.
- 10.16 Liability. Neither the Architectural Committee 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 10.15, whether or not the facts therein are correct; provided, however, that the Committee or such member has acted in good faith on the basis of such information as may be possessed by it or him. Without in any way limiting the generality of the foregoing, the Architectural Committee, or any member thereof, may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications or any other proposal submitted to the Architectural Committee.
- 10.17 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 shall lie solely with the respective Owner.

- 10.18 Regulatory Agreement. The Architectural Committee is bound by the requirements of the Regulatory Agreement which provides that there shall be no remodeling, reconstruction, demolition, or subtraction from the Project without the prior written approval of FHA.

ARTICLE XI ENFORCEMENT

- 11.1 Violations as Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance and, in addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association or its Officers or Board of Directors or by any Owner; provided, however, that the Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or protect the interests of the Association and its Members as a whole.
- 11.2 Violation of Law. Any violation of a state, municipal or local law, ordinance or regulation pertaining to the ownership, occupation or use of any property within the Project is hereby declared to be a violation of this Declaration and subject to any and all of the enforcement procedures set forth herein.
- 11.3 Owners' Responsibility.
- (a) Responsibility for Conduct of Others. Each Owner shall be fully responsible for informing members of his or her family and his or her tenants, contract purchasers and guests of the provisions of the Governing Documents, and shall be fully responsible for any violation of the provisions of the Governing Documents by members of his or her family or his or her tenants, contract purchasers or guests. Each Owner shall further be fully responsible for the conduct and activities of his or her pets or those of members of his or her family or of his or her tenants, contract purchasers and guests. ✓
 - (b) Responsibility for Damage. If any damage results to any portion of the Project from the negligent or intentional

conduct of any Owner or Resident, or his or her family, contract purchasers, tenants, guests, or household pets, or from the utilities located within such person's Unit, or from vegetation placed or planted in the Project by or on behalf of any such person, the cost of making any necessary repairs shall be the responsibility of the Owner of the particular Condominium involved in said negligent or intentional conduct. If the Owner of such Condominium does not promptly repair such damage to the satisfaction of the Board, the Board may have the damage repaired and charge the Owner therefor in the form of a Reimbursement Assessment.

11.4 Rights and Remedies of the Association.

- (a) Rights Generally. The Association, its Directors, Officers or agents and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or through the use of such other remedies as are available and deemed appropriate by the Board.
- (b) Member Not In Good Standing. Upon a determination by the Board of Directors, after prior notice to the affected Member and an opportunity for a hearing, that said Member has violated any provision of the Governing Documents including a failure to pay any assessment when due, the Board may give notice in writing to such Member that he or she is deemed to be a Member not in good standing. Such Member shall be deemed to be a Member not in good standing until such time as the Board shall determine in writing that the violation which resulted in the Board's determination that the Member was not in good standing has been cured or remedied or, on some other basis as in the judgment of the Board is just and proper, that such Member shall again be deemed to be a Member of the Association in good standing.
- (c) Imposition of Sanctions. In the event of a breach or infraction of any provision of the Governing Documents by an Owner, members of an Owner's family, or his or her tenants, contract purchasers or guests, the Board shall have the power to impose a sanction against the Owner who is responsible as provided in

Subsection 11.3(a) for such breach or infraction. A sanction may include, but shall not necessarily be limited to, the imposition of a monetary penalty and/or the suspension of an Owner's rights as a Member of the Association, including an Owner's voting rights or an Owner's right to use the recreational or community facilities on the Common Area. Imposition of a sanction shall be effective only after notice and an opportunity for hearing as provided in the By Laws. Any monetary penalty imposed pursuant to this Section shall not exceed one hundred dollars (\$100.00) for each violation, as more particularly set forth in the By Laws. The payment of any such monetary penalty may be enforced as an Enforcement Assessment as provided in Article VI as well as in any manner permitted by law. Further, each Owner shall be obligated to pay Reimbursement Assessments levied by the Board for reimbursement of any costs incurred by the Association relating to violation of any provisions of the Governing Documents by such Owner's family, tenants, contract purchasers, guests, pets or other invitees.

- (d) Inadequacy of Legal Remedy. Except for the non-payment of any assessment levied pursuant to the provisions of Article VI of this Amended Declaration, it is hereby declared that a remedy at law to recover damages for a default in the performance of any of the terms and provisions of any of the Governing Documents or for the breach or violation of any such provisions is inadequate and that the failure of any Owner or a member of the family of any Owner or an Owner's tenants, guests, or household pets or any other occupant or user of any of the property within the Project to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association, its Officers or Board of Directors, or by any Owner or by their respective successors in interest.
- (e) Limitation on Disciplinary Rights. The Association shall not have the power and authority to cause a forfeiture or abridgment of a Member's right to the full use and occupancy of his or her Unit as the result of the failure by such Owner, members of such Owner's family, or his or her tenants, guests, invitees or household pets to comply

with any provision of the Governing Documents, except where such forfeiture or abridgement is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to pay assessments levied by the Association pursuant to Article VI of this Amended Declaration; provided, however, that the provisions of this subsection 11.4(e) shall not affect the Association's right to impose fines or monetary penalties or to suspend an Owner's membership rights, as provided in the Governing Documents.

11.5 Disciplinary Rules. The Board or a committee appointed by the Board for that purpose may adopt rules and regulations that further elaborate upon and refine procedures for conducting disciplinary proceedings and otherwise imposing sanctions upon Members of the Association for violation of provisions of the Governing Documents. Such rules, when approved and adopted by the Board, shall be deemed to be a part of the Association Rules provided for in and constituting a part of the Governing Documents.

11.6 Emergency Situations. Notwithstanding any other provisions of the Governing Documents, under circumstances involving conduct that constitutes an emergency including (a) an immediate and unreasonable infringement of or threat to the safety or peaceful enjoyment of residents of the Project, or (b) a traffic or fire hazard, or (c) a threat of material damage to or destruction of the Project or any portion thereof, or (d) a violation of any provision of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether the violation has occurred (such as parking violations) the Board or its duly authorized agents may undertake immediate corrective or disciplinary action and, upon request of the Owner as to whom such corrective or disciplinary action has been taken, or on its own initiative, conduct a hearing as soon thereafter as reasonably possible. If the Association acts on its own initiative to schedule a hearing, notice of the date, time and location of the hearing shall accompany the notice of the disciplinary action which is transmitted to the Owner. If the Owner desires a hearing, a written request therefor shall be delivered to the Association no later than five (5) days following the date when the notice of

the Board's disciplinary action is transmitted to the Owner. The hearing shall be held not later than fifteen (15) days following the date of the Board's notice of the disciplinary action or fifteen (15) days following the receipt of the Owner's request for a hearing, whichever is later. Any sanctions imposed or other disciplinary action taken by the Board shall be held in abeyance and shall become effective only if affirmed at the hearing.

- 11.7 Non-Waiver. Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.
- 11.8 Notices. Any notices required or given under this Article XI shall, at a minimum, set forth the date, time and location of any hearing, a brief description of the act or omission constituting the alleged violation of the Governing Documents, a reference to the specific Governing Document provision or provisions alleged to have been violated, and the sanction, disciplinary action, or other enforcement action being contemplated by the Board, if any. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice to the affected Member; provided, however, that if notice is given by mail, it shall be sent by first-class mail, postage prepaid, sent to the most recent address for the affected Member as shown on the records of the Association.
- 11.9 Costs and Attorney's Fees. In the event the Association shall take any action to enforce any of the provisions of the Governing Documents or shall determine that any Member or members of his or her family or his or her tenants, contract purchasers, guests, invitees or household pets have violated any provision of the Governing Documents, and whether or not legal or judicial proceedings are initiated, the Association shall be entitled to recover the full amount of all costs including attorney's fees incurred by the Association in responding to such a violation and/or in enforcing any Governing Document provision. The remedies of the Association to recover the amount of such costs and attorney's fees shall include, but shall not necessarily be limited to, the imposition of a Reimbursement Assessment as provided in Article VI of this Amended Declaration.

ARTICLE XII INSURANCE

12.1 Insurance Carried by Association. The Association, through the Board, shall obtain and continue in effect:

- (a) Property Insurance. A master or blanket policy of fire and casualty insurance for one hundred percent (100%) of the current replacement cost, without deduction for depreciation or coinsurance, of all improvements in the Project, including, without limitation, the Common Area and all fixtures, equipment and utility and other installations therein; all fixtures, equipment and other property within a Unit to the extent the same is financed by any First Mortgage held by the Federal National Mortgage Association; and all of the personal property and supplies of the Association. Such insurance must afford protection against at least loss or damage by fire and other perils normally covered by the standard extended coverage endorsement and all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available. In addition, such insurance must include recognition of any insurance trust agreement, the waivers set forth in Subsections (a) through (c) of that Section of this Article XII entitled "Required Waivers" and an agreed amount endorsement, and, if available, inflation guard, demolition cost, contingent liability for operation of building laws, increased cost of construction endorsements, and the waivers specified in Subsections (d) through (f) of that Section of this Article XII entitled "Required Waivers." Such insurance shall protect the interests of the Association and the Owners, who shall be named as additional insureds, and shall contain the "standard mortgagee clause," or equivalent endorsement (without contribution), which is commonly accepted by private institutional mortgage investors in the area in which the Project is located and which provides that coverage of a Mortgagee under the insurance policy will not be adversely affected or diminished by any act or neglect of the Mortgagor, unless such coverage is prohibited by applicable law.

- (b) Public Liability Insurance. A comprehensive policy of public liability insurance insuring the Association and the Owners, who shall be named as additional insureds, and the family members, guests, invitees, agents and employees of each, including any manager retained by the Association, against any liability incident to the ownership or use of the Project, including without limitation, liability for property damage, bodily injury and deaths of persons in connection with the operation, maintenance or use of the Common Area and liability arising out of lawsuits relating to contracts of the Association. Such policy shall also include, if obtainable, host liquor liability and non-owned automobile, medical payments, blanket contractual and personal injury coverage, and the waivers specified in that Section of this Article XII entitled "Required Waivers." The limits of such insurance shall be not less than One Million Dollars (\$1,000,000) single limit for death of or injury to one or more persons and/or property damage arising out of a single occurrence.
- (c) Flood Insurance. So long as the Project is located in a flood hazard area, flood insurance to the extent necessary to comply with the requirements of the Federal Insurance Administrator, the Regulatory Agreement, the Department of Housing and Urban Development, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or any similar secondary market purchaser of Mortgages.
- (d) Workers' Compensation Insurance. Workers' compensation insurance to the extent necessary to comply with any applicable laws or regulations.
- (e) Fidelity Insurance. Blanket fidelity bonds for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of or administered by the Association in a total amount of not less than a sum equal to at least one hundred and fifty percent (150%) of each year's Estimated Cash Requirement, plus reserves held in the segregated capital contributions account. All such bonds shall name the Association and the Owners as obligees; shall contain a waiver of all defenses based upon the exclusion of

persons serving without compensation; and shall require advance notice of cancellation or modification as hereinafter provided.

- 12.2 Officers and Directors Insurance. The Board may obtain liability insurance covering the officers and directors of the Association and the Owners, insuring them against liability for actions of the directors and officers acting in their capacity as such in such amounts as the Board shall determine.
- 12.3 Other Insurance; Requirements of Governmental Entities. Secondary Market Purchasers. The Board may purchase and maintained in effect such other insurance as it deems necessary or appropriate and shall purchase and maintain in effect such other insurance as may be required to satisfy the requirements of the Regulatory Agreement, the Department of Housing and Urban Development, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or similar secondary market purchaser of Mortgages. All policies of insurance required by any of the foregoing shall be with carriers and otherwise in form and content which satisfy any applicable requirements of the foregoing.
- 12.4 Trustee. Any fire and casualty insurance acquired by the Association shall be taken in the name of the Association for the use and benefit of the individual Owners. Proceeds shall be paid to the Board as trustee for the Owners and their Mortgagees and, subject to the provisions of Article VII of this Declaration, shall be held, distributed and expended in trust for the use and benefit of the Association, the Owners and their Mortgagees, as their respective interests shall appear. Each Owner and each Owner's successors and assigns herewith expressly and irrevocably appoint the Board, as such Owner's true and lawful attorney-in-fact to purchase and maintain such insurance; to collect, distribute and expend the proceeds thereof; to negotiate in good faith with any and all insurers (other than insurers of coverage obtained by an Owner) with respect to all matters affecting insurance carried by the Association, including the settlement of a loss claim (including settlement for less than full coverage) and the surrender, cancellation and modification of all such insurance; and to substitute an institutional trustee to act as trustee in lieu of the Board. The Board or any substitute trustee shall have exclusive and full authority to perform all such acts on behalf of all named insureds. Any such acts by the

Board or any substitute trustee shall be binding on all Owners and their Mortgagees and all other named insureds. Any loss claim form and/or release form signed by a majority of the authorized number of Directors or any substitute trustee shall be binding on all Owners and their Mortgagees and all other named insureds.

- 12.5 Insurance Required to be Carried by Owners. It is the responsibility of each Owner to insure such Owner's personal property and all improvements and betterments made by said Owner in and to said Owner's Unit, including, without limitation, interior surface finishes, ceiling treatments, carpets or other floor coverings, wall coverings, window treatments, and all furnishings, appliances, fixtures, equipment and utility and other installations. It is the intent of this Section that while the Association shall obtain insurance for the physical structures housing the Units and fixtures, equipment and other property within a Unit to the extent the same is financed by any first Mortgage held by the Federal National Mortgage Association, the risk of loss (and the responsibility for insuring against the same) of all improvements, betterments, and personal property in and to a Unit (to the extent the same are not covered by the Association's insurance), shall be that of the Owners. It is the further intent of this Section that the responsibility for determining the extent to which insurance obtained by the Association covers such improvements, betterments, and personal property shall be solely that of the Owners, and that the Association and the Board shall in no way be liable for any loss to or of any of the same owing to the fact that covering is not provided by insurance obtained by the Association. ✓

- (a) Additional Insurance. No provision contained herein shall be construed to prevent any Owner from obtaining such additional insurance coverage, as such Owner may consider necessary or desirable to protect such Owner or such Owner's Unit; provided, however, that any diminution in insurance proceeds otherwise payable under the Association's policy or policies that results from the existence of such other insurance shall be chargeable to the Owner who acquired such other insurance. Such Owner shall be liable to the Association to the extent of any such diminution, and shall assign the proceeds of the insurance carried by such Owner, to the extent of any such reduction, to the Association. The amount of any

such reduction not paid to the Association may be specially assessed against the Unit of such Owner.

- (b) Waivers. All insurance carried by Owners shall contain a waiver of subrogation of claims against other Owners and the Association.

12.6 Assessment of Premiums. Insurance premiums for policies of insurance carried by the Association shall be an expense to be included in the Annual Assessments levied by the Association against each Unit.

12.7 Notice of Cancellation or Modification. All insurance policies and fidelity bonds maintained by the Association shall provide that such policies may not be cancelled, reduced or substantially modified without at least ten (10) days' prior written notice to the Association, the Owners, each holder of a First Mortgage which is listed as a scheduled holder of a First Mortgage in the insurance policy, and any other Mortgagee who has requested such notice by written request directed to the insurer.

12.8 Annual Review. The Board shall annually review the amounts and types of all insurance obtained by it and shall make such adjustments therein as may be necessary to provide such coverage and protection as is at least equal to such coverage as is commonly required by prudent institutional mortgage investors in the area in which the Project is located and for projects of similar construction and use.

12.9 Required Waivers. All policies of insurance obtained by the Association shall provide for the following:

- (a) Waiver of subrogation of claims against other insureds;
- (b) That the policy carried by the Association is primary and not subject to any right of contribution by reason of other insurance carried in the name of any Owner;
- (c) That the insurance carried by the Association shall not be prejudiced by any act or neglect of any other insured;

and for the following to the extent the same are obtainable from the respective insurers:

- (d) Waiver of any right of the insurer to repair, rebuild or replace and, in the event the Project is not repaired, rebuilt or replaced following loss, any right to pay under the insurance the lesser of the replacement value of the improvements or the actual cash value thereof;
- (e) Waiver of notice of the assignment by any Owner of such Owner's interest in the insurance by virtue of a conveyance of any Unit;
- (f) Cross-liability endorsements insuring each insured against liability to each owner insured.

12.10 Waiver by Owners. All insurance obtained by the Association shall be maintained by the Association for the use and benefit of the Association, the Owners and the Mortgagees of Owners, as their interests may appear. As to each of said policies, to the extent the same will not be voided or impaired thereby, and as to each policy obtained individually by an Owner, to the extent the same will not be voided or impaired thereby, the Owners hereby waive and release all claims against the Association, the Board, other Owners, and agents and employees of each of the foregoing, with respect to any loss covered by such insurance (whether or not caused by the negligence of or breach of any agreement by said persons), to the extent of any proceeds received in compensation for such loss from such insurance.

12.11 Evidence of Insurance. All policies of insurance obtained by the Association and/or by the Owners as required hereunder shall provide that evidence of such insurance shall be issued to each Owner and each Owner's Mortgagee(s) upon request. Such evidence must provide for a minimum of thirty (30) days' notice of cancellation, reduction or substantial modification as required herein; (2) include the amounts and types of coverages afforded; (3) indicate by descriptive name any special endorsements which are part of any master policy maintained by the Association; and (4) be executed by an authorized company representative.

ARTICLE XIII AMENDMENT

- 13.1 Procedure. This Declaration may be amended by the affirmative vote or written consent of Members representing at least a majority of the voting power of the Association. Notwithstanding the foregoing, the percentage of the Members necessary to amend a specific clause or provision of this Declaration shall not be less than the percentage of affirmative votes prescribed for action to be taken under that clause. If the consent or approval of the FHA, Eligible Holder, First Mortgagee or any other entity is required under this Declaration to amend or revoke any provision of this Declaration, no such amendment or revocation shall become effective unless such consent or approval is obtained.

Any amendment of the Declaration shall be signed and acknowledged by the duly authorized officer(s) of the Association and recorded in the Office of the Santa Clara County Recorder. Further, all Amendments must be submitted to FHA for approval; however, such approval shall not be unreasonably withheld.

ARTICLE XIV GENERAL PROVISIONS

- 14.1 Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration, or otherwise.
- 14.2 Severability. The provisions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision hereof shall not invalidate any other provisions hereof.
- 14.3 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Project for the benefit of the community.
- 14.4 Number; Gender. 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.


- 14.5 Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a deed to any Condominium.
- 14.6 Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, an irrevocable power of attorney coupled with an interest is granted to the Association by the Owners.
- 14.7 Fair Housing. No Owner shall, either directly or indirectly, forbid or restrict the conveyance, encumbrance, leasing, mortgaging, or occupancy of his or her Unit to any person exclusively by reason of that person's race, color, religion, ancestry, or national origin.

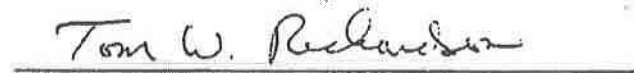
IN WITNESS WHEREOF, we, the Members of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, constituting at least sixty-seven percent (67%) of the total voting power of said Association, hereby affirm, approve, and adopt the foregoing Amended Declaration Establishing a Plan of Condominium Ownership of Creekside Place Homeowners Association, in accordance with Article IX of the Enabling Declaration Establishing a Plan of Condominium Ownership of Creekside Place, dated August 31, 1983, and recorded on September 14, 1983, in Santa Clara County Official Records as Instrument No. 7813830 by means of the signatures of the President and Secretary of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, duly authorized by written consent of at least sixty-seven percent (67%) of the total voting power of the aforesaid Association and fifty-one percent (51%) of the Eligible Holders, which Amended Enabling Declaration Establishing a Plan for Condominium Ownership of Creekside Place Homeowners Association

shall be recorded with the County Recorder of Santa Clara County, California.

DATED: 7/26/94

**CREEKSIDE PLACE HOMEOWNERS
ASSOCIATION**


CARM J. GRANDE President

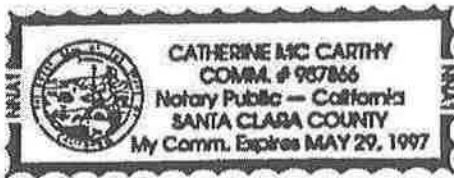

TOM W. RICHARDSON Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of CALIFORNIACounty of SANTA CLARAOn 7/15/94 before me, CATHERINE MC CARTHY, NOTARY PUBLIC
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"personally appeared CARMEN J. GRANDE

NAME(S) OF SIGNER(S)

- ☐ personally known to me - OR - ☒ 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.



WITNESS my hand and official seal.

Catherine Mc Carthy
SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☒ INDIVIDUAL
☒ CORPORATE OFFICER

PRESIDENT
TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

CC & R FOR HOMEOWNERS'
TITLE OR TYPE OF DOCUMENT ASSOC.

67
NUMBER OF PAGES

7/26/94
DATE OF DOCUMENT

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

CREEKSIDE PLACE
HOMEOWNERS ASSOC.

TOM W. RICHARDSON
SIGNER(S) OTHER THAN NAMED ABOVE

**Creekside Place
Homeowners Association
Amended Articles of Incorporation**

**NOTICE REGARDING
DISCRIMINATORY RESTRICTIONS**

(California Government Code 12956.1)

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, victim of abuse 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."



State
of
California

SECRETARY OF STATE'S OFFICE

A455121

CORPORATION DIVISION

I, *TONY MILLER*, Acting Secretary of State of the State of California, hereby certify:

That the annexed transcript has been compared with the corporate record on file in this office, of which it purports to be a copy, and that same is full, true and correct.

IN WITNESS WHEREOF, I execute
this certificate and affix the Great
Seal of the State of California this

DEC 22 1994



Tony Miller

Acting Secretary of State

A455121

**CERTIFICATE OF AMENDMENT OF
AMENDED ARTICLES OF INCORPORATION OF
CREEKSIDE PLACE HOMEOWNERS ASSOCIATION**


We, the undersigned, hereby certify that:

1. We are the President and Secretary, respectively, of CREEKSIDE PLACE HOMEOWNERS ASSOCIATION, a California nonprofit mutual benefit corporation, and are duly authorized to execute this Certificate.
2. The Articles of Incorporation of the Corporation, which were filed on September 1, 1983, shall be amended to read as set forth in full in Exhibit "A" attached to this Certificate.
3. The foregoing amendment has been approved by the Board of Directors and by the affirmative vote of the Members representing at least a majority of the total voting power of the Corporation.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 14th day of July, 1994.



President CARM J. GRANDE



Secretary TOM W. RICHARDSON

ENDORSED
FILED

In the office of the Secretary of State
of the State of California

DEC 12 1994

TONY MILLER
Acting Secretary of State

**VERIFICATION OF
CERTIFICATE OF AMENDMENT OF
ARTICLES OF INCORPORATION OF
CREEKSIDE PLACE HOMEOWNERS ASSOCIATION**

The undersigned, CARM J. GRANDE
and TOM W. RICHARDSON, being the President
and Secretary, respectively, of CREEKSIDE PLACE HOMEOWNERS
ASSOCIATION, each hereby declare under penalty of perjury pursuant
to the laws of the State of California, that the matters set forth in the
foregoing Certificate of Amendment of Articles of Incorporation are true
of his or her own knowledge.

EXECUTED at Santa Clara County, California, this 14th
day of July, 1994.



President CARM J. GRANDE



Secretary TOM W. RICHARDSON

EXHIBIT "A"

AMENDED ARTICLES OF INCORPORATION OF CREEKSIDE PLACE HOMEOWNERS ASSOCIATION

ARTICLE I NAME

The name of the corporation is CREEKSIDE PLACE HOMEOWNERS ASSOCIATION (hereinafter called the "Corporation").

ARTICLE II ORGANIZATION

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 for which a corporation may be organized under such law.

ARTICLE III PURPOSE AND POWER OF THE CORPORATION

This Corporation does not contemplate pecuniary gain or profit to the Members thereof, and the specific primary purposes for which it is formed are to provide for maintenance, protection, preservation, and architectural control of the residence Units and Common Area, including the attractiveness and value thereof, and the landscaping, structures, and facilities thereon, within that certain tract of property located in the County of Santa Clara, State of California, described as follows:

Lot 1 of that certain Map of Tract No. 7209 filed for record in Book 517 of Maps, Pages 16 and 17, Official Records of Santa Clara County, California,

Lot 1 of that certain Map of Tract No. 7210 filed for record in Book 517 of Maps, Pages 18 and 19, Official Records of Santa Clara County, California,

Lot 1 of that certain Map of Tract No. 7211 filed for record in Book 517 of Maps, Pages 20 and 21, Official Records of Santa Clara County, California,

and to provide for the management, administration, and operation of the herein described property comprising the Creekside Place Homeowners Association Project and the business and affairs of the Corporation, and to promote the health, safety, welfare and interests of all owners of property and residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of the Corporation, and to take such action as in the judgment of the Board of Directors shall be necessary or proper or incidental to the foregoing purposes of the Corporation.

ARTICLE IV MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Unit within the real property described in Article IV hereof, which is subject, by covenants of record, to assessment by the Corporation, including contract sellers, shall be a Member of the Corporation. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to, and may not be separated from, ownership of any Unit which is subject to assessment by the Corporation.

ARTICLE V VOTING RIGHTS

The Corporation shall have one (1) class of voting membership, comprised of all Members, whose voting rights shall be as set forth in the Declaration and By-Laws of the Corporation.

ARTICLE VI BOARD OF DIRECTORS

The affairs of this Corporation shall be managed by a Board of Directors, who shall be Members in good standing of the Corporation. The number of Directors, their qualifications, and the manner of their selection shall be as set forth in the By-Laws of the Corporation.

