

DEMAND

DATE: September 25, 2017
TO THE ATTENTION OF: Ricci Rios
TITLE COMPANY: Chicago Title Company
ESCROW#: 4995170263

WHAT WAS REQUESTED: Full Sales Package including Minutes and Newsletters
FEES DUE AND PAYABLE FOR REQUEST: \$425.00 paid by check # 6314
TRANSFER/DEMAND FEE \$200.00 & DOCUMENTS \$225.00 (PAID IN FULL)

LEGAL NAME OF ASSOCIATION: Paseo Villas Homeowners Association
PROPERTY ADDRESS: 130 E. San Fernando Street #0326
OWNER LAST NAME: Stambaugh
OWNER ACCOUNT #: 135.0024
IS THERE ANY CURRENT OR PENDING LITIGATION? No
OWNER OCCUPANCY: 70%
VIOLATIONS FOR THIS UNIT: None

ASSESSMENT INFORMATION

MONTHLY ASSESSMENT FOR THIS PROPERTY: \$575.00
THEY ARE PAID THROUGH: September 2017
KEY DEPOSIT: (SELLER) \$1,520.00 REFUNDABLE AFTER KEYS RETURNED
MOVE IN FEE: (BUYER) \$250.00 NON-REFUNDABLE
MOVE IN DEPOSIT: (BUYER) \$1,000.00 REFUNDABLE
MOVE OUT FEE: (SELLER) \$300.00 NON-REFUNDABLE
MOVE OUT DEPOSIT: (SELLER) \$1,000.00 REFUNDABLE
ESTOPPLE INSPECTION: \$10,000.00 HOLD
OUTSTANDING ASSESSMENTS: None
SPECIAL ASSESSMENTS: None
INSURANCE COMPANY NAME: John Kemmer Insurance
INSURANCE COMPANY PHONE #: 650-572-1044

PRIOR TO CLOSE OF ESCROW, PLEASE EMAIL DOCUMENTS@GOCOMPASS.COM TO CONFIRM IF THERE ARE ANY OUTSTANDING ASSESSMENTS. PLEASE COLLECT ANY OUTSTANDING ASSESSMENTS, PLUS ONE MONTH'S ASSESSMENT IN ADVANCE PAYABLE TO PASEO VILLAS HOMEOWNERS ASSOCIATION.

New Owner Name: Home Phone No:

Billing Address: Work Phone No:

New Owner Signature: Date:

New Owner Signature: Date:

With the close of escrow, please send to this office the following information:

- 1) Return this form signed by new owner/s
2) A copy of the GRANT DEED

Sincerely,
Compass Management Group, Inc.
Lynette LaQuay
Lynette LaQuay
Documents Department



CALIFORNIA ASSOCIATION OF REALTORS®

HOMEOWNER ASSOCIATION INFORMATION REQUEST (C.A.R. Form HOA1, Revised 11/14)

Property Address: 130 E. San Fernando St. #326, San Jose, CA
Owner of Property: Mary Stambaugh ("Seller")
Owner's Mailing Address: 130 E. San Fernando Street #326, San Jose, CA 95112 (If known or different from property address)

To: Homeowner Association Compass Management Group ("HOA")

Pursuant to California Civil Code §§ 4525 and 4530 and the request of Seller (1) upon receipt of this request please provide on forms HOA 2 and HOA 3 an estimate of fees that will be assessed for providing the requested documents, and (2) within 10 calendar Days from the date of this request, please provide to Seller the items or information listed on HOA 2 and HOA 3 at the mailing address indicated above, or to

Seller or Seller's Agent Date

The documents and information provided by the HOA referenced above were provided by:

Lynette LaQuay (print name) HOA docs dept (title or position)
Compass Mgmt Group Date: 9/25/17
Association or Agent

By signing below, the undersigned acknowledge that each has read, understands and has received a copy of this Homeowner Association Information Request.

Seller DocuSigned by: Mary Stambaugh Date 9/20/2017

Seller Date

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Reviewed by Date





CALIFORNIA  
ASSOCIATION  
OF REALTORS®

**CHARGES FOR REQUIRED HOMEOWNER  
ASSOCIATION DOCUMENTS**

(AS REQUIRED BY SECTION 4525)  
(C.A.R. Form HOA2, 11/14)

Property Address: 130 E. San Fernando St. #326, San Jose, CA  
 Owner of Property: Mary Stambaugh ("Seller")  
 Owner's Mailing Address: \_\_\_\_\_  
 (If known or different from property address)

Provider of the Civil Code Section 4525 items:

Print Name: Lynette LaQuay Print Title HOA docs dept  
 Association or  Agent Date form completed 9/25/17

Check or complete applicable column or columns below

Document	Civil Code Section Includes	Fee for Document	HOA Response
			<b>Attached or Not Available (N/A), Not Applicable (N/APP) OR Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)</b>
Articles of Incorporation or statement that HOA not incorporated	4525(a)(1)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
CC&R's	4525(a)(1)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
ByLaws	4525(a)(1)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
(Operating) Rules and Regulations	4525(a)(1)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Age restrictions, if any	4525(a)(2)	\$	<input type="checkbox"/> Yes <input type="checkbox"/> N/AV <input checked="" type="checkbox"/> N/APP <input type="checkbox"/> DP
Annual Budget Report, or summary including reserve study	5300, 4525(a)(3)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Assessment and Reserve Funding Disclosure Summary	5300, 4525(a)(4)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Financial Statement Review	5305, 4525(a)(3)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Assessment Enforcement Policy	5310, 4525(a)(4)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Insurance Summary	5300, 4525(a)(3)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Regular Assessment	4525(a)(4)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Special Assessment	4525(a)(4)	\$	<input type="checkbox"/> Yes <input type="checkbox"/> N/AV <input checked="" type="checkbox"/> N/APP <input type="checkbox"/> DP
Emergency Assessment	4525(a)(4)	\$	<input type="checkbox"/> Yes <input type="checkbox"/> N/AV <input checked="" type="checkbox"/> N/APP <input type="checkbox"/> DP
Other unpaid obligation of Seller	5675, 4525(a)(4)	\$	<input type="checkbox"/> Yes <input type="checkbox"/> N/AV <input checked="" type="checkbox"/> N/APP <input type="checkbox"/> DP
Approved changes to assessments	5300, 4525(a)(4),(8)	\$	<input type="checkbox"/> Yes <input type="checkbox"/> N/AV <input checked="" type="checkbox"/> N/APP <input type="checkbox"/> DP
Settlement Notice Regarding Common Area Defects	4525(a)(6), (7), 6100	\$	<input type="checkbox"/> Yes <input type="checkbox"/> N/AV <input checked="" type="checkbox"/> N/APP <input type="checkbox"/> DP
Preliminary list of defects	4525(a)(6), 6000, 6100	\$	<input type="checkbox"/> Yes <input type="checkbox"/> N/AV <input checked="" type="checkbox"/> N/APP <input type="checkbox"/> DP
Notice(s) of Violations	5855, 4525(a)(5)	\$	<input type="checkbox"/> Yes <input type="checkbox"/> N/AV <input checked="" type="checkbox"/> N/APP <input type="checkbox"/> DP
Required statement of fees	4525	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Rental restrictions, if any	4525(a)(9)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
Minutes of regular board meetings conducted over the previous 12 months, if requested	4525(a)(10)	\$	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/AV <input type="checkbox"/> N/APP <input type="checkbox"/> DP
<b>Total Fees for These Documents</b>		\$ <u>425.00</u>	

Reviewed by \_\_\_\_\_ Date \_\_\_\_\_




**CHARGES FOR REQUIRED HOMEOWNER ASSOCIATION DOCUMENTS (HOA2 PAGE 1 OF 2)**

Property Address: 130 E. San Fernando St. #326, San Jose, CA Date: 9/25/17

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

HOA Compass Mgmt / Paseo Villas Date 9/25/17  
By Lynette LaQuay Title HOA docs dept

Seller hereby confirms that all HOA documents delivered directly to Buyer by Seller (DP) are current documents.

Seller  **Mary Stambaugh** Date 9/20/2017  
13CF28B74A074EC...

Seller \_\_\_\_\_ Date \_\_\_\_\_

I acknowledge receipt of a copy of each item checked above. Broker(s) have not and will not review the documents provided. This document may be executed in counterparts.

Buyer \_\_\_\_\_ Date \_\_\_\_\_

Buyer \_\_\_\_\_ Date \_\_\_\_\_

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Reviewed by \_\_\_\_\_ Date \_\_\_\_\_



HOA2 11/14 (PAGE 2 OF 2)  
**CHARGES FOR REQUIRED HOMEOWNER ASSOCIATION DOCUMENTS (HOA2 PAGE 2 OF 2)**

# COMPASS MANAGEMENT GROUP, INC.

Dear Homeowner:

Compass Management Group, Inc. is the managing agent for your Association, which is a Mutual Benefit Non-Profit California Corporation. As the managing agent for this corporation, Compass Management Group, Inc. has the duty and responsibility to work within the guidelines established by the governing documents, association rules and regulations, and Board directives. These policies and directives dictate the type and amount of work that can be authorized by Compass Management Group, Inc. in response to a homeowner request.

All homeowner inquiries and service requests should be directed to the attention of your association in care of Compass Management Group, Inc., 77 Las Colinas Lane, San Jose, CA 95119. You may also call our office with association questions, service requests, and emergency repair reports at 408.226.3300. This number is available 24 hours per day; you may leave messages after normal business hours, and may access a special after hour's voice mailbox to report emergency situations causing property damage.

It is the policy of your association and Compass Management Group, Inc. that a home service request shall only be honored if made by the homeowner. Owners of rental homes are advised that tenant service requests should be reported from the tenant to the homeowner. If the homeowner determines that the service request may be an item of association responsibility, then the owner should contact Compass Management Group, Inc. If a tenant is unable to reach a homeowner regarding an emergency resulting in property damage, management will respond to the tenant unless otherwise directed by the owner.

The management functions of Compass Management Group, Inc. for your association include:

- **ADMINISTRATIVE** – Budget preparation assistance, maintenance of books and records, customer service, correspondence, minutes and newsletters, assessment billing and collection.
- **VENDOR LIAISON** – Bid specification preparation assistance, bid/contractor analysis and recommendation, contract administration and monitoring, property inspections, contract payment processing and lien releases.
- **ADVISORY** – Association documents, rules and regulations, reserve requirements and funding responsibilities, general repair methods and resources.

We look forward to working with you and the Homeowners Association.

# COMPASS MANAGEMENT GROUP, INC.

## RESIDENTS' SERVICE PROCEDURE

Compass Management Group works with your Board of Directors, as the managing agent for your association, to maintain the properties in accordance with the governing documents. Compass Management Group follows association policies and Board directives to meet the operating requirements of the association. These policies and directives dictate the type and amount of work that can be authorized by Compass Management Group, Inc., in response to a homeowner request.

Please call Compass Management Group regarding maintenance requests, common-area issues, or any other general question regarding your association. To call Compass Management Group with a routine or emergency service request, please use the following procedure:

**During normal business days and hours** (Monday - Friday, 8:30 AM to 5:00 PM, excluding holidays)

1. Telephone 408.226.3300 to reach Customer Service. Customer Service representatives are equipped with the information necessary to address most emergencies, routine matters, or questions regarding your association. You may also send email to [HelpDesk@GoCompass.com](mailto:HelpDesk@GoCompass.com), or for accounting questions you may send an email to [accounting@gocompass.com](mailto:accounting@gocompass.com).
2. State your name, Association name, address and telephone numbers (in case a return call is required).
3. If you are reporting a maintenance problem, please describe the problem and the address number closest to the problem.
4. Our Customer Service Representative will dispatch the proper person to remedy the situation. A variety of contractors have been approved in advance for work at your association. Contractors are issued a written work authorization that must be signed and returned to Compass Management Group upon completion of the work in order to generate payment.
5. If you need to speak with your Association Manager, Customer Service will direct your call.
6. If you have an emergency resulting in property damage that requires immediate attention, please advise Customer Service and it will be addressed immediately.

## AFTER NORMAL BUSINESS HOURS

1. Telephone the same number – 408.226.3300. You may leave a message after hours for attention the next business day. You may also access a special voice mailbox to report any emergency resulting in property damage, such as a roof or pipe leak.
2. In the event of an emergency causing property damage, the On-Call Manager will be contacted via the after hours emergency voice mailbox. A message left in the emergency voice mailbox will generally result in a return call in less than 30 minutes. If the item is not an emergency, it will be addressed the next business day.

Paseo Villas Homeowners Association  
Estoppel Inspection Agreement

Dear Homeowner,

There will be a unit inspection at the time of sale of any unit in Paseo Villas. This inspection will consist of checking for the following:

1. Fire protection systems are intact including functioning smoke detectors, functioning alarm box, and no damage or modification to the sprinkler system. Sprinkler covers must not be painted over.
2. Interior inspection for water damage due to possible roof, window, or plumbing leaks.
3. Interior and exterior inspection for structural modifications; compliance with any estoppels or variance that may have been issued; validation that the smoke detectors and fire suppression systems are functional.
4. Interior and exterior inspection to assure compliance with the Paseo Villas HOA Declaration of Covenants, Conditions & Restrictions.
5. Check of Architectural Committee files for Architectural Committee approval for any existing changes to the exterior of the unit.

Please have someone contact the Management Company (Compass Management Group) at 408-226-3300 so that an appointment can be made for this inspection. Someone must be at the property for the inspection to be completed. It is anticipated that the inspection will require approximately 30 minutes. Failure to keep an appointment will result in the unit owner's account being assessed a \$50.00 appointment cancellation fee.

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**Escrow Instructions:**

- Title Company is instructed to hold Ten Thousand Dollars (\$ 10,000.00) in escrow until notified by Compass Management Group that the property has passed inspection and the money may be released.
- There is a separate fee of Two Hundred Fifty Dollars (\$250.00) for the inspection itself. This fee should be paid by a separate check made payable to Compass Management Group.

**Please Note:** If a transfer in ownership is made without an estoppel inspection, the buyer assumes responsibility for any and all repairs necessary to the unit and will become responsible for any reimbursement fees assessed on the account. This agreement must be signed by both the seller(s) and the buyer(s).

Prior approval of the Board of Directors of any cosmetic or structural change does not constitute an approval of or certification of the proper installation of said change. **By signing below, the buyer acknowledges that the purpose of this inspection is to protect the Condominium Association; and that no warranties, written or implied, are made with regard to overall condition of the property.**

---

Seller (Please Print)

---

Buyer (Please Print)

---

Seller's Signature

---

Buyer's Signature

Date: \_\_\_\_\_

Date: \_\_\_\_\_





# Paseo Villas Homeowners Association

## **Estoppel Policy** **Adopted September 13, 2017**

- a. Any owner who sells his unit must notify the Association immediately upon execution of any contract for purchase.
- b. As soon as possible thereafter, the owner must schedule an "estoppel inspection", during which the Association's consultant will inspect the unit to ensure compliance with the CC&Rs. The owner shall be responsible for the cost of the inspection (not to exceed \$5,000), including any cancellation fee incurred if he or she cancels the appointment.
- c. If the inspection reveals that the Unit is not in compliance with the CC&Rs, the Board may demand in writing that: (1) the owner bring the Unit into compliance with the CC&Rs (including a specific description of what is required) within a specified, reasonable time frame, and (2) the owner instruct the title company to hold a specified amount in escrow to be used in the event of the owner's failure to do so. This amount, not to exceed \$10,000, shall be determined by the Board, in its sole discretion, based upon the results of the estoppel inspection. Within 24 hours after the Board's demand, the owner must provide written instructions to the title company (copy to the Board) to withhold the requested funds.
- d. If the Association determines that the unit remains out of compliance with the CC&Rs at the expiration of the deadline to bring it into compliance, the Association or its agents shall have the right (with a minimum of 24 hours' notice) to enter into the Unit or any associated Exclusive Use Common Area for the purpose of bringing the Unit into compliance with the CC&Rs.
- e. After incurring any expense associated with bringing the Unit into compliance with the CC&Rs, the Association shall provide the owner with documentation of the cost incurred, and a written demand for reimbursement. Within 48 hours of such demand, the owner shall either fully reimburse the Association for this cost or instruct the title company to release the cost to the Association upon close of escrow. If the amount withheld in escrow is insufficient to reimburse the Association for its cost, the Owner shall be responsible for reimbursing the Association for the remainder.
- f. If a sale is made without an estoppel inspection, the transferee assumes responsibility for bringing the unit into compliance with the CC&Rs.
- g. The Moving Policy and Key Policy are found separately in the Paseo Villas Governing Documents.
- h. Estoppel Inspections will be conducted by designated administrative personnel from Compass Management Group, the Association property manager, and will consist of visual observations only, with no destructive or intrusive investigation. Visual observations will be made from the floor, deck and balcony surfaces, as appropriate, and will not involve areas which are not visible from those vantage points. The estoppel inspections should not in any way be considered the equivalent to that provided by licensed property inspection personnel, and will be comparable to visual inspections conducted by a nonprofessional observer. The inspections will be based on the access provided by the unit owner, and unit diagrams, if any, provided by the Association. The inspector shall undertake no responsibility for verifying the accuracy of any floor plan or unit size dimensions. Inspections are provided for the convenience of unit owners to assist in their compliance obligations with Association rules, and Compass Management Group undertakes no liability whatsoever for the inaccuracy (through omission or inclusion) of any resulting estoppel inspection report.



## Paseo Villas Homeowners Association Estoppel Inspection Form

Address: **130 E. San Fernando St.** Unit# \_\_\_\_\_ Parking Spaces \_\_\_\_\_  
 Storage spaces \_\_\_\_\_ Reviewed File prior to inspection \_\_\_\_\_

**Entrance:**

1	Check that the unit number plaque is intact, correct and the same style as other units.
2	Check that door handle, lock, and doorbell button are intact and the same style as other units.
3	Check for stains or excessive wear of the hallway carpeting.
4	Check hallway walls and doorframe for nail holes or other damage. Check paint condition.
5	Check that front door opens/closes OK, is sound, free from holes and large dents, and paint is OK.
6	Check entry tile for looseness.

**Patio/ Balcony Area:**

7	Check patio/balcony walls, balcony cap, and railing for damage, holes or looseness.
8	Check that the flooring surface is intact and shows no signs of puncture or other damage.
9	Check that nothing is attached to the balcony cap or railing and nothing is attached to the walls or floors.
10	Check the outside electrical outlet and lighting fixtures for signs of damage.
11	If this unit has a TV satellite dish, verify that the dish is freestanding, that it does not extend beyond the exclusive use boundaries of the patio/balcony. Check that the area of the cable entry has not created damage to the stucco and the stucco does not show signs of water intrusion. If a dish has been removed, ensure that any penetrations through the stucco have been properly sealed and painted.

**Interior Rooms:**

12	Compare developer's original ground plan, if available, to the existing ground plan, if not same then check for variance.
13	Confirm unit's floor coverings. (Padded carpet only above the third floor (except units 413 and 415, less entrance, kitchen and baths).
14	Check that no paint or other covering is on fire sprinklers or covers in all rooms and closets.
15	Check ceilings and walls in all rooms for evidence of water stains and/or intrusions.
16	Check that the toilets, showers, bathtubs, laundry closet, icemaker and plumbing under all sinks show no sign of water intrusion.
17	Check that the exhaust fan in each bathroom is functional.
18	Check that the exhaust fan in the laundry room is functional (except top floor units).
19	Check window glass and screens for damage and leaks.
20	Check that all shades, window coverings, and blinds exteriors are white, beige, or off-white in color.
21	Check that any window tinting that has been installed has not deteriorated.
22	Check that fireplace exhaust vent is functional (can be opened and closed) and that the glass doors are in place.
23	Check that the doors and screens leading to patio/balcony are in good repair and functional
24	Check that there are no audio speakers attached to or inside any wall.

**Parking Spaces:**

25	Check that all associated garage parking spaces are clean.
----	--

**Storage Unit(s) if any: N/A**

26	Check that the storage unit fire sprinkler head is intact and not painted or otherwise covered.
27	Check that door handle and lock are intact and the same style as other units.
28	Check that door is sound, without holes and large dents, and paint is OK. Check that it opens and closes OK.
29	If interior storage unit, check for stains or excessive wear of the hallway carpeting.
30	If interior storage unit, check hallway walls and doorframe for nail holes or other damage. Check paint conditions

The inspection results noted above are subject to the limitations and conditions noted in item (h) of the estoppel policy adopted \_\_\_\_\_.

**Other Observations, Comments:**

Inspected by: \_\_\_\_\_

Date: \_\_\_\_\_



# AUTHORIZATION AGREEMENT FOR PREAUTHORIZED DEBIT PAYMENTS



Management Company Name: Compass Management Group, Inc.

Association Name: \_\_\_\_\_

Homeowner Name(s): \_\_\_\_\_

Homeowner's Unit Address: \_\_\_\_\_

Homeowner's Unit Number: \_\_\_\_\_

Homeowner Association Account Number (located on coupon or statement from Mgmt Co.): \_\_\_\_\_

Homeowner's Financial Institution Name and ABA Number: \_\_\_\_\_

Homeowner's Checking Account Number (account to be charged): \_\_\_\_\_

Updating Existing Payment Information

## TO: City National Bank

The undersigned Homeowner(s) authorize the Association named above to originate debit charges to my/our checking account at the named financial institution for the payment of my/our monthly Association homeowner assessment on or about the 10th of each month.

I/We understand that the homeowner assessment may be changed from time to time by the Association and that the changed assessment amount will be provided to me/us and to City National Bank by the Association or its Management Company.

I/We represent and warrant that we are all the signers required to authorize charges to my/our checking account and this authorization will remain in full force and effect until cancelled as provided below.

\_\_\_\_\_  
First Name on Account (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Second Name on Account (if applicable)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

To Homeowner: Please attach a voided check (with preprinted name and address) from the checking account that will be charged at the financial institution named.

City National Bank must receive this Authorization by the 20th of the month for the automatic charges to be in effect for the following month and thereafter.

City National Bank must receive written notification of cancellation of this Authorization by the 25th day of the month in order to cancel payments beginning the following month.

You will receive confirmation of start date via U.S. mail. If you prefer to receive confirmation by phone or e-mail, please enter your contact information here:

Phone Number: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

City National Bank is the Originating Bank of these charges on behalf of your Association, which is the Originator.

If you have any questions, you may call City National Bank at 1-800-676-0706.

Please mail completed and signed authorization and any cancellation to:  
City National Bank  
HOA Remittance Processing  
PO Box 7700  
San Francisco, CA 94120-7700



12/30/16 to 12/30/17

**Insurance Summary**  
**Paseo Villas Homeowners Association**

**John Kemmer Insurance**  
2555 Flores St. #280  
San Mateo, Ca 94403-2385  
(650) 572-1044 Business  
(650) 572-8893 Fax  
License# 0769596  
Email: Jkemmer@Pacbell.net

**Farmers Insurance Group-Truck Insurance Exchange**

Building	44,499,600 extended replacement 150%
Earthquake Sprinkler Leakage	Included, same as building limit
Crime/ Employee Dishonesty	300,000
Deductible	\$10,000 (glass deductible \$100)
General Liability	2,000,000 No deductible
Directors & Officers Liability	2,000,000 \$500 retention (similar to a deductible)
Earthquake & Flood	Not covered-Available on separate policies
Workers Compensation	Not covered- Available on a separate policy
Pollution Liability	Not covered- Available on a separate policy

**Deductible.** Owners are responsible to pay the 10,000 deductible on the Paseo Villas Homeowners Association insurance applicable to a loss resulting from the conduct or negligence of the Owner or from any loss which emanates from an Owner's Unit which damages Common Area or the Unit of another Owner. Refer to the CC&R'S section 2.7.3.

**Greenwich Insurance (25 million umbrella) & Federal Insurance Co. (25 million excess)**

Commercial Umbrella & Excess Liability                      50,000,000

**Unit-Owners are required to have condominium unit insurance per section 2.7.4 of the CC&R's. Unit owners can purchase insurance to cover the following items:**

1. Building coverage for the Unit interior including upgrades
2. Additional living expense (or loss of rents if you rent your unit)
3. Personal Property (furniture, clothing, tv, computer, jewelry, etc)
4. Loss Assessment Coverage of at least 50,000
5. Personal Liability for injuries to others or damage to their property
6. Earthquake coverage
7. Earthquake Loss Assessment coverage

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





Paseo Villas Homeowners Association  
Balance Sheet - Modified Accrual - Civil Code § 5200(a)(3)(D)  
August 31, 2017  
(Unaudited)

Assets

Operating Assets	
Cash	
1010 - City National - Operating	70,970.18
Other Operating Assets	
1500 - Accounts Receivable	8,416.50
1530 - Prepaid Income Tax	2,900.00
1535 - Other receivable	750.00
1550 - Prepaid Insurance	11,358.08
Total Other Operating Assets	23,424.58
Total Operating Assets	94,394.76
Reserve Assets	
Savings	
1020 - City National - Reserve	46,271.14
1021 - Oppenheimer - Reserve	362,422.49
1041 - Ally Bk 1/22/18 1.3%	40,000.00
1042 - Goldman Sachs BK 1/29/18 1.2%	100,000.00
1043 - Ally Bk 1/29/18 1.15%	200,000.00
1044 - Zions First Natl Bk 3/22/18 1.0%	200,000.00
1045 - Capital One Bk 5/4/18 .95%	150,000.00
1047 - Discover Bk 8/24/18 1.0%	245,000.00
1048 - Everbank 8/30/18 1.0%	37,000.00
1049 - Merrick BK 8/30/18 1.0%	245,000.00
Total Savings	1,625,693.63
Other Reserve Assets	
1560 - Restricted Interest Receivable	1,925.32
Total Reserve Assets	1,627,618.95
Total Assets	1,722,013.71

Liabilities and Fund Balances

Operating Liabilities and Fund Balance	
Operating Liabilities	
2010 - Accounts Payable	363.76
2020 - Prepaid Assessments	20,579.50
2035 - Key Deposits	16,989.50
2036 - Refundable move in/move out deposit	3,000.00
Total Operating Liabilities	40,932.76
Operating Fund Balance	
Op Fund Beginning Balance	
2600 - Operating Fund Balance	26,533.72
Year to Date Net Income	26,928.28
Total Operating fund Balance	53,462.00
Total Operating Liabilities and Fund Balance	94,394.76
Reserve Liabilities and Fund Balance	
General Reserve	1,627,618.95
Total Reserve Liabilities and Fund Balance	1,627,618.95
Total Liabilities and Fund Balances	1,722,013.71

**Paseo Villas Homeowners Association**  
**Statement of Revenue & Expenses - Modified Accrual - Civil Code § 5200(a)(3)(D)**  
**For the One and Eight Months Ended August 31, 2017**  
(Unaudited)

	Month Ending 08/31/2017		Year To Date 08/31/2017		Variance
	Budget	Actual	Budget	Actual	
<b>Revenue</b>					
3000 - Assessments	59,800.00	59,800.00	478,400.00	478,400.00	0.00
3020 - Interest Income - Res	0.00	1,143.07	0.00	10,604.83	10,604.83
3050 - Move in / Move out fee	300.00	1,600.00	2,400.00	4,000.00	1,600.00
3070 - Commercial Income	273.52	273.52	2,188.16	2,188.16	0.00
3200 - Other Income	50.00	(27.65)	400.00	1,175.98	775.98
<b>Total Revenue</b>	<u>60,423.52</u>	<u>62,788.94</u>	<u>483,388.16</u>	<u>496,368.97</u>	<u>12,980.81</u>
<b>Association Operating Expenses</b>					
<b>Corporate</b>					
4100 - Insurance	2,746.00	2,842.50	21,968.00	22,763.92	(795.92)
4110 - Legal	400.00	0.00	3,200.00	1,018.20	2,181.80
4120 - Audit / Review / Tax Returns	340.00	0.00	2,720.00	3,800.00	(1,080.00)
4140 - Income Taxes	120.00	0.00	960.00	10.00	950.00
4170 - Copies & Postage	400.00	0.00	3,200.00	2,563.08	636.92
4190 - Miscellaneous Admin	200.00	820.42	1,600.00	3,530.64	(1,930.64)
4200 - Board Education	30.00	0.00	240.00	0.00	240.00
4220 - Promotions / Social Activity	50.00	0.00	400.00	0.00	400.00
4300 - Management	1,900.00	1,900.00	15,200.00	15,762.50	(562.50)
4500 - Onsite Management	2,100.00	0.00	16,800.00	18,940.00	(2,140.00)
6580 - Spa/Pool Permit	108.00	0.00	864.00	1,292.00	(428.00)
7600 - Elevator Permits	57.00	0.00	456.00	0.00	456.00
<b>Subtotal</b>	<u>8,451.00</u>	<u>5,562.92</u>	<u>67,608.00</u>	<u>69,680.34</u>	<u>(2,072.34)</u>
<b>Utilities</b>					
5400 - Electricity	7,050.00	274.24	56,400.00	40,791.32	15,608.68
5405 - Gas	3,090.00	2,691.81	24,720.00	29,789.59	(5,069.59)
5410 - Water & Sewer	3,600.00	6,314.05	28,800.00	34,294.66	(5,494.66)
5425 - Refuse	1,300.00	1,212.16	10,400.00	8,485.12	1,914.88
4210 - Telephone Expenses	1,000.00	965.21	8,000.00	6,566.73	1,433.27
<b>Subtotal</b>	<u>16,040.00</u>	<u>11,457.47</u>	<u>128,320.00</u>	<u>119,927.42</u>	<u>8,392.58</u>
<b>Maintenance</b>					
6505 - Pest Control	130.00	129.00	1,040.00	903.00	137.00
6510 - Landscape	875.00	0.00	7,000.00	5,250.00	1,750.00
6550 - Pool / Spa Contract	395.00	395.00	3,160.00	3,160.00	0.00
6560 - Fitness Equipment - Contract	42.00	125.00	336.00	398.53	(62.53)
7500 - Window Washing	450.00	0.00	3,600.00	5,500.00	(1,900.00)
7570 - Fire System Contract/Inspection	570.00	196.00	4,560.00	5,187.00	(627.00)
7580 - EBM Annual Inspection	60.00	0.00	480.00	0.00	480.00
7590 - Annual Roof Inspection	85.00	0.00	680.00	0.00	680.00
7610 - Elevator - Contract	630.00	0.00	5,040.00	17,517.76	(12,477.76)
5420 - Water Softening System	450.00	0.00	3,600.00	3,200.90	399.10
7680 - Janitorial Contract	5,790.00	0.00	46,320.00	34,740.00	11,580.00
7750 - Autogalleria Gate - Contract	77.00	0.00	616.00	0.00	616.00
6600 - Environmental Systems Contract	386.00	0.00	3,088.00	2,316.00	772.00
<b>Subtotal</b>	<u>9,940.00</u>	<u>845.00</u>	<u>79,520.00</u>	<u>78,173.19</u>	<u>1,346.81</u>

These financial statements have not been subjected to an audit or review and no assurance or financial disclosures are provided

**Paseo Villas Homeowners Association**  
Statement of Revenue & Expenses - Modified Accrual - Civil Code § 5200(a)(3)(D)  
For the One and Eight Months Ended August 31, 2017  
(Unaudited)

	Month Ending 08/31/2017		Year To Date 08/31/2017		Variance
	Budget	Actual	Budget	Actual	
Repairs / Supplies					
6520 - Addl Landscape	40.00	0.00	320.00	0.00	320.00
6525 - Ground Sprinkler Service/Repair	10.00	0.00	80.00	0.00	80.00
6530 - Pool / Spa Chemicals	20.00	0.00	160.00	89.17	70.83
6540 - Poo / Spa - Repairs	200.00	0.00	1,600.00	885.83	714.17
6570 - Fitness Equipment - Repairs	80.00	0.00	640.00	0.00	640.00
7540 - Lighting, Bulbs and Tubes	350.00	0.00	2,800.00	1,148.10	1,651.90
7560 - Fire System Repair	400.00	532.00	3,200.00	974.00	2,226.00
7620 - Elevator - Repair/Maint	300.00	0.00	2,400.00	0.00	2,400.00
7660 - Plumbing Repairs, Leaks/Clogs	1,500.00	(8,228.00)	12,000.00	17,278.82	(5,278.82)
7670 - Janitorial Supplies	100.00	536.62	800.00	672.17	127.83
7690 - Garage Exhaust - Repair/Maint	100.00	0.00	800.00	1,564.00	(764.00)
7700 - HVAC ALL	0.00	(415.00)	0.00	(415.00)	415.00
7710 - Hot Water System/Boilers - Repairs	150.00	0.00	1,200.00	0.00	1,200.00
7720 - Sump Pump Repairs	80.00	0.00	640.00	0.00	640.00
7730 - Doors, Locks & Keys	80.00	275.10	640.00	1,390.30	(750.30)
7740 - Garage Gate Repairs	80.00	0.00	640.00	2,491.84	(1,851.84)
7760 - A/V Equipment	10.00	0.00	80.00	0.00	80.00
7550 - Building- Repair/Maintenace	431.00	(14,672.00)	3,448.00	10,762.93	(7,314.93)
7770 - HVAC - Repair	250.00	0.00	2,000.00	1,617.92	382.08
7900 - Contingency	19.52	0.00	156.16	50.83	105.33
Subtotal	<u>4,200.52</u>	<u>(21,971.28)</u>	<u>33,604.16</u>	<u>38,510.91</u>	<u>(4,906.75)</u>
Reserves					
8200 - Reserve Contributions	21,792.00	0.00	174,336.00	152,544.00	21,792.00
8210 - Interest Allocation	0.00	1,143.07	0.00	10,604.83	(10,604.83)
Subtotal	<u>21,792.00</u>	<u>1,143.07</u>	<u>174,336.00</u>	<u>163,148.83</u>	<u>11,187.17</u>
Total Expenses	<u>60,423.52</u>	<u>(2,962.82)</u>	<u>483,388.16</u>	<u>469,440.69</u>	<u>13,947.47</u>
Revenue over Expenses	<u>0.00</u>	<u>65,751.76</u>	<u>0.00</u>	<u>26,928.28</u>	<u>26,928.28</u>

