

# *Saratoga Place Homeowners Association*

TO: All Saratoga Place Homeowners  
FROM: Board of Directors  
DATE: October 17, 2014  
RE: Approved Fiscal Year 2015 Budget

Attached please find a copy of the fiscal year 2015 budget for the Saratoga Place Homeowners Association as approved by the Board of Directors on October 16, 2014. This budget is effective on January 1, 2015. All owners are hereby advised that monthly assessments will *increase* 2% per unit per month effective January 1, 2015.

The reserve funding practices of the Association are reviewed and approved annually by the Board of Directors. The Board of Directors commissioned a professional independent study of the reserve funding practices of the Association from Association Reserves, Inc. This study was completed on September 9, 2014. The results of this study have been incorporated into the 2015 budget.

The enclosed budget includes a summary of the reserve study. These pages include disclosures regarding the level of reserve funding as required under California Civil Codes.

**In the preparation of the fiscal year 2015 budget for the Saratoga Place Homeowners Association, the Board of Directors has not determined and does not anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major components or to provide adequate reserves therefore, based upon all information available to the Board of Directors as of October 16, 2014.**

**The Board of Directors has relied on the independent reserve study draft prepared by Association Reserves, Inc. on September 9, 2014, 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. A copy of the study prepared by Association Reserves, Inc. is available to any owner upon written request to the Board of Directors.**

If you have any questions regarding this budget, please feel free to contact Shawn Cabral of Compass Management Group, Inc. at 408-226-3300. The Board of Directors meets bi-monthly. The next meeting date will be announced. All Board meetings are open to the membership.

# Saratoga Place Homeowners Association

As Approved by the Board of Directors

| 2015 Approved Budget - Pro Forma |                           |                             |                            | 8 Months                  | Approved                    | on Thursday, October 16, 2014 |                         |
|----------------------------------|---------------------------|-----------------------------|----------------------------|---------------------------|-----------------------------|-------------------------------|-------------------------|
| EXPENDITURES                     | 2014<br>BUDGET<br>MONTHLY | 2014<br>BUDGET<br>FULL YEAR | 2014<br>AVERAGE<br>MONTHLY | 2015<br>BUDGET<br>MONTHLY | 2015<br>BUDGET<br>FULL YEAR | COST<br>PER<br>UNIT           | % OF<br>TOTAL<br>BUDGET |
| <b>Corporate</b>                 |                           |                             |                            |                           |                             |                               |                         |
| 4100 Insurance                   | 3,300.00                  | 39,600.00                   | 2,028.00                   | 3,300.00                  | 39,600.00                   | 33.00                         | 9%                      |
| 4110 Legal                       | 70.00                     | 840.00                      | 0.00                       | 50.00                     | 600.00                      | 0.50                          | 0%                      |
| 4120 Audit                       | 200.00                    | 2,400.00                    | 211.00                     | 200.00                    | 2,400.00                    | 2.00                          | 1%                      |
| 4140 Income Taxes                | 12.00                     | 144.00                      | 10.00                      | 10.00                     | 120.00                      | 0.10                          | 0%                      |
| 4150 Licenses & Permits          | 75.00                     | 900.00                      | 161.00                     | 125.00                    | 1,500.00                    | 1.25                          | 0%                      |
| 4160 Postage & Copies            | 200.00                    | 2,400.00                    | 220.00                     | 200.00                    | 2,400.00                    | 2.00                          | 1%                      |
| 4180 Social Fund                 | 20.00                     | 240.00                      | 0.00                       | 20.00                     | 240.00                      | 0.20                          | 0%                      |
| 4190 Misc. Administration        | 15.00                     | 180.00                      | 8.00                       | 10.00                     | 120.00                      | 0.10                          | 0%                      |
| 4300 Management                  | 1,752.00                  | 21,024.00                   | 1,875.00                   | 1,800.00                  | 21,600.00                   | 18.00                         | 5%                      |
| <b>Sub-Total</b>                 | <b>5,644.00</b>           | <b>67,728.00</b>            | <b>4,513.00</b>            | <b>5,715.00</b>           | <b>68,580.00</b>            | <b>57.15</b>                  | <b>16%</b>              |
| <b>Utilities</b>                 |                           |                             |                            |                           |                             |                               |                         |
| 5400 Electricity                 | 900.00                    | 10,800.00                   | 673.00                     | 800.00                    | 9,600.00                    | 8.00                          | 3%                      |
| 5405 Gas                         | 1,520.00                  | 18,240.00                   | 1,688.00                   | 1,600.00                  | 19,200.00                   | 16.00                         | 5%                      |
| 5410 Water                       | 3,000.00                  | 36,000.00                   | 2,304.00                   | 3,000.00                  | 36,000.00                   | 30.00                         | 9%                      |
| 5420 Refuse                      | 1,300.00                  | 15,600.00                   | 1,747.00                   | 1,500.00                  | 18,000.00                   | 15.00                         | 4%                      |
| 5440 Cable TV                    | 3,500.00                  | 42,000.00                   | 3,585.00                   | 3,500.00                  | 42,000.00                   | 35.00                         | 10%                     |
| <b>Sub-Total</b>                 | <b>10,220.00</b>          | <b>122,640.00</b>           | <b>9,997.00</b>            | <b>10,400.00</b>          | <b>124,800.00</b>           | <b>104.00</b>                 | <b>31%</b>              |
| <b>Maintenance</b>               |                           |                             |                            |                           |                             |                               |                         |
| 6500 Pest Control                | 225.00                    | 2,700.00                    | 241.00                     | 225.00                    | 2,700.00                    | 2.25                          | 1%                      |
| 6510 Landscape                   | 1,500.00                  | 18,000.00                   | 1,500.00                   | 1,500.00                  | 18,000.00                   | 15.00                         | 4%                      |
| 6520 Additional Landscape        | 75.00                     | 900.00                      | 0.00                       | 50.00                     | 600.00                      | 0.50                          | 0%                      |
| 6550 Pool Maintenance            | 300.00                    | 3,600.00                    | 202.00                     | 250.00                    | 3,000.00                    | 2.50                          | 1%                      |
| 6560 Pool Supplies               | 150.00                    | 1,800.00                    | 27.00                      | 100.00                    | 1,200.00                    | 1.00                          | 0%                      |
| 6600 Janitorial Services         | 100.00                    | 1,200.00                    | 82.00                      | 100.00                    | 1,200.00                    | 1.00                          | 0%                      |
| <b>Sub-Total</b>                 | <b>2,350.00</b>           | <b>28,200.00</b>            | <b>2,052.00</b>            | <b>2,225.00</b>           | <b>26,700.00</b>            | <b>22.25</b>                  | <b>6%</b>               |
| <b>Repairs</b>                   |                           |                             |                            |                           |                             |                               |                         |
| 7730 Irrigation Repairs          | 75.00                     | 900.00                      | 95.00                      | 75.00                     | 900.00                      | 0.75                          | 0%                      |
| 7750 Lighting Repairs            | 200.00                    | 2,400.00                    | 220.00                     | 200.00                    | 2,400.00                    | 2.00                          | 1%                      |
| 7760 Plumbing                    | 600.00                    | 7,200.00                    | 437.00                     | 500.00                    | 6,000.00                    | 5.00                          | 1%                      |
| 7780 Pool Repair                 | 150.00                    | 1,800.00                    | 12.00                      | 100.00                    | 1,200.00                    | 1.00                          | 0%                      |
| 7800 General                     | 700.00                    | 8,400.00                    | 1,207.00                   | 1,000.00                  | 12,000.00                   | 10.00                         | 3%                      |
| <b>Sub-Total</b>                 | <b>1,725.00</b>           | <b>20,700.00</b>            | <b>1,971.00</b>            | <b>1,875.00</b>           | <b>22,500.00</b>            | <b>18.75</b>                  | <b>5%</b>               |
| <b>TOTAL OPERATING</b>           | <b>19,939.00</b>          | <b>239,268.00</b>           | <b>18,533.00</b>           | <b>20,215.00</b>          | <b>242,580.00</b>           | <b>202.15</b>                 | <b>58%</b>              |
| <b>Reserves</b>                  |                           |                             |                            |                           |                             |                               |                         |
| 8200 Reserve Contribution        | 14,249.00                 | 170,988.00                  | 14,249.00                  | 14,675.00                 | 176,100.00                  | 146.75                        | 42%                     |
| 8210 Interest                    | 0.00                      | 0.00                        | 0.00                       | 0.00                      | 0.00                        | 0.00                          | 0%                      |
| <b>TOTAL RESERVES</b>            | <b>14,249.00</b>          | <b>170,988.00</b>           | <b>14,249.00</b>           | <b>14,675.00</b>          | <b>176,100.00</b>           | <b>146.75</b>                 | <b>42%</b>              |
| <b>TOTAL EXPENSES</b>            | <b>34,188.00</b>          | <b>410,256.00</b>           | <b>32,782.00</b>           | <b>34,890.00</b>          | <b>418,680.00</b>           | <b>348.90</b>                 | <b>100%</b>             |

# Saratoga Place Homeowners Association

## 2015 Budget Summary

|                                | 2014                | 2015                | Percent Change |
|--------------------------------|---------------------|---------------------|----------------|
| Operating Expenses             | \$ 19,939.00        | \$ 20,215.00        | 1%             |
| Reserve Contributions          | \$ 14,249.00        | \$ 14,675.00        | 3%             |
| Budget Adjustment              |                     |                     | 0%             |
| <b>Total Budgeted Expenses</b> | <b>\$ 34,188.00</b> | <b>\$ 34,890.00</b> | <b>2%</b>      |

|                                       |                  |                  |           |
|---------------------------------------|------------------|------------------|-----------|
| <b>Assessment Per Unit Per Month:</b> | <b>\$ 341.88</b> | <b>\$ 348.90</b> | <b>2%</b> |
|---------------------------------------|------------------|------------------|-----------|

|                            |                      |                      |           |
|----------------------------|----------------------|----------------------|-----------|
| Total Budgeted Expenses    | \$ 34,188.00         | \$ 34,890.00         | 2%        |
| Prorated Costs (minus)     | <u>(\$14,647.04)</u> | <u>(\$13,623.54)</u> | -7%       |
| <b>Total Base Expenses</b> | <b>\$ 19,540.96</b>  | <b>\$ 21,266.46</b>  | <b>9%</b> |

|                           |                  |                  |           |
|---------------------------|------------------|------------------|-----------|
| <b>Base Cost Per Unit</b> | <b>\$ 195.41</b> | <b>\$ 212.66</b> | <b>9%</b> |
|---------------------------|------------------|------------------|-----------|

| Prorated Items        | 2014                      |                          | 2015                      |                               |                   |                 |          |
|-----------------------|---------------------------|--------------------------|---------------------------|-------------------------------|-------------------|-----------------|----------|
|                       | 2014 Monthly Contribution | Prorated Variable (SqFt) | 2015 Monthly Contribution | 2015 Prorated Variable (SqFt) | 2014 Assessment   | 2015 Assessment | % Change |
| Gas (PG&E)            | 1,520.00                  | 0.01711                  | 1,600.00                  | 0.01801                       | Appian \$ 294.88  | \$ 301.63       | 2%       |
| Insurance             | 3,300.00                  | 0.03715                  | 3,300.00                  | 0.03715                       | Brecy \$ 358.47   | \$ 365.59       | 2%       |
| Water                 | 3,000.00                  | 0.03378                  | 3,000.00                  | 0.03378                       | Charvet \$ 356.64 | \$ 363.75       | 2%       |
| Reserve Painting      | 1,980.00                  | 0.02229                  | 2,557.82                  | 0.02880                       | Dauphin \$ 359.69 | \$ 366.82       | 2%       |
| Reserve Roofing       | 4,590.36                  | 0.05168                  | 2,408.64                  | 0.02712                       | Europa \$ 358.62  | \$ 365.74       | 2%       |
| Reserve Water Heaters | 256.68                    | 0.00289                  | 757.08                    | 0.00852                       |                   |                 |          |
|                       | 14,647.04                 | 0.16491                  | 13,623.54                 | 0.15338                       |                   |                 |          |

| Model Type | # of Units per Model | Per Unit Sq. Ft. | Total Sq. Ft. | Prorated Costs | Base Costs | 2015 Assessment | 2015 Budget  |
|------------|----------------------|------------------|---------------|----------------|------------|-----------------|--------------|
| Appian     | 26                   | 580              | 15080         | \$ 88.96       | \$ 212.66  | \$ 301.63       | \$ 7,842.31  |
| Brecy      | 16                   | 997              | 15952         | \$ 152.92      | \$ 212.66  | \$ 365.59       | \$ 5,849.41  |
| Charvet    | 16                   | 985              | 15760         | \$ 151.08      | \$ 212.66  | \$ 363.75       | \$ 5,819.96  |
| Dauphin    | 16                   | 1005             | 16080         | \$ 154.15      | \$ 212.66  | \$ 366.82       | \$ 5,869.04  |
| Europa     | 26                   | 998              | 25948         | \$ 153.08      | \$ 212.66  | \$ 365.74       | \$ 9,509.28  |
|            | 100                  | 4565             | 88820         |                |            |                 | \$ 34,890.00 |

## Summary of Reserve Funding Position

|   |             |
|---|-------------|
| 2015 Projected Starting Reserve Balance | \$1,058,199 |
| 2015 Fully Funded Beginning Balance     | \$1,424,110 |

Percentage of Recommended Balance Actually Funded: **74%**

Independent Reserve Study Prepared by: Association Reserves, Inc.  
 Date of Latest Reserve Study: September 9, 2014  
 For the Fiscal Year Beginning: January 1, 2015

The Reserve Funding Practices of the Association are reviewed and approved annually by the Board of Directors. The Board of Directors has relied on the reserve study noted above 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.

A copy of the latest reserve study is available to any owner upon written request to the Board of Directors in care of Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119.

SARATOGA PLACE HOMEOWNERS ASSOCIATION  
CHANTAL COURT, SAN JOSE, CA 95123

ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY  
PREPARED October 17, 2014 for the Fiscal Year Beginning January 1, 2015

This Summary contains information about the Association's assessments and the status of the reserve fund, as of the date this Summary was prepared. The Association may periodically update or supplement the information in this Summary. Please contact the Association to determine if a more recently prepared Summary or supplement is available.

As of the date this Summary was prepared:

- (1) The current regular assessment per ownership interest is varies by the size of unit, the assessment applicable to this unit is found on page 3 of the attached budget report.
- (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 is due: | Amount per unit per month (If assessments are variable, see note immediately below): | Purpose of the assessment: |
|-------------------------|--|----------------------------|
| None                    | Not Applicable   |                            |
|                         |  |                            |
|                         | Total:   |                            |

- (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    

If no, see attached explanation.