ARTICLE VII DISSOLUTION

This Corporation is intended to qualify as a Homeowners Association under the applicable provisions of Section 528 of the United States *Internal Revenue Code* ("IRC") and of Section 23701t the *Revenue and Taxation Code* of the State of California ("R&TC"), as each may be amended from time to time. No part of the net earnings of this Corporation shall inure to the benefit of any private individual, except as expressly provided in IRC Section 528 and R&TC Section 23701t with respect to the acquisition, construction or provision for management, maintenance and care of the Corporation property, and other than by rebate of excess membership dues, fees, or assessments. So long as there is any lot or parcel for which the Corporation is obligated to provide management, maintenance, preservation, or control, the Corporation shall not transfer all or substantially all of its assets or file a certificate of dissolution without the approval of one hundred percent (100%) of the Members. In the event of the dissolution, liquidation, or winding-up of the Corporation, upon or after termination of the Development, in accordance with provisions of the Declaration, the Corporation's assets remaining after payment, or provision for payment, of all debts and liabilities of the Corporation shall be divided among and distributed to its Members in accordance with their respective rights therein.

ARTICLE VIII AMENDMENTS

Any amendments to these Amended Articles of Incorporation shall require the approval of the Board of Directors and the approval by the affirmative vote or written consent of Members representing at least a majority of the voting power of the Corporation.

RESERVE STUDY

Component Analysis and Reserve Fund Plan

Site Inspection Update Study 2021

For

Creekside Place HOA

San Jose, CA

Prepared By

**RESERVE ANALYSIS
CONSULTING, LLC**

1750 Bridgeway, Suite B106 • Sausalito, CA 94965
office (415) 332-7800 • fax (415) 332-7801

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3.00	Narrative Statements..... Property description, property condition & financial statements	5300(b)(4,5,6,8)
4.00	30 yr Reserve Funding Plan..... Regular & Special Assessment Amounts, projected expenditure amounts & fund balances	5300(b)(5,6), 5560, 5565
5.00	Graphic Illustrations..... Bar graphs depicting assessment levels, inflated expenditures & bank balance	
6.00	Next 3 Years Projected Expenditures..... Summary of next 3 years projected expendituresSummary of next 3 years projected expenditures	
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**Creekside Place HOA
Sequester Court
San Jose, CA 95133**

ATTN: Board of Directors

RE: Creekside Place HOA - Site Inspection Update Study 2021

Please find enclosed the Reserve Fund Analysis prepared for your Association. The purpose of this analysis is to quantify the major components the Association is responsible to maintain, and to project funding requirements adequate to repair/replace or maintain these components in conformance with California Civil Codes § 5300, 5500-5570 ((old 1365, 1365.5, & 1365.2.5)). The underlying principle of these Code requirements is that current owners should pay their appropriate share for components as they are being used and not transfer these costs to future owners.

TERMS & CONDITIONS OF STUDY

This Reserve Fund Analysis, undertaken by Reserve Analysis Consulting, L.L.C., has been conducted in compliance with California Civil Codes § 5300, 5500-5570 ((old 1365, 1365.5, & 1365.2.5)) and in compliance with standards established by the Association of Professional Reserve Analysts (APRA) and the California Association Institute (CAI).

Components that meet the following criteria are included in this report:

- 1) The component maintenance is the responsibility of the Association.
- 2) The component is not covered by the Association's annual operating budget.
- 3) The component's estimated remaining life is less than thirty (30) years from the date of this study.
- 4) Components with a remaining useful life in excess of thirty (30) years may be included for the benefit of knowledge of these components, but will not be factored into the funding plan.

All components listed in this report are those that have been selected and approved by the Board as prescribed by the Association's CC&Rs. Component useful life and remaining life projections are based on industry standards, manufacturer information, date and maintenance information provided by the Contractee and/or its management and staff. However, as a result of construction methodology, maintenance by the facility staff or other specific local conditions, component useful life and/or remaining life may vary from standard. Repair or replacement schedules and the resulting assessment schedules are derived by combining the resources described above. Reliance on these schedules is at the Contractee's discretion. Reserve Analysis Consulting, L.L.C. makes no guarantee as to the actual performance of any of the components. Each component's condition, life expectancy, and replacement cost evaluation is based on visual inspection only. Inspection was limited to areas accessible to the inspectors. Where components were not accessible, assumptions were made based on available component statistical data. There was no disassembly of components or demolition involved.

This report does not address any factory defects or any damage due to improper maintenance, system design, or installation. The analysis of these components, for which the Association has responsibility, does not employ methods used for forensic or defect investigation or actual construction. It is also assumed that all components covered by this report receive reasonable maintenance by the Contractee. Reserve Analysis Consulting, L.L.C. makes no statement of warranty, either specific or implied, as to the actual future performance of any component.

The costs for components included in this report are based on current published construction industry repair or replacement costs and local cost conditions. Due to component cost changes in the future over which Reserve Analysis Consulting, L.L.C. has no control, we advise the Contractee to have this study reviewed on an annual basis and make any necessary adjustment regarding component performance and/or costs. The reliance on costs included in this Component Analysis is at the discretion and acceptance of the Contractee and/or its management. Reserve Analysis Consulting, L.L.C. makes no guarantee that projected costs will represent actual job costs at the time of component repair or replacement. An inflation factor based on current construction industry index information is used and provided to the Contractee for approval prior to inclusion in the Final Report.

The cash flow projections made within this report could vary significantly due to future conditions. Without regular, periodic updates, the Contractee should not rely on these cash flow projections beyond the first funding year of this report.

GENERAL DEFINITIONS OF STUDY**RESERVE STUDY:**

A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Component Inventory and the Funding Analysis.

COMPONENT INVENTORY and ANALYSIS:

The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of the association design and organizational documents, a review of established association precedents, and discussion with appropriate representative(s) of the association or cooperative.

FUNDING ANALYSIS :

The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented.

FUNDING PRINCIPLES:

- Sufficient funds to defray future repair and replacement requirements.
- Consistent contribution rate throughout the 30 year Funding Plan.
- Appropriate contribution levels to ensure that current owners pay their share for component usage.
- Fiscally responsible.

FUNDING GOALS:

Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balances above zero.

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount.

Full Funding: Establishing a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

PERCENT FUNDED:

The ratio, at a particular point in time (typically the ending of the Fiscal Year) of the actual (or projected) Reserve balance to the Fully Funded balance, expressed as a percentage.

CASH FLOW FUNDING METHOD:

A method of developing a Reserve Funding Plan where consistent contributions to the Reserve fund are designed to offset the variable annual expenditures. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

ASSUMED LONG-TERM INTEREST AND INFLATION

"Assumed Long-Term" (as used in the Davis-Stirling Act) is interpreted to mean an approximate 30 Year average. When assigning the interest rate, per Statute 5300(b)(7) ((old 1365(a)(4))), the rate may not be in excess of 2% above the current Federal Reserve Rate.

INFORMATION REFERENCE

TRADE: Financial Information
NAME: Ms. Tanya Ruiz
COMPANY: Community Management Services
ADDRESS: 1935 Dry Creek Road, Suite 203
CITY, STATE: Campbell, CA 95008-3631
PHONE: (408) 559-1977

TRADE: Component Replacement Dates
NAME: Ms. Tanya Ruiz
COMPANY: Community Management Services
ADDRESS: 1935 Dry Creek Road, Suite 203
CITY, STATE: Campbell, CA 95008-3631
PHONE: (408) 559-1977

PROPERTY INFORMATION

<i>PROPERTY NAME:</i>	Creekside Place HOA		
<i>STREET ADDRESS:</i>	Sequester Court		
<i>CITY, STATE, ZIP:</i>	San Jose, CA 95133		
<i>GOVERNING ENTITY:</i>	Board of Directors		
<i>YEAR CONSTRUCTED:</i>	1983	<i>NUMBER OF CONSTRUCTION PHASES:</i>	
<i>NUMBER OF UNITS:</i>	64	<i>NUMBER OF RESIDENTIAL BUILDINGS:</i>	

CONTACT INFORMATION

<i>CURRENT PROPERTY CONTACT:</i>	Ms. Tanya Ruiz Community Management Services 1935 Dry Creek Road, Suite 203 Campbell, CA 95008-3631 Phone: (408) 559-1977	Email: truz@communitymanagement.com
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RESERVE STUDY INFORMATION

<i>TYPE OF STUDY:</i>	Site Inspection Update Study 2021
<i>BEGINNING YEAR OF STUDY:</i>	2021
<i>YEAR OF LAST PHYSICAL INSPECTION:</i>	2020
<i>YEAR OF NEXT PHYSICAL INSPECTION:</i>	2023 (as required by the Davis-Stirling Act)
<i>RESERVE STUDY PREPARER:</i>	Reserve Analysis Consulting, L.L.C. 1750 Bridgeway, Suite B106 • Sausalito, CA 94965 Sausalito, California 94965 Office Phone: (415) 332-7800 FAX: (415) 332-7801
<i>PERFORMED BY:</i>	Aaron Atnip Direct Phone: (415) 272-1716 Email: aarona@reserveanalysis.com

RESERVE FUND FINANCIAL INFORMATION

<i>BUDGET YEAR ENDING DATE:</i>	12/31	2020	2021
<i>ANNUAL RESERVE CONTRIBUTION:</i>		\$115,932	\$114,384
<i>MONTHLY RESERVE CONTRIBUTION:</i>		\$9,661	\$9,532
<i>PER UNIT MONTHLY (AVG.) CONTRIBUTION:</i>		\$150.95	\$148.94
<i>TOTAL SPECIAL ASSESSMENT:</i>		N/A	N/A
<i>PER UNIT (AVG.) SPECIAL ASSESSMENT:</i>		N/A	N/A
<i>PROPOSED RESERVE FUND EXPENDITURES:</i>			(\$258,052)
<i>ESTIMATED YEAR ENDING BALANCE:</i>		\$403,784	\$263,300
<i>REQUESTED MINIMUM "THRESHOLD" FUTURE BALANCE:</i>			N/A

RESERVE PERCENT FUNDED CALCULATION

<i>AMOUNT NEEDED TO BE 100% FUNDED:</i>	\$1,019,662	\$834,117
<i>THEORETICAL PER UNIT UNDERFUNDED:</i>	\$9,623	\$8,919
<i>CALCULATED PERCENT FUNDED:</i>	39.60%	31.57%

RESERVE PROJECTED INTEREST & INFLATION

<i>"ASSUMED LONG-TERM INTEREST RATE":</i>	2.00%
<i>"ASSUMED LONG-TERM INFLATION RATE":</i>	3.00%

PROPERTY DESCRIPTION & COMPONENT INCLUSION:

Creekside Place HOA is a 64-member association located in San Jose, CA.

The Association is responsible for common areas only that were originally built in phase in 1983.

The Association is responsible for all components as the Board of Directors has interpreted the CC&Rs.

For specific component inclusion based on that interpretation please refer to the Component Data or Schedule Sections.

5300(b)(4) - COMPONENT CONDITION:

The property is composed of a variety of components that are in a range of conditions due to their various ages and expected lives. The projections in this Reserve Study intend to maintain these components at an appropriate condition in the future; however, it is the Board's responsibility to investigate and cause the actual maintenance, repair and replacement projects at the appropriate time(s).

Per Davis-Stirling Section 5500 ((old 1365.5)), on a quarterly basis the Board will review actual reserve expenses compared to the year's proposed reserve expenses. Depending on each component's condition and available information at that time, the Board will determine to undertake repair and replacement projects as appropriate. Please refer to the Sections of Component Data and/or Component Schedule for specific details on component ages, expected lives, and remaining lives. A component with a negative remaining life does not necessarily mean the component is being deferred, but rather signifies that the component is past its statistically average life and will be reviewed annually until it is appropriate for replacement. If the Board has specifically determined to defer or not undertake a component's repair or replacement, that decision and its justification is required to be in meeting minutes and disclosed separately in the Annual Budget Report.

5300(b)(3,5,6,7,8) - FUNDING PLAN ANALYSIS & CALCULATIONS:

5300(b)(3) - "the association shall provide the full reserve study plan upon request."

Specific Details regarding the following statements can be viewed in the "30 YEAR FUNDING PLAN" (included with this Reserve Summary).

5300(b)(5) - If applicable, the amount and commencement date of Board determined or anticipated special assessments will be shown and if a vote of the membership is required.

5300(b)(6) - The mechanism(s) by which the board will fund the reserves, including assessments, borrowing, and/or use of other assets. Refer to 5300(b)(4) above for deferral/selected repair/replacements.

5300(b)(7) - Procedures & methodology used for these calculations can be found in section "Procedures & Methodologies" (included with this Reserve Summary).

5300(b)(8) - If applicable, details regarding outstanding loans can be found in the 5570 "Reserve Summary and Disclosure" (included with this summary) and/or separately in the Annual Budget Report.

The Reserve Study is a SERIES OF PROJECTIONS, and consequently the estimated lives and costs of components will likely CHANGE OVER TIME depending on a variety of factors such as future inflation rates, the level of preventative maintenance completed by future boards, unknown material defects, changes in technology, efficiency, and/or government regulations.

The Reserve Study is an evolving document that represents a moment in time covering a 30 year period. As required by The Davis-Stirling Act, we recommend that the Association review and update this Reserve Analysis on an annual basis to make adjustments for component expenditures and fluctuations in annual revenue, interest, and inflation.

4.00	30 YEAR RESERVE FUNDING PLAN
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2020 Average unit per month reserve contribution *1 = \$150.95

2020 Total annual reserve contribution *1 = \$115,932

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 1ST 10 YEARS	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Projected Beginning Fund Balance *1	\$403,784	\$263,300	\$391,148	\$66,590	\$195,304	\$287,694	\$393,395	\$449,400	\$266,967	\$407,056
Contribution % increase over previous yr.	-1.34%	10.00%	10.00%	5.00%	5.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contribution avg. unit/month \$ increase	(\$2.02)	\$14.89	\$16.38	\$9.01	\$9.46	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contribution avg. per unit/month	\$148.94	\$163.83	\$180.21	\$189.23	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69
Reserve Contribution - Annual	\$114,384	\$125,822	\$138,405	\$145,325	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$2,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed			\$160,000							
Does special assessment require vote?			YES							
Income from other sources										
Total Reserve Fund Available	\$518,168	\$389,122	\$689,553	\$211,915	\$347,895	\$440,285	\$545,986	\$601,991	\$419,558	\$559,647
Projected Expenditures - inflated	-\$258,052	-\$2,704	-\$623,768	-\$18,973	-\$63,679	-\$51,647	-\$102,021	-\$338,252	-\$17,424	-\$103,715
Balance after expenditures	\$260,116	\$386,418	\$65,785	\$192,942	\$284,216	\$388,638	\$443,966	\$263,739	\$402,133	\$455,931
Interest on balance after tax	\$3,184	\$4,730	\$805	\$2,362	\$3,479	\$4,757	\$5,434	\$3,228	\$4,922	\$5,581
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	31.57%	41.59%	14.45%	35.79%	48.52%	59.97%	66.51%	56.33%	70.84%	77.01%
Projected Year Ending Balance *3	\$263,300	\$391,148	\$66,590	\$195,304	\$287,694	\$393,395	\$449,400	\$266,967	\$407,056	\$461,512

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 2ND 10 YEARS	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Projected Beginning Fund Balance *1	\$461,512	\$319,135	\$472,351	\$556,587	\$713,957	\$818,041	\$922,129	\$1,001,549	\$1,060,764	\$1,126,340
Contribution % increase over previous yr.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contribution avg. unit/month \$ increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contribution avg. per unit/month	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69
Reserve Contribution - Annual	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$614,103	\$471,726	\$624,942	\$709,179	\$866,548	\$970,632	\$1,074,720	\$1,154,140	\$1,213,355	\$1,278,932
Projected Expenditures - inflated	-\$298,827	-\$5,087	-\$75,085	-\$3,855	-\$58,399	-\$59,653	-\$85,282	-\$106,203	-\$100,634	-\$74,095
Balance after expenditures	\$315,276	\$466,639	\$549,857	\$705,324	\$808,149	\$910,978	\$989,438	\$1,047,937	\$1,112,721	\$1,204,837
Interest on balance after tax	\$3,859	\$5,712	\$6,730	\$8,633	\$9,892	\$11,150	\$12,111	\$12,827	\$13,620	\$14,747
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	72.19%	83.87%	89.10%	94.03%	96.29%	97.57%	97.92%	97.60%	96.91%	96.08%
Projected Year Ending Balance *3	\$319,135	\$472,351	\$556,587	\$713,957	\$818,041	\$922,129	\$1,001,549	\$1,060,764	\$1,126,340	\$1,219,584

4.00**30 YEAR RESERVE FUNDING PLAN**

* All future numbers are PROPOSED and/or PROJECTED.

DESCRIPTION - 3RD 10 YEARS	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Projected Beginning Fund Balance *1	\$1,219,584	\$977,658	\$1,062,234	\$921,878	\$1,040,423	\$1,048,401	\$1,163,663	\$1,306,006	\$1,002,697	\$1,072,126
Contribution % increase over previous yr.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Contribution avg. unit/month \$ increase	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contribution avg. per unit/month	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69	\$198.69
Reserve Contribution - Annual	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591	\$152,591
Does increase require membership vote?										
Proposed avg. special assess per unit	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Special Assessment - Total Proposed										
Does special assessment require vote?										
Income from other sources										
Total Reserve Fund Available	\$1,372,175	\$1,130,249	\$1,214,826	\$1,074,469	\$1,193,015	\$1,200,992	\$1,316,254	\$1,458,597	\$1,155,288	\$1,224,717
Projected Expenditures - inflated	-\$406,339	-\$80,859	-\$304,095	-\$46,626	-\$157,291	-\$51,400	-\$26,041	-\$468,024	-\$96,127	-\$155,498
Balance after expenditures	\$965,836	\$1,049,390	\$910,730	\$1,027,843	\$1,035,724	\$1,149,592	\$1,290,213	\$990,573	\$1,059,162	\$1,069,219
Interest on balance after tax	\$11,822	\$12,845	\$11,147	\$12,581	\$12,677	\$14,071	\$15,792	\$12,125	\$12,964	\$13,087
Minimum requested balance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percent funded (if implemented) *2	91.59%	90.49%	85.72%	85.01%	82.14%	81.03%	80.13%	70.92%	69.12%	65.94%
Projected Year Ending Balance *3	\$977,658	\$1,062,234	\$921,878	\$1,040,423	\$1,048,401	\$1,163,663	\$1,306,006	\$1,002,697	\$1,072,126	\$1,082,306

***1. Current Year Financial Information**

The Association has provided current financial information including reserve account balance, total annual assessment amount and total annual reserve contribution. Reserve Analysis Consulting, L.L.C. assumes no responsibility for the accuracy of current or projected budget figures provided by others.

***2. Percent Funded**

The percent funded figure is calculated as defined by the Davis-Stirling Act, which states in 5570(b)(4) ((old 1365.2.5)) that the amount projected to be in reserves at a given time be divided by the amount "required to be fully funded" at that time. The amount required is defined in 5570(b)(4) ((old 1365.2.5)) as "the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component." The data required to calculate this amount for the current year is located in Section 11.00, Percent Funded Calculation. The percent funding method of calculation for future years includes estimated interest earned in the projected reserve account balances, as well as an estimated inflation of costs in the amount "required." The final sentence in 5570(b)(4) ((old 1365.2.5)) states **"This shall not be construed to require the board to fund reserves in accordance with this calculation."**

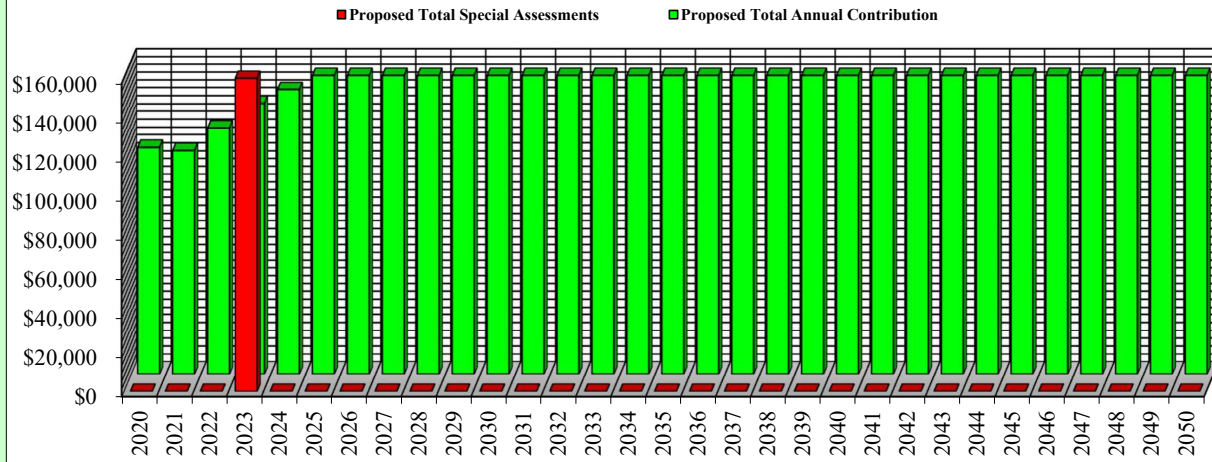
***3. Projected Year Ending Balance.**

The Davis-Stirling Act does not require a minimum funding level other than to say in 5550(b)(5) ((old 1365.5)) that the association "plans...to meet" its 30 year obligations of repair and replacement. Through the Reserve Study preparation process, the Association and its Management have reviewed the preliminary funding plan(s) and have approved the plan as shown here to be sufficient at this time.

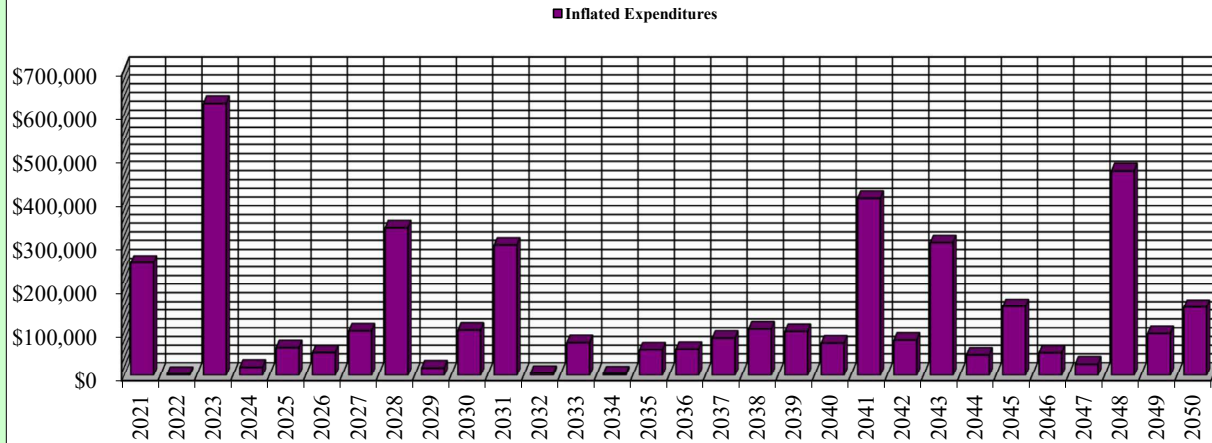
General Notes:

- 1) The cash flow projections shown are based on current economic conditions. These projections are based upon future variables that cannot be controlled. Therefore, reliance on these projections beyond the first year of this study is not recommended. As required by the Davis-Stirling Act, we recommend the Association review its Reserve Fund accounts quarterly and cause the Reserve Study to be reviewed and adjustments integrated annually.
- 2) Additionally, California Civil Code § 5550 ((old 1365.5)) states in part, "At least once every three years the board of directors shall cause to be conducted a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements."