These financial statements have not been subjected to an audit or review and no assurance or financial disclosures are provided

**Paseo Villas Homeowners Association**  
**Statement of Revenue & Expenses - Modified Accrual - Civil Code § 5200(a)(3)(D)**  
**Monthly Activities Through August 31, 2017**  
**(Unaudited)**

	Month	Month	Month	Month	Month	Month	Month	Month	Month	Year To
	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Ended	Date
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	01/31/2017	02/28/2017	03/31/2017	04/30/2017	05/31/2017	06/30/2017	07/31/2017	08/31/2017	08/31/2017	08/31/2017
<b>Revenue</b>										
3000 - Assessments	59,800.00	59,800.00	59,800.00	59,800.00	59,800.00	59,800.00	59,800.00	59,800.00	59,800.00	478,400.00
3020 - Interest Income - Res	1,605.40	1,339.69	2,348.97	93.97	1,683.86	1,205.09	1,184.78	1,143.07	1,143.07	10,604.83
3050 - Move in / Move out fee	0.00	1,250.00	200.00	0.00	450.00	250.00	250.00	1,600.00	1,600.00	4,000.00
3070 - Commercial Income	273.52	273.52	273.52	273.52	273.52	273.52	273.52	273.52	273.52	2,188.16
3200 - Other Income	231.98	87.39	121.83	247.06	101.96	250.76	162.65	(27.65)	(27.65)	1,175.98
<b>Total Revenue</b>	<b>61,910.90</b>	<b>62,750.60</b>	<b>62,744.32</b>	<b>60,414.55</b>	<b>62,309.34</b>	<b>61,779.37</b>	<b>61,670.95</b>	<b>62,788.94</b>	<b>62,788.94</b>	<b>496,368.97</b>
<b>Association Operating Expenses</b>										
<b>Corporate</b>										
4100 - Insurance	2,757.63	2,757.63	3,036.16	2,842.50	2,842.50	2,842.50	2,842.50	2,842.50	2,842.50	22,763.92
4110 - Legal	0.00	0.00	0.00	0.00	0.00	178.75	839.45	0.00	0.00	1,018.20
4120 - Audit / Review / Tax Returns	0.00	0.00	0.00	3,800.00	0.00	0.00	0.00	0.00	0.00	3,800.00
4140 - Income Taxes	0.00	0.00	0.00	250.00	(240.00)	0.00	0.00	0.00	0.00	10.00
4170 - Copies & Postage	0.00	295.30	668.26	337.39	597.14	415.35	249.64	0.00	0.00	2,563.08
4190 - Miscellaneous Admin	42.50	169.75	416.97	668.50	105.00	960.00	347.50	820.42	820.42	3,530.64
4300 - Management	1,900.00	1,900.00	1,900.00	1,900.00	2,212.50	1,900.00	2,150.00	1,900.00	1,900.00	15,762.50
4500 - Onsite Management	0.00	2,410.00	2,540.00	3,330.00	3,220.00	4,600.00	2,840.00	0.00	0.00	18,940.00
6580 - Spa/Pool Permit	0.00	0.00	1,292.00	0.00	0.00	0.00	0.00	0.00	0.00	1,292.00
<b>Subtotal</b>	<b>4,700.13</b>	<b>7,532.68</b>	<b>9,853.39</b>	<b>13,128.39</b>	<b>8,737.14</b>	<b>10,896.60</b>	<b>9,269.09</b>	<b>5,562.92</b>	<b>5,562.92</b>	<b>69,680.34</b>
<b>Utilities</b>										
5400 - Electricity	2,088.54	6,093.41	4,096.33	7,815.05	2,554.91	6,803.78	11,065.06	274.24	274.24	40,791.32
5405 - Gas	6,657.24	0.00	5,172.46	3,941.79	4,620.02	3,614.12	3,092.15	2,691.81	2,691.81	29,789.59
5410 - Water & Sewer	34.72	5,634.16	5,717.76	4,574.68	2,690.00	4,561.94	4,767.35	6,314.05	6,314.05	34,294.66
5425 - Refuse	0.00	1,212.16	1,212.16	2,424.32	0.00	1,212.16	1,212.16	1,212.16	1,212.16	8,485.12
4210 - Telephone Expenses	1,554.40	511.46	390.13	695.90	812.24	799.11	838.28	965.21	965.21	6,566.73
<b>Subtotal</b>	<b>10,334.90</b>	<b>13,451.19</b>	<b>16,588.84</b>	<b>19,451.74</b>	<b>10,677.17</b>	<b>16,991.11</b>	<b>20,975.00</b>	<b>11,457.47</b>	<b>11,457.47</b>	<b>119,927.42</b>
<b>Maintenance</b>										
6505 - Pest Control	0.00	129.00	129.00	258.00	129.00	129.00	0.00	129.00	129.00	903.00
6510 - Landscape	875.00	875.00	875.00	875.00	875.00	875.00	0.00	0.00	0.00	5,250.00
6550 - Pool / Spa Contract	395.00	395.00	395.00	395.00	395.00	395.00	395.00	395.00	395.00	3,160.00
6560 - Fitness Equipment - Contract	0.05	148.43	0.05	0.00	125.00	0.00	0.00	125.00	125.00	398.53
7500 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	5,500.00	0.00	0.00	5,500.00
7570 - Fire System Contract/Inspection	0.00	0.00	1,795.50	700.00	700.00	1,795.50	0.00	196.00	196.00	5,187.00
7610 - Elevator - Contract	8,090.76	0.00	0.00	0.00	0.00	0.00	9,427.00	0.00	0.00	17,517.76
5420 - Water Softening System	0.00	427.28	0.00	1,559.20	0.00	322.94	891.48	0.00	0.00	3,200.90
7680 - Janitorial Contract	5,790.00	5,790.00	5,790.00	5,790.00	5,790.00	0.00	5,790.00	0.00	0.00	34,740.00
6600 - Environmental Systems Contract	0.00	0.00	0.00	1,158.00	0.00	0.00	1,158.00	0.00	0.00	2,316.00
<b>Subtotal</b>	<b>15,150.81</b>	<b>7,764.71</b>	<b>8,984.55</b>	<b>10,735.20</b>	<b>8,014.00</b>	<b>3,517.44</b>	<b>23,161.48</b>	<b>845.00</b>	<b>845.00</b>	<b>78,173.19</b>

**Paseo Villas Homeowners Association**  
**Statement of Revenue & Expenses - Modified Accrual - Civil Code § 5200(a)(3)(D)**  
**Monthly Activities Through August 31, 2017**  
**(Unaudited)**

	Month Ended	Month Ended	Month Ended	Month Ended	Month Ended	Month Ended	Month Ended	Month Ended	Year To Date
	01/31/2017	02/28/2017	03/31/2017	04/30/2017	05/31/2017	06/30/2017	07/31/2017	08/31/2017	08/31/2017
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
<b>Repairs / Supplies</b>									
6530 - Pool / Spa Chemicals	0.00	0.00	14.68	0.00	29.36	0.00	45.13	0.00	89.17
6540 - Pool / Spa - Repairs	0.00	0.00	0.00	857.83	0.00	28.00	0.00	0.00	885.83
7540 - Lighting, Bulbs and Tubes	0.00	0.00	631.40	149.90	0.00	366.80	0.00	0.00	1,148.10
7560 - Fire System Repair	0.00	0.00	0.00	0.00	0.00	0.00	442.00	532.00	974.00
7660 - Plumbing Repairs, Leaks/Clogs	(31.00)	617.31	3,438.50	1,236.00	5,988.21	13,728.80	529.00	(8,228.00)	17,278.82
7670 - Janitorial Supplies	0.00	0.00	0.00	0.00	0.00	135.55	0.00	536.62	672.17
7690 - Garage Exhaust - Repair/Maint	0.00	0.00	0.00	0.00	0.00	2,434.88	(870.88)	0.00	1,564.00
7700 - HVAC ALL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(415.00)	(415.00)
7730 - Doors, Locks & Keys	0.00	93.60	0.00	151.00	569.60	0.00	301.00	275.10	1,390.30
7740 - Garage Gate Repairs	0.00	586.00	1,071.84	250.00	345.00	0.00	239.00	0.00	2,491.84
7550 - Building- Repair/Maintenance	148.99	666.00	4,920.00	18,185.33	0.00	313.61	1,201.00	(14,672.00)	10,762.93
7770 - HVAC - Repair	0.00	0.00	0.00	0.00	1,150.00	467.92	0.00	0.00	1,617.92
7900 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	50.83	0.00	50.83
<b>Subtotal</b>	<b>117.99</b>	<b>1,962.91</b>	<b>10,076.42</b>	<b>20,830.06</b>	<b>8,082.17</b>	<b>17,475.56</b>	<b>1,937.08</b>	<b>(21,971.28)</b>	<b>38,510.91</b>
<b>Reserves</b>									
8200 - Reserve Contributions	21,792.00	21,792.00	21,792.00	21,792.00	21,792.00	21,792.00	21,792.00	0.00	152,544.00
8210 - Interest Allocation	1,605.40	1,339.69	2,348.97	93.97	1,683.86	1,205.09	1,184.78	1,143.07	10,604.83
<b>Subtotal</b>	<b>23,397.40</b>	<b>23,131.69</b>	<b>24,140.97</b>	<b>21,885.97</b>	<b>23,475.86</b>	<b>22,997.09</b>	<b>22,976.78</b>	<b>1,143.07</b>	<b>163,148.83</b>
<b>Total Expenses</b>	<b>53,701.23</b>	<b>53,843.18</b>	<b>69,644.17</b>	<b>86,031.36</b>	<b>58,986.34</b>	<b>71,877.80</b>	<b>78,319.43</b>	<b>(2,962.82)</b>	<b>469,440.69</b>
<b>Revenue over Expense</b>	<b>8,209.67</b>	<b>8,907.42</b>	<b>(6,899.85)</b>	<b>(25,616.81)</b>	<b>3,323.00</b>	<b>(10,098.43)</b>	<b>(16,648.48)</b>	<b>65,751.76</b>	<b>26,928.28</b>

These financial statements have not been subjected to an audit or review and no assurance or financial disclosures are provided

PASEO VILLAS HOMEOWNERS ASSOCIATION  
STATEMENT OF CHANGES TO RESERVE ACCOUNTS  
Month Ending August 31, 2017  
(Unaudited)

DESCRIPTION	BEGINNING BALANCE 08/01/17	ADDITIONS TO RESERVES	INTEREST	CHARGES TO RESERVES	ENDING BALANCE 08/31/17
9998 General Reserve	\$2,139,243.74	0.00	1,143.07	(14,652.00)	\$2,125,734.81
9900 Planters - waterproof	0.00	0.00	0.00	0.00	0.00
9901 Lights	0.00	0.00	0.00	0.00	0.00
9902 Signs	0.00	0.00	0.00	(632.20)	(632.20)
9903 Balcony Rails	0.00	0.00	0.00	0.00	0.00
9904 Garage Concrete	0.00	0.00	0.00	0.00	0.00
9905 Elasto. Surface	0.00	0.00	0.00	0.00	0.00
9906 Caulking- Garage	0.00	0.00	0.00	0.00	0.00
9907 Water Softner	0.00	0.00	0.00	0.00	0.00
9908 Drinking Fountains	0.00	0.00	0.00	0.00	0.00
9909 Stairwells	0.00	0.00	0.00	0.00	0.00
9910 Doors	(22,692.27)	0.00	0.00	(20,628.94)	(43,321.21)
9911 Stucco	0.00	0.00	0.00	0.00	0.00
9912 Exterior - Surface	0.00	0.00	0.00	0.00	0.00
9913 Wood Trim	0.00	0.00	0.00	0.00	0.00
9914 Plumbing	(2,383.00)	0.00	0.00	(1,378.00)	(3,761.00)
9915 Auto Slide/Folding Gates	0.00	0.00	0.00	0.00	0.00
9916 HAVC	0.00	0.00	0.00	0.00	0.00
9917 Ventilation Fans	(870.88)	0.00	0.00	0.00	(870.88)
9918 Carbon Monoxide Equip	0.00	0.00	0.00	0.00	0.00
9919 Decks	0.00	0.00	0.00	0.00	0.00
9920 Water pump	(1,268.75)	0.00	0.00	0.00	(1,268.75)
9921 Storage tanks	(22,587.12)	0.00	0.00	0.00	(22,587.12)
9922 Roofs	(279,220.00)	0.00	0.00	0.00	(279,220.00)
9923 Gates & Access System/Intercoms	0.00	0.00	0.00	(2,397.00)	(2,397.00)
9924 Security Cameras	(30,303.66)	0.00	0.00	(2,085.34)	(32,389.00)
9925 Elevators	0.00	0.00	0.00	(14,468.27)	(14,468.27)
9926 Fire & Safty	(5,803.82)	0.00	0.00	0.00	(5,803.82)
9927 Carpet	0.00	0.00	0.00	0.00	0.00
9928 Landscape	0.00	0.00	0.00	0.00	0.00
9929 Interiors	0.00	0.00	0.00	0.00	0.00
9930 Fitness Equipment	0.00	0.00	0.00	0.00	0.00
9931 Fences	0.00	0.00	0.00	0.00	0.00
9932 Irrigation Blackflow	0.00	0.00	0.00	0.00	0.00
9933 Paint	0.00	0.00	0.00	0.00	0.00
9934 Pool & Spa	(3,586.05)	0.00	0.00	0.00	(3,586.05)
9935 Trash Chute	0.00	0.00	0.00	0.00	0.00
9936 Restrooms	0.00	0.00	0.00	0.00	0.00
9937 Sauna	0.00	0.00	0.00	0.00	0.00
9938 Clubhouse	(86,150.56)	0.00	0.00	0.00	(86,150.56)
9939 Mailboxes	0.00	0.00	0.00	0.00	0.00
9940 Concrete Repairs	0.00	0.00	0.00	0.00	0.00
9941 Contingency	0.00	0.00	0.00	0.00	0.00
9942 Unschedule	0.00	0.00	0.00	(1,660.00)	(1,660.00)
9943 Reserve Study	0.00	0.00	0.00	0.00	0.00
9944 Unschedule	0.00	0.00	0.00	0.00	0.00
9945 Unschedule	0.00	0.00	0.00	0.00	0.00
9946 Unschedule	0.00	0.00	0.00	0.00	0.00
9947 Unschedule	0.00	0.00	0.00	0.00	0.00
9948 Unschedule	0.00	0.00	0.00	0.00	0.00
9949 Unschedule	0.00	0.00	0.00	0.00	0.00
	<u>\$1,684,377.63</u>	<u>0.00</u>	<u>1,143.07</u>	<u>(57,901.75)</u>	<u>\$1,627,618.95</u>

These financial statements have not been subjected to an audit or review and no assurance or financial disclosures are provided

PASEO VILLAS HOMEOWNERS ASSOCIATION  
STATEMENT OF CHANGES TO RESERVE ACCOUNTS  
Year to Date Ending August 31, 2017

DESCRIPTION	BEGINNING BALANCE 01/01/17	ADDITIONS TO RESERVES	INTEREST	CHARGES TO RESERVES	ENDING BALANCE 08/31/17
9998 General Reserve	1,977,309.96	152,544.00	10,604.83	(14,723.98)	2,125,734.81
9900 Planters - waterproof	0.00	0.00	0.00	0.00	0.00
9901 Lights	0.00	0.00	0.00	0.00	0.00
9902 Signs	0.00	0.00	0.00	(632.20)	(632.20)
9903 Balcony Rails	0.00	0.00	0.00	0.00	0.00
9904 Garage Concrete	0.00	0.00	0.00	0.00	0.00
9905 Elasto. Surface	0.00	0.00	0.00	0.00	0.00
9906 Caulking- Garage	0.00	0.00	0.00	0.00	0.00
9907 Water Softner	0.00	0.00	0.00	0.00	0.00
9908 Drinking Fountains	0.00	0.00	0.00	0.00	0.00
9909 Stairwells	0.00	0.00	0.00	0.00	0.00
9910 Doors	0.00	0.00	0.00	(43,321.21)	(43,321.21)
9911 Stucco	0.00	0.00	0.00	0.00	0.00
9912 Exterior - Surface	0.00	0.00	0.00	0.00	0.00
9913 Wood Trim	0.00	0.00	0.00	0.00	0.00
9914 Plumbing	0.00	0.00	0.00	(3,761.00)	(3,761.00)
9915 Auto Slide/Folding Gates	0.00	0.00	0.00	0.00	0.00
9916 HAVC	0.00	0.00	0.00	0.00	0.00
9917 Ventilation Fans	0.00	0.00	0.00	(870.88)	(870.88)
9918 Carbon Monoxide Equip	0.00	0.00	0.00	0.00	0.00
9919 Decks	0.00	0.00	0.00	0.00	0.00
9920 Water pump	0.00	0.00	0.00	(1,268.75)	(1,268.75)
9921 Storage tanks	0.00	0.00	0.00	(22,587.12)	(22,587.12)
9922 Roofs	0.00	0.00	0.00	(279,220.00)	(279,220.00)
9923 Gates & Access System/Intercoms	0.00	0.00	0.00	(2,397.00)	(2,397.00)
9924 Security Cameras	0.00	0.00	0.00	(32,389.00)	(32,389.00)
9925 Elevators	0.00	0.00	0.00	(14,468.27)	(14,468.27)
9926 Fire & Safty	0.00	0.00	0.00	(5,803.82)	(5,803.82)
9927 Carpet	0.00	0.00	0.00	0.00	0.00
9928 Landscape	0.00	0.00	0.00	0.00	0.00
9929 Interiors	0.00	0.00	0.00	0.00	0.00
9930 Fitness Equipment	0.00	0.00	0.00	0.00	0.00
9931 Fences	0.00	0.00	0.00	0.00	0.00
9932 Irrigation Blackflow	0.00	0.00	0.00	0.00	0.00
9933 Paint	0.00	0.00	0.00	0.00	0.00
9934 Pool & Spa	0.00	0.00	0.00	(3,586.05)	(3,586.05)
9935 Trash Chute	0.00	0.00	0.00	0.00	0.00
9936 Restrooms	0.00	0.00	0.00	0.00	0.00
9937 Sauna	0.00	0.00	0.00	0.00	0.00
9938 Clubhouse	0.00	0.00	0.00	(86,150.56)	(86,150.56)
9939 Mailboxes	0.00	0.00	0.00	0.00	0.00
9940 Concrete Repairs	0.00	0.00	0.00	0.00	0.00
9941 Contingency	0.00	0.00	0.00	0.00	0.00
9942 Unschedule	0.00	0.00	0.00	(1,660.00)	(1,660.00)
9943 Reserve Study	0.00	0.00	0.00	0.00	0.00
9944 Unschedule	0.00	0.00	0.00	0.00	0.00
9945 Unschedule	0.00	0.00	0.00	0.00	0.00
9946 Unschedule	0.00	0.00	0.00	0.00	0.00
9947 Unschedule	0.00	0.00	0.00	0.00	0.00
9948 Unschedule	0.00	0.00	0.00	0.00	0.00
9949 Unschedule	0.00	0.00	0.00	0.00	0.00
	<u>1,977,309.96</u>	<u>152,544.00</u>	<u>10,604.83</u>	<u>(512,839.84)</u>	<u>1,627,618.95</u>

These financial statements have not been subjected to an audit or review and no assurance or financial disclosures are provided

Paseo Villas  
Bank Reconciliation - 1010  
08/31/17

Ending balance per bank at August 31, 2017		73,279.78
Deposit in transit		
Outstanding checks	358     750.00	
	666     330.00	
	667     136.00	
	673     93.60	
	676     1,000.00	
		2,309.60
		70,970.18
Ending balance per books at July 31, 2017		6,194.27
Deposits		56,946.52
Recovery of bad debt		
Res payback op		14,652.00
Other income		2,745.00
Key deposit		4,965.00
Move in/move out deposit		4,000.00
Disbursements		(5,175.14)
PG&E auto deduct		(5,154.42)
Adj auto deduct PG&E		2,188.37
Management auto deduct		(1,900.00)
AT&T auto deduct		(598.17)
Auto deduct water		(6,314.05)
Adj auto deduct water		
Auto deduct insurance		
Auto deduct refuse		(1,212.16)
Adj suto deduct refuse		
Auto deduct comcast		(367.04)
Auto deduct income tax		
Bank charge		
Returned item		
		70,970.18



Paseo Villas  
Bank Reconciliation - 1020  
08/31/17

Ending balance per bank at August 31, 2017			56,957.41
Deposit in transit			
Outstanding checks	69	1,378.00	
	71	8,676.07	
	72	632.20	
			<u>10,686.27</u>
			<u><u>46,271.14</u></u>
Ending balance per books at July 31, 2017			4,164.13
Deposits			
Fund tsf from Oppenheimer			100,000.00
Op pay back to res			
Disbursements			(57,901.75)
Proceeds from matured CD			
Purchase of CD			
Bank charge			
Interest income			<u>8.76</u>
			<u><u>46,271.14</u></u>

Paseo Villas  
Bank Reconciliation - 1021  
08/31/17

Ending balance per bank at August 31, 2017	362,422.49
Deposit in transit	
Outstanding checks	
	<u>-</u>
	<u>362,422.49</u>
Ending balance per books at July 31, 2017	360,394.45
Deposits	
Fund tsf to CNB-res	(100,000.00)
Disbursements	
Proceeds from matured CDs	100,000.00
Purchase of CDs	
Bank charge	
Interest income	<u>2,028.04</u>
	<u>362,422.49</u>

**Paseo Villas Homeowners Association  
General Ledger Report  
For Current Month (08/01/2017 to 08/31/2017)**

Posted Dt.	Doc Dt.	Doc	Memo / Description	JNL	Debit	Credit	Balance
<b>1010 - City National - Operating (Balance Forward As of 08/01/2017)</b>							<b>6,194.27</b>
08/09/2017	08/09/2017	665	AP Pymt - ALC Enterprises, Inc	CDJ		536.62	5,657.65
08/09/2017	08/09/2017	671	AP Pymt - Clark Pest Control, Inc.	CDJ		129.00	5,528.65
08/09/2017	08/09/2017	672	AP Pymt - Compass Management Group, Inc.	CDJ		35.00	5,493.65
08/09/2017	08/09/2017	673	AP Pymt - First Alarm, Inc.	CDJ		93.60	5,400.05
08/09/2017	08/09/2017	674	AP Pymt - Genie Pool & Spa Service, Inc.	CDJ		395.00	5,005.05
08/09/2017	08/09/2017	675	AP Pymt - Gym Doctors, Inc.	CDJ		125.00	4,880.05
08/09/2017	08/09/2017	676	AP Pymt - Sallie Manibusan	CDJ		1,000.00	3,880.05
08/09/2017	08/09/2017	677	AP Pymt - Statcomm, Inc.	CDJ		181.50	3,698.55
08/09/2017	08/09/2017	678	AP Pymt - Whiptek, Inc.	CDJ		785.42	2,913.13
08/09/2017			Payments: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	666	AP Pymt - AquaTek Plumbing, Inc.	CDJ		330.00	
08/09/2017	08/09/2017	667	AP Pymt - AquaTek Plumbing, Inc.	CDJ		136.00	
			Totals for Summary Entry	CDJ		466.00	2,447.13
08/09/2017			Payments: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	668	AP Pymt - Cintas Fire Protection	CDJ		396.00	
08/09/2017	08/09/2017	669	AP Pymt - Cintas Fire Protection	CDJ		532.00	
08/09/2017	08/09/2017	670	AP Pymt - Cintas Fire Protection	CDJ		500.00	
			Totals for Summary Entry	CDJ		1,428.00	1,019.13
08/28/2017			Payments: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017		AP Pymt - Comcast	CDJ		0.05	
08/28/2017	08/28/2017		AP Pymt - Comcast	CDJ		366.99	
			Totals for Summary Entry	CDJ		367.04	652.09
08/28/2017			Payments: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017		AP Pymt - AT&T	CDJ		80.00	
08/28/2017	08/28/2017		AP Pymt - AT&T	CDJ		518.17	
			Totals for Summary Entry	CDJ		598.17	53.92
08/28/2017			Payments: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017		AP Pymt - PG&E	CDJ		2,462.61	
08/28/2017	08/28/2017		AP Pymt - PG&E	CDJ		2,691.81	
			Totals for Summary Entry	CDJ		5,154.42	(5,100.50)
08/28/2017			Payments: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017		AP Pymt - San Jose Water Company	CDJ		1,185.92	
08/28/2017	08/28/2017		AP Pymt - San Jose Water Company	CDJ		5,128.13	
			Totals for Summary Entry	CDJ		6,314.05	(11,414.55)
08/28/2017	08/28/2017		AP Pymt - City of San Jose	CDJ		1,212.16	(12,626.71)
08/28/2017	08/28/2017		AP Pymt - Compass Management Group, Inc.	CDJ		1,900.00	(14,526.71)
08/31/2017	08/31/2017	JE01	Rec August assessments	GJ	56,946.52		42,419.81
08/31/2017	08/31/2017	JE05	Rec Move in/Move out fee	GJ	1,600.00		44,019.81
08/31/2017	08/31/2017	JE05	Rec other income	GJ	415.00		44,434.81
08/31/2017	08/31/2017	JE05	Rec other income	GJ	700.00		45,134.81
08/31/2017	08/31/2017	JE05	Rec refundable Move in/Move out fee	GJ	4,000.00		49,134.81
08/31/2017	08/31/2017	JE05	Rec refundable key deposit	GJ	4,965.00		54,099.81
08/31/2017	08/31/2017	JE05	other income	GJ	30.00		54,129.81
08/31/2017	08/31/2017	JE06	Reclass ck#593,594 and 595 paid to The Vent Cleaner II to reserve	GJ	14,652.00		68,781.81
08/31/2017	08/31/2017	JE09	Adj auto deduct PG&E	GJ	2,188.37		70,970.18
			<b>August Totals for 1010 City National - Operating</b>		<b>85,496.89</b>	<b>20,720.98</b>	<b>70,970.18</b>
<b>Totals for 1010 - City National - Operating</b>							<b>64,775.91</b>
<b>Net Change for 1010 - City National - Operating</b>							<b>64,775.91</b>
<b>1020 - City National - Reserve (Balance Forward As of 08/01/2017)</b>							<b>4,164.13</b>
08/09/2017	08/09/2017	69	AP Pymt - AquaTek Plumbing, Inc.	CDJ		1,378.00	2,786.13
08/09/2017	08/09/2017	70	AP Pymt - Association Reserves, Inc.	CDJ		1,660.00	1,126.13
08/09/2017	08/09/2017	71	AP Pymt - Otis Elevator Company, Inc.	CDJ		8,676.07	(7,549.94)
08/09/2017	08/09/2017	72	AP Pymt - Pelican Sign Services, Inc.	CDJ		632.20	(8,182.14)
08/09/2017	08/09/2017	73	AP Pymt - Romy's Lock & Key	CDJ		552.22	(8,734.36)
08/09/2017	08/09/2017	74	AP Pymt - Schindler Elevator Corporation	CDJ		5,792.20	(14,526.56)
08/09/2017	08/09/2017	75	AP Pymt - Statcomm, Inc.	CDJ		2,397.00	(16,923.56)
08/17/2017	08/17/2017	76	AP Pymt - CSC Integrations - West Coast	CDJ		2,085.34	(19,008.90)
08/17/2017	08/17/2017	77	AP Pymt - Danna Builders, Inc.	CDJ		20,076.72	(39,085.62)
08/17/2017	08/17/2017	78	AP Pymt - Paseo Villas Homeowners Association	CDJ		14,652.00	(53,737.62)
08/31/2017	08/31/2017	JE03	Rec res int	GJ	8.76		(53,728.86)
08/31/2017	08/31/2017	JE08	Rec fund tsf from Oppenheimer to CNB - res	GJ	100,000.00		46,271.14
			<b>August Totals for 1020 City National - Reserve</b>		<b>100,008.76</b>	<b>57,901.75</b>	<b>46,271.14</b>
<b>Totals for 1020 - City National - Reserve</b>							<b>42,107.01</b>
<b>Net Change for 1020 - City National - Reserve</b>							<b>42,107.01</b>
<b>1021 - Oppenheimer - Reserve (Balance Forward As of 08/01/2017)</b>							<b>360,394.45</b>
08/31/2017	08/31/2017	JE03	Rec res int	GJ	2,028.04		362,422.49
08/31/2017	08/31/2017	JE07	Rec proceeds from matured CD	GJ	100,000.00		462,422.49
08/31/2017	08/31/2017	JE08	Rec fund tsf from Oppenheimer to CNB - res	GJ		100,000.00	362,422.49
			<b>August Totals for 1021 Oppenheimer - Reserve</b>		<b>102,028.04</b>	<b>100,000.00</b>	<b>362,422.49</b>
<b>Totals for 1021 - Oppenheimer - Reserve</b>							<b>2,028.04</b>
<b>Net Change for 1021 - Oppenheimer - Reserve</b>							<b>2,028.04</b>
<b>1028 - Goldman Sachs 8/21/17 1.2% (Balance Forward As of 08/01/2017)</b>							<b>100,000.00</b>
08/31/2017	08/31/2017	JE07	Rec proceeds from matured CD	GJ		100,000.00	0.00
			<b>August Totals for 1028 Goldman Sachs 8/21/17 1.2%</b>		<b>0.00</b>	<b>100,000.00</b>	<b>0.00</b>