- (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 the members?

| Approximate date assessment will be due: | Amount per unit per month: |
|--|----------------------------|
| Not Applicable                           |                            |
|  |                            |
|  | Total:                     |

If #4 is filled out, see attached explanation.

(Continued on Next Page)

- (5) All major components are included in the reserve study and are included in its calculations.
- (6) Based on the method of calculation of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of the current fiscal year is \$1,424,110.00 based in whole or in part on the last reserve study or update prepared by Association Reserves, Inc. as of September 9, 2014. The projected reserve fund cash balance at the end of the current fiscal year is \$1,058,199.00, resulting in reserves being 74% percent funded at this date.
- (7) Based on the method of calculation of 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 (see chart below), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other know reserves, is (see chart below), leaving the reserves at (see chart below) 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 chart below), leaving the reserve at (see chart below) percent funding.
- (8) Fiscal Year is from January 1, 2015 to December 31, 2015

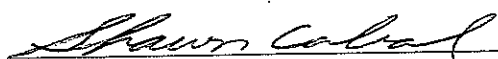
|      | Fiscal Year-<br>End Required<br>Reserve<br>Balance Per<br>Reserve<br>Study | Projected<br>Reserve<br>Actual Cash<br>Balance<br>WITHOUT<br>Future<br>Reserve<br>Contribution<br>Increases | Percent<br>Funded | Projected<br>Reserve<br>Actual Cash<br>Balance<br>WITH Future<br>Reserve<br>Contribution<br>Increases | Percent<br>Funded |
|------|--|---|-------------------|---|-------------------|
| 2015 | \$1,424,110.00   | \$1,058,199.00  | 74.3%             | \$1,058,199.00  | 74.3%             |
| 2016 | \$1,562,580.00   | \$1,198,611.00  | 76.7%             | \$1,203,894.00  | 77.0%             |
| 2017 | \$1,733,151.00   | \$1,359,150.00  | 78.4%             | \$1,375,157.00  | 79.3%             |
| 2018 | \$1,890,740.00   | \$1,482,174.00  | 78.4%             | \$1,514,510.00  | 80.1%             |
| 2019 | \$1,362,462.00   | \$946,726.00  | 69.5%             | \$1,001,164.00  | 73.5%             |

NOTE: Each Fiscal Year is from January 1 to December 31.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was one percent (1%) per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was three percent (3%) per year.

This Summary was authorized by the Association based on information available in the Association's most recent reserve study or annual update (which study or update was dated as of September 9, 2014). This Summary supersedes all earlier issued versions.

On Behalf of the Board of Directors of Saratoga Place Homeowners Association



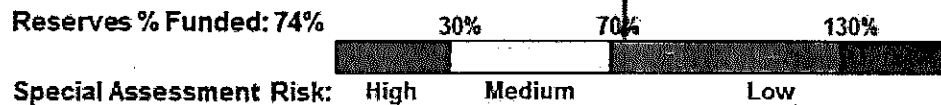
Shawn Cabral, Association Manager, Compass Management Group, Inc.

### 3- Minute Executive Summary

Association: Saratoga Place #: 1796-1  
Location: San Jose, CA # of Units: 100  
Report Period: January 1, 2015 through December 31, 2015

#### *Findings/Recommendations as of 1/1/2015:*

|  |             |
|--|-------------|
| Projected Starting Reserve Balance: .....                    | \$1,058,199 |
| Current Fully Funded Reserve Balance: .....                  | \$1,424,110 |
| Average Reserve Deficit (Surplus) Per Unit: .....            | \$3,659     |
| Recommended 2015 Monthly "Full Funding" Contributions: ..... | \$14,675    |
| Recommended 2015 Special Assessment for Reserves: .....      | \$0         |
| Most Recent Budgeted Reserve Contribution Rate: .....        | \$14,249    |



#### *Economic Assumptions:*

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

- This is an "Update No-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves for your 2014 Fiscal Year.
- No site inspection was performed as part of this Reserve Study, which was prepared under the supervision or by a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is (below 70%) at 74% Funded, this means the association's special assessment & deferred maintenance risk is currently low.
- The objective of your multi-year Funding Plan is to Fully Fund your Reserves; where associations enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point, your anticipated future expenses and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

Table 1: Executive Summary

1796-1

| #    | Component                        | Useful<br>Life<br>(yrs) | Rem.<br>Useful<br>Life (yrs) | Current<br>Cost<br>Estimate |
|------|----------------------------------|-------------------------|------------------------------|-----------------------------|
| 103  | Concrete Walkways - Repair       | 3                       | 2                            | \$3,000                     |
| 109  | Wood Deck - Replace              | 30                      | 3                            | \$306,000                   |
| 110  | Stairs - Replace (ph1)           | N/A                     | 3                            | \$44,150                    |
| 110  | Stairs - Replace (ph2)           | N/A                     | 4                            | \$11,000                    |
| 110  | Stairs - Replace (ph3)           | N/A                     | 5                            | \$11,000                    |
| 110  | Stairs - Replace (ph4)           | N/A                     | 6                            | \$3,675                     |
| 201  | Asphalt - Resurface              | 25                      | 19                           | \$165,500                   |
| 202  | Asphalt - Seal/Repair            | 5                       | 4                            | \$13,050                    |
| 206  | Stamped Concrete - Repair        | 10                      | 4                            | \$2,660                     |
| 320  | Pole Lights - Replace            | 25                      | 6                            | \$45,050                    |
| 324  | Wall Lights - Replace            | 25                      | 6                            | \$25,200                    |
| 328  | Carport Lights - Replace         | 25                      | 6                            | \$6,935                     |
| 403  | Mailboxes - Replace              | 30                      | 3                            | \$15,600                    |
| 404  | Pool Furniture - Replace         | 8                       | 3                            | \$4,205                     |
| 503  | Metal Fence/Rail - Replace       | 30                      | 6                            | \$51,300                    |
| 504  | Perimeter Fence - Replace        | 20                      | 7                            | \$28,200                    |
| 505  | Unit Fence - Replace             | 20                      | 7                            | \$29,400                    |
| 509  | Wood Trellis - Replace           | 28                      | 10                           | \$8,505                     |
| 701  | Unit Doors - Replace             | 35                      | 8                            | \$99,750                    |
| 703  | Utility Doors - Replace          | 30                      | 3                            | \$17,750                    |
| 708  | Trash Gates - Replace            | 15                      | 7                            | \$14,000                    |
| 803  | Water Heater - Replace           | 3                       | 2                            | \$25,200                    |
| 1001 | Backflow Devices - Replace       | 20                      | 14                           | \$10,680                    |
| 1003 | Irrigation Controller - Replace  | 12                      | 9                            | \$2,625                     |
| 1009 | Landscaping - Replenish          | 15                      | 14                           | \$23,650                    |
| 1009 | Trees - Trim                     | 3                       | 0                            | \$6,825                     |
| 1105 | Concrete Wall - Repaint          | 14                      | 10                           | \$8,455                     |
| 1107 | Metal Surfaces - Repaint         | 5                       | 1                            | \$10,260                    |
| 1115 | Stucco - Repaint                 | 14                      | 10                           | \$99,850                    |
| 1116 | Wood Surfaces - Repaint          | 7                       | 3                            | \$191,500                   |
| 1121 | Wood Siding/Trim - Repair        | 7                       | 3                            | \$70,100                    |
| 1201 | Pool Deck - Repair               | 5                       | 4                            | \$2,350                     |
| 1202 | Pool - Resurface                 | 12                      | 6                            | \$14,700                    |
| 1203 | Spa - Resurface                  | 6                       | 0                            | \$5,775                     |
| 1206 | Pool Filter - Replace            | 12                      | 9                            | \$1,735                     |
| 1207 | Spa Filter - Replace             | 12                      | 4                            | \$1,525                     |
| 1208 | Pool Heater - Replace            | 10                      | 0                            | \$4,200                     |
| 1209 | Spa Heater - Replace             | 10                      | 6                            | \$3,835                     |
| 1210 | Pool/Spa Pumps - Replace         | 10                      | 1                            | \$4,255                     |
| 1304 | Tile Roof - Replace Underlayment | 30                      | 4                            | \$559,500                   |
| 1305 | Tile Roof - Repair               | 5                       | 0                            | \$23,650                    |
| 1310 | Gutters/Downspouts - Replace     | 30                      | 4                            | \$67,100                    |
| 1401 | Directory Sign - Replace         | 15                      | 1                            | \$2,890                     |
| 1402 | Misc Signage - Replace           | 10                      | 1                            | \$3,675                     |
| 1820 | Termites - Treat                 | 7                       | 2                            | \$28,900                    |
| 1925 | Reserve Study - Update           | 1                       | 0                            | \$1,260                     |
| 46   | Total Funded Components          |                         |                              |                             |

Note 1: a Useful Life of "N/A" means a one-time expense, not expected to repeat.

Note 2: Yellow highlighted line items are expected to require attention in the initial year.

**Table 3: Fully Funded Balance**
**1796-1**

| #    | Component                        | Current<br>Cost<br>Estimate | X | Effective<br>Age | / | Useful<br>Life | = | Fully<br>Funded<br>Balance |
|------|----------------------------------|-----------------------------|---|------------------|---|----------------|---|----------------------------|
| 103  | Concrete Walkways - Repair       | \$3,000                     | X | 1                | / | 3              | = | \$1,000                    |
| 109  | Wood Deck - Replace              | \$306,000                   | X | 27               | / | 30             | = | \$275,400                  |
| 110  | Stairs - Replace (ph1)           | \$44,150                    | X | 0                | / | 0              | = | \$11,038                   |
| 110  | Stairs - Replace (ph2)           | \$11,000                    | X | 0                | / | 0              | = | \$2,200                    |
| 110  | Stairs - Replace (ph3)           | \$11,000                    | X | 0                | / | 0              | = | \$1,833                    |
| 110  | Stairs - Replace (ph4)           | \$3,675                     | X | 0                | / | 0              | = | \$525                      |
| 201  | Asphalt - Resurface              | \$165,500                   | X | 6                | / | 25             | = | \$39,720                   |
| 202  | Asphalt - Seal/Repair            | \$13,050                    | X | 1                | / | 5              | = | \$2,610                    |
| 206  | Stamped Concrete - Repair        | \$2,660                     | X | 6                | / | 10             | = | \$1,596                    |
| 320  | Pole Lights - Replace            | \$45,050                    | X | 19               | / | 25             | = | \$34,238                   |
| 324  | Wall Lights - Replace            | \$25,200                    | X | 19               | / | 25             | = | \$19,152                   |
| 328  | Carport Lights - Replace         | \$6,935                     | X | 19               | / | 25             | = | \$5,271                    |
| 403  | Mailboxes - Replace              | \$15,600                    | X | 27               | / | 30             | = | \$14,040                   |
| 404  | Pool Furniture - Replace         | \$4,205                     | X | 5                | / | 8              | = | \$2,628                    |
| 503  | Metal Fence/Rail - Replace       | \$51,300                    | X | 24               | / | 30             | = | \$41,040                   |
| 504  | Perimeter Fence - Replace        | \$28,200                    | X | 13               | / | 20             | = | \$18,330                   |
| 505  | Unit Fence - Replace             | \$29,400                    | X | 13               | / | 20             | = | \$19,110                   |
| 509  | Wood Trellis - Replace           | \$8,505                     | X | 18               | / | 28             | = | \$5,468                    |
| 701  | Unit Doors - Replace             | \$99,750                    | X | 27               | / | 35             | = | \$76,950                   |
| 703  | Utility Doors - Replace          | \$17,750                    | X | 27               | / | 30             | = | \$15,975                   |
| 708  | Trash Gates - Replace            | \$14,000                    | X | 8                | / | 15             | = | \$7,467                    |
| 803  | Water Heater - Replace           | \$25,200                    | X | 1                | / | 3              | = | \$8,400                    |
| 1001 | Backflow Devices - Replace       | \$10,680                    | X | 6                | / | 20             | = | \$3,204                    |
| 1003 | Irrigation Controller - Replace  | \$2,625                     | X | 3                | / | 12             | = | \$656                      |
| 1009 | Landscaping - Replenish          | \$23,650                    | X | 1                | / | 15             | = | \$1,577                    |
| 1009 | Trees - Trim                     | \$6,825                     | X | 3                | / | 3              | = | \$6,825                    |
| 1105 | Concrete Wall - Repaint          | \$8,455                     | X | 4                | / | 14             | = | \$2,416                    |
| 1107 | Metal Surfaces - Repaint         | \$10,260                    | X | 4                | / | 5              | = | \$8,208                    |
| 1115 | Stucco - Repaint                 | \$99,850                    | X | 4                | / | 14             | = | \$28,529                   |
| 1116 | Wood Surfaces - Repaint          | \$191,500                   | X | 4                | / | 7              | = | \$109,429                  |
| 1121 | Wood Siding/Trim - Repair        | \$70,100                    | X | 4                | / | 7              | = | \$40,057                   |
| 1201 | Pool Deck - Repair               | \$2,350                     | X | 1                | / | 5              | = | \$470                      |
| 1202 | Pool - Resurface                 | \$14,700                    | X | 6                | / | 12             | = | \$7,350                    |
| 1203 | Spa - Resurface                  | \$5,775                     | X | 6                | / | 6              | = | \$5,775                    |
| 1206 | Pool Filter - Replace            | \$1,735                     | X | 3                | / | 12             | = | \$434                      |
| 1207 | Spa Filter - Replace             | \$1,525                     | X | 8                | / | 12             | = | \$1,017                    |
| 1208 | Pool Heater - Replace            | \$4,200                     | X | 10               | / | 10             | = | \$4,200                    |
| 1209 | Spa Heater - Replace             | \$3,835                     | X | 4                | / | 10             | = | \$1,534                    |
| 1210 | Pool/Spa Pumps - Replace         | \$4,255                     | X | 9                | / | 10             | = | \$3,830                    |
| 1304 | Tile Roof - Replace Underlayment | \$559,500                   | X | 26               | / | 30             | = | \$484,900                  |
| 1305 | Tile Roof - Repair               | \$23,650                    | X | 5                | / | 5              | = | \$23,650                   |
| 1310 | Gutters/Downspouts - Replace     | \$67,100                    | X | 26               | / | 30             | = | \$58,153                   |
| 1401 | Directory Sign - Replace         | \$2,890                     | X | 14               | / | 15             | = | \$2,697                    |
| 1402 | Misc Signage - Replace           | \$3,675                     | X | 9                | / | 10             | = | \$3,308                    |
| 1820 | Termites - Treat                 | \$28,900                    | X | 5                | / | 7              | = | \$20,643                   |
| 1925 | Reserve Study - Update           | \$1,260                     | X | 1                | / | 1              | = | \$1,260                    |
|      |                                  |                             |   |                  |   |                |   | \$1,424,110                |

