

the rear boundary line and shall not occupy more than thirty percent (30%) of the yard or patio area.

Section 9.02. Common Areas. No improvement, excavation or work which in any way alters any Common Area from its natural or existing state shall be made or done except upon strict compliance with, and within the restrictions and limitations of, the following provisions of this Section.

(a) No person other than the Association or its duly authorized agents shall construct, reconstruct, refinish, alter or maintain any improvement upon, or shall make or create any excavation or fill upon, or shall change the natural or existing drainage of, or shall destroy or remove any tree, shrub or other vegetation from, or plant any tree, shrub, or other vegetation upon the Common Area.

(b) The Association may at any time, and from time to time:

- (1) Reconstruct, replace, or refinish any Common Facility or other improvement or portion thereof upon the Common Area in accordance with the original design, finish or standard of construction of such improvement of such Common Area which was approved by the governmental entity having jurisdiction.
- (2) Construct, reconstruct, replace and refinish any road improvement or surface upon any portion of Common Area designated on a subdivision map as a private road or parking area.
- (3) Replace destroyed trees or other vegetation and plant trees, shrubs and ground cover upon any portion of Common Area.
- (4) Place and maintain upon the Common Area such signs as the Association may deem necessary for the identification of the development and of roads, the regulation of traffic, including parking, the regulation and use of Common Area and Common Facilities and for the health, welfare and safety of Owners, tenants and guests.

(c) In the event that the Board determines that a new capital improvement Project should be commenced and all requisite approvals have been obtained from the Members and the Architectural Committee, the Board shall obtain firm bids on the total Project cost. The Board shall levy a special assessment pursuant to Article VI Section 6.03 in the

amount of the accepted bid. Promptly following levy and collection of the Special Assessment for the capital improvement the Board shall commence and diligently undertake construction and installation of such improvement. During construction the Board shall supervise the construction project.

Section 9.03. Enforcement of Architectural Restrictions. If an Owner makes an improvement, addition or change in his Unit or on the Common Area not authorized by this Declaration without approval from the Architectural Committee and the Board of Directors, the Association may direct that the improvement, addition or change be removed and in the event that the Owner fails to diligently commence action to remove or modify the work within thirty (30) days after receipt of a written demand for removal or modification, the Association may either enter into the Unit to effect removal or commence legal action to compel removal. Any costs and expenses incurred by the Association in the discharge of its responsibilities hereunder, including reasonable attorneys' fees, may be recovered from the Owner by means of a Special Individual Assessment. Without limiting the foregoing, the Architectural Committee or Board may record or cause to be recorded a statement (hereinafter a "Noncompliance Statement") delineating the corrective action that is required to bring such improvements into compliance. In the event the Architectural Committee has issued a Noncompliance Statement as to any property, the Architectural Committee or Board shall record a Compliance Statement, upon request, after corrective work has been satisfactorily completed, which shall evidence that the improvements upon such property comply with the provisions of the Condominium Documents. Any Compliance or Noncompliance Statement issued by the Architectural Committee shall be executed by any person or persons authorized by resolution of the Board or by the President and Secretary of the Association. The Association shall be entitled to collect a fee to cover the cost of inspections and other costs in connection with the issuance of any Noncompliance Statement or Compliance Statement.

Section 9.04. Variances. The Board of Directors shall be entitled to allow reasonable variances with respect to this Article IX in order to overcome practical difficulties, avoid unnecessary expense or prevent unnecessary hardships, provided the following conditions are met:

(a) All requests for variances shall be submitted to the Association in writing. If the Board reserves to itself authority to grant variances, requests shall be submitted to the Association Secretary. If variance authority is delegated to the Architectural Committee, submissions shall be made to the Committee Chair.

(b) If the requested variance will necessitate deviation from, or modification of an Architectural Standard that would otherwise apply under this Declaration, the Board or the Architectural Committee must conduct a hearing on the proposed variance after giving at least ten (10) days' prior written notice to all Owners of Units located in the same building structure as the Unit affected by the variance or located within one hundred feet (100) feet of the Unit to which the variance applies. The Owners receiving notice of the proposed variance shall have thirty (30) days in which to submit to the Board or Committee written comments or objections with respect to the variance. No decision shall be made with respect to the proposed variance until the thirty (30)-day comment period has expired.

(c) The Board or Committee must make a good faith determination that: (i) the requested variance, if granted, will not constitute a material deviation from the overall plan and scheme of development within the Properties or from any restriction contained herein (or the Architectural Standards) or that the proposal allows the objectives of the violated requirement(s) to be substantially achieved despite noncompliance; or (ii) the variance relates to a requirement hereunder that it is unnecessary or burdensome under the circumstances; or (iii) the variance, if granted, will not result in a material detriment, or create an unreasonable nuisance, with respect to any other Unit, Common Area or Owner within the Property.

ARTICLE X

Use of Properties and Restrictions

Use of the Units, Common Areas and other portions of the Properties shall be subject to the following rules and restrictions. In the event that the Association is compelled to expend funds to gain compliance with such rules and restrictions, whether for attorneys' fees or otherwise, the same may be recovered from the offending Owner by means of a Special Individual Assessment.

Section 10.01. Residential Use.

(a) The use of the Units within the Properties is hereby restricted to Residential Use. Residence shall be limited as follows: No more than two (2) persons per bedroom and one additional person per residence shall be permitted as permanent residents. As used in this Section 10.01(a), "permanent resident" means occupancy for more than thirty (30) days out of any consecutive twelve (12) month period. In no event shall the number

of residents in a Condominium exceed occupancy restrictions imposed by ordinances of the City of San Jose or other applicable law.

(b) No Unit or Units or any portion thereof in the Project shall be leased, subleased, occupied, rented, let, sublet, or used for or in connection with any time sharing agreement, plan, program or arrangement, including, without limitation, any so called "vacation license", "travel club", "extended vacation", or other membership or time interval ownership arrangement. The term "time sharing" as used herein shall be deemed to include, but shall not be limited to, any agreement, plan, program, or arrangement under which the right to use, occupy, or possess the Unit or Units or any portion thereof in the Project rotates among various persons, either corporate, partnership, individual, or otherwise, on a periodically recurring basis for value exchanged, whether monetary or like kind use privileges, according to a fixed or floating interval or period of time of twenty-five (25) consecutive calendar days or less. Provided, this Section shall not be construed to limit the personal use of any Unit or any portion thereof in the Project by any Unit Owner or his social or familial guests.

Section 10.02. Common Areas.

(a) Generally. The landscaped Common Areas shall be preserved as open space and used for those recreational purposes originally planned as Common Facilities by the Declarant or subsequently installed by the Association in accordance with this Declaration. Nothing shall be altered, constructed, placed or stored in such Common Areas except upon the direction and under the authority of the Association in accordance with Article IX hereof. Use and enjoyment of Common Areas shall at all times be subject to this Declaration, the Bylaws and the Association Rules and other purposes incidental and ancillary to the use of Units.

(b) Association Common Areas. In addition to the provisions of Section 10.02(a) hereof, and subject to Article IV, Section 4.01(b), Article V, Section 5.08, and Article XV, Section 15.06, it is further provided that the use of Association Common Areas shall be limited to the private use, for aesthetic and recreational purposes, of the Association's resident Members, their families and guests and of the Lessees of nonresident Members and the families and guests of such Lessees.

Section 10.03. Use of the Properties. The use of all Properties shall be limited to those uses, as strictly interpreted, which are specified in this Declaration. Any change in use of the Properties, or any part thereof, shall require the vote or written consent of two-thirds (2/3) of the Members of the Association.

Section 10.04. Prohibition of Noxious Activities. No noxious or offensive activities shall be carried on or conducted upon any Unit or the Common Area nor shall any things be done on any Unit or the Common Area that shall be or become an unreasonable annoyance or nuisance to the neighborhood. Without limiting any of the foregoing, no Owner or lessee shall permit noise, including, but not limited to the barking of dogs, the operation of air conditioners, stereo amplifier systems, television systems, motor vehicles or power tools, to emanate from any Unit, or the Common Area, which would unreasonably disturb any other Member's enjoyment of his Unit or the Common Area. Excessive noise levels may be determined according to the ordinances of the City of San Jose or other applicable governmental regulation dealing with such matters. The Board may, in its sole discretion, prohibit maintenance within the Properties of any animal that constitutes a nuisance (whether due to its size, viciousness, unreasonable noise or otherwise) with respect to any other Owner(s).

Section 10.05. Temporary Structures. No structure of a temporary character, trailer, mobilehome, camper, motor vehicle, tent, shack, or other outbuilding shall be used on the Common Area at any time as a residence, either temporarily or permanently. Furthermore, no structures shall be built for any purposes on the Common Area except as specifically authorized by this Declaration.

Section 10.06. Household Pets. The following restrictions regarding the care and maintenance of pets within the Properties shall be observed by each Owner and resident:

(a) Not more than two (2) common household pets, such as dogs and cats, not exceeding thirty (30) pounds each, may be kept in each Unit, so long as the same are not kept, bred or maintained for commercial purposes. A reasonable number of fish or small caged animals also may be kept, subject to the Rules. No other animals, livestock, or poultry of any kind shall be kept, bred or raised in any Unit.

(b) Dogs shall only be allowed on the Common Area when they are leashed and otherwise under the supervision and restraint of their Owners.

(c) Owners may not harbor stray animals or encourage the presence of stray animals on the Properties by feeding stray animals.

(d) No household pet shall be left chained or otherwise tethered in front of a Unit or in the Common Area. Pet owners shall be responsible for the prompt removal of pet wastes deposited by their pets within the Common Area or in any Unit.

(e) Each person bringing or keeping a pet on the Properties shall be solely responsible for the conduct of the Owner's pets. The Association, its Board, officers, employees and agents shall have no liability (whether by virtue of this Declaration or otherwise) to any Owners, their family members, guests, invitees, tenants and contract purchasers for any damage or injury to persons or property caused by any pet.

(f) The Board of Directors shall have the right to establish and enforce additional Rules and Regulations imposing standards for the reasonable control and keeping of household pets in, upon and around the Properties to ensure that the same do not interfere with the quiet and peaceful enjoyment of the Properties by the other Owners and residents.

(g) In addition to the foregoing pet restrictions, all pet control codes and ordinances for the State of California, the City of San Jose and the County shall apply at all times within the Properties.

Section 10.07. Signs and Flyers. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on any window or the Common Area, nor shall any Unit be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Unit or any resident thereof. The distribution of commercial flyers on the Properties is prohibited. Notwithstanding the foregoing, any Owner of a Unit or his or her agent may display or have displayed in a window of the Owner's Unit or in a location on the Common Area approved by the Board, in accordance with Civil Code Section 712, or on another Owners' Unit with that Owners' consent, a sign which is reasonably located, in plain view of the public, and is of reasonable dimensions and design and not adversely affecting public safety, including traffic safety, advertising the property for sale, lease, or exchange, or advertising directions to the property by the Owner or his or her agent. The "for sale" sign shall be promptly removed upon close of escrow and the site restored. Signs permitted hereunder shall not be nailed to the exterior of any Unit or staked in any lawn or green areas in the front of any Condominium. The right to place a "for rent"/"for lease" or "for sale" sign shall be subject to the control of the Board regarding placement, size and content. The "for rent"/"for lease" or "for sale" sign may only be placed in a window of the Unit and not on the Common Area, except that one "open house" sign may be posted on the Common Area subject to the Association Rules and such "open house" sign may be placed by an Owner for a maximum of two (2) days per week.

Section 10.08. Business Activities. No business activities of any kind whatsoever shall be conducted in any building or in any portion of any Unit except for the activities, signs or the maintenance of buildings by the Association, its successors and assigns, in

furtherance of its powers and purposes as set forth herein. Notwithstanding the foregoing, no restrictions contained in this Article X shall be construed in such a manner as to prohibit any Owner from (a) maintaining his personal library within his Condominium; (b) keeping his personal business records or accounts therein; (c) handling his personal or professional telephone calls or correspondence therefrom; or (d) conducting any other activities in the Owner's Unit otherwise compatible with residential use and the provisions of this Declaration which are permitted under applicable zoning laws or governmental regulations without the necessity of first obtaining a special use permit or similar specific governmental authorization. Such uses are expressly declared to be customarily incident to the principal residential use and not in violation of any provision of this Article X.

Section 10.09. Garbage and Storage. No rubbish, trash, or garbage shall be allowed to accumulate on the Common Area and any trash outside the interior walls of a Unit shall be stored entirely within appropriate covered disposal containers maintained in good, clean condition. No disposal containers, other than those maintained by the Association, shall be allowed in the Common Area. Any extraordinary accumulation or rubbish, trash, garbage or debris (such as is often generated upon vacating of premises or during holidays, including Christmas trees) shall be removed from the Properties to a public dump or trash collection area by the Owner or tenant at his expense.

No toxic or hazardous material shall be disposed of within the project by dumping in the garbage containers or down the drains, or otherwise. Toxic or hazardous material disposal must be performed outside the Properties in accordance with all applicable statutes, ordinances and regulations.

The Association shall be entitled to impose reasonable fines and penalties for collection of garbage, refuse or material which is disposed of in any manner inconsistent with this Section. Each Owner shall defend, indemnify and hold harmless the Association, its officers and directors against any liability, loss, damage, cost or penalty, including attorneys fees, arising from or relating to the unlawful disposal of hazardous or toxic materials.