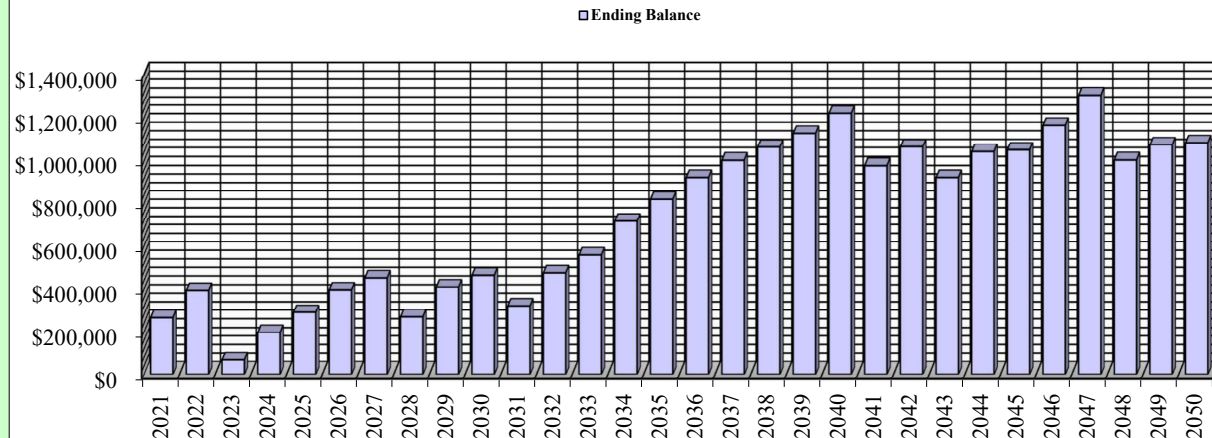
RESERVE FUND ASSESSMENTS ANALYSIS



RESERVE FUND PROPOSED INFLATED EXPENDITURES



RESERVE FUND BALANCE ANALYSIS



6.00	NEXT 3 YEARS PROJECTED EXPENDITURES
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Year 1 - 2021

2.00 ASPHALT	
2.01 Asphalt Sealing & Striping	\$6,558
2.02 Asphalt Repair/Replace Allowance ~ 5% w/ Sealing	\$5,703
3.00 CONCRETE	
3.01 Concrete Repair/Replacement Allowance - Minor Ongoing	\$3,500
5.00 FENCING & WALLS	
5.05 Fence - Wood @ Patios ~ 25% of Total (~ 352' Total)	\$5,280
6.00 IRRIGATION, LANDSCAPING & TREES	
6.03 Irrigation Equipment Replacement Allowance	\$2,500
6.04 Landscape Enhancement Allowance	\$6,000
6.05 Tree Removal & Replacement Allowance - Minor Ongoing	\$6,000
10.00 SWIMMING POOL	
10.04 Mastic/Walk Joint	\$1,008
10.10 Pump	\$1,000
10.11 Chlorinator	\$750
10.13 Pool Equipment Repair/Replace Allowance - Ongoing	\$536
10.14 Pool Furniture Replacement Allowance	\$2,000
10.15 Pool Signage Replacement Allowance	\$750
11.00 SPA	
11.04 Mastic/Walk Joint	\$280
11.09 Filter	\$1,500
11.10 Pump	\$1,000
13.00 BUILDING EXTERIORS	
13.01 Roof - Inspection, Repair & Replacement - Minor Ongoing	\$1,500
13.09 Light Replacement Allowance ~ 25% - Inventory in Note	\$6,900
14.00 PAINTING & SIDING REPAIR/REPLACEMENT	
14.01 Paint Buildings, Carports & Pool House - Inventory in Note	\$116,066
14.02 Siding & Fascia Repair/Replace Allowance ~ 5% of Total	\$36,257
14.03 Paint Site Components - Inventory in Note	\$6,200
14.04 Re-Coach Balcony Surfaces	\$14,784
14.05 Re-Coach Entry Landing Surface	\$9,192
15.00 MISCELLANEOUS	
15.01 Sewer Inspection, Hydro Flushing & Repair Allowance	\$4,000
15.02 Security System Upgrade Allowance	\$5,000
15.03 Signage Replacement Allowance	\$1,500
Unscheduled Expenses Related to Each Year's Projects	\$12,288

Year 1 - 2021 Total Proposed Expenditures:	\$258,052
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Year 2 - 2022

6.00 IRRIGATION, LANDSCAPING & TREES	
6.03 Irrigation Equipment Replacement Allowance	\$2,575
Unscheduled Expenses Related to Each Year's Projects	\$129

Year 2 - 2022 Total Proposed Expenditures:	\$2,704
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Year 3 - 2023**3.00 CONCRETE**

3.01 Concrete Repair/Replacement Allowance - Minor Ongoing	\$3,713
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6.00 IRRIGATION, LANDSCAPING & TREES

6.01 Irrigation Backflow Preventor	\$2,122
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6.03 Irrigation Equipment Replacement Allowance	\$2,652
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7.00 CARPORTS

7.01 Roof - Tile Roof Underlayment & Partial Tile Replacement	\$126,640
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7.03 Structure Repairs	\$7,957
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9.00 POOL EQUIPMENT HOUSE

9.01 Roof - Tile Roof Underlayment & Partial Tile Replacement	\$2,842
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11.00 SPA

11.01 Plaster	\$2,078
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11.02 Tile (Waterline)	\$928
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11.05 Rails/Railing Set	\$1,273
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13.00 BUILDING EXTERIORS

13.01 Roof - Inspection, Repair & Replacement - Minor Ongoing	\$1,591
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13.03 Roof - Tile Roof Underlayment & Partial Tile Replacement	\$281,801
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13.04 Roof - Built-Up Flat Roof	\$121,723
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13.05 Roof - Gutters & Downspouts	\$33,440
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13.10 SB 326 - Elevated Element Inspection Allowance	\$1,061
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15.00 MISCELLANEOUS

15.01 Sewer Inspection, Hydro Flushing & Repair Allowance	\$4,244
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Unscheduled Expenses Related to Each Year's Projects	\$29,703
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Year 3 - 2023 Total Proposed Expenditures:**\$623,768**

7.00 A PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS																	
CODE	COMPONENT DESCRIPTION	CURRENT COST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 1 2021	YR. 2 2022	YR. 3 2023	YR. 4 2024	YR. 5 2025	YR. 6 2026	YR. 7 2027	YR. 8 2028	YR. 9 2029	YR. 10 2030	TOTAL 10 YRS.	
1.00	SITE																
2.00	ASPHALT																
2.01	Asphalt Sealing & Striping	\$6,558	2013	6	-2	\$6,558							\$7,831				\$14,389
2.02	Asphalt Repair/Replace Allowance ~ 5% w/ Sealing	\$5,703	2013	6	-2	\$5,703							\$6,809				\$12,512
2.03	Asphalt Major Repair/Replace/Overlay ~ 25% every 2 cycle	\$28,514	2013	12	4					\$32,093							\$32,093
3.00	CONCRETE																
3.01	Concrete Repair/Replacement Allowance - Minor Ongoing	\$3,500	2019	2	0	\$3,500		\$3,713		\$3,939		\$4,179		\$4,434			\$19,765
3.02	Concrete Pool Decking	\$46,950	1983	55	17												
4.00	MAILBOXES & SITE LIGHTING																
4.01	Mailboxes - 17 Box w/ 2 Parcels	\$2,250	2012	25	16												
4.02	Mailboxes - 14 Box w/ 1 Parcels	\$8,000	2012	25	16												
4.03	Lights Poles & Fixtures	\$55,500	1983	45	7								\$68,258				\$68,258
5.00	FENCING & WALLS																
5.01	Fencing, Gate & Wall Repair/Replacement Allowance	\$4,000	2020	5	4					\$4,502					\$5,219		\$9,721
5.02	Fence - Wood @ SW Property Line (left) (good neighbor)	\$12,300	2009	30	18												
5.03	Fence - Wood @ NW Property Line (right) (~25' is new)	\$21,300	1997	30	6							\$25,433					\$25,433
5.04	Fence - Wood @ N Property Line (right) (good neighbor)	\$8,575	1997	30	6							\$10,239					\$10,239
5.05	Fence - Wood @ Patios ~ 25% of Total (~ 352' Total)	\$5,280	2016	5	0	\$5,280					\$6,121						\$11,401
5.06	Fence - Wood @ Trash Areas	\$2,580	2019	35	33												
5.07	Fence - Metal @ Pool (including gate)	\$17,360	2012	30	21												
5.08	Railing - Metal @ Stairs/Light	\$440	1983	55	17												
5.09	Walls - Masonry @ Street/Rear Prop. Repairs (~415' total)	\$5,000	2008	20	7								\$6,149				\$6,149
5.10	Wall - Masonry @ Trash Area	\$3,000	2019	35	33												
6.00	IRRIGATION, LANDSCAPING & TREES																
6.01	Irrigation Backflow Preventor	\$2,000	1983	40	2			\$2,122									\$2,122
6.02	Irrigation Controller Replacement Allowance	\$3,000	2005	20	4					\$3,377							\$3,377
6.03	Irrigation Equipment Replacement Allowance	\$2,500	2020	1	0	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814	\$2,898	\$2,985	\$3,075	\$3,167	\$3,262		\$28,660
6.04	Landscape Enhancement Allowance	\$6,000	2018	3	0	\$6,000			\$6,556			\$7,164				\$7,829	\$27,549
6.05	Tree Removal & Replacement Allowance - Minor Ongoing	\$6,000	2018	3	0	\$6,000			\$6,556			\$7,164				\$7,829	\$27,549
6.06	Tree Removal & Replacement Allowance - Major	\$20,000	2017	9	5						\$23,185						\$23,185
7.00	CARPORTS																
7.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$119,370	1983	40	2			\$126,640									\$126,640
7.02	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$12,650	2011	40	30												
7.03	Structure Repairs	\$7,500	2003	20	2			\$7,957									\$7,957
7.04	Lights - Fluorescent Fixtures	\$5,600	2000	25	4					\$6,303							\$6,303
7.05	Lights - 2 Head Motion Sensor Fixtures	\$5,425	2013	25	17												
7.06	Lights - Wall Mount Flood Fixtures	\$1,050	2013	25	17												
8.00	POOL AREA																
9.00	POOL EQUIPMENT HOUSE																
9.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$2,679	1983	40	2			\$2,842									\$2,842
9.02	Doors - Metal Clad	\$2,400	1983	45	7								\$2,952				\$2,952
9.03	Lights - Wall Mount Fixtures	\$350	2012	25	16												
10.00	SWIMMING POOL																
10.01	Plaster	\$12,533	2013	15	7								\$15,414				\$15,414
10.02	Tile (Waterline)	\$3,150	1998	30	7								\$3,874				\$3,874
10.03	Coping	\$3,780	1983	55	17												
10.04	Mastic/Walk Joint	\$1,008	2008	10	-3	\$1,008											\$1,008
10.05	Rails/Railing Set	\$1,200	2013	15	7								\$1,476				\$1,476
10.06	Lights	\$520	2013	15	7								\$640				\$640
10.07	Skimmers	\$2,000	1983	50	12												
10.08	Heater	\$3,000	2012	15	6							\$3,582					\$3,582
10.09	Filter	\$1,500	2012	15	6							\$1,791					\$1,791
10.10	Pump	\$1,000	2010	10	-1	\$1,000											\$1,000
10.11	Chlorinator	\$750	2008	10	-3	\$750											\$750

7.00 A PROJECTED EXPENDITURE SCHEDULE - FIRST TEN YEARS																	
CODE	COMPONENT DESCRIPTION	CURRENT COST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 1 2021	YR. 2 2022	YR. 3 2023	YR. 4 2024	YR. 5 2025	YR. 6 2026	YR. 7 2027	YR. 8 2028	YR. 9 2029	YR. 10 2030	TOTAL 10 YRS.	
10.12	Chemical Controller	\$1,775	2015	15	9										\$2,316	\$2,316	
10.13	Pool Equipment Repair/Replace Allowance - Ongoing	\$536	2018	3	0	\$536			\$586			\$640			\$699	\$2,461	
10.14	Pool Furniture Replacement Allowance	\$2,000	2016	5	0	\$2,000					\$2,319					\$4,319	
10.15	Pool Signage Replacement Allowance	\$750	2016	5	0	\$750					\$869					\$1,619	
11.00	SPA																
11.01	Plaster	\$1,958	2013	10	2			\$2,078								\$2,078	
11.02	Tile (Waterline)	\$875	1993	30	2			\$928								\$928	
11.03	Coping	\$1,050	1983	55	17												
11.04	Mastic/Walk Joint	\$280	2008	10	-3	\$280										\$280	
11.05	Rails/Railing Set	\$1,200	2013	10	2			\$1,273								\$1,273	
11.06	Lights	\$520	2015	10	4					\$585						\$585	
11.07	Skimmers	\$1,000	1983	50	12												
11.08	Heater	\$3,000	2012	15	6							\$3,582				\$3,582	
11.09	Filter	\$1,500	2000	20	-1	\$1,500										\$1,500	
11.10	Pump	\$1,000	2010	10	-1	\$1,000										\$1,000	
11.11	Chlorinator	\$750	2015	10	4					\$844						\$844	
12.00	BUILDING EXTERIOR COMPONENTS																
13.00	BUILDING EXTERIORS																
13.01	Roof - Inspection, Repair & Replacement - Minor Ongoing	\$1,500	2019	2	0	\$1,500		\$1,591		\$1,688		\$1,791		\$1,900		\$8,471	
13.02	Roof - Inspection, Repair & Replacement - Based on Bid	\$19,650	2015	15	9										\$25,639	\$25,639	
13.03	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$265,625	1983	40	2			\$281,801								\$281,801	
13.04	Roof - Built-Up Flat Roof	\$114,736	2003	20	2			\$121,723								\$121,723	
13.05	Roof - Gutters & Downspouts	\$31,520	1983	40	2			\$33,440								\$33,440	
13.06	Roof - Gutters & Downspouts	\$950	2016	30	25												
13.07	Door Replacement Allowance ~ 50% - Inventory in Note	\$89,600	2008	20	7								\$110,197			\$110,197	
13.08	Doors - Wood Utility Set	\$16,000	2015	35	29												
13.09	Light Replacement Allowance ~ 25% - Inventory in Note	\$6,900	2016	5	0	\$6,900				\$7,999						\$14,899	
13.10	SB 326 - Elevated Element Inspection Allowance	\$1,000	2023	9	2			\$1,061								\$1,061	
13.11	Stair & Entry Landing - Re-Surface/Repair/Replace ~ 50%	\$89,530	2008	20	7								\$110,111			\$110,111	
13.12	Balcony - Major Repair/Replace - Owners Responsibility	\$0	1983	0	0												
13.13	Windows - Owners Responsibility (per board)	\$0	1983	0	0												
13.14	Fire Extinguisher Cabinets (Extinguishers replace in 2016)	\$1,600	2004	25	8									\$2,027		\$2,027	
14.00	PAINTING & SIDING REPAIR/REPLACEMENT																
14.01	Paint Buildings, Carports & Pool House - Inventory in Note	\$116,066	2008	10	-3	\$116,066										\$116,066	
14.02	Siding & Fascia Repair/Replace Allowance ~ 5% of Total	\$36,257	2008	10	-3	\$36,257										\$36,257	
14.03	Paint Site Components - Inventory in Note	\$6,200	2012	6	-3	\$6,200						\$7,403				\$13,603	
14.04	Re-Coat Balcony Surfaces	\$14,784	2008	10	-3	\$14,784										\$14,784	
14.05	Re-Coat Entry Landing Surface	\$9,192	2008	10	-3	\$9,192										\$9,192	
15.00	MISCELLANEOUS																
15.01	Sewer Inspection, Hydro Flushing & Repair Allowance	\$4,000	2019	2	0	\$4,000		\$4,244		\$4,502		\$4,776		\$5,067		\$22,589	
15.02	Security System Upgrade Allowance	\$5,000	2016	5	0	\$5,000					\$5,796					\$10,796	
15.03	Signage Replacement Allowance	\$1,500	2018	3	0	\$1,500			\$1,639			\$1,791				\$1,957	
15.04	Termite Inspection & Treatment Allowance	\$33,743	2020	10	9										\$44,027	\$44,027	
UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS						\$12,288	\$129	\$29,703	\$903	\$3,032	\$2,459	\$4,858	\$16,107	\$830	\$4,939	\$0	
INFLATION FACTOR						1.00	1.03	1.06	1.09	1.13	1.16	1.19	1.23	1.27	1.30		
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE						\$258,052	\$2,704	\$623,768	\$18,973	\$63,679	\$51,647	\$102,021	\$338,252	\$17,424	\$103,715	\$1,504,987	

7.00 B PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS																
CODE	COMPONENT DESCRIPTION	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 11 2031	YR. 12 2032	YR. 13 2033	YR. 14 2034	YR. 15 2035	YR. 16 2036	YR. 17 2037	YR. 18 2038	YR. 19 2039	YR. 20 2040	TOTAL 2nd 10 Yrs
1.00	SITE															
2.00	ASPHALT															
2.01	Asphalt Sealing & Striping	\$6,558	2013	6	-2			\$9,350						\$11,165		\$20,515
2.02	Asphalt Repair/Replace Allowance ~ 5% w/ Sealing	\$5,703	2013	6	-2			\$8,131						\$9,709		\$17,839
2.03	Asphalt Major Repair/Replace/Overlay ~ 25% every 2 cycle	\$28,514	2013	12	4							\$45,757				\$45,757
3.00	CONCRETE															
3.01	Concrete Repair/Replacement Allowance - Minor Ongoing	\$3,500	2019	2	0	\$4,704		\$4,990		\$5,294		\$5,616		\$5,959		\$26,563
3.02	Concrete Pool Decking	\$46,950	1983	55	17								\$77,601			\$77,601
4.00	MAILBOXES & SITE LIGHTING															
4.01	Mailboxes - 17 Box w/ 2 Parcels	\$2,250	2012	25	16							\$3,611				\$3,611
4.02	Mailboxes - 14 Box w/ 1 Parcels	\$8,000	2012	25	16							\$12,838				\$12,838
4.03	Lights Poles & Fixtures	\$55,500	1983	45	7											
5.00	FENCING & WALLS															
5.01	Fencing, Gate & Wall Repair/Replacement Allowance	\$4,000	2020	5	4					\$6,050					\$7,014	\$13,064
5.02	Fence - Wood @ SW Property Line (left) (good neighbor)	\$12,300	2009	30	18									\$20,940		\$20,940
5.03	Fence - Wood @ NW Property Line (right) (~25' is new)	\$21,300	1997	30	6											
5.04	Fence - Wood @ N Property Line (right) (good neighbor)	\$8,575	1997	30	6											
5.05	Fence - Wood @ Patios ~ 25% of Total (~ 352' Total)	\$5,280	2016	5	0	\$7,096					\$8,226					\$15,322
5.06	Fence - Wood @ Trash Areas	\$2,580	2019	35	33											
5.07	Fence - Metal @ Pool (including gate)	\$17,360	2012	30	21											
5.08	Railing - Metal @ Stairs/Light	\$440	1983	55	17											\$727
5.09	Walls - Masonry @ Street/Rear Prop. Repairs (~415' total)	\$5,000	2008	20	7								\$727			
5.10	Wall - Masonry @ Trash Area	\$3,000	2019	35	33											
6.00	IRRIGATION, LANDSCAPING & TREES															
6.01	Irrigation Backflow Preventor	\$2,000	1983	40	2											
6.02	Irrigation Controller Replacement Allowance	\$3,000	2005	20	4											
6.03	Irrigation Equipment Replacement Allowance	\$2,500	2020	1	0	\$3,360	\$3,461	\$3,564	\$3,671	\$3,781	\$3,895	\$4,012	\$4,132	\$4,256	\$4,384	\$38,516
6.04	Landscape Enhancement Allowance	\$6,000	2018	3	0			\$8,555			\$9,348			\$10,215		\$28,117
6.05	Tree Removal & Replacement Allowance - Minor Ongoing	\$6,000	2018	3	0			\$8,555			\$9,348			\$10,215		\$28,117
6.06	Tree Removal & Replacement Allowance - Major	\$20,000	2017	9	5					\$30,252						\$30,252
7.00	CARPORTS															
7.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$119,370	1983	40	2											
7.02	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$12,650	2011	40	30											
7.03	Structure Repairs	\$7,500	2003	20	2											
7.04	Lights - Fluorescent Fixtures	\$5,600	2000	25	4											
7.05	Lights - 2 Head Motion Sensor Fixtures	\$5,425	2013	25	17								\$8,967			\$8,967
7.06	Lights - Wall Mount Flood Fixtures	\$1,050	2013	25	17								\$1,735			\$1,735
8.00	POOL AREA															
9.00	POOL EQUIPMENT HOUSE															
9.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$2,679	1983	40	2											
9.02	Doors - Metal Clad	\$2,400	1983	45	7											
9.03	Lights - Wall Mount Fixtures	\$350	2012	25	16							\$562				\$562
10.00	SWIMMING POOL															
10.01	Plaster	\$12,533	2013	15	7											
10.02	Tile (Waterline)	\$3,150	1998	30	7											
10.03	Coping	\$3,780	1983	55	17								\$6,248			\$6,248
10.04	Mastic/Walk Joint	\$1,008	2008	10	-3	\$1,355										\$1,355
10.05	Rails/Railing Set	\$1,200	2013	15	7											
10.06	Lights	\$520	2013	15	7											
10.07	Skimmers	\$2,000	1983	50	12			\$2,852								\$2,852
10.08	Heater	\$3,000	2012	15	6											
10.09	Filter	\$1,500	2012	15	6											
10.10	Pump	\$1,000	2010	10	-1	\$1,344										\$1,344
10.11	Chlorinator	\$750	2008	10	-3	\$1,008										\$1,008

7.00 B PROJECTED EXPENDITURE SCHEDULE - SECOND TEN YEARS																
CODE	COMPONENT DESCRIPTION	REPLACE/REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 11 2031	YR. 12 2032	YR. 13 2033	YR. 14 2034	YR. 15 2035	YR. 16 2036	YR. 17 2037	YR. 18 2038	YR. 19 2039	YR. 20 2040	TOTAL 2nd 10 Yrs
10.12	Chemical Controller	\$1,775	2015	15	9											
10.13	Pool Equipment Repair/Replace Allowance - Ongoing	\$536	2018	3	0			\$764			\$835			\$913		\$2,512
10.14	Pool Furniture Replacement Allowance	\$2,000	2016	5	0	\$2,688					\$3,116					\$5,804
10.15	Pool Signage Replacement Allowance	\$750	2016	5	0	\$1,008					\$1,168					\$2,176
11.00	SPA															
11.01	Plaster	\$1,958	2013	10	2			\$2,792								\$2,792
11.02	Tile (Waterline)	\$875	1993	30	2											
11.03	Coping	\$1,050	1983	55	17								\$1,735			\$1,735
11.04	Mastic/Walk Joint	\$280	2008	10	-3	\$376										\$376
11.05	Rails/Railing Set	\$1,200	2013	10	2			\$1,711								\$1,711
11.06	Lights	\$520	2015	10	4					\$787						\$787
11.07	Skimmers	\$1,000	1983	50	12			\$1,426								\$1,426
11.08	Heater	\$3,000	2012	15	6											
11.09	Filter	\$1,500	2000	20	-1											
11.10	Pump	\$1,000	2010	10	-1	\$1,344										\$1,344
11.11	Chlorinator	\$750	2015	10	4					\$1,134						\$1,134
12.00	BUILDING EXTERIOR COMPONENTS															
13.00	BUILDING EXTERIORS															
13.01	Roof - Inspection, Repair & Replacement - Minor Ongoing	\$1,500	2019	2	0	\$2,016		\$2,139		\$2,269		\$2,407		\$2,554		\$11,384
13.02	Roof - Inspection, Repair & Replacement - Based on Bid	\$19,650	2015	15	9											
13.03	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$265,625	1983	40	2											
13.04	Roof - Built-Up Flat Roof	\$114,736	2003	20	2											
13.05	Roof - Gutters & Downspouts	\$31,520	1983	40	2											
13.06	Roof - Gutters & Downspouts	\$950	2016	30	25											
13.07	Door Replacement Allowance ~ 50% - Inventory in Note	\$89,600	2008	20	7											
13.08	Doors - Wood Utility Set	\$16,000	2015	35	29											
13.09	Light Replacement Allowance ~ 25% - Inventory in Note	\$6,900	2016	5	0	\$9,273					\$10,750					\$20,023
13.10	SB 326 - Elevated Element Inspection Allowance	\$1,000	2023	9	2		\$1,384									\$1,384
13.11	Stair & Entry Landing - Re-Surface/Repair/Replace ~ 50%	\$89,530	2008	20	7											
13.12	Balcony - Major Repair/Replace - Owners Responsibility	\$0	1983	0	0											
13.13	Windows - Owners Responsibility (per board)	\$0	1983	0	0											
13.14	Fire Extinguisher Cabinets (Extinguishers replace in 2016)	\$1,600	2004	25	8											
14.00	PAINTING & SIDING REPAIR/REPLACEMENT															
14.01	Paint Buildings, Carports & Pool House - Inventory in Note	\$116,066	2008	10	-3	\$155,983										\$155,983
14.02	Siding & Fascia Repair/Replace Allowance ~ 5% of Total	\$36,257	2008	10	-3	\$48,726										\$48,726
14.03	Paint Site Components - Inventory in Note	\$6,200	2012	6	-3			\$8,840						\$10,555		\$19,395
14.04	Re-Coach Balcony Surfaces	\$14,784	2008	10	-3	\$19,868										\$19,868
14.05	Re-Coach Entry Landing Surface	\$9,192	2008	10	-3	\$12,353										\$12,353
15.00	MISCELLANEOUS															
15.01	Sewer Inspection, Hydro Flushing & Repair Allowance	\$4,000	2019	2	0	\$5,376		\$5,703		\$6,050		\$6,419		\$6,810		\$30,358
15.02	Security System Upgrade Allowance	\$5,000	2016	5	0	\$6,720					\$7,790					\$14,509
15.03	Signage Replacement Allowance	\$1,500	2018	3	0			\$2,139			\$2,337			\$2,554		\$7,029
15.04	Termite Inspection & Treatment Allowance	\$33,743	2020	10	9										\$59,169	\$59,169
UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS 5.00%						\$14,230	\$242	\$3,575	\$184	\$2,781	\$2,841	\$4,061	\$5,057	\$4,792	\$3,528	\$0
INFLATION FACTOR 3.00%						1.34	1.38	1.43	1.47	1.51	1.56	1.60	1.65	1.70	1.75	
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE						\$298,827	\$5,087	\$75,085	\$3,855	\$58,399	\$59,653	\$85,282	\$106,203	\$100,634	\$74,095	\$825,828