*Association Reserves – SF LLC*
*9/9/2014*



**Table 5: 30-Year Reserve Plan Summary**
**1796-1**
**Fiscal Year Start: 01/01/15**
**Interest: 1.0%**
**Inflation: 3.0%**
**Reserve Fund Strength Calculations  
(All values as of Fiscal Year Start Date)**
**Projected Reserve Balance Changes**

| Year | Starting Reserve Balance | Fully Funded Balance | Percent Funded | Special Assmt Risk | Reserve Contribs. | Loans or Special Assmts | Interest Income | Reserve Expenses |
|------|--------------------------|----------------------|----------------|--------------------|-------------------|-------------------------|-----------------|------------------|
| 2015 | \$1,058,199              | \$1,424,110          | 74.3%          | Low                | \$176,100         | \$0                     | \$11,306        | \$41,710         |
| 2016 | \$1,203,894              | \$1,562,580          | 77.0%          | Low                | \$181,383         | \$0                     | \$12,890        | \$23,010         |
| 2017 | \$1,375,157              | \$1,733,151          | 79.3%          | Low                | \$186,824         | \$0                     | \$14,442        | \$61,914         |
| 2018 | \$1,514,510              | \$1,890,740          | 80.1%          | Low                | \$192,429         | \$0                     | \$12,573        | \$718,348        |
| 2019 | \$1,001,164              | \$1,362,462          | 73.5%          | Low                | \$198,202         | \$0                     | \$7,331         | \$741,086        |
| 2020 | \$465,611                | \$797,792            | 58.4%          | Med                | \$204,148         | \$0                     | \$5,330         | \$74,321         |
| 2021 | \$600,768                | \$902,579            | 66.6%          | Med                | \$208,741         | \$0                     | \$6,035         | \$208,738        |
| 2022 | \$606,807                | \$874,521            | 69.4%          | Med                | \$213,438         | \$0                     | \$6,718         | \$89,609         |
| 2023 | \$737,354                | \$973,121            | 75.8%          | Low                | \$218,241         | \$0                     | \$7,681         | \$163,679        |
| 2024 | \$799,597                | \$1,003,326          | 79.7%          | Low                | \$223,151         | \$0                     | \$8,782         | \$74,039         |
| 2025 | \$957,490                | \$1,131,855          | 84.6%          | Low                | \$228,172         | \$0                     | \$8,014         | \$547,673        |
| 2026 | \$646,003                | \$781,638            | 82.6%          | Low                | \$233,306         | \$0                     | \$7,301         | \$71,779         |
| 2027 | \$814,830                | \$916,482            | 88.9%          | Low                | \$238,555         | \$0                     | \$9,285         | \$19,761         |
| 2028 | \$1,042,909              | \$1,114,510          | 93.6%          | Low                | \$243,923         | \$0                     | \$11,693        | \$1,850          |
| 2029 | \$1,296,674              | \$1,342,654          | 96.6%          | Low                | \$249,411         | \$0                     | \$13,657        | \$123,805        |
| 2030 | \$1,435,937              | \$1,457,927          | 98.5%          | Low                | \$255,023         | \$0                     | \$15,458        | \$49,442         |
| 2031 | \$1,656,976              | \$1,659,327          | 99.9%          | Low                | \$260,761         | \$0                     | \$17,563        | \$78,101         |
| 2032 | \$1,857,199              | \$1,843,509          | 100.7%         | Low                | \$266,628         | \$0                     | \$17,580        | \$481,078        |
| 2033 | \$1,660,329              | \$1,624,595          | 102.2%         | Low                | \$272,627         | \$0                     | \$17,805        | \$48,621         |
| 2034 | \$1,902,139              | \$1,851,183          | 102.8%         | Low                | \$278,761         | \$0                     | \$18,868        | \$326,792        |
| 2035 | \$1,872,975              | \$1,804,890          | 103.8%         | Low                | \$285,033         | \$0                     | \$19,728        | \$103,508        |
| 2036 | \$2,074,227              | \$1,994,234          | 104.0%         | Low                | \$291,446         | \$0                     | \$22,015        | \$56,990         |
| 2037 | \$2,330,699              | \$2,244,427          | 103.8%         | Low                | \$298,004         | \$0                     | \$24,764        | \$29,240         |
| 2038 | \$2,624,227              | \$2,538,180          | 103.4%         | Low                | \$304,709         | \$0                     | \$27,315        | \$115,179        |
| 2039 | \$2,841,072              | \$2,759,925          | 102.9%         | Low                | \$311,565         | \$0                     | \$26,003        | \$816,827        |
| 2040 | \$2,361,813              | \$2,273,550          | 103.9%         | Low                | \$318,575         | \$0                     | \$25,065        | \$52,156         |
| 2041 | \$2,653,297              | \$2,568,361          | 103.3%         | Low                | \$325,743         | \$0                     | \$27,819        | \$93,930         |
| 2042 | \$2,912,929              | \$2,837,399          | 102.7%         | Low                | \$333,072         | \$0                     | \$30,156        | \$155,246        |
| 2043 | \$3,120,912              | \$3,060,014          | 102.0%         | Low                | \$340,566         | \$0                     | \$33,031        | \$6,372          |
| 2044 | \$3,488,138              | \$3,451,570          | 101.1%         | Low                | \$348,229         | \$0                     | \$35,980        | \$161,448        |

**Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)**
**1796-1**

| Fiscal Year                     |                                  | 2015        | 2016        | 2017        | 2018        | 2019        |
|---------------------------------|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Starting Reserve Balance        |                                  | \$1,058,199 | \$1,203,894 | \$1,375,157 | \$1,514,510 | \$1,001,164 |
| Annual Reserve Contribution     |                                  | \$176,100   | \$181,383   | \$186,824   | \$192,429   | \$198,202   |
| Recommended Special Assessments |                                  | \$0         | \$0         | \$0         | \$0         | \$0         |
| Interest Earnings               |                                  | \$11,306    | \$12,890    | \$14,442    | \$12,573    | \$7,331     |
| Total Income                    |                                  | \$1,245,604 | \$1,398,167 | \$1,576,424 | \$1,719,512 | \$1,206,697 |
| #                               | Component                        |             |             |             |             |             |
| 103                             | Concrete Walkways - Repair       | \$0         | \$0         | \$3,183     | \$0         | \$0         |
| 109                             | Wood Deck - Replace              | \$0         | \$0         | \$0         | \$334,374   | \$0         |
| 110                             | Stairs - Replace (ph1)           | \$0         | \$0         | \$0         | \$48,244    | \$0         |
| 110                             | Stairs - Replace (ph2)           | \$0         | \$0         | \$0         | \$0         | \$12,381    |
| 110                             | Stairs - Replace (ph3)           | \$0         | \$0         | \$0         | \$0         | \$0         |
| 110                             | Stairs - Replace (ph4)           | \$0         | \$0         | \$0         | \$0         | \$0         |
| 201                             | Asphalt - Resurface              | \$0         | \$0         | \$0         | \$0         | \$0         |
| 202                             | Asphalt - Seal/Repair            | \$0         | \$0         | \$0         | \$0         | \$14,688    |
| 206                             | Stamped Concrete - Repair        | \$0         | \$0         | \$0         | \$0         | \$2,994     |
| 320                             | Pole Lights - Replace            | \$0         | \$0         | \$0         | \$0         | \$0         |
| 324                             | Wall Lights - Replace            | \$0         | \$0         | \$0         | \$0         | \$0         |
| 328                             | Carport Lights - Replace         | \$0         | \$0         | \$0         | \$0         | \$0         |
| 403                             | Mailboxes - Replace              | \$0         | \$0         | \$0         | \$17,047    | \$0         |
| 404                             | Pool Furniture - Replace         | \$0         | \$0         | \$0         | \$4,595     | \$0         |
| 503                             | Metal Fence/Rail - Replace       | \$0         | \$0         | \$0         | \$0         | \$0         |
| 504                             | Perimeter Fence - Replace        | \$0         | \$0         | \$0         | \$0         | \$0         |
| 505                             | Unit Fence - Replace             | \$0         | \$0         | \$0         | \$0         | \$0         |
| 509                             | Wood Trellis - Replace           | \$0         | \$0         | \$0         | \$0         | \$0         |
| 701                             | Unit Doors - Replace             | \$0         | \$0         | \$0         | \$0         | \$0         |
| 703                             | Utility Doors - Replace          | \$0         | \$0         | \$0         | \$19,396    | \$0         |
| 708                             | Trash Gates - Replace            | \$0         | \$0         | \$0         | \$0         | \$0         |
| 803                             | Water Heater - Replace           | \$0         | \$0         | \$26,735    | \$0         | \$0         |
| 1001                            | Backflow Devices - Replace       | \$0         | \$0         | \$0         | \$0         | \$0         |
| 1003                            | Irrigation Controller - Replace  | \$0         | \$0         | \$0         | \$0         | \$0         |
| 1009                            | Landscaping - Replenish          | \$0         | \$0         | \$0         | \$0         | \$0         |
| 1009                            | Trees - Trim                     | \$6,825     | \$0         | \$0         | \$7,458     | \$0         |
| 1105                            | Concrete Wall - Repaint          | \$0         | \$0         | \$0         | \$0         | \$0         |
| 1107                            | Metal Surfaces - Repaint         | \$0         | \$10,568    | \$0         | \$0         | \$0         |
| 1115                            | Stucco - Repaint                 | \$0         | \$0         | \$0         | \$0         | \$0         |
| 1116                            | Wood Surfaces - Repaint          | \$0         | \$0         | \$0         | \$209,257   | \$0         |
| 1121                            | Wood Siding/Trim - Repair        | \$0         | \$0         | \$0         | \$76,600    | \$0         |
| 1201                            | Pool Deck - Repair               | \$0         | \$0         | \$0         | \$0         | \$2,645     |
| 1202                            | Pool - Resurface                 | \$0         | \$0         | \$0         | \$0         | \$0         |
| 1203                            | Spa - Resurface                  | \$5,775     | \$0         | \$0         | \$0         | \$0         |
| 1206                            | Pool Filter - Replace            | \$0         | \$0         | \$0         | \$0         | \$0         |
| 1207                            | Spa Filter - Replace             | \$0         | \$0         | \$0         | \$0         | \$1,716     |
| 1208                            | Pool Heater - Replace            | \$4,200     | \$0         | \$0         | \$0         | \$0         |
| 1209                            | Spa Heater - Replace             | \$0         | \$0         | \$0         | \$0         | \$0         |
| 1210                            | Pool/Spa Pumps - Replace         | \$0         | \$4,383     | \$0         | \$0         | \$0         |
| 1304                            | Tile Roof - Replace Underlayment | \$0         | \$0         | \$0         | \$0         | \$629,722   |
| 1305                            | Tile Roof - Repair               | \$23,650    | \$0         | \$0         | \$0         | \$0         |

**Table 6: 30-Year Income/Expense Detail (yrs 0 through 4)****1796-1**

| Fiscal Year                       | 2015        | 2016        | 2017        | 2018        | 2019      |
|-----------------------------------|-------------|-------------|-------------|-------------|-----------|
| 1310 Gutters/Downspouts - Replace | \$0         | \$0         | \$0         | \$0         | \$75,522  |
| 1401 Directory Sign - Replace     | \$0         | \$2,977     | \$0         | \$0         | \$0       |
| 1402 Misc Signage - Replace       | \$0         | \$3,785     | \$0         | \$0         | \$0       |
| 1820 Termites - Treat             | \$0         | \$0         | \$30,660    | \$0         | \$0       |
| 1925 Reserve Study - Update       | \$1,260     | \$1,298     | \$1,337     | \$1,377     | \$1,418   |
| Total Expenses                    | \$41,710    | \$23,010    | \$61,914    | \$718,348   | \$741,066 |
| Ending Reserve Balance:           | \$1,203,894 | \$1,375,157 | \$1,514,510 | \$1,001,164 | \$465,611 |

## **Supplemental Budget Disclosures Per California Law**

### **ANNUAL INSURANCE DISCLOSURE FOR CIDS – Civil Code §5805**

A 1993 California Appellate Court opinion held that association members who share an ownership interest in a community's common area can be held personally responsible for injuries and property damage arising from the use of that common area. The State Legislature then passed a law providing association members a degree of immunity from personal suit as long as their association carries certain types and amounts of liability insurance.

The statute does not require associations to obtain insurance in such types and amounts, but it does require them to notify members of the association's coverage. In this way, members can take steps to adequately protect themselves and their assets from large negligence claims. As required by law, the following information tells you about the types and limits of liability insurance our Association currently maintains:

With these types and amounts of insurance:

☒ (X) The Association carries the levels of insurance specified by Civil Code §5805. As a result, owners may be individually liable by reason of their ownership interest in the common area only for their proportional share of assessments, regular or special, levied to pay the amount of a court judgment that exceeds the limits of the Association's liability insurance.

☐ ( ) The Association does not carry the levels of insurance specified by Civil Code §5805. As a result, owners may be individually liable by reason of their ownership interest in the common area for the entire amount of a court judgment that exceeds the limits of the owner's and/or the Association's insurance.

**For additional information about owner liability and protecting personal assets, members are advised to consult their own insurance or legal advisor.**

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### **PERIODIC SITE INSPECTIONS – Civil Code §5550**

The Board of Directors performed, or caused to be performed, a site inspection and visual inspection of the association's reserve components on the following date:

**September 2, 2014**

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### **SCHEDULE OF FINES – Civil Code §5850**

☐ ( ) The association has not adopted a fine schedule.

☒ (X) The association has adopted a schedule of fines, and it is enclosed in this budget package.

## Supplemental Budget Disclosures Per California Law

### **SPECIAL ASSESSMENTS – Civil Code §5300(b)(5)**

☒ (X) The Board of Directors has not discussed a special assessment.

☐ ( ) The Board of Directors has discussed the possibility of special assessments. A special assessment vote ☐ ( ) is ☐ ( ) is not pending at this time.

☐ ( ) By a majority vote of the membership, there is a special assessment for \_\_\_\_\_ currently in place in the amount of \$\_\_\_\_\_ per unit payable in \_\_\_\_\_ installments of \$\_\_\_\_\_ from \_\_\_\_\_ through \_\_\_\_\_.