**Paseo Villas Homeowners Association  
General Ledger Report  
For Current Month (08/01/2017 to 08/31/2017)**

Posted Dt.	Doc Dt.	Doc	Memo / Description	JNL	Debit	Credit	Balance
<b>Totals for 1028 - Goldman Sachs 8/21/17 1.2%</b>					0.00	100,000.00	0.00
<b>Net Change for 1028 - Goldman Sachs 8/21/17 1.2%</b>							(100,000.00)
<b>1041 - Ally Bk 1/22/18 1.3% (Balance Forward As of 08/01/2017)</b>							40,000.00
<b>Totals for 1041 - Ally Bk 1/22/18 1.3%</b>					0.00	0.00	40,000.00
<b>Net Change for 1041 - Ally Bk 1/22/18 1.3%</b>							0.00
<b>1042 - Goldman Sachs BK 1/29/18 1.2% (Balance Forward As of 08/01/2017)</b>							100,000.00
<b>Totals for 1042 - Goldman Sachs BK 1/29/18 1.2%</b>					0.00	0.00	100,000.00
<b>Net Change for 1042 - Goldman Sachs BK 1/29/18 1.2%</b>							0.00
<b>1043 - Ally Bk 1/29/18 1.15% (Balance Forward As of 08/01/2017)</b>							200,000.00
<b>Totals for 1043 - Ally Bk 1/29/18 1.15%</b>					0.00	0.00	200,000.00
<b>Net Change for 1043 - Ally Bk 1/29/18 1.15%</b>							0.00
<b>1044 - Zions First Natl Bk 3/22/18 1.0% (Balance Forward As of 08/01/2017)</b>							200,000.00
<b>Totals for 1044 - Zions First Natl Bk 3/22/18 1.0%</b>					0.00	0.00	200,000.00
<b>Net Change for 1044 - Zions First Natl Bk 3/22/18 1.0%</b>							0.00
<b>1045 - Capital One Bk 5/4/18 .95% (Balance Forward As of 08/01/2017)</b>							150,000.00
<b>Totals for 1045 - Capital One Bk 5/4/18 .95%</b>					0.00	0.00	150,000.00
<b>Net Change for 1045 - Capital One Bk 5/4/18 .95%</b>							0.00
<b>1047 - Discover Bk 8/24/18 1.0% (Balance Forward As of 08/01/2017)</b>							245,000.00
<b>Totals for 1047 - Discover Bk 8/24/18 1.0%</b>					0.00	0.00	245,000.00
<b>Net Change for 1047 - Discover Bk 8/24/18 1.0%</b>							0.00
<b>1048 - Everbank 8/30/18 1.0% (Balance Forward As of 08/01/2017)</b>							37,000.00
<b>Totals for 1048 - Everbank 8/30/18 1.0%</b>					0.00	0.00	37,000.00
<b>Net Change for 1048 - Everbank 8/30/18 1.0%</b>							0.00
<b>1049 - Merrick BK 8/30/18 1.0% (Balance Forward As of 08/01/2017)</b>							245,000.00
<b>Totals for 1049 - Merrick BK 8/30/18 1.0%</b>					0.00	0.00	245,000.00
<b>Net Change for 1049 - Merrick BK 8/30/18 1.0%</b>							0.00
<b>1100 - Deposit in Transit (Balance Forward As of 08/01/2017)</b>							0.00
08/17/2017	08/17/2017	Transfer	Bill - Paseo Villas Homeowners Association: Re-class of APJ check no. 593, 594, 595 - Deposit into oper. acct.		14,652.00		14,652.00
08/31/2017	08/31/2017	JE06	Reclass ck#593,594 and 595 paid to The Vent Cleaner IIGJ to reserve			14,652.00	0.00
<b>August Totals for 1100 Deposit in Transit</b>					14,652.00	14,652.00	
<b>Totals for 1100 - Deposit in Transit</b>					14,652.00	14,652.00	0.00
<b>Net Change for 1100 - Deposit in Transit</b>							0.00
<b>1500 - Accounts Receivable (Balance Forward As of 08/01/2017)</b>							115.15
08/31/2017	08/31/2017	JE01	Rec August assessments	GJ	8,301.35		8,416.50
<b>August Totals for 1500 Accounts Receivable</b>					8,301.35	0.00	
<b>Totals for 1500 - Accounts Receivable</b>					8,301.35	0.00	8,416.50
<b>Net Change for 1500 - Accounts Receivable</b>							8,301.35
<b>1530 - Prepaid Income Tax (Balance Forward As of 08/01/2017)</b>							2,900.00
<b>Totals for 1530 - Prepaid Income Tax</b>					0.00	0.00	2,900.00
<b>Net Change for 1530 - Prepaid Income Tax</b>							0.00
<b>1535 - Other receivable (Balance Forward As of 08/01/2017)</b>							750.00
<b>Totals for 1535 - Other receivable</b>					0.00	0.00	750.00
<b>Net Change for 1535 - Other receivable</b>							0.00
<b>1550 - Prepaid Insurance (Balance Forward As of 08/01/2017)</b>							14,200.58
08/31/2017	08/31/2017	JE04	Rec monthly ins exp	GJ		2,842.50	11,358.08
<b>August Totals for 1550 Prepaid Insurance</b>					0.00	2,842.50	
<b>Totals for 1550 - Prepaid Insurance</b>					0.00	2,842.50	11,358.08
<b>Net Change for 1550 - Prepaid Insurance</b>							(2,842.50)
<b>1560 - Restricted Interest Receivable (Balance Forward As of 08/01/2017)</b>							2,819.05
08/31/2017	08/31/2017	JE03	Rec res int	GJ		893.73	1,925.32
<b>August Totals for 1560 Restricted Interest Receivable</b>					0.00	893.73	
<b>Totals for 1560 - Restricted Interest Receivable</b>					0.00	893.73	1,925.32
<b>Net Change for 1560 - Restricted Interest Receivable</b>							(893.73)
<b>2010 - Accounts Payable (Balance Forward As of 08/01/2017)</b>							(363.76)
08/09/2017	08/09/2017	70	AP Pymt - Association Reserves, Inc.	CDJ	1,660.00		1,296.24
08/09/2017	08/09/2017	71	AP Pymt - Otis Elevator Company, Inc.	CDJ	8,676.07		9,972.31
08/09/2017	08/09/2017	72	AP Pymt - Pelican Sign Services, Inc.	CDJ	632.20		10,604.51

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Posted Dt.	Doc Dt.	Doc	Memo / Description	JNL	Debit	Credit	Balance
08/09/2017	08/09/2017	73	AP Pymt - Romy's Lock & Key	CDJ	552.22		11,156.73
08/09/2017	08/09/2017	74	AP Pymt - Schindler Elevator Corporation	CDJ	5,792.20		16,948.93
08/09/2017	08/09/2017	665	AP Pymt - ALC Enterprises, Inc	CDJ	536.62		17,485.55
08/09/2017	08/09/2017	671	AP Pymt - Clark Pest Control, Inc.	CDJ	129.00		17,614.55
08/09/2017	08/09/2017	672	AP Pymt - Compass Management Group, Inc.	CDJ	35.00		17,649.55
08/09/2017	08/09/2017	673	AP Pymt - First Alarm, Inc.	CDJ	93.60		17,743.15
08/09/2017	08/09/2017	674	AP Pymt - Genie Pool & Spa Service, Inc.	CDJ	395.00		18,138.15
08/09/2017	08/09/2017	675	AP Pymt - Gym Doctors, Inc.	CDJ	125.00		18,263.15
08/09/2017	08/09/2017	676	AP Pymt - Sallie Manibusan	CDJ	1,000.00		19,263.15
08/09/2017	08/09/2017	678	AP Pymt - Whiptek, Inc.	CDJ	785.42		20,048.57
08/09/2017	08/09/2017	3562	Bill - Whiptek, Inc.: Invoice No. 3562	APJ		785.42	19,263.15
08/09/2017	08/09/2017	17901	Bill - ALC Enterprises, Inc: Invoice No. 17901	APJ		536.62	18,726.53
08/09/2017	08/09/2017	42052	Bill - Romy's Lock & Key: Invoice NO. 42052	APJ		552.22	18,174.31
08/09/2017	08/09/2017	42744	Bill - Compass Management Group, Inc.: Invoice No. 42744	APJ		35.00	18,139.31
08/09/2017	08/09/2017	51174	Bill - Pelican Sign Services, Inc.: Invoice No. 51174	APJ		632.20	17,507.11
08/09/2017	08/09/2017	00088099	Bill - Gym Doctors, Inc.: Invoice No. 00088099	APJ		125.00	17,382.11
08/09/2017	08/09/2017	88212	Bill - Genie Pool & Spa Service, Inc.: Invoice No. 88212 - August 2017	APJ		395.00	16,987.11
08/09/2017	08/09/2017	332585	Bill - First Alarm, Inc.: Invoice no. 332585	APJ		93.60	16,893.51
08/09/2017	08/09/2017	20310261	Bill - Clark Pest Control, Inc.: Invoice No. 20310261	APJ		129.00	16,764.51
08/09/2017	08/09/2017	7100345992	Bill - Schindler Elevator Corporation: Invoice No. 7100345992	APJ		5,792.20	10,972.31
08/09/2017			Bills: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	OF44110695	Bill - Cintas Fire Protection: Invoice No. OF44110695	APJ		532.00	
08/09/2017	08/09/2017	OF44110734	Bill - Cintas Fire Protection: Invoice No. OF44110734	APJ		396.00	
08/09/2017	08/09/2017	OF44110749	Bill - Cintas Fire Protection: Invoice No. OF44110749	APJ		500.00	
			Totals for Summary Entry	APJ		1,428.00	9,544.31
08/09/2017			Bills: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	1498-644	Bill - AquaTek Plumbing, Inc.: Invoice No. 1498-644	APJ		1,378.00	
08/09/2017	08/09/2017	1498-648	Bill - AquaTek Plumbing, Inc.: Invoice No. 1498-648	APJ		330.00	
08/09/2017	08/09/2017	1498-649	Bill - AquaTek Plumbing, Inc.: Invoice No. 1498-649	APJ		136.00	
			Totals for Summary Entry	APJ		1,844.00	7,700.31
08/09/2017			Bills: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	120628	Bill - Statcomm, Inc.: Invoice No. 120628	APJ		181.50	
08/09/2017	08/09/2017	120661	Bill - Statcomm, Inc.: Invoice No. 120661	APJ		2,397.00	
			Totals for Summary Entry	APJ		2,578.50	5,121.81
08/09/2017			Payments: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	668	AP Pymt - Cintas Fire Protection	CDJ	396.00		
08/09/2017	08/09/2017	669	AP Pymt - Cintas Fire Protection	CDJ	532.00		
08/09/2017	08/09/2017	670	AP Pymt - Cintas Fire Protection	CDJ	500.00		
			Totals for Summary Entry	CDJ	1,428.00		6,549.81
08/09/2017			Payments: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	69	AP Pymt - AquaTek Plumbing, Inc.	CDJ	1,378.00		
08/09/2017	08/09/2017	666	AP Pymt - AquaTek Plumbing, Inc.	CDJ	330.00		
08/09/2017	08/09/2017	667	AP Pymt - AquaTek Plumbing, Inc.	CDJ	136.00		
			Totals for Summary Entry	CDJ	1,844.00		8,393.81
08/09/2017			Payments: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	75	AP Pymt - Statcomm, Inc.	CDJ	2,397.00		
08/09/2017	08/09/2017	677	AP Pymt - Statcomm, Inc.	CDJ	181.50		
			Totals for Summary Entry	CDJ	2,578.50		10,972.31
08/09/2017	08/09/2017	19583-5F	Bill - Association Reserves, Inc.: Invoice No. 19583-5F	APJ		1,660.00	9,312.31
08/09/2017	08/09/2017	Refund	Bill - Sallie Manibusan: Move In/Out Refund	APJ		1,000.00	8,312.31
08/09/2017	08/09/2017	SJ17406001	Bill - Otis Elevator Company, Inc.: Invoice No. SJ17406001	APJ		8,676.07	(363.76)
08/17/2017	08/17/2017	76	AP Pymt - CSC Integrations - West Coast	CDJ	2,085.34		1,721.58
08/17/2017	08/17/2017	77	AP Pymt - Danna Builders, Inc.	CDJ	20,076.72		21,798.30
08/17/2017	08/17/2017	78	AP Pymt - Paseo Villas Homeowners Association	CDJ	14,652.00		36,450.30
08/17/2017	08/17/2017	#1766	Bill - Danna Builders, Inc.: Invoice No. #1766	APJ		20,076.72	16,373.58
08/17/2017	08/17/2017	INV-2017070088	Bill - CSC Integrations - West Coast: Invoice No. INV-2017070088	APJ		2,085.34	14,288.24
08/17/2017	08/17/2017	Transfer	Bill - Paseo Villas Homeowners Association: Re-class of check no. 593, 594, 595 - Deposit into oper. acct.	APJ		14,652.00	(363.76)
08/28/2017	08/28/2017	42918	Bill - Compass Management Group, Inc.: Invoice 42918	APJ		1,900.00	(2,263.76)
08/28/2017			Bills: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017	07/19/17-08/18/17	Bill - Comcast: Svc. from 07/19/17-08/18/17	APJ		0.05	
08/28/2017	08/28/2017	08/07/17-09/06/17	Bill - Comcast: Svc. from 08/07/17-09/06/17	APJ		366.99	
			Totals for Summary Entry	APJ		367.04	(2,630.80)
08/28/2017			Bills: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017	07/26/17-08/25/17	Bill - AT&T: Svc. from 07/26/17-08/25/17	APJ		518.17	
08/28/2017	08/28/2017	08/01/17-08/31/17	Bill - AT&T: Svc. from 08/01/17-08/31/17	APJ		80.00	
			Totals for Summary Entry	APJ		598.17	(3,228.97)
08/28/2017			Bills: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017	06/14/17-07/13/17	Bill - PG&E: Svc. from 06/14/17-07/13/17	APJ		2,462.61	
08/28/2017	08/28/2017	06/24/17-07/25/17	Bill - PG&E: Svc. from 06/24/17-07/25/17	APJ		2,691.81	

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			Totals for Summary Entry	APJ		5,154.42	(8,383.39)
08/28/2017			Bills: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017	05/12/17-07/12/17	Bill - San Jose Water Company: Svc. from	APJ		1,185.92	
			17 05/12/17-07/12/17				
08/28/2017	08/28/2017	06/23/17-07/14/17	Bill - San Jose Water Company: Svc. from	APJ		5,128.13	
			17 06/23/17-07/14/17				
			Totals for Summary Entry	APJ		6,314.05	(14,697.44)
08/28/2017			Payments: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017		AP Pymt - Comcast	CDJ	0.05		
08/28/2017	08/28/2017		AP Pymt - Comcast	CDJ	366.99		
			Totals for Summary Entry	CDJ	367.04		(14,330.40)
08/28/2017			Payments: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017		AP Pymt - AT&T	CDJ	80.00		
08/28/2017	08/28/2017		AP Pymt - AT&T	CDJ	518.17		
			Totals for Summary Entry	CDJ	598.17		(13,732.23)
08/28/2017			Payments: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017		AP Pymt - PG&E	CDJ	2,462.61		
08/28/2017	08/28/2017		AP Pymt - PG&E	CDJ	2,691.81		
			Totals for Summary Entry	CDJ	5,154.42		(8,577.81)
08/28/2017			Payments: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017		AP Pymt - San Jose Water Company	CDJ	1,185.92		
08/28/2017	08/28/2017		AP Pymt - San Jose Water Company	CDJ	5,128.13		
			Totals for Summary Entry	CDJ	6,314.05		(2,263.76)
08/28/2017	08/28/2017		AP Pymt - City of San Jose	CDJ	1,212.16		(1,051.60)
08/28/2017	08/28/2017		AP Pymt - Compass Management Group, Inc.	CDJ	1,900.00		848.40
08/28/2017	08/28/2017	05/31/17-06/30/17	Bill - City of San Jose: Svc. from 05/31/17-06/30/17	APJ		1,212.16	(363.76)
			<b>August Totals for 2010 Accounts Payable</b>		<b>78,622.73</b>	<b>78,622.73</b>	
			<b>Totals for 2010 - Accounts Payable</b>		<b>78,622.73</b>	<b>78,622.73</b>	<b>(363.76)</b>
			<b>Net Change for 2010 - Accounts Payable</b>				<b>0.00</b>
			<b>2020 - Prepaid Assessments (Balance Forward As of 08/01/2017)</b>				<b>(24,061.50)</b>
08/31/2017	08/31/2017	JE01	Rec August assessments	GJ	3,482.00		(20,579.50)
			<b>August Totals for 2020 Prepaid Assessments</b>		<b>3,482.00</b>	<b>0.00</b>	
			<b>Totals for 2020 - Prepaid Assessments</b>		<b>3,482.00</b>	<b>0.00</b>	<b>(20,579.50)</b>
			<b>Net Change for 2020 - Prepaid Assessments</b>				<b>3,482.00</b>
			<b>2035 - Key Deposits (Balance Forward As of 08/01/2017)</b>				<b>(12,024.50)</b>
08/31/2017	08/31/2017	JE05	Rec refundable key deposit	GJ		4,965.00	(16,989.50)
			<b>August Totals for 2035 Key Deposits</b>		<b>0.00</b>	<b>4,965.00</b>	
			<b>Totals for 2035 - Key Deposits</b>		<b>0.00</b>	<b>4,965.00</b>	<b>(16,989.50)</b>
			<b>Net Change for 2035 - Key Deposits</b>				<b>(4,965.00)</b>
			<b>2036 - Refundable move in/move out deposit (Balance Forward As of 08/01/2017)</b>				<b>0.00</b>
08/09/2017	08/09/2017	Refund	Bill - Sallie Manibusan: Move In/Out Refund	APJ	1,000.00		1,000.00
08/31/2017	08/31/2017	JE05	Rec refundable Move in/Move out fee	GJ		4,000.00	(3,000.00)
			<b>August Totals for 2036 Refundable move in/move out deposit</b>		<b>1,000.00</b>	<b>4,000.00</b>	
			<b>Totals for 2036 - Refundable move in/move out deposit</b>		<b>1,000.00</b>	<b>4,000.00</b>	<b>(3,000.00)</b>
			<b>Net Change for 2036 - Refundable move in/move out deposit</b>				<b>(3,000.00)</b>
			<b>2600 - Operating Fund Balance (Balance Forward As of 08/01/2017)</b>				<b>(26,533.72)</b>
			<b>Totals for 2600 - Operating Fund Balance</b>		<b>0.00</b>	<b>0.00</b>	<b>(26,533.72)</b>
			<b>Net Change for 2600 - Operating Fund Balance</b>				<b>0.00</b>
			<b>2898 - Replacement Fund (Balance Forward As of 08/01/2017)</b>				<b>(1,977,309.96)</b>
			<b>Totals for 2898 - Replacement Fund</b>		<b>0.00</b>	<b>0.00</b>	<b>(1,977,309.96)</b>
			<b>Net Change for 2898 - Replacement Fund</b>				<b>0.00</b>
			<b>3000 - Assessments (Balance Forward As of 08/01/2017)</b>				<b>(418,600.00)</b>
08/31/2017	08/31/2017	JE01	Rec August assessments	GJ		59,800.00	(478,400.00)
			<b>August Totals for 3000 Assessments</b>		<b>0.00</b>	<b>59,800.00</b>	
			<b>Totals for 3000 - Assessments</b>		<b>0.00</b>	<b>59,800.00</b>	<b>(478,400.00)</b>
			<b>Net Change for 3000 - Assessments</b>				<b>(59,800.00)</b>
			<b>3020 - Interest Income - Res (Balance Forward As of 08/01/2017)</b>				<b>(9,461.76)</b>
08/31/2017	08/31/2017	JE03	Rec res int	GJ		1,143.07	(10,604.83)
			<b>August Totals for 3020 Interest Income - Res</b>		<b>0.00</b>	<b>1,143.07</b>	
			<b>Totals for 3020 - Interest Income - Res</b>		<b>0.00</b>	<b>1,143.07</b>	<b>(10,604.83)</b>
			<b>Net Change for 3020 - Interest Income - Res</b>				<b>(1,143.07)</b>
			<b>3050 - Move in / Move out fee (Balance Forward As of 08/01/2017)</b>				<b>(2,400.00)</b>
08/31/2017	08/31/2017	JE05	Rec Move in/Move out fee	GJ		1,600.00	(4,000.00)
			<b>August Totals for 3050 Move in / Move out fee</b>		<b>0.00</b>	<b>1,600.00</b>	
			<b>Totals for 3050 - Move in / Move out fee</b>		<b>0.00</b>	<b>1,600.00</b>	<b>(4,000.00)</b>
			<b>Net Change for 3050 - Move in / Move out fee</b>				<b>(1,600.00)</b>
			<b>3070 - Commercial Income (Balance Forward As of 08/01/2017)</b>				<b>(1,914.64)</b>

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Posted Dt.	Doc Dt.	Doc	Memo / Description	JNL	Debit	Credit	Balance
08/31/2017	08/31/2017	JE01	Rec August assessments	GJ		273.52	(2,188.16)
<b>August Totals for 3070 Commercial Income</b>					<b>0.00</b>	<b>273.52</b>	
<b>Totals for 3070 - Commercial Income</b>					<b>0.00</b>	<b>273.52</b>	<b>(2,188.16)</b>
<b>Net Change for 3070 - Commercial Income</b>							<b>(273.52)</b>
<b>3200 - Other Income (Balance Forward As of 08/01/2017)</b>							<b>(1,203.63)</b>
08/31/2017	08/31/2017	JE01	Rec August assessments	GJ	57.65		(1,145.98)
08/31/2017	08/31/2017	JE05	other income	GJ		30.00	(1,175.98)
<b>August Totals for 3200 Other Income</b>					<b>57.65</b>	<b>30.00</b>	
<b>Totals for 3200 - Other Income</b>					<b>57.65</b>	<b>30.00</b>	<b>(1,175.98)</b>
<b>Net Change for 3200 - Other Income</b>							<b>27.65</b>
<b>4100 - Insurance (Balance Forward As of 08/01/2017)</b>							<b>19,921.42</b>
08/31/2017	08/31/2017	JE04	Rec monthly ins exp	GJ	2,842.50		22,763.92
<b>August Totals for 4100 Insurance</b>					<b>2,842.50</b>	<b>0.00</b>	
<b>Totals for 4100 - Insurance</b>					<b>2,842.50</b>	<b>0.00</b>	<b>22,763.92</b>
<b>Net Change for 4100 - Insurance</b>							<b>2,842.50</b>
<b>4110 - Legal (Balance Forward As of 08/01/2017)</b>							<b>1,018.20</b>
<b>Totals for 4110 - Legal</b>					<b>0.00</b>	<b>0.00</b>	<b>1,018.20</b>
<b>Net Change for 4110 - Legal</b>							<b>0.00</b>
<b>4120 - Audit / Review / Tax Returns (Balance Forward As of 08/01/2017)</b>							<b>3,800.00</b>
<b>Totals for 4120 - Audit / Review / Tax Returns</b>					<b>0.00</b>	<b>0.00</b>	<b>3,800.00</b>
<b>Net Change for 4120 - Audit / Review / Tax Returns</b>							<b>0.00</b>
<b>4140 - Income Taxes (Balance Forward As of 08/01/2017)</b>							<b>10.00</b>
<b>Totals for 4140 - Income Taxes</b>					<b>0.00</b>	<b>0.00</b>	<b>10.00</b>
<b>Net Change for 4140 - Income Taxes</b>							<b>0.00</b>
<b>4170 - Copies &amp; Postage (Balance Forward As of 08/01/2017)</b>							<b>2,563.08</b>
<b>Totals for 4170 - Copies &amp; Postage</b>					<b>0.00</b>	<b>0.00</b>	<b>2,563.08</b>
<b>Net Change for 4170 - Copies &amp; Postage</b>							<b>0.00</b>
<b>4190 - Miscellaneous Admin (Balance Forward As of 08/01/2017)</b>							<b>2,710.22</b>
08/09/2017	08/09/2017	3562	Bill - Whiptek, Inc.: Invoice No. 3562	APJ	785.42		3,495.64
08/09/2017	08/09/2017	42744	Bill - Compass Management Group, Inc.: Invoice No. 42744	APJ	35.00		3,530.64
<b>August Totals for 4190 Miscellaneous Admin</b>					<b>820.42</b>	<b>0.00</b>	
<b>Totals for 4190 - Miscellaneous Admin</b>					<b>820.42</b>	<b>0.00</b>	<b>3,530.64</b>
<b>Net Change for 4190 - Miscellaneous Admin</b>							<b>820.42</b>
<b>4210 - Telephone Expenses (Balance Forward As of 08/01/2017)</b>							<b>5,601.52</b>
08/28/2017			Bills: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017	07/19/17-08/18/17	Bill - Comcast: Svc. from 07/19/17-08/18/17	APJ	0.05		
08/28/2017	08/28/2017	08/07/17-09/06/17	Bill - Comcast: Svc. from 08/07/17-09/06/17	APJ	366.99		
			Totals for Summary Entry	APJ	367.04		5,968.56
08/28/2017			Bills: 2017/08/28 Batch Summary Entry				
08/28/2017	08/28/2017	07/26/17-08/25/17	Bill - AT&T: Svc. from 07/26/17-08/25/17	APJ	518.17		
08/28/2017	08/28/2017	08/01/17-08/31/17	Bill - AT&T: Svc. from 08/01/17-08/31/17	APJ	80.00		
			Totals for Summary Entry	APJ	598.17		6,566.73
<b>August Totals for 4210 Telephone Expenses</b>					<b>965.21</b>	<b>0.00</b>	
<b>Totals for 4210 - Telephone Expenses</b>					<b>965.21</b>	<b>0.00</b>	<b>6,566.73</b>
<b>Net Change for 4210 - Telephone Expenses</b>							<b>965.21</b>
<b>4300 - Management (Balance Forward As of 08/01/2017)</b>							<b>13,862.50</b>
08/28/2017	08/28/2017	42918	Bill - Compass Management Group, Inc.: Invoice 42918	APJ	1,900.00		15,762.50
<b>August Totals for 4300 Management</b>					<b>1,900.00</b>	<b>0.00</b>	
<b>Totals for 4300 - Management</b>					<b>1,900.00</b>	<b>0.00</b>	<b>15,762.50</b>
<b>Net Change for 4300 - Management</b>							<b>1,900.00</b>
<b>4500 - Onsite Management (Balance Forward As of 08/01/2017)</b>							<b>18,940.00</b>
<b>Totals for 4500 - Onsite Management</b>					<b>0.00</b>	<b>0.00</b>	<b>18,940.00</b>
<b>Net Change for 4500 - Onsite Management</b>							<b>0.00</b>
<b>5400 - Electricity (Balance Forward As of 08/01/2017)</b>							<b>40,517.08</b>
08/28/2017	08/28/2017	06/14/17-07/13/17	Bill - PG&E: Svc. from 06/14/17-07/13/17	APJ	2,462.61		42,979.69
08/31/2017	08/31/2017	JE09	Adj auto deduct PG&E	GJ		2,188.37	40,791.32
<b>August Totals for 5400 Electricity</b>					<b>2,462.61</b>	<b>2,188.37</b>	
<b>Totals for 5400 - Electricity</b>					<b>2,462.61</b>	<b>2,188.37</b>	<b>40,791.32</b>
<b>Net Change for 5400 - Electricity</b>							<b>274.24</b>

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Posted Dt.	Doc Dt.	Doc	Memo / Description	JNL	Debit	Credit	Balance	
<b>5405 - Gas (Balance Forward As of 08/01/2017)</b>							<b>27,097.78</b>	
08/28/2017	08/28/2017	06/24/17-07/25/17	Bill - PG&E; Svc. from 06/24/17-07/25/17	APJ	2,691.81		29,789.59	
		17						
		<i>August Totals for 5405 Gas</i>				2,691.81	0.00	
<b>Totals for 5405 - Gas</b>					<b>2,691.81</b>	<b>0.00</b>	<b>29,789.59</b>	
<b>Net Change for 5405 - Gas</b>							<b>2,691.81</b>	
<b>5410 - Water &amp; Sewer (Balance Forward As of 08/01/2017)</b>							<b>27,980.61</b>	
08/28/2017			Bills: 2017/08/28 Batch Summary Entry					
08/28/2017	08/28/2017	05/12/17-07/12/17	Bill - San Jose Water Company; Svc. from	APJ	1,185.92			
		17	05/12/17-07/12/17					
08/28/2017	08/28/2017	06/23/17-07/14/17	Bill - San Jose Water Company; Svc. from	APJ	5,128.13			
		17	06/23/17-07/14/17					
		Totals for Summary Entry			APJ	6,314.05		34,294.66
		<i>August Totals for 5410 Water &amp; Sewer</i>				6,314.05	0.00	
<b>Totals for 5410 - Water &amp; Sewer</b>					<b>6,314.05</b>	<b>0.00</b>	<b>34,294.66</b>	
<b>Net Change for 5410 - Water &amp; Sewer</b>							<b>6,314.05</b>	
<b>5420 - Water Softening System (Balance Forward As of 08/01/2017)</b>							<b>3,200.90</b>	
<b>Totals for 5420 - Water Softening System</b>					<b>0.00</b>	<b>0.00</b>	<b>3,200.90</b>	
<b>Net Change for 5420 - Water Softening System</b>							<b>0.00</b>	
<b>5425 - Refuse (Balance Forward As of 08/01/2017)</b>							<b>7,272.96</b>	
08/28/2017	08/28/2017	05/31/17-06/30/17	Bill - City of San Jose; Svc. from 05/31/17-06/30/17	APJ	1,212.16		8,485.12	
		17						
		<i>August Totals for 5425 Refuse</i>				1,212.16	0.00	
<b>Totals for 5425 - Refuse</b>					<b>1,212.16</b>	<b>0.00</b>	<b>8,485.12</b>	
<b>Net Change for 5425 - Refuse</b>							<b>1,212.16</b>	
<b>6505 - Pest Control (Balance Forward As of 08/01/2017)</b>							<b>774.00</b>	
08/09/2017	08/09/2017	20310261	Bill - Clark Pest Control, Inc.: Invoice No. 20310261	APJ	129.00		903.00	
					129.00	0.00		
		<i>August Totals for 6505 Pest Control</i>				129.00	0.00	
<b>Totals for 6505 - Pest Control</b>					<b>129.00</b>	<b>0.00</b>	<b>903.00</b>	
<b>Net Change for 6505 - Pest Control</b>							<b>129.00</b>	
<b>6510 - Landscape (Balance Forward As of 08/01/2017)</b>							<b>5,250.00</b>	
<b>Totals for 6510 - Landscape</b>					<b>0.00</b>	<b>0.00</b>	<b>5,250.00</b>	
<b>Net Change for 6510 - Landscape</b>							<b>0.00</b>	
<b>6530 - Pool / Spa Chemicals (Balance Forward As of 08/01/2017)</b>							<b>89.17</b>	
<b>Totals for 6530 - Pool / Spa Chemicals</b>					<b>0.00</b>	<b>0.00</b>	<b>89.17</b>	
<b>Net Change for 6530 - Pool / Spa Chemicals</b>							<b>0.00</b>	
<b>6540 - Pool / Spa - Repairs (Balance Forward As of 08/01/2017)</b>							<b>885.83</b>	
<b>Totals for 6540 - Pool / Spa - Repairs</b>					<b>0.00</b>	<b>0.00</b>	<b>885.83</b>	
<b>Net Change for 6540 - Pool / Spa - Repairs</b>							<b>0.00</b>	
<b>6550 - Pool / Spa Contract (Balance Forward As of 08/01/2017)</b>							<b>2,765.00</b>	
08/09/2017	08/09/2017	88212	Bill - Genie Pool & Spa Service, Inc.: Invoice No. 88212 -APJ	APJ	395.00		3,160.00	
			August 2017					
		<i>August Totals for 6550 Pool / Spa Contract</i>				395.00	0.00	
<b>Totals for 6550 - Pool / Spa Contract</b>					<b>395.00</b>	<b>0.00</b>	<b>3,160.00</b>	
<b>Net Change for 6550 - Pool / Spa Contract</b>							<b>395.00</b>	
<b>6560 - Fitness Equipment - Contract (Balance Forward As of 08/01/2017)</b>							<b>273.53</b>	
08/09/2017	08/09/2017	00088099	Bill - Gym Doctors, Inc.: Invoice No. 00088099	APJ	125.00		398.53	
					125.00	0.00		
		<i>August Totals for 6560 Fitness Equipment - Contract</i>				125.00	0.00	
<b>Totals for 6560 - Fitness Equipment - Contract</b>					<b>125.00</b>	<b>0.00</b>	<b>398.53</b>	
<b>Net Change for 6560 - Fitness Equipment - Contract</b>							<b>125.00</b>	
<b>6580 - Spa/Pool Permit (Balance Forward As of 08/01/2017)</b>							<b>1,292.00</b>	
<b>Totals for 6580 - Spa/Pool Permit</b>					<b>0.00</b>	<b>0.00</b>	<b>1,292.00</b>	
<b>Net Change for 6580 - Spa/Pool Permit</b>							<b>0.00</b>	
<b>6600 - Environmental Systems Contract (Balance Forward As of 08/01/2017)</b>							<b>2,316.00</b>	
<b>Totals for 6600 - Environmental Systems Contract</b>					<b>0.00</b>	<b>0.00</b>	<b>2,316.00</b>	
<b>Net Change for 6600 - Environmental Systems Contract</b>							<b>0.00</b>	
<b>7500 - Window Washing (Balance Forward As of 08/01/2017)</b>							<b>5,500.00</b>	
<b>Totals for 7500 - Window Washing</b>					<b>0.00</b>	<b>0.00</b>	<b>5,500.00</b>	
<b>Net Change for 7500 - Window Washing</b>							<b>0.00</b>	
<b>7540 - Lighting, Bulbs and Tubes (Balance Forward As of 08/01/2017)</b>							<b>1,148.10</b>	
<b>Totals for 7540 - Lighting, Bulbs and Tubes</b>					<b>0.00</b>	<b>0.00</b>	<b>1,148.10</b>	