7.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS																
CODE	COMPONENT DESCRIPTION	REPLACE/ REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 21 2041	YR. 22 2042	YR. 23 2043	YR. 24 2044	YR. 25 2045	YR. 26 2046	YR. 27 2047	YR. 28 2048	YR. 29 2049	YR. 30 2050	TOTAL 3rd 10 Yrs
1.00	SITE															
2.00	ASPHALT															
2.01	Asphalt Sealing & Striping	\$6,558	2013	6	-2					\$13,332						\$13,332
2.02	Asphalt Repair/Replace Allowance ~ 5% w/ Sealing	\$5,703	2013	6	-2					\$11,593						\$11,593
2.03	Asphalt Major Repair/Replace/Overlay ~ 25% every 2 cycle	\$28,514	2013	12	4									\$65,238		\$65,238
3.00	CONCRETE															
3.01	Concrete Repair/Replacement Allowance - Minor Ongoing	\$3,500	2019	2	0	\$6,321		\$6,706		\$7,115		\$7,548		\$8,008		\$35,698
3.02	Concrete Pool Decking	\$46,950	1983	55	17											
4.00	MAILBOXES & SITE LIGHTING															
4.01	Mailboxes - 17 Box w/ 2 Parcels	\$2,250	2012	25	16											
4.02	Mailboxes - 14 Box w/ 1 Parcels	\$8,000	2012	25	16											
4.03	Lights Poles & Fixtures	\$55,500	1983	45	7											
5.00	FENCING & WALLS															
5.01	Fencing, Gate & Wall Repair/Replacement Allowance	\$4,000	2020	5	4					\$8,131					\$9,426	\$17,557
5.02	Fence - Wood @ SW Property Line (left) (good neighbor)	\$12,300	2009	30	18											
5.03	Fence - Wood @ NW Property Line (right) (~25' is new)	\$21,300	1997	30	6											
5.04	Fence - Wood @ N Property Line (right) (good neighbor)	\$8,575	1997	30	6											
5.05	Fence - Wood @ Patios ~ 25% of Total (~ 352' Total)	\$5,280	2016	5	0	\$9,536				\$11,055						\$20,591
5.06	Fence - Wood @ Trash Areas	\$2,580	2019	35	33											
5.07	Fence - Metal @ Pool (including gate)	\$17,360	2012	30	21		\$32,295									\$32,295
5.08	Railing - Metal @ Stairs/Light	\$440	1983	55	17											
5.09	Walls - Masonry @ Street/Rear Prop. Repairs (~415' total)	\$5,000	2008	20	7								\$11,106			\$11,106
5.10	Wall - Masonry @ Trash Area	\$3,000	2019	35	33											
6.00	IRRIGATION, LANDSCAPING & TREES															
6.01	Irrigation Backflow Preventor	\$2,000	1983	40	2											
6.02	Irrigation Controller Replacement Allowance	\$3,000	2005	20	4					\$6,098						\$6,098
6.03	Irrigation Equipment Replacement Allowance	\$2,500	2020	1	0	\$4,515	\$4,651	\$4,790	\$4,934	\$5,082	\$5,234	\$5,391	\$5,553	\$5,720	\$5,891	\$51,763
6.04	Landscape Enhancement Allowance	\$6,000	2018	3	0		\$11,162			\$12,197			\$13,328			\$36,686
6.05	Tree Removal & Replacement Allowance - Minor Ongoing	\$6,000	2018	3	0		\$11,162			\$12,197			\$13,328			\$36,686
6.06	Tree Removal & Replacement Allowance - Major	\$20,000	2017	9	5				\$39,472							\$39,472
7.00	CARPORTS															
7.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$119,370	1983	40	2											
7.02	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$12,650	2011	40	30											
7.03	Structure Repairs	\$7,500	2003	20	2			\$14,371								\$14,371
7.04	Lights - Fluorescent Fixtures	\$5,600	2000	25	4										\$13,197	\$13,197
7.05	Lights - 2 Head Motion Sensor Fixtures	\$5,425	2013	25	17											
7.06	Lights - Wall Mount Flood Fixtures	\$1,050	2013	25	17											
8.00	POOL AREA															
9.00	POOL EQUIPMENT HOUSE															
9.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$2,679	1983	40	2											
9.02	Doors - Metal Clad	\$2,400	1983	45	7											
9.03	Lights - Wall Mount Fixtures	\$350	2012	25	16											
10.00	SWIMMING POOL															
10.01	Plaster	\$12,533	2013	15	7			\$24,015								\$24,015
10.02	Tile (Waterline)	\$3,150	1998	30	7											
10.03	Coping	\$3,780	1983	55	17											
10.04	Mastic/Walk Joint	\$1,008	2008	10	-3	\$1,821										\$1,821
10.05	Rails/Railing Set	\$1,200	2013	15	7			\$2,299								\$2,299
10.06	Lights	\$520	2013	15	7			\$996								\$996
10.07	Skimmers	\$2,000	1983	50	12											
10.08	Heater	\$3,000	2012	15	6		\$5,581									\$5,581
10.09	Filter	\$1,500	2012	15	6		\$2,790									\$2,790
10.10	Pump	\$1,000	2010	10	-1	\$1,806										\$1,806
10.11	Chlorinator	\$750	2008	10	-3	\$1,355										\$1,355

7.00 C PROJECTED EXPENDITURE SCHEDULE - THIRD TEN YEARS																
CODE	COMPONENT DESCRIPTION	REPLACE/REPAIR CST	YEAR NEW	USEFUL LIFE	RMNG LIFE	YR. 21 2041	YR. 22 2042	YR. 23 2043	YR. 24 2044	YR. 25 2045	YR. 26 2046	YR. 27 2047	YR. 28 2048	YR. 29 2049	YR. 30 2050	TOTAL 3rd 10 Yrs
10.12	Chemical Controller	\$1,775	2015	15	9					\$3,608						\$3,608
10.13	Pool Equipment Repair/Replace Allowance - Ongoing	\$536	2018	3	0		\$997			\$1,090			\$1,191			\$3,277
10.14	Pool Furniture Replacement Allowance	\$2,000	2016	5	0	\$3,612					\$4,188					\$7,800
10.15	Pool Signage Replacement Allowance	\$750	2016	5	0	\$1,355					\$1,570					\$2,925
11.00	SPA															
11.01	Plaster	\$1,958	2013	10	2			\$3,752								\$3,752
11.02	Tile (Waterline)	\$875	1993	30	2											
11.03	Coping	\$1,050	1983	55	17											
11.04	Mastic/Walk Joint	\$280	2008	10	-3	\$506										\$506
11.05	Rails/Railing Set	\$1,200	2013	10	2			\$2,299								\$2,299
11.06	Lights	\$520	2015	10	4					\$1,057						\$1,057
11.07	Skimmers	\$1,000	1983	50	12											
11.08	Heater	\$3,000	2012	15	6		\$5,581									\$5,581
11.09	Filter	\$1,500	2000	20	-1	\$2,709										\$2,709
11.10	Pump	\$1,000	2010	10	-1	\$1,806										\$1,806
11.11	Chlorinator	\$750	2015	10	4					\$1,525						\$1,525
12.00	BUILDING EXTERIOR COMPONENTS															
13.00	BUILDING EXTERIORS															
13.01	Roof - Inspection, Repair & Replacement - Minor Ongoing	\$1,500	2019	2	0	\$2,709		\$2,874		\$3,049		\$3,235		\$3,432		\$15,299
13.02	Roof - Inspection, Repair & Replacement - Based on Bid	\$19,650	2015	15	9					\$39,944						\$39,944
13.03	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$265,625	1983	40	2											
13.04	Roof - Built-Up Flat Roof	\$114,736	2003	20	2			\$219,846								\$219,846
13.05	Roof - Gutters & Downspouts	\$31,520	1983	40	2											
13.06	Roof - Gutters & Downspouts	\$950	2016	30	25					\$1,989						\$1,989
13.07	Door Replacement Allowance ~ 50% - Inventory in Note	\$89,600	2008	20	7							\$199,027				\$199,027
13.08	Doors - Wood Utility Set	\$16,000	2015	35	29										\$37,705	\$37,705
13.09	Light Replacement Allowance ~ 25% - Inventory in Note	\$6,900	2016	5	0	\$12,462				\$14,447						\$26,909
13.10	SB 326 - Elevated Element Inspection Allowance	\$1,000	2023	9	2	\$1,806									\$2,357	\$4,163
13.11	Stair & Entry Landing - Re-Surface/Repair/Replace ~ 50%	\$89,530	2008	20	7							\$198,872				\$198,872
13.12	Balcony - Major Repair/Replace - Owners Responsibility	\$0	1983	0	0											
13.13	Windows - Owners Responsibility (per board)	\$0	1983	0	0											
13.14	Fire Extinguisher Cabinets (Extinguishers replace in 2016)	\$1,600	2004	25	8											
14.00	PAINTING & SIDING REPAIR/REPLACEMENT															
14.01	Paint Buildings, Carports & Pool House - Inventory in Note	\$116,066	2008	10	-3	\$209,628										\$209,628
14.02	Siding & Fascia Repair/Replace Allowance ~ 5% of Total	\$36,257	2008	10	-3	\$65,484										\$65,484
14.03	Paint Site Components - Inventory in Note	\$6,200	2012	6	-3					\$12,603						\$12,603
14.04	Re-Coat Balcony Surfaces	\$14,784	2008	10	-3	\$26,702										\$26,702
14.05	Re-Coat Entry Landing Surface	\$9,192	2008	10	-3	\$16,602										\$16,602
15.00	MISCELLANEOUS															
15.01	Sewer Inspection, Hydro Flushing & Repair Allowance	\$4,000	2019	2	0	\$7,224		\$7,664		\$8,131		\$8,626		\$9,152		\$40,798
15.02	Security System Upgrade Allowance	\$5,000	2016	5	0	\$9,031					\$10,469					\$19,499
15.03	Signage Replacement Allowance	\$1,500	2018	3	0		\$2,790			\$3,049			\$3,332			\$9,172
15.04	Termite Inspection & Treatment Allowance	\$33,743	2020	10	9										\$79,518	\$79,518
UNSCHEDULED EXPENSES RELATED TO EACH YEAR'S PROJECTS						5.00%	\$19,349	\$3,850	\$14,481	\$2,220	\$7,490	\$2,448	\$1,240	\$22,287	\$4,577	\$7,405
INFLATION FACTOR						3.00%	1.81	1.86	1.92	1.97	2.03	2.09	2.16	2.22	2.29	2.36
TOTAL PROJECTED INFLATED REPAIR/REPLACEMENT EXPENSE							\$406,339	\$80,859	\$304,095	\$46,626	\$157,291	\$51,400	\$26,041	\$468,024	\$96,127	\$155,498

8.00 PROCEDURES & METHODOLOGIES

DAVIS-STIRLING ACT PROCEDURES & REQUIREMENTS

Current Davis-Stirling statutes 5300 & 5550 ((old 1365 & 1365.5)) require the Association to Review the Reserve Study on an annual basis and implement any necessary adjustments regarding component performance, replacement and/or deferral; as well as recalculation of financial figures based on that review and current financial data. Additionally, Statute 5550 ((old 1365.5)) continues to require a Site Inspection based Update of the complete Study at a minimum every three years. The Reserve Study is to include:

Identification of the major components.

Establishment of reasonable life expectancies and remaining life of all components.

Projected estimated cost of all repair and replacements.

Development of a 30 year Funding Plan which identifies date and amount of regular and special assessments.

Calculation of Percent Funded and amount of per unit deficiency.

Statement of methodology.

Additionally, calculation of 5570 ((old 1365.2.5)) Reserve Summary and Disclosure Document.

SCOPE OF STUDY

The time frame covered by this analysis is from 2021 through 2050. These are the beginning and ending points for all repairs and replacements included in the 30 Year Funding Plan included in this study.

STATEMENT OF RESERVE STUDY METHODOLOGY

The components included in this analysis were identified by age, quantity, and type. Upon completion of the component list and the Reserve Fund Requirement Analysis, the report was presented to the Homeowners Association's Board for approval. The following sources were used, when applicable, to make our determinations:

Original plans and specifications

Original contractors, current contractors and vendors

Association maintenance staff

Association management

Association Board of Directors

While gathering this information there were some assumptions made regarding existing conditions, future conditions and additional circumstances that may occur that would affect the cost of repairs. Some of these assumptions may come true and others may not; therefore, the cost of repairs and life of certain components could vary substantially. Life expectancies of all components were based on industry standard experiences, and on the components being in reasonable and ordinary condition.

All component conditions were based on visual inspection. There was no disassembly of components or demolition involved. This report does not address any factory or product defects or any damage due to improper maintenance, system design, or installation. It's also assumed all components will receive reasonable maintenance for their remaining life.

Only components that met the following criteria were included in this report:

The component maintenance is the responsibility of the Association.

The component is not covered by the Association's Annual Operating Budget.

The component's useful life is greater than one year, except in the case of variable ongoing repair of a major component

The component has an identifiable expected cost and replacement cost.

Inclusion in the Funding plan requires the component's remaining estimated useful life is less than 30 years.

The Reserve Study includes a 30 year component expenditure projection from which a Funding Plan was developed which proposes a "schedule of the date and amount of any change in regular or special assessments that would be needed to sufficiently fund the Reserve Funding Plan." The premise of this replacement cost projection is to ensure a positive cash balance in the Reserve Fund Account that will enable the Association to fulfill its "obligation for the repair and replacement of all major components with an expected remaining life of 30 years or less." It is equally important that a positive cash fund be maintained without relying on Special Assessments or overfunding of Reserves. The cost projections in this report are inflated based on an "assumed long-term inflation rate" based on a 30 year average and adjusted for local economies. The Funding Plan in this report includes an "assumed long-term interest rate" which is not to exceed "2% above the discount rate published by the Federal Reserve Bank of San Francisco." Both rates were reviewed in the Preliminary Draft and approved by the Board of Directors.

9.00	COMPONENT DATA
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CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	NOTES or PHOTOS	ITEM QUAN.	UM	UNIT COST	TOTAL COST
1.00	SITE								
2.00	ASPHALT								
2.01	Asphalt Sealing & Striping	2013	6	POOR	Notes	28514	S.F.	\$0.23	\$6,558
2.02	Asphalt Repair/Replace Allowance ~ 5% w/ Sealing	2013	6	AS NEEDED	Notes	1	L.S.	\$5,702.80	\$5,703
2.03	Asphalt Major Repair/Replace/Overlay ~ 25% every 2 cycle	2013	12	AS NEEDED	Notes	7129	S.F.	\$4.00	\$28,514
3.00	CONCRETE								
3.01	Concrete Repair/Replacement Allowance - Minor Ongoing	2019	2	AS NEEDED	Notes	1	L.S.	\$3,500.00	\$3,500
3.02	Concrete Pool Decking	1983	55	FAIR	Notes	2348	S.F.	\$20.00	\$46,950
4.00	MAILBOXES & SITE LIGHTING								
4.01	Mailboxes - 17 Box w/ 2 Parcels	2012	25	GOOD/FAIR	Notes	1	EA	\$2,250.00	\$2,250
4.02	Mailboxes - 14 Box w/ 1 Parcels	2012	25	GOOD/FAIR	Notes	4	EA	\$2,000.00	\$8,000
4.03	Lights Poles & Fixtures	1983	45	AS NEEDED	Notes	37	EA	\$1,500.00	\$55,500
5.00	FENCING & WALLS								
5.01	Fencing, Gate & Wall Repair/Replacement Allowance	2020	5	AS NEEDED		1	L.S.	\$4,000.00	\$4,000
5.02	Fence - Wood @ SW Property Line (left) (good neighbor)	2009	30	FAIR	Notes	615	L.F.	\$20.00	\$12,300
5.03	Fence - Wood @ NW Property Line (right) (~25' is new)	1997	30	FAIR/POOR	Notes	355	L.F.	\$60.00	\$21,300
5.04	Fence - Wood @ N Property Line (right) (good neighbor)	1997	30	FAIR/POOR	Notes	245	L.F.	\$35.00	\$8,575
5.05	Fence - Wood @ Patios ~ 25% of Total (~ 352' Total)	2016	5	AS NEEDED	Notes	88	L.F.	\$60.00	\$5,280
5.06	Fence - Wood @ Trash Areas	2019	35	GOOD	Notes	43	L.F.	\$60.00	\$2,580
5.07	Fence - Metal @ Pool (including gate)	2012	30	GOOD/FAIR	Notes	217	L.F.	\$80.00	\$17,360
5.08	Railing - Metal @ Stairs/Light	1983	55	FAIR	Notes	11	L.F.	\$40.00	\$440
5.09	Walls - Masonry @ Street/Rear Prop. Repairs (~415' total)	2008	20	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
5.10	Wall - Masonry @ Trash Area	2019	35	GOOD		20	L.F.	\$150.00	\$3,000
6.00	IRRIGATION, LANDSCAPING & TREES								
6.01	Irrigation Backflow Preventor	1983	40	AS NEEDED	Notes	1	EA	\$2,000.00	\$2,000
6.02	Irrigation Controllor Replacement Allowance	2005	20	AS NEEDED	Notes	2	EA	\$1,500.00	\$3,000
6.03	Irrigation Equipment Replacement Allowance	2020	1	AS NEEDED		1	L.S.	\$2,500.00	\$2,500
6.04	Landscape Enhancement Allowance	2018	3	AS NEEDED		1	L.S.	\$6,000.00	\$6,000
6.05	Tree Removal & Replacement Allowance - Minor Ongoing	2018	3	AS NEEDED		1	L.S.	\$6,000.00	\$6,000
6.06	Tree Removal & Replacement Allowance - Major	2017	9	AS NEEDED		1	L.S.	\$20,000.00	\$20,000
7.00	CARPORTS								
7.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	1983	40	AS NEEDED		11937	S.F.	\$10.00	\$119,370
7.02	Roof - Tile Roof Underlayment & Partial Tile Replacement	2011	40	AS NEEDED	Notes	1265	S.F.	\$10.00	\$12,650
7.03	Structure Repairs	2003	20	AS NEEDED		1	L.S.	\$7,500.00	\$7,500
7.04	Lights - Fluorescent Fixtures	2000	25	AS NEEDED	Notes	32	EA	\$175.00	\$5,600
7.05	Lights - 2 Head Motion Sensor Fixtures	2013	25	GOOD/FAIR	Notes	31	EA	\$175.00	\$5,425

9.00	COMPONENT DATA
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CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	NOTES or PHOTOS	ITEM QUAN.	UM	UNIT COST	TOTAL COST
7.06	Lights -Wall Mount Flood Fixtures	2013	25	GOOD/FAIR	Notes	6	EA	\$175.00	\$1,050
8.00	POOL AREA								
9.00	POOL EQUIPMENT HOUSE				Notes				
9.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	1983	40	AS NEEDED		268	S.F.	\$10.00	\$2,679
9.02	Doors - Metal Clad	1983	45	FAIR		2	EA	\$1,200.00	\$2,400
9.03	Lights - Wall Mount Fixtures	2012	25	FAIR		2	EA	\$175.00	\$350
10.00	SWIMMING POOL				Notes				
10.01	Plaster	2013	15	FAIR		167	S.Y.	\$75.00	\$12,533
10.02	Tile (Waterline)	1998	30	FAIR		126	L.F.	\$25.00	\$3,150
10.03	Coping	1983	55	FAIR		126	L.F.	\$30.00	\$3,780
10.04	Mastic/Walk Joint	2008	10	FAIR/POOR		126	L.F.	\$8.00	\$1,008
10.05	Rails/Railing Set	2013	15	AS NEEDED		2	EA	\$600.00	\$1,200
10.06	Lights	2013	15	AS NEEDED		1	EA	\$520.00	\$520
10.07	Skimmers	1983	50	AS NEEDED		2	EA	\$1,000.00	\$2,000
10.08	Heater	2012	15	AS NEEDED		1	EA	\$3,000.00	\$3,000
10.09	Filter	2012	15	AS NEEDED		1	EA	\$1,500.00	\$1,500
10.10	Pump	2010	10	AS NEEDED		1	EA	\$1,000.00	\$1,000
10.11	Chlorinator	2008	10	AS NEEDED		1	EA	\$750.00	\$750
10.12	Chemical Controllor	2015	15	GOOD/FAIR		1	EA	\$1,775.00	\$1,775
10.13	Pool Equipment Repair/Replace Allowance - Ongoing	2018	3	AS NEEDED		1		\$536.00	\$536
10.14	Pool Furniture Replacement Allowance	2016	5	AS WANTED		1	L.S.	\$2,000.00	\$2,000
10.15	Pool Signage Replacement Allowance	2016	5	AS NEEDED		1	L.S.	\$750.00	\$750
11.00	SPA				Notes				
11.01	Plaster	2013	10	FAIR		13	S.Y.	\$150.00	\$1,958
11.02	Tile (Waterline)	1993	30	FAIR		35	L.F.	\$25.00	\$875
11.03	Coping	1983	55	FAIR		35	L.F.	\$30.00	\$1,050
11.04	Mastic/Walk Joint	2008	10	FAIR/POOR		35	L.F.	\$8.00	\$280
11.05	Rails/Railing Set	2013	10	AS NEEDED		2	EA	\$600.00	\$1,200
11.06	Lights	2015	10	FAIR		1	EA	\$520.00	\$520
11.07	Skimmers	1983	50	AS NEEDED		1	EA	\$1,000.00	\$1,000
11.08	Heater	2012	15	AS NEEDED		1	EA	\$3,000.00	\$3,000
11.09	Filter	2000	20	AS NEEDED		1	EA	\$1,500.00	\$1,500
11.10	Pump	2010	10	AS NEEDED		1	EA	\$1,000.00	\$1,000
11.11	Chlorinator	2015	10	FAIR		1	EA	\$750.00	\$750
12.00	BUILDING EXTERIOR COMPONENTS								
13.00	BUILDING EXTERIORS								

9.00	COMPONENT DATA
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CODE #	COMPONENT NAME	YEAR NEW	EXPECT. LIFE	CONDITION DESCRIPTION	NOTES or PHOTOS	ITEM QUAN.	UM	UNIT COST	TOTAL COST
13.01	Roof - Inspection, Repair & Replacement - Minor Ongoing	2019	2	AS NEEDED		1	L.S.	\$1,500.00	\$1,500
13.02	Roof - Inspection, Repair & Replacement - Based on Bid	2015	15	AS NEEDED		1	L.S.	\$19,650.00	\$19,650
13.03	Roof - Tile Roof Underlayment & Partial Tile Replacement	1983	40	AS NEEDED	Notes	24148	S.F.	\$11.00	\$265,625
13.04	Roof - Built-Up Flat Roof	2003	20	AS NEEDED		14342	S.F.	\$8.00	\$114,736
13.05	Roof - Gutters & Downspouts	1983	40	FAIR	Notes	3152	L.F.	\$10.00	\$31,520
13.06	Roof - Gutters & Downspouts	2016	30	GOOD		95	L.F.	\$10.00	\$950
13.07	Door Replacement Allowance ~ 50% - Inventory in Note	2008	20	AS NEEDED	Notes	1	L.S.	\$89,600.00	\$89,600
13.08	Doors - Wood Utility Set	2015	35	GOOD/FAIR	Notes	16	EA	\$1,000.00	\$16,000
13.09	Light Replacement Allowance ~ 25% - Inventory in Note	2016	5	AS NEEDED	Notes	1	L.S.	\$6,900.00	\$6,900
13.10	SB 326 - Elevated Element Inspection Allowance	2023	9	To Determine	Notes	1	L.S.	\$1,000.00	\$1,000
13.11	Stair & Entry Landing - Re-Surface/Repair/Replace ~ 50%	2008	20	AS NEEDED	Notes	1	L.S.	\$89,530.00	\$89,530
13.12	Balcony - Major Repair/Replace - Owners Responsibility	1983	0	OWNERS	Notes	2464	S.F.	\$0.00	\$0
13.13	Windows - Owners Responsibility (per board)	1983	0	OWNERS		1	L.S.	\$0.00	\$0
13.14	Fire Extinguisher Cabinets (Extinguishers replace in 2016)	2004	25	FAIR		8	EA	\$200.00	\$1,600
14.00	PAINTING & SIDING REPAIR/REPLACEMENT								
14.01	Paint Buildings, Carports & Pool House - Inventory in Note	2008	10	FAIR/POOR	Notes	1	L.S.	\$116,066	\$116,066
14.02	Siding & Fascia Repair/Replace Allowance ~ 5% of Total	2008	10	AS NEEDED	Notes	1	L.S.	\$36,257.07	\$36,257
14.03	Paint Site Components - Inventory in Note	2012	6	FAIR/POOR	Notes	1	L.S.	\$6,200.00	\$6,200
14.04	Re-Coach Balcony Surfaces	2008	10	AS NEEDED		2464	S.F.	\$6.00	\$14,784
14.05	Re-Coach Entry Landing Surface	2008	10	AS NEEDED	Notes	1532	S.F.	\$6.00	\$9,192
15.00	MISCELLANEOUS								
15.01	Sewer Inspection, Hydro Flushing & Repair Allowance	2019	2	AS NEEDED		1	L.S.	\$4,000.00	\$4,000
15.02	Security System Upgrade Allowance	2016	5	AS NEEDED		1	L.S.	\$5,000.00	\$5,000
15.03	Signage Replacement Allowance	2018	3	AS NEEDED		1	L.S.	\$1,500.00	\$1,500
15.04	Termite Inspection & Treatment Allowance	2020	10	COMPLETE		1	L.S.	\$33,743.00	\$33,743

GENERAL NOTES:

1. Where component replacement dates were unavailable, assumptions were made based on the visual condition of the component and its statistical life expectancy.
2. The use of a 0 year life expectancy in this report indicates a project and expenditure intended to occur only one time in the year shown as year new.
3. Per Davis-Stirling Act 5550 ((old 1365.5)), inspections and subsequent condition reports contained within this report were based on visual identification and inspection of accessible areas only. No destructive testing was performed during this inspection.
4. Based on #3, AS APPLICABLE to this property, the Board may want to seek appropriate expert inspection, testing, and opinions for the following component areas. These may include, but are not restricted to:
 - A) Defective construction and component installation
 - B) Dry rot damage
 - C) Pest infestation
 - D) Mold infestation
 - E) Moisture penetration
 - F) Roof inspection and repair
 - G) Balcony, deck and stair condition
 - H) Siding and trim condition
 - I) Window and door installation
5. Units of Measurement abbreviations:
 - L.F. = Linear Feet
 - S.F. = Square Feet
 - S.Y. = Square Yard
 - EA = Each
 - L.S. = Lump Sum
6. Condition Description Rating Guidelines:
 - GOOD = In first ~10% of its Expected Life, and visually in NEW condition.
 - GOOD/FAIR = Between ~10% and 35% of its Expected Life, visually still LIKE new, but not brand new.
 - FAIR = Between ~35% and 65% of its Expected Life, perfectly "operational", but visually showing some deterioration.
 - FAIR/POOR = Between ~65% and 90% of its Expected Life, still functional, but visual deterioration easily found and the need for repair and/or replacement should be monitored closely.
 - POOR = In final ~10% of its Life, is visibly failing, and/or a potential safety hazard -- replace ASAP.
 - AS NEEDED = Component is either a budget allowance of funds for ongoing repair/replacement in the future; or a component that should be replaced whenever it is warranted.
 - PROPOSED = The replacement date for this component has been proposed in the future by the Board of Directors and/or representative.
 - IN PROGRESS = The component is currently being investigated, repaired and/or replaced; and the next Reserve Study Update will incorporate the final details.