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### **SPECIAL PROVISIONS**

The homeowners association has adopted one or more of the following:

- ☐ ( ) A move in/move out policy that requires a deposit for owners and/or rental units.
- ☐ ( ) Estoppel document that requires a deposit held in escrow and/or inspection of the property.
- ☒ (X) Parking restrictions that require registration of vehicles and/or parking permits.
- ☐ ( ) Other \_\_\_\_\_

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### **SECURITY DISCLAIMER**

The Association does not, and cannot, guarantee a crime-free community and does not guarantee the security of any residence, resident, visitor, or personal property. It is possible for someone to enter the property under false pretenses to commit crimes, for residents to commit crimes against their neighbors, for guests of residents to commit crimes, and for employees or contractors to commit crimes. As a result, the Association is not and can never be free of crime and cannot guarantee your safety or security. You should NOT rely on the Association to protect you from loss or harm—you should provide for your own security by taking common sense precautions, including but not limited to carrying insurance against loss; keeping your doors locked; refusing to open your door to strangers; asking workmen for identification; installation a security system; locking your car; not leaving items visible in your vehicle; etc.

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### **POLICY STATEMENTS**

**Saratoga Place Homeowners Association** and its officers, directors, and management company, Compass Management Group, Inc. are committed to running the Association

## **Supplemental Budget Disclosures Per California Law**

in a legal and neighborly manner. Accordingly, we wish to remind the members of the Association and their residents or tenants of the following:

As provided for under federal and state fair housing laws, it is illegal to discriminate against any person because of his or her race, national origin, religion, sex, physical or mental disability, familial status, marital status, sexual orientation, age, or source of income. **Saratoga Place Homeowners Association** is operated in accordance with these laws as provided for in 42 U.S.C. Section 3601, et. seq.

Specifically, the **Saratoga Place Homeowners Association** does not:

1. Discriminate against any person in the terms or conditions of residing in the complex, or in the provision of services or facilities, because of that person's membership in one or more of the protected classes listed above; nor
2. Condone or tolerate any acts or coercion or intimidation, threats or interference by any of our employees, agents or residents towards any other owner or resident because he or she is a member of one or more of the protected classes listed above.
3. Tolerate either the creation or fostering of a hostile living environment by any homeowner, resident or tenant at **Saratoga Place Homeowners Association**, nor do we tolerate any harassing or otherwise hostile conduct by any homeowner, resident or tenant towards any other homeowner, resident or tenant.

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### **RIGHT TO RECEIVE MINUTES – Civil Code §4950**

Civil Code §4950 requires that Homeowners be advised of their right to receive a copy or summary of minutes of Board of Directors meetings. Copies or summaries of minutes will be made available upon receipt of a written request specifying the meeting dates desired and including the appropriate distribution fee. All requests must be submitted in writing to Compass Management Group, Inc., 77 Las Colinas Lane, San Jose, CA 95119.

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### **RIGHT TO RECEIVE ANNUAL REPORT – Corporations Code §8321**

Corporations Code § 8321 requires that Homeowners be advised of their right to receive a financial report. The annual report shall be prepared not later than 120 days after the close of the association's fiscal year. A member of the association may receive a copy of the annual report by sending a written request to Compass Management Group, Inc., 77 Las Colinas Lane, San Jose, CA 95119.

## **Supplemental Budget Disclosures Per California Law**

### **ADDITIONAL RESERVE DISCLOSURES - Civil Code §5300(b)(4) and 5300(b)(8)**

The Board of Directors ( ) HAS (XX) HAS NOT determined to defer or not undertake repairs or replacement of any major component with remaining useful life of 30 years or less.

The Association ( ) DOES (XX) DOES NOT have outstanding loans as of the date of this budget.

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### **COMPENSATORY DAMAGE AWARDS AND/OR SETTLEMENT FUNDS - Civil Code §5565(b)(3)**

The Association ( ) HAS (XX) HAS NOT received compensatory damage awards and/or settlement funds during the current fiscal year.

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### **DELIVERY OF DOCUMENTS TO THE ASSOCIATION - Civil Code §4035**

The managing agent of the Association, Compass Management Group, Inc., has been designated as the person to receive documents on behalf of the Association.

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### **RIGHT TO SUBMIT SECONDARY ADDRESS - Civil Code §4040(b)**

Civil Code §4040(b) requires that Homeowners be advised of their right to submit a secondary address to the Association for purposes of collection notices. All requests should be submitted to Shawn Cabral, Association Manager, 77 Las Colinas Lane, San Jose, CA 95119, in writing, signed by the owner, and mailed in a manner that confirms the Association has received it. After an owner identifies a secondary address, the Association will send copies of any collection notices to the secondary address provided, in addition to the owner's primary address shown in the Association's records. An owner may identify or change a secondary address at any time. If a secondary address is identified or changed during any collection process, the Association will only be required to send notices to the designated secondary address from the point that the Association receives the request.

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## **Supplemental Budget Disclosures Per California Law**

### **PROVIDING GENERAL DELIVERY OR NOTICE – Civil Code §4045**

Civil Code § 4045 requires that Homeowners be advised of the location, if any, designated for posting of a general notice. **The Saratoga Place Homeowners Association** has designated the bulletin board as the location for the posting of a general notice.

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### **MEMBER'S RIGHT TO RECEIVE GENERAL NOTICES BY INDIVIDUAL DELIVERY – Civil Code §4045(b)**

If a member requests to receive general notices by individual delivery, all general notices to that member, given under section 4045 of the Civil Code, shall be delivered pursuant to Civil Code section 4040.



SUMMARY OF CALIFORNIA CIVIL CODE SECTION 5930  
ENFORCEMENT OF GOVERNING DOCUMENTS AND  
SPECIFIED STATE LAWS FOR COMMUNITY ASSOCIATIONS  
THROUGH ALTERNATIVE DISPUTE RESOLUTION

**PLEASE TAKE NOTICE: *California Civil Code section 5930 addresses your rights to sue the association or another member of the association regarding the enforcement of the governing documents and/or specified state laws. The following is a summary of Civil Code section 5930***

In general, Civil Code §5930 provides that an association or an owner may not file a lawsuit to enforce the governing documents or to enforce certain laws that govern community associations, unless the parties *first* try to submit their dispute to alternative dispute resolution ("ADR"). Recognized forms of ADR include conciliation, mediation, or arbitration. The ADR law for common interest developments applied to enforcement of most provisions of the governing documents as well as to provisions of the Davis-Stirling Common Interest Development Act (Civil Code §§ 4000 through 6150) and the Nonprofit Mutual Benefit Corporation Law (Corporations Code §§ 7110 et seq.).

The intent of the ADR law is to promote speedy and cost-effective resolution of disputes, to better preserve community cohesiveness, and to channel CC&R and compliance disputes away from our state's court system.

The form of alternative dispute resolution may be binding or non-binding, and costs will be borne as agreed to by the parties involved. The ADR law does not generally apply to assessment disputes or to disputes that can be resolved in small claims court.

Any party to a covered dispute may initiate the ADR process by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (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.

If the Request is accepted, the ADR must be completed within 90 days of receipt of the acceptance, unless otherwise agreed by the parties. Any Request for Resolution sent to an owner must include a copy of the ADR law in its entirety. If an applicable statute of limitations will expire, serving the Request will extend the statutory period for 30 days and, if ADR is accepted, also for the 90-day period of time allowed to complete the process and any agreed-upon extension of time.

**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 your right to sue the association or another member of the association regarding enforcement of the governing documents or the applicable law.**

Should the association or an individual member wish to file a lawsuit for enforcement of the governing documents or a specified statute, the law requires the association or the individual to file a certificate with the court *prior* to the filing of the suit, stating: (1) that ADR has been completed, (2) that one of the other parties did not accept the terms offered for ADR, or (3) that urgent orders of the court were necessary. Failure to file this certificate can be grounds for dismissing the lawsuit.

In any lawsuit to enforce the governing documents, Civil Code section 5975 provides that the prevailing party may be awarded attorneys' fees and costs. If any party has refused to participate in ADR prior to the lawsuit being filed, the court may consider whether that refusal was reasonable when it determines how large or small the award should be.

**"MEET AND CONFER" PROGRAM**  
**(CIVIL CODE § 5920)**

**PLEASE TAKE NOTICE:** Pursuant to California Civil Code Section 5905, the association provides an informal, internal dispute resolution program whose goal is to reach early resolution of disputes over enforcement of the governing documents and/or specified state laws. The association's "meet and confer" program supplements and does not replace the requirement for more formal alternative dispute resolution (ADR) prior to filing an enforcement lawsuit.

The association offers a "meet and confer" program by which members who have disputes with the association involving their rights, duties, or liabilities under the governing documents or specified provisions of state law can explain their positions to the board or to a board representative and attempt to resolve their concerns informally. The "meet and confer" program also applies to circumstances when the board has a dispute with a member and would like to talk it over.

The following is a general description of the association's "meet and confer" program and how it works:

***The Association's Meet & Confer Program is initiated at the written request of the unit owner or the Association. The Association's Meet & Confer Program shall follow the procedure stipulated in California Civil Code §5915.***

The association's "meet and confer" program is intended to resolve differences informally, in a fast, fair, and reasonable manner. Where the circumstances of a dispute reasonably call for the assistance of a neutral third party, the program makes maximum use of local dispute resolution services, including low-cost mediation services such as those listed on the Internet Web sites of the Department of Consumer Affairs and the United States Department of Housing and Urban Development. If such services are used, they are paid for entirely by the association.

# SARATOGA 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 5730, the following are the Association's assessment practices and policies:

1. Regular assessments and any special assessments are due on the first (1) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof. A late charge of ten dollars (\$10.00) or ten percent (10%) of the delinquent assessment, whichever is greater, shall be due on any such delinquent assessment.
2. At the option of the Association, interest shall be due on all such amounts, once due and unpaid for thirty (30) days, at the rate of twelve percent (12%) per annum.
3. 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.
4. 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.
5. If all such amounts have not been received ninety (90) days after the original due date thereof, the account will be forwarded to a collection agency, and all resulting collection fees and costs will be added to the total delinquent amount.
6. 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 is greater than 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 are less than 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 nonjudicial foreclosure.
7. The Association shall collect a "returned check charge" of thirty dollars (\$30.00) for all payments returned as "non-negotiable," "insufficient funds" or any other reason.
8. The mailing address for overnight payment of assessments is the same as that for routine assessment payments unless otherwise noted.
9. 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.



**INSURANCE DISCLOSURE FOR**  
**Saratoga Place HOA**  
Effective 4-22-14 to 4-22-15

**A. PROPERTY INSURANCE:** The master policy includes building coverage written on a 'special form perils' basis. The definition of 'building' may not include everything that is permanently attached to your unit. The CC&R's will govern coverage for interior fixtures. It is recommended that you consult your CC&R's and your personal insurance agent to make sure your HO6(unit owner's policy) includes appropriate coverage based on your CC&R requirements. Building coverage is provided on a replacement cost basis with no co-insurance penalty. "Special Form" perils do not include all losses and some of the exclusions are: flood, wear and tear, construction defects, damage by insects and vermin, wet and dry rot, and water leaks that have occurred over a period of time, etc.

1. Name of Insurer: Allstate Insurance Co
2. Property Insurance Limits: \$19,498,110
3. Property Deductible: \$10,000

**B. GENERAL LIABILITY INSURANCE:** The master policy provides coverage for the Association for 'bodily injury' and 'property damage' liability in the common areas of the association. *NOTE: This liability coverage does not extend to the interiors of the units whether owner or tenant occupied.*

1. Name of Insurer: Allstate Insurance Co
2. Limit of Liability: \$1,000,000 occurrence \$2,000,000 aggregate

**C. UMBRELLA INSURANCE:** The umbrella provides additional liability protection for the association.

1. Name of Insurer: Chubb/Federal Insurance
2. Limit of Liability: \$15,000,000
3. Retained Limit: \$10,000

**D. DIRECTORS & OFFICERS LIABILITY INSURANCE:** This is a liability coverage that protects the Directors & Officers from liability claims arising out of alleged errors in judgment, breaches of duty, and wrongful acts related to their homeowners association activities.

1. Name of Insurer: Great American Insurance Co
2. Limit of Liability: \$1,000,000
3. Retained Limit: \$1,000

**E. FIDELITY BOND:** This is a surety coverage that will reimburse the homeowners association for loss due to the dishonest acts of a covered employee including board members, directors or trustees.

1. Name of Insurer: Travelers Casualty Surety
2. Limit: \$1,100,000
3. Deductible: \$10,000

**F. EARTHQUAKE INSURANCE:** None with our agency

**G. FLOOD INSURANCE:** None with our agency

**H. WORKERS COMPENSATION INSURANCE:**

1. Name of Insurer: Republic Indemnity
2. Limit: statutory

This summary of the association's policies of insurance provides only certain information, as required by section 5300 of the civil code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies, and upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property, or real property improvement to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance brokers or agent for appropriate additional coverage.