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<b>Net Change for 7540 - Lighting, Bulbs and Tubes</b>							<b>0.00</b>
<b>7550 - Building- Repair/Maintenance (Balance Forward As of 08/01/2017)</b>							<b>25,434.93</b>
08/31/2017	08/31/2017	JE01	Charge back for the Vent Cleaner II	GJ		20.00	25,414.93
08/31/2017	08/31/2017	JE06	Reclass ck#593,594 and 595 paid to The Vent Cleaner II GJ to reserve			14,652.00	10,762.93
<i>August Totals for 7550 Building- Repair/Maintenance</i>					<i>0.00</i>	<i>14,672.00</i>	
<b>Totals for 7550 - Building- Repair/Maintenance</b>							<b>10,762.93</b>
<b>Net Change for 7550 - Building- Repair/Maintenance</b>							<b>(14,672.00)</b>
<b>7560 - Fire System Repair (Balance Forward As of 08/01/2017)</b>							<b>442.00</b>
08/09/2017	08/09/2017	OF44110695	Bill - Cintas Fire Protection: Invoice No. OF44110695	APJ	532.00		974.00
<i>August Totals for 7560 Fire System Repair</i>					<i>532.00</i>	<i>0.00</i>	
<b>Totals for 7560 - Fire System Repair</b>							<b>974.00</b>
<b>Net Change for 7560 - Fire System Repair</b>							<b>532.00</b>
<b>7570 - Fire System Contract/Inspection (Balance Forward As of 08/01/2017)</b>							<b>4,991.00</b>
08/09/2017			Bills: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	OF44110734	Bill - Cintas Fire Protection: Invoice No. OF44110734	APJ	396.00		
08/09/2017	08/09/2017	OF44110749	Bill - Cintas Fire Protection: Invoice No. OF44110749	APJ	500.00		
<i>Totals for Summary Entry</i>					<i>896.00</i>		<i>5,887.00</i>
08/31/2017	08/31/2017	JE05	Rec other income	GJ		700.00	5,187.00
<i>August Totals for 7570 Fire System Contract/Inspection</i>					<i>896.00</i>	<i>700.00</i>	
<b>Totals for 7570 - Fire System Contract/Inspection</b>							<b>5,187.00</b>
<b>Net Change for 7570 - Fire System Contract/Inspection</b>							<b>196.00</b>
<b>7610 - Elevator - Contract (Balance Forward As of 08/01/2017)</b>							<b>17,517.76</b>
<b>Totals for 7610 - Elevator - Contract</b>							<b>17,517.76</b>
<b>Net Change for 7610 - Elevator - Contract</b>							<b>0.00</b>
<b>7660 - Plumbing Repairs, Leaks/Clogs (Balance Forward As of 08/01/2017)</b>							<b>25,506.82</b>
08/09/2017			Bills: 2017/08/09 Batch Summary Entry				
08/09/2017	08/09/2017	1498-648	Bill - AquaTek Plumbing, Inc.: Invoice No. 1498-648	APJ	330.00		
08/09/2017	08/09/2017	1498-649	Bill - AquaTek Plumbing, Inc.: Invoice No. 1498-649	APJ	136.00		
<i>Totals for Summary Entry</i>					<i>466.00</i>		<i>25,972.82</i>
08/31/2017	08/31/2017	JE01	Charge back for Aqua Tek Plumbing	GJ		8,694.00	17,278.82
<i>August Totals for 7660 Plumbing Repairs, Leaks/Clogs</i>					<i>466.00</i>	<i>8,694.00</i>	
<b>Totals for 7660 - Plumbing Repairs, Leaks/Clogs</b>							<b>17,278.82</b>
<b>Net Change for 7660 - Plumbing Repairs, Leaks/Clogs</b>							<b>(8,228.00)</b>
<b>7670 - Janitorial Supplies (Balance Forward As of 08/01/2017)</b>							<b>135.55</b>
08/09/2017	08/09/2017	17901	Bill - ALC Enterprises, Inc: Invoice No. 17901	APJ	536.62		672.17
<i>August Totals for 7670 Janitorial Supplies</i>					<i>536.62</i>	<i>0.00</i>	
<b>Totals for 7670 - Janitorial Supplies</b>							<b>672.17</b>
<b>Net Change for 7670 - Janitorial Supplies</b>							<b>536.62</b>
<b>7680 - Janitorial Contract (Balance Forward As of 08/01/2017)</b>							<b>34,740.00</b>
<b>Totals for 7680 - Janitorial Contract</b>							<b>34,740.00</b>
<b>Net Change for 7680 - Janitorial Contract</b>							<b>0.00</b>
<b>7690 - Garage Exhaust - Repair/Maint (Balance Forward As of 08/01/2017)</b>							<b>1,564.00</b>
<b>Totals for 7690 - Garage Exhaust - Repair/Maint</b>							<b>1,564.00</b>
<b>Net Change for 7690 - Garage Exhaust - Repair/Maint</b>							<b>0.00</b>
<b>7700 - HVAC ALL (Balance Forward As of 08/01/2017)</b>							<b>0.00</b>
08/31/2017	08/31/2017	JE05	Rec other income	GJ		415.00	(415.00)
<i>August Totals for 7700 HVAC ALL</i>					<i>0.00</i>	<i>415.00</i>	
<b>Totals for 7700 - HVAC ALL</b>							<b>(415.00)</b>
<b>Net Change for 7700 - HVAC ALL</b>							<b>(415.00)</b>
<b>7730 - Doors, Locks &amp; Keys (Balance Forward As of 08/01/2017)</b>							<b>1,115.20</b>
08/09/2017	08/09/2017	120628	Bill - Statcomm, Inc.: Invoice No. 120628	APJ	181.50		1,296.70
08/09/2017	08/09/2017	332585	Bill - First Alarm, Inc.: Invoice no. 332585	APJ	93.60		1,390.30
<i>August Totals for 7730 Doors, Locks &amp; Keys</i>					<i>275.10</i>	<i>0.00</i>	
<b>Totals for 7730 - Doors, Locks &amp; Keys</b>							<b>1,390.30</b>
<b>Net Change for 7730 - Doors, Locks &amp; Keys</b>							<b>275.10</b>
<b>7740 - Garage Gate Repairs (Balance Forward As of 08/01/2017)</b>							<b>2,491.84</b>
<b>Totals for 7740 - Garage Gate Repairs</b>							<b>2,491.84</b>
<b>Net Change for 7740 - Garage Gate Repairs</b>							<b>0.00</b>
<b>7770 - HVAC - Repair (Balance Forward As of 08/01/2017)</b>							<b>1,617.92</b>
<b>Totals for 7770 - HVAC - Repair</b>							<b>1,617.92</b>
<b>Net Change for 7770 - HVAC - Repair</b>							<b>0.00</b>

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<b>7900 - Contingency (Balance Forward As of 08/01/2017)</b>							<b>50.83</b>
<b>Totals for 7900 - Contingency</b>					<b>0.00</b>	<b>0.00</b>	<b>50.83</b>
<b>Net Change for 7900 - Contingency</b>							<b>0.00</b>
<b>8098 - General Reserve (Balance Forward As of 08/01/2017)</b>							<b>(152,544.00)</b>
<b>Totals for 8098 - General Reserve</b>					<b>0.00</b>	<b>0.00</b>	<b>(152,544.00)</b>
<b>Net Change for 8098 - General Reserve</b>							<b>0.00</b>
<b>8099 - Interest Contribution (Balance Forward As of 08/01/2017)</b>							<b>(9,461.76)</b>
08/31/2017	08/31/2017	JEB3	Rec res int	GJ		1,143.07	(10,604.83)
<b>August Totals for 8099 Interest Contribution</b>					<b>0.00</b>	<b>1,143.07</b>	
<b>Totals for 8099 - Interest Contribution</b>					<b>0.00</b>	<b>1,143.07</b>	<b>(10,604.83)</b>
<b>Net Change for 8099 - Interest Contribution</b>							<b>(1,143.07)</b>
<b>8200 - Reserve Contributions (Balance Forward As of 08/01/2017)</b>							<b>152,544.00</b>
<b>Totals for 8200 - Reserve Contributions</b>					<b>0.00</b>	<b>0.00</b>	<b>152,544.00</b>
<b>Net Change for 8200 - Reserve Contributions</b>							<b>0.00</b>
<b>8210 - Interest Allocation (Balance Forward As of 08/01/2017)</b>							<b>9,461.76</b>
08/31/2017	08/31/2017	JEB3	Rec res int	GJ	1,143.07		10,604.83
<b>August Totals for 8210 Interest Allocation</b>					<b>1,143.07</b>	<b>0.00</b>	
<b>Totals for 8210 - Interest Allocation</b>					<b>1,143.07</b>	<b>0.00</b>	<b>10,604.83</b>
<b>Net Change for 8210 - Interest Allocation</b>							<b>1,143.07</b>
<b>9902 - Signs (Balance Forward As of 08/01/2017)</b>							<b>0.00</b>
08/09/2017	08/09/2017	51174	Bill - Pelican Sign Services, Inc.: Invoice No. 51174	APJ	632.20		632.20
<b>August Totals for 9902 Signs</b>					<b>632.20</b>	<b>0.00</b>	
<b>Totals for 9902 - Signs</b>					<b>632.20</b>	<b>0.00</b>	<b>632.20</b>
<b>Net Change for 9902 - Signs</b>							<b>632.20</b>
<b>9910 - Doors (Balance Forward As of 08/01/2017)</b>							<b>22,692.27</b>
08/09/2017	08/09/2017	42052	Bill - Romy's Lock & Key: Invoice NO. 42052	APJ	552.22		23,244.49
08/17/2017	08/17/2017	#1766	Bill - Danna Builders, Inc.: Invoice No. #1766	APJ	20,076.72		43,321.21
<b>August Totals for 9910 Doors</b>					<b>20,628.94</b>	<b>0.00</b>	
<b>Totals for 9910 - Doors</b>					<b>20,628.94</b>	<b>0.00</b>	<b>43,321.21</b>
<b>Net Change for 9910 - Doors</b>							<b>20,628.94</b>
<b>9914 - Plumbing (Balance Forward As of 08/01/2017)</b>							<b>2,383.00</b>
08/09/2017	08/09/2017	1498-644	Bill - AquaTek Plumbing, Inc.: Invoice No. 1498-644	APJ	1,378.00		3,761.00
<b>August Totals for 9914 Plumbing</b>					<b>1,378.00</b>	<b>0.00</b>	
<b>Totals for 9914 - Plumbing</b>					<b>1,378.00</b>	<b>0.00</b>	<b>3,761.00</b>
<b>Net Change for 9914 - Plumbing</b>							<b>1,378.00</b>
<b>9917 - Ventilation Fans (Balance Forward As of 08/01/2017)</b>							<b>870.88</b>
<b>Totals for 9917 - Ventilation Fans</b>					<b>0.00</b>	<b>0.00</b>	<b>870.88</b>
<b>Net Change for 9917 - Ventilation Fans</b>							<b>0.00</b>
<b>9920 - Water pump (Balance Forward As of 08/01/2017)</b>							<b>1,268.75</b>
<b>Totals for 9920 - Water pump</b>					<b>0.00</b>	<b>0.00</b>	<b>1,268.75</b>
<b>Net Change for 9920 - Water pump</b>							<b>0.00</b>
<b>9921 - Storage tanks (Balance Forward As of 08/01/2017)</b>							<b>22,587.12</b>
<b>Totals for 9921 - Storage tanks</b>					<b>0.00</b>	<b>0.00</b>	<b>22,587.12</b>
<b>Net Change for 9921 - Storage tanks</b>							<b>0.00</b>
<b>9922 - Roofs (Balance Forward As of 08/01/2017)</b>							<b>279,220.00</b>
<b>Totals for 9922 - Roofs</b>					<b>0.00</b>	<b>0.00</b>	<b>279,220.00</b>
<b>Net Change for 9922 - Roofs</b>							<b>0.00</b>
<b>9923 - Gates &amp; Access System/Intercoms (Balance Forward As of 08/01/2017)</b>							<b>0.00</b>
08/09/2017	08/09/2017	120661	Bill - Statcomm, Inc.: Invoice No. 120661	APJ	2,397.00		2,397.00
<b>August Totals for 9923 Gates &amp; Access System/Intercoms</b>					<b>2,397.00</b>	<b>0.00</b>	
<b>Totals for 9923 - Gates &amp; Access System/Intercoms</b>					<b>2,397.00</b>	<b>0.00</b>	<b>2,397.00</b>
<b>Net Change for 9923 - Gates &amp; Access System/Intercoms</b>							<b>2,397.00</b>
<b>9924 - Security Cameras (Balance Forward As of 08/01/2017)</b>							<b>30,303.66</b>
08/17/2017	08/17/2017	INV-2017070088	Bill - CSC Integrations - West Coast: Invoice No. INV-2017070088	APJ	2,085.34		32,389.00
<b>August Totals for 9924 Security Cameras</b>					<b>2,085.34</b>	<b>0.00</b>	
<b>Totals for 9924 - Security Cameras</b>					<b>2,085.34</b>	<b>0.00</b>	<b>32,389.00</b>
<b>Net Change for 9924 - Security Cameras</b>							<b>2,085.34</b>
<b>9925 - Elevators (Balance Forward As of 08/01/2017)</b>							<b>0.00</b>
08/09/2017	08/09/2017	7100345992	Bill - Schindler Elevator Corporation: Invoice No. 7100345992	APJ	5,792.20		5,792.20

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08/09/2017	08/09/2017	SJ17406001	Bill - Otis Elevator Company, Inc.: Invoice No. SJ17406001	APJ	8,676.07		14,468.27
			<i>August Totals for 9925 Elevators</i>		<i>14,468.27</i>	<i>0.00</i>	
			<b>Totals for 9925 - Elevators</b>		<b>14,468.27</b>	<b>0.00</b>	<b>14,468.27</b>
			<b>Net Change for 9925 - Elevators</b>				<b>14,468.27</b>
			<b>9926 - Fire &amp; Safty (Balance Forward As of 08/01/2017)</b>				<b>5,803.82</b>
			<b>Totals for 9926 - Fire &amp; Safty</b>		<b>0.00</b>	<b>0.00</b>	<b>5,803.82</b>
			<b>Net Change for 9926 - Fire &amp; Safty</b>				<b>0.00</b>
			<b>9934 - Pool &amp; Spa (Balance Forward As of 08/01/2017)</b>				<b>3,586.05</b>
			<b>Totals for 9934 - Pool &amp; Spa</b>		<b>0.00</b>	<b>0.00</b>	<b>3,586.05</b>
			<b>Net Change for 9934 - Pool &amp; Spa</b>				<b>0.00</b>
			<b>9938 - Clubhouse (Balance Forward As of 08/01/2017)</b>				<b>86,150.56</b>
			<b>Totals for 9938 - Clubhouse</b>		<b>0.00</b>	<b>0.00</b>	<b>86,150.56</b>
			<b>Net Change for 9938 - Clubhouse</b>				<b>0.00</b>
			<b>9942 - Unschedule (Balance Forward As of 08/01/2017)</b>				<b>0.00</b>
08/09/2017	08/09/2017	19583-5F	Bill - Association Reserves, Inc.: Invoice No. 19583-5F	APJ	1,660.00		1,660.00
			<i>August Totals for 9942 Unschedule</i>		<i>1,660.00</i>	<i>0.00</i>	
			<b>Totals for 9942 - Unschedule</b>		<b>1,660.00</b>	<b>0.00</b>	<b>1,660.00</b>
			<b>Net Change for 9942 - Unschedule</b>				<b>1,660.00</b>
			<b>9980 - General Reserves (Balance Forward As of 08/01/2017)</b>				<b>71.98</b>
08/31/2017	08/31/2017	JE06	Reclass ck#593,594 and 595 paid to The Vent Cleaner II GJ to reserve		14,652.00		14,723.98
			<i>August Totals for 9980 General Reserves</i>		<i>14,652.00</i>	<i>0.00</i>	
			<b>Totals for 9980 - General Reserves</b>		<b>14,652.00</b>	<b>0.00</b>	<b>14,723.98</b>
			<b>Net Change for 9980 - General Reserves</b>				<b>14,652.00</b>
			<b>Grand Total</b>		<b>475,257.72</b>	<b>475,257.72</b>	<b>0.00</b>



# ALLEN & COOK, INC.

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Members  
Paseo Villas Homeowners Association

### Report on the Financial Statements

We have audited the accompanying financial statements of Paseo Villas Homeowners Association, which comprise the balance sheet as of December 31, 2016, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Paseo Villas Homeowners Association as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Disclaimer of Opinion on Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Required Supplementary Information on Future Major Repairs and Replacements on pages 10 and 11 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Matter**

We have previously audited Paseo Villas Homeowners Association's 2015 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated April 12, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.



San Jose, California

March 25, 2017

**Paseo Villas Homeowners Association**  
**Balance Sheets**  
**December 31, 2016**  
**(With Comparative Totals for 2015)**

	<u>Operating Fund</u>	<u>Replacement Fund</u>	<u>Total 2016</u>	<u>2015</u>
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 71,921	157,401	229,322	729,275
Accounts receivable - members	4,190		4,190	798
Investment in certificates of deposit		1,817,000	1,817,000	1,194,000
Interest receivable		4,690	4,690	2,666
Prepaid insurance	14,912		14,912	18,629
Prepaid income tax	295		295	
Other assets	<u>750</u>		<u>750</u>	<u>750</u>
 Total Assets	 <u>92,068</u>	 <u>1,979,091</u>	 <u>2,071,159</u>	 <u>1,946,118</u>
 <b>LIABILITIES AND FUND BALANCES:</b>				
Accounts payable	30,995	1,781	32,776	42,384
Assessments received in advance	16,010		16,010	28,955
Income tax payable	240		240	2,313
Key deposit	15,290		15,290	11,800
Move in / Move out deposit	<u>3,000</u>		<u>3,000</u>	
 Total Liabilities	 65,535	 1,781	 67,316	 85,452
 <b>Fund Balances</b>	 <u>26,533</u>	 <u>1,977,310</u>	 <u>2,003,843</u>	 <u>1,860,666</u>
 Total Liabilities and Fund Balances	 <u>\$ 92,068</u>	 <u>1,979,091</u>	 <u>2,071,159</u>	 <u>1,946,118</u>

SEE NOTES TO FINANCIAL STATEMENTS

**Paseo Villas Homeowners Association**  
Statement of Revenue and Expenses and Changes in Fund Balances  
Year Ended December 31, 2016  
(With Comparative Totals for 2015)

	Operating Fund	Replacement Fund	Total 2016	Total 2015
<b>REVENUE:</b>				
Regular assessments (Note B)	\$ 527,040	134,400	661,440	661,440
Commercial assessments	3,045		3,045	3,045
Interest on savings (Note A-3)		14,169	14,169	10,858
Insurance claim revenue				2,442
Comcast easement (Note E)				11,440
Other income	8,360		8,360	4,871
 Total Revenue	 538,445	 148,569	 687,014	 694,096
<b>EXPENSES:</b>				
Management	23,113		23,113	24,578
On site manager	20,890		20,890	31,005
Insurance	32,960		32,960	31,783
Legal and accounting	4,000		4,000	9,378
Other administrative expenses	9,421		9,421	11,598
Gas and electricity	120,276		120,276	117,170
Water and sewer	51,577		51,577	45,015
Garbage removal	13,480		13,480	12,249
Other utilities	10,307		10,307	5,487
Pest control	1,677		1,677	1,487
Landscape maintenance	10,500	6,951	17,451	11,436
Pool service and supplies	8,104		8,104	14,061
Fire alarm and extinguishers	8,501	6,075	14,576	12,694
Custodial	70,474		70,474	64,394
Security				25,846
Elevator maintenance	12,811		12,811	12,613
Lighting repair and supplies	5,890		5,890	5,192
Roof maintenance		6,788	6,788	7,243
Concrete		1,500	1,500	4,075
Irrigation maintenance	825		825	
Door/gate/access system	6,925	1,781	8,706	65,394
Painting		1,200	1,200	
Building interior		1,770	1,770	16,917
Electrical and plumbing	13,174	25,295	38,469	41,312
Other common area maintenance	35,803	29,224	65,027	53,884
Income taxes (Note D)	2,545		2,545	3,807
 Total Expenses	 463,253	 80,584	 543,837	 628,618
 Excess (deficiency) of revenue over expense	 75,192	 67,985	 143,177	 65,478
 Beginning fund balance	 (48,659)	 1,909,325	 1,860,666	 1,795,188
 Ending fund balance	 \$ 26,533	 1,977,310	 2,003,843	 1,860,666

SEE NOTES TO FINANCIAL STATEMENTS



**Paseo Villas Homeowners Association**  
Statement of Cash Flows  
Year Ended December 31, 2016  
(With Comparative Totals for 2015)

	Operating Fund	Replacement Fund	Total 2016	Total 2015
Cash Flows From Operating Activities:				
Excess (deficiency) of revenue over expenses	\$ 75,192	67,985	143,177	65,478
Adjustments to reconcile net income to net cash provided by operating activities:				
(Increase) - Decrease in:				
Accounts receivable	(3,392)		(3,392)	5,579
Interest receivable		(2,024)	(2,024)	(2,666)
Prepaid insurance	3,717		3,717	13,154
Prepaid income tax	(295)		(295)	1,196
Other assets				(750)
Increase - (Decrease) in:				
Accounts payable	(4,096)	(5,512)	(9,608)	11,630
Assessments received in advance	(12,945)		(12,945)	(1,510)
Income tax payable	(2,073)		(2,073)	2,313
Key & move in/out deposit	6,490		6,490	
Net cash flows from operating activities	62,598	60,449	123,047	94,424
Cash Flows From Investing Activities:				
Purchase of certificates of deposit		(1,517,000)	(1,517,000)	(799,000)
Proceeds from matured certificates of deposit		894,000	894,000	1,165,736
Net cash flows from investing activities		(623,000)	(623,000)	366,736
Net increase(decrease) in cash	62,598	(562,551)	(499,953)	461,160
Cash at beginning of year	9,323	719,952	729,275	268,115
Cash at end of year	\$ 71,921	157,401	229,322	729,275

SEE NOTES TO FINANCIAL STATEMENTS

Paseo Villas Homeowners Association  
Notes To Financial Statements  
December 31, 2016 and 2015

(A) - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

(1) Organization

The Association was incorporated January 31, 2000, to provide for the orderly maintenance, preservation, and architectural control of the common areas within the development, which consists of 104 residences located in the City of San Jose, California.

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

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

(2) Funds

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

(3) Interest Earned

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

(4) Capitalization Policy and Depreciation

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

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

(CONTINUED)

Paseo Villas Homeowners Association  
Notes To Financial Statements  
December 31, 2016 and 2015

(A) - ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES-Continued

(5) Comparative Information

The financial statements include certain summarized comparative information for the prior year. The information is presented in total and not by fund balance and does not include sufficient detail to be in conformity with accounting principles generally accepted in the United States of America. Accordingly, this information should be read in conjunction with the organization's financial statements for the year ended December 31, 2015, from which the summarized information was derived.

(6) Statement of Cash Flow Information

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

(7) Assessments Receivable

Association members are subject to monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Assessments receivable at the balance sheet date represent fees due from unit owners. The Association's Declaration provides for various collection remedies for delinquent assessments including the filing of liens, foreclosing on the unit owner, and obtaining judgment on other assets of the unit owner.

(8) Estimates

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

(9) Fair Value of Financial Instruments

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

(10) Reclassifications

Certain accounts in the prior-year financial statements have been classified for comparative purposes to conform with the presentation in the current-year financial statements.

(CONTINUED)

Paseo Villas Homeowners Association  
Notes To Financial Statements  
December 31, 2016 and 2015

(B) - REGULAR ASSESSMENTS

During the fiscal years ended December 31, 2016 and 2015, regular annual assessments were payable to the Association in monthly installments of \$530 respectively.

The annual budget and owners' assessments are determined by the Board of Directors and the homeowners. Annual budgets are approved and assessments are divided between the operating fund to meet normal operating costs and contributions to the replacement funding program.

Delinquent assessments may be secured by a lien on the property against which the assessments are made, and the Association has the power to foreclose the property of any owner who fails to pay assessments.

It is the Association policy that any excess operating funds at the end of a fiscal year be applied to the following year's assessment.

(C) - RESTRICTED FUNDS AND REPLACEMENT FUNDING PROGRAM

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

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

An independent formal study to determine the adequacy of the current funding program for the replacement of selected Association common area components was conducted by Association Reserves in 2016. The 2017 budget, which was approved by the Board of Directors in November 2016, incorporates the current funding requirements determined by the study.

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

(CONTINUED)

Paseo Villas Homeowners Association  
Notes To Financial Statements  
December 31, 2016 and 2015

(D) - INCOME TAXES

Homeowners' associations may be taxed either as homeowners' associations or as regular corporations. For the years ended December 31, 2016 and 2015, the Association was taxed as a regular corporation. As a regular corporation, membership income is exempt from taxation if certain elections are made, and the Association is taxed only on its non-membership income, such as interest earnings, at regular federal and state corporate rates.

Income tax expense at December 31, 2016 and 2015, was \$2,545 and 3,807. During the year ending December 31, 2016 and 2015, the Association paid \$4,913 and 450 in cash for income taxes.

(E) - COMCAST EASEMENT

The Association entered into a service and easement agreement with Comcast of California, in which Comcast paid the association \$11,440 in 2015 in return the Comcast would provide broadband communications services to the Premises, including, but not limited to, multi-channel video, Internet and voice services.

(F) - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2017, the date on which the financial statements were available to be issued. We noted no events that will have an impact on the presented financial statements and notes thereto.

Paseo Villas Homeowners Association  
 Supplementary Information On Future Major Repairs And Replacements (Unaudited)  
 December 31, 2016

Association Reserves conducted a study in 2016, to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future replacement costs at the date of the study. Estimated current replacement costs have been adjusted to reflect a 3% inflation factor between the date of the study and the date that the components will require repair and replacement. A 1% after tax interest rate has been applied to the cash flow.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives</u>	<u>Estimated Current Replacement Costs</u>
Exterior	0-14 yrs	\$ 2,058,565
Interior	0-28 yrs	1,228,320
Mechanical	0-17 yrs	<u>804,485</u>
Total		<u>\$ 4,091,370</u>

The Association uses the cash flow method of funding the replacement fund. Under the cash flow method, the funding for each individual component is not separately calculated. The actual fund balance at December 31, 2016 is \$1,977,310 with expected contributions of \$261,504 for the year ending December 31, 2017.

Paseo Villas Homeowners Association  
 Supplementary Information On Future Major Repairs And Replacements (Unaudited)  
 December 31, 2015

Association Reserves conducted a study in 2015, to estimate the remaining useful lives and the replacement costs of the components of common property. The estimates were based on future replacement costs at the date of the study. Estimated current replacement costs have been adjusted to reflect a 3% inflation factor between the date of the study and the date that the components will require repair and replacement. A 1% after tax interest rate has been applied to the cash flow.

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

<u>Components</u>	<u>Estimated Remaining Useful Lives</u>	<u>Estimated Current Replacement Costs</u>
Exterior	0-15 yrs	\$ 1,962,050
Interior	0-29 yrs	1,180,825
Mechanical	0-14 yrs	<u>782,880</u>
Total		<u>\$ 3,925,755</u>

The Association uses the cash flow method of funding the replacement fund. Under the cash flow method, the funding for each individual component is not separately calculated. The actual fund balance at December 31, 2015 is \$1,909,325 with expected contributions of \$134,400 for the year ending December 31, 2016.





# Paseo Villas Homeowners Association

## 2017 Budget Package and Disclosures Summary of Policies and Rules

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# Paseo Villas Homeowners Association

TO: All Paseo Villas Homeowners  
FROM: Board of Directors  
DATE: December 28, 2016  
RE: Approved 2017 Budget

Enclosed is a copy of the 2017 budget for the Paseo Villas Homeowners Association, as approved by the Board of Directors on October 12, 2016. **Based on this approved budget, your monthly assessments, starting January 1, 2017, will increase to \$575.00 per unit per month, which equates to an increase of 7.8%\*.**

The reserve funding practices of the Association are reviewed annually by the Board of Directors. The Association engaged an independent reserve consultant, Association Reserves, to determine the complete reserve funding obligations of the Association. The results of this study have been incorporated into the 2017 budget.

In an effort to keep assessments low, as shown on the Pro Forma budget page, operating expenses have decreased by 13.3%. However, the annual reserve contribution has increased 94.6% which represents the entirety of the overall assessment increase. The Board has elected to follow the reserve funding plan and make significant increases to the reserve contributions to ensure that funds are available for upcoming large repair/replacement projects.

A summary of the reserve study is included in this budget package. These pages contain disclosures regarding the level of reserve funding as required under California Civil Code.

**In the preparation of the fiscal year 2017 budget, the Board of Directors has not determined and does not anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major components or to provide adequate reserves therefore, based upon all information available to the Board as of October 12, 2016.**

**The Board of Directors has relied on the independent reserve study prepared by Association Reserves, updated November 3, 2016, to calculate and establish those reserves necessary to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain. A copy of the reserve study is available to any owner upon written request to the Board of Directors.**

If you have any questions regarding this budget please contact Compass Management Group, Inc. at (408) 226-3300.

\*There has been one adjustment to the budget which is an increase of \$19.52 in both the Commercial Income (line 3070) and Contingency (line 7900). This is a result of the Commercial Income increasing by the same amount as homeowner assessments. **There is no change to the monthly assessment.**



# Paseo Villas Homeowners Association

## 2017 Budget Summary

	<u>2016</u>	<u>2017</u>	<u>Percent Change</u>
Operating Expenses	\$ 44,543.73	\$ 38,631.52	-13%
Reserve Contributions	\$ 11,200.00	\$ 21,792.00	95%
Other Income	\$ (623.73)	\$ (623.52)	0%
<b>Total Budgeted</b>	<b><u>\$ 55,120.00</u></b>	<b><u>\$ 59,800.00</u></b>	<b><u>8%</u></b>
<b>Assessment Per Unit Per Month:</b>	<b>\$ 530.00</b>	<b>\$ 575.00</b>	<b>8%</b>

**2017 Fiscal Year Budgeted Income** **\$ 717,600.00**

**2017 Projected Starting Reserve Balance** **\$ 1,985,233.00**

**2017 Fully Funded Beginning Balance Needed Per Reserve Study** **\$ 2,354,840.00**

**Percentage of Recommended Balance Actually Funded:** **84.3%**

<b>Independent Reserve Study Prepared by:</b>	<b>Association Reserves</b>
<b>Date of Latest Reserve Study:</b>	<b>June 10, 2016</b>
<b>For the Fiscal Year Beginning:</b>	<b>January 1, 2017</b>

The Reserve Funding Practices of the Association are reviewed and approved annually by the Board of Directors. The Board of Directors has relied on the reserve study noted above to calculate and establish those reserves necessary to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain. As of the date of this budget the Board has not determined and does not anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major components or provide adequate reserves therefor.

A copy of the latest reserve study is available to any owner upon written request to the Board of Directors, care of Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119, and is available for review on the Association website at [www.gocompass.com](http://www.gocompass.com).