Nothing in this section shall be interpreted so as to preclude the Association from establishing and maintaining within the Properties appropriate storage yards and storage buildings for the maintenance and retention of materials and equipment needed for planting, building, repair, maintenance and preservation of the structures, gardens and other improvements of the Common Areas.

Without limiting the rights of the Association under this Declaration, the Board may levy fines against Owners who violate, or whose family members, guests or tenants violate this Section 10.09.

Section 10.10. Clotheslines. No exterior clothesline shall be erected or maintained and there shall be no drying or laundering of clothes on the balconies, patios, porches or other areas in any manner which is visible from any neighboring Unit. Further, no clothes washers, clothes dryers, refrigerators, freezers or other appliances may be kept, stored or operated on any balcony, patio, porch or other exterior area.

Section 10.11. No Common Area Maintenance by Owners. No exterior painting of residential structures by Owners, or any person holding thereunder, nor repair or replacing of original roofs or utility laterals by Owners, it being the intention hereunder that such items be maintained and replaced by the Association in conjunction with the Association's maintenance of the Common Area in order to preserve the external harmony of the Properties, as provided in Article IX hereof. No Owner, or any person holding thereunder, may interfere with or damage the structural integrity of any building or the Common Area.

Section 10.12. Cooperative Maintenance Obligations. Any cooperative action necessary or appropriate to the proper maintenance and upkeep of the Common Areas, including but not limited to, recreation and parking areas and walks, shall be undertaken by the Board of Directors or by its duly delegated representatives and, to the extent necessary or desirable to accomplish such maintenance, individual Owners shall cooperate with the Association and its agents in the prosecution of its work.

Section 10.13. No Structural Alterations. No Condominium Owner shall undertake any action or work that will impair the structural soundness or integrity of his or another Unit or impair any easement or estate, or do any act or allow any condition to exist which will adversely affect the other Condominiums or their Owners.

Section 10.14. No Alterations or Antennas. In order to insure adequate aesthetic controls and to maintain the general attractive appearance of the Properties, no Owner, resident or lessee shall, at his expense or otherwise, perform plumbing or electrical work within any bearing or common walls, construct fences, walls, or make any alterations, additions or modifications to or on any part or portion of the Common Areas or exterior surfaces of any residential structure (including, without limitation, the erection of awnings, exterior window coverings, hangings and the like), or place or maintain any objects, such as masts, towers, poles, or television and radio antennas, or satellite dishes, on or about

the exterior of any building within the Properties, except as authorized by the Association and its Architectural Committee. No construction or alteration of improvements may be undertaken on the Common Area without approval of the Architectural Committee pursuant to Article IX hereof.

Section 10.15. Parking and Vehicle Restrictions. The following parking and vehicle restrictions shall apply within the Properties:

(a) The Board may adopt rules regulating the number of vehicles that may be parked on the Properties at any one time by the residents of a Unit.

(b) All carports and garages shall be maintained in a neat and orderly condition and garage doors shall be maintained in a closed position except as necessary to permit ingress and egress of vehicles or to provide ventilation when the resident is in the garage area.

(c) Garages are to be used solely for the parking of standard passenger vehicles and trucks not to exceed three-quarter tons in gross weight and shall not be converted to living quarters or work shops or used for the storage of boats, trailers, campers or recreation vehicles. In no event shall the garage or carport area be used in a way which will preclude the parking of the Owner's or occupant's customary four-wheeled vehicle(s) within the garage. Each Owner grants to the Association, and its agents, an easement to enter the Owner's garage to perform maintenance, and to inspect the garage for the purpose of enforcing this Declaration or The Rules.

(d) Designated guest parking areas within the Common Area are not to be used, either permanently or temporarily, for the storage of boats, trailers or similar items of personal property. No vehicle may be parked in a Common Area space for more than seventy-two (72) consecutive hours. No vehicle shall be parked or left in the street areas in front of the garages or carports, or along any curb areas, unless the area is specifically marked as a designated parking space. Use of the guest parking areas is subject to the Association Rules.

(e) No motor vehicle shall be constructed, reconstructed or repaired within the Properties and no dilapidated or inoperable vehicle, including vehicles without wheel(s) or an engine, shall be stored on the Properties; provided, however that the provisions of this Section shall not apply to emergency vehicle repairs not to exceed twenty-four (24) hours. No unlicensed or unregistered vehicles may be kept on the Properties.

(f) Campers, boats, trailers, commercial vehicles and trucks in excess of three-quarter tons are not to be parked within the Properties, except for periods not to exceed four (4) hours for the purpose of loading and unloading. Personal property other than authorized vehicles shall not be stored in garages or carports if such storage will necessitate or result in the parking of vehicles on streets within the Properties.

(g) Garage doors may not be locked by padlocks and hasps nor by other exterior locking devices except as approved by the Board in writing.

(h) Towing.

- (1) The Association may cause the removal of any vehicle wrongfully parked on the property, including a vehicle owned by an occupant. If the identity of the registered owner of the vehicle is known or readily ascertainable, the President of the Association or his designee shall, within a reasonable time thereafter notify the Owner of the removal in writing by personal delivery or first class mail. In addition, notice of the removal shall be given to the local traffic law enforcement agency immediately after the vehicle has been removed. The notice shall include a description of the vehicle, the license plate number and the address from where the vehicle was removed. If the identity of the owner is not known or readily ascertainable and the vehicle has not been returned to the owner within one hundred twenty (120) hours after its removal, the Association immediately shall send or cause to be sent a written report of the removal by mail to the California Department of Justice in Sacramento, California and shall file a copy of the notice with the proprietor of the public garage in which the vehicle is stored. The report shall be made on a form furnished by the Department of Justice and shall include a complete description of the vehicle, the date, time and place from which the vehicle was removed, the amount of mileage on the vehicle at the time of removal, the grounds for removal and the name of the garage or place where the vehicle is stored. Notwithstanding the foregoing, the Association may cause the removal, without notice, of any vehicle parked in a marked fire lane, within fifteen (15) feet of a fire hydrant, in a parking space designated for handicapped without proper authority or in a manner which interferes with any entrance to, or exit from, the Project or any condominium, parking space or garage located thereon. The Association shall not be liable for any damages

incurred by the vehicle owner because of the removal in compliance with this section or for any damage to the vehicle caused by the removal, unless such damage resulted from the intentional or negligent act of the Association or any person causing the removal of or removing the vehicle. If requested by the owner of the vehicle, the Association shall state the grounds for the removal of the vehicle.

- (2) A towing company shall not remove a vehicle from the properties without first obtaining written authorization from the Association, or an employee or agent thereof, who shall be present at the time of removal. General authorization to remove vehicles at the towing company's discretion shall not be delegated to a towing company or its affiliates except in the case of a vehicle unlawfully parked within 15 feet of a fire hydrant, or in a fire lane, or in a manner which interferes with any entrance to, or exit from, the private property.
- (3) If a towing company removes a vehicle without written authorization and that vehicle is unlawfully parked within 15 feet of a fire hydrant, or in a fire lane, or in a manner which interferes with any entrance to, or exit from the private property, the towing company shall take, prior to the removal of that vehicle, a photograph of the vehicle which clearly indicates that parking violation. The towing company shall keep one copy of the photograph taken pursuant to this paragraph, and shall present that photograph to the owner or an agent of the owner, when that person claims the vehicle.

(i) Signage. The Association may install a sign at each vehicular entrance to the Project containing a statement that public parking is prohibited and that all vehicles not authorized to park on the Project will be removed at the Owner's expense. The sign shall contain the telephone number of the local traffic law enforcement agency and shall not be less than 17 x 22 inches in size with lettering not less than one inch in height.

Section 10.16. Use of Private Streets in Common Area.

(a) Private streets within the Properties shall not be used for recreational purposes, including "joy riding" or racing. Motorcycles, mopeds, and cars shall be allowed on such private streets only for ingress and egress.

(b) All operators of motor vehicles, including motorcycles, within the Properties subdivision must possess a valid California driver's license.

(c) All provisions of the California Vehicle Code must be honored at all times when operating any motor vehicle within the Properties.

(d) Although all roads within the Properties are subject to the California Vehicle Code, the Association shall have the right to adopt reasonable rules regarding the control and use of roads within the subdivision, vehicles operated thereon and the speed of such vehicles, and is further authorized to delegate the discharge of its rights hereunder to a municipality or other governmental entity or to contract with a private security patrol company for such purposes so long as the private character of the subdivisions roads is not jeopardized by such action.

Section 10.17. Barbecues. There shall be no exterior fires whatsoever except barbecue fires located only upon Exclusive Use Common Areas and contained within receptacles designed for such purpose.

Section 10.18. Basketball Standards. No basketball standards or fixed sports apparatus shall be attached to the Common Area.

Section 10.19. Machinery and Equipment. No machinery or equipment of any kind shall be placed, operated or maintained upon or adjacent to any Unit except such machinery or equipment as is usual or customary in connection with the use, maintenance or construction of a Condominium or appurtenant structures within the Properties. No appliances, machinery or equipment may be maintained, stored or used outside a Unit.

Section 10.20. Children. Each Owner shall be accountable to the remaining Owners, their families, visitors, guests and invitees, for the conduct and behavior of their children and any visiting children temporarily residing in or visiting his or her Condominium and for any property damage caused by such children.

Section 10.21. Compliance With Local Laws And Activities Affecting Insurance. Subject to rights of reasonable contest, nothing shall be done or kept in any Unit or within the Common Area which will increase the rate of insurance relating thereto without the prior written consent of the Association and no Owner shall permit anything to be done or kept in his Unit or the Common Area which would result in the cancellation of insurance on any Condominium or any part of the Common Area or which would be in violation of any applicable statute, ordinance, law or administrative ruling or regulation.

Section 10.22. Restriction on Further Subdivision and Severability. No Condominium shall be further subdivided nor shall less than all of any such Condominium be conveyed by an Owner thereof. No Owner of a Unit within the Properties shall be entitled to sever that Unit from the Common Area portions of the Properties. No easement or other interest in a Unit shall be given without the prior written approval of the Architectural Committee.

Section 10.23. Diseases and Insects. No Owner shall permit any thing or condition to exist in his Unit which shall induce, breed, or harbor infectious plant diseases or noxious insects.

Section 10.24. Window Coverings. Windows can be covered only by blinds, and cannot be painted or covered by drapes, shutters or shades nor by foil, cardboard, tinted films, bed sheets, towels or other similar materials. The use and the covering of the interior surfaces of the glass doors and windows appurtenant to any Unit in the Properties, whether by draperies, shades or other items visible from the exterior of the building, shall be subject to the Rules and Regulations of the Association; provided, however, that the exterior surface of the blinds visible from the exterior shall be white or other neutral color approved by the Board.

Section 10.25. Heavy Use of Electrical Power. No unusually large or heavy use of electrical power shall be permitted within the project where there is a central meter or master meter serving more than one (1) Condominium. In any case where a garage or carport assigned to a particular Condominium is supplied with power through a central meter or master meter, the Owner of the Condominium to which the garage or carport is assigned shall not use electrical outlets in the garage or carport for running appliances, tools, power equipment, battery chargers, or any other machinery or equipment using large amounts of electrical power. The Board may establish regulations regarding the individual use of any utility on a common meter, and may impose reasonable charges for the individual use thereof.

Section 10.26. Flags, Pennants, Banners, Etc. There shall be no exhibiting, flying or hanging of any flags, pennants, banners, kites, towels, etc., from any area of the Properties that would be visible from the street, Common Area, or the other Units, except under reasonable Rules adopted by the Board or the Architectural Control Committee, and except as expressly permitted by statute.

Section 10.27. Floor Coverings. No change in the floor covering materials originally installed in the Units shall be permitted except with the consent of the

Architectural Control Committee. To reduce sound transmission, all Units which are above other Units shall have all floor areas except kitchens and bathrooms covered with carpet or other material which provides equivalent insulation against sound transmission to the Unit below.

Section 10.28. Variances. Upon application by any Owner, the Board of Directors shall be authorized and empowered to grant reasonable variances from the property use restrictions set forth in this Article X, if specific application of the restriction will, in the sole discretion of the Board, either cause an undue hardship to the affected Owner or fail to further or preserve the common plan and scheme of development contemplated by this Declaration.

ARTICLE XI

Easements

Section 11.01. Encroachment Easements. Each Unit is hereby declared to have an easement over adjoining Units and Common Area for the purpose of accommodating any encroachment due to roof overhang and fences or walls which are built in accordance with the original design, plans and specifications, and due to engineering errors in original construction, settlement or shifting of the building, or similar causes. There shall be valid easements for the maintenance of said encroachments as long as they shall exist, and the rights and obligations of each Owner shall not be altered in any way by said encroachment, settlement or shifting; provided, however, that in no event shall a valid easement for encroachment be created in favor of an Owner or Owners if said encroachment occurs due to the willful misconduct of said Owner or Owners. In the event any Condominium is partially or totally destroyed, and is repaired or rebuilt, the Owners of each adjoining Condominium agree that minor encroachments over adjoining Condominiums shall be permitted and that there shall be valid easements for the maintenance of said encroachments so long as they shall exist.

Section 11.02. Maintenance Easements. An easement is hereby granted to the Association, its officers, agents, employees, and to any management company selected by the Association to enter in or to cross over the Common Area, Exclusive Use Common Area and any Unit to perform the duties of maintenance and repair of the Common Areas provided for herein.