**AGENT:** James B. Brady Bay Area Insurance Agency License #0619217



OP ID: LR

**EVIDENCE OF PROPERTY INSURANCE**DATE (MM/DD/YYYY)  
05/19/2014

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

|   |  |  |  |   |  |
|---|--|--|--|---|--|
| <b>AGENCY</b><br>Bay Area Insurance Agency, Inc.<br>Three Lagoon Drive, Suite 260<br>Redwood City, CA 94065<br>James B. Brady |  | <b>PHONE</b><br>(A/C, No, Ext): 650-654-9750 |  | <b>COMPANY</b><br>Allstate Insurance Co<br>P.O. Box 1013<br>Barrington, IL 60011-9924 |  |
| <b>FAX</b><br>(A/C, No): 650-654-9757   |  | <b>E-MAIL ADDRESS:</b>                       |  |   |  |
| <b>CODE:</b>  |  | <b>SUB CODE:</b>                             |  |   |  |
| <b>AGENCY CUSTOMER ID #:</b> SARAT-3  |  |  |  |   |  |
| <b>INSURED</b><br><br>Saratoga Place HOA<br>c/o Compass Management<br>77 Las Colinas Lane<br>San Jose, CA 95119               |  |  |  | <b>LOAN NUMBER</b><br><br><b>POLICY NUMBER</b><br>648626412                           |  |
| <b>EFFECTIVE DATE</b><br>04/22/14   |  | <b>EXPIRATION DATE</b><br>04/22/15           |  | <input type="checkbox"/> <b>CONTINUED UNTIL TERMINATED IF CHECKED</b>                 |  |
| <b>THIS REPLACES PRIOR EVIDENCE DATED:</b>  |  |  |  |   |  |

**PROPERTY INFORMATION**

LOCATION/DESCRIPTION

HOA LOCATED SAN JOSE, CA  
100 UNITS 8 BLDGS

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

**COVERAGE INFORMATION**

| COVERAGE / PERILS / FORMS   | AMOUNT OF INSURANCE  | DEDUCTIBLE  |
|---|--|---|
| Blanket Bldg, Special Form, 100% Replacement cost<br>Building ordinance and law is included<br>Interiors of the unit are covered subject to the language in the CC&R's/bylaws<br>General Liability-occurrence<br>General Liability-aggregate<br>GL Includes severability of Interest<br>Fidelity Bond with Travelers #106600585<br>Property Mgr is additional insured on bond<br>Directors & Officers with Great American Ins<br>Umbrella with Chubb/Federal Ins Co | \$19498110<br><br><br>\$1,000,000<br>\$2,000,000<br><br>\$1,100,000<br>\$1,000,000<br>\$15000000 | \$10,000<br><br><br><br><br>\$10,000<br>\$1,000<br>\$10,000 |

**REMARKS (Including Special Conditions)**

|  |
|--|
|  |
|--|

**CANCELLATION**

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

**ADDITIONAL INTEREST**

|                         |  |  |
|-------------------------|--|--|
| <b>NAME AND ADDRESS</b> | <input type="checkbox"/> <b>MORTGAGEE</b>          | <input type="checkbox"/> <b>ADDITIONAL INSURED</b> |
|                         | <input type="checkbox"/> <b>LOSS PAYEE</b>         |  |
|                         | <b>LOAN #</b>                                      |  |
|                         | <b>AUTHORIZED REPRESENTATIVE</b><br>James B. Brady |  |

ACORD 27 (2009/12)

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**SARATOGA PLACE HOMEOWNERS ASSOCIATION, INC.**  
**SPECIAL INDIVIDUAL ASSESSMENT SCHEDULE**  
**ADOPTED OCTOBER 26, 1995**

Saratoga Place Homeowners Association, Inc., and its Board of Directors have resolved that the following procedures shall be followed, as reflected in the Amended Covenants, Conditions and Restrictions (CC&Rs) for this Community, recorded in the records of Santa Clara County, California, on October 18, 1995.

For any action or infringement in violation of the Governing documents; i.e., CC&Rs, Bylaws, Rules & Regulations, etc., the following procedure shall be used:

- 1) The Managing Agent shall write to the Homeowner, and Resident (if applicable), via first-class Mail detailing the action or infringement, the appropriate controlling document and the specific section the Homeowner/Resident is thought to be in violation of; and issuing a fifteen (15) day response period. If the Homeowner/Resident responds and complies, no further action is necessary.
- 2) If no response, or compliance is not met within fifteen (15) days, a second letter, sent via Certified/Return Receipt Mail and First Class Mail referencing the first letter shall be sent advising the Homeowner/Resident that they have been scheduled for a hearing with the Board of Directors for a specific date and time, the letter shall also advise them of the Special Individual Assessments they may receive if they fail to attend the hearing, detailed below. **For an incident that has occurred, such as improper disposal of refuse, etc., the Notice of Hearing shall be sent immediately, without benefit of the First Letter.**
- 3) A hearing shall be convened, whether or not the Homeowner/Resident attends. Said Hearing shall be held in Executive Session per Civil Code Section 4800.

Should a Special Individual Assessment be levied against a Homeowner for specific action or infringement in violation of the Governing Documents or Rules & Regulations, the following shall apply:

**ARCHITECTURAL COMPLIANCE:** Anyone beginning architectural modification work without written approval, or after a denial by the Board or Architectural Committee, shall incur a Special Individual Assessment of \$ 300.00. Continuance of the work after notice to cease and desist shall incur an additional \$ 200.00 Special Individual Assessment and the Association shall, at the same time, file for Alternative Dispute Resolution (ADR) and if appropriate an injunction to prevent the person from continuing work.

**REFUSE DISPOSAL – IMPROPER:** Anyone not placing their refuse *inside* a garbage dumpster, so provided for such purposes within the community, shall incur a Special Individual Assessment in the amount of \$ 100.00 per incident or the amount of the special cleanup required to place the refuse inside the dumpster, or have it removed from the site, whichever is greater. Special Individual Assessments may also apply to the dumping of hazardous wastes and materials into residential dumpsters not designed to contain such items, boxes filling dumpster(s) which have not been properly broken down; placement of furniture in dumpsters or dumpster areas, etc.

**VEHICLE COMPLIANCE:** A Special Individual Assessment will be levied in connection with violation of the parking and vehicle restrictions. Such Assessment is recommended at \$ 25.00 per incident and/or day, and may be considered in **addition** to towing costs or fees to remove personal property from common Area (personal property are such things as boats, trailers, etc). A vehicle stored without prior written approval of the Board of Directors may result in said assessment of \$ 25.00 per day from the day the Association became aware the vehicle was stored, until it was removed from the property, whether by the vehicle owner or the Association's agents.

**SPECIAL INDIVIDUAL ASSESSMENT SCHEDULE**  
**ADOPTED OCTOBER 26, 1995**

PAGE 2

**SPEEDING/NEGLIGENT DRIVING:** A Special Individual Assessment may be levied on conviction of speeding or negligent driving in the Community. The speed limit is set at **Five (5) Miles per Hour**. Two separate and different party complaints must be received, in writing. ON receipt of the first written complaint, the Association shall send a warning letter via certified/return receipt mail. On receipt of a second written complaint, a notice shall be sent to the Resident with a request to appear for a hearing. At the hearing, both complaining parties must appear.

**REAL ESTATE SIGNS:** "For Rent" or "For Sale" signs installed contrary to the Guidelines and CC&Rs of Saratoga Place will result in a Special Individual Assessment of \$ 25.00 per day for every day the sign remains in place.

**POOL GATE INCIDENTS:** Persons allowing access to the pool area by other persons who do not have a key will result in a Special Individual Assessment of \$ 50.00 per incident.

**POOL FURNITURE IN POOL/SPA:** Persons placing furniture in the pool or spa will be Special Assessed at the rate of \$ 50.00 per incident.

**PET VIOLATION:** Violations of the pet guidelines will result in a Special Individual Assessment in the amount of \$ 50.00 per incident.

Per the Amended Declaration of Saratoga Place Homeowners Association, Article VI, Section 6.04 **Special Individual Assessments**, please be advised that Assessments levied in connection with 1) Damage to the Common Areas, or 2) Acts Increasing Insurance Premiums may be levied and become a lien against an Owner's Property. Assessments Levied, or "Expenses Incurred in Gaining Member Compliance" shall be an obligation of the Owner, and may be pursued via a small claims, or other, action.

**OTHER CHARGES:** Pool keys are the Owner's responsibility to retain. Loss of a pool key will result in the following charges:

|                    |          |
|--------------------|----------|
| First Replacement  | \$ 25.00 |
| Second Replacement | \$ 50.00 |
| Third Replacement  | \$ 75.00 |

Sellers are responsible to provide pool keys to Buyer(s) in escrow.



**SARATOGA PLACE HOMEOWNERS ASSOCIATION, INC.**  
**ARCHITECTURAL GUIDELINES**

1) Alterations, Modifications or Additions: There shall be no alterations, modifications or additions made to any Unit, Exclusive Use, or other Common Areas except in compliance with the provisions of Article VIII and Article IX. Specific Architectural Conditions exist in Article IX and Homeowners are encouraged to read this section before submitting an application.

2) No building, fence, wall or other structure shall be commenced, erected or maintained without the prior **written** consent of the Board of Directors. No Owner may install any appliance which requires a change in the electrical, mechanical or plumbing systems without the prior **written** consent of the Board of Directors.

Approval or denial of any plans or specifications must be issued within 30 (thirty) days of receipt of applications by Committee, Board of Directors, or its Agent.

Any member of the Committee, or any authorized agent of the Committee, may from time to time and any time during normal business hours enter any unit for the purpose of inspecting any specifications as approved by the Committee.

If a proposal is rejected, the applicant is free to request that the Committee reconsider its position and is encouraged to present new or additional information which might clarify the request or demonstrates acceptable. Final appeal may be made to the Board of Directors.

The Owner of a unit may paint, plaster, panel, tile, was, paper or otherwise refinish and decorate the inner surfaces of the walls, ceilings, floors, and doors without the prior written consent of the Board **provided that** the Owner is not changing the floor covering types from those originally installed by the Declarant. A change in floor covering type; i.e., linoleum to tile; carpeting to linoleum, tile or wood flooring, requires the **prior written approval** of the Board of Directors. Please note, however, that the Association historically has not approved any types of floor covering changes in second floor units. Please refer to the Architectural Control criteria in the CC&Rs, Article IX.

All requests for architectural modification must be **in writing**. All responses to applications will be **in writing**. No verbal applications or approvals/denials will be made or acknowledged.

3) Government Approval: Approval by the Committee or the Association shall not constitute any warranty or representation that the plans satisfy any applicable governmental law, ordinance or regulation or that any improvement constructed in accordance with the plan shall be fit for the use for which it was intended and safe for use and occupancy. Applicants shall make their own independent verifications of the foregoing and shall not rely on the committee or its members in any manner in this regard. Before commencement of any alteration or improvement approved by the Committee, the Owner shall comply with all the appropriate governmental laws and regulations. Approval by the Committee does not satisfy the appropriate approvals that may be required from any governmental entity with appropriate jurisdiction.

4) Owner's Maintenance Obligations: Except for the portion of any Unit maintained by the Association, each Owner shall maintain his or her unit and all improvements thereon in good condition and repair at all times. Each Owner shall have the improvements in the Owner's unit periodically inspected for wood-destroying pests or organisms and, if necessary, immediately shall take appropriate corrective action therefore.

**ARCHITECTURAL GUIDELINES**  
**PAGE 2**

5) Landscape: Except for such landscaping as may be maintained by the Association, each Owner shall maintain the landscaping within any Owner's Exclusive Use Area (Patio) in a healthy and weed-free condition. The Owner shall immediately remove and replace any dying or dead vegetation within the Exclusive Use Area. Maintenance shall include regular fertilization, irrigation, pruning and other customary prudent landscaping practices. If the Owner fails to properly maintain the landscaping on the Exclusive Use Area, the Association may enter the Area – after notice – and perform the maintenance.

6) Signs: No sign of any kind shall be displayed from any Condominium that is visible from any other Condominium, except the following:

a) Any sign not exceeding 2' by 2' (or 18 inches by 24 inches) advertising the Condominium for sale or for rent, provided that no more than one such sign is used. Said sign to be displayed inside any one window of said unit. Owners who have more than one unit may only advertise the rental or sale of the unit;

b) Any sign of a political nature, provided the sign is placed inside a window; or

c) Any sign approved by the Board either on an individual basis or pursuant to rules adopted by the Board.

d) The Owner will be responsible to notify any agents that signs on post or pole installed anywhere in the Community will result in a fine against the Owner of the property so advertised. The fine will be at the rate of \$ 25.00 per day for every day the sign remains in place. Open House (A-Frame) signs are allowed to be displayed on the property to a maximum of 12 (twelve) hours per week.

7) All Ceiling fans, whole-house ventilators, or Central Air Conditions shall be installed in accordance with the Developer's construction plans for such, subject to approval by the Committee. Window Air Conditioners or Window Fans are not allowed within the Community.

Air Conditioner Placement: Any Resident wishing to have air conditioning, installed must first submit an architectural application to the Architectural Committee. Said application to include: 1) The name and phone number of the licensed contractor proposed to install said unit; 2) the type of said unit; 3) the power and plumbing requirements of said unit. ON approval of application, Resident shall: a) Provide **before** actual installation, a copy of the permit issued by the City of San Jose for said installation; and b) the proposed plan and schedule for the installation of said unit. Resident agrees to bare all cost of notices, etc., necessary to advise other homeowners regarding the installation and any special access or restrictions necessary to complete this process. Any homeowner failing to follow these guidelines is subject to a minimum fine of \$ 200.00; plus any inspection or certification fees the Association may incur as a result of the unapproved action.

8) Screen Doors: must be anodized bronze and must be true screen doors, not storm doors. Example of an approved screen door is visible at 6889 Chantel Court.

**REQUEST FOR EXTERIOR MODIFICATION APPROVAL  
SARATOGA PLACE HOA, INC.**

ADDRESS OF PROPERTY: \_\_\_\_\_ DATE OF APPLICATION: \_\_\_\_\_

Description of Work Proposed: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PLEASE ATTACH:** 1) a Sketch or plans for the work you are proposing;  
2) Please attach a copy of any permits required by the City of San Jose or note that you will supply the permit.

Will a license contractor perform this work? YES      NO

If Yes, what is the Construction Company's name: \_\_\_\_\_

What is the Construction Company's Phone Number: \_\_\_\_\_

What is the Construction Company's License Number: \_\_\_\_\_

Please note the following: 1) Applicant agrees and understands that submission of this form alone does not fulfill all requirements for approval. The Architectural Control Committee may require additional information in order to make a decision. Until all information has been received, the application stands disapproved. 2) Applicant understands that if modification to plans are required by committee that special conditions may be placed on completion of work.

3) Applicant understands that failure to receive approval from the City, when and when necessary, or committee approval, constitutes automatic authorization by the applicant to the Association to have the work brought into conformance with approved plans, specifications and special requirements at the complete expense of the applicant/homeowner. 4) Applicant understands that approval and construction of said project also entails continued maintenance of said item for the life of the item.

We have read the foregoing application and acknowledge its requirements.

\_\_\_\_\_  
Please Print Name

\_\_\_\_\_  
Please Sign Name

\_\_\_\_\_  
Mailing Address (if different from property address, above)

Home Phone #: \_\_\_\_\_ Work Phone #: \_\_\_\_\_

**FOR HOA USE ONLY**

DATE RECEIVED: \_\_\_\_\_

\_\_\_\_ Approved      \_\_\_\_ Approved with Contingencies      \_\_\_\_ Declined      \_\_\_\_ Need other info

By: \_\_\_\_\_ Assn. Position: \_\_\_\_\_ Date: \_\_\_\_\_

# **SARATOGA PLACE HOMEOWNERS ASSOCIATION ELECTION POLICY AND PROCEDURES**

## **For Election of Directors, Voting Regarding Assessments, Governing Documents and the Granting of the Exclusive Rights to Use Common Area**

Pursuant to the California Civil Code, Section 5105 effective July 1, 2006, the following rules and procedures shall apply for election of Directors, Voting regarding Assessments, Governing Documents and the Granting of the Exclusive Rights to Use Common Area:

### **1. CALL FOR ELECTION OR OTHER VOTING MEETINGS**

The call for a meeting to conduct the business of the Association including the "Notice of Meeting and Agenda" will proceed in the same usual and customary manner set forth in the Association's CC&Rs and Bylaws. The meeting notification process will not change under the guidelines of Civil Code 5105.