# Paseo Villas Homeowners Association

2017 Approved Budget - Pro Forma

As Approved by the Board of Directors on:  
October 12, 2016

	Approved					
	2016 BUDGET MONTHLY	2017 BUDGET MONTHLY				
<b>INCOME</b>						
3050 Move in/ Move out fee	300.00	300.00	3,600.00	2.88	1%	0%
3070 Commercial Income	253.73	273.52	3,282.24	2.63	0%	8%
3200 Other Income (Late Fees/Interest)	50.00	50.00	600.00	0.48	0%	0%
<b>TOTAL INCOME</b>	<b>623.73</b>	<b>623.52</b>	<b>7,482.24</b>	<b>6.00</b>	<b>1%</b>	<b>0%</b>
<b>EXPENDITURES</b>						
<b>Corporate</b>						
4100 Insurance	2,650.00	2,746.00	32,952.00	26.40	5%	4%
4110 Legal	400.00	400.00	4,800.00	3.85	1%	0%
4120 Audit / Review / Tax Returns	285.00	340.00	4,080.00	3.27	1%	19%
4140 Income Taxes	100.00	120.00	1,440.00	1.15	0%	20%
4170 Copies & Postage	500.00	400.00	4,800.00	3.85	1%	0%
4180 Bank Charge	10.00	0.00	0.00	0.00	0%	-100%
6580 Spa/Pool Permit	110.00	108.00	1,296.00	1.04	0%	-2%
7600 Elevator Permits	57.00	57.00	684.00	0.55	0%	0%
4200 Board Education	50.00	30.00	360.00	0.29	0%	-40%
4220 Promotions / Social Activity	50.00	50.00	600.00	0.48	0%	0%
4600 Security	-600.00	0.00	0.00	0.00	0%	-100%
4300 Management	1,900.00	1,900.00	22,800.00	18.27	3%	0%
4500 Onsite Office	1,400.00	2,100.00	25,200.00	20.19	4%	50%
4190 Miscellaneous Administration	200.00	200.00	2,400.00	1.92	0%	0%
<b>Sub-Total</b>	<b>8,312.00</b>	<b>8,451.00</b>	<b>101,412.00</b>	<b>81.26</b>	<b>14%</b>	<b>2%</b>
<b>Utilities</b>						
5400 Electricity	6,000.00	7,050.00	84,600.00	67.79	12%	18%
5405 Gas	3,000.00	3,090.00	37,080.00	29.71	5%	3%
5410 Water & Sewer	3,000.00	3,600.00	43,200.00	34.62	6%	20%
5425 Refuse	1,300.00	1,300.00	15,600.00	12.50	2%	0%
4210 Telephone Expenses	470.00	1,000.00	12,000.00	9.62	2%	113%
<b>Sub-Total</b>	<b>13,770.00</b>	<b>16,040.00</b>	<b>192,480.00</b>	<b>154.23</b>	<b>27%</b>	<b>16%</b>
<b>Maintenance</b>						
6505 Pest Control	130.00	130.00	1,560.00	1.25	0%	0%
6510 Landscape - Service	875.00	875.00	10,500.00	8.41	1%	0%
6550 Pool / Spa Contract	385.00	395.00	4,740.00	3.80	1%	3%
6560 Fitness Equipment Contract	42.00	42.00	504.00	0.40	0%	0%
7570 Fire System Monitoring/Inspection	665.00	570.00	6,840.00	5.48	1%	-14%
7610 Elevator - Contract	630.00	630.00	7,560.00	6.06	1%	0%
7680 Janitorial Contract	5,240.00	5,790.00	69,480.00	55.67	10%	10%
7500 Window Washing	410.00	450.00	5,400.00	4.33	1%	10%
- Carpet Cleaning	0.00	0.00	0.00	0.00	0%	#DIV/0!
7520 Marble Entry Polish	167.00	0.00	0.00	0.00	0%	-100%
7640 Building Maintenance Contract	2,080.00	0.00	0.00	0.00	0%	-100%
7580 EBM Annual Inspection	60.00	60.00	720.00	0.58	0%	0%
7590 Annual Roof Inspection	85.00	85.00	1,020.00	0.82	0%	0%
7630 Water Heater - Inspection	190.00	0.00	0.00	0.00	0%	-100%
5420 Water Softening System	450.00	450.00	5,400.00	4.33	1%	0%
- Sewer Line / Hydroflush	0.00	0.00	0.00	0.00	0%	#DIV/0!
7750 Autogalleria Gate - Contract	77.00	77.00	924.00	0.74	0%	0%
NEW Environmental Systems Contract	0.00	386.00	4,632.00	3.71	1%	#DIV/0!
<b>Sub-Total</b>	<b>11,486.00</b>	<b>9,940.00</b>	<b>119,280.00</b>	<b>95.58</b>	<b>17%</b>	<b>-13%</b>
<b>Repairs</b>						
6525 Irrigation	10.00	10.00	120.00	0.10	0%	0%
6520 Landscape - Extra	40.00	40.00	480.00	0.38	0%	0%
6530 Pool / Spa Chemicals	25.00	20.00	240.00	0.19	0%	-20%
6540 Pool / Spa - Repairs	150.00	200.00	2,400.00	1.92	0%	33%
6570 Fitness Equipment - Repairs	80.00	80.00	960.00	0.77	0%	0%
7560 Fire System Repair	500.00	400.00	4,800.00	3.85	1%	-20%
7620 Elevator - Repair/Maintenance	300.00	300.00	3,600.00	2.88	1%	0%
7670 Janitorial Supplies	50.00	100.00	1,200.00	0.96	0%	100%
7540 Lighting, Bulbs and Tubes	350.00	350.00	4,200.00	3.37	1%	0%
7660 Plumbing Repairs, Leaks/Clogs	1,000.00	1,500.00	18,000.00	14.42	3%	50%
7700 HVAC ALL	300.00	0.00	0.00	0.00	0%	-100%
7710 Hot Water System/Boilers - Repairs	150.00	150.00	1,800.00	1.44	0%	0%
7720 Sump Pump Repairs	80.00	80.00	960.00	0.77	0%	0%
7730 Doors, Locks & Keys	80.00	80.00	960.00	0.77	0%	0%
7740 Garage Gate Repairs	80.00	80.00	960.00	0.77	0%	0%
7690 Garage Exhaust - Repair	100.00	100.00	1,200.00	0.96	0%	0%
7760 A/V Equipment	10.00	10.00	120.00	0.10	0%	0%
7550 Building - Repair/Maintenance	430.73	431.00	5,172.00	4.14	1%	0%
NEW HVAC - Repair	0.00	250.00	3,000.00	2.40	0%	#DIV/0!
7900 Contingency	7,240.00	19.52	234.24	0.19	0%	-100%
<b>Sub-Total</b>	<b>10,975.73</b>	<b>4,200.52</b>	<b>50,406.24</b>	<b>40.39</b>	<b>7%</b>	<b>-62%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>44,543.73</b>	<b>38,631.52</b>	<b>463,578.24</b>	<b>371.46</b>	<b>65%</b>	<b>-13%</b>
<b>Reserves</b>						
8200 Reserve Contribution	11,200.00	21,792.00	261,504.00	209.54	36%	95%
<b>TOTAL RESERVES</b>	<b>11,200.00</b>	<b>21,792.00</b>	<b>261,504.00</b>	<b>209.54</b>	<b>36%</b>	<b>95%</b>
<b>TOTAL</b>	<b>55,120.00</b>	<b>59,800.00</b>	<b>717,600.00</b>	<b>575.00</b>	<b>100%</b>	<b>8%</b>

## Assessment and Reserve Funding Disclosure Summary

### Paseo Villas

For Fiscal Year Beginning: 1/1/2017

# of Units: 104

1) Budgeted Amounts:	Total	Average Per unit*	
Reserve Contributions:	\$21,792.00	\$209.54	
Total Assessment Income:	\$59,800.27	\$575.00	per: Month

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

Date Due	Total Amount Per Unit*	Purpose
N/A		
N/A		
Total:		\$0.00

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected Reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**

- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2017
Fully Funded Balance (based on formula defined in 5570(b)4):	\$2,354,840.00
Projected Reserve Fund Balance:	\$1,985,233.00
Percent Funded:	84.3%
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$3,553.91

From the 11/3/2016 Reserve Study by Association Reserves, Inc. and any minor changes since that date.

\* If assessments vary by the size or type of unit, allocate per unit per the attached.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

**Prepared by: Association Reserves (May Angelica Leano)**

**Date: 11/4/2016**

*The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.*





**Table 4: 30-Year Reserve Plan Summary Based on BoD Decision**

**19583-4**

Fiscal Year Beginning: 01/01/17

Interest: 1.00%

Inflation: 3.0%

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2017	\$1,985,233	\$2,354,840	84.3%	Strong	94.57%	\$261,504	\$0	\$19,349	\$379,790
2018	\$1,886,296	\$2,361,838	79.9%	Strong	11.00%	\$290,269	\$0	\$20,108	\$59,689
2019	\$2,136,985	\$2,708,578	78.9%	Strong	11.00%	\$322,199	\$0	\$22,682	\$80,512
2020	\$2,401,355	\$3,054,392	78.6%	Strong	11.00%	\$357,641	\$0	\$25,073	\$168,619
2021	\$2,615,450	\$3,330,255	78.5%	Strong	11.00%	\$396,981	\$0	\$19,870	\$1,672,152
2022	\$1,360,150	\$2,076,492	65.5%	Fair	11.00%	\$440,649	\$0	\$13,609	\$451,642
2023	\$1,362,766	\$2,053,301	66.4%	Fair	3.00%	\$453,869	\$0	\$15,498	\$93,930
2024	\$1,738,204	\$2,409,248	72.1%	Strong	3.00%	\$467,485	\$0	\$19,249	\$111,709
2025	\$2,113,228	\$2,769,294	76.3%	Strong	3.00%	\$481,510	\$0	\$22,574	\$213,831
2026	\$2,403,481	\$3,047,042	78.9%	Strong	3.00%	\$495,955	\$0	\$23,479	\$628,679
2027	\$2,294,235	\$2,918,275	78.6%	Strong	3.00%	\$510,833	\$0	\$23,831	\$354,915
2028	\$2,473,985	\$3,080,443	80.3%	Strong	3.00%	\$526,158	\$0	\$26,686	\$161,332
2029	\$2,865,497	\$3,460,072	82.8%	Strong	3.00%	\$541,943	\$0	\$30,165	\$267,573
2030	\$3,170,033	\$3,755,264	84.4%	Strong	3.00%	\$558,202	\$0	\$31,377	\$651,574
2031	\$3,108,037	\$3,677,800	84.5%	Strong	3.00%	\$574,948	\$0	\$28,525	\$1,112,185
2032	\$2,599,325	\$3,138,013	82.8%	Strong	3.00%	\$592,196	\$0	\$26,382	\$538,550
2033	\$2,679,353	\$3,187,738	84.1%	Strong	3.00%	\$609,962	\$0	\$29,265	\$142,522
2034	\$3,176,057	\$3,662,174	86.7%	Strong	3.00%	\$628,261	\$0	\$33,947	\$221,953
2035	\$3,616,313	\$4,084,796	88.5%	Strong	3.00%	\$647,109	\$0	\$38,795	\$156,232
2036	\$4,145,984	\$4,604,031	90.1%	Strong	3.00%	\$666,522	\$0	\$37,309	\$1,530,811
2037	\$3,319,004	\$3,739,755	88.7%	Strong	3.00%	\$686,517	\$0	\$34,885	\$379,509
2038	\$3,660,897	\$4,052,621	90.3%	Strong	3.00%	\$707,113	\$0	\$35,517	\$958,014
2039	\$3,445,513	\$3,796,760	90.7%	Strong	3.00%	\$728,326	\$0	\$37,304	\$192,645
2040	\$4,018,498	\$4,339,833	92.6%	Strong	3.00%	\$750,176	\$0	\$40,957	\$633,275
2041	\$4,176,357	\$4,464,178	93.6%	Strong	3.00%	\$772,681	\$0	\$39,059	\$1,349,430
2042	\$3,638,667	\$3,874,006	93.9%	Strong	3.00%	\$795,862	\$0	\$36,002	\$905,810
2043	\$3,564,721	\$3,743,031	95.2%	Strong	3.00%	\$819,738	\$0	\$38,712	\$242,239
2044	\$4,180,931	\$4,312,179	97.0%	Strong	3.00%	\$844,330	\$0	\$44,269	\$392,968
2045	\$4,676,561	\$4,764,342	98.2%	Strong	3.00%	\$869,660	\$0	\$49,873	\$293,816
2046	\$5,302,279	\$5,354,023	99.0%	Strong	3.00%	\$895,750	\$0	\$57,423	\$68,270

## 3-Minute Executive Summary

**Association:** Paseo Villas **Assoc. #: 19583-4**  
**Location:** San Jose, CA  
**# of Units:** 104  
**Report Period:** January 1, 2017 through December 31, 2017

**Results as-of 1/1/2017:**

Projected Starting Reserve Balance: .....	\$1,985,233
Fully Funded Reserve Balance: .....	\$2,354,840
Average Reserve Deficit (Surplus) Per Unit:.....	\$3,554
Percent Funded: .....	84.3%
Recommended 2017 monthly Reserve Contribution: .....	\$21,792
Recommended 2017 Special Assessment for Reserves: .....	\$0
Most Recent Reserve Contribution Rate: .....	\$11,200

**Economic Assumptions:**

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

- This is an "Update No-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves for your 2016 Fiscal Year. No site inspection was performed as part of this Reserve Study.
- This Reserve Study was prepared by, or under the supervision of, a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 84.3% Funded, this means the association's special assessment & deferred maintenance risk is currently low.
- The objective of your multi-year Funding Plan is an 80% threshold funding objective of your Reserves; this is still considered a funding level where associations enjoy a low risk of such Reserve cash flow problems.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to increase your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
<b>Exterior</b>					
103	Concrete Walkways - Repair	5	1	\$7,500	\$7,725
104	Balconies - Seal/Repair	5	0	\$67,000	\$77,671
105	Balconies - Resurface	20	5	\$190,000	\$220,262
209	Planters - Waterproof 25%	5	2	\$48,200	\$51,135
320	Pole Lights - Replace	30	13	\$21,150	\$31,059
321	Walkway Lights - Replace	25	8	\$2,840	\$3,598
322	Wall/Ceiling Lights - Replace	25	8	\$19,650	\$24,892
324	Patio Lights - Replace	25	8	\$12,250	\$15,518
326	Exit Signs - Replace	15	0	\$2,860	\$4,456
404	Pool Furniture - Replace	12	4	\$15,000	\$16,883
503	Metal Rail (Balcony) - Replace	30	14	\$108,300	\$163,813
504	Pool Fence - Replace	30	14	\$27,950	\$42,277
702	Patio/Balcony Doors - Replace(Par.)	10	4	\$61,300	\$68,994
709	Pedestrian Gate - Replace	30	14	\$12,850	\$19,437
710	Patio Gates - Replace	30	14	\$3,755	\$5,680
1009	Landscaping - Replenish	15	11	\$64,350	\$89,075
1113	4th St. Planters Railing - Repaint	3	2	\$1,200	\$1,273
1113	Metal Surfaces - Repaint	6	0	\$28,800	\$34,389
1115	Stucco - Repaint	10	4	\$269,500	\$303,325
1125	Stucco - Reseal/Repair	10	4	\$58,950	\$66,349
1201	Pool Deck - Repair	10	3	\$6,430	\$7,026
1202	Pool - Resurface	12	9	\$23,800	\$31,054
1203	Spa - Resurface	8	5	\$7,770	\$9,008
1305	Roof Stairs - Replace	20	14	\$6,435	\$9,734
1306	Flat Roof - Seal	5	0	\$95,300	\$110,479
1307	Flat Roof - Repair	5	3	\$7,535	\$8,234
1308	Flat Roof - Replace	15	4	\$853,000	\$960,059
1313	Expansion Joint- Replace	20	4	\$31,800	\$35,791
1925	Reserve Study - Update	3	0	\$3,090	\$3,377
<b>Interior</b>					
103	Garage Concrete - Reseal	10	4	\$158,500	\$178,393
323	Tube Lights - Partial Replace	30	13	\$1,990	\$2,922
324	Wall Lights - Replace	25	22	\$25,850	\$49,531
326	Emergency/Exit Lights - Replace	25	8	\$14,300	\$18,115
403	Mailboxes - Replace	45	28	\$20,600	\$47,131
411	Drinking Fountains - Par. Replace	5	2	\$1,715	\$1,819
601	Carpet (Hallways) - Replace	12	9	\$122,500	\$159,835
603	Tile Surfaces - Replace	40	23	\$89,050	\$175,748
604	Vinyl Floor - Replace	12	9	\$13,950	\$18,202
690	Doorbells - Replace	12	9	\$16,700	\$21,790
701	Unit Doors - Partial Replace	30	13	\$29,150	\$42,808
703	Utility Doors - Replace (Partial)	12	9	\$49,750	\$64,912
704	Entry Doors - Replace	40	23	\$63,600	\$125,520
707	Trash Chute Doors - Replace	30	13	\$7,500	\$11,014
710	Auto Galleria Gates - Replace	50	43	\$135,500	\$482,992
711	Garage Gates - Replace	50	33	\$96,350	\$255,553

Table 1: Executive Summary

19583-4

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
901	Kitchen Appliances - Par. Replace	4	0	\$6,965	\$7,839
902	Exercise Equipment - Replace (Par.)	5	0	\$8,320	\$9,645
903	Hallway/Lobby Furniture - Replace	15	0	\$37,450	\$58,346
903	Social Room Furniture - Replace	15	0	\$42,900	\$66,837
904	Countertop - Replace	40	23	\$16,600	\$32,762
906	Sauna Room - Refurbish	25	8	\$7,500	\$9,501
907	Cabinets - Replace	40	23	\$7,280	\$14,368
909	Bathroom Fixtures - Refurbish	25	18	\$24,100	\$41,029
911	Gym Floor - Replace	15	12	\$11,150	\$15,897
1110	Interior Surfaces (Common)- Repaint	12	9	\$40,950	\$53,430
1110	Interior Surfaces(Hall) - Repaint	12	9	\$146,000	\$190,497
1110	Interior Surfaces(Stairs) - Repaint	12	9	\$14,400	\$18,789
1150	Interior Signage - Replace	12	9	\$17,700	\$23,094
<b>Mechanical</b>					
303	HVAC Units - Replace (Ph. 1)	15	0	\$10,570	\$16,468
303	HVAC Units - Replace (Ph. 2)	15	1	\$15,950	\$16,429
305	Security Cameras - Partial Replace	6	3	\$12,990	\$14,195
306	Exhaust Fans (Garage) - Replace	25	8	\$48,200	\$61,058
307	Elevator Room Fans - Replace	20	3	\$5,630	\$6,152
313	CO Sensors - Partial Test/Replace	7	3	\$10,720	\$11,714
704	Intercom - Replace	15	13	\$14,750	\$21,661
705	Gate Operator (Gal.) - Par. Replace	2	0	\$4,125	\$4,376
705	Gate Operator (Gar.) - Par. Replace	4	0	\$4,125	\$4,643
721	Card Reader (Auto Gall) - Replace	10	3	\$3,745	\$4,092
721	Card Reader (Garages) - Replace	15	0	\$3,745	\$5,835
722	Keyless Entry Pads - Par. Replace	2	0	\$650	\$690
723	Primus Locks - Rekey	5	3	\$3,470	\$3,792
724	Entry Control Boards/Key Fob - Repl	15	13	\$31,200	\$45,818
801	3rd Street Boiler System - Replace	15	0	\$41,450	\$64,578
801	4th St. Boiler System - Replace	15	12	\$21,400	\$30,511
802	Expansion Tank - Partial Replace	15	8	\$13,550	\$17,165
803	Storage Tank Float Arm - Replace	10	7	\$3,425	\$4,212
804	Boiler Pumps - Partial Replace	10	7	\$8,995	\$11,063
806	Backup Water Pumps - Replace	12	11	\$9,000	\$12,458
806	Water Pump/Control Panel - Replace	15	10	\$52,000	\$69,884
905	Sauna Heater - Replace	20	3	\$7,075	\$7,731
1001	Irrigation Backflow - Replace	25	8	\$2,440	\$3,091
1003	Irrigation Controller - Replace	20	3	\$2,410	\$2,633
1207	Pool Filter - Replace	18	3	\$1,820	\$1,989
1207	Spa Filter - Replace	18	3	\$1,560	\$1,705
1208	Pool Heater - Replace	10	7	\$4,555	\$5,602
1208	Spa Heater - Replace	10	7	\$3,940	\$4,846
1210	Pool Pump - Replace	10	0	\$2,440	\$3,279
1210	Spa Pump - Replace	10	4	\$1,770	\$1,992
1801	Elevator - Modernize	30	13	\$289,000	\$424,406
1802	Elevator Cabs - Remodel	15	12	\$37,450	\$53,395
1803	Fire Alarm System - Replace	20	3	\$64,300	\$70,262

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1804	Fire System - Five Year Test	5	1	\$14,500	\$14,935
1807	Soft Water System - Replace	18	17	\$28,000	\$46,280
1809	Sump Pumps - Replace (Partial)	7	3	\$3,535	\$3,863
1811	Plumbing - Replace	1	0	\$20,000	\$20,600
95	Total Funded Components				

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

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

12/31/15 to 12/31/16

Insurance Summary  
Paseo Villas Homeowners Association

**John Kemmer Insurance**  
2555 Flores St. #280  
San Mateo, Ca 94403-2385  
(650) 572-1044 Business  
(650) 572-8893 Fax  
License# 0769596  
Email: Jkemmer@Pacbell.net

**Farmers Insurance Group-Truck Insurance Exchange**

Building	42,788,088 extended replacement 150%
Earthquake Sprinkler Leakage	Included in Building Coverage up to 45,389,700
Crime/ Employee Dishonesty	300,000
Deductible	\$10,000 (glass deductible \$100)
General Liability	2,000,000 No deductible
Directors & Officers Liability	2,000,000 \$500 retention (similar to a deductible)
Earthquake & Flood	Not covered-Available on separate policies
Workers Compensation	Not covered- Available on a separate policy
Pollution Liability	Not covered- Available on a separate policy

**Deductible.** Owners are responsible to pay the 10,000 deductible on the Paseo Villas Homeowners Association insurance applicable to a loss resulting from the conduct or negligence of the Owner or from any loss which emanates from an Owner's Unit which damages Common Area or the Unit of another Owner. Refer to the CC&R'S section 2.7.3.

**Greenwich Insurance (25 million umbrella) & Federal Insurance Co. (25 million excess)**

Commercial Umbrella & Excess Liability 50,000,000

**Unit-Owners are required to have condominium unit insurance per section 2.7.4 of the CC&R's. Unit owners insurance can be purchased to cover the following items:**

1. Building coverage for the Unit interior including upgrades
2. Additional living expense (or loss of rents if you rent your unit)
3. Personal Property (furniture, clothing, tv, computer, jewelry, etc)
4. Loss Assessment Coverage of at least 50,000
5. Personal Liability for injuries to others or damage to their property
6. Earthquake coverage
7. Earthquake Loss Assessment coverage

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

# Paseo Villas Homeowners Association

## Supplemental Disclosures

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

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

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

With these types and amounts of insurance:

- The Association carries the levels of insurance specified by Civil Code §5805. As a result, owners may be individually liable by reason of their ownership interest in the common area only for their proportional share of assessments, regular or special, levied to pay the amount of a court judgment that exceeds the limits of the Association's liability insurance.
- The Association does not carry the levels of insurance specified by Civil Code §5805. As a result, owners may be individually liable by reason of their ownership interest in the common area for the entire amount of a court judgment that exceeds the limits of the owner's and/or the Association's insurance.

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

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### PERIODIC SITE INSPECTIONS – Civil Code §5550

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

**Reserve Study Site Inspection – June 25, 2014**  
**Reserve Study Report Updated – November 3, 2016**

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### SCHEDULE OF FINES – Civil Code §5850

- The Association has not adopted a fine schedule.
- The Association has adopted a schedule of fines, and it is enclosed in this budget packet.

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

- The Board of Directors has not discussed a special assessment.
- The Board of Directors has discussed the possibility of special assessments. A special assessment vote ( ) is ( ) is not pending at this time.
- By a majority vote of the membership, there is a special assessment for \_\_\_\_\_ currently in place in the amount of \$\_\_\_\_\_ per unit payable in \_\_\_\_\_ installments of \$\_\_\_\_\_ from \_\_\_\_\_ through \_\_\_\_\_.

# Paseo Villas Homeowners Association

## SPECIAL PROVISIONS

The Association has adopted one or more of the following:

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

## SECURITY DISCLAIMER

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

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## POLICY STATEMENTS

The **Paseo Villas Homeowners Association** and its officers, directors, and management company, Compass Management Group, Inc., are committed to running the Association in a legal and neighborly manner. Accordingly, we wish to remind the members of the Association and their residents or tenants of the following:

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

Specifically, the **Paseo Villas Homeowners Association** does not:

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



# Paseo Villas Homeowners Association

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

Copies or summaries of minutes will be made available upon receipt of a written request specifying the meeting dates desired and including the appropriate distribution fee. All requests should be submitted to Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119.

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

The annual report shall be prepared not later than 120 days after the close of the Association's fiscal year. A member of the Association may receive a copy of the annual report by sending a written request to Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119.

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

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

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

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

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

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

A secondary address may be used for the delivery of certain notices. All requests should be submitted to Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119, in writing, signed by the owner, and mailed in a manner that confirms the Association has received it. After an owner identifies a secondary address, the Association will send copies of any collection notices to the secondary address provided, in addition to the owner's primary address shown in the Association's records. An owner may identify or change a secondary address at any time. If a secondary address is identified or changed during any collection process, the Association will only be required to send notices to the designated secondary address from the point that the Association receives the request.

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

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

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

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

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

The **Paseo Villas Homeowners Association** has designated the three bulletin boards located in the three lobbies as the location for the posting of a general notice.

# Paseo Villas Homeowners Association

## Meet and Confer Program – Civil Code §5920

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

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

The following is a general description of the Association's "Meet and Confer" Program and how it works:

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

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

# Paseo Villas Homeowners Association

## Summary of California Civil Code Section 5930 Enforcement of Governing Documents and Specified State Laws For Community Associations Through Alternative Dispute Resolution

**PLEASE TAKE NOTICE: *California Civil Code Section 5930 addresses your rights to sue the Association or another member of the Association regarding the enforcement of the governing documents and/or specified state laws.***

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

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

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

Any party to a covered dispute may initiate the ADR process by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (3) a notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the Request will be deemed rejected.

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

**Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.**

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

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

# Paseo Villas Homeowners Association

## Delinquent Assessment Collection

1. Regular assessments are due, in advance, on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof. Special and Special Individual Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within fifteen (15) days after it is due. A late charge of ten percent (10%) shall be due on any such delinquent assessment. **Receipt of this budget serves as due notice of your monthly assessment obligations. The issuance of a monthly billing statement by the Association is a courtesy only, not a requirement. Unit owners are responsible for ensuring the timely receipt of assessment payments by the Association.**
2. At the option of the Association, interest shall be due on all such amounts, once due and unpaid for thirty (30) days, at the rate of twelve percent (12%) per annum.
3. If any portion of any such assessment or late charge remains unpaid for thirty (30) days after the original due date thereof, a delinquent assessment reminder notice will be prepared and sent to the record owner(s). A reminder notice charge of \$35.00 will be charged for each notice sent. Please be advised that the Association has the right to collect all reasonable costs of collection.
4. If any portion of any such assessment or late charge remains unpaid for ninety (90) days after the original due date thereof, a "Letter of Intent" to file a Notice of Delinquent Assessment ("Lien") will be prepared and sent to the record owner(s).
5. All such amounts, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the "Letter of Intent" date to the time that all such amounts are paid in full.
6. If all such amounts have not been received one hundred and twenty (120) days after the original due date thereof, a Lien will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent amount.
7. If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien, the Association may, without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the property owner(s).
8. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.
9. The Association may charge a "returned check charge" of thirty dollars (\$30.00) for all checks returned as "non-negotiable", "insufficient funds" or any other reason.
10. All above-referenced notices will be mailed to the record owner(s) at the last mailing address provided in writing to the Association by such owner(s).
11. The mailing address for overnight payment of assessments is 77 Las Colinas Lane, San Jose, CA 95119.
12. The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.

# Paseo Villas Homeowners Association

## Notice Assessments And Foreclosure

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

### Assessments And Foreclosure

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

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

The association must comply with the requirements of Article 2 (commencing with Section 5659) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

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

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

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

# Paseo Villas Homeowners Association

## Payments

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

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

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

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

## Meeting And Payment Plans

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

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

# Paseo Villas Homeowners Association

## Federal Housing Administration (FHA) Certification Disclosure

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development  is ( ) is not a condominium project. The association of this common interest development ( ) is  is not certified by the Federal Housing Administration.

# Paseo Villas Homeowners Association

## **Veterans Affairs (VA) Certification Disclosure**

Certification by the federal Department of Veteran Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development  is ( ) is not a condominium project. The association of this common interest development ( ) is  is not certified by the federal Department of Veterans Affairs.



# Paseo Villas Homeowners Association

## **ARCHITECTURAL CONTROL POLICY**

**Adopted September 2, 2015**

This policy implements Article 7 — Architectural Control of the Association's Covenants, Conditions and Restrictions (CC&Rs) and Davis-Stirling Act sections 4760 and 4765, regarding changes to unit interiors by unit Owners. CC&R articles are referenced by []. The Owner may consult the Architectural Control Committee (ACC) for guidance in complying with this policy. If unsure whether approval is required, the Owner must consult with the ACC before moving forward.

### **TYPES OF ALTERATIONS**

#### **PROHIBITED**

The following types of alterations are prohibited:

- Changes affecting load-bearing walls [6.3.5]
- Alterations to the structural integrity of any building [6.3.5]
- Alterations to interior partitions contributing to the support of any unit [6.3.5]
- Changes that impair any easement
- Addition of a bathroom
- Installation of Jacuzzis, Hot/Soft Tubs (Rule G.10.c)
- Hard surface flooring with exceptions [4.10]
- Tile on balcony

#### **APPROVAL REQUIRED**

The following are typical examples of alterations that require Application submission and approval:

- Changes that affect the property, interest or welfare of any other unit owner
- Changes that materially increase the cost to operate or insure the condominium
- Floor plan re-design
- Replacement of any floor covering (sound issue) [4.10]
- Installing new flooring material over existing flooring (kitchen, sound issue) [4.10]
- Replacement of bathroom wall tile
- Cutting into or creating pass-through of any wall
- Removal of any wall
- Upgrading capacity of appliances (i.e. garbage disposal units, washing machines)
- Any modifications to the plumbing system (but not repairs)
- Any modifications to the electrical system (but not repairs)

#### **REPLACEMENT-IN-KIND**

The following are typical examples of alterations that do not require Application submission and approval; however the Instructions for Unit Alterations must be followed:

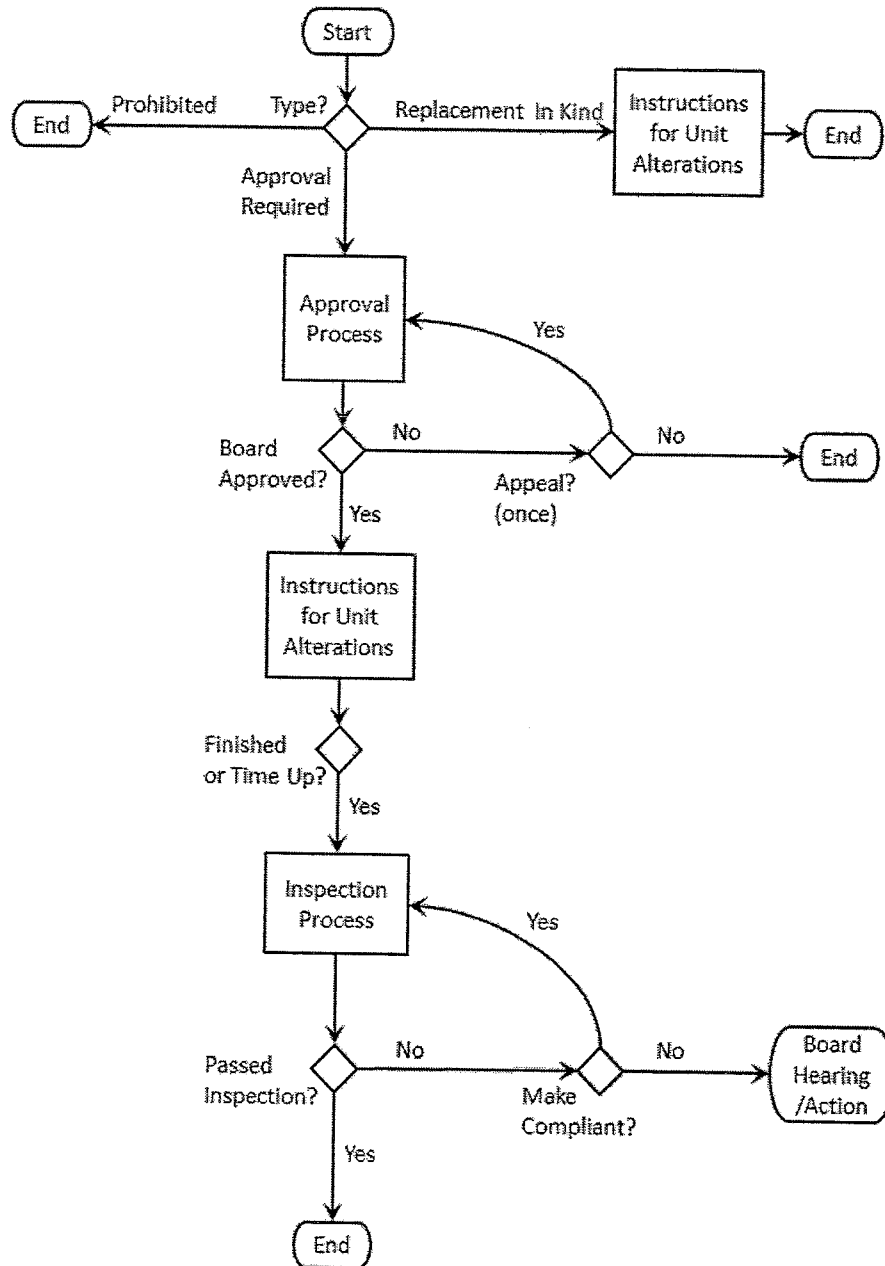
- Interior painting
- Replacement of existing fixtures, e.g., faucet, sink, toilet, lighting in the same general location and at or below the same capacity
- Replacement of existing appliances in the same general location and at or below the same capacity
- Replacement of kitchen countertops and cabinets in the same general location
- Re-building existing shelving within closets or rooms

If none of these Types of Alterations are applicable, Application submission is required and the ACC/Board will determine disposition.

# Paseo Villas Homeowners Association

## ARCHITECTURAL CONTROL PROCESS

The chart below presents an overview of the architectural control process. The type of alteration is first determined, and if approval is required, the approval process is followed. If approved, alterations to the unit may proceed. Once the work has finished, it is inspected and the process is complete. In all cases, the work done in the unit must adhere to the Instructions for Unit Alterations.