Please continue to following page(s) for specific component related inventories and notes:

SPECIFIC NOTES:**MAIN HEADING:** 2.00 ASPHALT**SUB HEADING:** 2.01 ASPHALT SEALING & STRIPING

438 L.F. of Red Curb

953 L.F. of White Striping

**MAIN HEADING:** 2.00 ASPHALT**SUB HEADING:** 2.04 ASPHALT REPAIR/REPLACE ALLOWANCE ~ 5% W/ SEALING**SUB HEADING:** 2.05 ASPHALT MAJOR REPAIR/REPLACE/OVERLAY ~ 25% EVERY 2 CYCL

MAIN HEADING: 3.00 CONCRETE

SUB HEADING: 3.01 CONCRETE REPAIR/REPLACEMENT ALLOWANCE - MINOR ONGOING



MAIN HEADING: 3.00 CONCRETE

SUB HEADING: 3.02 CONCRETE POOL DECKING



MAIN HEADING: 4.00 MAILBOXES & SITE LIGHTING

SUB HEADING: 4.01 MAILBOXES - 17 BOX W/ 2 PARCELS

SUB HEADING: 4.02 MAILBOXES - 14 BOX W/ 1 PARCELS



MAIN HEADING: 4.00 MAILBOXES & SITE LIGHTING

SUB HEADING: 4.03 LIGHTS POLES & FIXTURES



MAIN HEADING: 5.00 FENCING & WALLS

SUB HEADING: 5.01 FENCE - WOOD @ SW PROPERTY LINE (LEFT) (GOOD NEIGHBOR)



MAIN HEADING: 5.00 FENCING & WALLS

SUB HEADING: 5.02 FENCE - WOOD @ NW PROPERTY LINE (RIGHT) (~25' IS NEW)



MAIN HEADING: 5.00 FENCING & WALLS

SUB HEADING: 5.03 FENCE - WOOD @ N PROPERTY LINE (RIGHT) (GOOD NEIGHBOR)



MAIN HEADING: 5.00 FENCING & WALLS

SUB HEADING: 5.04 FENCE - WOOD @ PATIOS



MAIN HEADING: 5.00 FENCING & WALLS

SUB HEADING: 5.05 FENCE - WOOD @ TRASH AREAS



MAIN HEADING: 5.00 FENCING & WALLS

SUB HEADING: 5.06 FENCE - METAL @ POOL (INCLUDING GATE)



MAIN HEADING: 5.00 FENCING & WALLS

SUB HEADING: 5.07 RAILING - METAL @ STAIRS/LIGHT



MAIN HEADING: 6.00 IRRIGATION, LANDSCAPING & TREES

SUB HEADING: 6.01 IRRIGATION BACKFLOW PREVENTOR

SUB HEADING: 6.02 IRRIGATION CONTROLLER REPLACEMENT ALLOWANCE



MAIN HEADING: 7.00 CARPORTS

SUB HEADING: 7.02 ROOF - TILE ROOF UNDERLAYMENT & PARTIAL TILE REPLACEMENT



MAIN HEADING: 7.00 CARPORTS

SUB HEADING: 7.04 LIGHTS - FLUORESCENT FIXTURES

SUB HEADING: 7.05 LIGHTS - 2 HEAD MOTION SENSOR FIXTURES

SUB HEADING: 7.06 LIGHTS - WALL MOUNT FLOOD FIXTURES

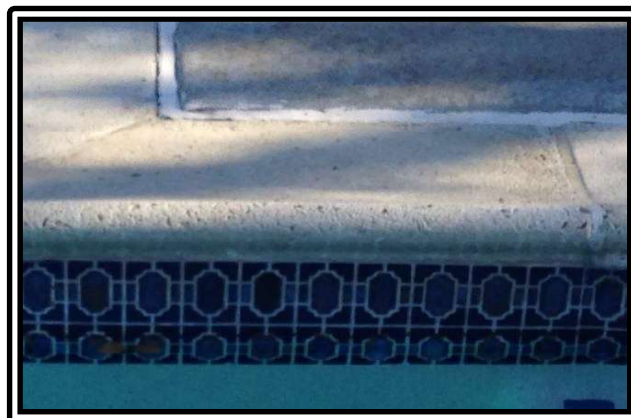
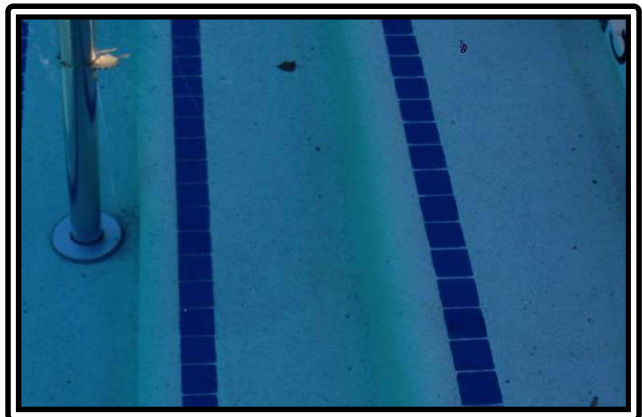
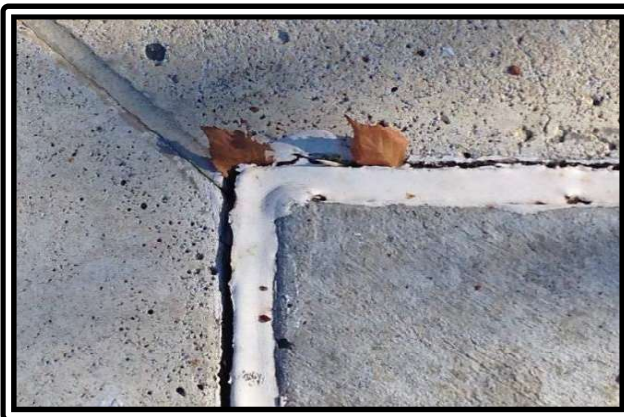


MAIN HEADING: 9.00 POOL EQUIPMENT HOUSE



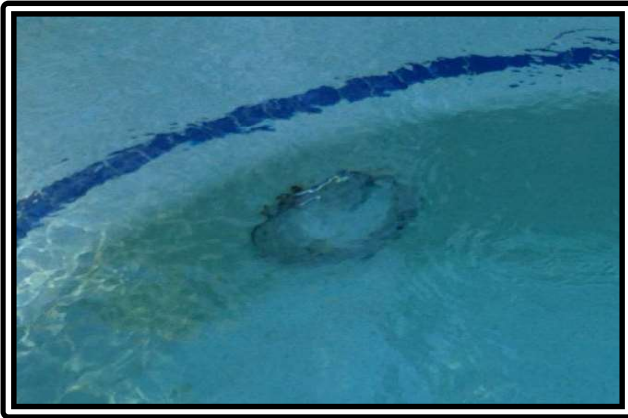
MAIN HEADING:

10.00 SWIMMING POOL



MAIN HEADING:

11.00 SPA



10.00 A**COMPONENT DATA NOTES**

MAIN HEADING: 13.00 BUILDING EXTERIORS

SUB HEADING: 13.02 ROOF - TILE ROOF UNDERLAYMENT & PARTIAL TILE REPLACEMENT



MAIN HEADING: 13.00 BUILDING EXTERIORS

SUB HEADING: 13.04 ROOF - GUTTERS & DOWNSPOUTS



MAIN HEADING: 13.00 BUILDING EXTERIORS

SUB HEADING: 13.06 DOOR REPLACEMENT ALLOWANCE ~ 50% - INVENTORY IN NOTE

64 - Unit Entry	\$1,000.00	\$64,000.00
64 - Sliding Glass - Balcony/Patio	\$1,200.00	\$76,800.00
48 - Storage - Balcony/Patio	\$800.00	\$38,400.00
		<u>\$179,200.00</u>

MAIN HEADING: 13.00 BUILDING EXTERIORS

SUB HEADING: 3.06 SB 326 - ELEVATED ELEMENT INSPECTION ALLOWANCE

SB 326 - To Determine - See Note

Effective January 1, 2020 SB 326 introduces Civil Code Section 5551, which sets forth new requirements for associations with three or more multifamily dwelling units. For these associations, all exterior elevated

elements that are supported in substantial part by wood or wood-based products, such as decks, balconies, stairways, and walkways, must be visually inspected every nine (9) years by a licensed structural engineer or architect ("Inspector").

For the purposes of this Reserve Study's budgetary figures have been included for the inspection. As the actual inspection costs become known they will be incorporated in subsequent reports. Based on the Inspector's findings and recommendations the cost & timing of any required repair/replacement will be updated in future reports.

MAIN HEADING: 13.00 BUILDING EXTERIORS

SUB HEADING: 13.11 DOORS - WOOD UTILITY SET



MAIN HEADING: 13.00 BUILDING EXTERIORS

SUB HEADING: 13.12 LIGHT REPLACEMENT ALLOWANCE ~ 25% - INVENTORY IN NOTE

Currently the exterior lights are organized to be replaced in 4 phases over the next 20 years. Should the association want to replace all at one, or in a sooner time period, the organization in this report should be adjusted.

64 - Entry Globe Fixtures	\$150.00	\$9,600.00
56 - Stair & Middle Corridor Area Fixtures	\$150.00	\$8,400.00
64 - Balcony/Patio Fixtures	\$150.00	\$9,600.00
		<u>\$27,600.00</u>



MAIN HEADING: 13.00 BUILDING EXTERIORS

SUB HEADING: 13.15 STAIR & ENTRY LANDING - RE-SURFACE/REPAIR/REPLACE ~ 50%

256 Wood Stair Stringer w/ Concrete Treads	\$150.00	\$38,400.00
736 Wood Stair Railing	\$35.00	\$25,760.00
1532 Entry Landing Surface/Structure	\$75.00	\$114,900.00
		<u>\$179,060.00</u>

The entry stair stringers, landings, and railings are in various condition, though many appear to have had repair/replacement since original. As the specific history of each is not known, these components have been organized to be repaired/replaced on an ongoing basis, to be done as needed. The amount allocated is based on ~ 50% of the total every 20 years, so that all are addressed in a 40 year period. It is possible that funds will be needed for them within this time, which this allowance is designed to maintain.





MAIN HEADING:

14.00 PAINTING & SIDING REPAIR/REPLACEMENT

SUB HEADING:

14.01 PAINT BUILDINGS, CARPORTS & POOL HOUSE - INVENTORY IN NOT

Residential Buildings

62026 S.F. of Stucco Siding	\$1.00	\$62,026.00
1728 S.F. of Stucco Balcony Railing	\$1.00	\$1,728.00
2476 S.F. of Wood Fascia	\$1.00	\$2,476.00
3168 S.F. of Wood Balcony Railing	\$1.00	\$3,168.00
1024 S.F. of Wood Stair Stringers	\$1.00	\$1,024.00
5888 S.F. of Wood Stair Railing	\$1.00	\$5,888.00
1216 S.F. of Metal Gutters	\$1.00	\$1,216.00
1760 S.F. of Metal Downspouts	\$1.00	\$1,760.00
144 - Doors	\$100.00	\$14,400.00

Carports

18109 S.F. of Wood	\$0.75	\$13,581.45
9568 S.F. of Stucco Walls	\$0.75	\$7,176.00
1327 S.F. of Wood Fascia	\$0.75	\$995.40

Pool House

508 S.F. of Stucco Siding	\$0.75	\$381.00
61 S.F. of Wood Fascia	\$0.75	\$45.84
2 - Doors	\$100.00	\$200.00
		<u>\$116,065.69</u>

MAIN HEADING: 14.00 PAINTING & SIDING REPAIR/REPLACEMENT

SUB HEADING: 14.20 SIDING & FASCIA REPAIR/REPLACE ALLOWANCE ~ 5% OF TOTAL

Residential Buildings

58016 S.F. of Stucco Siding	\$10.00	\$580,160.00
2476 S.F. of Wood Fascia	\$12.00	\$29,712.00

Carports

9568 S.F. of Stucco Walls	\$10.00	\$95,680.00
1148 S.F. of Wood Fascia	\$12.00	\$13,776.00

Pool House

508 S.F. of Stucco Siding	\$10.00	\$5,080.00
61 S.F. of Wood Fascia	\$12.00	\$733.44
		<u>\$725,141.44</u>

MAIN HEADING: 14.00 PAINTING & SIDING REPAIR/REPLACEMENT

SUB HEADING: 14.30 PAINT SITE COMPONENTS - INVENTORY IN NOTE

1302 S.F. of Metal Pool Fence (including gate)	\$1.00	\$1,302.00
4224 S.F. of Wood Patio Fence	\$1.00	\$4,224.00
430 S.F. of Wood Fence @ Trash Areas	\$1.00	\$430.00
44 S.F. of Metal Railing @ Stairs/Light	\$1.00	\$44.00
200 S.F. of Masonry Wall @ Trash Area	\$1.00	\$200.00
		<u>\$6,200.00</u>

MAIN HEADING: 14.00 PAINTING & SIDING REPAIR/REPLACEMENT

SUB HEADING: 14.37 RE-COAT ENTRY LANDING SURFACE

For budget purposes, coating of the entry landings, as well as balcony surfaces, are projected to occur with paint cycles. It is possible that these projects don't have to happen together, though it is common for them so at a minimum be assessed - as is recommended for the next paint cycle.





end

end

11.00	PERCENT FUNDED CALCULATION
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Code #	Component Description	2020 End Req'd in Bank	Year New	Useful Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
1.00	SITE							
2.00	ASPHALT							
2.01	Asphalt Sealing & Striping	\$6,558	2013	6	-2	\$6,558	\$1,093	\$0
2.02	Asphalt Repair/Replace Allowance ~ 5% w/ Sealing	\$5,703	2013	6	-2	\$5,703	\$950	\$0
2.03	Asphalt Major Repair/Replace/Overlay ~ 25% every 2 cycle	\$16,633	2013	12	4	\$28,514	\$2,376	\$19,009
	Category Sub-Total	\$28,894				\$40,775	\$4,420	\$19,009
3.00	CONCRETE							
3.01	Concrete Repair/Replacement Allowance - Minor Ongoing	\$1,750	2019	2	0	\$3,500	\$1,750	\$0
3.02	Concrete Pool Decking	\$31,585	1983	55	17	\$46,950	\$854	\$32,438
	Category Sub-Total	\$33,335				\$50,450	\$2,604	\$32,438
4.00	MAILBOXES & SITE LIGHTING							
4.01	Mailboxes - 17 Box w/ 2 Parcels	\$720	2012	25	16	\$2,250	\$90	\$810
4.02	Mailboxes - 14 Box w/ 1 Parcels	\$2,560	2012	25	16	\$8,000	\$320	\$2,880
4.03	Lights Poles & Fixtures	\$45,633	1983	45	7	\$55,500	\$1,233	\$46,867
	Category Sub-Total	\$48,913				\$65,750	\$1,643	\$50,557
5.00	FENCING & WALLS							
5.01	Fencing, Gate & Wall Repair/Replacement Allowance	\$0	2020	5	4	\$4,000	\$800	\$800
5.02	Fence - Wood @ SW Property Line (left) (good neighbor)	\$4,510	2009	30	18	\$12,300	\$410	\$4,920
5.03	Fence - Wood @ NW Property Line (right) (~25' is new)	\$16,330	1997	30	6	\$21,300	\$710	\$17,040
5.04	Fence - Wood @ N Property Line (right) (good neighbor)	\$6,574	1997	30	6	\$8,575	\$286	\$6,860
5.05	Fence - Wood @ Patios ~ 25% of Total (~ 352' Total)	\$4,224	2016	5	0	\$5,280	\$1,056	\$0
5.06	Fence - Wood @ Trash Areas	\$74	2019	35	33	\$2,580	\$74	\$147
5.07	Fence - Metal @ Pool (including gate)	\$4,629	2012	30	21	\$17,360	\$579	\$5,208
5.08	Railing - Metal @ Stairs/Light	\$296	1983	55	17	\$440	\$8	\$304
5.09	Walls - Masonry @ Street/Rear Prop. Repairs (~415' total)	\$3,000	2008	20	7	\$5,000	\$250	\$3,250
5.10	Wall - Masonry @ Trash Area	\$86	2019	35	33	\$3,000	\$86	\$171
	Category Sub-Total	\$39,723				\$79,835	\$4,258	\$38,701
6.00	IRRIGATION, LANDSCAPING & TREES							
6.01	Irrigation Backflow Preventor	\$1,850	1983	40	2	\$2,000	\$50	\$1,900
6.02	Irrigation Controller Replacement Allowance	\$2,250	2005	20	4	\$3,000	\$150	\$2,400
6.03	Irrigation Equipment Replacement Allowance	\$2,500	2020	1	0	\$2,500	\$2,500	\$2,500
6.04	Landscape Enhancement Allowance	\$4,000	2018	3	0	\$6,000	\$2,000	\$0
6.05	Tree Removal & Replacement Allowance - Minor Ongoing	\$4,000	2018	3	0	\$6,000	\$2,000	\$0
6.06	Tree Removal & Replacement Allowance - Major	\$6,667	2017	9	5	\$20,000	\$2,222	\$8,889
	Category Sub-Total	\$21,267				\$39,500	\$8,922	\$15,689
7.00	CARPORTS							
7.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$110,417	1983	40	2	\$119,370	\$2,984	\$113,402
7.02	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$2,846	2011	40	30	\$12,650	\$316	\$3,163
7.03	Structure Repairs	\$6,375	2003	20	2	\$7,500	\$375	\$6,750
7.04	Lights - Fluorescent Fixtures	\$4,480	2000	25	4	\$5,600	\$224	\$4,704
7.05	Lights - 2 Head Motion Sensor Fixtures	\$1,519	2013	25	17	\$5,425	\$217	\$1,736
7.06	Lights -Wall Mount Flood Fixtures	\$294	2013	25	17	\$1,050	\$42	\$336
	Category Sub-Total	\$125,932				\$151,595	\$4,159	\$130,090
8.00	POOL AREA							
9.00	POOL EQUIPMENT HOUSE							
9.01	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$2,478	1983	40	2	\$2,679	\$67	\$2,545
9.02	Doors - Metal Clad	\$1,973	1983	45	7	\$2,400	\$53	\$2,027
9.03	Lights - Wall Mount Fixtures	\$112	2012	25	16	\$350	\$14	\$126
	Category Sub-Total	\$4,563				\$5,429	\$134	\$4,698
10.00	SWIMMING POOL							
10.01	Plaster	\$5,849	2013	15	7	\$12,533	\$836	\$6,684
10.02	Tile (Waterline)	\$2,310	1998	30	7	\$3,150	\$105	\$2,415
10.03	Coping	\$2,543	1983	55	17	\$3,780	\$69	\$2,612
10.04	Mastic/Walk Joint	\$1,008	2008	10	-3	\$1,008	\$101	\$0
10.05	Rails/Railing Set	\$560	2013	15	7	\$1,200	\$80	\$640
10.06	Lights	\$243	2013	15	7	\$520	\$35	\$277
10.07	Skimmers	\$1,480	1983	50	12	\$2,000	\$40	\$1,520
10.08	Heater	\$1,600	2012	15	6	\$3,000	\$200	\$1,800

11.00	PERCENT FUNDED CALCULATION
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Code #	Component Description	2020 End Req'd in Bank	Year New	Useful Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
10.09	Filter	\$800	2012	15	6	\$1,500	\$100	\$900
10.10	Pump	\$1,000	2010	10	-1	\$1,000	\$100	\$0
10.11	Chlorinator	\$750	2008	10	-3	\$750	\$75	\$0
10.12	Chemical Controller	\$592	2015	15	9	\$1,775	\$118	\$710
10.13	Pool Equipment Repair/Replace Allowance - Ongoing	\$357	2018	3	0	\$536	\$179	\$0
10.14	Pool Furniture Replacement Allowance	\$1,600	2016	5	0	\$2,000	\$400	\$0
10.15	Pool Signage Replacement Allowance	\$600	2016	5	0	\$750	\$150	\$0
Category Sub-Total		\$21,291				\$35,502	\$2,587	\$17,558
11.00	SPA							
11.01	Plaster	\$1,371	2013	10	2	\$1,958	\$196	\$1,567
11.02	Tile (Waterline)	\$788	1993	30	2	\$875	\$29	\$817
11.03	Coping	\$706	1983	55	17	\$1,050	\$19	\$725
11.04	Mastic/Walk Joint	\$280	2008	10	-3	\$280	\$28	\$0
11.05	Rails/Railing Set	\$840	2013	10	2	\$1,200	\$120	\$960
11.06	Lights	\$260	2015	10	4	\$520	\$52	\$312
11.07	Skimmers	\$740	1983	50	12	\$1,000	\$20	\$760
11.08	Heater	\$1,600	2012	15	6	\$3,000	\$200	\$1,800
11.09	Filter	\$1,500	2000	20	-1	\$1,500	\$75	\$0
11.10	Pump	\$1,000	2010	10	-1	\$1,000	\$100	\$0
11.11	Chlorinator	\$375	2015	10	4	\$750	\$75	\$450
Category Sub-Total		\$9,460				\$13,133	\$914	\$7,391
12.00	BUILDING EXTERIOR COMPONENTS							
13.00	BUILDING EXTERIORS							
13.01	Roof - Inspection, Repair & Replacement - Minor Ongoing	\$750	2019	2	0	\$1,500	\$750	\$0
13.02	Roof - Inspection, Repair & Replacement - Based on Bid	\$6,550	2015	15	9	\$19,650	\$1,310	\$7,860
13.03	Roof - Tile Roof Underlayment & Partial Tile Replacement	\$245,703	1983	40	2	\$265,625	\$6,641	\$252,343
13.04	Roof - Built-Up Flat Roof	\$97,526	2003	20	2	\$114,736	\$5,737	\$103,262
13.05	Roof - Gutters & Downspouts	\$29,156	1983	40	2	\$31,520	\$788	\$29,944
13.06	Roof - Gutters & Downspouts	\$127	2016	30	25	\$950	\$32	\$158
13.07	Door Replacement Allowance ~ 50% - Inventory in Note	\$53,760	2008	20	7	\$89,600	\$4,480	\$58,240
13.08	Doors - Wood Utility Set	\$2,286	2015	35	29	\$16,000	\$457	\$2,743
13.09	Light Replacement Allowance ~ 25% - Inventory in Note	\$5,520	2016	5	0	\$6,900	\$1,380	\$0
13.10	SB 326 - Elevated Element Inspection Allowance	\$667	2023	9	2	\$1,000	\$111	\$778
13.11	Stair & Entry Landing - Re-Surface/Repair/Replace ~ 50%	\$53,718	2008	20	7	\$89,530	\$4,477	\$58,195
13.12	Balcony - Major Repair/Replace - Owners Responsibility	\$0	1983	0	0	\$0	\$0	\$0
13.13	Windows - Owners Responsibility (per board)	\$0	1983	0	0	\$0	\$0	\$0
13.14	Fire Extinguisher Cabinets (Extinguishers replace in 2016)	\$1,024	2004	25	8	\$1,600	\$64	\$1,088
Category Sub-Total		\$496,785				\$638,611	\$26,226	\$514,611
14.00	PAINTING & SIDING REPAIR/REPLACEMENT							
14.01	Paint Buildings, Carports & Pool House - Inventory in Note	\$116,066	2008	10	-3	\$116,066	\$11,607	\$0
14.02	Siding & Fascia Repair/Replace Allowance ~ 5% of Total	\$36,257	2008	10	-3	\$36,257	\$3,626	\$0
14.03	Paint Site Components - Inventory in Note	\$6,200	2012	6	-3	\$6,200	\$1,033	\$0
14.04	Re-Coach Balcony Surfaces	\$14,784	2008	10	-3	\$14,784	\$1,478	\$0
14.05	Re-Coach Entry Landing Surface	\$9,192	2008	10	-3	\$9,192	\$919	\$0
Category Sub-Total		\$182,499				\$182,499	\$18,663	\$0
15.00	MISCELLANEOUS							
15.01	Sewer Inspection, Hydro Flushing & Repair Allowance	\$2,000	2019	2	0	\$4,000	\$2,000	\$0
15.02	Security System Upgrade Allowance	\$4,000	2016	5	0	\$5,000	\$1,000	\$0
15.03	Signage Replacement Allowance	\$1,000	2018	3	0	\$1,500	\$500	\$0
15.04	Termite Inspection & Treatment Allowance	\$0	2020	10	9	\$33,743	\$3,374	\$3,374
Category Sub-Total		\$7,000				\$44,243	\$6,874	\$3,374
			Total Value of Components:			\$1,347,322		
			Annual Straight-Line Allocation:				\$81,404	
			2020 End					2021 End
Total Dollars Necessary to be 100% Funded:		\$1,019,662						\$834,117
Actual Dollars In Reserve Fund:		\$403,784						\$263,300

11.00	PERCENT FUNDED CALCULATION
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Code #	Component Description	2020 End Req'd in Bank	Year New	Usefl Life	Rmng. (2021)	Current Cost	Annual Allocation	2021 End Req'd in Bank
	Current Fund Deficiency:	\$615,878						\$570,817
	Current Per Unit Deficiency:	\$9,623						\$8,919
	Percent Funded:	39.60%						31.57%
	(Actual dollars/Total Dollars Necessary)							

STEPS FOR DETERMINING PERCENT FUNDED:

Step 1: Calculate for each component a required contribution on a "straight-line" funding methodology.

(total component cost divided by the life expectancy of the component)

Step 2: Calculate the required dollars in Reserves for each component.