Section 11.03. Blanket Utility Easement. There is hereby created a blanket easement upon, across, over and under all of the Properties for ingress, egress, installation, replacing, repairing and maintaining all utilities, including but not limited to water, sewers, gas, telephones, drainage and electricity, cable television and a master television antenna system, if any. By virtue of this easement, it shall be expressly permissible for the providing utility company to erect and maintain the necessary equipment and underground facilities on the Properties. Notwithstanding the foregoing, no sewer, electrical lines, water lines, or other utilities may be installed or relocated on said Properties except as initially constructed or thereafter approved by the Association's Board of Directors. The easements provided for in this Section 11.03 shall in no way affect any other recorded easement on the Properties.

Section 11.04. Access Easements. The property is burdened by a fifteen (15) foot wide easement in the area shown as on the Map for ingress and egress for the benefit of the adjoining property.

Section 11.05. Storm Drainage Easement. The property as the servient tenement may be subject to easements in favor of certain adjoining lots as the dominant tenement for access to and use of the storm drainage improvements located on the property. The Association shall be responsible for the maintenance, repair and replacement of the storm drainage improvements located in the storm drainage easement and, if the easements are executed, each owner of the dominant tenement shall bear an equitable portion of the cost of such maintenance, repair and replacement based on acreage, improvements on the land, land use and other relevant factors. The share shall be paid in full no later than thirty (30) days after the demand for payment is received from the Association. Any dispute regarding the need for maintenance, repair or replacement or the allocation of costs in connection therewith shall be submitted to binding arbitration under the Commercial Rules of the American Arbitration Association or any successor thereto. If required by the City of San Jose, the Association shall execute and record a Grant of Easement granting the adjoining property owners the easement described herein subject to the terms contained herein.

ARTICLE XII

Insurance

Section 12.01. Liability Insurance. The Association shall obtain and maintain comprehensive general liability insurance insuring the Association, any manager, and the

Owners and occupants of Condominiums, and their respective family members, guests, invitees, and the agents and employees of each, against any liability incident to the ownership or use of the Common Area or any other Association-owned or maintained real or personal property and including, if obtainable, a cross-liability or severability of interest endorsement insuring each insured against liability to each other insured. The limits of such insurance shall not be less than One Million Dollars (\$1,000,000) covering all claims for death, personal injury, and property damage arising out of a single occurrence. Such insurance shall include coverage against liability or risk customarily covered with respect to projects similar in construction, location and use. In addition, the Association shall obtain and continue in effect additional umbrella coverage of One Million Dollars (\$1,000,000), or as an alternative may carry not less than Two Million Dollar (\$2,000,000) single limit policy.

Section 12.02. Fire and Extended Coverage Insurance.

(a) Association Fire Insurance. The Association shall obtain and maintain a master or blanket policy of hazard insurance coverage covering the full insurable replacement value of all of the insurable property of the Properties (i.e., including all the Common Area and all the Units and fixtures, to the extent they are part of the common elements of the Condominium, building service equipment and supplies, and other common personal property belonging to the Association), and against loss or damage from all other perils which are customarily covered with respect to condominium development similar in construction, location and use. The form, content, and term of the policy and its endorsements and the issuing company must be satisfactory to all institutional first mortgagees. If more than one institutional first mortgagee has a loan of record against a Condominium in the Project, the policy and endorsements shall meet the maximum standards of the various institutional first mortgagees represented in the Project. To the extent available the policy shall contain an agreed amount endorsement or its equivalent; an increased cost of construction endorsement or a contingent liability from operation of building laws endorsement or their equivalent; an extended coverage endorsement; vandalism, malicious mischief coverage; a special form endorsement; and a determinable cash adjustment clause or a similar clause to permit cash settlement covering full value of the improvements in case of partial destruction and a decision not to rebuild. The policy shall provide amounts of coverage as shall be determined by the Board. The policy shall name as insured the Association, the Owners and all mortgagees as their respective interests may appear, and may contain a loss payable endorsement in favor of the trustee described in the following paragraph of this Section 12.02.

All fire and casualty insurance proceeds payable under this Section 12.02 for losses to real property and improvements, may be paid to a trustee, to be held and expended for the benefit of the Owners, Mortgagees, and others, as their respective interests shall appear. The trustee shall be a commercial bank or other financial institution with trust powers in the County in which the Project is located that agrees in writing to accept such trust. If repair or reconstruction is authorized, the Association shall have the duty to contract for such work as provided for in this Declaration.

(b) The Association shall obtain and maintain flood insurance if the Properties are in an area designated by an appropriate governmental agency as a special flood hazard area.

(c) **Individual Fire Insurance Provisions.** Except as provided in this clause no Owner shall separately insure his Unit against loss by fire or other casualty covered by any insurance carried under Section 12.02 of this Article XII. If any Owner violates this provision, any diminution in insurance proceeds otherwise payable under policies described in Section 12.02 that results from the existence of such other insurance will be chargeable to the Owner who acquired other insurance, and such Owner will be liable to the Association to the extent of any such diminution. Insurance maintained by the Association does not cover the Owner's or occupant's personal property and does not cover personal liability for damages or injuries occurring within the Unit. An Owner can insure his personal property against loss. In addition, any improvements made by an Owner within his Unit may be separately insured by the Owner, but the insurance is to be limited to the type and nature of coverage commonly known as "tenant's improvements." A policy may be carried by an Owner which insures against losses not covered by the Association's policy by virtue of deductible or other reason.

Section 12.03. Demolition, Workers' Compensation, Fidelity Bond and Other Insurance. The Association may purchase and maintain demolition insurance in adequate amounts to cover demolition, in case of total or partial destruction of the Project and a decision not to rebuild. The Association shall purchase and maintain workers' compensation insurance, to the extent that it is required by law, for all employees or uninsured contractors of the Association. The Association also shall purchase and maintain fidelity bonds or insurance sufficient to meet the requirements of any mortgagee. The Association shall purchase and maintain such insurance on personal property owned by the Association, and any other insurance, that it deems necessary.

Section 12.04. Provision To Adjust Losses. The Association is authorized to negotiate and agree on the value and extent of any loss under any policy carried pursuant

to Sections 12.01-12.03 of this Article XII. The Association is granted full right and authority to compromise and settle any claim or enforce any claim by legal action or otherwise and to execute releases in favor of any insurer.

Section 12.05. Distribution to Mortgagees. Subject to the provisions of Article XVII, Section 17.05, any Mortgagee has the option to apply insurance proceeds payable on account of a Condominium in reduction of the obligation secured by the Mortgage of such Mortgagee.

Section 12.06. Director and Officer Liability Insurance. To the extent insurance is available, the Association shall purchase and maintain insurance in an amount not less than Two Million Dollars (\$2,000,000) on behalf of any Director, Officer, or Member of a Committee of the Association (collectively the "agents") against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, regardless of whether the Association would have the power to indemnify the agent against such liability under applicable law.

Section 12.07. Earthquake and Other Insurance. The Board may, in its discretion, purchase earthquake insurance and/or other insurance with such coverages and in such amounts as the Board may deem prudent from time to time, including, by way of example and not of limitation, insurance on personal property owned by the Association.

Section 12.08. Deductible. Policies purchased by the Board may provide for a reasonable deductible amount from the coverage thereof, as determined by the Board in its reasonable discretion. In the event of any loss which relates in part to insurable portions of a Unit and in part to the Common Area, the Board shall apportion the deductible amount directly proportional to the amount of such loss related to such Unit and the amount of the loss related to the Common Areas and Facilities. Where such loss is solely to a Unit, the deductible amount shall be borne solely by the Unit Owner thereof. Where such loss is solely to the Common Area, the deductible amount shall be borne from the common funds.

Section 12.09. Owner's Liability Insurance. An Owner may carry whatever personal liability and personal property insurance with respect to his Condominium that he desires.

Section 12.10. Adjustment of Insurance Specifications. Should the Board, despite its reasonable efforts to do so, be unable to obtain insurance coverage meeting all the specifications set forth above, it shall observe such specifications as closely as possible,

and where forms of coverage or insuring agreements specified above are unavailable, the Board shall substitute available forms of coverage and insuring agreements which in its judgment are the nearest equivalent to those specified.

Section 12.11. Annual Insurance Review. The Board shall at least annually determine whether the amounts and types of insurance obtained provide adequate coverage in light of increased construction costs, inflation, practice in the area in which the Properties are located, or any other factor which tends to indicate that either additional insurance policies or increased coverage under the existing policies are necessary or desirable to protect the interests of the Owners and of the Association. If the Board determines that increased coverage or additional insurance is appropriate, it shall obtain the same.

Section 12.12. Annual Insurance Disclosure. In accordance with Civil Code Section 1365.9(c), the Association shall, upon issuance or renewal of insurance, but no less than annually, notify the Members as to the amount and type of insurance carried by the Association, and it shall accompany this notification with statements to the effect that the Association is or is not insured to the levels specified by Civil Code Section 1365.9(c), and that if not so insured, Owners may be liable for the entire amount of a judgment, and if the Association is insured to such levels, then Owners may be individually liable only for their proportional share of assessments levied to pay the amount of any judgment which exceeds the limits of the Association's insurance.

ARTICLE XIII

Particular Reconstruction and Insurance Distribution Proceeds

Section 13.01. Destruction: Proceeds Exceed 85 Percent of Reconstruction Costs. If there is a total or partial destruction of any of the improvements in the Project, and if the available proceeds of the insurance carried pursuant to Article XII are sufficient to cover not less than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall be promptly rebuilt, unless, within ninety (90) days from the date of destruction, Owners then holding at least seventy-five percent (75%) of the total voting power of Owners present and entitled to vote, in person or by proxy, at a duly constituted meeting, determined that repair and reconstruction shall not take place. If such a meeting is called, the Association shall solicit and obtain bids from at least two reputable contractors to repair and reconstruct the improvements in accordance with the original

plans and shall present this information to the Owners at the meeting. If repair and reconstruction is to take place and the Association shall be required to execute, acknowledge, and record in the Office of the County Recorder of the County not later than one hundred twenty (120) days from the date of destruction, a certificate declaring the intention of the Owners to rebuild.

Section 13.02. Destruction: Proceeds Less than 85 Percent of Reconstruction Costs. If the proceeds of insurance carried pursuant to Article XII are less than eighty-five percent (85%) of the costs of repair and reconstruction, the improvements shall be promptly rebuilt unless, within ninety (90) days from the date of destruction, Owners then holding at least sixty-six and two thirds percent (66 2/3%) of the total voting power of Owners present and entitled to vote, in person or by proxy, at a duly constituted meeting, determine that repair and reconstruction shall not take place. If such a meeting is called, the Association shall solicit and obtain bids from at least two reputable contractors to repair and reconstruct the improvements in accordance with the original plans and shall present this information to the Owners at the meeting. If repair and reconstruction are to take place, the Association shall execute, acknowledge, and record in the Office of the County Recorder of the County not later than one hundred twenty (120) days from the date of destruction a certificate declaring the intention of the Owners to rebuild.

Section 13.03. Apportionment of Assessments for Reconstruction. If the improvements are to be rebuilt pursuant to Sections 13.01 or 13.02 of this Article XIII, each Owner shall be obligated to contribute his proportionate share of the cost of reconstruction or restoration over and above the available insurance proceeds. The proportionate share of each Owner shall be based on the ratio that the square footage of the living area of his Unit bears to the total square footage of the living area of all Units. If any Owner fails or refuses to pay his proportionate share, the Board may levy a special assessment against the Condominium of such Owner, which may be enforced under the lien provisions contained in Article VI or in any other manner provided in this Declaration.

Section 13.04. Rebuilding Contract. If rebuilding is authorized, the Association or its authorized representative shall, after having obtained bids from at least two reputable contractors as required by Sections 13.01 and 13.02 of this Article XIII, award the repair and reconstruction work to the lowest bidder that otherwise meets the requirements set forth by the Association in soliciting bids. The Association shall have the authority to enter into a written contract with the contractor for the repair and reconstruction, and the insurance proceeds held by the trustee shall be disbursed to the contractor according to the terms of the contract. It shall be the obligation of the Association to take all steps

necessary to assure the commencement and completion of authorized rebuilding at the earliest possible date.

Section 13.05. Election Not to Rebuild and Distribution of Proceeds.

(a) Association Purchase of Uninhabitable Units If the Owners determine not to rebuild, and if, prior to the expiration of one hundred twenty (120) days from the date of destruction, Owners holding seventy-five percent (75%) of the total voting power of Owners consent in writing or by vote at a duly constituted meeting and seventy-five percent (75%) of institutional first Mortgagees with Mortgages encumbering Condominiums in the Project consent, the Association shall have the right to purchase the Condominiums of which the Units were rendered uninhabitable by such damage or destruction at their fair market value immediately prior to the damage or destruction, as determined by an appraiser in accordance with the provisions in Section 13.07 of this Article, using the available proceeds of insurance for such purchase. Any shortage of insurance proceeds shall be made up by a special assessment levied against all remaining Owners in the manner described in Article XIII, Section 13.03 (but without the consent or approval of Owners, despite any contrary provisions in the Declaration). The Board's decision as to whether a Unit is uninhabitable shall be final and finding on all parties. Any payment of the purchase price shall be made jointly to the selling Owner and all Mortgagees of that Owner's Condominium, and each Owner by accepting a deed to a Condominium agrees to be bound by these provisions and to sell his Condominium and to convey it by grant deed to the Association as provided in this clause. Concurrently with such purchase, the Association or individuals authorized by the Board, acting as attorney-in-fact of all Owners, shall amend the Condominium Plan, the Subdivision Map (if necessary), and this Declaration to eliminate from the Project the Condominiums so purchased and to adjust the undivided ownership interest of the remaining Owners to reflect the reduced number of Condominiums in the Project; and the Association shall convey to each remaining Owner a proportionate share of the undivided interests in the Common Area represented by the Condominiums purchased. This proportion shall be in the ratio that each remaining Owner's undivided interest in the Common Area bears to all remaining Owners' undivided interest in the Common Area.