# Paseo Villas Homeowners Association

## **1. APPLICATION AND CLASSIFICATION PROCESS**

- 1.1. The Owner submits a Paseo Villas Architectural Change Application to the Association's management company (Management), with a complete description of the proposed Project and duration not to exceed six (6) months. [7.6] [7.12] This may include design statements, drawings and plans. Management will forward the Application to the ACC.
- 1.2. The ACC will classify the Project in accordance with the Type of Alteration (i.e., PROHIBITED, REPLACEMENT-IN-KIND or APPROVAL REQUIRED).
- 1.3. For PROHIBITED, the ACC will notify the Owner and the Board of disapproval of the Application. The Owner may appeal to the Board. The Board's decision is final.
- 1.4. For REPLACEMENT-IN-KIND, the ACC will notify the Owner that no approval is required. The Owner must follow the Instructions for Unit Alterations.
- 1.5. For APPROVAL REQUIRED, Projects may not proceed until complete plans and specifications have been approved. Inspections of work performed are required upon completion. The Owner must follow the Approval, Variance and Inspection Processes. The Owner must follow the Instructions for Unit Alterations. The Owner must consult the ACC for acceptable building materials and construction standards where applicable, per the Architectural Review Guidelines. [7.5]

## **2. APPROVAL PROCESS**

- 2.1. All APPROVAL REQUIRED Projects shall follow this process.
- 2.2. The ACC will review the Application and determine whether it is compliant with the Association's Governing Documents, including CC&Rs, Rules and Policies. [7.8] The ACC may require additional information from the Owner, including a report by a professional to attest to the safety and provide details about the impact on all areas and systems affected by the proposed change. All costs for professional consultations and work, including any requested by the ACC or the Board, will be the responsibility of the Owner.
- 2.3. The ACC will determine whether a City of San Jose Building Permit is required.
- 2.4. The ACC will make a recommendation within thirty (30) days of Application submission, which the Board will review.
- 2.5. The Board will decide on the Application at the HOA meeting. [7.8]
- 2.6. The Board will notify the Owner, ACC and Management in writing of its decision within sixty (60) days of Application submission. [7.9]
- 2.7. If disapproved, the reason is given (e.g., non-compliant section in Governing Documents) and the procedure for appeal of the decision is provided to the Owner by the Board.
- 2.8. If appealed, the Board will reconsider at the next open meeting with the Owner. The Board's decision is final. [7.10]
- 2.9. If approved, the Owner must commence the Project within ninety (90) days. [7.11]
- 2.10. An Owner that proceeds with a Project without approval is subject to action by the Board. [7.1] If structural, mechanical, electrical, plumbing or other building systems outside the unit interior are impacted, the Board may remove the alteration at the Owner's expense.
- 2.11. Projects shall be inspected and signed off when completed.

## **3. VARIANCE PROCESS**

- 3.1. Should any variance from what was approved be considered/required by the Owner, an amended Application must be submitted immediately.
- 3.1. A REPLACEMENT-IN-KIND variance may proceed without approval. A PROHIBITED variance will be denied by the ACC.
- 3.2. For an APPROVAL REQUIRED variance, the proposed changes may not be implemented until the Board, upon the recommendation of the ACC, grants approval.

## **4. INSPECTION PROCESS**

- 4.1. If an Owner fails to complete work within six (6) months without an extension granted by the ACC, the Board may decide to proceed with inspection as though the failure to complete was a non-compliance with approved plans. [7.12]

## Paseo Villas Homeowners Association

- 4.2. The Owner must notify Management within ten (10) days of completing the Project. [7.13.a]
- 4.3. Management will arrange for an inspection of the completed Project within sixty (60) days. [7.13.b] The ACC and the Board may attend the inspection.
- 4.4. If the inspection finds that the Project was not done in substantial compliance with the approved Application, Management will notify the Owner in writing within the sixty (60) day period, specifying the particulars of non-compliance and shall require the Owner to remedy such non-compliance. [7.13.b]
- 4.5. If the Owner fails to remedy such non-compliance within thirty (30) days without an extension granted by the Board, Management will schedule a hearing before the Board. [7.13.c] The Owner has forty-five (45) days to comply with the Board's ruling. Thereafter, the Board may remove the alteration or remedy the non-compliance at the Owner's expense, as a Reimbursement Assessment. [7.13.d]
- 4.6. Upon successful inspection, the Application is signed off by the inspector. Thereafter, or after sixty (60) days without inspection, the Project is deemed completed. [7.13.e]

**PASEO VILLAS ARCHITECTURAL CHANGE APPLICATION**

**Owner Section:**

Processing of this application is described in the Paseo Villas Architectural Control Policy.

Unit: \_\_\_\_\_

Date Submitted: \_\_\_\_\_

Name: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

Project Duration: \_\_\_\_\_ (< 6 months)

Rooms: master bed/master bath/guest bed/guest bath/kitchen/dining/lounge/entry/other: \_\_\_\_\_

Systems: flooring/plumbing/electrical/structural/cabinets/fireplace/windows/HVAC/other: \_\_\_\_\_

Project Description: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_ (add sheets)

**ACC Section:**

APPROVAL REQUIRED

REPLACEMENT-IN-KIND

PROHIBITED

Type of Alteration: \_\_\_\_\_

Recommend Approval

Recommend Denial

Date: \_\_\_\_\_

Reason for Recommending Denial: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Board Section:**

Approved

Denied

Date: \_\_\_\_\_

Reason for Denial: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**Completion Section:**

Date Notified by Owner: \_\_\_\_\_

Date Inspection Passed: \_\_\_\_\_

Inspector: \_\_\_\_\_

Role: ACC/Board/Mgmt

Date Project Completed: \_\_\_\_\_

Signed: \_\_\_\_\_

Role: ACC/Board

## INSTRUCTIONS FOR UNIT ALTERATIONS

1. Contractors: Unit owners are directly responsible for the actions of their contractors and are responsible for seeing that contractors understand and follow all HOA rules and guidelines. The term “contractor” applies to but is not limited to any person or persons providing repair, maintenance, construction, decoration or installation services to a unit.
2. Work hours: Work inside a unit shall be performed Monday through Friday, from 8 AM to 6 PM. No work shall be performed on weekends or holidays, except in an emergency. (Rule G.10.d)
3. Noise: Every effort shall be made by contractors to minimize noise. Noisy work may be subject to limitations by the HOA. This includes but is not limited to the use of heavy hammers or electrical equipment during demolition or construction and the use of compressors to operate spray equipment, nail guns, ventilating fans, etc. The Board strongly recommends delivery of a courtesy notice to nearby neighbors (adjacent, above and below) with construction work dates and times. (Rule G.10.d)
4. Elevators: The unit owner must arrange with Management for padding to be placed in the elevators if large amounts of tools, equipment, construction materials or debris removal are being transported in the elevators.
5. Security: The unit owner must ensure that building security is maintained at exterior doors to the building at all times. Specifically, contractors may not prop open doors and leave them unattended while moving tools, debris or materials in or out. (Rule G.5.e)
6. Debris: The contractor is responsible for keeping hallways and elevators free of debris at all times. Debris must be completely removed from the building and cannot be dropped into dumpsters or trash chutes. Removal of construction debris shall be through the elevators only, and not through outside windows.
7. Cleaning: Hallways and elevators must be cleaned daily to remove evidence of construction activity. Contractors must bring their own vacuum and cleaning equipment. Paseo Villas custodial staff will not provide this equipment nor will they be responsible for construction clean-up.
8. Damage: The unit owner is liable for any damages to elevators or to common areas as a result of any project work. (Rule G.2.g)
9. Storage: Tools, equipment, building materials and debris must be kept inside the owner’s unit and cannot be stored in the hallways or common areas.
10. Breaks: Coffee breaks, lunch breaks and use of bathrooms by contractors must be confined to the owner’s unit. Contractors cannot use the bathrooms in the Social Room or Exercise Room and cannot use these rooms or the common areas such as the pool or patio areas, garages or auto galleria for breaks. Smoking is not permitted in any of the common areas. (Rule G.11.a)
11. Parking: The unit owner is responsible for providing on-site parking for the contractor.
12. Permits: The unit owner may be required to apply for City of San Jose building permits prior to commencing work. The Architectural Control Committee shall notify the Board if permits are required.
13. Exceptions: Should a unit owner encounter an unforeseen situation requiring an exception to these rules, Management should be notified and an exception requested e.g., extending work hours.
14. Completion: Management shall notify the Board if a project exceeds its completion date. The unit owner will receive a copy of this notification.
15. Inspection: The HOA retains the right to inspect the project at any time to verify compliance with approved work, given at least 24 hours written notice. [6.1.5] The Board has the authority to stop work if violations are suspected, and may assess fines or penalties for non-compliance with HOA CC&Rs, rules or policies.
16. Plumbing: Note that some plumbing renovations require shutting off water for an entire stack of units and possibly adjacent stacks. The unit owner must notify Management at least 3 business days in advance of any planned plumbing renovations. This will allow Management to determine whether a water shut off is required, to plan the shutoff, and to notify affected residents.
17. Aerosols: The unit owner must notify Management at least 3 business days in advance if aerosols associated with construction work might activate building alarms. This will allow Management to temporarily shut down the alarm system, to avoid setting off a building-wide alarm. Adequate ventilation is required to clear a unit of vapors without drifting into hallways or other units. (Rule G.10.e)
18. Welding: The unit owner must notify Management at least 3 business days in advance of planned welding, brazing, or other heat-generating activity within a unit. This will allow Management to temporarily shut down and drain the affected part of the fire sprinkler system, to avoid setting off a building-wide alarm and flooding adjacent units and units below. (Rule G.10.f)

# Paseo Villas Homeowner Association

## Committees Policy

Adopted on August 10th, 2016

1. Any resident may join one of the Paseo Villas standing or ad hoc committees and in that way participate indirectly (as an advisory to the board) in the governance and decision-making processes of the Association. The Paseo Villas Bylaws state that all committees and committee members serve “at the pleasure of” the board.
2. There are two kinds of committees at Paseo Villas:
  - a. Standing committees facilitate some of the more general aspects of community life.
    - i. Standing committees function on a continuous year-to-year basis and have defined charters describing their duties and responsibilities.
    - ii. There are five (5) standing committees at Paseo Villas; the “Social and Welcoming Committee,” the “Finance Committee,” the “Building Operations Committee,” the “Rules Committee,” and the “Architectural Control Committee” (ACC). The ACC has special status as the only committee whose structure and function is described in the governing documents of the Association. Membership on the ACC is by board appointment only.
    - iii. Standing committees and their chairs are reappointed or “reaffirmed” at the beginning of each calendar year once newly elected board members are seated.
  - b. “Ad hoc” committees are appointed for a specific purpose detailed in a written board statement briefly describing that purpose or goal. An ad hoc committee is dissolved once that task or assigned purpose has been realized.
  - c. A board member acts as liaison for each standing committee and is a non-voting member of that committee. Each board member can be the liaison for only one committee and should attend all meetings of this committee although not required.
3. Any resident of Paseo Villas may be a member of one or more “ad hoc” or “standing” committees other than ACC, Finance and Rules committees are exclusive to homeowners.
  - a. Please note that all committees have an expectation of regular attendance at meetings.
  - b. Although residents from a single unit may be members of the same committee, voting rights on all committees are limited to one vote per unit.
  - c. If a resident wishes to be on a committee they should attend a committee meeting. The chairperson will request that the Board appoint the candidate unless doing so would be in violation of the committee’s charter relative to the size of the committee.

# Paseo Villas Homeowner Association

4. Reports to the board are encouraged and /or expected from all HOA committees
  - a. To place a committee report on the agenda of a board meeting a committee representative must submit a written report ten (10) days before the date of the next board meeting.
    - i. This report will be included in the board packet and the committee's report will be listed on the board meeting agenda.
    - ii. A committee representative will have a limited time to present the report during the board meeting.
    - iii. The report should reflect and be confined to the written material that was 'pre-submitted.
5. In order to be inclusive, committees should meet weekdays in the evening, unless this is not possible. A reasonable timeframe for a meeting should be between the hours of 6:00pm and 9:00pm.
  - a. Unusual circumstances can require a committee to meet regularly outside of the desired timeframe, and should be presented to the board for approval
  - b. If a meeting time or location needs to change, committee and community members should be notified as soon as possible.
6. Committee size should be a maximum of 5-7 members (including chair) in order to accommodate diversity of opinions without sacrificing efficiency.
  - a. A quorum for committee meetings requires the presence of at least three voting committee members (including the chair and the board liason). A quorum is required for any vote.
  - b. Non-committee members may request inclusion on the agenda distribution list of particular committees and may attend meetings and join the discussion when invited to do so by the chair, but may not vote.
  - c. Renters may serve on committees other than ACC, Finance and Rules. Renters may join other committees but may not vote.
  - d. Attendance is to be taken and recorded in the committee meetings. Missing three committee meetings during the year unexcused will be cause for replacement of the non-attending member.
  - e. In the unlikely event there are more than 7 candidates an exception should be made as there is always turnover.
7. Ideally, every committee meeting should have an agenda distributed to its members and published to the HOA community 3-5 days beforehand.

Board and all Committee members should strive to attract new HOA members to serve on the various committees on an on-going basis. A Welcoming committee will be established, welcoming new residents and preparing a Welcome package, including descriptions of the various committees and how to participate.



# Paseo Villas Homeowners Association

## **ELECTION POLICY AND PROCEDURES**

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

Pursuant to the California Civil Code, Sections 5105 et seq (including Sections 5105, 5135, 4900, 5145) effective July 1, 2006, the following rules and procedures shall apply for election of Directors, Voting regarding Assessments, Governing Documents and the Granting of the Exclusive Rights to Use Common Area:

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

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

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

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

### **3. ELECTION INSPECTORS**

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

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

1. Determine the number of homeowners entitled to vote and the voting power of each.
2. Determine the authenticity, validity, and effect of proxies, if any.
3. Receive ballots.
4. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
5. Count and tabulate all votes.
6. Determine when the polls shall close.
7. Determine the result of the election.
8. Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section and all applicable rules of the association regarding the conduct of the election that are not in conflict with this section.

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

# Paseo Villas Homeowners Association

## **4. SECRET BALLOT**

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

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

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

## **5. PROXY BALLOT**

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

## **6. COUNTING THE VOTES**

All votes shall be counted and tabulated by the inspector or inspectors of the election in public at a properly noticed open meeting of the Board of Directors. Any candidate or other member of the association may witness the counting and tabulation of the votes. No person, including a member of the association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

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

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

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

# Paseo Villas Homeowners Association

## **ELECTRONIC COMMUNICATIONS POLICY**

**Adopted June 3, 2015**

California Civil Code and Corporations Code allow community associations, such as Paseo Villas Homeowners Association ("Association"), to distribute communications to homeowners ("Owners") via electronic mail ("email") or other electronic means.

### **Consent and Acknowledgement**

By opting in-to electronic delivery on the Association's website at [www.GoCompass.com](http://www.GoCompass.com), each Owner agrees to the electronic delivery (via the internet to an email address designated by the Owner) of all Association communications and/or email notifications that Association communications are available for retrieval on the secure members section of the Association's website. The delivery option of Association communications shall be determined by the Board of Directors. Each Owner also confirms that they are able to access and retain electronic communications from the Association. According to the law, communications sent via email are deemed received at the time they are sent.

### **Multiple Owners of Record**

For Units with multiple owners, each owner of record may create their own account on the Association's website for individual delivery of Association communications.

### **Withdrawing Consent**

Each Owner may withdraw their consent by opting out of electronic delivery on the Association's website. The legal validity of prior electronic communications will not be affected if an Owner withdraws consent.

### **Hardware and Software Requirements**

No particular computer system is required in order to receive electronic communications. However, retrieval of confidential Association documents a public computer is strongly discouraged and should be avoided whenever possible. If Association documents must be retrieved on a public computer, it is recommended that the user log-off completely after using the computer.

### **Paper Copies**

Each Owner may request a paper copy of any document sent via electronic delivery. Requests shall be made to Compass Management at (408) 226-3300 or [Helpdesk@GoCompass.com](mailto:Helpdesk@GoCompass.com). The Association will provide a paper copy at no charge.

### **Updating Contact Information**

Each Owner is responsible for ensuring that the Association has current email address information for the purposes of receiving electronic communications. Should an Owner's email address changes, please contact Compass Management at (408) 226-3300 or [Helpdesk@GoCompass.com](mailto:Helpdesk@GoCompass.com). If the Owner fails to notify the Association of any change in the designated email address, the Owner agrees that Association shall provide electronic communications via the email address maintained in the records as previously provided by the Owner.

## **ETHICS POLICY**

**Adopted January 15, 2009**

It shall be the policy of the Paseo Villas HOA that all Board and Committee members will use their office to promote the wellbeing of the entire community and not for personal gain or benefit. They shall adhere to and enforce the Association's governing documents, respect and maintain confidential information, and only act within the scope of their authority.

**PASEO VILLAS HOA  
EMERGENCY ACCESS KEY RECEIPT**

Unit Number: \_\_\_\_\_ [ ] Key [ ] Keybox Code

Owner Name(s): \_\_\_\_\_

I, the undersigned owner, understand that:

1. I am voluntarily providing emergency access to my home.
2. I am placing my key/keybox code in the envelope and signing the envelope.
3. This key will NOT be used for any non-emergency reason (maintenance, repair work, etc.). My locking myself out is NOT an emergency.
4. In an emergency situation, an attempt will be made to contact me according to the information on the emergency contact sheet I provided.
5. If this key/keybox code is used in an emergency, at least two people (Board member, management personnel, public safety worker, plumber or similar) will enter my home together and document its status.
6. If this key/keybox code is used, it will be necessary for me to reseal and sign a new envelope. A current Board member will contact me to arrange a time.
7. If I rekey my door, or change the combination to my keybox, I will contact a current Board member to provide the new key/keybox combination.
8. The safe can only be opened by a current Board member. Management and staff do NOT have access to this safe. It is sealed with both a key and a combination that only current Board members have.
9. All Board access to this safe will be logged in each time the safe is opened.
10. I may request an appointment with a current Board member to retrieve this envelope and withdraw voluntary access to my home.

Signed by owner: \_\_\_\_\_ Date: \_\_\_\_\_

I, a current Board member as of this date, acknowledge receipt of this key/keybox code:

Board Member: \_\_\_\_\_ Date: \_\_\_\_\_

I, the homeowner, retrieved my key and no longer choose to participate in this arrangement.

Signed by owner: \_\_\_\_\_ Date: \_\_\_\_\_

Board Member: \_\_\_\_\_ Date: \_\_\_\_\_

# Paseo Villas Homeowners Association

## KEY POLICY

Adopted November 5, 2009

- 1.) The following common area keys will be provided per unit:
  - 3 PRIMUS common area hard keys
  - 3 BLACK electronic keys
  - 1 GARAGE transponder for each parking space assigned to the unit.
- 2) A \$500 deposit is required for each additional PRIMUS key up to a total of 2 extra PRIMUS keys. An owner's request for more than 5 PRIMUS keys will require the approval of a written explanation for the request by the Board of Directors.
- 3) Additional BLACK electronic keys may be issued to an owner upon payment of the current fee.
- 4) Additional GARAGE transponders will require the approval of a written explanation for the request by the Board of Directors and the payment of the current fee.
- 5) Only those persons who are owners in the building shall be issued keys of any sort.
- 6) Non-owners may only pick up keys if the owner has signed the "Key Pick Up Authorization" form.
- 7) A signature and a photo ID are required for all keys received by owners or their designees.
- 8) All keys will be individually numbered, logged, and cannot be duplicated.
- 9) All keys to common areas, including the black electronic keys and the garage transponders, remain the property of the Paseo Villas HOA.
- 10) Upon the sale of a unit, common area keys must be registered by the seller with the HOA by presenting them to the on-site staff for review. A deposit of \$500.00 per key for each registered primus key will be held in escrow as part of the Estoppel process until the keys are re-registered by the new owner. If the new owners do not re-register the keys with the association within 30 days the deposit held in escrow shall be released to the association.
- 11) All black electronic keys and garage transponders will be disabled 30 days after close of escrow if they are not re-registered with the on-site office.
- 12) ~~New owners who do not re-register their keys within 30 days of escrow will be subject to a \$100.00 fine. It will be assumed that new owners received all of the keys registered by the seller if those keys are not re-registered with the association.~~
- 13) Any non-functional Primus or black key will be replaced free of charge. Garage transponders will be replaced with a non-battery transponder for free or a large battery type transponder for a fee.
- 14) Any key that cannot be produced on demand by the Association will be subject to the appropriate replacement charges.

# Paseo Villas Homeowners Association

## **LOCKBOX PLACEMENT**

Do not attach lockbox to any wood surfaces (i.e. chair rails or pillars). Drywall mount only using plastic wall anchors.

A/B/D/ floor plans – Install lockbox opposite doorbell, centered on short wall perpendicular to door, and immediately above chair rail.

F floor plan – Install lockbox opposite doorbell, centered on very short wall parallel to door, and immediately above chair rail.

C floor plan –

Option 1 – Install lockbox opposite doorbell, next to door handle, on wall perpendicular to door, and immediately above chair rail

Option 2 – Install lockbox centered with doorbell, and immediately below chair rail.

# Paseo Villas Homeowners Association

## MEETING CONDUCT POLICY

Adopted March 6, 2014

This Policy is written to provide a mechanism of smooth operation during Board meetings, to ensure the respect and rights of all members and the orderly conduct of the Association's business, which is the purpose of a board meeting in this Association.

Per the Bylaws of Paseo Villas, Amended and Restated 2011, page 20, Article IX, Section 9.8 the President shall preside at all meetings of the Members and the Board, and in the President's absence, the Vice President shall preside. The President shall also be known as the Chair of the meeting and anyone acting in the President's place shall be known as the Acting Chair.

The agenda shall be set in advance of the meeting by the President who may solicit opinion/agenda items from the other Board members and/or Homeowners and Management. The President or Acting Chair shall direct Management to publish the set agenda. Once the agenda is set (published and/or posted at least four days in advance of the meeting) it may not be added to, except in the instance of an emergency (per California Civil Code 4930 *Board Discussion Restricted to Agenda Items*). Posting the agenda in the mail rooms of the Community four days in advance of a regular meeting has been confirmed by legal counsel to meet California Civil Code requirements.

The agenda shall be timed and the Chair shall endeavor to keep the meeting to its timelines.

The agenda of any open meeting of the Board shall allow for a homeowner's forum where homeowner's may make statements or ask questions of the Board. The Board and/or President are under no obligation to respond in the meeting and may instead take any question or statement under advisement and respond, or cause a response to be made, to the homeowner within ten days following the meeting.

The Chair shall recognize who has the floor at any time.

An item of business will be opened on the agenda when the Chair recognizes it, which may include requesting a motion on the item before discussion is heard.

The Chair or Acting Chair, or any other Board Member may place motions on the floor, and vote on any motion.

A motion should be stated and then seconded before any discussion occurs. If during the course of discussion an amendment to the motion is proposed (subsidiary motion), the amendment shall be voted on first and then the main motion shall be voted. A majority of the Board present in the meeting shall decide the outcome of a motion. A motion which fails to receive a second is a failed motion and the Chair shall move to the next item of business if no further new motion is made. In the event of a tie on any motion, the motion is considered failed.

No motion, unless a subsidiary motion, or discussion unrelated to the motion on the floor shall be entertained until the main motion has been resolved.

The meeting shall be called to order by the Chair or Acting Chair and may be adjourned by the Chair or Acting Chair without further formality. A motion to adjourn may also be made and seconded by board members not the chair. If such a motion is made and seconded a vote is not necessary and the meeting stands adjourned.

No gathering of a quorum (if Five Directors are currently seated, no more than three Directors) of the Board in a meeting setting, either physically or electronically, shall occur at any time without notice to the Owners, except in the instance of an emergency. Such meetings occurring in an emergency shall be

# Paseo Villas Homeowners Association

immediately declared to the membership as soon as practical afterward, but in no instance no longer than four days. Any action taken in executive session shall be generally addressed as to the result of the action (but without naming the parties in favor or dissenting) in the next regular minutes of the Association.

**Member Attendance:** The Board welcomes the presence of Members at the regular and special board meetings. However, it is essential for the efficient and effective transaction of business at these meetings that all Members of the Association conduct themselves in a businesslike, ethical, and appropriate manner that serves the best interests of the Association as a whole. To that end all Members are expected to adhere to the following guidelines at all such meetings. Any Member who cannot conduct themselves as outlined below will be asked to leave any meeting of the Board.

1. All members are asked to give their attention to the meeting and not have any side conversations or make comments unless or until they are recognized by the Chair of the meeting.
2. Anyone who has been recognized by the Chair and has the floor should not be interrupted.
3. The Chair may determine, if a disruption by any member will not stop, that the meeting shall be adjourned and may be reconvened without the disruptive member present.
4. No personal, physical or oral attacks on any person present in a meeting shall be tolerated. Such conduct shall demand that the Chair request the person making these attacks immediately leave the meeting.
5. When speaking all comments or questions shall be directed to the Chair of the meeting and not any other person present. The Chair may direct other persons present to respond or comment.
6. Members are expected to at all times behave with common courtesy and civility, and will refrain from the use of abusive, rude, threatening or crude language. If such conduct occurs while the member has the floor, the Chair shall revoke the floor from said member.
7. There shall be no electronic recording (video or audio) of meetings except by approval of a quorum of the Board, and such recording shall be done by an agent of the Association and shall remain the property of the Association, under the direction of the Board.



**PASEO VILLAS HOMEOWNERS ASSOCIATION**  
**Move In/Out and Open House Policy**  
**Adopted August 10, 2016**

This policy defines a Move In/Out and defines an Open House. The policy also addresses building security, required notifications and financial responsibility including deposits, fees and penalties.

**1) DEFINITION**

**a) MOVING IN OR OUT OF A UNIT/STAGING**

- A move is any change to occupancy of a unit that requires personal belongings/furniture to be moved.
- The moving in or out of one roommate is still a MOVE even though the unit is not completely vacated as that person will move their personal belongings.
- Staging of furniture for an open house is also considered a move.

**b) OPEN HOUSE**

- An Open House is defined as an event when prospective buyers without an appointment can view real estate offered for sale, typically hosted by a realtor. This also applies to open houses for a unit rental.

**2) BUILDING SECURITY/ELEVATORS**

- Building security must be maintained at all times during a move or open house. This means that building doors may not be prevented from automatically closing (i.e. propped open) thereby compromising building security.
  - During a move the HOA requires the responsible owner to designate an individual to monitor the lobby, to ensure doors are not propped open and left unattended. This is subject to spot verification and a **penalty between \$300 and \$500 will be assessed for non-compliance.**
  - When hosting an open house for sale or rent, prospective buyers/renters may not be randomly buzzed in. The HOA requires the responsible owner to ensure the realtor escorts them between the lobby and the unit. **Failure to comply will result in a penalty between \$300 and \$500.**
  - An open house may only be advertised using one A-frame in the main San Fernando Street lobby. Under no circumstances can signs be posted on the exterior doors, garage or elevators about a unit for rent or sale. **Failure to comply will result in a penalty between \$300 and \$500.**
- Elevator doors must not be held open once the beeping sound starts. Doing so may result in the elevator shutting down and causes an inconvenience to all residents. **Failure to comply will result in a penalty between \$300 and \$500.**

**3) NOTIFICATIONS**

- As with any Paseo Villas HOA governing document, this policy is distributed to all homeowners and it is the responsibility of the homeowner to ensure compliance with this policy and its requirements by their tenants.
- Prior to the close of escrow and prior to the initiation and termination of all leases, the homeowner must notify management of an impending move. Management requires a minimum of FIVE (5)-business days notice before a move or open house staging can be scheduled. **Failure to comply will result in a penalty between \$300 and \$500.** \_\_\_\_\_
- The purpose of notification is to allow time for deployment of protective pads and to facilitate pre and post move inspections to limit the homeowner's damage charges.

**4) DEPOSITS AND FEES**

- **ALL MOVES** inclusive of a staging event, require a \$1,000 damage deposit. Following an inspection by management, any damage done to any common area during the move or any penalties outlined in this policy incurred during the move will be subtracted from this deposit. \_\_\_\_\_
- The owner of the unit involved in any move or staging event is responsible for all fees, deposits and penalties.
- All move deposits and fees must be provided to management FIVE (5) business days prior to the move.
- Fees are in addition to this deposit, to cover the cost of having protective pads installed in the elevator and for a damage inspection performed by management both prior and post move:
  - \$250 Fee (discounted rate) to a new owner upon moving in after the purchase of a unit. The original owner is also allowed a discounted move-out fee of \$50.
  - All other moves under the same owner will be charged \$350.
  - A staging fee of \$500 shall cover both moving in and out of staging equipment. \_\_\_\_\_

**SIGNATURE** \_\_\_\_\_ **PRINT NAME** \_\_\_\_\_

**UNIT #** \_\_\_\_\_ **DATE** \_\_\_\_\_ **DATE of MOVE** \_\_\_\_\_

**DATE of OPEN HOUSE** \_\_\_\_\_

**SIGNATURE OF MANAGEMENT** \_\_\_\_\_

**DATE** \_\_\_\_\_

# Paseo Villas Homeowners Association

## **RULES AND REGULATIONS Adopted April 4, 2013 Amended December 2, 2015**

### **Preamble**

In this document the Paseo Villas (PV) Board of Directors has abstracted important rules from the Declarations of Covenants, Conditions, and Restrictions (hereafter referred to as the CC&R's) of the Paseo Villas Home Owners Association (HOA). Other rules enacted by the Board of Directors are also in this document. The intent of the documents is to help serve in the creation of an environment that operates smoothly and is as enjoyable and pleasant as possible. The information provided here is NOT a replacement for the CC&R's or By Laws. Should there be any discrepancy, the CC&R's and Bylaws take precedence. More information about a particular rule may be found in the section defined in square brackets [ ] located in the CC&R's of the Paseo Villas Home Owners Association" or in the HOA Bylaws. If there are no square brackets on a rule below, then that rule was adopted and approved by the HOA Board of Directors.

### **CONTENTS: GENERAL RULES (Numbered G.xx)**

- G1. Rules Enforcement**
- G2. Unit and Building Maintenance and Appearance**
- G3. Unit and Building Occupancy and Use**
- G4. Parking Rules**
- G5. Community Living**
- G6. Miscellaneous Association Rules**
- G7. Water Shutdown Procedures and Rules**
- G8. Pets**
- G9. Signs**
- G10. Alterations of Units**
- G11. Exclusive Use Areas**
- G12. Leasing Procedures and Rules**
- G13. General Procedures and Rules for Holiday Tree and Wreath Disposal**
- G14. Sale of Unit**
- G15. Moving Policies and Keying Policies for the Common Area**
- G16. Reference to Pool Rules, Exercise Room Rules, and Social Room Rules Addendum  
Signed Rules Acknowledgement**

#### **G.1 Rules Enforcement and Fines:**

Anyone, owner, resident or visitor, who breaks the rules or violates any of the other Paseo Villas governing documents, is subject to fines or other consequences as determined by the HOA (Home Owners' Association) board. [9.5.2]

#### **G.2 Unit and Building Maintenance and Appearance:**

- a. **Responsibilities:** The owner is responsible for all maintenance and repairs within units, including plumbing, caulking, windows, screens, pipes, hoses, heating, electrical, etc. [6.3.1]
- b. **Window Treatments:** In order to give the building a uniform look, window treatments must be white or off white on the exterior. [4.25]
- c. **Outside Drying and Laundering:** No clothes washing, drying or airing is permitted outside the individual units, including on the balcony or balcony railings. [4.13]

# Paseo Villas Homeowners Association

- d. **Unit Entryway:** This space is defined as the door and the space immediately adjacent to the door. Small decorations on unit doors and doormats are allowed as long as the decorations are not offensive and do not protrude into the hallways. The association reserves the right to determine what may be offensive. [4.7] .
- e. **Antennas and Satellite Dishes:** All units are pre-wired for TV and internet. Other antenna systems and dish systems may not be attached to the face of the building nor may they be installed in or on any common area, including the roof. [4.14]
- f. **Bird Feeders:** Bird feeders of any kind are not allowed anywhere on the property, including patios and balconies. [4.16.3]
- g. **Elevators:** When moving large objects in the elevators, unit owners and residents **MUST** contact management with five days' notice to arrange for the installation of elevator pads to prevent damage. Unit owners will be charged a minimal amount for the elevator pad installation, AND WILL BE CHARGED for any damage that you cause to the elevators during use.