(required annual contribution multiplied by the component's life in service)

Step 3: Total the required dollars for each component to arrive at "required dollars in bank".

Step 4: Divide actual dollars in bank by required dollars in bank to arrive at percent funded calculation.

This report includes, but is not limited to*, reserve calculations made using the formula described in section 5570(b)(4) ((old 1365.2.5(b)(4)) of the Davis-Stirling Act:

*(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. **This shall not be construed to require the board to fund reserves in accordance with this calculation.***

* The future funding levels developed in the Funding Plan of this Reserve Study are derived through cash flow funding calculations.

**No Transfer of Title Without Grant Deed and
Escrow Check(s)**

**CMS requires a copy of the grant deed and
escrow check(s) to change ownership of any
property.**

**The information on the check stub from payment
of assessments is NOT sufficient to transfer title.**

**Please send these items to CMS as soon as
possible.**

CONSENT TO RECEIVE ASSOCIATION NOTICES AND DOCUMENTS ELECTRONICALLY

Please take a moment to review the Terms and Conditions presented below.

Agreement To Terms and Conditions:

In accordance with California Civil Code §§4040 to 4050, which is part of California's Davis-Stirling Common Interest Development Act (CC §§4000-6150) (the "Act"), the undersigned Member(s) of the **[name of association]** Association (the "Association"), by signing below, hereby consent to receipt of documents, reports, notices, and other information from the Association by e-mail, facsimile, or other electronic means. It is my intention that this consent apply, without limitation, to notices, newsletters, minutes, personal invoices, budgets, financial statements, and other documents that the Association is required by the Act to deliver to its Members, instead of receiving that information by conventional first-class mail, so long as the means of electronic transmission utilized by the Association creates a record that is capable of retention, retrieval, and review that may thereafter be rendered into clearly legible, tangible form. This consent to receipt of notices and information from the Association by electronic means shall not apply, however, to any notice or document which the Act or other applicable law requires to be provided to me by some other form of written communication or by personal delivery. NOTE: Any item that requires an official vote and ballot of the membership cannot be communicated via email and will be sent via conventional mail.

Terms and Conditions:

1. Email statement Enrollment

- a. By agreeing to receipt of Association notices and documents electronically, you are indicating that you would like to receive your HOA statements and other Association notices and documents via electronic mail (email).
- b. By enrolling, you acknowledge and agree that email statements are a courtesy service and regardless of whether you receive any email statements, you must pay your assessments and/or other charges to the HOA in a timely fashion and in conformance with the governing documents of the HOA.
- c. By registering and completing this form, you are considered enrolled. The next time your account is billed, you will receive an email statement and no other statement will be provided through the postal service or otherwise.

2. Limitations, Charges and Cancellation:

- a. Service Limitations:
HOA will take commercially reasonable efforts to provide your Association notices and documents via email in a productive and efficient manner. However, technical or other difficulties cannot always be foreseen or anticipated. These difficulties may result in loss of data, personalized settings or delays in your receipt of Association notices and documents. HOA is not liable for failures of email transmissions of Association notices and documents due to any cause, including but not limited to transmission failures due to bounced emails, full email boxes, internet access problems, network failures, and any other delays or customer failure to receive email statements.

b. Cancellation:

You have the right to receive any notice or other document or record that is provided or made available under this Consent on paper or in non-electronic form if requested by you, in writing to the Association. You may revoke your consent to receipt of association notices and documents at any time by providing the Association with signed written notice of your desire to do so.

4. Contact Information:

For questions regarding these Terms and Conditions contact us at:
cs@communitymanagement.com or 408-559-1977.

Requests to receive any notice or other document or record that is provided or made available under this Consent on paper or in non-electronic form should be submitted in writing to:

Community Management Services, Inc.
1935 Dry Creek Road, Suite 203
Campbell, CA 95008

Acknowledgement:

By signing below, I acknowledge that I will not receive conventional printed or photocopied versions of documents generally distributed by the Association unless I otherwise specifically request receipt of a non-electronic form of the notice or document. I understand that, at any time, I may request a paper copy of any document that I have previously received in electronic form, or that I desire in some other format, by contacting the Association's manager. I understand that the Association cannot confirm my ability to receive communications, or whether I have read such communications. By executing this document, I am affirming that the electronic device I use to receive communications meets the hardware and software requirements necessary for receiving such notices, statements, and disclosures electronically. I understand that the Association may be required to disclose my e-mail address in accordance with California law. I agree to provide notice to the Association in the event of any changes to my e-mail address, and understand that I can withdraw this Consent at any time, simply by sending in writing to the Association's manager.

DATED: _____, 20__

SIGNATURE OF MEMBER: _____

Association Name: _____

Print Name of Member: _____

Property Address: _____

Telephone Number: _____

Account Number: _____

E-mail Address: _____



We have made the enrollment process easier and added payment options! Simply go to the Heritage Bank of Commerce website at <https://hbcpay.com/#/person/find/>

It is a 3 step process:

1. Register: you will need 3 pieces of information found on your statement.
 - a. Client ID
 - b. Association ID
 - c. Account #

Please Note: PAYMENTS MUST BE RECEIVED BY THE 15th OF MONTH TO AVOID YOUR ASSOCIATIONS LATE & INTEREST FEES. Payments require 5-7 business days, including mailing time, to post to your account.

Client ID: 105	Association ID	Account Number
<hr/>		
ABC HOMEOWNERS ASSOCIATION 1935 DRY CREEK ROAD SUITE 203 CAMPBELL, CA 95008-3631 (408) 559-1977	Account Number 0134-00033663	Date 02/01/2018
	Payment Due 02/01/2018	Amount Due \$505.00
	Amount Enclosed	

Once registered you will be able to manage your payment(s), see your payment history, add as many payment method types (ACH, Credit Card, Debit Card) and maintain your profile.

Create a PIN, and access portal easily with email and PIN in the future.
You can access the payment portal anytime thereafter with your email address and 4 Digit PIN.



Enter your Email and 4 digit PIN to login to your Portal

A login form for the Heritage Bank of Commerce portal. It includes a text input for "Email Address" with the value "kimberly.bohn@herbank.com" and a small "X" icon. Below it is a section for "Enter Your 4 Digit Pin" with four empty square boxes. A blue "LOGIN" button is positioned below the PIN boxes. At the bottom, there is a checkbox labeled "Remember Email" and a link "RESET MY PIN".

2. Set Up your payment method. You can pay by ACH debit to your bank account, debit card or credit card. Convenience fees apply to debit or credit card payment methods.

A form for setting up a bank account as a payment method. It starts with a dropdown menu "Select Payment Method Type" set to "Bank Account". Below are text inputs for "Bank Account Holder Name" (Kimberly Bohn), "Routing Number", "Bank Account Number", and "Confirm Account Number". There is also a dropdown for "Account Type" set to "Checking Account". A green "SAVE BANK ACCOUNT" button is at the bottom. Below the button, there is a section titled "- Bank Account Fee Info -" stating "Using a bank account to make a payment is free." and a "BACK" link.A form for setting up a debit or credit card as a payment method. It starts with a dropdown menu "Select Payment Method Type" set to "Debit or Credit Card". Below are text inputs for "Cardholder Name" (Kimberly Bohn), "Card Number" (masked with dots), and "Expiration Date" (MM/YY). A green "SAVE CARD" button is at the bottom. Below the button, there are two sections: "- Debit Card Fee Info -" stating "A \$4.95 convenience fee will be applied at the time of payment." and "- Credit Card Fee Info -" stating "A 2.95% service fee will be applied at the time of payment." Both sections have a "BACK" link.


3. Set up your AutoPay (scheduled payment) selecting the payment method you previously set up in step #2.

New Scheduled Payment

Account #
1

Payment amount:
\$ 0.00

Select Pay Method:

 Checking #6789
Far, Stone
Kimberly Bohn

Add New Payment Method

Frequency:
Please select a frequency type

Select Start Month:
2017 - November

Select End Month:
No end date
Dec 2018

Day of Month To Pay:
29

Don't Worry - We'll email you a reminder before each scheduled payment.

CREATE SCHEDULED PAYMENT

The payment portal has many new alerts and will keep you posted on where you stand with your payments. If you have any questions, please contact HOASpecialtyBanking.com or call (844) 489-0999 for assistance.

IMPORTANT NOTICE
AUTOMATIC WITHDRAWAL
FOR ASSESSMENTS

SELLER- If you currently have an automatic payment service set up with Heritage Bank **YOU MUST CANCEL THIS SERVICE IN WRITING.** This service **WILL NOT** automatically be canceled.

Please contact Heritage bank at:

HOASPECIALTYBANKING@HERBANK.COM TO
DISCONTINUE SERVICE.

BUYER-

If you would like to sign up for this service, please follow the steps on the next page.

**Creekside Place
Homeowners Association
Dispute Resolution Policy**

**NOTICE REGARDING
DISCRIMINATORY RESTRICTIONS**

(California Government Code 12956.1)

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, victim of abuse 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."

COMPLAIN DISPUTE IS MADE

DISPUTE RESOLUTION POLICY

Homeowner to Homeowner Dispute

Notify complainant to communicate directly with owner/tenant

Complainant unable to resolve individually

Complainant provides documentation & verification of Dispute to HOA. HOA verifies complaint and sends written communications to owner and tenants pursuant to the association's written enforcement policy

Homeowner to Association Dispute

Complainant to document dispute in writing
BOD to verify dispute

Both parties attempt to resolve matter during regularly scheduled BOD meeting

Association to Homeowner Dispute

BOD to notify owner/tenants of dispute in writing and attempts to resolve matter through HOA's enforcement policy, including a meeting/hearing with the BOD

NO RESPONSE OR RESOLUTION

INTERNAL DISPUTE RESOLUTION (IDR) IS INITIATED

The purpose of IDR is to provide a fair, reasonable and expeditious dispute resolution for disputes between the association and a member involving their rights, duties or liabilities under the governing documents of the association. This procedure shall provide a means by which the member and the association may explain their positions to a neutral party, including low-cost or no-cost mediation programs such as those listed on the Internet Web sites of the Department of Consumer Affairs. The homeowner shall not be charged a fee to participate in the process.

Complainant requests IDR w/ HOA in writing

HOA accepts IDR and schedules a meeting between owner and designate within 90 days of receipt of request

Homeowner requests IDR with HOA in writing

HOA accepts IDR and schedules a meeting with owner & board designate within 90 days of receipt of request

Association requests IDR with owner in writing

H/O accepts IDR in writing and HOA meeting with board designate within 90 days of receipt of acceptance

H/O does not accept IDR

IDR Meeting between homeowner and designated Board representative

The parties shall meet promptly at a mutually convenient time and place, explain their positions to each other and confer in good faith in an effort to resolve the dispute.

RESOLUTION

A resolution of the dispute agreed to by the parties shall be memorialized in writing and signed by the parties, including the board designee on behalf of the association. An agreement reached binds the parties and is judicially enforceable provided the agreement is not in conflict with the law or the governing documents of the association and provided the agreement is either consistent with the authority granted by the board of directors to its designee or the Agreement is ratified by the board of directors.

NO RESOLUTION

Alternative Dispute Resolution (ADR)
Civil Code 1354

**Creekside Place
Homeowners Association
Move-in/Move-out Policy**

**NOTICE REGARDING
DISCRIMINATORY RESTRICTIONS**

(California Government Code 12956.1)

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, victim of abuse 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."

CREEKSIDE PLACE HOMEOWNERS ASSOCIATION

MOVE-IN / MOVE-OUT POLICY &

HOMEOWNER LEASE AGREEMENT PROVISIONS

Pursuant to the Association's Declaration of Covenants, Conditions and Restrictions, as of their Amendment of January 30, 1995 at 10:37AM. Pursuant to Articles I, Section 1.33, Article IV, Section 4.1 & 4.2, and Article V, Section 5.5 either in full or part, the following procedure is put forth:

The procedure put forth in the amendment is as follows:

1. Any Owner desiring to lease or rent his or her Unit shall submit an application in writing to the Board of Directors, which shall state: the name, mailing address, Unit address, and record ownership date of the Owner; the proposed lease term; the number of tenants; and such other information which the Board of Directors may reasonably require from time to time.
2. Each record Owner shall have the further right, upon written request delivered to the Association, to appear in person before the Board of Directors and to discuss the request to lease or rent his or her Unit.
3. Within thirty (30) days after receipt of such application to lease or rent, the Board of Directors shall review such application, and approve or disapprove it in a written notice transmitted to the requesting Owner, which notice shall specify the exact reason or reasons therefore if the application is disapproved; provided that the Board shall grant the application, unless doing so will increase the number of Units leased or rented within the Development to more than allowed under this Subsection 4.2, or will otherwise result in the violation of any provision of this Section 4.2.
4. If the application is disapproved, the record Owner concerned shall have a right to rehearing upon written request to the Board of Directors, at its next regular meeting, or as otherwise agreed between the parties. The Owner shall have the right to appear at the rehearing and present his or her case, and on termination of such rehearing, the Board shall transmit its written determination to the requesting Owner within ten (10) days thereafter, and, if again disapproved, shall specify the reasons for such disapproval.
5. The decision of the Board of Directors in approving or disapproving an application of a record Owner to lease his or her Unit shall be absolute and conclusive, unless in clear violation of this Section 4.2.
6. The Board of Directors shall prepare a list of all record Owners currently leasing or renting a Unit, which list shall include the Owner's name, mailing address, Unit address, date of record ownership and term of the lease. Such list shall be made available to any Owner upon payment of a reasonable administrative charge to be set by the Board of Directors.
7. The Board shall establish and maintain a priority list, identifying the name, mailing address, address of Unit, record date of ownership, and date of application of each Owner who has submitted a written request to the Board to lease or rent his or her Unit. When the number of Units leased or rented in the Development is less than the number allowed under this Subsection 4.2, the Board shall authorize the Owner who submitted the earliest application to lease or rent his or her Unit; provided, however, that once an Owner obtains permission to lease or rent, he or she may do so to consecutive lessees or renters without interruption or may reoccupy his or her Unit for a period not to exceed thirty (30) days, without having to reapply to the Board for permission to lease or rent.

Here and then forth the Creekside Place Board of Directors hereby reaffirms the Creekside Place Homeowners Association Move-In / Move-Out Policy & Homeowner Lease Agreement Provisions as Follows:

Each Owner leasing a Unit pursuant to this Section 4.2 shall be strictly responsible and liable to the Association for the actions of such Owner's tenant(s) in or about all Units and Common Area and for each

tenant's compliance with the provisions of all Association Governing Documents. An Owner leasing or renting a Unit shall provide the tenant(s) with copies of the Governing Documents and all subsequent Amendments.

Rule No. 1:

The unit owner shall immediately notify the Association whenever the unit owner's unit is rented or re-rented. Upon notification, the Association shall impose a \$100.00 non-refundable fee which shall be allocated to:

1. To provide tenant with copies of the Association's working legal documents, including relevant portions of the Declaration of Covenants, Conditions and Restrictions and the Rules and Regulations of the Association.
2. For association documentation, record keeping, additional mailing costs to the association, parking permits, and computer inputting/tracking of information.

Rule No. 2:

The unit owner of a rental shall place a Bond with the association to be held in a separate account. The purpose of the Bond is to ease the burden on the association for any and all additional costs caused by the tenant to the associations' common area property.

1. The Bond amount will be \$500.00. When the tenant vacates the unit and no damage and / or additional expenses are incurred, the amount will be held in trust for the next tenant of the unit.
2. Should the vacating tenant of the unit cause the association to incur additional expenses the association will draw against this amount for payment until exhausted.
3. Should the Bond be exhausted, the unit owner is required to submit to the board, all or part of the funds before the unit may be rented. Failure to maintain the Bond may result in fines to the unit owner.
4. Upon sale of the unit the remaining portion of the Bond will be return to the unit owner.

Rule No. 3:

Any lease or rental of any Unit within the Development shall be by written instrument, a copy of which shall be filed with the Board, which shall expressly provide that its terms are subject to all of the provisions of the Governing Documents, that the tenants and lessees of such Unit shall comply with all said provisions, and that any violation of any of said provisions shall constitute a breach and default of the terms of such lease or rental agreement. Any Lease or Rental Agreement entered into between an Owner and a lessee or renter shall be for a minimum term of one (1) year. Lease agreement must include the following provisions:

1. Acknowledgment by the tenant of receipt of the Association's Declaration of Covenants, Conditions and Restrictions, By-Laws, Articles of Incorporation and Association Rules.
2. Tenant agrees to abide by and be responsible to the Association for compliance with the rules and provisions contained within the Association's legal documents; and
3. That the Association is third party beneficiary of the lease agreement and may enforce it in the event of a breach by the tenant.

Members of the Association may contact the management company, Association Management Solutions, Inc. for copies of the Association's documents. Please submit this request in writing to: Creekside Homeowners Association, c/o Association Management Solutions, Inc. 17500 Depot Street, Suite 200, Morgan Hill, CA 95037.

Sincerely,

**Board of Directors
Creekside Homeowners Association**

**Creekside Place
Homeowners Association
Parking Rules**

**NOTICE REGARDING
DISCRIMINATORY RESTRICTIONS**

(California Government Code 12956.1)

In accordance with California Government Code 12956.1 the Association includes with this governing document the following information:

"If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, victim of abuse 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."

Creekside Place Homeowners Association

PARKING RULES

(Rev 6/09)

The Board recognizes the need to provide homeowners with safe parking areas for use by family members during the late evening and early morning hours, as well as some available parking for visitors to the community. Parking within the complex for use by guests/visitors is not guaranteed since the spaces available in the Common Parking Area are less than the number of units in our Community. Due to the configuration and location of the "parking bays" and "common parking areas", homeowners and residents should carefully follow these parking rules at all times.

Note: For the purpose of clarity, "Parking Bays" are the number of carport spaces assigned to individual units, and "Common Parking Area(s)" are any other designated parking accommodations within the complex.

Between the hours of 6 p.m. and 6 a.m., all vehicles in the Common Parking Area must display the Creekside Place Parking Permit. The Association may, at any time, withdraw, suspend or repeal the right to allow any homeowner(s) the use of the guest parking space(s).

Owners and residents must observe these rules at all times:

1. All vehicles parked on the property – whether within an assigned carport space or in an open or guest parking space – must be properly licensed, registered and in good working order at all times. ALL VEHICLES MUST LEAVE THE "CREEKSIDE PLACE" COMMON AREAS AT LEAST ONCE EVERY 72 HOURS or the car shall be deemed "inoperative" and subject to tow. Owners may not make repairs to any vehicles while parked on the property other than to fill or "top" fluids such as oil, water and antifreeze. Any car that is not in working condition or is leaking oil or fluids may be noticed and can be removed from the property at the vehicle owner's expense.
2. Creekside Place residents must notify the Creekside Place Management Company of all vehicles owned and parked on the property. Residents should provide the Management Company with the license plate number(s), make(s), model(s) and color(s) of the vehicle(s) by completing a confidential information form available by contacting Association Management Solutions, Inc.
3. Homeowners with special needs or in extraordinary circumstances may request a parking pass to use the guest spaces for a temporary period of time or may request permission from the Board for a parking pass to use the guest spaces without restriction e.g. family or friends visiting for an extended period, such as a week.
4. The Creekside Place Homeowners Association's common areas are private property and are not bound by the requirements of the Americans with Disabilities Act (the "ADA"). NO handicapped parking is available within the complex. Handicapped placards and stickers do not entitle any vehicle owner to park any car in the Common Parking Areas without a Creekside Place Parking Permit. Handicapped homeowners with special vehicle parking needs should contact the Management Company with the specifics of their requirements so the request can be reviewed and decided by the Board of Directors.
5. Each unit shall be provided with one (1) Parking Permit, which should be placed inside the vehicle, label side facing out toward the front of the car or attached to the rear view mirror. Any vehicle parked in the open or guest spaces must display this permit or the vehicle may be towed at the vehicle owner's expense after one (1) warning.

6. Any vehicle left in an open parking space without a permit may be "ticketed" or provided with a notice regarding an infraction of the parking rules. Each resident shall be given one (1) warning; thereafter the unpermitted vehicle may be towed from the premises without additional warnings to the vehicle owner.
7. Vehicles parked in red zones, blocking access or egress into a parking space or carport, or parked in areas not specifically designated for parking may be towed without warning or further notice at the vehicle owner's expense. Red zones are reserved for the use of emergency vehicles only and shall remain free of vehicles *at all times*.
8. Parking regulations are in effect 24 hours per day seven days per week.
9. Unit Owners shall be responsible for informing their tenants, household visitors and guests of these parking rules. It is the Unit Owner's obligation to collect and distribute the same permit to their tenants. Should the owner or tenant misplace or lose the permit, a new permit may be requested for a fee of \$50 per permit. The cost covers the price of the permit and the office time to correct permit number assignment paperwork, and to alert both the Board of Directors and Parking Committee members of the change in permits. Any lost or stolen permits shall be deemed "inoperative" within the community and homeowners attempting to use a lost or stolen permit shall be subject to tow at the vehicle owner's expense.
10. All vehicles parked in violation of these parking rules may be towed without notice at the vehicle owner's expense.
11. Timely retrieval of a towed vehicle is the sole responsibility of the vehicle owner. The Creekside Place Homeowners Association is not responsible for any storage or towing fees resulting from the owners or the owner's agent's failure to properly and quickly reclaim the vehicle. The Association does not bear any responsibility for damages to or loss of any vehicle removed from the parking areas by the towing service.
12. The vehicle owner understands and agrees that the Association is not responsible for any damage to or loss of any vehicles while parked within the Creekside Place Community.
13. The Association is not responsible for the loss of any personal items left or stored in any vehicle parked in the Creekside Place Community.
14. Only Board members, authorized committee members and representatives of the Creekside Place Association Administration office are authorized to tow vehicles from the property.

To provide the highest number of available parking spaces within the Common Parking Areas, the Association's Board and members of the parking committee will place violation notices on the front windshield of any vehicle found in violation of the above parking rules. Once ticketed, a vehicle may be towed anytime after the following 6 PM deadline if the vehicle is still in violation.

Thank you for your cooperation!

**RESOLUTION ADOPTING
CREEKSIDE PLACE HOMEOWNERS ASSOCIATION
ELECTION RULES**

WHEREAS, Civil Code §5100(a)(1) requires that certain member votes (including election and recall of directors, elections regarding assessments legally requiring a vote, amendments to the governing documents requiring an owner vote, and the grant of exclusive use of common area under Civil Code §4600) be conducted through the use of a secret ballot voting process as described in Civil Code §§5115–5145;

WHEREAS, Civil Code §5105 requires the Association to adopt rules in accordance with the statutory procedures set forth in Civil Code §§5100–5145; and

WHEREAS, the election procedures set forth in Civil Code §§5100–5145 control to the extent that the election procedures set forth in any other Creekside Place Homeowners Association governing documents are in conflict with those statutory procedures:

NOW, THEREFORE, BE IT RESOLVED, that the Creekside Place Homeowners Association adopts the Election Rules that are attached to this Resolution as Exhibit A and incorporated herein by this reference; and

FURTHER RESOLVED, that the President and the Managing Agent of the Association be, and they hereby are, authorized, empowered, and directed to take such further actions as they deem necessary and appropriate to implement the purposes and effect of these resolutions and to further have the authority to modify these procedures solely to conform to any subsequently enacted emergency legislation that directly affects the content or protocols of the accompanying Election Rules as such procedures will apply to the election and recall of directors, elections regarding assessments legally requiring a vote, amendments to the governing documents requiring an owner vote, and the grant of exclusive use of common area under Civil Code §4600.

Date: 7/14/20

CREEKSIDE PLACE HOMEOWNERS
ASSOCIATION

By: Mary McCormick

Name: Mary McCormick
Its: President/Secretary

**CREEKSIDE PLACE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Wednesday March 13, 2019**

BOARD MEMBERS

Mary McCormick	President
Joseph Orias	Vice President (attended by cell phone)
Trina Chau	Director- absent
Gabriel Martinez	Treasurer
Yasmine Nguyen	Secretary

OTHERS PRESENT

Tanya Ruiz Community Management Services, Inc.

I – CALL TO ORDER

President Mary McCormick called the meeting to order at 6:32pm.
Location- #2423 Sequester Ct.

II –APPROVAL OF MINUTES

A. Board of Directors January 16, 2019 Meeting Minutes. Board reviewed and approved as presented.

III-ASSOCIATION MANAGERS REPORT

The Board of Directors reviewed the unaudited 2019 financial statements dated January 31st and February 28th motion was made to approve the unaudited 2019 financial statements as presented.

- The Board of Directors reviewed January 31st and February 28th report without any questions.
- Aging Report / Delinquency Report
- The Subcommittee of the Board reviewed all nine of the documents in accordance with California Civil Code 5500 for month(s) ending 1/31/19 and 2/28/19.
- Work Order History- Board reviewed without any questions.

IV-PENDING BUSINESS

- A. **Update- Rebuild of eight (8) landings-** Management stated that Advance Construction Technology posted a detailed notice advising residents of access disruption during the rebuild of eight (8) landings including paint (Sequester Court - 2463, 2487, 2491, 2467, 2415, 2406, 2452, and 2424). Slight delay in production due to the rainy weather. Management mailed out a newsletter advising homeowners of the construction process.
- Gabriel, request management advise the contractors to wear identifiable work attire.

V – NEW BUSINESS

- A. **2442-2444 Sequester Ct.** Board reviewed bids from Rincon 360 and Advance Construction Technology to repair the perimeter wall to prevent water from entering the units, upon

review and discussion Yasmine motioned to approve Advance Construction Technology with the stipulation that the repair solves the issue and the Board agreed. If the future reveals that the issue is not resolved the Board does not want the association to be charged for having to make additional repairs. Management will advise ACT of the stipulation and request that a slight modification regarding verbiage be made to the estimate. Cost not to exceed \$10, 025.