### **2. NAME IN NOMINATION**

The Association shall mail a "Candidate Nomination Form" to all homeowners at least sixty (60) days prior to the election. Said form must be returned to the Association at least forty-five (45) days prior to the election.

### **3. ELECTION INSPECTORS**

The Board of Directors shall select or appoint "independent third parties" to be the inspector(s) of elections. The Board may choose to have either one or three inspectors of elections. For the purposes of this section, an independent third party includes, but is not limited to, a volunteer poll worker with the county registrar of voters, a licensee of the California Board of Accountancy, or a notary public. An independent third party may be a member of the association, but may not be a member of the board of directors or a candidate for the board of directors or related to a member of the board of directors or a candidate for the board of directors. Additionally, the Board of Directors may appoint the management company currently retained by the Association to act as the election inspector(s).

The purpose and duties of the inspectors of elections is to:

1. Determine the number of homeowners entitled to vote and the voting power of each.
2. Determine the authenticity, validity, and effect of proxies, if any.
3. Receive ballots.
4. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
5. Count and tabulate all votes.
6. Determine when the polls shall close.

7. Determine the result of the election.
8. Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section and all applicable rules of the association regarding the conduct of the election that are not in conflict with this section.

The inspectors of elections are to be appointed after the close of candidate nominations but before the secret ballots are mailed to the homeowners and are to determine to whom the secret ballots shall be returned.

#### **4. SECRET BALLOT**

The election process sets forth the procedure for insuring that the ballots cast by the homeowners shall remain confidential until they are counted. The law states that "ballots and two preaddressed envelopes with instructions on how to return ballots shall be mailed by first-class mail or delivered by the association to every member not less than 30 days prior to the deadline for voting." In order to preserve confidentiality, a voter may not be identified by name, address, or lot, parcel, or unit number on the ballot.

"The ballot itself is not signed by the voter, but is inserted into an envelope that is [then] sealed. This envelope is inserted into a second envelope that is [then also] sealed. In the upper left hand corner of the second envelope, the voter prints and signs his or her name, address, and lot, or parcel, or unit number that entitles him or her to vote". Failure to follow election procedure as adopted by the association will invalidate the ballot and the homeowner's vote.

The second envelope is addressed to the inspector or inspectors of election, who will be tallying the votes. The envelope (secret ballot) may be mailed or delivered by hand to a location specified by the inspector or inspectors of election or complete the ballot at the meeting. Please be aware that only those ballots, which are delivered to the inspectors of the election "prior to the polls closing", shall be counted.

#### **5. PROXY BALLOT**

The "Secret Ballot" process eliminates or at least mitigates the need for a proxy vote in that the homeowner may cast their vote by mailing in the secret Ballot. However, when a proxy is given, any instruction given for an election that directs the manner in which the proxy holder is to cast the vote shall be set forth on a separate page of the proxy that can be detached and given to the proxy holder to retain. The proxy holder shall [then] cast the member's vote by secret ballot.

#### **6. COUNTING THE VOTES**

All votes shall be counted and tabulated by the inspector or inspectors of the election in public at a properly noticed open meeting of the Board of Directors. Any candidate or other member of the association may witness the counting and tabulation of the votes. No person, including a member of the association or an employee of the management

company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

As secret ballots are returned to and collected by the election inspector, the inspector shall check off on a "sign-in sheet" that a ballot has been received for the respective unit. The first secret ballot received for any unit shall be the ballot of record and that vote which is counted. Any additional ballot(s) for the same unit shall be deemed invalid and shall be voided.

## **7. RESULTS OF THE ELECTION**

The results of the election shall be promptly reported to the board of directors of the association and shall be recorded in the minutes of the next meeting of the board of directors and shall be available for review by members of the association. Within 15 days of the election, the board shall publicize the results of the election in a communication directed to all homeowners.

Adopted By the Saratoga Place Homeowners Association Board of Directors on October 12, 2006

**SARATOGA PLACE HOMEOWNERS ASSOCIATION, INC.**  
**GENERAL GUIDELINES**

- A) **SALES:** The law requires that upon the sale of your home, prior to conveying Title, you must provide the purchaser a current a current copy of the Association Documents, and statements of your homeowner's account. These documents include the material contained in your manual, i.e., the CC&Rs, the Association Articles of Incorporation, the Bylaws, and the Saratoga Place Guidelines. The Management Company can provide a copy of these documents for a fee. Per Article IV, Section 4.04; no later than five days after the execution of a binding contract to sell any Condominium, the selling Owner shall notify the Association of such sale.
- B) **LEASING:** Owners leasing or renting their property shall include as an addendum to the agreement an acknowledgement providing the CC&Rs, Bylaws and Guidelines to the tenants and notice that any violation of any of the foregoing shall be a default under the lease or rental agreement; (copy of addendum is attached for your convenience). Within **ten (10) days** of commencement of the lease or rental agreement, the Owner shall provide the Association (via its Management Agent) with the names of the tenants and each family member that will reside in the unit and the address and telephone number of the Owner. Failure to provide the Association with the required tenant information and signed acknowledgement within the ten (10) day period will result in a Special Individual Assessment of \$ 100.00 and any additional fees incurred by the Association in order to obtain proper documentation and information regarding the Residents and their agreement. A default of the lease/rental agreement by violation of the rules, CC&Rs or Bylaws shall cause the Owner to take immediate steps as may be necessary to correct the breach, including, if necessary, eviction of the tenant. (CC&Rs Article 4, Section 4.02).
- C) **TELEVISION/RADIO EQUIPMENT:** No television or radio poles, antennas, satellite dishes, cables or other external fixtures or personal property shall be installed or maintained on any Condominium that is visible from any other Condominium or the Association Property or any other unit except for such equipment installed by the Builder, without the prior written consent of the Board. (CC&Rs Article X; Section 10.14).
- D) **CLOTHESLINES:** No exterior clothesline shall be erected or maintained on any Condominium and there shall be no exterior drying or laundering of clothes on any balcony, patio, porch or other outside area on any Condominium. (CC&Rs Article X. Section 10.10).
- E) **AUTOMOBILE MAINTENANCE:** There shall be no maintenance or repairs performed on any automobile except within an enclosed garage or except for any emergency repairs that are necessary in order to remove the vehicle to a proper repair facility. (CC&Rs Article X, Section 10.15).

**SARATOGA PLACE HOA, INC.  
POLICY FOR LIMITATION OF PLANTS ON BALCONIES  
ADOPTED JUNE 13, 1996**

No more than ten (10) 5-gallon containers (plants) shall be allowed on any balcony at any time in combination with no more than two dwarf trees.

No planter shall be allowed direct contact with the balcony deck or the Balcony walls; rather, an air space, in addition to a drip dish, or some other device provided to catch water will be present between the container and the deck/walls. At no time shall soil come into direct contact with decks, balconies, etc. Drip irrigation shall be used **only** for what is required by the plant, and shall not be allowed to run over and drip onto the ground/yard below.

No plants shall be mounted so that they drain on a wall and down onto a deck.

Any Homeowner or Resident who's deck or walls are damaged due to the improper placement of plants; or excess plants; shall be held responsible for said damage.

Any unit found to have a condition involving any of the above listed situations shall be subject to a \$ 50.00 fine and shall immediately act to correct said issues. If said issues persist, the Board, in its discretion, may levy additional fines of \$ 25.00 per day until the matter is resolved.

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**SARATOGA PLACE HOMEOWNERS ASSOCIATION, INC.  
POLICY FOR LOCKBOX PLACEMENT: ADOPTED JUNE 13, 1996**

No lockbox shall be placed anywhere on the exterior of any building. A 'post' (the 'u' shaped bar) has been installed to the left, on the ground, at the main pool gate. Any lockbox installed on the exterior of any unit will subject to the Owner to an immediate \$ 25.00 fine and \$ 25.00 per day for every day that the box remains in place. Owners are responsible to advise their Real Estate Agents of this requirement.



**SARATOGA PLACE HOMEOWNERS ASSOCIATION, INC.**  
**POOL & SPA RULES AND REGULATIONS**

It is the intent of the Saratoga Place Homeowners Association to regulate activities within the pool and spa area to provide a safe and enjoyable environment for all Association members. To that end, the following regulations have been adopted and compliance is required of all members, tenants and guests. The pool and spa area is regarded as that area within the iron fencing.

There may be periods in which a pool attendant is present or in which a security guard, Pool Committee member, Manager, or Board Member makes inspections of usage and compliance with regulations; however all users are encouraged to promote adherence to the rules and request pool key identification of anyone violating these regulations. Infractions should be brought to the attention of the Board, the Pool Committee, or the Property Manager.

1. The pool and spa are open to Association members, tenants, and invited guests accompanied by hosting member or tenant from:

10:00 a.m. through 10:00 p.m. Daily

2. The pool gate must remain locked at all times. Please do not use trash cans, etc., to prop gate open. Do not open pool gates for persons without a key. Persons opening the gates for people who don't have a key, even if Residents, may be fined \$ 50.00 per incident.
3. **There is no Lifeguard on duty.** Children under age 18 must be accompanied by a parent or guardian in the pool and spa areas at all times.
4. State law prohibits use of the spa by any child under 14 years of age.
5. Resident adults (over age 18) may bring up to 4 guests to the pool area, but resident adults must be present at the pool area with the guests. Please do not abuse this privilege.
6. No glass, china, beer bottles, or other breakables are permitted in the pool area. Soft drink cans and other disposable materials must be placed in litter containers; also, ashtrays must be used.
7. Swimming attire must conform with conventional suits, trunks, etc. No unhemmed cutoffs or play clothes permitted in the pool or spa.
8. Non-resident owners are not entitled to pool privileges.
9. No hairpins; suntan oil; soap, shampoo, or lotion of any kind, or additives are permitted in the pool or spa.
10. Any damages caused by residents and/or guests of residents are the responsibility of the resident, and they will be required to make restitution to the Homeowners Association accordingly.
11. Management reserves the right to deny use of the pool to anyone at any time.

**SWIM AT YOUR OWN RISK**

**ENTERING POOL/SPA AND/OR AREA IS AT YOUR OWN RISK**

12. Pool and spa users shall not engage in any unsafe conduct, such as running, diving or horseplay.

## **POOL & SPA RULES AND REGULATIONS**

### **PAGE 2**

13. Noises, including voices or music, shall be controlled to prevent disturbance of other pool or spa users, and neighboring residences.

14. Pets shall not be allowed in the pool and spa area.

15. Flotation devices (except child's' life preservers), balls, inner tubes, Frisbees, etc., shall not be allowed in the pool and spa area.

16. Patio furniture shall not be removed from the pool and spa area. Persons placing pool furniture into the pool or spa will be subject to a fine of \$ 50.00 per incident.

17. Pool and spa users shall keep their pool key in their possession for identification and shall show the key (with unit number) to other members upon demand. Only two keys shall be held by each unit in the Association. \$ 25.00 is assessed for the first replacement key, \$ 50.00 for the second replacement key, and \$ 75.00 for each subsequent replacement key for the same owners.

18. Pool and spa equipment shall not be adjusted by users. Spa users, if spa cover is available, should recover spa after use. Refer all requests for adjustment to the Pool Committee or Management. Scheduled periods of heating are determined each year by the Pool Committee and Board, but are usually as follows:

|       |                               |
|-------|-------------------------------|
| Pool: | Mid-April through Mid-October |
| Spa:  | Year-round Operation          |

**SARATOGA PLACE HOMEOWNERS ASSOCIATION, INC.**  
**PET RULES AND REGULATIONS**

It is the intent of the Association to control the handling of pets within Saratoga Place for the protection and comfort of humans as well as the safety and humane treatment of animals. To that end, the following rules and regulations regarding pets have been adopted and compliance is required of all members, tenants, and guests. These rules interpret the provisions of the CC&Rs, Article X, Section 10.06 for inclusion in the Saratoga Place Rules.

1. No more than two dogs, two cats, or one dog and one cat, or two birds in cages, may be maintained in any home. Said pets may not be kept or used for commercial purposes.
2. Pets shall be leashed or otherwise maintained under positive control while in the Common Area. City of San Jose Animal Control may be called by any resident to pick up animals running loose in the Common Area.
3. Pet waste on or visible from the Common Area shall be cleaned up immediately by the owner or person in control of the animal and shall be disposed of in a sanitary manner. Violations will result in a fine of \$ 50.00 per incident.
4. Pet noise, including barking or other sounds, shall be controlled to prevent disturbance of members, tenants or guests anywhere in Saratoga Place.
5. Pets shall be controlled to prevent nuisance behavior, such as digging or unfriendly actions towards humans, in the Common Area.
6. Animals required by City of San Jose code to be licensed, shall be licensed while in the Common Area.
7. No structure or attachment to existing structures for the care, housing, or confinement of any pet shall be constructed or maintained without Architectural Committee Approval.

### Move-in/Move-Out Policy for Saratoga Place H.O.A.

*There is now a policy in-place for moving in or out of the Community. This policy was adopted to minimize damage to the common areas, such as Dumpster gates, gutters and downspouts, buildings, etc., and to ensure that the Association does not have to bear the expense of excess items dumped in the common area.*

- 1) Anyone (homeowner or tenant) must register a move in or out of the property (or between buildings) with Management at least ten (10) days before said move.
- 2) In order to confirm the move, after registering at least ten days before, the form referenced above and two checks must be delivered to Management, payable to Saratoga Place HOA for the following amounts:
  - a) **\$250 as a non-refundable move fee.** This fee will be used to monitor the move so that no damage occurs.
  - b) **\$400.00 as a refundable deposit** to guard against damage. This check will be held until the move is completed and a check for damage has occurred. If there is no damage, the check will be returned to the issuer.
- 3) Please note that failure to schedule a move and pay fees at *least three days* in advance of the move will result in a fine being levied against the Owner of the unit in the amount of \$125.00. Please note that the homeowner has the responsibility of assuring that the move is scheduled, whether the move is by the owner or their tenant.
- 4) Move-ins/ outs may take place between the hours of 8:00 a.m. to 10:00 p.m. No moving activity shall take place before 8:00 a.m. or after 10:00 p.m. in consideration of the neighbors.

Landlords installing new tenants shall ensure the tenant completes the registration portion of the form, provides their phone numbers, and shall submit a copy of their written signed lease at least three days prior to the move-in.

As a reminder, all residents of Saratoga Place are required to register their vehicles with Management. To update your vehicle registration, please complete a Resident update form and fax it to 408-226-3406.