Notwithstanding the determination not to rebuild uninhabitable Units pursuant to Section 13.01 of this Article XIII, if the uninhabitable Units are to be purchased by the Association, then any Units that have not been rendered uninhabitable shall be repaired and restored to a condition as near as possible to their condition immediately before such damage or destruction. Such repair and restoration shall be paid for, first from the insurance proceeds, if any, remaining after the purchase of Units, and second, from a

special assessment levied against all remaining Owners in the manner described in Section 13.03 of this Article XIII (but without the consent or approval of Owners, despite any contrary provisions in this Declaration).

(b) **Apportionment if Purchase Not Authorized.** If the Owners elect not to rebuild, and if the required seventy-five percent (75%) of all Owners and institutional first Mortgagees do not consent to purchase the Condominiums of which the Units were rendered uninhabitable, an appraiser shall determine the relative fair market values of all Condominiums in the Project in accordance with the provisions in Article XIII, Section 13.07 as of a date immediately prior to any damage or destruction and the proceeds of insurance shall be apportioned among all Owners, and their respective Mortgagees, in proportion to such relative values. The Board shall have the duty, within one hundred twenty (120) days from the date of destruction, to execute, acknowledge, and record in the Office of the County Recorder of the County, a certificate declaring the intention of the Owners not to rebuild. On recordation of the certificate, the right of any Owner to partition through legal action as described in Article II, Section 2.03 shall revive immediately.

Section 13.06. Minor Repair and Reconstruction. The Association shall have the duty to repair and reconstruct improvements, without the consent of Owners and irrespective of the amount of available insurance proceeds, in all cases of partial destruction when the estimated cost of repair and reconstruction does not exceed One Hundred Thousand Dollars (\$100,000).

The Association is empowered to levy a special assessment for the cost of repairing and reconstructing improvements to the extent insurance proceeds are unavailable, such assessment to be levied as described in Article XIII, Section 13.03 (but without the consent or approval of the Owners, despite any contrary provisions in this Declaration).

Section 13.07. Fair Market Value as Appraisal Standard. Wherever in this Article XIII reference is made to a determination of the relative fair market value of one or more Condominiums by an appraiser, this means the relative fair market value of such Condominiums as of a date immediately prior to any damage or destruction, as determined by an appraisal by an independent appraiser selected by the Board, who shall be a member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each Condominium. The costs of such appraisals shall be paid from the sale or insurance proceeds, as the case may be.

ARTICLE XIV**Condemnation**

Section 14.01. Sale by Unanimous Consent or Taking. If an action for condemnation of all or a portion of the Project is proposed or threatened by any governmental agency having the right of eminent domain, then, on unanimous written consent of all of the Owners and all institutional Mortgagees, the Project, or a portion of it, may be sold and conveyed to the condemning authority by the Association or its designees acting as the attorney-in-fact of all Owners under an irrevocable power of attorney, which each Owner by accepting a deed to a Condominium in the Project grants to the Association and which shall be coupled with the interest of all other Owners, for a price deemed fair and equitable by the Board. If the requisite number of Owners or institutional Mortgagees do not consent to a sale of all or a portion of the Project, and the condemning authority institutes condemnation proceedings, the court shall fix and determine the condemnation award.

Section 14.02. Distribution of Sale Proceeds or Condemnation Award.

(a) **Total Sale or Taking.** If there is a total sale or taking of the Project, meaning a sale or taking (1) that renders more than fifty percent (50%) of the Units uninhabitable (such determination to be made by the Board in the case of a sale and by the court in the case of a taking) or (2) that renders the Project as a whole uneconomical as determined by the vote or written consent of sixty six and two-thirds percent (66 2/3%) of those Owners and their respective institutional Mortgagees whose Units will remain habitable after the taking, the right of any Owner to partition through legal action as described in Article II, Section 2.03 shall revive immediately. However, any determination that a sale or taking is total must be made before the proceeds from any sale or award are distributed. The proceeds of any such total sale or taking of the Project, together with the proceeds of any sale pursuant to a partition action, after payment of all expenses relating to the sale, taking, or partition action, shall be paid to all Owners and to their respective Mortgagees in proportion to the respective fair market value of their Condominiums. The fair market values of Condominiums shall be determined in the condemnation action, if such be instituted, or by an Appraiser pursuant to Section 14.03 of this Article XIV.

(b) **Partial Sale or Taking.** In case of a partial sale or taking of the Project, meaning a sale or taking that is not a total taking as described in this Section 14.02, the proceeds from the sale or taking shall be paid or applied in the following order of priority,

and any judgment of condemnation shall include the following provisions as part of its terms:

- (1) To the payment of expenses of the Association in effecting the sale or to any prevailing party in any condemnation action to whom such expenses are awarded by the Court to be paid from the amount awarded; then
- (2) To Owners and their respective Mortgagees, as their interests may appear, of Condominiums in the Project whose Units have been sold or taken, an amount up to the fair market value of such Condominiums as determined by the Court in the condemnation proceeding or by an appraiser selected by the Board, who meets the qualifications described in Section 14.03 of this Article XIV, less such Owner's share of expenses paid pursuant to the preceding subsection (i) (which share shall be in proportion to each Owner's undivided interest in the Common Area). After such payment, the recipient shall no longer be deemed an Owner, and the Board or individuals authorized by the Board, acting as attorney-in-fact of all Owners shall amend the Condominium Plan, the Subdivision Map (if necessary), and this Declaration to eliminate from the Project the Condominiums so sold or taken and to adjust the undivided ownership interest of the remaining Owners in the Condominium Area based upon the ratio that each remaining Owner's undivided interest bears to all the remaining Owners' undivided interest in the Common Area; then
- (3) To any remaining Owner and to his Mortgagees, as their interest may appear, whose Condominium has been diminished in fair market value as a result of the sale or taking disproportionately to any diminution in value of all Condominiums, as determined pursuant to Section 14.03, but as of a date immediately after any announcement of condemnation, an amount up to the total diminution in value; then
- (4) To all remaining Owners and to their respective Mortgagees, as their interest may appear, the balance of the sale proceeds or award in proportion to the ratio that the fair market value of each remaining Owner's Condominium bears to the fair market value of all remaining Owners' Condominiums as determined by the Court in the

condemnation proceeding or by an appraiser pursuant to Article XIV, Section 14.03.

Section 14.03. Fair Market Value as Appraisal Standard. Wherever in this Article XIV reference is made to a determination of the value or fair market value of one or more Condominiums, it shall mean the relative fair market value of each such Condominium as of a date immediately prior to the announcement of condemnation, as determined by an appraisal by an independent appraiser selected by the Association, who shall be a member of the Society of Real Estate Appraisers or other nationally recognized appraiser organization and who shall apply its or such other organization's standards in determining the value or fair market value of each Condominium. The costs of such appraisals shall be paid from the sale proceeds.

ARTICLE XV

Breach and Default

Section 15.01. Remedy at Law Inadequate. Except for the non-payment of any Assessment, it is hereby expressly declared and agreed that the remedy at law to recover damages for the breach, default or violation of any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration is inadequate and that the failure of any Owner, tenant, occupant or user of any Unit, or any portion of the Common Area or Common Facilities, to comply with any provision of this Declaration or any rule, regulation, decision or resolution of the Board of Directors or Bylaws or Articles of Incorporation of the Association, all as may be amended from time to time, may be enjoined by appropriate legal proceedings instituted by any Owner, the Association, its officers or Board of Directors, or by their respective successors in interest.

Section 15.02. Nuisance. Without limiting the generality of the foregoing, the result of every act or omission whereby any covenant contained in this Declaration is violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy against nuisance, either public or private, shall be applicable against every such act or omission.

Section 15.03. Costs and Attorney's Fees. In any action brought because of any alleged breach or default of any Owner or other party hereto under this Declaration, the

Court may award to any party to such action such attorney's fees and other costs as it may deem just and reasonable.

Section 15.04. Cumulative Remedies. The respective rights and remedies provided by this Declaration or by law shall be cumulative, and the exercise of any one or more of such rights or remedies shall not preclude or affect the exercise, at the same or at different times, of any other such rights or remedies for the same or any different default or breach or for the same or any different failure of any Owner or others to perform or observe any provision of this Declaration.

Section 15.05. Failure Not a Waiver. The failure of any Owner, the Board of Directors or the Association or its officers or agents to enforce any of the covenants, conditions, restrictions, limitations, reservations, grants of easements, rights, rights-of-way, liens, charges or equitable servitudes contained in this Declaration shall not constitute a waiver of the right to enforce the same thereafter, nor shall such failure result in or impose any liability upon the Association or the Board, or any of its officers or agents.

Section 15.06. Suspension, Fines and Enforcement.

(a) **Limitations.** The Association shall have no power to cause a forfeiture or abridgment of an Owner's right to the full use and enjoyment of his Unit on account of a failure by the Owner to comply with the provisions of the Articles or Bylaws of the Association or this Declaration or of duly-enacted Association Rules except (1) where the loss or forfeiture is the result of the judgment of a foreclosure or sale under a power of sale for failure of the Owner to pay assessments levied by the Association, or (2) where the loss or forfeiture is limited to a temporary suspension of an Owner's rights as a Member of the Association (including, without limitation, voting rights) or other appropriate discipline (including, without limitation, the imposition of monetary penalties pursuant to Rules and Regulations of the Association as adopted and published by the Board) for failure to comply with the Association Management Documents.

(b) **Complaint.** Upon a finding by the Board of a violation of a provision of the Association Management Documents, the Board shall deliver a complaint to the Owner who is alleged to have violated, or whose family, tenants, guests, invitees or agents are alleged to have violated, any such provision. The complaint shall be delivered in the manner prescribed for the delivery of notices in the Article entitled "Notices" of the Declaration and shall contain the following information:

- (1) A brief description of the alleged violation and, in the event the correction of the alleged violation requires actions, such as the installation, removal, repair, replacement, reconstruction or maintenance of improvements, the date by which such violation is to be corrected.
- (2) The disciplinary and/or corrective action and/or penalties, such as the levying of a Special Individual Assessment or the suspension of voting and other membership rights, which have been imposed by the Board and become effective in the event the hearing is waived. A suspension of voting or other privileges may be imposed for a period of not more than thirty (30) days unless the infraction (including the nonpayment of Assessments) continues beyond such period of time, in which event such suspension may be imposed for as long as the violation continue.
- (3) Notification that, unless a written request for a hearing signed by the Owner is delivered to the Board within fifteen (15) days after the date of the delivery of such complaint, such Owner shall be deemed to have accepted the findings of the Board, including without limitation, the date established by the Board for the completion of any corrective work that is required to cure the violation, and has waived his right to a hearing and his right to object to the findings of the Board and the disciplinary and/or corrective actions and/or penalties imposed by the Board.

(c) Request for Hearing. Upon timely delivery of a request for hearing from the Owner named in the complaint, the Board shall set a date for a hearing before the Board and shall deliver notice of such hearing to the Owner and to any witnesses designated by the Board or the Owner who are to be present for the purpose of presenting any relevant evidence. Such hearing shall be held not less than thirty (30) days nor more than sixty (60) days from the date of said written notice to the Owner. Such hearing shall be conducted according to such reasonable rules and procedures as the Board shall adopt which shall provide the Owner with the right to present oral and written evidence and to confront and cross-examine any person offering at such hearing evidence adverse to the Owner.

(d) Decision of Board. The Board shall deliver its decision and the reasons therefor to the Owner within seven (7) days after the hearing. The disciplinary and/or

corrective action and/or penalties determined by the Board shall become effective five (5) days after delivery of the decision and the reasons therefore to the Owner.

(e) **Corrective Work.** If a violation requiring corrective work continues to exist after the expiration of the time limitation established by the Board for the completion of such corrective work, the Board shall have the right, but not the obligation, to enter upon such Owner's Unit or Exclusive Use Common Area as necessary to accomplish such corrective work. Entry for such purpose may be made after notice to the Owner of not less than fifteen (15) days unless such Owner has agreed to permit earlier entry for such purposes. Unless Owner and the Board otherwise agree, such entry upon such Residence to perform such corrective work shall take place only during daylight hours on any day, Monday through Friday, excluding holidays.

(f) **Reimbursement.** If the Association pays for all or any portion of any corrective work required to correct a violation, such amount shall be reimbursed by Owner. Notwithstanding the foregoing, as provided in the Declaration, judicial proceedings must be initiated before any item of construction can be altered or demolished.

(g) **Exceptions.** The provisions of this Section 15.06 shall not apply to the imposition of late charges or interest for the late payment of any assessment nor to the recordation of a lien or foreclosure of a lien in the case of delinquent assessments. Further, nothing in this Section 15.06 shall limit the power of the Board to take immediate action that may be necessary to alleviate an emergency situation.

(h) **Schedule of Penalties.** The Board shall adopt and distribute to each Member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed. The Board of Directors shall distribute, in like manner, additional schedules of monetary penalties whenever changes to the schedule are adopted.