- B. **HOA Cameras-** See Clear/Aaron- Management advised the Board that Aaron with See Clear was not able to attend the meeting for Q&A regarding the existing HOA cameras. Management is in the process of obtaining a bid to fix the existing cameras and or the option to rent cameras for a monthly fee.

Management is in the process of obtaining a security bid from Valiant Security, bid will include inspection of vehicle parking tags. Item to be further discussed.

- C. **HOA balconies-** Management reviewed the CC&R's and advised the Board that the balconies are the responsibility of the individual homeowner. The association takes care of railings and paint of the balconies (reserve expense) for the sole purpose of uniformity. Ref. page 9 section 2.3 and page 38 section 8.1 (a) a.

- D. **Water sub-meters-** Management advised the Board that sub-meters would require re-piping of the building so that each unit has an individual shut off valve; re-piping will cost approximately \$200,000. per Tanya Harvey with Meternet submitted corresponding stating that sub-metering would not be feasible for the association.

- E. **Correspondence-**

- Incoming- 2483 Sequester- Homeowner submitted correspondence stating that the electrical sub panel(s) installed in the individual units is a Federal Pacific Electric box and the company who made the box was under investigation for selling panels that don't have a built in trip mechanism. Management will advise the homeowners in the next newsletter that they may want to hire a reputable electrician to confirm.
- Outgoing- none

VI – OPEN FORUM –Open Forum

- 2423 Sequester- Homeowner stated that the HOA gutters need to be inspected as several have been reported not function correctly. Management will have a roofer and or gutter company inspect all gutters and submit recommendation. Item to be further discussed at a later date.
- 2409 Sequester- Homeowner stated that her roof gutter is cracked on top. Management will submit a work order to appropriate vendor.

VII – ADJOURNMENT

There being no further business before the Board of Directors the meeting was adjourned at 7:35PM. Management will advise the Board of available meeting date(s) for the next scheduled Board Meeting.

**CREEKSIDE PLACE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Thursday, May 9, 2019**

BOARD MEMBERS

Mary McCormick	President
Joseph Orias	Vice President- absent
Trina Chau	Director
Gabriel Martinez	Treasurer- absent
Yasmine Nguyen	Secretary

OTHERS PRESENT

Tanya Ruiz Community Management Services, Inc.

I – CALL TO ORDER

President Mary McCormick called the meeting to order at 6:55pm.
Location- #2423 Sequester Ct.

II –APPROVAL OF MINUTES

A. Board of Directors March 13, 2019 Meeting Minutes. Board reviewed and approved with stipulation of one minor change.

III-ASSOCIATION MANAGERS REPORT

The Board of Directors reviewed the unaudited 2019 financial statements dated March 31st and motion was made to approve the unaudited 2019 financial statements as presented.

- The Board of Directors reviewed March 31st report without any questions.
- Aging Report / Delinquency Report
- The Subcommittee of the Board reviewed all nine of the documents in accordance with California Civil Code 5500 for month(s) ending 3/31/
- Work Order History- Board reviewed without any questions.

IV-PENDING BUSINESS

- A. **Update- Rebuild of eight (8) landings-** Management stated that Advance Construction Technology completed the rebuild of eight (8) landings including paint (Sequester Court - 2463, 2487, 2491, 2467, 2415, 2406, 2452, and 2424). Luis from ACT and HOA manager inspected the completed balconies and noted that after the City signs off on the rebuilds maintenance will be done for the balcony at 2409. Management confirmed that the eight (8) that were rebuilt were considered high priority and stated that several additional balconies are in need of maintenance, the HOA also is in need of siding repairs. Item continued for discussion.

V – NEW BUSINESS

- A. **Termite report- Tenting of buildings-** Homeowner of 2410 Sequester Ct. reported evidence of termites. Management is awaiting a bid from Chris Marinshaw with Terminix. During discussion management advised the Board that termite treatment has not been done for the

HOA. The HOA is responsible for tenting, Mary stated that she will research her records to try and find out if any action was done in the past. CMS records reflect that no past tenting was done for the buildings. Yasmine, commented that the pest control company should be inspecting for termites, management advised that such inspection is not part of the monthly pest control service and will review the contract to confirm. Management will obtain additional bids. Item continued for discussion.

- B. **HOA Cameras-** Board reviewed and discussed bid from See Clear/Aaron for the installation of a rental camera, Board agreed estimate is not cost effective.
- C. **2433 step landing status-** Management inspected top step landing at front door and confirmed there is a crack. Silicon Valley Builders will further assess and repair as necessary. If repair cost exceeds \$500 a bid will be provided noting condition and recommendation.
- D. **Gene Pool Service-**Board reviewed Gene Pool Service contracting noting monthly fee increase. Effective May 1st the monthly pool service will be billed at \$335. per month for two calls per week and \$520. Per month for three calls per week. Board requested management seek new service bids from reputable pool vendors.
- E. **Rain gutter maintenance/replacement bid-** Board reviewed gutter repair bid from Four Season Roofing to repair several gutters. 2453 exterior side wall (closest to front door) reflects water stains. Management advised the Board that during an onsite inspection management was informed that the gutters throughout need a diverter installed so that the rain water flows properly. Management will obtain bids for the installation of diverters.
- F. **2453 Crack on side of building-** Management is currently discussing the exterior crack the homeowner reported with Silicon Valley Builders, if repair cost is more than \$500. a bid will be provided.
- G. **Towing of vehicles-** Management advised the Board that Rebello's Towing has posted tow notices where necessary. The property paper work was completed by management and provided to the tow company. The Board agreed to have the tow company enforce the rules by towing when necessary. All residents and homeowners will be advised accordingly/via the newsletter(s).

VI – OPEN FORUM –Open Forum

- 2417 Sequester- Homeowner reported the strip of grass by her building is turning yellow and seems as though several areas are not getting enough water. Management will advise Serrano Landscape.

VII – ADJOURNMENT

There being no further business before the Board of Directors the meeting was adjourned at 7:45PM. Management will advise the Board of available meeting date(s) for the next scheduled Board Meeting.

**CREEKSIDE PLACE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Wednesday July 31, 2019**

BOARD MEMBERS

Mary McCormick	President
Joseph Orias	Vice President
Trina Chau	Director
Gabriel Martinez	Treasurer
Yasmine Nguyen	Secretary

OTHERS PRESENT

Tanya Ruiz Community Management Services, Inc.

I – CALL TO ORDER

President Mary McCormick called the meeting to order at 6:55pm.
Location- #2423 Sequester Ct.

II –APPROVAL OF MINUTES

A. Board of Directors July 31, 2019 Meeting Minutes. Board reviewed and approved as presented.

III-ASSOCIATION MANAGERS REPORT

The Board of Directors reviewed the unaudited 2019 financial statements dated April 30th and May 31st a motion was made to approve the unaudited 2019 financial statements as presented.

- The Board of Directors reviewed March 31st report without any questions.
- Aging Report / Delinquency Report.
- The Subcommittee of the Board reviewed all nine of the documents in accordance with California Civil Code 5500.
- Work Order History- Board reviewed without any questions.

IV-PENDING BUSINESS

- A. **Rain gutter maintenance/replacement bid(s)** - Board reviewed gutter and downspout replacement bids from Four Season, Commercial Gutter and All Seasons Roofing. Upon review and discussion Joseph motioned to approve All Season Roof bid to repair several gutters and downspouts in need of repair at a cost not to exceed \$5,492. Mary seconded and the motion carried. Board reviewed bids from All Season's Roofing, Commercial Gutter and Four Seasons to assist with the issue of rain water not draining properly, upon review and discussion Joseph motioned to approve the bid from All Season Roofing to install a Z-bar at the buildings throughout so that water can drain over properly at a cost not to exceed \$8,422. Yasmine seconded and the motion carried.
- B. **Pool Service/Pool Heater/ Pool Maintenance-** Board reviewed the monthly pool maintenance service bids from Genie Pool (existing pool company, Cool Pools, A & B Pool Maintenance and Mi Pool and Spa. Upon review and discussion the Board agreed

that Genie Pool is not servicing the pool or the spa properly, Yasmin motioned to terminate Genie Pool and approve Mi Pool and Spa at a cost not to exceed \$340. per month.

Board reviewed bids for the replacement of the spa heater from MiPool & Spa, Genie Pool and A&B Pool. Mary motioned to approve Mi Pool and Spa at a cost not to exceed \$3,150. Due to the sensitivity of the matter the items was considered urgent. Board agreed.

C. **Termite report-** Board reviewed termite tenting bids from Terminix, Franz Termite, Taps Termite upon discussion Joseph motioned to approve Taps Termite bid at a cost not to exceed \$25,768. -prepaid (non-prepaid totals \$27,330.) Mary seconded and the motion passed. CMS will obtain additional information pertaining to scheduling and preparation. CMS will obtain security bids so that a guard can be onsite during the tenting process. Security continued for discussion.

D. **Remaining balconies that are in need of maintenance/repairs-** Item continued for discussion.

V – New Business-

A. Concrete repair bid- item tabled for discussion.

B. Roof Repair Bid- Board reviewed tile roof repair bid from Four Seasons Roofing and All Seasons Roofing to repair damaged broken off tile from 2453 Sequester Ct. Joseph motioned to approve All Season's bid at a cost not to exceed \$4,228. Trina seconded and the motion passed.

C. Towing of vehicles- CMS, HOA manager, Tanya Ruiz and Joseph Orias stated that several vehicles have been towed in the past few weeks due to parking violations.

VI – OPEN FORUM –Open Forum

- CMS stated that the spa may have a leak, as the spa has no water. American Leak detection is required to be called out and provide report of finding. CMS will follow up with Mi Pool and Spa regarding scheduled appointment. There is a separate cost associated with American Leak detection.

VII – ADJOURNMENT

There being no further business before the Board of Directors the meeting was adjourned at 8:20PM. Management will advise the Board of available meeting date(s) for the next scheduled Board Meeting.

**CREEKSIDE PLACE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Tuesday, October 1, 2019**

BOARD MEMBERS

Mary McCormick	President
Joseph Orias	Vice President (absent)
Trina Chau	Director (absent)
Gabriel Martinez	Treasurer
Yasmine Nguyen	Secretary

OTHERS PRESENT

Tanya Ruiz Community Management Services, Inc.

I – CALL TO ORDER

President Mary McCormick called the meeting to order at 6:35pm.
Location- #2423 Sequester Ct.

II –APPROVAL OF MINUTES

A. Board of Directors July 31, 2019 Meeting Minutes. Board reviewed and approved as presented.

III-ASSOCIATION MANAGERS REPORT/ Financials

The Board of Directors reviewed the unaudited 2019 financial statements dated July 31st and August 31st a motion was made to approve the unaudited 2019 financial statements as presented.

- The Board of Directors reviewed July 31st and August 31st report without any questions.
- Aging Report / Delinquency Report.
- The Subcommittee of the Board reviewed all nine of the documents in accordance with California Civil Code 5500.
- Work Order History- Board reviewed without any questions.
- Year-end engagement letter- Board reviewed year-end engagement letter from Allan and Cook Inc. and approved review at a cost not to exceed \$2,250. Mary (Board President) applied signature.

IV-PENDING BUSINESS

- A. **Rain gutter maintenance/replacement bid(s)** – CMS stated All Season Roofing will be installing the z-bar according to scope starting the week of October 1st
- B. **Termite tenting of buildings schedule date(s)** – CMS stated the termite scheduling may be calendared spring of 2020 – tenting of all buildings via Taps Termite bid is \$25,768. Prepaid. Non-pre-paired total \$27,330. CMS has mailed notice to residents and homeowner's additional notices will follow.

V – New Business-

A. **Security bid**- Upon review and discussion, Gabriel motioned to approve Valiant Security to patrol the HOA during the termite tenting at cost not to exceed \$2,304. (72-hours-non-holiday) one (1) guard, Mary seconded and the motion passed. CMS advised the Board that attempt was made to obtain additional quotes. No other vendors responded. Bayside Security, Taps Security were asked to provide proposals, correspondence dated August 23rd CMS stated that the work will be performed in two phases therefore; security cost will double, Board understood and agreed.

B. **Concrete repair bid**- Board reviewed bid from Metro Concrete and M. Pineda to repair the lifted sidewalk by 2417 Sequester Ct. M. Pineda reported the large tree does not need to be removed. Metro Concrete suggested the tree be removed. Metro Concrete estimated \$3,250 to replace the concrete. M. Pineda bid \$1,200. to grind/repair the area. Item continued for discussion.

C. **2020 Budget**- Board reviewed and discussed the budget and line items. Mary motioned to approve the budget as presented, Yasmine seconded and the motion passed. 2020 HOA dues increased to \$410. from \$400.

D. Towing of vehicles- Gabriel suggested that the HOA track license plates of vehicles and record which unit resident owns which vehicle(s) and the Board agreed. Gabriel volunteered to complete the task and report information to CMS for Rebello's Towing.

VI – OPEN FORUM –Open Forum

- No items discussed.

VII – ADJOURNMENT

There being no further business before the Board of Directors the meeting was adjourned at 8:45PM. Management will advise the Board of available meeting date(s) for the next scheduled Board Meeting.

**CREEKSIDE PLACE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Wednesday, December 11, 2019**

BOARD MEMBERS

Mary McCormick	President
Joseph Orias	Vice President
Trina Chau	Director (absent)
Gabriel Martinez	Treasurer
Vacant	Secretary

OTHERS PRESENT

Tanya Ruiz	Community Management Services, Inc.
Fernando Munoz-	Taps Termite

I – CALL TO ORDER

President Mary McCormick called the meeting to order at 6:35pm.
Location- Denny's Restaurant- 2484 Berryessa Rd. SJ, Ca.

II –APPROVAL OF MINUTES

- A. Board of Directors October 1, 2019 Meeting Minutes. Board reviewed and approved as presented.

III-ASSOCIATION MANAGERS REPORT/ Financials

The Board of Directors reviewed the unaudited 2019 financial statements dated September 30th, October 31st and November 30th , a motion was made to approve the unaudited 2019 financial statements as presented.

- The Board of Directors reviewed Sept 30th October 31st and November 30th report without any questions.
- Aging Report / Delinquency Report.
- The Subcommittee of the Board reviewed all nine of the documents in accordance with California Civil Code 5500.
- Work Order History- Board reviewed without any questions.

IV-PENDING BUSINESS

- A. **Rain gutter splash guard flashing completed-** All Seasons roofing completed job. CMS will advise vendor that debris reported to be left on property and needs to be removed.

B. Termite tenting of buildings schedule date(s) – Fernando with Taps present for Q&A. CMS stated the termite scheduling for March 2020 has been mailed to all homeowners and residents. Tenting of all buildings via Taps Termite bid is \$25,768. Taps will provide preparation info. sheets to all residents. All items that are not sealed airtight in plastic or metal need to be bagged (Taps will provide special bags). Clothing and dishes do not need to be bagged. Taps will enter all units. Items in refrigerator require to be bagged. Uncooperative homeowners may be assessed a fine.

Security will be present doing tenanting. Keys need to be provided 10 days in advance. CMS will advise residents that Taps termite will obtain and secure keys as the exterminator needs access to unit for inspection per day. Homeowner has the option to give key to the exterminator the morning of. 1st phase scheduled for Tuesday, 3/10/20 to Thursday 3/12/20. (1) 24-unit bldg. and (1) 16-unit bldg. 2nd phase scheduled for Thursday 3/12/20 – Saturday 3/14/20 (1) 24-unit bldg. Start time 8am to 5pm. Each unit resident is required to sign paperwork. Storage door on balcony and attic needs to be open. Plants must be removed and approximately a foot away from the building.

C. Annual Meeting February 2020- Date to be determined. Nomination forms have been mailed to all homeowners.

V – New Business-

B. Concrete repair bid- Board reviewed bid from Metro Concrete, M. Pineda and TripStop to repair the lifted sidewalk by 2417 Sequester Ct. M. Pineda reported the large tree does not need to be removed. Metro Concrete suggested the tree be removed. TripStop report notes that the tree may eventually need to be removed. Upon discussion Mary motioned to approved TripStop to sawcut the area at a cost not to exceed \$485. Joseph seconded and the motion carried.

VI – OPEN FORUM –Open Forum

- 2433 Sequester reported landscaper not removing piles of leaves.
- CMS will confirm Silicon Valley Builders completed repairs to carport #18. Homeowner reported the area seems to be completed, plywood and debris remains and should be removed.
- Yasmine Nguyen resigned from due to sale of unit, last meeting attended was October 1st

VII – ADJOURNMENT

There being no further business before the Board of Directors the meeting was adjourned at 8:20PM. Management will advise the Board of available meeting date(s) for the next scheduled Board Meeting.

**CREEKSIDE PLACE HOMEOWNERS ASSOCIATION
BOARD OF DIRECTORS MEETING MINUTES
Thursday, January 23, 2020**

BOARD MEMBERS

Mary McCormick	President
Joseph Orias	Vice President
Trina Chau	Director (absent)
Gabriel Martinez	Treasurer
Vacant	Secretary

OTHERS PRESENT

Tanya Ruiz	Community Management Services, Inc.
Tim Denner-	Taps Termite

I – CALL TO ORDER

President Mary McCormick called the meeting to order at 6:30pm.
Location- HOA swimming pool area

II –APPROVAL OF MINUTES

- A. Board of Directors December 11, 2019 Meeting Minutes. Board reviewed and approved as presented.

III-ASSOCIATION MANAGERS REPORT/ Financials

The Board of Directors reviewed the unaudited 2019 financial statements dated December 31st, a motion was made to approve the unaudited 2019 financial statements as presented.

- The Board of Directors reviewed Sept 30th October 31st and November 30th report without any questions.
- Aging Report / Delinquency Report.
- The Subcommittee of the Board reviewed all nine of the documents in accordance with California Civil Code 5500.
- Work Order History- Board reviewed without any questions.

IV-PENDING BUSINESS

Termite tenting of buildings scheduled dates TOWNHALL MEETING/Taps

representative- Several homeowners present. Tim Denner was present to advise and answer questions regarding the scheduled termite tenting scheduled for March. 1st phase scheduled for Tuesday, 3/10/20 to Thursday 3/12/20. (1) 24-unit bldg. and (1) 16-unit bldg. 2nd phase scheduled for Thursday 3/12/20 – Saturday 3/14/20 (1) 24-unit bldg. Start time 8am to 5pm.

Each unit resident is required to sign paperwork. Taps collects keys and will inspect each unit for proper preparation work. Taps will schedule with PG&E to turn the gas off. Residents are responsible for contacting PG&E to turn the gas back on. Storage door on balcony and attic need to be open. Plants must be removed and approximately a foot away from the building. Security will be present doing tenanting.

B. 2020 Annual Meeting – CMS stated that the SB323 became effect January 1st of 2020. Upon discussion, the Board agreed to have Rob MacDonald write the HOA election rules to comply with Senate Bill 323. Cost not to exceed \$800. Board will need to review the election rules upon receipt and send out to the membership for a comment period of 28 days. Annual Meeting will be calendared at a later date.

C. V – New Business-

A. Senate Bill (SB) 323 Election Rules- Board reviewed bid from Rob MacDonald and approved as presented. New law requires the slate of candidates must be mailed thirty (30) days prior to mailing the election packet. The inspection of election cannot be the management company, nor any interested party i.e. cannot be an employee or a vendor. The inspector of election may be a homeowner who can direct management to mail the voting material and receive.

VI – OPEN FORUM –Open Forum

Homeowner's present asked questions regarding termite preparation and tenting.

VII – ADJOURNMENT

There being no further business before the Board of Directors the meeting was adjourned at 8:30PM. Management will advise the Board of available meeting date(s) for the next scheduled Board Meeting.

The most recent Board Meeting was held March 13, 2019. You are welcome and encouraged to attend to see how the Board makes decisions that affect the quality of life at Creekside Place HOA. Please keep a look out for posted notices and meeting agendas at the mailboxes.

MARCH 2019

ASSOCIATION NEWSLETTER

CREEKSIDE PLACE HOA

Construction On Several Landings

The contractor (Advance Construction Technology) has begun the rebuilding of the eight (8) landings.

Homeowners that were impacted were provided notice and scheduled dates. The previous newsletter stated that in an out access will be interrupted; Emergency access will be provided as the contractors are making repairs. The repairs are necessary, we do apologize for any inconvenience and thank you in advance for your cooperation. **Please keep a look out for future notices.**

The addresses of the landings that will be rebuilt are:
2463, 2487, 2491, 2467, 2409, 2406, 2452 and 2424. Adjoining neighbors will be impacted.

LANDING REPAIRS- ACCESS DISRUPTION Notice has been posted on appropriate residential doors by Advance Construction Technology.

“ACT has been selected to perform repairs to your unit.”

Work to be performed at your unit as follows:

We will start repairs on your landing, (*Date advised by contractor.*) Working hours are from 8am to 5pm Monday to Friday, weather permitting.

During this time, you will not have access to your landing and stairs. Therefore, you need to vacate your unit or remain in the unit for the day. Temporary access will be provided at the end of every work day.

During this process we will need to access the interior of your unit to add additional strapping for the new beam. We will open a portion of your sheetrock and when complete will repair the area

Please be sure to remove all personal items from your Landing. If you fail to remove the items, ACT will not be responsible for any damages. Please use extreme caution when in construction areas.

Please be aware of dust, debris and nails pops to your interior during the repairs. If needed we will be using your electrical outlet for the repairs of your balcony, If you do not wish for us to use your electrical please be aware of noise and fumes from our generators. (Only applicable with the units with balconies.) You will be notified of any changes that will affect you.

Please contact the number below for more info.
ACT office at 510-876-8403. Production Manager Luis Flores (209) 922-2317

Sincerely,

Advance Construction Technology

MANAGER CONTACT INFO:

Community Management Services, Inc.

Association Manager, Tanya Ruiz truiz@communitymanagement.com

1935 Dry Creek Road, Suite 203, Campbell, CA 95008-3631

Office: (408) 559-1977 Fax: (408) 559-1970

The most recent Board Meeting was held May 9, 2019. You are welcome and encouraged to attend to see how the Board makes decisions that affect the quality of life at Creekside Place HOA. Please keep a look out for posted notices and meeting agendas at the mailboxes.

MAY 2019

ASSOCIATION NEWSLETTER

CREEKSIDE PLACE HOA

Construction On Several Landings

Advance Construction Technology) has completed the rebuilding of the eight (8) landings. Homeowners that were impacted need to advise the HOA manager of any needed repairs that may have surfaced on the inside of the home due to the landing repairs. Advance Construction Technology will make repairs that are covered under warranty. Please do not delay on notifying the HOA manager. The HOA manager, Tanya Ruiz will advise the contractor upon notification.

The addresses of the landings that were rebuilt are:
2463, 2487, 2491, 2467, 2415, 2406, 2452 and 2424. Adjoining neighbors will be impacted.

Parking Rules

PLEASE NOTE THAT THE HOA PARKING RULES WILL BE ENFORCED.

In order to effectively communicate and enforce the parking restrictions outlined in the CC&R's, the Board of Directors has issued these parking rules. It is the responsibility of each homeowner and resident to know and follow these rules.

In addition to the covered carports which are assigned to each unit, there are open parking spaces located within Creekside Place. These spaces may be used by residents and their guests for vehicular parking only. These spaces are not assigned. However, a current, valid, original Creekside Place

Parking permit must be displayed in the front window of any vehicle parking in an open, uncovered space between the hours of 6:00 PM and 6:00 AM. The Association has retained a security service to randomly patrol the complex. Any vehicle parked in an open space between the above hours without a valid parking permit will be towed without warning to the owner.

The President of the Board or his/her designee maintains two extra valid parking permits that may be lent to residents for a very limited length of time (up to 10 days) to handle emergency and unusual situations,

Any vehicle parked in a red zone, blocking access or egress to a parking space or carport, may be towed without warning or notice to the vehicle owner.

Timely retrieval of a towed vehicle is the sole responsibility of the vehicle owner. The Association is not responsible for any towing or storage charges resulting from a vehicle being towed. The Association does not bear any responsibility for damages to or loss of any vehicles removed from the parking area by the towing service.

Unit owners shall be responsible for informing their tenants, household visitors and guests of these parking rules. Should the owner or tenant misplace the parking permit, a new permit may be requested for a fee of \$50.00. Subsequent use of "lost" or "stolen" permits will result in towing the vehicle without notice or warning to the owner.

No trailer, camper, mobile home, boat or similar equipment or commercial vehicle, truck other than a standard size pickup truck, or dilapidated, inoperable or abandoned vehicle shall be parked, kept, stored or permitted to remain upon any area within the complex. The term "commercial

vehicles" shall not include sedans or standard size pickup trucks used for both business and personal uses, provided that such signs or marking of a commercial nature on such vehicles shall be unobtrusive and un-offensive as determined by the Board.

No vehicle may be stored on the property. Vehicles must be properly licensed and registered.

Creekside Place HOA

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Office: (408) 559-1977 Fax: (408) 559-1970

CREEKSIDE PLACE HOA

Homeowners are welcome to attend the scheduled Board Meetings. You are welcome and encouraged to attend to see how the Board makes decisions that affect the quality of life at Creekside Place HOA. Please keep a look out for posted notices and meeting agendas at the mailboxes. The Next Board Meeting is Scheduled for Tuesday, October 1, 2019.

Attention Homeowners Important notice

Termite fumigation will be scheduled in the near future for Creekside Place HOA
The Board is currently making effort to coordinate termite fumigation with Taps Termite. Schedule will include security as the homeowners and residents will need to vacate their unit. **Depending on the start date, the process will typically be between 8:00am- 4:00 pm on the 1st day. Re-entry to your unit will be on the 3rd day no later than 5:00 pm.**

Interior preparation instructions and chemical information for residents are detailed on the backside of this newsletter. Residents are responsibility to remove or bag (using special Nylofume bags that Taps Termite will provide) any items that are orally consumable that are not in a manufacturer's airtight glass or metal seal. This includes food, most beverages and medications. There are other smaller responsibilities such as opening drawers, cabinets, doors and popping open any storage containers (just making sure lids aren't fully sealed) to maximize airflow through the structure. For this process, the gas service to the property will have to be locked by PG&E and this is something that we coordinate with PG&E directly on the HOA's behalf. However, turning the gas service back on would be up the individual residents. Once a scheduled date is confirmed the fumigation team will send out a packet called Occupants' Fumigation Notices that each unit must review, sign and return.