January 12, 2007

**SARATOGA PLACE HOMEOWNERS ASSOCIATION, INC.**  
**PARKING RULES**

**Adopted by the Board of Directors October, 1995**

The following rules, which are the Board's interpretation of the CC&Rs regarding Parking were officially adopted by resolution at the October 26, 1995 Board Meeting. These rules are effective December 1, 1995.

All Common Area parking spaces are for the use of legally registered, operational vehicles on a first-come, first-serve basis. At no time may a vehicle be constructed, reconstructed or repaired within the Community, with the exception of repairs on an emergency basis sufficient to remove the vehicle to a garage or repair facility outside the property. Vehicles left in an inoperable condition for longer than 24-hours will be towed from the Community by the Association's towing agent, at the vehicle owner's expense. Vehicle Owner may also be subject to additional fines and/or penalties, at the discretion of the Board.

Vehicles may not be stored or left in the same open space parking longer than 72 hours. If this occurs that vehicle will be considered stored and subject to removal (via tow) 24 hours after a written notice has been placed on the windshield. The Association considers this notice as notice to the vehicle owner as required by California Vehicle Code Section 22658.

- 1) All streets within Saratoga Place are Fire Lanes and vehicles parked in areas other than designated parking spaces are subject to immediate tow without warning. (Tow companies may not tow a vehicle from private property without an authorized signature on their tow tag.) Residents who find unauthorized vehicles parked in their carport have the legal ability to have that vehicle towed, at the vehicle owner's expense, from said carport. A Resident should contact Management to arrange said tow. Please note that the Resident will have to sign the tow tag in order to have the vehicle removed. This signature is acknowledging that you are the person legally entitled to use said carport, and it is not your vehicle in that carport.
- 2) Per the CC&Rs, no owner shall park anywhere within the Community any of the following: Mobile Homes, Campers or other recreational vehicles; boats; or trucks in excess of three quarter-tons in weight.
- 3) Garages shall be used to park the number of vehicles they were designed to contain. No garage may be converted in such a manner as to not allow the parking of said number of vehicles. When parking Resident vehicles within the Community, Resident shall park in their garage or carport.
- 4) Carports and Garages shall be kept in a neat and orderly condition. The Association, per Article X, Section 10.5 of the CC&Rs maintains and reserves the right to enter the garages to perform maintenance or to inspect said garages for the purposes of enforcement of these rules and the Declaration.
- 5) Guests, for purposes of these rules, are considered those persons visiting a resident for a period of 21 days or less in any one calendar year. Guests planning to be on the property longer than 3 days should obtain a guest parking permit from Management.

Permits shall be issued for periods of seven (7) days to a maximum of three permits. Guests who park on the property longer than 21 days shall be considered Residents.

- 6) All Owners must register their vehicles (per CC&Rs Article IV, Section 4.03); those of their guests remaining longer than three consecutive days on the property, and those of their tenants. Registration shall include the make, model, color of the vehicle, and each license number. If the vehicle is new, then the Owner shall provide the Vehicle Identification Number until a license is issued.

Residents in violation of the foregoing, or those Owners responsible for said residents or guests, shall be advised of the violation by posting of notice on the responsible vehicle, or in the event of other violations, shall receive a violation by first class U.S. mail. Owner is considered advised within 72 hours of deposit of said letter into the hands of the Post Office.

Notice to violating vehicles shall be by way of posting on the vehicle. Vehicles continuing in violation shall be subject to, and authorized for, immediate tow without further notice.

Violations other than fire lane and storage in open parking spaces under this policy shall be handled via 15 day notice to appear for a hearing with the Board of Directors.

Vehicles owners planning to park/store a vehicle in their carport for an extended period of time shall advise the Board of Directors in writing as to the make, model, license number, carport number where the vehicles is to be stored, and the reason for storage. Vehicle Owner must obtain **written approval** from the Board of Directors prior to the commencement of storage. Owners storing their vehicles without prior written approval from the Board are subject to the penalties and fines as stated herein.

Please refer to the Special Individual Assessment policy for Saratoga Place for further information.

Request for exceptions under this policy must be in writing, in advance of the need for the exception, to the Board of Directors in care of the Management Company.

## **PARKING AMENDMENT ADOPTED MARCH 11, 1999**

All common area parking spaces are for the use of legally registered, operational Resident and Guest vehicles on a first-come, first-serve basis. Any such vehicle parked overnight (as further defined herein) must display a valid Association Parking Permit.

No vehicles shall be parked at any time for any purpose within the driveway/roadway areas. Said driveway/roadway areas are fire lanes and any vehicle left in said area shall be towed immediately at the vehicle owner's expense, without additional warning.

Consistent with San Jose policies, vehicles displaying Association Parking Permits may not be stored or left in the same parking space on longer than 72 hours. If this occurs, that vehicle will be considered stored and subject to removal (via tow) 24 hours after a written notice has been placed on the windshield. The Association considers this notice as notice to the vehicle owner as required by California Vehicle Code. Owners planning to be absent from home for such

periods should notify the Association's management beforehand to avoid this provision during such absence.

Garages shall be used to park the number of vehicles they were designed to contain. As a courtesy, one (1) annual Association Resident Parking Permit will be issued to households for motorized, street-licensed Vehicles which have in excess of one vehicle. To qualify, Homeowners desiring such permits must submit a request to Association management including satisfactory proof of registration of all household vehicles (including those to be garaged). The Board, at its discretion, may limit or deny this courtesy parking in any manner if it deems such to be in the best interests of the Community.

New residents will be issued 30-day Association New Resident Parking Permits for each household vehicle at close of escrow.

Guests planning to park overnight within the Community should obtain an Association Guest Parking Permit from the Association's management. Each household will be issued three blank Guest Parking Permits for use when guests arrive unexpectedly. Guest Permits are for up to seven consecutive days, shall be marked in permanent ink for the period of the visit, and may thereafter be exchanged for new permits as appropriate. The Board, at its discretion, may limit excessive use of guest parking privileges. Any use of a Guest Parking Permit for a resident vehicle is prohibited and that vehicle is subject to towing.

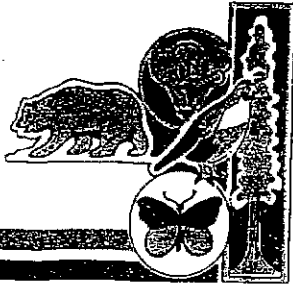
Vehicles left overnight in the Common Area open parking, between 12:00am and 6:00am, which are not registered with the Association and properly displaying an Association Resident Parking Permit, or are not guests properly displaying an Association Guest Parking Permit, shall be subject to immediate towing at the owner's expense.





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

A469334



State  
of  
California  
SECRETARY OF STATE

CORPORATION DIVISION

I, *BILL JONES*, 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 18 1995



*Bill Jones*

Secretary of State

A469334

ENDORSED  
FILED  
in the office of the Secretary of State  
of the State of California

DEC - 1 1995

BILL JONES, Secretary of State

## RESTATED ARTICLES OF INCORPORATION

OF

### SARATOGA PLACE HOMEOWNERS ASSOCIATION

Dennis Garroni and Ami Gomez certify that:

1. They are the President and Secretary, respectively, of Saratoga Place Homeowners Association, a California non-profit mutual benefit corporation.
2. Articles I through V, inclusive, of the Articles of Incorporation of this corporation are amended and restated in full to read as follows:

### ARTICLES OF INCORPORATION OF SARATOGA PLACE HOMEOWNERS ASSOCIATION

#### I

The name of this corporation (hereinafter called the "Association") is Saratoga Place Homeowners Association.

#### II

This corporation is a non-profit 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 the Nonprofit Mutual Benefit Corporation Law of the State of California.

This Association 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 management, administration, maintenance, preservation, and architectural control of the residences and common area within that certain condominium project situated in the City of San Jose, County of Santa Clara, California and more commonly known as Saratoga Place, and more particularly described as all that certain real property as shown on the Subdivision Map entitled Tract 7894, filed for record on August 1, 1986 in Book 563 of Maps, at Pages 12 and 13, Official Records of Santa Clara County, California, and to promote the health, safety, and welfare of all residents within the property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose, all according to that certain Restated Declaration of Covenants, Conditions and Restrictions of Saratoga Place, hereinafter called the "Declaration", recorded with respect to said property in the Office of the Recorder of Santa Clara County, California as required by Section 1352 of the California Civil Code.

### III

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

### IV

This Association is intended to qualify as a homeowners' association under the applicable provisions of the Internal Revenue Code, and of the Revenue and Taxation Code of California. No part of the net earnings of this organization shall inure to the benefit of any private individual, except as expressly provided in those sections with respect to the acquisition, construction, or provision for management, maintenance, and care of the Association property, and other than by a rebate of excess membership dues, fees, or assessments. So long as there is any residence or parcel for which the Association is obligated to provide management, maintenance, preservation, or control, the Association 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 Association, upon or after termination of the project, in accordance with provisions of the Declaration, its assets remaining after payment, or provision for payment, of all debts and liabilities of the Association shall be divided among and distributed to the members in accordance with their respective rights therein.

V

Saratoga Place Homeowners Association is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act. The business or corporate office of the Association is 39899 Balentine Drive, Suite 150, Newark, CA 94560. The nine-digit ZIP Code applicable to the condominium project is 95129-4656. The frontage street for the condominium project is Saratoga-Sunnyvale Road and the nearest cross-street for the physical location of the common interest development is Chantel Court, in the City of San José, California. The name and address of the Association's managing agent, as defined in Civil Code Section 1363.1 is Professional Association Services, Inc., 39899 Balentine Drive, Suite 150, Newark, CA 94560.

VII

These Articles may be amended only by the affirmative vote of a majority of the Board, and by the affirmative vote (in person or by proxy) of members representing a majority of the voting power of the Association.

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors.

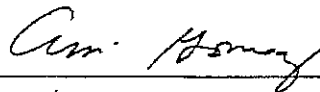
4. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the required vote of the members.

IN WITNESS WHEREOF, we have hereunto subscribed our names this

FIRST day of SEPTEMBER, 1995.




President

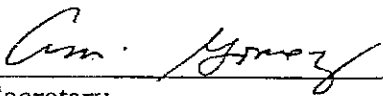


Secretary

The undersigned declare under penalty of perjury that the matters set forth in the foregoing certificate are true of their own knowledge.

Executed at Santa Clara County, California, on SEPTEMBER 1, 1995.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Secretary

saraplac.art

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

**RESTATED BYLAWS**  
**OF**  
**SARATOGA PLACE HOMEOWNERS ASSOCIATION**

**August 30, 1995**



**RESTATED BYLAWS  
OF  
SARATOGA PLACE HOMEOWNERS ASSOCIATION**

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**RESTATED BYLAWS**  
**OF**  
**SARATOGA PLACE HOMEOWNERS ASSOCIATION**

**ARTICLE I**

**Recitals and Definitions**

**Section 1.01. Name of Corporation.** The name of this corporation shall be Saratoga Place Homeowners Association and shall be referred to herein as the "Association".

**Section 1.02. Corporation is Non-Profit.** This corporation has been formed pursuant to the California Non-Profit Corporation Law as a mutual benefit corporation.

**Section 1.03. Specific Purpose.** The specific and primary purpose of this Association shall be to manage the Common Area within that certain common interest development located in the County of Santa Clara, State of California and commonly referred to as Saratoga Place, to repair and maintain the Common Area to the extent and in the manner more particularly described in the Covenants, Conditions and Restrictions, to enforce the Rules and Regulations adopted by the Board of Directors, from time to time, and the terms and conditions of the Covenants, Conditions and Restrictions and to otherwise enhance and promote the use and enjoyment of Common Areas and Association property by the Owners in common.

**Section 1.04. Definitions.**

(a) **Definition of Covenants, Conditions and Restrictions.** The term "Covenants, Conditions and Restrictions" shall mean all limitations, restrictions, covenants, terms and conditions set forth in the First Restated Declaration of Covenants, Conditions and Restrictions recorded in the Office of the Recorder of the County of Santa Clara with respect to the Properties located in Subdivision Map entitled Tract 7894, filed for record on August 1, 1986 in Book 563 of Maps, at Pages 12 and 13, Official Records of Santa Clara County, California.

(b) Definition of County. The term "County" shall mean the County of Santa Clara, State of California.

(c) Definition of Director. The term "Director" shall mean a member of the Board of Directors of the Association.

(d) Definition of Office of Recorder. The term "Office of Recorder" shall mean the Office of the Recorder, County of Santa Clara, State of California.

(e) Definition of Person. The term "Person" shall mean and include any individual, corporation, partnership, association or other entity recognized by the laws of the State of California.

(f) Definition of Voting Power. The term "Voting Power" shall mean the total membership of the Association eligible to vote, that is, all memberships, except those suspended for default in payment of assessments or otherwise.

(g) Definition of Properties. The term "Properties" shall have the meaning set forth in Article I, Section 1.31, in the Covenants, Conditions and Restrictions.

(h) Definition of Unit. The term "Unit" shall have the meaning set forth in Article II, Section 2.02(a), in the Covenants, Conditions and Restrictions.

(i) Other Definitions Incorporated by Reference. The terms defined in the Covenants, Conditions and Restrictions shall have the same meaning when used herein unless the context clearly indicates a contrary intention.

## **ARTICLE II**

### **Principal Office**

**Section 2.01. Location of Principal Office.** The principal office of the Association shall be located at such place within the County as the Board may, from time to time, designate by resolution.

## **ARTICLE III**

### **Membership**

**Section 3.01. Members of the Association.** Every Owner of a Unit within the Properties shall be a Member of the Association. Membership in the Association shall be appurtenant to, and may not be separate from, ownership of any Unit. Membership rights are subject to temporary suspension in the event that a Member is in default in the payment of assessments or is otherwise in violation of these Bylaws, the Covenants, Conditions and Restrictions or the Association Rules, provided that disciplinary action resulting in such suspension is taken in accordance with Article XV, Section 15.06 of the Covenants, Conditions and Restrictions.

**Section 3.02. Term of Membership.** Each Owner who is a Member shall remain a Member until he no longer qualifies as such under Section 3.01 above.

**Section 3.03. Multiple Ownership of Units.** If more than one person owns a Unit, all of said persons shall be deemed to be one Member. In the case of multiple ownership, unless the Secretary of the Association is given written notice to the contrary, and is given a copy of the instrument or court order allocating voting rights differently, only one (1) of such multiple Owners shall be entitled to vote the membership. The Secretary of the Association or the Association manager shall be notified in writing of the Owner designated by his or her co-Owners as having the sole right to vote the membership on their behalf. In the absence of such designation, the person voting shall be deemed the designated co-Owner for such vote. If more than one multiple Owner attempts to vote a membership, the Secretary may refuse to count any ballot pertaining to said Unit.