Section 15.07. Violation of Law. Any violation of any state, municipal or local law, or ordinance or regulation pertaining to the ownership, occupation or use of any property within the Properties is hereby declared to be a violation of this Declaration and subject to any or all of the enforcement procedures set forth herein.

Section 15.08. Alternative Dispute Resolution.

(a) **ADR Procedure.** Unless the applicable time limitation for commencing the action would run within one hundred twenty (120) days, prior to the filing of a civil action by either the Association or an Owner solely for declaratory relief or injunctive relief, or

for declaratory relief or injunctive relief in conjunction with a claim for monetary damages, other than assessments, not in excess of five thousand dollars (\$5,000), related to the enforcement of the Association Management Documents, the parties shall endeavor as provided herein, to submit their dispute to a form of alternative dispute resolution, such as mediation or arbitration. The form of alternative dispute resolution chosen may be binding or nonbinding at the option of the parties. Any party to such a dispute may initiate this process by servicing on another party to the dispute a Request for Resolution. The Request for Resolution shall include (1) a brief description of the dispute between the parties, (2) a request for alternative dispute resolution, and (3) a notice that the party receiving the Request for Resolution is required to respond thereto within thirty (30) days of receipt or it will be deemed rejected. Service of the Request for Resolution shall be in the same manner as prescribed for service in a small claims action as provided in Section 116.340 of the California Code of Civil Procedure. Parties receiving a Request for Resolution shall have thirty (30) days following service of the Request for Resolution to accept or reject alternative dispute resolution and, if not accepted within the thirty (30) day period by a party, shall be deemed rejected by that party. If alternative dispute resolution is accepted by the party upon whom the Request for Resolution is served, the alternative dispute resolution shall be completed within ninety (90) days of receipt of the acceptance by the party initiating the Request for Resolution, unless extended by written stipulations signed by both parties. The costs of the alternative dispute resolution shall be borne by both parties. Any Request for Resolution sent to the Owner shall include a copy of Civil Code Section 1354.

(b) Notice of ADR Procedure. The Board of Directors annually shall provide the Members a summary of the provisions of California Civil Code Section 1354, which summary shall include the following language:

"Failure by any member of the association to comply with the prefiling requirements of Section 1354 of the Civil Code may result in the loss of your rights to sue the association or another member of the association regarding enforcement of the governing documents."

The summary shall be provided either at the time the pro forma of budget required by Section 1365 is distributed or in the manner specified in Section 5016 of the Corporations Code.

(c) Conformance with Statute. The provisions of this Section 15.08 conform with California Civil Code Section 1354. In the event said statute is amended, such amendments and any successor statute or statutes relating to the enforcement of covenants

and restrictions in the Declaration shall be deemed incorporated by reference into this Declaration.

ARTICLE XVI

Amendment of Declaration

Section 16.01. Amendment.

(a) **Amendment In General.** This Declaration may be amended or revoked in any respect by the vote or assent or by written ballot of the holders of not less than a majority of the voting power of the Members.

(b) **Effective Date of Amendment.** The amendment shall be effective upon the recordation in the Office of the Recorder of Santa Clara County of an instrument setting forth the terms thereof duly certified and executed by the President and Secretary of the Association. Notwithstanding anything to the contrary herein contained, no such amendment shall affect the rights of the holder of any first deed of trust or mortgage recorded prior to the recordation of such amendment.

Section 16.02. Control if Amendment Provisions Conflict With Mortgagee Protection or Other Provisions. To the extent any provisions of this Article XVI conflict with the provisions of Article XVII or any other provisions of this Declaration, the provisions of Article XVII or the other provisions shall control.

Section 16.03. Reliance on Amendments. Any amendments made in accordance with the terms of this Declaration shall be presumed valid by anyone relying on them in good faith.

Section 16.04. Provision That Amendments Conform With Mortgagee Requirements. It is the intent of the Association that this Declaration and the Articles and Bylaws of the Association, and the Properties in general, shall now and in the future meet all requirements necessary to purchase, guarantee, insure or subsidize any mortgage of a Condominium in the Properties by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Federal Housing Administration, and the Veterans Administration. The Association and each Owner shall take any action or shall adopt any resolutions required by the Association or any Mortgagee to conform this Declaration or the Properties to the requirements of any of these entities or agencies.

ARTICLE XVII

Provisions to Satisfy Lender Requirements

Section 17.01. Mortgage Permitted. Any Owner may encumber his Condominium with a Mortgage.

Section 17.02. Subordination. Any lien created or claimed under the provisions of this Declaration is expressly made subject and subordinate to the rights of any first Mortgage that encumbers all or a portion of the Project, or any Condominium, made in good faith and for value; and no such lien shall in any way defeat, invalidate, or impair the obligation or priority of such Mortgage unless the Mortgagee expressly subordinates its interest, in writing, to such lien. If any Condominium is encumbered by a first Mortgage made in good faith and for value, the foreclosure of any lien created by any provision set forth in the Declaration for assessments, or installments of assessments, shall not operate to affect or impair the lien of the Mortgage. On foreclosure of the Mortgage, the lien for assessments or the installments that have accrued up to the time of foreclosure shall be subordinate to the lien of the Mortgage, with the foreclosure-purchaser taking title to the Condominium free of the lien for assessments or installments that have accrued up to the time of the foreclosure sale. On taking title to the Condominium the foreclosure-purchaser shall be obligated to pay only assessments or other charges levied or assessed by the Association that became due or payable on or after the date the foreclosure-purchaser acquired title to the Condominium. The subsequently levied assessments or other charges may include previously unpaid assessments, provided all Owners including the foreclosure purchaser and his successors and assigns are required to pay their proportionate share as provided in this clause.

Section 17.03. Restriction on Certain Changes. In addition to the requirements of Article XVI, unless two-thirds (2/3) of the holders of first mortgages (based upon one vote for each mortgage or deed of trust owned), or two-thirds (2/3) of the Owners of the individual Units in the project, have given their prior written approval, neither the Association nor the Owners shall be entitled:

(a) By act or omission to seek to abandon or terminate the Condominium project, except for abandonment provided by statute in case of substantial loss to the Units and Common Area.

(b) To change the method of determining the obligations, assessments, dues, or other charges that may be levied against an Owner, or to change the pro rata interest or obligations of any Condominium for purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards or for determining the pro rata share of ownership of each Owner in the Common Area provided that no Owner's undivided interest in the Common Area may be changed without the consent of that Owner.

(c) To partition or subdivide any Unit.

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

(e) To use hazard insurance proceeds for losses to Units or Common Area improvements in the development or to any other Association property, for other purposes than the repair, replacement, or reconstruction of such improvements or property, except as provided by statute in case of substantial loss to the Units or Common Area of the Project.

(f) By act or omission to change, waive, or abandon the provisions of this Declaration, or the enforcement of any of them, pertaining to architectural design or control of the exterior appearance of structures in the development, the maintenance of the Common Area, walks, fences, and driveways, or the upkeep of lawns and plantings in the Project.

(g) To fail to maintain fire and extended coverage insurance on insurable Association property, including any Common Area improvements, on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value (based on current replacement cost).

Section 17.04. Mortgagee's Right to Examine Books and Records. Institutional first Mortgagees shall have the right to examine the books and records of the Association and the right to require the submission of financial data concerning the Association, including annual reports, budgets, and operating statements as furnished to the Owners. Such audits and financial statements shall be furnished free of charge to such requesting Mortgagee and shall be furnished within a reasonable amount of time following such request.

Section 17.05. Priority in Distribution of Insurance and Condemnation Proceeds. No Owner, or any other party, shall have priority over any right of institutional first Mortgagees of Condominiums pursuant to their Mortgages in case of a distribution to Owners of insurance proceeds or condemnation awards for losses to or a taking of Units or Common Area. Any provision to the contrary in this Declaration or in the Bylaws or other documents relating to the development is to such extent void. All applicable fire and all physical loss or extended coverage insurance policies shall contain loss payable clauses acceptable to the affected institutional first Mortgagees, naming the Mortgagees as their interests may appear.

Section 17.06. Status of Amenities. All amenities (such as parking, recreation, and service areas) and Common Area shall be available for use by Owners, their tenants and guests as set forth in this Declaration, and all such amenities with respect to which regular or special assessments for maintenance or other uses may be levied shall constitute Common Area. All such amenities shall be owned (a) in fee by the Owners in undivided interests or (b) by the Association free of encumbrances except for any easements granted for public utilities or for other public purposes consistent with the intended use of such property by the Owners, their tenants and guests or by the Association.

Section 17.07. Payments by Mortgagees. Mortgagees of Condominiums may, jointly or severally, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on hazard insurance policies, or secure new hazard insurance coverage on the lapse of a policy, for Common Area improvements or other insured property of the Association and, upon making any such payments such Mortgagees shall be owed immediate reimbursement from the Association, provided that said lender(s) have given notice to the Association prior to the making of such payment(s) and the Association has failed to pay the same. This provision shall constitute an agreement by the Association for the express benefit of all Mortgagees and, upon request of any Mortgagee, the Association shall execute and deliver to such Mortgagee a separate written agreement embodying this provision.

Section 17.08. Effect of Breach of Declaration on Mortgagee.

(a) **Lien Not Invalidated.** No breach of any provision of this Declaration shall invalidate the lien of any Mortgage made in good faith and for value; but all of the covenants, conditions and restrictions shall be binding on any Owner whose title is derived through foreclosure sale, trustee's sale, or otherwise.

(b) **Mortgagee Need Not Cure Breach.** Any Mortgagee who acquires title to a Condominium by foreclosure or by deed in lieu of foreclosure or assignment in lieu of foreclosure shall not be obligated to cure any breach of this Declaration that is noncurable or of a type that is not practical or feasible to cure.

Section 17.09. Status of Loan to Facilitate Resale. Any first mortgage given to secure a loan to facilitate the resale of a Condominium after acquisition by foreclosure or by a deed in lieu of foreclosure or by an assignment in lieu of foreclosure shall be deemed to be a loan made in good faith and for value and entitled to all of the rights and protections of mortgages under this Declaration.

Section 17.10. Right to Appear at Meetings. Because of its financial interest in the Project, any Mortgagee may appear (but cannot vote) at meetings of Owners and the Board (except executive Board meetings) to draw attention to violations of this Declaration that have not been corrected or that have been made the subject of remedial proceedings or assessments.

Section 17.11. Right to Furnish Information. Any Mortgagee can furnish information to the Board concerning the status of any Mortgage.

Section 17.12. Right to First Refusal Inapplicable to Mortgagee. No right of first refusal or similar restriction on the right of an Owner to sell, transfer, or otherwise convey the Owner's Condominium shall be granted to the Association without the written consent of any Mortgagee of the Condominium. Any right of first refusal or option to purchase a Condominium that may be granted to the Association (or other person, firm, or entity) shall not impair the rights of a first Mortgagee (a) to foreclose or take title to a Condominium pursuant to the remedies provided in the mortgage; or (b) to accept a deed (or assignment) in lieu of foreclosure in the event of default under the mortgage; or (c) to sell or lease a Condominium acquired by the Mortgagee.

Section 17.13. Notice of Action. Upon written request to the Association, identifying the name and address of the Eligible Mortgage Holder or Eligible Insurer or Guarantor, and the Unit number or address, such Eligible Mortgage Holder or Eligible Insurer or Guarantor will be entitled to timely written notice of: (a) Any condemnation loss or any casualty loss which affects a material portion of the project or any Condominium on which there is a first mortgage held, insured, or guaranteed by such Eligible Mortgage Holder or Eligible Insurer or Guarantor, as applicable; and (b) any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association.

Section 17.14. Limitation on Term of Management Contract. Any agreement for professional management by a manager shall provide for termination by either party without cause or payment of a termination fee on thirty (30) days' written notice and shall have a maximum contract term of one year, provided that the Association can renew any such contract on a year-to-year basis.

Section 17.15. Control if Mortgagee Protections Conflict With Other Provisions. In the event of any conflict between any of the provisions of this Article XVII and any other provisions of this Declaration, the provisions of this Article XVII shall control.

ARTICLE XVIII

Notices

Section 18.01. Mailing Addresses. Any communication or notice of any kind permitted or required herein shall be in writing and may be served, as an alternative to personal service, by mailing the same as follows:

- | | |
|------------------------|---|
| If to any Owner: | To the street address of the Condominium or to such other address as he may from time to time designate in writing to the Association. |
| If to the Association: | At such address as the Association may from time to time designate by resolution. |
| If to a Mortgagee: | To the last known address of the Mortgagee as shown in the Official Records of Santa Clara County or as specifically designated by the Mortgagee, in written notice to the Association. |

Section 18.02. Personal Service Upon Co-Owners and Others. Personal service of a notice or demand to one of the co-owners of any Condominium, to any general partner of a partnership which is the Owner of record of the Unit, or to any officer or agent for service of process of a corporation which is the Owner of record of the Unit, shall be deemed delivered to all such co-owners, to such partnership, or to such corporation, as the case may be.

Section 18.03. Deposit in U. S. Mails. All notices and demands served by mail shall be by first class mail, with postage prepaid, and shall be deemed delivered twenty-four hours (24) after deposit in the United States mail in Santa Clara County, California.

ARTICLE XIX

General Provisions

Section 19.01. Construction and Severability; Singular and Plural; Titles.