## **G.3 Unit and Building Occupancy and Use**

- a. **Unit Occupancy and Use:** Only five (5) people may occupy a unit, (2) persons per bedroom plus one. This limit may be exceeded temporarily with guests whose stay is limited to less than thirty (30) days. [4.1] (Note that this is also a city ordinance.)
- b. **Restriction on Businesses:** No business of any kind shall be owned or operated within the building, with the exception of professional and administrative professions that operate without disruption to the building and its environment. [4.3] Also permitted are child care facilities, as long as they are properly licensed and operated day care centers that adhere to all governmental requirements, and the Association is given prior notice of intended use for child care. [4.4]
- c. **Selling and Soliciting:** Selling, soliciting, and commercial enterprises are prohibited within the community. If a solicitor comes to your door please notify management. This rule is not intended to limit the rights of the residents to freely canvass or contact one another.
- d. **Shopping Cart Use:** The use of Paseo Villas shopping carts is limited to 19 minutes, after which the cart is to be returned to the appropriate side of the correct garage level as indicated by its attached sign, and placed within the taped and designated red zone. Shopping carts are NEVER to be removed from the building.
  - 1. Return cart empty, clean, and in useable condition.
  - 2. Use is restricted to garages (not including the autogalleria) and internal corridors and hallways.

## **G.4 Parking Rules:** Vehicles are defined as conveyances licensable by the California Department of Motor Vehicles [1.53] and must have current registration [4.23], a category that includes automobiles, motorcycles, and watercraft (mounted on trailers).

### **1. Parking in Paseo Villas Garage also known as 2R and BR**

- a. Parking spaces within the garages (2R and BR) are deeded to specific units in PV and are reserved for the exclusive use of the residents. Only Vehicles may occupy these parking spaces.
- b. Vehicles or other conveyances or items not authorized to occupy those spaces are subject to removal at the vehicle/items owner's expense.
- c. Owners may lease/rent/loan spaces to other residents but under no circumstance may a non-owner /non-resident park on a regular basis. An exception is for a guest who stays less than 30 days and does not pay for the space.
- d. Vehicles parked in Paseo Villas garages must be confined to the clearly outlined and assigned parking spaces. Disordered parking outside the marked area which impinges on a neighboring space or the common area may result in a FINE being levied by the Board.
- e. Parking spaces may NOT be converted to other use, specifically for any type of storage.
- f. Parking spaces must be kept neat and orderly. In particular, oil stains must be cleaned up and not stain the concrete. Small oil pans to capture leaks are permitted. [4.21,4.24] the cost of any cleanup performed by the Association shall be deemed a reimbursement assessment against the unit owner

# Paseo Villas Homeowners Association

- g. Automobile repairs are not allowed in the gated garage area other than emergency repairs to enable transport of the vehicle to a proper repair facility.

## 2. **Parking in the Autogalleria**

- a. Vehicles parked in the Autogalleria during business hours, (6 AM to 12 PM Mondays through Saturdays), are subject to towing, as per the REMA agreement.
- b. Residents may park their vehicles in the Autogalleria from Midnight to 6AM. It is required that they identify their vehicle as belonging to PV by using the mirror hang tag issued to the unit.
- c. Use of the mirror hang tags at any other time provides no guarantee that your car will not be towed. NOTE, no liability is assumed by the association for damage or theft resulting from the towing or storage of any parked vehicles.

## G.5 **Community Living**

- a. **Noise.** No resident shall permit loud noise of any kind to emanate from their unit. This includes TV, Stereo, and barking dog noise, or any other type of noise. Residents are also responsible for the noise of their visitors.  
Speakers may not be mounted on walls, cabinets or ceilings or sitting on the floor, in such a way as to cause the transmission of sounds or vibrations. Residents are also responsible for the noise of their visitors. The designated QUIET HOURS on patios, balconies, and in the courtyard, (swimming pool and spa) MUST BE OBSERVED from 10 pm to 8 am Sundays through Thursdays, and 11 pm to 9 am on Friday, through to Sunday morning. [4.5, 4.6]
- b. **Flooring Restrictions:** For noise abatement reasons, carpet and carpet padding of at least 8lb weight is required in all areas except the unit entry area, kitchen, baths, and laundry closet. All units on the third floor, and those located above common areas are exempt from these flooring requirements and restrictions.  
If tile or linoleum flooring is replaced or overlaid adequate noise abatement material must be added between the cement floor and the new flooring change must be approved by the Architectural Control Committee and the Board. [4.10]
- c. **Trash:** All trash shall be bagged prior to being dropped down trash chutes. No boxes are to be dropped into the trash chutes. Boxes must be collapsed and taken to the recycling room. Residents are responsible for the proper disposal of any garbage or materials left behind by workmen or visitors. [4.17]
- d. **Common Areas:** Obstruction and storage of any kind is not permitted in the common areas, including the hallways and outside any designated storage area. [4.8] Residents will assume responsibility for the cleaning and removal of stains or mess on carpeting and any flooring in all common areas of the building. Residents are responsible for mess caused by residents, owners, visitors, or people working in their unit.
- e. **Common Area Doors:** Doors to lobbies and the common area must be kept closed and locked. If it becomes necessary for a resident, mover, employee, visitor, etc. to open both doors to accommodate a large object, the door should be released immediately after the object is in or out of the immediate hallway or entry lobby area.
- f. **Visitors:** We maintain very tight security at our site. Please tell your visitors they must be buzzed onto the property and may not follow another resident into the building or parking garage. You are responsible for your visitors' behavior during their stay, whether you yourself are present or not. [9.3]
- g. **Committee Membership:** All residents, including renters, are welcome to join and fully participate on all Paseo Villas Standing and "ad hoc" committees. Only owners may vote. Each Paseo Villas unit may have no more than a single vote on any issue coming before the respective committees.

## G.6 **Miscellaneous Association Rules**

- a. **Association Assessments:** The HOA assessment(s) are due and payable by the fifth (5<sup>th</sup>) of each month. After the 15<sup>th</sup> of the month a late penalty, interest payment, and other additional charges will be added to your account. No owner may exempt himself or withhold payment for any reason

# Paseo Villas Homeowners Association

whatsoever. If payments are unacceptably late the association may place a lien on the property and elect to foreclose, forcing legal sale of the property. [8.6.2, 8.12, 9.4]

- b. **Complaints and Rules Violations:** We encourage owners to resolve neighbor to neighbor disputes among themselves and not to involve the HOA. Should this fail, the Board may elect to process complaints and minor rules violations after receiving a written and signed complaint, available online or from the office, the "Action Request Form." After a Board investigation, a determination will be made in the subsequent executive session of the board whether further action is warranted. This decision will be relayed in writing to the complainant within ten (10) days after the executive session in which the relevant findings are considered. [9.9]
- c. **Attorney's Fees:** If the association takes any action to enforce any of the provisions of the rules or governing documents, it shall be entitled to recover the full amount of the costs, including but not limited to attorney fees. [9.14]
- d. **Individual Unit Insurance:** Each unit owner is required to obtain and maintain property insurance for the interior of his/her unit including all upgrades and personal property. A copy of "proof of insurance" for each unit owned is to be placed on file in the office. [2.7.4]
- e. **Right of Access:** Each unit owner has granted a right of access to his unit to the managing agent and/or other person authorized by the Association for the purpose of making inspections, for pest control, and for the purpose of correcting conditions in a unit that threaten other units or common elements. [6.1.5]  
In a non-emergency situation (e.g. pest control) the association will use its best efforts to schedule a mutually convenient time. In the case of an emergency (e.g. fire & water line break), the HOA's access will be immediate. (See also Emergency Access Policy)
- f. **Water Leaks:** When a water leak occurs within a unit, it is the unit owner's responsibility to notify owners below or adjacent to his/her unit as well as management so as to determine the extent of damage. The HOA does not become further involved in the repair process unless damage emanating from a unit has originated within the common area.
- g. **Emergency Instructions for the Mobility Impaired:** Residents unable to use the stairs for building egress in emergency situations may so advise the office. It is the responsibility of the office to contact the local fire officials serving this building, providing the names, phone numbers, and locations within the building of such persons. In an emergency situation, it is the task of the emergency responders to locate and assist these individuals to safety. The office computer file location of this list shall be made known to board members.
- h. **Preventing Kitchen Sink Overflows:** In order to prevent kitchen sink back-ups/overflows, DO NOT put items, such as those in the following list, into your kitchen sink/disposal: Asparagus, Banana Peels, Bread, Celery, Coffee Grounds, Corn Husks/Silks, Egg Shells, Grease, Hair (human or pet), Lettuce, Onion Peels, Pasta, Potato Peels, Rice.
- i. **Preventing Toilet Overflows:** In order to prevent toilet back-ups/overflows, DO NOT put items, such as those in the following list, into your toilets: Bandages, Cigarette Butts, Condoms, Cotton Swabs, Dental Floss, Disposable Diapers, Disposable Gloves, Facial Tissues, Flowers, Hair (human or pet), Leaves, Paper Towels, Plastic Bags, Rags, Rubber Bands, Sanitary Napkins, Sponges, Tampon Applicators, Uneaten Food.

## **G.7 Water Shutdown Procedures and Rules**

- a. **In non-emergency situations:**
  1. Schedule the shutdown with management at least three days in advance.
  2. Schedule the service of a plumber qualified by the HOA.
  3. Shutdowns are not allowed on Fridays, Saturday, or Sunday, and may not be scheduled before 8:30 am or later than 4:00 pm.
  4. Notify affected residents, (those in the same stack or with same shutoff valve), of the shutdown by posting HOA approved notices on their doors and in the elevators.
- b. **IN EMERGENCY SITUATIONS:**  
Immediately contact management for assistance and coordination.

## **G.8 Pets**

# Paseo Villas Homeowners Association

**Permissible Pets:** Residents may have a maximum of two (2) common domestic pets (dogs, cats, rabbits and small caged animals), not weighing more than 30 pounds each animal. Pets that are wild, poisonous, or in some other way dangerous may not be kept.

**Restrictions:** Pets (dogs AND cats) must NOT be allowed to roam free in common areas or be left chained or confined within any exclusive use common area (patio or balcony). Pets are not allowed in the pool or courtyard areas.

Residents are responsible for pets that visit their unit and are subject to the same rules as resident pets. Pets in transit must be leashed (a maximum of six feet in length) AT ALL TIMES when in the Common Areas. Pet Caregivers are responsible for immediately cleaning up after their animals. Should your pet have an accident in a Common Area, the pet caregiver must clean up the mess or stain as soon as humanly possible. Residents are responsible for any damage caused by the animal or by any cleaning in an attempt to remedy any stain.

Pets shall not be allowed to become a nuisance or create unreasonable disturbance. The Humane Society of the United States lists examples of nuisance behaviors  
[http://www.humanesociety.org/assets/pdfs/pets/renting\\_with\\_pets/recommended\\_pet\\_policies.pdf](http://www.humanesociety.org/assets/pdfs/pets/renting_with_pets/recommended_pet_policies.pdf)

Pets who become a nuisance will as evidenced by factual complaints will be encouraged to receive pet training, and the HOA may move toward a penalty process. The HOA may ultimately ask that the pet be removed from the building.

**G.9 Signs:** No commercial signs may be displayed on the units. No signs may be installed in the common area without permission of the Board of Directors or property manager. [4.20] Signs of personal interest 8 ½ by 11 inches or less in size may be posted by residents on the bulletin boards in the mail rooms for the duration of one week. The date of posting is to be written in the upper right corner. The same sign may be reposted at the end of any given week. Any resident may remove a sign that has exceeded the posting date.

## **G.10 Alterations of Units**

- a. **Additions, Alterations, or Improvements by Unit Owners:** Improvements interior to private apartments may not impair or affect building structural integrity or mechanical systems, as specified in Davis-Stirling 4760 (a) (1) and the Paseo Villas CC&Rs. [6.3.5] If it is conceivable that planned interior modifications could impact building structure, or disrupt and in any way affect building electrical, plumbing, venting, or other mechanical systems, the Paseo Villas CC&R's REQUIRE SUBMISSION OF THE PLANS to the ACC for review and final approval by the board.
- b. **Subdivision:** No unit may be subdivided by an owner into smaller units. [7.1-17]
- c. **Restriction on Jacuzzis, Hot (and Soft) Tubs:** The installation of Jacuzzis and hot tubs without approval of the Architectural Control Committee and the Board is forbidden, whether located on a patio or balcony, or within a unit.
- d. **Any construction work within apartments should be scheduled between the hours of 8 AM and 6 PM.** Because such work may be disturbing to near neighbors, delivery of a courtesy notice with repair/remodel dates and times is recommended.
- e. If there is a chance that aerosols associated with construction work may activate building alarms, prior notice of planned work to the onsite office will enable a temporary shutdown of the building alarm systems.
- f. Providing notice to the office of intended welding, brazing, or other heat generating activity within an apartment will allow management to shut down (or empty) a restricted portion of the fire sprinkler system. This can avoid setting off a building-wide alarm and the creation of an unwanted water deluge.

## **G.11 Exclusive Use Areas.**

- a. **Smoking and Fumes:** Smoking is not allowed in Paseo Villas common areas, but is permitted on the exclusive use patios and balconies subject to the restriction that if fumes or smoke from a patio or balcony becomes a disturbance to other residents by finding its way to their unit interiors, those causing the fumes or smoke must contain these odors within their own respective units (by moving inside and closing doors and windows, for example).

# Paseo Villas Homeowners Association

- b. **Balcony and Patio Plants:** Balcony and patio plants must be confined within the exclusive use area and situated such that when watered the water does not find its way to balconies or patios below. Hosing of patios and balconies must also confine water so it does not leak or run below.

## **G.12 Leasing Procedures and Rules.**

- a. **Notification of Tenancy:** An owner must provide management with a copy of a signed lease within five (5) days after the lease effective date and the names of any (new) tenants. New tenants will be requested to fill out a "tenant update form" and provided with a copy of the governing documents and copies of this rules document upon move in. One copy of the rules document is to be initialed and signed by each new tenant and returned to a management representative accompanying the copy of the lease. Another copy (may be unsigned) of the rules accompanies at least one of the new tenants to the newly leased unit for purposes of future reference. [5.1.b,c]

## **G.13 General Procedures and Rules for Holiday Tree and Wreath Disposal**

- a. Management shall annually prepare a disposal plan that is approved by the Board and then posted in the elevators.
- b. A reminder to clean up the mess created by transporting Christmas trees and wreaths in or out of the building is also posted.
- c. Trees and wreaths ARE NOT to be disposed of in the trash chutes; they must be bagged and moved out of individual units into the common areas for disposal in the pre-designated bins.

## **G.14 Sale of Unit**

- a. Any owner that places his unit for sale must notify the Association so that the association may make available current association documents (CC&R's, ByLaws, rules, etc) to be signed at escrow and conduct an estoppel inspection.
- b. **Moving Policies and Keying Policies for the Common Area** are found separately in "Paseo Villas Homeowner Policies."

## **CONTENTS: FACILITY USE RULES (Numbered F.xx)**

While the "General Rules" of the Paseo Villas Homeowners Association are more broadly applicable, the "Facility Use Rules" describe rules and procedures for making use of the special common area features available to residents; the Pool and Spa, the Exercise Room, and the Social Room.

## **F.1 POOL, SPA AND POOL AREA RULES**

- a. **Hours of Use:** The pool and spa are open from 6 am until midnight. During the quiet hours you must lower your voice and respect other residents need for quiet. (The hours of operation of the switch for the jets on the spa may be restricted.)
- b. **Follow Posted Rules:** Pool and spa users are required to follow the rules for use that are posted on three sides of the pool deck.
- c. **Swim at Your Own Risk:** As no lifeguard is on duty, residents and their guests swim at their own risk.
- d. **Pool Gate:** The pool gate must be closed at all times.
- e. **No Boisterous Play:** No diving, running, pushing, or boisterous play is allowed in the pool/spa area.
- f. **Attire:** Customary bathing attire is required for use of the pool and spa.
- g. **Maximum Number in Pool:** The maximum pool capacity is 14 persons, with no more than ten at a time sponsored by, or including the residents of, a single Paseo Villas residence.
- h. **Maximum Number in Spa:** The maximum spa capacity is 6 persons at a time. All must be over the age of 14.



# Paseo Villas Homeowners Association

- i. **Children Must be Accompanied:** Children under the age of 14 must be accompanied by an adult at all times. (It is NOT sufficient to monitor children from a patio or balcony.) Any resident has the right to request that children unaccompanied by an adult leave the pool/spa area.
- j. **Swim Diaper Required:** Non toilet-trained children must wear a swim diaper at all times.
- k. **Toys Allowed:** Only toys designed for pool use may be used in the pool. Remove them when you leave.
- l. **Earphones Required:** The use of audio devices without earphones is prohibited.
- m. **No Glass Containers:** While food and drinks are permitted in the pool area, under no circumstance is the utilization of glass containers allowed on the swimming pool and spa deck areas or in the spa and pool.
- n. **Keep Area Clean:** Pick up your own trash and any clean any spills that are your responsibility properly and promptly.
- o. **Replace spa cover:** Replace the spa cover after each use.

## F.2 EXERCISE ROOM RULES

- a. **Permission to use:** Use of the room is limited to Paseo Villas residents and one guest at a time.
- b. **Age Restrictions for Children:** No children under the age of 10 are allowed, and children between the ages of 10 and 14 must be accompanied by an adult.
- c. **Attire required.** Shirt and athletic shoes are required.
- d. **Share the Equipment:** Limit time on the equipment to 30 minutes when others are waiting, and allow others to "work in" between sets on the machines.
- e. **Use Equipment Properly:** Don't slam or drop the equipment.
- f. **Use of the TV:** Keep the TV volume low at all times and off during "quiet hours."
- g. **Wipe Off Equipment:** Bring and use your own towel to wipe moisture off the equipment when you are finished.
- h. **Return Equipment to Proper Place:** Replace the dumbbells on the rack when you are finished.
- i. **No food permitted:** No food or glass containers are allowed in the Exercise Room.
- j. **Remove What You Bring:** Take with you any items you brought with you into the room—newspapers, water bottles, etc.
- k. **Properly Exit the Room:** The last person out should turn off the lights, the TV, the air conditioning, and make sure the doors are closed.

## F.3 SOCIAL ROOM RULES

- a. **Availability:** The Social Room is available 24/7 to all residents and their invited guests, but room users must be certain that party noise does not present a problem for other residents. In particular, quiet hours must be respected.
- b. **Business Use Prohibited:** The Social Room may not be used for any commercial event or activity, including but not limited to vending, sales demonstrations, etc.
- c. **Capacity:** The room capacity is limited to 72 people.
- d. **Sign Contract in Advance:** Arrangements to reserve the Social Room must be made with the management company prior to the date of the event. At this time a "Social Room Contract" will be signed by the resident desiring room use. Use priority is generally determined on a first come, first served basis.
- e. **Use of AV Equipment:** Arrangement must be made with the management company in order to make use of the audio/visual equipment stored in the Social Room. A key will be loaned to you for access to this equipment, but the key must be returned the day of the event by slipping the key under the office door if necessary.
- f. **Return to Original Condition:** The Social Room must be returned to its original pre-party condition after any event. Furniture must be restored to its original position, and cooktops, counters, the microwave, the refrigerator, the kitchen floor, the carpet in the room, and the bathroom must all be cleaned and appear as they did before use. Trash must be bagged, removed and properly disposed of, the lights and air conditioning turned off, and the doors to the room properly closed.

# Paseo Villas Homeowners Association

- g. **Latest time for Clean Up:** If not all cleanup is accomplished the evening of an event, it is permissible to return and complete the pre-party restoration of the Social Room the morning following, as long as this work is completed by 10 am the following day.
- h. **Inspection Afterwards:** The Social Room will be inspected by the management company for damage and cleanliness as soon after the scheduled event as is practicable.
- i. **Payment Liability:** The owner of the unit reserving the Social Room is responsible for the payment of all charges incurred by the association because of the need for additional maintenance, repair, or upkeep to the room following their Social Room event.
- j. **Host's Presence Required:** The resident reserving the Social Room must be present at all times during the scheduled event, and further accepts all liability for the actions and safety of all guests.
- k. **Kitchen Use Limited:** Use restrictions for the kitchen are the following:
  - i. The kitchen facilities are limited to the "warming up" of food and light or basic food preparation (such as chopping salad ingredients).
  - ii. There is to be no baking, broiling, boiling, or frying of food.
  - iii. The oven is never to be put into the self-clean cycle, but should be cleaned by hand if necessary.
- l. **All HOA Rules Enforced:** The resident reserving the room will enforce all the HOA rules. NO SMOKING is permitted in any of the building common areas, including the elevators, courtyard, hallways, the Social Room itself, and the entry lobbies.
- m. **HOA Precedence:** The association reserves the right to first pick of the times and dates of Social Room reservation for general membership parties and other events important to the maintenance of its typical and/or necessary functions.
- n. **No Access beyond Social Room:** Note that use of the pool, spa, and exercise room is not included with the reservation of the Social Room.
- o. **Cap on Simultaneous Reservations:** No resident may have more than two active open reservations for use of the Social Room on any Friday, Saturday, or Sunday (not including the holiday lottery reservation system).
- p. **Holiday Lottery:** Because at holidays there can be competition for the use of the Social Room space, Paseo Villas has created a lottery system to make this determination as fair as possible. To enter a holiday lottery it is necessary to contact management and "sign up" at least 30 days prior to the planned event and provide information as to desired dates and times. At the dates that is 30 days before the beginning of that Holiday, management will no longer accept Social Room reservation requests for that particular holiday or holiday weekend, and will proceed to conduct the drawing, prioritize the results according to the selected order, and then contacting residents to make the official time assignments for use of the Social Room during that holiday period. The designated holidays include:

New Year's Eve	St. Patrick's Day	Independence Day	Thanksgiving
Super Bowl Sunday	Easter	Labor Day	Christmas Eve
President's Day	Memorial Day	Halloween	Christmas Day

# Paseo Villas Homeowners Association

## **SOCIAL E-MAIL GROUP POLICY**

**Adopted November 5, 2015**

1. The administrator of the e-mail group shall be appointed by the Board and must be an owner who is a member in good standing.
  2. A backup administrator who is a member in good standing shall also be appointed to ensure access to the administrative function.
  3. If messages on the e-mail group are to be moderated, a separate policy for moderation must be approved by the Board.
  4. The e-mail group is for social communication. It is not monitored by the Board or by the management company or used for official association communication.
  5. Joining the e-mail group is optional. Owners/renters may apply by contacting [paseovillas-subscribe@yahoo.com](mailto:paseovillas-subscribe@yahoo.com).
  6. In order for the administrator to add a new member to the e-group:
    - a. The applicant must submit the required personal information:
      - i. Name
      - ii. Unit number
      - iii. E-mail address
      - iv. Owner or renter
    - b. The administrator verifies that the applicant is a current owner or renter of Paseo Villas by contacting the management company.
    - c. If verified, the administrator approves the new member of the e-mail group.
  7. Personal information submitted by an applicant is confidential. It may not be disclosed and may only be used for controlling membership of the e-mail group.
- 
8. In order for the administrator to delete a member from the e-mail group:
    - a. The management company must notify the administrator of any move-outs/sales.
    - b. The administrator shall delete members who have left the association.
  9. To access the e-mail group:
    - a. To post a message, email [paseovillas@yahoo.com](mailto:paseovillas@yahoo.com)
    - b. To unsubscribe, email [paseovillas-unsubscribe@yahoo.com](mailto:paseovillas-unsubscribe@yahoo.com)
    - c. To set communication preferences, edit membership settings at:  
<https://groups.yahoo.com/neo/groups/PaseoVillas/info>

# Paseo Villas Homeowners Association

## **VIOLATION AND FINING POLICY AND SCHEDULE OF FINES Adopted May 6, 2010**

This policy sets forth the Association's policy for imposing sanctions for violations of the Association's governing documents pursuant to California Civil Code section 1363.

**1. Owner Responsibility.** Under California law, the owners of units at Paseo Villas are responsible for complying with the governing documents. Fines, other penalties, or the suspension of any rights or privileges of membership may be imposed against unit owners for violations of any of the governing documents.

Owners are required to give their tenants, if any, copies of the governing documents, amendments, and new rules as they are adopted. Owners are responsible for ensuring that their tenants comply with the governing documents. In case of violations by tenants, the Association will notify the owner of the unit. Any fines or reimbursement assessments for non-compliance will be imposed against the owner.

**2. Notice and Hearing.** Prior to imposing a fine, penalty, or suspending any rights or privileges of membership, the Board of Directors will notify the member in writing:

- a) identifying the governing document provision that has been violated,
- b) describing the nature of the violation,
- c) describing the corrective action to be taken by the member and the time within which it must be done,
- d) describing possible sanctions if the corrective action is not taken within the prescribed time, and
- e) giving the member the opportunity for a hearing at least fifteen (15) days prior to any sanction becoming effective. At such hearing the member will have the opportunity to express their position.

The notice of hearing will be sent by-first class mail with certificate of mailing to the last known address for the owner shown on the Association records. The notice will be deemed delivered seventy-two (72) hours after it has been deposited in the United States Mail.

**3. Payment of Fines and Penalties.** Fines and penalties are due when imposed by the Board and are delinquent if not paid within fifteen (15) days after they are due. If a fine or penalty is delinquent, a late charge of ten percent (10%) of the fine or penalty will be added. Interest at the rate of twelve percent (12%) per year will be imposed on the entire amount owing beginning thirty (30) days after the fine or penalty is due.

**4. Schedule of Fines.** The following Schedule of Fines is in effect until changed by action of the Board. An instance of a violation is deemed to be the time as described in the notice sent to the owner.

First violation: \$200.00

Second instance of the same violation†: \$400.00

Third instance of the same violation†: \$800.00

Fourth and subsequent instances of the

Same violation†: \$1,600.00

[† = Within six months of a previous violation]

**5. Alternative Fine:** In an instance when the cost of damage exceeds the amount of the fine imposed, the Board may impose a penalty equal to the amount of the cost of the damage plus any other expenses required.

# Paseo Villas Homeowners Association

**6. Penalties in Addition to Corrective Measures.** The imposition of fines, suspension of any voting rights or privileges of membership are in addition to the requirement that owners comply with the governing documents. Compliance may include, but is not limited to, correcting, repairing or replacing non-complying conditions, all at the owner's expense.

**7. Other remedies.** The Association reserves the right to avail itself of any other remedy permitted by law and the governing documents of the Association. These remedies include, but are not limited to, bringing an action in Small Claims, Municipal or Superior Court, or requesting that the matter be submitted to any form of Alternative Dispute Resolution (ADR). Such remedies may be taken in addition to, or in lieu of, any action already taken, and commencement of one remedy shall not prevent the Association from electing to pursue another remedy at a later date.

**8. Deposit of Fines, and Penalties.** All fines and penalties collected shall be placed in the Association's operating fund.

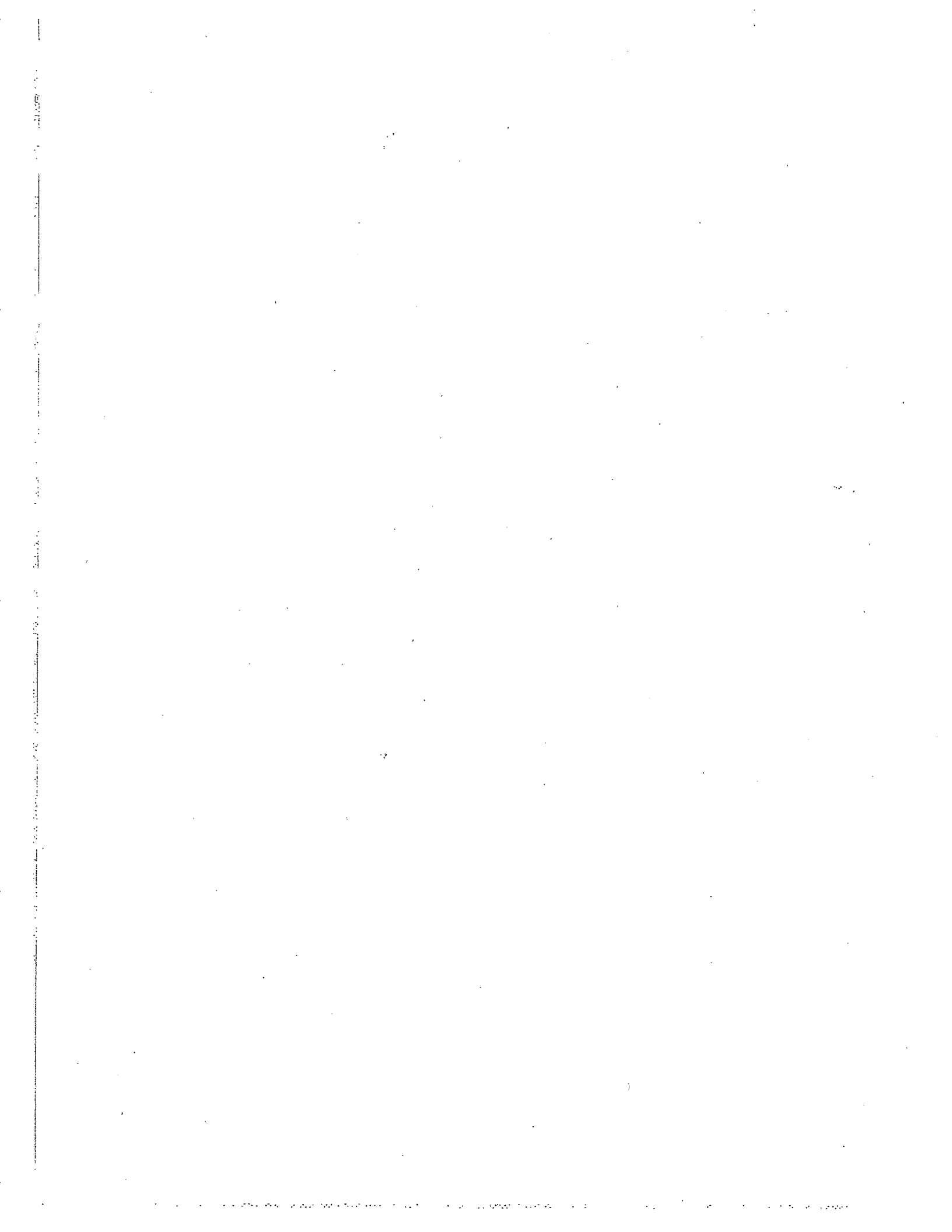


# Paseo Villas Homeowners Association

## 2016 Budget Package and Disclosures Summary of Policies and Rules

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# Paseo Villas Homeowners Association

TO: All Paseo Villas Homeowners  
FROM: Board of Directors  
DATE: November 6, 2015  
RE: Approved 2016 Budget

Enclosed is a copy of the 2016 budget for the Paseo Villas Homeowners Association, as approved by the Board of Directors on November 5, 2015. **Based on this approved budget, your monthly assessments, starting January 1, 2016, will remain at \$530.00 per unit per month.**

The reserve funding practices of the Association are reviewed annually by the Board of Directors. The Association engaged an independent reserve consultant, Association Reserves, to determine the complete reserve funding obligations of the Association. The results of this study have been incorporated into the 2016 budget.

A summary of the reserve study is included in this budget package. These pages contain disclosures regarding the level of reserve funding as required under California Civil Code.

**In the preparation of the fiscal year 2016 budget, the Board of Directors has not determined and does not anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major components or to provide adequate reserves therefore, based upon all information available to the Board as of November 5, 2015.**

**The Board of Directors has relied on the independent reserve study prepared by Association Reserves, updated August 14, 2015, to calculate and establish those reserves necessary to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain. A copy of the reserve study is available to any owner upon written request to the Board of Directors.**

If you have any questions regarding this budget please contact Compass Management Group, Inc. at (408) 226-3300.

## Paseo Villas Homeowners Association

### 2016 Budget Summary

	2015	2016	Percent Change
Operating Expenses	\$ 38,256.89	\$ 37,303.73	-2%
Reserve Contributions	\$ 41,529.33	\$ 18,440.00	-56%
Other Income	\$ (24,666.23)	\$ (623.73)	-97%
<b>Total Budgeted</b>	<b>\$ 55,120.00</b>	<b>\$ 55,120.00</b>	<b>0%</b>
<b>Assessment Per Unit Per Month:</b>	<b>\$ 530.00</b>	<b>\$ 530.00</b>	<b>0%</b>

2016 Fiscal Year Budgeted Income \$ 661,440.00

2016 Projected Starting Reserve Balance \$ 1,962,657.00

2016 Fully Funded Beginning Balance Needed Per Reserve Study \$ 2,056,982.00

Percentage of Recommended Balance Actually Funded: 95.4%

Independent Reserve Study Prepared by:	Association Reserves
Date of Latest Reserve Study:	August 14, 2015
For the Fiscal Year Beginning:	January 1, 2016

The Reserve Funding Practices of the Association are reviewed and approved annually by the Board of Directors. The Board of Directors has relied on the reserve study noted above to calculate and establish those reserves necessary to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain. As of the date of this budget the Board has not determined and does not anticipate that the levy of one or more special assessments will be required to repair, replace, or restore any major components or provide adequate reserves therefor.