**Section 3.04. Furnishing Evidence of Membership.** A person shall not be entitled to exercise the rights of a Member until such person has advised the Secretary in writing that he is qualified to be a Member under Section 3.01 above, and has provided the Secretary with evidence of such qualification in the form of a copy of a recorded grant deed, a currently effective policy of title insurance, or other satisfactory evidence. Exercise of membership rights shall be further subject to the rules regarding record dates for notice, voting and actions by written ballot set forth herein.

## **ARTICLE IV**

### **Membership Voting**

**Section 4.01. Single Class of Membership.** The Association shall have but one class of voting membership.

**Section 4.02. Member Voting Rights.** On each matter submitted to a vote of the Members, whether at a meeting of the membership called and held pursuant to the provisions of these Bylaws or otherwise, each Member shall be entitled to cast one vote for each Unit owned by such Member. Single memberships in which two (2) or more persons have an indivisible interest shall be voted as provided in Article III, Section 3.03 of these Bylaws. The Association shall not be obligated to conduct a hearing in order to suspend a Member's voting privileges on the basis of the nonpayment of assessments, although a delinquent Member shall be entitled to request such a hearing in accordance with the Declaration. A Member who owns more than one Unit shall be ineligible to vote if that Member is delinquent with respect to any of such Units.

**Section 4.03. Eligibility to Vote.** The persons entitled to vote at any meeting of Members shall be those persons who are Members as of the record date determined in accordance with Section 5.08 of Article V hereof, subject to the provisions of California's Non-Profit Corporation Law. A Member must be in good standing, with all assessments current, and not be subject to any suspension of membership rights, in order to be eligible to vote.

**Section 4.04. Manner of Casting Votes.** Voting may be by voice or by ballot, provided that any election of Directors shall be conducted by ballot. Members otherwise eligible to vote may do so in person or by proxy in accordance with Section 4.05 of this Article IV.

#### **Section 4.05. Proxies.**

(a) Any Member entitled to vote may do so either in person or by one or more agents authorized by a written proxy signed by the Member and filed with the Secretary of the Association before the appointed time of each meeting. Any proxy shall be for a term not to exceed eleven (11) months from the date thereof, unless otherwise provided in the proxy; provided that the maximum term of any proxy shall be three (3) years from the date of execution and, provided further, that any proxy pertaining to the nomination or election of Directors shall have a maximum term not to exceed one year. Any form of



proxy distributed by any person to the membership of the Association shall afford the opportunity to specify a choice between approval and disapproval of each matter or group of matters to be acted upon. The proxy also shall identify the person or persons authorized to exercise the proxy and the length of time it will be valid. In addition, voting by proxy shall comply with any other applicable requirements of California Corporations Code Section 7514 and 7613.

(b) Any proxy issued hereunder shall be revocable by the person executing such proxy at any time prior to the vote pursuant thereto, by (1) delivery to the Secretary of a written notice of revocation; (2) a subsequent proxy executed by the Member executing the prior proxy and presented prior to the meeting or (3), as to any meeting, by attendance at such meeting and voting in person by the Member executing the proxy. The dates contained on the forms of proxy presumptively determine the order of execution. A proxy shall be deemed revoked when the Secretary shall receive actual notice of the death or judicially declared incompetence of the Member issuing the proxy, or upon termination of such Member's status as an Owner of a Condominium as provided in Article III, Section 3.01 above.

(c) Any proxy given with respect to any of the matters described in this subparagraph (c) shall be valid only if the proxy sets forth the general nature of the matter to be voted on. The matters subject to this requirement are:

- (1) Removal of Directors.
- (2) Filling of vacancies on the Board.
- (3) Approval of contracts or transactions between the Association and one or more of its Directors, or between the Association and a corporation, firm or association in which one or more of its Directors has a material financial interest.
- (4) Action to amend the Articles of Incorporation, these Bylaws or the Covenants, Conditions and Restrictions.
- (5) Sale, lease, exchange, transfer or other disposition of all or substantially all of the Association's assets otherwise than in the regular course of the Association's activities.

- (6) Approval of any merger of the Association or adoption and approval of an amendment of an agreement of merger.
- (7) Election by the Association to voluntarily wind up and dissolve.
- (8) Action to change any Association assessments in a manner requiring membership approval under the Covenants, Conditions and Restrictions.

(d) In any election of Directors any form of proxy in which the Directors to be voted upon are named therein as candidates, and which is marked by a Member "withhold" or otherwise marked in a manner indicating that the authority to vote for the election of Directors is withheld, shall not be voted either for or against the election of a Director. If any proxy issued in connection with the election of Directors is marked so as to direct the proxy holder to vote the proxy for a specified candidate or candidates, the proxy holder shall vote in accordance with the direction of the proxy issuer.

(e) No amendment of the Articles or Bylaws repealing, restricting, or expanding proxy rights may be adopted without approval by the affirmative vote of a majority of the Voting Power represented and voting at a duly held meeting at which a quorum is present, or the affirmative vote of a majority of the Voting Power of Members by written ballot as provided in Article IV, Section 4.06 hereof.

(f) Where two or more persons constitute a Member, any proxy with respect to the vote of such Member may be signed by any of such persons, but only one proxy may be cast for each Member. Any such person may attend meetings, but such attendance shall revoke the proxy as set forth in subsection (b) above.

#### **Section 4.06. Action by Written Ballot Without a Meeting.**

(a) Any matter or issue requiring the vote of the Members, other than the election of Directors, may be submitted for vote by written ballot without a meeting of the Members, provided the requirements for action by written ballot set forth in this Section 4.06 and the provisions of California Corporations Code Section 7513 and 7516 are met. The determination to seek Member approval for corporate action in this fashion shall be made by a majority of the Board or by Members having ten percent (10%) of the total votes of the membership signing a written request and delivering this request to the Secretary. In the event that any matter or issue is to be voted upon by written ballot, at least fifteen (15) days prior to the date the written ballots are to be received to be counted,

the Board shall distribute the written ballot to every Member entitled to vote on the matter. Such ballot shall set forth the proposed action and provide an opportunity to specify a choice between approval or disapproval of each matter or a group of matters to be acted upon. The written ballot shall provide a reasonable time within which to return the written ballot to the Association and shall state on its face or in an accompanying notice the date by which the written ballot must be returned in order to be counted. The written ballot shall provide that, where the Member specifies a choice, the vote shall be cast in accordance with that choice. The time fixed for the return of ballots may only be increased if the Board so notifies the Members in writing prior to commencement of the balloting period and then for no more than forty-five (45) days.

(b) Approval by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting of Members 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 of Members.

(c) Written ballots shall be solicited in a manner consistent with the requirements of Article V, Section 5.04(c) pertaining to the giving of notice of Members' meetings. All solicitations of written ballots shall indicate the number of responses needed to meet the quorum requirement for valid action and shall state the percentage of approvals necessary to pass the measure submitted. If deemed necessary by the Board, the ballot shall be conducted in accordance with such additional procedures, not inconsistent with the provisions of this Section, as may be prescribed by a firm of certified public accountants of good repute who may also be retained to supervise the secrecy and control of the vote.

(d) Upon tabulation of the ballots, the Board shall notify the Members of the outcome of the balloting process. If insufficient votes to constitute a quorum are cast, the Board shall so notify the Members. Once exercised, a written ballot may not be revoked.

**Section 4.07. Only Majority Vote of Members Represented at Meeting Required, Unless Otherwise Specified.** If a quorum as defined in Article V, Section 5.05, of these Bylaws is present, the affirmative vote of the majority of the Voting Power of Members represented at the meeting, entitled to vote and voting on any matter (other than the election of Directors) shall be the act of the Members, unless the vote of a greater number is required by California's Non-Profit Corporation Law, by the Articles of Incorporation, by the Bylaws or Covenants, Conditions and Restrictions of the Association.

## **ARTICLE V**

### **Membership Meetings**

**Section 5.01. Place of Meeting.** The meetings of the Members shall be at the offices of the Association within the Properties or at such other reasonable place within the County and at such time as may be specified herein or designated by notice of the Board of the meeting.

**Section 5.02. Annual Meeting.** There shall be an annual meeting of the Members on the second Thursday of February of each year at the hour of 7:00 p.m. or at such other date as the Board may determine within thirty (30) days preceding or following such date.

#### **Section 5.03. Special Meetings.**

(a) **Who May Call.** A majority of the Board, the President and Members representing five percent (5%) or more of the total Voting Power of the Association may call special meetings of the Members at any time to consider any reasonable business of the Association.

(b) **Calling Special Meetings by Members.** If a special meeting is called by Members other than the President, the request shall be submitted by such Members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the President, any Vice President, or the Secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the Members entitled to vote, in accordance with the provisions of Section 5.04 of this Article V, that a meeting will be held, and the date and time for such meeting, which date shall be not less than thirty-five (35) nor more than ninety (90) days following the receipt of the request. If the notice is not given within twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the President.

#### **Section 5.04. Notice of Members' Meetings.**

(a) All notices of meetings of Members (whether annual or special) shall be sent or otherwise given in writing to each Member who, on the record date for notice of the meeting (Article V, Section 5.08) is entitled to vote thereat, in accordance with subpara-

graph (c) of this Section 5.04, not less than ten (10) nor more than ninety (90) days before the date of the meeting, stating (1) the general nature of the business to be transacted, and no other business may in that case be transacted, or (2) in the case of a regular meeting, those matters which the Board of Directors, at the time of giving the notice, intends to present for action by the Members; but any proper matter may be presented at the meeting for such action so long as a quorum is present. The notice of any meeting at which Directors are to be elected shall include the names of all those individuals who are nominees at the time the notice is given to the Members. If notice is given by mail and the notice is not given by first-class, registered or certified mail, the notice shall be given not less than twenty (20) nor more than ninety (90) days before the meeting.

(b) If action is proposed to be taken at any meeting for approval of any of the following proposals, the notice shall also state the general nature of the proposal. Member action on such items is invalid unless the notice or written waiver of notice states the general nature of the proposal(s):

- (1) Removing a Director without cause.
- (2) Filling vacancies on the Board of Directors under those circumstances where a vote of the members is required pursuant to Article VII, Section 7.05 of these Bylaws.
- (3) Amending the Articles of Incorporation, these Bylaws or the Covenants, Conditions and Restrictions in any manner requiring approval of the Members.
- (4) Approving a contract or transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm or association in which one or more of its Directors has a material financial interest.
- (5) Approving a plan of distribution of assets, other than cash, in liquidation.
- (6) Approving any change in the Association's assessments in a manner requiring membership approval under the Covenants, Conditions and Restrictions.

- (7) Voting upon any election to voluntarily wind up and dissolve the corporation.

(c) Notice of any meeting of Members shall be given either personally or by first-class mail, telegraphic or other written communication, charges prepaid, addressed to each Member either at the address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. If no address appears on the Association's books and no other has been given, notice shall be deemed to have been given if either (1) notice is sent to that Member by first class mail or telegraphic or other written communication to the Association's principal office, or (2) notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at that time when delivered personally or twenty-four (24) hours following deposit in the mail or telegram or facsimile transmission. In the event that the Association regularly sends its Members a newsletter or magazine, the requirement of written notice hereunder may be satisfied by setting forth the required information in said newsletter or magazine so long as it is addressed and mailed or delivered to the Member at the Member's address as shown on the books of the Association.

(d) An affidavit of the mailing or other means of giving any notice of any Members' meeting may be executed by the Secretary or Assistant Secretary of the Association, and if so executed, shall be filed and maintained in the Association's minute book. Such affidavit shall constitute prima facie evidence of the giving of notice.

#### **Section 5.05. Quorum Requirements.**

(a) Twenty-five percent (25%) of the Voting Power of Members, represented in person or by proxy, shall constitute a quorum for the transaction of business at a meeting of the Members; provided, however, that at any regular meeting actually attended, in person or by proxy, by less than one-third (1/3) of the Voting Power of Members (but at which a quorum is present) the only matters upon which action can be validly taken are those matters the general nature of which was described in the notice of meeting pursuant to Section 5.04 of this Article V. Notwithstanding anything herein to the contrary, a quorum, for purposes of obtaining membership approval of special assessments or increases in regular assessments as may be required by Article VI, Sections 6.02(a) and 6.03(c) of the Covenants, Conditions and Restrictions means more than fifty percent (50%) of the Owners.

(b) The Members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

**Section 5.06. Adjourned Meeting.** Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of Members represented at the meeting, either in person or by proxy. Unless there is an absence of a quorum (in which case no other business may be transacted at that meeting except as provided in Section 5.05(b)), the adjourned meeting may take any action which might have been transacted at the original meeting. When a Members' meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. No meeting may be adjourned for more than forty-five (45) days. If after adjournment a new record date is fixed for notice or voting, a notice of the adjourned meeting must be given to each Member who on the record date for notice of the meeting is entitled to vote thereat.

**Section 5.07. Waiver of Notice or Consent by Absent Members.**

(a) The transactions of any meeting of Members, either annual or special, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of Members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 5.04(b) of this Article V, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(b) Attendance by a person at a meeting also shall constitute a waiver of notice of that meeting, except when the person objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters not

included in the notice of the meeting which are required to be described therein pursuant to Section 5.04(b) of this Article V, if that objection is expressly made at the meeting.

**Section 5.08. Record Dates for Member Notice, Voting and Giving Consents.**

(a) For the purpose of determining which Members are entitled to receive notice of any meeting, vote, act by written ballot without a meeting or exercise any rights in respect to any other lawful action, the Board of Directors may fix, in advance, a "record date" and only Members of record on the date so fixed are entitled to notice, to vote, or to take action by written ballot or otherwise, as the case may be, notwithstanding any transfer of any membership on the books of the corporation after the record date, except as otherwise provided in the Articles of Incorporation, by agreement, or in the California Non-Profit Corporation Law. The record dates established by the Board pursuant to this Section shall be:

- (1) In the case of determining those Members entitled to notice of a meeting, not more than ninety (90) nor less than ten (10) days before the date of the meeting.
- (2) In the case of determining those Members entitled to vote at a meeting, not more than sixty (60) days before the date of the meeting;
- (3) In the case of determining Members entitled to cast written ballots, not more than sixty (60) days before the day on which the first written ballot is mailed or solicited.
- (4) In the case of determining Members entitled to exercise any rights in respect to other lawful action, not more than sixty (60) days prior to the date of such other action.

(b) Failure of Board to Fix a Record Date.

- (1) Record Date for Notice of Meetings. Unless fixed by the Board, the record date for determining those Members entitled to receive notice of a meeting of Members, shall be the business day preceding the day on which notice is given, or, if notice is waived, the business day preceding the day on which the meeting is held.