(a) **Restrictions Construed Together.** All of the covenants, conditions and restrictions of this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of the development of the Properties as set forth in the Recitals of this Declaration. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce that provision in a subsequent application or any other provision hereof.

(b) **Restrictions Severable.** Notwithstanding the provisions of subparagraph (a) above, the covenants, conditions and restrictions of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(c) **Singular Includes Plural.** The singular shall include the plural and the plural the singular unless the context requires the contrary; and the masculine, feminine or neuter shall each include the masculine, feminine and neuter, as the context requires.

(d) **Captions.** All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect the interpretation or application of that which is set forth in any of the terms or provisions of the Declaration.

(e) **Liberal Construction.** The provisions of this Declaration shall be liberally construed to effectuate its purpose. Failure to enforce any provision of the Declaration shall not constitute a waiver of the right to enforce the provision thereafter.

Section 19.02. No Discriminatory Restrictions. No Owner shall execute or cause to be recorded any instrument that imposes a restriction upon the sale, leasing, or

occupancy of his Unit on the basis of race, sex, marital status, national ancestry, color; or religion.

Section 19.03. Notification of Sale. Concurrently with the consummation of sale of any Condominium under circumstances where the transferee becomes an Owner of the Condominium, or within five (5) business days thereafter, the transferee shall notify the Association in writing of such sale. Such notification shall set forth the name of the transferee and his Mortgagee and transferor, the common address of the Condominium purchased by the transferee, the transferee's and the Mortgagee's mailing address, and the date of sale. Before the receipt of such notification, any and all communications required or permitted to be given by the Association, the Board, or the manager shall be deemed to be duly made and given to the transferee if duly and timely made and given to the transferee's transferor. Mailing addresses may be changed at any time upon written notification to the Association.

Section 19.04. Easements Reserved and Granted. Any easements referred to in this Declaration shall be deemed reserved or granted, or both reserved and granted, whether or not this Declaration is referred to in the deed to a Unit.

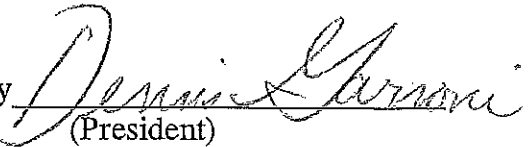
Section 19.05. No Fixed Term. This Declaration shall continue in full force and effect until the Project is partitioned as authorized in Article II, Section 2.03, or until this Declaration is revoked pursuant to Article XVI.

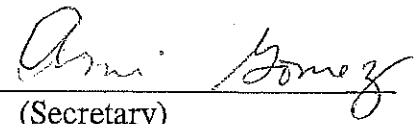
Section 19.06. Conflicts Between Documents. The terms and provisions set forth in this Declaration are not exclusive, as Owners are also subject to the terms and provisions of other Association Management Documents, including the Articles of Incorporation, Bylaws, Rules and Regulations, and Architectural Standards. In the event of a conflict between any provisions of any of said Association Management Documents with the provisions of any other Association Management Documents, the order of superiority of such documents shall be (a) Articles of Incorporation, (b) Declaration of Covenants, Conditions and Restrictions, (c) Bylaws, (d) Architectural Standards, and (e) Association Rules and Regulations, and the provisions of any such documents shall be

superseded by the provisions of the document shown above to be superior to such document to the extent of such conflict.

Dated: September 1, , 1995.

Saratoga Place
Homeowners Association

By 
(President)

By 
(Secretary)

o:\users\kathy\govinst\saraplace.ccr\April 28, 1995

EXHIBIT "A"

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.

EXHIBIT "B"

Phase	Building	Unit No.	Percentage Interest in the Condominium Common Area of the Condominium Building in Which the Unit is Located
I	1	1	8.10%
		2	4.75
		3	4.75
		4	4.75
		5	4.75
		6	8.10
		7	8.10
		8	8.10
		9	8.10
		10	8.10
		11	8.10
		12	8.10
		13	8.10
		14	<u>8.10</u>
			100.00%
	2	15	8.10%
		16	4.75
		17	4.75
		18	4.75
		19	4.75
		20	8.10
		21	8.10
		22	8.10
		23	8.10
		24	8.10
		25	8.10
		26	8.10
		27	8.10
		28	<u>8.10</u>
			100.00%

	3	29	10.90%
		30	6.40
		31	6.40
		32	10.90
		33	10.90
		34	10.90
		35	10.90
		36	10.90
		37	10.90
		38	<u>10.90</u>
			100.00%
II	4	39	8.10%
		40	4.75
		41	4.75
		42	4.75
		43	4.75
		44	8.10
		45	8.10
		46	8.10
		47	8.10
		48	8.10
		49	8.10
		50	8.10
		51	8.10
		52	<u>8.10</u>
			100.00%
	5	53	8.10%
		54	4.75
		55	4.75
		56	4.75
		57	4.75
		58	8.10
		59	8.10
		60	8.10
		61	8.10
		62	8.10

		63	8.10
		64	8.10
		65	8.10
		66	<u>8.10</u>
			100.00%
III	6	67	8.10%
		68	4.75
		69	4.75
		70	4.75
		71	4.75
		72	8.10
		73	8.10
		74	8.10
		75	8.10
		76	8.10
		77	8.10
		78	8.10
		79	8.10
		80	<u>8.10</u>
			100.00%
	7	81	8.10
		82	4.75
		83	4.75
		84	4.75
		85	4.75
		86	8.10
		87	8.10
		88	8.10
		89	8.10
		90	8.10
		91	8.10
		92	8.10
		93	8.10
		94	<u>8.10</u>
			100.00%

8	95	16.66
	96	16.66
	97	16.68
	98	16.66
	99	16.66
	100	<u>16.68</u>
		100.00%

EXHIBIT "C"

**Saratoga Place Homeowners
Association Assessments**

All Condominiums of residing and nonresiding Owners shall be assessed each year for the estimated costs attributable to the operation and maintenance of the Association Common Areas and Expenses, including but not limited to the following:

1. Maintenance, Management, Operation, Repair and Replacement of all real property and the improvements thereon which the Association is obligated to maintain pursuant to the provisions of this Declaration.
2. Unpaid assessments.
3. Management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and employees.
4. To the extent not metered or billed to Owners, utilities and services which generally benefit and enhance the value and desirability of the Properties.
5. Premiums on all insurance and fidelity bonds maintained by the Association pursuant to the Declaration (except for fidelity bonds obtained by a management agent for its officers, employees and agents).
6. Reserves for the periodic maintenance, repair and replacement of the improvements maintained by the Association pursuant to this Declaration.
7. Taxes paid by the Association.
8. Discharge of any lien or encumbrance levied against Association property or portions thereof.
9. Security systems or services, if any, installed or maintained by Association.
10. Other expenses incurred by the Association in connection with the Common Area or the cost of any other item or items designated by the Declaration or

Bylaws, or in furtherance of the purposes of the Association or in the discharge of any duties or powers of the Association.

**Officers' Certification of Adoption
of
First Restated Declaration of
Covenants, Conditions and Restrictions**

We, the undersigned, say:

That we are the duly elected and acting President and Secretary, respectively, of Saratoga Place Homeowners Association, a California non-profit mutual benefit corporation; that First Restated Declaration of Covenants, Conditions and Restrictions to which this Certification is attached, which amends that certain Saratoga Place Enabling Declaration Establishing A Plan For Condominium Ownership recorded January 16, 1987 in Book K005, Page 778, et seq., File No.9115301 Official Records of the County Recorder of Santa Clara County, California, has been duly approved by vote of not less than sixty-seven percent (67%) of the total voting power of Saratoga Place Homeowners Association pursuant to and as required by Article VIII, Sections 8.4 and 8.6D(1)(b) of said Declaration.

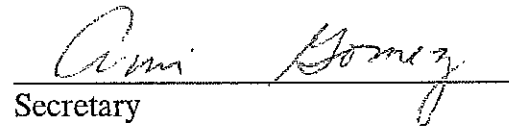
That this Certification is made pursuant to Section 1355 of the Civil Code of the State of California, and is to be recorded together with said First Restated Declaration of Covenants, Conditions and Restrictions in the records of the County Recorder of Santa Clara County, the County in which said common interest subdivision is located.

We declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct.

Saratoga Place
Homeowners Association



President



Secretary

State of California)
) ss
 County of Santa Clara)

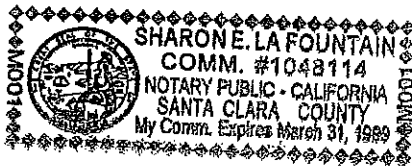
On September 1, 1995, before me, the undersigned Notary Public, in and for said State, personally appeared Dennis Garrison and Ann Jones personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Sharon E. La Fountain
 Notary Public
 State of California

[seal]



Saratoga Place News



February 2016

Board Meeting

The next Board of Directors Meeting will be held on **Thursday, February 11, 2016 @ 7:00 PM.**
Peet's Coffee & Tea, 12148
Saratoga Sunnyvale Rd,
Saratoga, CA 95070

Managing Agent:

**Compass Management
Group, Inc.**

77 Las Colinas Lane
San Jose, CA 95119

Phone (408) 226-3300
Fax (408) 226-3406
Helpdesk@GoCompass.com
www.GoCompass.com

Association Manager:
Shawn Cabral

Association Issues & Questions

When you have questions about the Association, or you notice common area maintenance issues, contact customer service 8:30 AM to 5:00 PM (M-F).

After-hour or Week- end Emergencies

Compass Management offers 24 hour emergency service. In the event of an after-hours emergency regarding an Association issue/item, please call Compass Management at (408) 226-3300 and push "3" to access the emergency call center. A Compass Management employee will return your call to address any property damage related emergency. In the event of a life, or fire emergency you should always call 9-1-1 first.

UPDATED INFORMATION

Once in a great while an emergency happens in which Management needs to contact residents and/or owners at Saratoga Place Homeowners Association. Therefore, it is imperative that the current contact information is on file. Both of these can be updated by submitting an owner-tenant form which is available from the www.GoCompass.com website, or by contacting Compass directly.



The form can be returned by fax (408) 226-3406, mail (77 Las Colinas Lane, San Jose, CA 95119) or e-mail (helpdesk@gocompass.com). This information is only used for Association business.

OFFICE CLOSED



The offices of Compass Management Group, Inc. will be *closed* on Monday, February 15, 2016 in observance of Presidents' Day. Please call our office at (408) 226-3300 and follow the directions to speak with the emergency call center should you be in an emergency situation causing property damage during the holiday weekend.

BIKES & SCOOTERS

- Bikes and scooters cannot be tied, chained or connected to any railings in the common area. This is prohibited.
- Be very careful in the streets while riding bikes, scooters, etc.



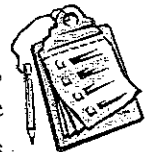
PARKING REMINDERS

Reminder to all residents that the garage **MUST** be used for parking vehicles. Using a garage for storage is prohibited. Please review the Parking Rules attached.

Please note that parking is only allowed next door at The Original Pancake House between the hours of 3:00PM-6:00AM daily. Otherwise, vehicles are subject to be towed from the parking lot.

ARCHITECTURAL APPROVAL

If you are thinking of making improvements to the exterior of your unit, please remember to submit an Architectural Request Form for review by the Board of Directors prior to the start of work. If you are not sure what needs approval, contact Compass or attend a Board of Directors meeting. It is better to submit a request then to do work and be required to remove anything you install.



Saratoga Place News



November 2015

Board Meeting

The next Board of Directors Meeting will be held on **Thursday, December 17, 2015 @ 7:00 PM.** Peet's Coffee & Tea, 12148 Saratoga Sunnyvale Rd, Saratoga, CA 95070

Managing Agent:

Compass Management Group, Inc.

77 Las Colinas Lane
San Jose, CA 95119

Phone (408) 226-3300
Fax (408) 226-3406
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COMMUNITY PROJECTS

- **Tree Trimming** - Lewis Tree Service will be onsite doing tree trimming per the contract that was recently approved by the Board of Directors. Please use caution and avoid work areas as much as possible during the tree trimming project.
- **Gutter Cleaning** - The gutter cleaning will be done once the tree trimming project has been completed.



PLEASE BE COURTEOUS

Remember our respect for each other is what makes us a community. Please respect each other's right to quiet enjoyment of the community and keep noise levels down, especially when outdoors as it can disturb the surrounding units. Quiet time should be from 10:00 pm to 8:00 am. *Thank you for your cooperation!*

OFFICE CLOSED

The offices of Compass Management Group, Inc. will be *closed* on Wednesday, November 11th in observance of Veterans Day, and Thursday and Friday November 26th and 27th for the Thanksgiving holiday. Please call our office at (408) 226-3300 and follow the directions to speak with the emergency call center should you be in an emergency situation causing property damage during the holidays.



BIKES & SCOOTERS

- Bikes and scooters cannot be tied, chained or connected to any railings in the common area. This is prohibited.
- Be very careful in the streets while riding bikes, scooters, etc.



CALL FOR CANDIDATES

There are three (3) open seats available on the Board of Directors for a two (2) year term. Please contact Compass Management Group if you are interested in volunteering to fill the open Board positions. **Monday, December 28, 2015 at 5:00 PM is the deadline for Compass Management to receive nominations.**

Please give serious consideration to running for the Board. It is essential to the running of our Association and a benefit to all when you volunteer your time, efforts and knowledge. We are encouraging you to volunteer!