Basic exterior preparation will be taken care of by the fumigation team. However, if any plants are within 1 foot of the home, they must be trimmed back/moved to create a 1 foot clearance around the structure prior to fumigation or they will be included under the tent and the plantlife will die. If there is plantlife inside the home or within 1 foot of the perimeter of the home that you wish to save and would like assistance, here are a few recommendations for prep services that can help: PrepKing- 669-223-0599 prep-king669@gmail.com, SmartPrep- 669-241-9867, Israel Portillo (408) 375-6528 or Austin at Austin's Fume Prep (408) 761-9647. Often times the community already has a maintenance person and/or landscaping service that can take care of that as well.

Depending on the start date, the process will typically be between 8:00am- 4:00 pm on the 1st day. Re-entry to your unit will be on the 3rd day no later than 5:00 pm.

Additional notices will follow reflecting important information including scheduled dates. Homeowners/tenants will NEED TO COOPERATE.

VACATING THE UNIT IS MANDATORY.

THE HOA IS NOT RESPONSIBLE FOR TEMPORARY HOUSING FOR THE HOMEOWNERS OR TENANTS.

MANAGER CONTACT INFO:

Community Management Services, Inc.

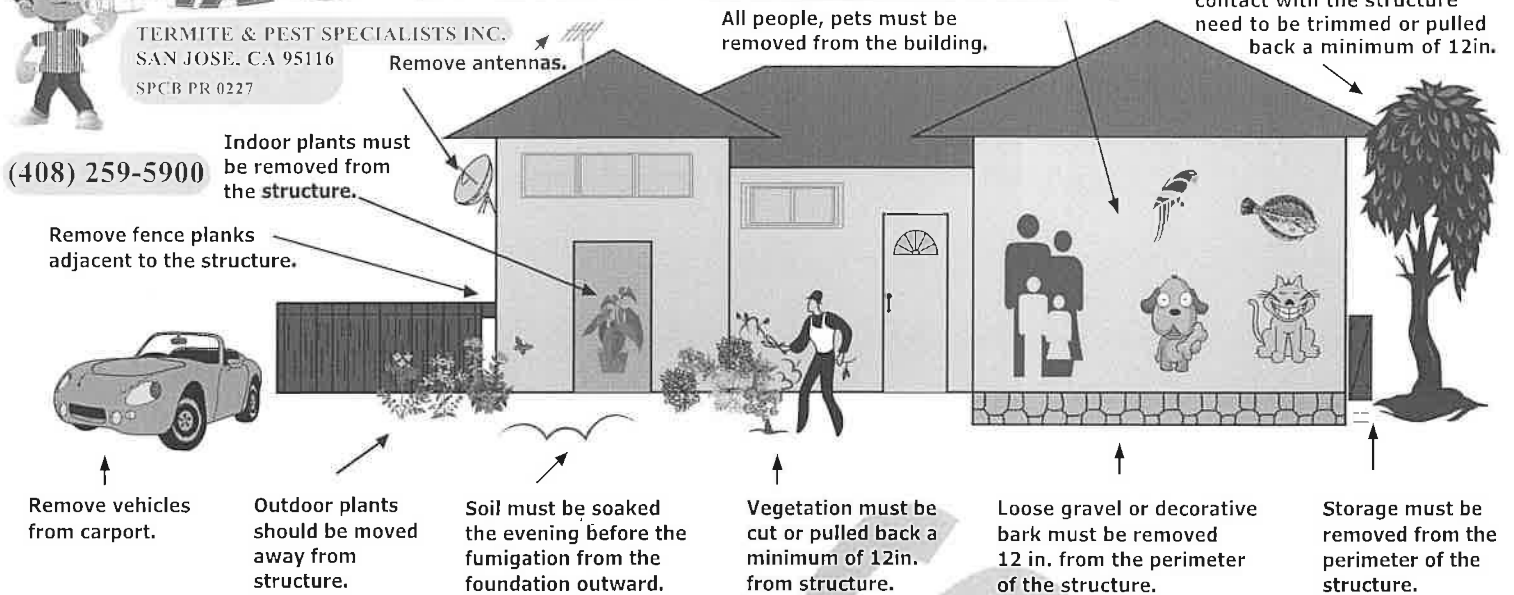
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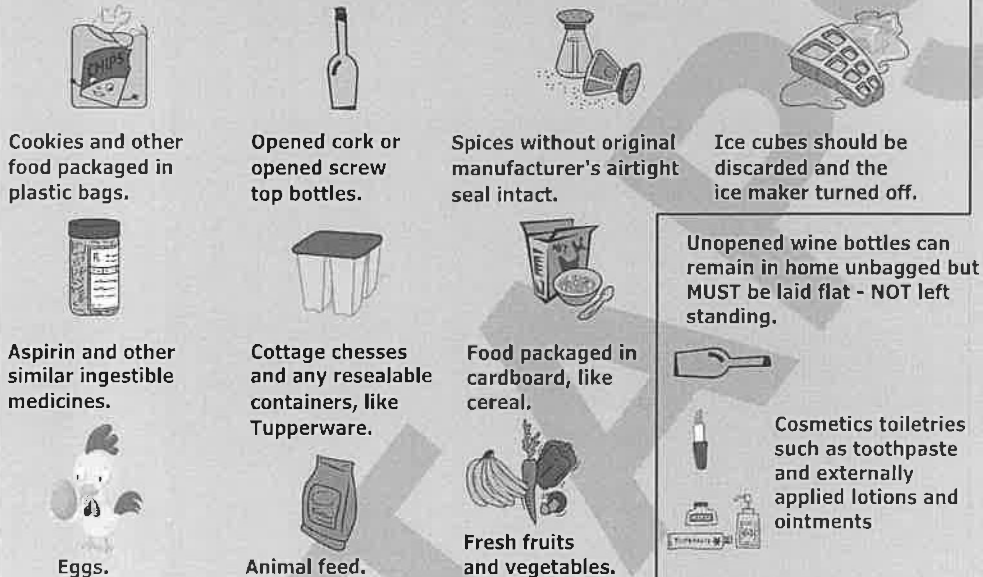
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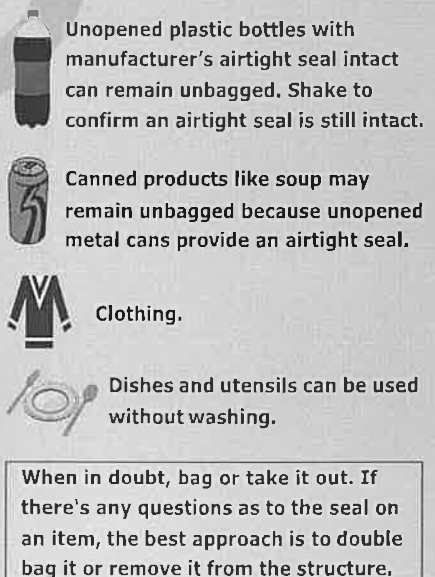
EXTERIOR PREPARATION INSTRUCTIONS



FOOD ITEMS THAT MUST BE DOUBLE BAGGED OR REMOVED:



ITEMS THAT CAN REMAIN UNBAGGED:

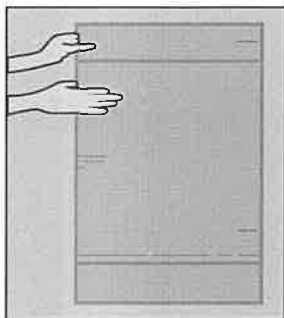


DOUBLE-BAGGING INSTRUCTIONS:

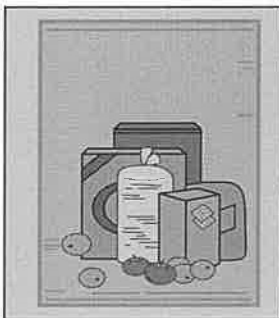
To assure proper sealing and good protection. Please follow these instruction carefully:

Please call TAPS 408 259-5900 if you have any questions.

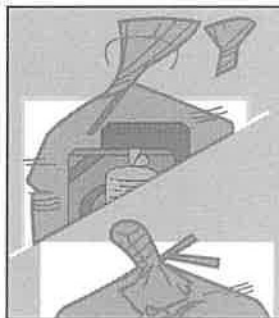
IMPORTANT: Keep these and other such bags out of children's reach.



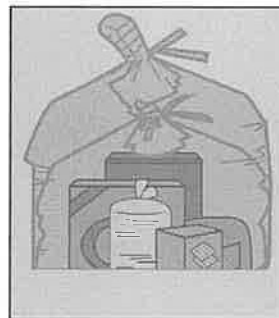
1. While bags are still empty, place one inside another. Double bagging helps assure effective protection.



2. Place items to be protected inside the inner bag. Do not overfill. Leave clearance on top for adequate closure of the bags.



3. Twist the top of the inner bag, fold once and secure the fold in place using a suitable fastener such as a twist tie, tape, rubber band or string.



4. Repeat step 3 with the outer bag.



5. Check the seal by pressing gently against the sides of the bag and listening for air leaks. No air should be able to escape.

CREEKSIDE PLACE HOA

Homeowners are welcome to attend the scheduled Board Meetings. Please attend to see how the Board makes decisions that affect the quality of life at Creekside Place HOA. Please keep a look out for posted notices and meeting agendas at the mailboxes. The Next Board Meeting will be scheduled for some time in February, date to be determined.

Attention Homeowners Important notice Termite fumigation scheduled

1st phase: Tuesday 3/10/20- Thursday 3/12/20: (1) 24-unit bldg. and (1) 16-unit bldg. 2nd phase: Thursday 3/12/20- Saturday 3/14/20: (1) 24-unit bldg.

Community meeting will be held prior to fumigation. Additional notice(s) will follow.

Creekside Place HOA

The Board is currently making effort to coordinate termite fumigation with Taps Termite. **Schedule will include security** as the homeowners and residents will need to vacate their unit. **The process will typically be between 8:00am- 4:00 pm on the 1st day. Re-entry to your unit will be on the 3rd day no later than 5:00 pm.**

Interior preparation instructions and chemical information for residents are detailed on the backside of this newsletter. Residents are responsibility to remove or bag (using special Nylofume bags that Taps Termite will provide) any items that are orally consumable that are not in a manufacturer's airtight glass or metal seal. This includes food, most beverages and medications. There are other smaller responsibilities such as opening drawers, cabinets, doors and popping open any storage containers (just making sure lids aren't fully sealed) to maximize airflow through the structure. For this process, the gas service to the property will have to be locked by PG&E and this is something that we coordinate with PG&E directly on the HOA's behalf. However, turning the gas service back on would be up the individual residents. Once a scheduled date is confirmed the fumigation team will send out a packet called Occupants' Fumigation Notices that each unit must review, sign and return. Basic exterior preparation will be taken care of by the fumigation team. However, if any plants are within 1 foot of the home, they must be trimmed back/moved to create a 1 foot clearance around the structure prior to fumigation or they will be included under the tent and the plantlife will die. If there is plantlife inside the home or within 1 foot of the perimeter of the home that you wish to save and would like assistance, here are a few recommendations for prep services that can help: PrepKing- 669-223-0599 prepking669@gmail.com, SmartPrep- 669-241-9867, Israel Portillo (408) 375-6528 or Austin at Austin's Fume Prep (408) 761-9647. Often times the community already has a maintenance person and/or landscaping service that can take care of that as well.

The process will typically be between 8:00am- 4:00 pm on the 1st day. Re-entry to your unit will be on the 3rd day no later than 5:00 pm.

Additional notices will follow reflecting important information including scheduled dates. Homeowners/tenants will NEED TO COOPERATE.

VACATING THE UNIT IS MANDATORY.

THE HOA IS NOT RESPONSIBLE FOR TEMPORARY HOUSING FOR THE HOMEOWNERS OR TENANTS.

Double sided newsletter- Important information regarding the scheduled fumigation is included, please take the time to thoroughly read.
Ref. map Please keep a look out for additional information.

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Office: (408) 559-1977 Fax: (408) 559-1970



EXTERIOR PREPARATION INSTRUCTIONS

All people, pets must be removed from the building.

Tree branches that are in contact with the structure need to be trimmed or pulled back a minimum of 12in.

Remove antennas.

Indoor plants must be removed from the structure.

Remove fence planks adjacent to the structure.

Remove vehicles from carport.

Outdoor plants should be moved away from structure.

Soil must be soaked the evening before the fumigation from the foundation outward.

Vegetation must be cut or pulled back a minimum of 12in. from structure.

Loose gravel or decorative bark must be removed 12 in. from the perimeter of the structure.

Storage must be removed from the perimeter of the structure.

ITEMS THAT MUST BE REMOVED

- Cookies and other food packaged in plastic bags.
- Aspirin and other similar ingestible medicines.
- Eggs.
- Opened cork or opened screw top bottles.
- Cottage cheeses and any resealable containers, like Tupperware.
- Animal feed.
- Spices without original manufacturer's airtight seal intact.
- Food packaged in cardboard, like cereal.
- Fresh fruits and vegetables.
- Ice cubes should be discarded and the ice maker turned off.
- Unopened wine bottles can remain in home unbagged but **MUST** be laid flat - NOT left standing.
- Cosmetics toiletries such as toothpaste and externally applied lotions and ointments.

ITEMS THAT CAN REMAIN UNBAGGED

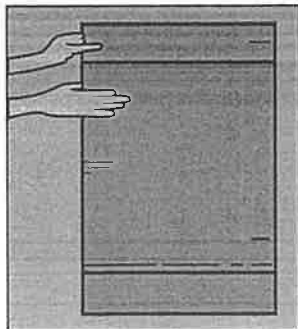
- Unopened plastic bottles with manufacturer's airtight seal intact can remain unbagged. Shake to confirm an airtight seal is still intact.
- Canned products like soup may remain unbagged because unopened metal cans provide an airtight seal.
- Clothing.
- Dishes and utensils can be used without washing.

When in doubt, bag or take it out. If there's any questions as to the seal on an item, the best approach is to double bag it or remove it from the structure.

To assure proper sealing and good protection. Please follow these instruction carefully:

Please call TAPS 408 259-5900 if you have any questions.

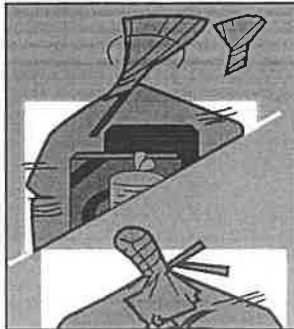
IMPORTANT: Keep these and other such bags out of children's reach.



1. While bags are still empty, place one inside another. Double bagging helps assure effective protection.



2. Place items to be protected inside the inner bag. Do not overfill. Leave clearance on top for adequate closure of the bags.



3. Twist the top of the inner bag, fold once and secure the fold in place using a suitable fastener such as a twist tie, tape, rubber band or string.



4. Repeat step 3 with the outer bag.



5. Check the seal by pressing gently against the sides of the bag and listening for air leaks. No air should be able to escape.

**Vikane®**

FACT SHEET FOR VIKANE® GAS FUMIGANT (SULFURYL FLUORIDE)

SPECIALTY GAS FUMIGANT

VIKANE® GAS FUMIGANT

In the interest of Douglas Products' commitment to product stewardship, this fact sheet is intended to provide basic information about the product and how it is used. If you have specific questions about your fumigation, refer to documents provided by the fumigator or call the fumigator listed on the warning signs posted on your structure. If you have questions about Vikane gas fumigant (the fumigant used) or the procedures described, call the Douglas Products Customer Information Center at 844-8VIKANE (844-884-5263).

WHY BUILDINGS ARE FUMIGATED

Insects that feed or tunnel into wood can seriously damage houses, apartments, and other dwellings or structures. Each year termites or other wood destroying insects damage more than 5 million homes. Other pests, such as bed bugs, may be dispersed throughout rooms and can be difficult to locate and control quickly and completely. Depending on the extent or location of the infestation, fumigation is the only total control method proven to eliminate certain infestations of wood destroying insects, bed bugs, and other structure-infesting pests.

HOW BUILDINGS ARE FUMIGATED

Because Vikane is a gas, prior to fumigation, the structure is completely sealed. This serves to contain Vikane in the building so it can penetrate wood and building contents to thoroughly eliminate the pests. Depending on the construction of the building, the doors and windows may be sealed with tape and a plastic sheet, or the structure may be covered with a tarp. The building will remain sealed for 2-72 hours depending on the specifics of the job. Warning signs are posted around the building notifying people to keep out.

After the fumigation period is completed, a professional

fumigator will aerate the structure using fans for a prescribed aeration period. Once the dwelling has been thoroughly aerated, the fumigator is required to measure the level of any fumigant remaining in the living space to ensure it is below the EPA approved concentration for reentry by the occupants. Extremely low levels of fumigant can remain for a short period of time in dead air spaces between walls and inside cabinets as well as porous materials such as furniture. The small amount of fumigant in these areas will continue to dissipate for a few hours after the fumigation but at levels well below the established safe reentry concentration. Your building will not be cleared for reoccupancy until it is safe to enter. The fumigator will post a notice on your building indicating the day and time for reentry. Structures can be occupied only when the concentration is 1 part per million or less (this represents a margin of safety – laboratory animals have been exposed to 100 parts per million for 2 weeks with no adverse effects). Because Vikane is a true gas and not a vapor, aeration is rapid. Recent studies demonstrated that in most structures levels are less than 1 part per million after the prescribed aeration period and have no detectable levels of Vikane within 24 hours after the start of aeration.

Sulfuryl fluoride is a colorless, odorless gas, so a warning agent is added to the building that causes watery eyes and a scratchy throat. If you experience these symptoms in a structure that has been recently fumigated, you should leave immediately and call the pest control company to have your building retested.

SULFURYL FLUORIDE (POTENTIAL HEALTH RISKS FROM OVEREXPOSURE)

Sulfuryl fluoride is a gas that can potentially enter your body only through inhalation. Because it is a gas, it does not stay on dry surfaces; therefore, there is no exposure from touching treated surfaces.

CREEKSIDE PLACE HOA

Homeowners are welcome to attend the scheduled Board Meetings. Please attend to see how the Board makes decisions that affect the quality of life at Creekside Place HOA. Please keep a look out for posted notices and meeting agendas at the mailboxes. The Next Board Meeting will be scheduled for Thursday, February 27th Location of meeting HOA Pool Area. Representative from Taps Termite will be present to answer questions.

Townhall meeting HOA Pool Area/ HOA Board Meeting

Start Time 6:30 pm - February 27, 2020

Attention Homeowners Important notice

Termite fumigation schedule— Representative from Taps Termite will be present. Important contact Driskell Fumigation (408) 920-6353.

Many residents have not turned in the forms that require signature. Please send your forms in, you may submit an email to e-mail@driskellfumigation.com

1st phase: Tuesday 3/10/20- Thursday 3/12/20: (1) 24-unit bldg. and (1) 16-unit bldg. 2nd phase: Thursday 3/12/20- Saturday 3/14/20: (1) 24-unit bldg.

The fumigation process requires household items to be bagged. Special plastic bags will be provided by the termite company at the townhall meeting on February 27th. The **Schedule will include security** as the homeowners and residents will need to vacate their unit. **The process will typically be between 8:00am- 4:00 pm on the 1st day. Re-entry to your unit will be on the 3rd day no later than 5:00 pm.**

Interior preparation instructions and chemical information for residents are detailed on the back-side of this newsletter. Residents are responsible to remove or bag (using special Nylofume bags that Taps Termite will provide) any items that are orally consumable that are not in a manufacturer's airtight glass or metal seal. This includes food, most beverages and medications. There are other smaller responsibilities such as opening drawers, cabinets, doors and popping open any storage containers (just making sure lids aren't fully sealed) to maximize airflow through the structure. For this process, the gas service to the property will have to be locked by PG&E and this is something that we coordinate with PG&E directly on the HOA's behalf. However, turning the gas service back on would be up to the individual residents. Once a scheduled date is confirmed the fumigation team will send out a packet called Occupants' Fumigation Notices that each unit must review, sign and return. Basic exterior preparation will be taken care of by the fumigation team. However, if any plants are within 1 foot of the home, they must be trimmed back/moved to create a 1 foot clearance around the structure prior to fumigation or they will be included under the tent and the plantlife will die. If there is plantlife inside the home or within 1 foot of the perimeter of the home that you wish to save and would like assistance, here are a few recommendations for prep services that can help: PrepKing- 669-223-0599 prepking669@gmail.com, SmartPrep- 669-241-9867, Israel Portillo (408) 375-6528 or Austin at Austin's Fume Prep (408) 761-9647. Often times the community already has a maintenance person and/or landscaping service that can take care of that as well.

Residents are required to provide the termite company with a key. Homeowners/tenants will NEED TO COOPERATE.

VACATING THE UNIT IS MANDATORY.

RESIDENTS ARE REQUIRED TO PROVIDE ACCESS TO THEIR UNIT. KEYS NEED TO BE GIVEN TO A BOARD MEMBER THE WEEKEND BEFORE THE FUMIGATION OR THE DAY OF. TENANTS/HOMEOWNERS MAY ALSO LEAVE THEIR DOOR UNLOCKED THE DAY OF FUMIGATION AND A KEY ON THE TABLE. THE HOA IS NOT RESPONSIBLE FOR TEMPORARY HOUSING FOR THE HOMEOWNERS OR TENANTS.

Map on reverse side

MANAGER CONTACT INFO.

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Association Manager, Tanya Ruiz truiz@communitymanagement.com

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Office: (408) 559-1977 Fax: (408) 559-1970

carports
2nd Phase 2nd Phase

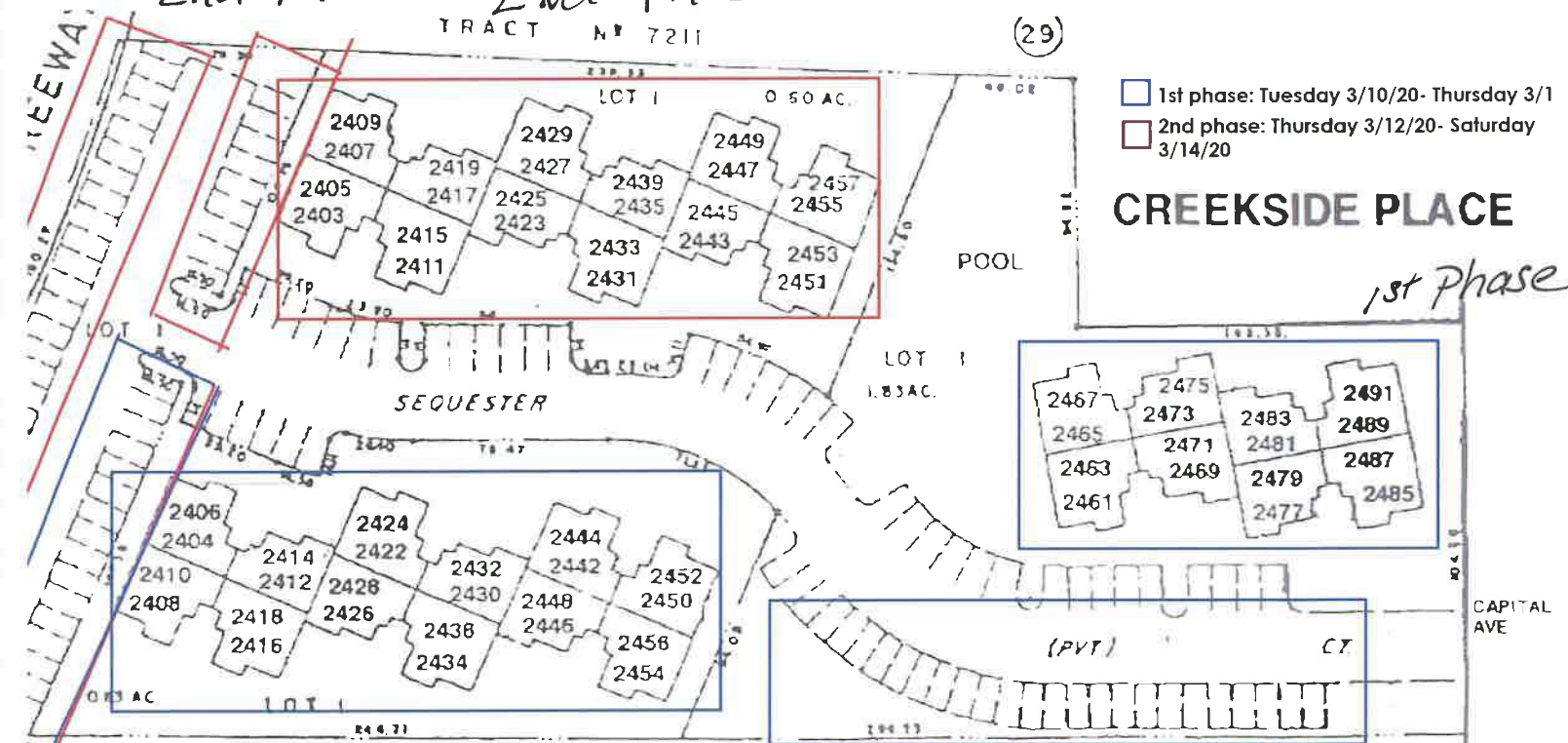
TRACT N° 7211

(29)

- 1st phase: Tuesday 3/10/20- Thursday 3/11/20
- 2nd phase: Thursday 3/12/20- Saturday 3/14/20

CREEKSIDE PLACE

1st Phase



1st Phase

TRACT N° 7200 1st Phase