Saratoga Place News



September 2015

Board Meeting

The next Board of Directors Meeting will be held on **Thursday, September 17, 2015 @ 7:00 PM.** Peet's Coffee & Tea, 12148 Saratoga Sunnyvale Rd, Saratoga, CA 95070

Managing Agent:

Compass Management
Group, Inc.

77 Las Colinas Lane
San Jose, CA 95119

Phone (408) 226-3300
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MAILBOX SAFETY

Be sure to remove your mail on a daily basis. The best practice with outgoing mail is to take it directly to the post office or a secure box provided by the postal service.

Please report suspicious activity to the San Jose Police Department. Any incidents of stolen mail must be reported to the Post Master and police department by the individual affected. They will not take reports from a third party (i.e. management).

GARAGE USE

Reminder to all residents that the garage **MUST** be used for parking vehicles. Using a garage for storage is **prohibited**.

Article X, Section 10.15(c) (Parking and Vehicle Restrictions): "Garages are to be used solely for the parking of standard passenger vehicles and trucks not to exceed three-quarter tons in gross weight and shall not be converted to living quarters or work shops or used for the storage of boats, trailers, campers or recreation vehicles. In no event shall the garage or carport area be used in a way which will preclude the parking of the Owner's or occupant's customary four-wheeled vehicle(s) within the garage. Each Owner grants to the Association, and its agents, an easement to enter the Owner's garage to perform maintenance, and to inspect the garage for the purpose of enforcing this Declaration or The Rules."

CAR WASHING

Per San Jose, local ordinances prohibit anything other than uncontaminated rain water from entering the storm drain system. Never pour anything into a gutter, street or storm drain. Each storm drain goes to the nearest creek outfall. As a result, storm water is not collected into one location where it can be cleaned. Instead, it flows through hundreds of separate pipe systems, each emptying into the nearest creek. Preventing pollution at the source is a much more effective and less costly way to prevent storm water pollution.

Because of this, you cannot wash your car in the common area because the water will go into the storm drain. No car washing with potable water. It is best to use professional car washes which conserve water with recycling systems.

PERSONAL STORAGE

The common areas are not intended for storage of personal items such as bicycles, toys, etc. Personal property left out in common areas is a magnet for thieves.

Article X, Section 10.02 (Common Areas):

"... Nothing shall be altered, constructed, placed or stored in such Common Areas except upon the direction and under the authority of the Association in accordance with Article IX hereof."

Saratoga Place News



August 2015

Board Meeting

The next Board of Directors Meeting will be held on **Thursday, October 8, 2015** @ 7:00 PM.
Peet's Coffee & Tea, 12148 Saratoga Sunnyvale Rd, Saratoga, CA 95070

Managing Agent:

Compass Management Group, Inc.

77 Las Colinas Lane
San Jose, CA 95119

Phone (408) 226-3300
Fax (408) 226-3406
Helpdesk@GoCompass.com
www.GoCompass.com

Association Manager:
Shawn Cabral

Association Issues & Questions

When you have questions about the Association, or you notice common area maintenance issues, contact customer service 8:30 AM to 5:00 PM (M-F).

After-hour or Weekend Emergencies

Compass Management offers 24 hour emergency service. In the event of an after-hours emergency regarding an Association issue/item, please call Compass Management at (408) 226-3300 and push "3" to access the emergency call center. A Compass Management employee will return your call to address any property damage related emergency. In the event of a life, or fire emergency you should always call 9-1-1 first.

GARAGE USE

Reminder to all residents that the garage **MUST** be used for parking vehicles. Using a garage for storage is **prohibited**.



Article X, Section 10.15(c) (Parking and Vehicle Restrictions): "Garages are to be used solely for the parking of standard passenger vehicles and trucks not to exceed three-quarter tons in gross weight and shall not be converted to living quarters or work shops or used for the storage of boats, trailers, campers or recreation vehicles. In no event shall the garage or carport area be used in a way which will preclude the parking of the Owner's or occupant's customary four-wheeled vehicle(s) within the garage. Each Owner grants to the Association, and its agents, an easement to enter the Owner's garage to perform maintenance, and to inspect the garage for the purpose of enforcing this Declaration or The Rules."



TREE TRIMMING

The Board of Directors is reviewing a proposal for the tree trimming project. Once approved, please use caution when walking through work areas as debris may fall in the walkways.

OFFICE CLOSED

The offices of Compass Management Group, Inc. will be closed on Monday, September 7, 2015 to observe Labor Day. Please call our office at (408) 226-3300 and follow the directions to speak with the emergency call center, should you be in an emergency situation causing property damage over the holiday weekend.



PERSONAL STORAGE

The common areas are not intended for storage of personal items such as bicycles, toys, etc. Personal property left out in common areas is a magnet for thieves.

LIGHTS OUT

The Saratoga Place Board needs your help in identifying non-functioning or obstructed common area lights within the community. These lights provide added safety and security of our neighborhood so please contact Compass Management to report them if they are out.



Saratoga Place News



June 2015

Board Meeting

The next Board of Directors Meeting will be held on **Thursday, June 18, 2015** @ 7:00 PM. Peet's Coffee & Tea, 12148 Saratoga Sunnyvale Rd, Saratoga, CA 95070

Managing Agent:

Compass Management Group, Inc.

77 Las Colinas Lane
San Jose, CA 95119

Phone (408) 226-3300
Fax (408) 226-3406
Helpdesk@GoCompass.com
www.GoCompass.com

Association Manager:
Shawn Cabral

Association Issues & Questions

When you have questions about the Association, or you notice common area maintenance issues, contact customer service 8:30 AM to 5:00 PM (M-F).

After-hour or Weekend Emergencies

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PARKING REMINDERS

- Reminder to all residents that the garage **MUST** be used for parking vehicles. Using a garage for storage is prohibited.



Article X, Section 10.15(c) (Parking and Vehicle Restrictions):

"Garages are to be used solely for the parking of standard passenger vehicles and trucks not to exceed three-quarter tons in gross weight and shall not be converted to living quarters or work shops or used for the storage of boats, trailers, campers or recreation vehicles. In no event shall the garage or carport area be used in a way which will preclude the parking of the Owner's or occupant's customary four-wheeled vehicle(s) within the garage. Each Owner grants to the Association, and its agents, an easement to enter the Owner's garage to perform maintenance, and to inspect the garage for the purpose of enforcing this Declaration or The Rules."

- Please note that parking is only allowed next door at The Original Pancake House between the hours of 3:00PM-6:00AM daily. Otherwise, vehicles are subject to be towed from the parking lot.

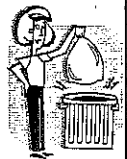
OFFICE CLOSED



The offices of Compass Management Group, Inc. will be *closed* on Friday, July 3, 2015 for Independence Day. Please call our office at (408) 226-3300 should you be in a property damaging situation over the holiday weekend.

GARBAGE ENCLOSURE ETTIQUETTE

All residents are responsible for the garbage enclosures. If proper procedures are not followed, you could see an increase in your monthly assessments to cover the increase costs of maintaining clear garbage enclosures.



Garbage placed outside the dumpster is **NOT** collected by GreenTeam and no one "cleans" the garbage areas. It costs the Homeowner's Association (YOU) an additional cost to contract a collection company to collect these items. Please place your garbage inside the dumpster and not just in the dumpster enclosure. If the dumpster is full, try another one. Usually, the one at the end of the drive is less full.



We have had many problems recently with people dumping illegal items in the dumpster enclosures at Saratoga Place. Please report to Management if you notice anyone illegally dumping into the garbage areas. Contact Compass Management customer service to report at helpdesk@gocompass.com or call (408) 226-3300.



Saratoga Place News



April 2015

Board Meeting

The next Board of Directors Meeting will be held on **Thursday, April 16, 2015 @ 7:00 PM.** Peet's Coffee & Tea, 12148 Saratoga Sunnyvale Rd, Saratoga, CA 95070

Managing Agent:

Compass Management Group, Inc.

77 Las Colinas Lane
San Jose, CA 95119

Phone (408) 226-3300
Fax (408) 226-3406
Helpdesk@GoCompass.com
www.GoCompass.com

Association Manager:
Shawn Cabral

Association Issues & Questions

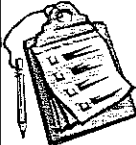
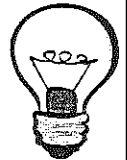
When you have questions about the Association, or you notice common area maintenance issues, contact customer service 8:30 AM to 5:00 PM (M-F).

After-hour or Weekend Emergencies

Compass Management offers 24 hour emergency service. In the event of an after-hours emergency regarding an Association issue/item, please call Compass Management at (408) 226-3300 and push "3" to access the emergency call center. A Compass Management employee will return your call to address any property damage related emergency. In the event of a life, or fire emergency you should always call 9-1-1 first.

REPORT LIGHTS OUT

The Saratoga Place Board needs your help in identifying non-functioning or obstructed common area lights within the community. These lights provide added safety and security of our neighborhood so please contact Compass Management to report them if they are out.



ARCHITECTURAL APPROVAL

If you are thinking of making improvements to the exterior of your unit, please remember to submit an Architectural Request Form for review by the Board of Directors prior to the start of work. If you are not sure what needs approval, contact Compass or attend a Board of Directors meeting. It is better to submit a request, then to do work and be required to remove anything you install.

PARKING REMINDERS

- Reminder to all residents that the garage **MUST** be used for parking vehicles. Using a garage for storage is **prohibited**.
- Please note that parking is only allowed next door at The Original Pancake House between the hours of 3:00PM-6:00AM daily. Otherwise, vehicles are subject to be towed from the parking lot.



HOMEOWNERS MAINTENANCE RESPONSIBILITIES

To avoid costly repairs between units, homeowners are reminded to maintain their unit's fixtures and equipment. Remember that homeowners are responsible to caulk their sinks, bathtubs and showers. They need to ensure that there is a drip pan under washing machines and refrigerators. Dishwashers should be checked periodically for leaks. The unit who has the leak is responsible to repair all damage caused to their own unit, common area or other units that may have been affected.

CONTACTING COMPASS MANAGEMENT

Please make sure that your first contact on any Association issue/item is Compass Management Group. The management company/customer service will help you with your issue and will contact those needed to address any problems. Call or email customer service for pool keys, parking tags, or architectural request forms. Compass Management Group can be reached by mail, phone or e-mail as listed below:

Saratoga Place Homeowners Association
c/o Compass Management Group, Inc.

77 Las Colinas Lane
San Jose, CA. 95119

Telephone: (408) 226-3300 ♦ Fax (408) 226-3406 ♦ Email: helpdesk@gocompass.com

After-hour or Weekend Emergencies:

Compass Management Group offers 24 hour emergency service. In the event of an after-hours emergency regarding an Association issue/item, please call Compass Management at (408) 226-3300 and push "3" to access the emergency call center. A Compass Management employee will return your call to address any property damage related emergency. In the event of a life or fire emergency, you should always call 9-1-1 first.

SARATOGA PLACE HOMEOWNERS ASSOCIATION

To: Homeowners Who Have Not Returned Ballots

Re: CC&R Amendment Ballot

Date: February 10, 2015

Dear Homeowner(s):


You are receiving this mailing because we did not receive your ballot or were unable to determine that the ballot was returned by you (i.e. the return address portion was not filled out).

As of February 9, 2015, the Association has not received enough ballots to establish a quorum to pass the CC&R Amendment initiative. A second ballot mailing is required to those who have not mailed in the ballot from the first request. This presents a problem to the Association because the second mailing creates a budget deficit.

Please do not delay returning this second ballot; doing so further increases the budget deficit if a third mailing is required. If you do not understand the changes please contact Compass Management Group and the property manager will answer and clarify your questions.

Sincerely,

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



Shawn Cabral

Association Manager

Saratoga Place News



January 2015

Board Meeting

The next Board of Directors Meeting will be held on **Thursday, February 5, 2015** @ 7:00 PM. Peet's Coffee & Tea, 12148 Saratoga Sunnyvale Rd, Saratoga, CA 95070

Managing Agent:

Compass Management Group, Inc.

77 Las Colinas Lane
San Jose, CA 95119

Phone (408) 226-3300
Fax (408) 226-3406
Helpdesk@GoCompass.com
www.GoCompass.com

Association Manager:
Shawn Cabral

Association Issues & Questions

When you have questions about the Association, or you notice common area maintenance issues, contact customer service 8:30 AM to 5:00 PM (M-F).

After-hour or Weekend Emergencies

Compass Management offers 24 hour emergency service. In the event of an after-hours emergency regarding an Association issue/item, please call Compass Management at (408) 226-3300 and push "3" to access the emergency call center. A Compass Management employee will return your call to address any property damage related emergency. In the event of a life, or fire emergency you should always call 9-1-1 first.

ANNUAL MEETING

The Annual Membership meeting has been scheduled for **Thursday, February 5, 2015** at 7:00 PM, at Peet's Coffee & Tea, 12148 Saratoga Sunnyvale Rd, Saratoga, CA 95070. All homeowners are welcomed and encouraged to attend.



Annual ballots have been mailed to all homeowners. To avoid additional cost to your association to send out additional mailings and the possible rescheduling of the Annual Meeting, please be sure to vote and return your ballot. The deadline for receipt of ballots is **Thursday, February 5, 2015, 5:00 PM**. In order for your vote to be counted, please **SIGN** the outside yellow ballot envelope. Without a quorum we cannot hold the Annual meeting.

This cannot be included with the CC&R Amendment ballot.



2015 ASSESSMENT RATE CHANGE

All owners have been sent a copy of the 2015 budget and disclosure packet. This packet details the new assessment rates effective **January 1, 2015**. There is a slight increase in all unit assessments per unit per month. If you are signed up for auto pay with the Association's bank, your payment will automatically be increased. If you use an online bill pay system or signed up for automatic payments with your bank, please be sure to change your payment to the correct amount *before* your January payment is scheduled to be sent.

CC&R AMENDMENT BALLOT

If you have not already, please send in your CC&R Amendment ballot. The quorum requirement to amend the CC&Rs is 50% or 50 ballots. To date, management has received 24 ballots. If you are unsure if you have already returned your ballot or need a new ballot package, please contact Compass Management. The deadline for receipt of ballots has been extended to Thursday, February 12, 2015.



This cannot be included with the Annual Meeting ballot.

If an additional mailing is required, it is an increased expense for the Association. Please help keep costs down by returning your ballot now.



PARKING REMINDERS

Reminder to all residents that the garage **MUST** be used for parking vehicles. Using a garage for storage is prohibited. Please review the Parking Rules attached.

Please note that parking is only allowed next door at The Original Pancake House between the hours of 3:00PM-6:00AM daily. Otherwise, vehicles are subject to be towed from the parking lot.

2015. No action was required by the Board.

4. Additional Business

- A. Update from Lewis Tree Service on 2015 Tree Trimming Project:** Management informed the Board of Directors the high priority and the medium priority tree trimming work in the amount of \$6,645.00 will be started by Lewis Tree Service on Wednesday, November 4th and will be completed on Friday, November 6th. No action was required by the Board.
- B. Two Proposals to Review for Upcoming Gutter Cleaning Project:** The Board of Directors reviewed two (2) proposals for the upcoming annual gutter cleaning project. After a brief Board discussion, Prasad Mangina moved to approve the proposal from Commercial Gutter & Cleaning in the amount of \$2,500.00, seconded by Dennis Garroni, approved unanimously by the Board of Directors.
- C. Review & Approve Fiscal Year 2016 Budget:** The Board of Directors reviewed draft budget #1 for fiscal year 2016. After a detailed Board discussion, Mike Pardini moved to approve this architectural application for new laminate flooring, seconded by Dennis Garroni, approved unanimously by the Board of Directors.
- D. Discussion on Adding Bike Racks Within the Association:** The Board of Directors did not discuss this agenda item as Board member Mike Pardini was absent from this meeting. This agenda item was deferred until the Thursday, December 17th HOA meeting.
- E. Update on Neighboring Property at 1472 Sharon Manor Court:** Management informed the Board that a new 126' fence was just installed this week along the back area of the Association that runs parallel with the adjoining property at 1472 Sharon Manor Court. No action was required by the Board.

5. Adjournment

- A.** There being no further business, the Board of Directors meeting was adjourned at 7:41 P.M.
- B.** The next HOA meeting scheduled for Thursday, December 17, 2015 at 7:00 P.M. _____

Board Member _____

Date _____

**Saratoga Place Homeowners Association
Bi-Monthly Board Meeting
Meeting Minutes**

Thursday, April 16, 2015 7:00 P.M.

BOARD MEMBERS

Dennis Garroni	President	February 2016
Philip Chin	Vice President	February 2016
Prasad Mangina	Secretary	February 2017 (Absent)
Xing-Sheng Qian	Treasurer	February 2016 (Absent)
Mike Pardini	Director	February 2017
Shawn Cabral	Compass Management Group, Inc.	
One (1) Homeowner	Dave Miller	

1. Call to Order - Open Forum

- A. The Board Meeting was called to order at 7:10 P.M. by Association Manager Shawn Cabral, at Peet's Coffee and Tea, 12148 Saratoga Sunnyvale Road, Saratoga, CA.

The Board held Open Forum where the homeowners had the opportunity to address the Board with questions, comments or concerns regarding the Association. The homeowner of 6947 Chantel Court stated that there are some trees within the Association that need to be trimmed. Homeowner also stated the pool gate on the back side of the pool is jammed up near 6934 Chantel Court.

2. Approve of the Minutes

- A. **Motion:** Mike Pardini moved to approve the minutes of the February 5, 2015 Board Meeting; seconded by Dennis Garroni, approved unanimously.

3. Association Manager's Reports

- A. **Unaudited Financial Statements:** The Board reviewed the unaudited financial statements for the period ending February 28, 2015. Management informed the Board that the Association is \$12,060.34 under budget through the first two (2) months of the fiscal year. No action was required by the Board.
- B. **Delinquency Aging Report:** The Board reviewed the delinquency report for the period ending March 31, 2015. Management informed the Board that there are no delinquent accounts as of this meeting. No action was required by the Board.
- C. **Contact, Work Order & Compliance Reports:** The Board reviewed violation letters, contacts, work orders and activity reports for the period ending April 10,

2015. No action was required by the Board.

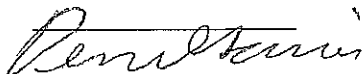
4. Additional Business

- A. Opening & Tabulation of Rental Restrictions Voting Ballot:** Management informed the Board of Directors there were sixty six (66) total ballots received for the increase in rental restrictions with fifty one (51) votes in favor of the rental restrictions increase and fifteen (15) against. The first amendment to the first restated declaration of covenants, conditions and restrictions of Saratoga Place HOA passes in favor. Management agreed to inform HOA attorney Marion Aaron of this vote passing in favor of.
- B. Allstate Insurance Renewal Quote from April 22, 2015 – April 22, 2016:** The Board of Directors reviewed the annual insurance renewal quote from Bay Area Insurance (Allstate Insurance) in the amount of \$23,640.00. After a brief Board discussion, Mike Pardini moved to approve the annual insurance quote in the amount of \$23,640.00, seconded by Dennis Garroni, approved unanimously by the Board of Directors.
- C. Architectural Application to Install New Laminate Flooring – 6925 Chantel Court:** The Board of Directors reviewed an architectural application from the homeowner of 6925 Chantel Court to install new laminate flooring. After a detailed Board discussion, Mike Pardini moved to approve this architectural application for new laminate flooring, seconded by Dennis Garroni, approved unanimously by the Board of Directors.
- D. Financial Statements & Independent Accountants' Review Report:** The Board of Directors reviewed the Financial Statements and Independent Accountants' Review Report for fiscal years 2013 & 2014. After a thorough Board discussion, Mike Pardini moved to approve the 2013 & 2014 Financial Statements and Independent Accountants' review report as presented, seconded by Dennis Garroni, approved unanimously by the Board of Directors.

5. Adjournment

- A.** There being no further business, the Board of Directors meeting was adjourned at 7:41 P.M.
- B.** The next HOA meeting scheduled for Thursday, June 18, 2015 at 7:00 P.M. _____

Board Member



Date

10/8/15

**Saratoga Place Homeowners Association
Bi-Monthly Board Meeting**

Meeting Minutes

Thursday, February 5, 2015 7:00 P.M.

BOARD MEMBERS

Dennis Garroni	President	February 2016
Philip Chin	Vice President	February 2016
Prasad Mangina	Secretary	February 2015
Xing-Sheng Qian	Treasurer	February 2016
Mouli Vytla	Director	February 2015

Shawn Cabral	Compass Management Group, Inc.
Cody Spence	
One (1) Homeowner	

1. Call to Order - Open Forum

- A. The Board Meeting was called to order at 7:08 P.M. by Association Manager Shawn Cabral, at Peet's Coffee and Tea, 12148 Saratoga Sunnyvale Road, Saratoga, CA.

Appointment of Officers:

Current Board member Prasad Mangina and homeowner Mike Pardini were each appointed by election to serve a two (2) year term on the Board of Directors. The Board positions for 2015 are as follows:

Dennis Garroni - President
Philip Chin - Vice President
Prasad Mangina - Secretary
Xing-Sheng Qian - Treasurer
Mike Pardini - Director

Announcement of the Results for the IRS Tax Resolution Ballot:

34 Total Ballots Received
29 In Favor
3 Against

The 2015 IRS Resolution for Saratoga Place HOA passed in favor.

The Board held Open Forum where the homeowners had the opportunity to address the Board with questions, comments or concerns regarding the

Association. The homeowner of 6937 Chantel Court was present at this meeting to speak with the Comcast representative and the Board about the cable issues he is currently having at his home.

2. Approve of the Minutes

- A. **Motion:** Dennis Garroni moved to approve the minutes of the October 16, 2014 Board Meeting; seconded by Philip Chin, approved unanimously.

3. Association Manager's Reports

- A. **Unaudited Financial Statements:** The Board reviewed the unaudited financial statements for the period ending December 31, 2014. Management informed the Board that the Association ended the 2014 fiscal year \$11,064.97 over budget. No action was required by the Board.
- B. **Delinquency Aging Report:** The Board reviewed the delinquency report for the period ending December 31, 2014. Management informed the Board that there are no delinquent accounts as of this meeting. No action was required by the Board.
- C. **Contact, Work Order & Compliance Reports:** The Board reviewed violation letters, contacts, work orders and activity reports for the period ending February 2, 2015. No action was required by the Board.

4. Additional Business

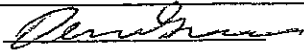
- A. **Update on Rental Restrictions Voting Ballot:** Management informed the Board of Directors that quorum has not yet been reached in order to open the ballots for the proposed increase of rentals at Saratoga Place from twenty (20) to thirty (30).
- B. **Board Discussion on with Cody Spence of Comcast Xfinity:** The Board of Directors met with Comcast Xfinity representative Cody Spence. Cody provided the Board with a new five (5) year cable proposal reducing the contract down to a three (3) percent annual increase and giving the HOA a five thousand dollar (\$5,000.00) signing bonus. After a detailed Board discussion, Dennis Garroni moved to approve the new five (5) year contract with Comcast, seconded by Mouli Vytla, approved unanimously.

5. Adjournment

- A. There being no further business, the Board of Directors meeting was adjourned at 8:00 P.M.

B. The next HOA meeting scheduled for Thursday, April 16, 2015 at 7:00 P.M.

Board Member



Date 4/16/15

Saratoga Place Homeowners Association
Bi-Monthly Board Meeting
Meeting Minutes

Thursday, October 16, 2014 7:00 P.M.

BOARD MEMBERS

Dennis Garroni	President	February 2016
Philip Chin	Vice President	February 2016
Prasad Mangina	Secretary	February 2015
Xing-Sheng Qian	Treasurer	February 2016 (Absent)
Mouli Vytla	Director	February 2015 (Absent)

Shawn Cabral	Compass Management Group, Inc.
One (1) Homeowner	

1. Call to Order - Open Forum

- A. The Board Meeting was called to order at 7:10 P.M. by Association Manager Shawn Cabral, at Peet's Coffee and Tea, 12148 Saratoga Sunnyvale Road, Saratoga, CA.

The Board held Open Forum where the homeowners had the opportunity to address the Board with questions, comments or concerns regarding the Association. The homeowner of 6893 Chantel Court was at the meeting to state she is currently renting out her unit and she was not aware that rental restrictions were in place at Saratoga Place. Homeowner stated she was on a waiting list to rent out her home with the previous Management company.

2. Approve of the Minutes

- A. **Motion:** Dennis Garroni moved to approve the minutes of the August 21, 2014 Board Meeting; seconded by Prasad Mangina, approved unanimously.

3. Association Manager's Reports

- A. **Unaudited Financial Statements:** The Board reviewed the unaudited financial statements for the period ending August 31, 2014. Management informed the Board that the Association is \$11,236.03 under budget through the first eight (8) months of the fiscal year. No action was required by the Board.
- B. **Delinquency Aging Report:** The Board reviewed the delinquency report for the period ending September 30, 2014. Management informed the Board that there are no delinquent accounts as of this meeting. No action was required by the Board.

- C. **Contact, Work Order & Compliance Reports:** The Board reviewed violation letters, contacts, work orders and activity reports for the period ending October 9, 2014. No action was required by the Board.

4. Additional Business

- A. **Two (2) Proposals for the Annual Roof & Gutter Cleaning Service:** The Board of Directors reviewed two (2) proposals for the annual roof, gutter & downspout cleaning project. After a detailed Board discussion, Prasad Mangina moved to approve the proposal from Commercial Gutter & Cleaning in the amount of \$2,500.00 , seconded by Dennis Garroni, approved unanimously.
- B. **Board Discussion on Current Rental Restrictions at Saratoga Place:** The Board of Directors discussed the current rental restrictions limit at Saratoga Place HOA. The current limit per the Associations CC&R's is twenty (20). After a very detailed & thorough Board discussion, Dennis Garroni moved to have the HOA's Attorney revise the Associations CC&R's to reflect an increase in rentals from twenty (20) to thirty (30), seconded by Prasad Mangina, approved unanimously. Once the limit of thirty (30) rentals has been reached Management will create a waiting list of homeowners who are waiting to rent out their unit.
- C. **Review & Approve Draft Budget for Fiscal Year 2015:** The Board of Directors reviewed draft budget #1 for fiscal year 2015. After a brief Board discussion, Dennis Garroni moved to approve the fiscal year 2015 budget with a two (2) percent increase (monthly reserve contribution), seconded by Philip Chin, approved unanimously.

5. Adjournment

- A. There being no further business, the Board of Directors meeting was adjourned at 7:54 P.M.
- B. The next HOA meeting scheduled for Thursday, December 4, 2014 at 7:00 P.M.

Board Member

Date