A copy of the latest reserve study is available to any owner upon written request to the Board of Directors, care of Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119, and is available for review on the Association website at [www.gocompass.com](http://www.gocompass.com).

# Paseo Villas Homeowners Association

2016 Approved Budget - Pro Forma

As Approved by the Board of Directors on:  
February 23, 2016

	Approved					
INCOME	2015 BUDGET MONTHLY	2016 BUDGET MONTHLY	2016 BUDGET FULL YEAR	COST PER UNIT MONTHLY	% OF TOTAL BUDGET	% CHANGE
Late Charge	41.67	0.00	0.00	0.00	0%	-100%
Interest Charge	4.17	0.00	0.00	0.00	0%	-100%
Interest Income - Op	41.67	20.00	240.00	0.19	0%	-52%
Interest Income - Res	1,125.00	0.00	0.00	0.00	0%	-100%
Move in/ Move out fee	250.00	300.00	3,600.00	2.88	1%	20%
Key Charges	83.33	0.00	0.00	0.00	0%	-100%
Retained Earnings Offset	22,000.00	0.00	0.00	0.00	0%	-100%
Commercial Income	253.73	253.73	3,044.76	2.44	0%	0%
Comcast Concession Income	866.67	0.00	0.00	0.00	0%	-100%
Other Income (Late Fees/Interest)	0.00	50.00	600.00	0.48	0%	0%
<b>TOTAL INCOME</b>	<b>24,666.23</b>	<b>623.73</b>	<b>7,484.76</b>	<b>6.00</b>	<b>1%</b>	<b>-97%</b>
<b>EXPENDITURES</b>						
<b>Corporate</b>						
Insurance	2,608.33	2,650.00	31,800.00	25.48	5%	2%
Legal	416.67	400.00	4,800.00	3.85	1%	-4%
Audit / Review / Tax Returns	258.33	285.00	3,420.00	2.74	1%	10%
Income Taxes	677.00	100.00	1,200.00	0.96	0%	-85%
Copies & Postage	0.00	500.00	6,000.00	4.81	1%	0%
Bank Charge	4.17	10.00	120.00	0.10	0%	140%
Spa/Pool Permit	107.67	110.00	1,320.00	1.06	0%	2%
Elevator Permits	56.00	57.00	684.00	0.55	0%	2%
Board Education	50.00	50.00	600.00	0.48	0%	0%
Promotions / Social Activity	108.33	50.00	600.00	0.48	0%	-54%
Security	31.20	600.00	7,200.00	5.77	1%	1823%
Management	1,622.00	1,900.00	22,800.00	18.27	3%	17%
Onsite Office	3,458.00	1,400.00	16,800.00	13.46	3%	-60%
Miscellaneous Administration	75.00	200.00	2,400.00	1.92	0%	167%
<b>Sub-Total</b>	<b>9,472.69</b>	<b>8,312.00</b>	<b>99,744.00</b>	<b>79.92</b>	<b>15%</b>	<b>-12%</b>
<b>Utilities</b>						
Electricity	5,964.72	6,000.00	72,000.00	57.69	11%	1%
Gas	3,283.94	3,000.00	36,000.00	28.85	5%	-9%
Water & Sewer	2,949.75	3,000.00	36,000.00	28.85	5%	2%
Refuse	1,320.07	1,300.00	15,600.00	12.50	2%	-2%
Telephone Expenses	458.33	470.00	5,640.00	4.52	1%	3%
<b>Sub-Total</b>	<b>13,976.80</b>	<b>13,770.00</b>	<b>165,240.00</b>	<b>132.40</b>	<b>25%</b>	<b>-1%</b>
<b>Maintenance</b>						
Pest Control	112.50	130.00	1,560.00	1.25	0%	16%
Landscape - Service	1,000.00	875.00	10,500.00	8.41	2%	-13%
Pool / Spa Contract	385.00	385.00	4,620.00	3.70	1%	0%
Fitness Equipment Contract	41.67	42.00	504.00	0.40	0%	1%
Fire System Contract/Inspection	241.67	665.00	7,980.00	6.39	1%	175%
Elevator - Contract	683.33	630.00	7,560.00	6.06	1%	-8%
Janitorial Contract	5,240.00	5,240.00	62,880.00	50.38	10%	0%
Window Washing	408.33	410.00	4,920.00	3.94	1%	0%
Carpet Cleaning	333.33	0.00	0.00	0.00	0%	-100%
Marble Entry Polish	166.67	167.00	2,004.00	1.61	0%	0%
Building Maintenance Contract	2,080.00	2,080.00	24,960.00	20.00	4%	0%
EBM Annual Inspection	54.17	60.00	720.00	0.58	0%	11%
Annual Roof Inspection	83.33	85.00	1,020.00	0.82	0%	2%
Water Heater - Inspection	83.33	190.00	2,280.00	1.83	0%	128%
Water Softening System	458.33	450.00	5,400.00	4.33	1%	-2%
Sewer Line / Hydroflush	333.33	0.00	0.00	0.00	0%	-100%
Autogalleria Gate - Contract	76.67	77.00	924.00	0.74	0%	0%
<b>Sub-Total</b>	<b>11,781.66</b>	<b>11,486.00</b>	<b>137,832.00</b>	<b>110.44</b>	<b>21%</b>	<b>-3%</b>
<b>Repairs</b>						
Irrigation	4.17	10.00	120.00	0.10	0%	140%
Landscape - Extra	41.67	40.00	480.00	0.38	0%	-4%
Pool / Spa Chemicals	20.75	25.00	300.00	0.24	0%	20%
Pool / Spa - Repairs	41.67	150.00	1,800.00	1.44	0%	260%
Fitness Equipment - Repairs	54.17	80.00	960.00	0.77	0%	48%
Fire System Repair	546.67	500.00	6,000.00	4.81	1%	-9%
Elevator - Repair/Maintenance	250.00	300.00	3,600.00	2.88	1%	20%
Janitorial Supplies	50.00	50.00	600.00	0.48	0%	0%
Lighting, Bulbs and Tubes	166.67	350.00	4,200.00	3.37	1%	110%
Plumbing Repairs, Leaks/Clogs	833.33	1,000.00	12,000.00	9.62	2%	20%
HVAC ALL	208.33	300.00	3,600.00	2.88	1%	44%
Hot Water System/Boilers - Repairs	83.33	150.00	1,800.00	1.44	0%	80%
Sump Pump Repairs	83.33	80.00	960.00	0.77	0%	-4%
Doors, Locks & Keys	83.33	80.00	960.00	0.77	0%	-4%
Garage Gate Repairs	83.33	80.00	960.00	0.77	0%	-4%
Garage Exhaust - Repair/Maintenance	133.33	100.00	1,200.00	0.96	0%	-25%
A/V Equipment	83.33	10.00	120.00	0.10	0%	20%
Building - Repair/Maintenance	333.33	430.73	5,168.76	4.14	1%	29%
Contingency	0.00	7,240.00	86,880.00	69.62	13%	100%
<b>Sub-Total</b>	<b>3,025.74</b>	<b>10,975.73</b>	<b>131,708.76</b>	<b>105.54</b>	<b>20%</b>	<b>263%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>38,256.89</b>	<b>44,543.73</b>	<b>534,524.76</b>	<b>428.31</b>	<b>81%</b>	<b>16%</b>
<b>Reserves</b>						
Reserve Contribution	41,529.33	11,200.00	134,400.00	107.69	20%	-73%
<b>TOTAL RESERVES</b>	<b>41,529.33</b>	<b>11,200.00</b>	<b>134,400.00</b>	<b>107.69</b>	<b>20%</b>	<b>-73%</b>
<b>TOTAL</b>	<b>55,120.00</b>	<b>55,120.00</b>	<b>661,440.00</b>	<b>530.00</b>	<b>100%</b>	<b>0%</b>

## Assessment and Reserve Funding Disclosure Summary

### Paseo Villas

For Fiscal Year Beginning: 1/1/2016

# of Units: 104

1) Budgeted Amounts:	Total	Average Per unit*
Reserve Contributions:	\$18,440.00	\$177.31
Total Assessment Income:	\$55,120.00	\$530.00

per: Month

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

Date Due	Total Amount Per Unit*	Purpose
N/A		
N/A		
Total:		\$0.00

- 3) Based on the most recent Reserve Study and other information available to the Board of Directors, will currently projected Reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? **Yes**

- 4) If the answer to #3 is no, what additional assessments or other contributions/loans to Reserves would be necessary to ensure that sufficient Reserve Funds will be available each year during the next 30 years?

Approximate Fiscal Year Assessment Will Be Due	Average Total Amount Per Unit*	
N/A		
N/A		
N/A		
N/A		
Total:		\$0

- 5) All major components appropriate for Reserve Funding (components that are a common area maintenance responsibility with a limited life expectancy and predictable remaining useful life, above a minimum threshold cost of significance) are included in this Reserve Funding Plan: **Yes**

6) All computations/disclosures are based on the fiscal year start date of:	1/1/2016
Fully Funded Balance (based on formula defined in 5570(b)4):	\$2,056,982.00
Projected Reserve Fund Balance:	\$1,962,657.00
Percent Funded:	95.4%
Reserve Deficit (surplus) on a mathematical avg-per-unit* basis:	\$906.97

From the 8/14/2015 Reserve Study by Association Reserves, Inc. and any minor changes since that date.

\* If assessments vary by the size or type of unit, allocate per unit per the attached.

- 7) See attached 30-yr Summary Table, showing the projected Reserve Funding Plan, Reserve Balance, Percent Funded, and assumptions for interest and inflation.

**Prepared by: Association Reserves (Naomi Obana Kim RS, PRA)**

**Date: 11/9/2015**

*The financial representations at the time of preparation are based on the Reserve Study for the fiscal year shown at the top of this page and the best estimates of the preparer. These estimates should be expected to change from year to year. Some information on this form has been provided to Association Reserves, and has not been independently verified.*

Table 4: 30-Year Reserve Plan Summary Based on BOD Decision

19583-3

Fiscal Year Beginning: 01/01/16

Interest: 1.00%

Inflation: 3.0%

Year	Starting Reserve Balance	Fully Funded Balance	Percent Funded	Rating	% Increase In Annual Reserve Contribs.	Annual Reserve Contribs.	Loans or Special Assmts	Interest Income	Projected Reserve Expenses
2016	\$1,962,657	\$2,056,982	95.4%	Strong	-55.60%	\$221,280	\$0	\$19,126	\$338,985
2017	\$1,864,078	\$2,082,235	89.5%	Strong	12.75%	\$249,493	\$0	\$19,810	\$33,872
2018	\$2,099,509	\$2,431,894	86.3%	Strong	12.75%	\$281,304	\$0	\$21,991	\$102,223
2019	\$2,300,580	\$2,731,302	84.2%	Strong	12.75%	\$317,170	\$0	\$24,336	\$73,486
2020	\$2,568,600	\$3,079,244	83.4%	Strong	12.75%	\$357,609	\$0	\$26,754	\$168,483
2021	\$2,784,480	\$3,350,029	83.1%	Strong	12.75%	\$403,204	\$0	\$19,621	\$2,065,908
2022	\$1,141,397	\$1,685,147	67.7%	Fair	2.75%	\$414,292	\$0	\$13,360	\$37,392
2023	\$1,531,657	\$2,070,566	74.0%	Strong	2.75%	\$425,685	\$0	\$17,204	\$63,996
2024	\$1,910,550	\$2,451,346	77.9%	Strong	2.75%	\$437,392	\$0	\$20,805	\$116,466
2025	\$2,252,261	\$2,801,023	80.4%	Strong	2.75%	\$449,420	\$0	\$23,857	\$204,308
2026	\$2,521,230	\$3,082,616	81.8%	Strong	2.75%	\$461,779	\$0	\$23,284	\$868,728
2027	\$2,137,565	\$2,700,545	79.2%	Strong	2.75%	\$474,478	\$0	\$23,281	\$114,801
2028	\$2,520,522	\$3,096,163	81.4%	Strong	2.75%	\$487,526	\$0	\$26,981	\$156,983
2029	\$2,878,046	\$3,473,188	82.9%	Strong	2.75%	\$500,933	\$0	\$30,336	\$217,681
2030	\$3,191,634	\$3,812,380	83.7%	Strong	2.75%	\$514,709	\$0	\$31,371	\$652,539
2031	\$3,085,174	\$3,727,621	82.8%	Strong	2.75%	\$528,863	\$0	\$25,742	\$1,574,310
2032	\$2,065,469	\$2,705,083	76.4%	Strong	2.75%	\$543,407	\$0	\$23,162	\$63,089
2033	\$2,568,949	\$3,223,042	79.7%	Strong	2.75%	\$558,350	\$0	\$27,941	\$133,591
2034	\$3,021,649	\$3,698,977	81.7%	Strong	2.75%	\$573,705	\$0	\$32,334	\$179,845
2035	\$3,447,843	\$4,157,053	82.9%	Strong	2.75%	\$589,482	\$0	\$37,105	\$98,196
2036	\$3,976,233	\$4,728,941	84.1%	Strong	2.75%	\$605,693	\$0	\$33,389	\$1,910,947
2037	\$2,704,368	\$3,467,301	78.0%	Strong	2.75%	\$622,349	\$0	\$30,014	\$55,651
2038	\$3,301,081	\$4,095,710	80.6%	Strong	2.75%	\$639,464	\$0	\$31,509	\$968,686
2039	\$3,003,368	\$3,819,997	78.6%	Strong	2.75%	\$657,049	\$0	\$32,559	\$181,767
2040	\$3,511,209	\$4,364,513	80.4%	Strong	2.75%	\$675,118	\$0	\$35,535	\$623,133
2041	\$3,598,728	\$4,489,273	80.2%	Strong	2.75%	\$693,684	\$0	\$29,496	\$2,018,978
2042	\$2,302,930	\$3,199,124	72.0%	Strong	2.75%	\$712,760	\$0	\$25,915	\$159,253
2043	\$2,882,352	\$3,805,429	75.7%	Strong	2.75%	\$732,361	\$0	\$31,494	\$227,149
2044	\$3,419,058	\$4,380,221	78.1%	Strong	2.75%	\$752,501	\$0	\$36,119	\$399,861
2045	\$3,807,817	\$4,815,201	79.1%	Strong	2.75%	\$773,195	\$0	\$40,729	\$280,302

## 3-Minute Executive Summary

**Association:** Paseo Villas **Assoc. #: 19583-3**  
**Location:** San Jose, CA  
**# of Units:** 104  
**Report Period:** January 1, 2016 through December 31, 2016

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

Projected Starting Reserve Balance: .....	\$1,962,657
Fully Funded Reserve Balance: .....	\$2,056,982
Average Reserve Deficit (Surplus) Per Unit:.....	\$907
Percent Funded: .....	95.4%
Recommended 2016 monthly Reserve Contribution: .....	\$27,500
Recommended 2016 Special Assessment for Reserves: .....	\$0

Most Recent Reserve Contribution Rate: ..... \$41,529

**Economic Assumptions:**

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

- This is an "Update No-Site-Visit" Reserve Study, based on a prior Report prepared by Association Reserves for your 2015 Fiscal Year. No site inspection was performed as part of this Reserve Study.
- This Reserve Study was prepared by a credentialed Reserve Specialist (RS).
- Because your Reserve Fund is at 95.4% Funded, this means the association's special assessment & deferred maintenance risk is currently low.
- The objective of your multi-year Funding Plan is to Threshold Fund your Reserves with a goal of maintaining an 80% funded level.
- Based on this starting point, your anticipated future expenses, and your historical Reserve contribution rate, our recommendation is to lower your Reserve contributions.
- No assets appropriate for Reserve designation were excluded.

Table 1: Executive Summary

19583-3

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
<i>Exterior</i>					
103	Concrete Walkways - Repair	5	2	\$7,210	\$7,649
104	Balconies - Seal/Repair	5	0	\$63,750	\$73,904
105	Balconies - Resurface	20	5	\$182,500	\$211,568
209	Planters - Waterproof 25%	5	3	\$46,350	\$50,648
320	Pole Lights - Replace	30	14	\$20,350	\$30,781
321	Walkway Lights - Replace	25	9	\$2,730	\$3,562
322	Wall/Ceiling Lights - Replace	25	9	\$18,900	\$24,660
324	Patio Lights - Replace	25	9	\$11,800	\$15,396
326	Exit Signs - Replace	15	0	\$2,750	\$4,284
404	Pool Furniture - Replace	12	5	\$14,450	\$16,752
503	Metal Rail (Balcony) - Replace	30	15	\$103,900	\$161,873
504	Pool Fence - Replace	30	15	\$26,850	\$41,831
702	Patio/Balcony Doors - Replace(Par.)	10	5	\$58,950	\$68,339
709	Pedestrian Gate - Replace	30	15	\$12,350	\$19,241
710	Patio Gates - Replace	30	15	\$3,610	\$5,624
1009	Landscaping - Replenish	15	12	\$61,850	\$88,183
1113	Metal Surfaces - Repaint	5	0	\$12,400	\$14,375
1115	Stucco - Repaint	10	5	\$259,500	\$300,832
1125	Stucco - Reseal/Repair	10	5	\$56,650	\$65,673
1201	Pool Deck - Repair	10	4	\$6,180	\$6,956
1202	Pool - Resurface	12	10	\$22,900	\$30,776
1203	Spa - Resurface	8	6	\$7,470	\$8,920
1305	Roof Stairs - Replace	20	15	\$6,185	\$9,636
1306	Flat Roof - Seal	5	0	\$91,650	\$106,247
1307	Flat Roof - Repair	5	4	\$7,245	\$8,154
1308	Flat Roof - Replace	15	5	\$820,000	\$950,605
1313	Expansion Joint- Replace	20	5	\$30,600	\$35,474
1925	Reserve Study - Update	3	1	\$2,970	\$3,059
<i>Interior</i>					
103	Garage Concrete - Reseal	10	5	\$152,000	\$176,210
323	Tube Lights - Partial Replace	30	14	\$1,915	\$2,897
324	Wall Lights - Replace	25	23	\$24,850	\$49,044
326	Emergency/Exit Lights - Replace	25	9	\$13,750	\$17,941
403	Mailboxes - Replace	45	29	\$19,800	\$46,660
411	Drinking Fountains - Par. Replace	5	3	\$1,650	\$1,803
601	Carpet (Hallways) - Replace	12	10	\$118,000	\$158,582
603	Tile Surfaces - Replace	40	24	\$85,650	\$174,109
604	Vinyl Floor - Replace	12	10	\$13,400	\$18,008
690	Doorbells - Replace	12	10	\$16,050	\$21,570
701	Unit Doors - Partial Replace	30	14	\$28,050	\$42,428
703	Utility Doors - Replace (Partial)	12	10	\$47,800	\$64,239
704	Entry Doors - Replace	40	24	\$61,150	\$124,305
707	Trash Chute Doors - Replace	30	14	\$7,210	\$10,906
710	Auto Galleria Gates - Replace	50	44	\$130,000	\$477,289
711	Garage Gates - Replace	50	34	\$92,700	\$253,248
901	Kitchen Appliances - Par. Replace	4	1	\$6,695	\$6,896

Table 1: Executive Summary

19583-3

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
902	Exercise Equipment - Replace (Par.)	5	0	\$8,000	\$9,274
903	Hallway/Lobby Furniture - Replace	15	0	\$36,050	\$56,165
903	Social Room Furniture - Replace	15	0	\$41,250	\$64,266
904	Countertop - Replace	40	24	\$15,950	\$32,423
906	Sauna Room - Refurbish	25	9	\$7,210	\$9,407
907	Cabinets - Replace	40	24	\$7,000	\$14,230
909	Bathroom Fixtures - Refurbish	25	19	\$23,200	\$40,681
911	Gym Floor - Replace	15	13	\$10,695	\$15,706
1110	Interior Surfaces (Common)- Repaint	12	10	\$39,400	\$52,950
1110	Interior Surfaces(Hall) - Repaint	12	10	\$140,500	\$188,820
1110	Interior Surfaces(Stairs) - Repaint	12	10	\$13,850	\$18,613
1150	Interior Signage - Replace	12	10	\$17,050	\$22,914
<b>Mechanical</b>					
303	HVAC Units - Replace (Ph. 1)	15	0	\$10,185	\$15,868
303	HVAC Units - Replace (Ph. 2)	15	2	\$15,300	\$16,232
305	Security Cameras - Partial Replace	6	4	\$12,500	\$14,069
306	Exhaust Fans (Garage) - Replace	25	9	\$46,350	\$60,476
307	Elevator Room Fans - Replace	20	4	\$5,410	\$6,089
313	CO Sensors - Partial Test/Replace	7	4	\$10,285	\$11,576
704	Intercom - Replace	15	14	\$14,200	\$21,479
705	Gate Operator (Gal.) - Par. Replace	2	0	\$3,970	\$4,212
705	Gate Operator (Gar.) - Par. Replace	4	1	\$3,970	\$4,089
721	Card Reader (Auto Gall) - Replace	10	4	\$3,605	\$4,057
721	Card Reader (Garages) - Replace	15	0	\$3,605	\$5,616
722	Keyless Entry Pads - Par. Replace	2	0	\$625	\$663
723	Primus Locks - Rekey	5	4	\$3,335	\$3,754
724	Entry Control Boards/Key Fob - Repl	15	14	\$30,000	\$45,378
801	3rd Street Boiler System - Replace	15	0	\$39,900	\$62,163
801	4th St. Boiler System - Replace	15	13	\$20,600	\$30,252
802	Expansion Tank - Partial Replace	15	9	\$13,000	\$16,962
803	Storage Tank Float Arm - Replace	10	8	\$3,295	\$4,174
804	Boiler Pumps - Partial Replace	10	8	\$8,650	\$10,958
806	Backup Water Pumps - Replace	15	7	\$8,655	\$10,645
806	Water Pump/Control Panel - Replace	15	11	\$50,000	\$69,212
905	Sauna Heater - Replace	20	4	\$6,800	\$7,653
1001	Irrigation Backflow - Replace	25	9	\$2,350	\$3,066
1003	Irrigation Controller - Replace	20	4	\$2,320	\$2,611
1207	Pool Filter - Replace	12	0	\$1,750	\$2,495
1207	Spa Filter - Replace	12	0	\$1,500	\$2,139
1208	Pool Heater - Replace	10	8	\$4,380	\$5,548
1208	Spa Heater - Replace	10	8	\$3,785	\$4,795
1210	Pool Pump - Replace	10	0	\$2,350	\$3,158
1210	Spa Pump - Replace	10	5	\$1,705	\$1,977
1801	Elevator - Modernize	30	14	\$278,000	\$420,500
1802	Elevator Cabs - Remodel	15	13	\$36,050	\$52,941
1803	Fire Alarm System - Replace	20	4	\$61,800	\$69,556
1804	Fire System - Five Year Test	5	2	\$13,950	\$14,800



Table 1: Executive Summary

19583-3

#	Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
1807	Soft Water System - Replace	18	2	\$36,050	\$38,245
1809	Sump Pumps - Replace (Partial)	7	4	\$3,400	\$3,827
1811	Plumbing - Replace	1	0	\$19,250	\$19,828
94	Total Funded Components				

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

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

12/30/2014 to 12/30/15

Insurance Summary  
Paseo Villas Homeowners Association

**John Kemmer Insurance**  
2555 Flores St. #280  
San Mateo, Ca 94403-2385  
(650) 572-1044 Business  
(650) 572-8893 Fax  
License# 0769596  
Email: jkemmer@Pacbell.net

**Farmers Insurance Group-Truck Insurance Exchange**

Building	42,820,400, extended replacement 150%
Earthquake Sprinkler Leakage	Included in Building Coverage up to 42,820,400
Crime/ Employee Dishonesty	300,000
Deductible	\$10,000 (glass deductible \$100)
General Liability	2,000,000 No deductible
Directors & Officers Liability	2,000,000 \$500 retention (similar to a deductible)
Earthquake & Flood	Not covered-Available on separate policies
Workers Compensation	Not covered- Available on a separate policy
Pollution Liability	Not covered- Available on a separate policy

**Deductible.** Owners are responsible to pay the deductible on the Paseo Villas Homeowners Association insurance applicable to a loss resulting from the conduct or negligence of the Owner or from any loss which emanates from an Owner's Unit which damages Common Area or the Unit of another Owner. Refer to the CC&R'S.

**Greenwich Insurance (25 million umbrella) & Federal Insurance Co. (25 million excess)**

Commercial Umbrella & Excess Liability 50,000,000

**Unit-Owners need to have their own policy with the following coverage**

1. Building coverage for the interior of your unit. See CC&R sections 2.7 & 6.3
2. Additional living expense (or loss of rents if you rent your unit)
3. Personal Property (furniture, clothing, tv, computer, jewelry, etc)
4. Loss Assessment Coverage of at least 50,000
5. Personal Liability for injuries to others or damage to their property

**Other coverage to consider:**

Earthquake coverage and Earthquake Loss Assessment coverage  
Home Service Plan (covers appliances, heating, a/c, plumbing, electrical)

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

# Paseo Villas Homeowners Association

## Supplemental Disclosures

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

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

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

With these types and amounts of insurance:

- The Association carries the levels of insurance specified by Civil Code §5805. As a result, owners may be individually liable by reason of their ownership interest in the common area only for their proportional share of assessments, regular or special, levied to pay the amount of a court judgment that exceeds the limits of the Association's liability insurance.
- The Association does not carry the levels of insurance specified by Civil Code §5805. As a result, owners may be individually liable by reason of their ownership interest in the common area for the entire amount of a court judgment that exceeds the limits of the owner's and/or the Association's insurance.

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

### PERIODIC SITE INSPECTIONS – Civil Code §5550

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

**Reserve Study Site Inspection – June 25, 2014**  
**Reserve Study Report Updated – August 14, 2015**

### SCHEDULE OF FINES – Civil Code §5850

- The Association has not adopted a fine schedule.
- The Association has adopted a schedule of fines, and it is enclosed in this budget packet.

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

- The Board of Directors has not discussed a special assessment.
- The Board of Directors has discussed the possibility of special assessments. A special assessment vote ( ) is ( ) is not pending at this time.
- By a majority vote of the membership, there is a special assessment for \_\_\_\_\_ currently in place in the amount of \$ \_\_\_\_\_ per unit payable in \_\_\_\_\_ installments of \$ \_\_\_\_\_ from \_\_\_\_\_ through \_\_\_\_\_.

# Paseo Villas Homeowners Association

## SPECIAL PROVISIONS

The Association has adopted one or more of the following:

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

## SECURITY DISCLAIMER

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

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## POLICY STATEMENTS

The **Paseo Villas Homeowners Association** and its officers, directors, and management company, Compass Management Group, Inc., are committed to running the Association in a legal and neighborly manner. Accordingly, we wish to remind the members of the Association and their residents or tenants of the following:

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

Specifically, the **Paseo Villas Homeowners Association** does not:

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

# Paseo Villas Homeowners Association

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

Copies or summaries of minutes will be made available upon receipt of a written request specifying the meeting dates desired and including the appropriate distribution fee. All requests should be submitted to Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119.

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

The annual report shall be prepared not later than 120 days after the close of the Association's fiscal year. A member of the Association may receive a copy of the annual report by sending a written request to Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119.

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

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

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

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

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

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

A secondary address may be used for the delivery of certain notices. All requests should be submitted to Compass Management Group, 77 Las Colinas Lane, San Jose, CA 95119, in writing, signed by the owner, and mailed in a manner that confirms the Association has received it. After an owner identifies a secondary address, the Association will send copies of any collection notices to the secondary address provided, in addition to the owner's primary address shown in the Association's records. An owner may identify or change a secondary address at any time. If a secondary address is identified or changed during any collection process, the Association will only be required to send notices to the designated secondary address from the point that the Association receives the request.

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

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

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

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

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

The **Paseo Villas Homeowners Association** has designated the three bulletin boards located in the three lobbies as the location for the posting of a general notice.

# Paseo Villas Homeowners Association

Meet and Confer Program – Civil Code §5920

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

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

The following is a general description of the Association's "Meet and Confer" Program and how it works:

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

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

# Paseo Villas Homeowners Association

## Summary of California Civil Code Section 5930 Enforcement of Governing Documents and Specified State Laws For Community Associations Through Alternative Dispute Resolution

**PLEASE TAKE NOTICE: *California Civil Code Section 5930 addresses your rights to sue the Association or another member of the Association regarding the enforcement of the governing documents and/or specified state laws.***

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

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

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

Any party to a covered dispute may initiate the ADR process by serving a Request for Resolution on another party to the dispute. A Request for Resolution must contain (1) a brief description of the nature of the dispute, (2) a request for ADR, and (3) a notice that the party receiving the Request for Resolution is required to respond within 30 days of receipt or the Request will be deemed rejected.

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

**Failure of a member of the Association to comply with the alternative dispute resolution requirements of Section 5930 of the Civil Code may result in the loss of the member's right to sue the Association or another member of the Association regarding enforcement of the governing documents or the applicable law.**

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

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

# Paseo Villas Homeowners Association

## Delinquent Assessment Collection

1. Regular assessments are due, in advance, on the first (1st) day of each assessment period and delinquent if not received, in full, by the Association within fifteen (15) days after the due date thereof. Special and Special Individual Assessments are due on the date(s) specified upon imposition and each installment thereof shall be delinquent if not received by the Association within fifteen (15) days after it is due. A late charge of ten percent (10%) shall be due on any such delinquent assessment. **Receipt of this budget serves as due notice of your monthly assessment obligations. The issuance of a monthly billing statement by the Association is a courtesy only, not a requirement. Unit owners are responsible for ensuring the timely receipt of assessment payments by the Association.**
2. At the option of the Association, interest shall be due on all such amounts, once due and unpaid for thirty (30) days, at the rate of twelve percent (12%) per annum.
3. If any portion of any such assessment or late charge remains unpaid for thirty (30) days after the original due date thereof, a delinquent assessment reminder notice will be prepared and sent to the record owner(s). A reminder notice charge of \$35.00 will be charged for each notice sent. Please be advised that the Association has the right to collect all reasonable costs of collection.
4. If any portion of any such assessment or late charge remains unpaid for ninety (90) days after the original due date thereof, a "Letter of Intent" to file a Notice of Delinquent Assessment ("Lien") will be prepared and sent to the record owner(s).
5. All such amounts, and all other assessments and related charges thereafter due to the Association until all such amounts are paid, must be paid in full and the Association shall not be required to accept any partial or installment payments from the "Letter of Intent" date to the time that all such amounts are paid in full.
6. If all such amounts have not been received one hundred and twenty (120) days after the original due date thereof, a Lien will be prepared and recorded as to the delinquent property and the owner(s) thereof, and all resulting collection fees and costs will be added to the total delinquent amount.
7. If all such amounts have not been received, in full, within thirty (30) days after the recordation of such Lien, the Association may, without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of the property owner(s).
8. All payments received by the Association, regardless of the amount paid, will be directed to the oldest assessment balances first, until which time all assessment balances are paid, and then to late charges, interest and costs of collection unless otherwise specified by written agreement.
9. The Association may charge a "returned check charge" of thirty dollars (\$30.00) for all checks returned as "non-negotiable", "insufficient funds" or any other reason.
10. All above-referenced notices will be mailed to the record owner(s) at the last mailing address provided in writing to the Association by such owner(s).
11. The mailing address for overnight payment of assessments is 77 Las Colinas Lane, San Jose, CA 95119.
12. The Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.



# Paseo Villas Homeowners Association

## Notice Assessments And Foreclosure

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

### Assessments And Foreclosure

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

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

The association must comply with the requirements of Article 2 (commencing with Section 5659) of Chapter 8 of Part 5 of Division 4 of the Civil Code when collecting delinquent assessments. If the association fails to follow these requirements, it may not record a lien on the owner's property until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the association. (Section 5675 of the Civil Code)

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

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

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

# Paseo Villas Homeowners Association

## Payments

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

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

An owner may dispute an assessment debt by submitting a written request for dispute resolution to the association as set forth in Article 2 (commencing with Section 5900) of Chapter 10 of Part 5 of Division 4 of the Civil Code. In addition, an association may not initiate a foreclosure without participating in alternative dispute resolution with a neutral third party as set forth in Article 3 (commencing with Section 5925) of Chapter 10 of Part 5 of Division 4 of the Civil Code, if so requested by the owner. Binding arbitration shall not be available if the association intends to initiate a judicial foreclosure.

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

## Meeting And Payment Plans

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

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

# Paseo Villas Homeowners Association

## ARCHITECTURAL CONTROL POLICY

Adopted September 2, 2015

This policy implements Article 7 — Architectural Control of the Association's Covenants, Conditions and Restrictions (CC&Rs) and Davis-Stirling Act sections 4760 and 4765, regarding changes to unit interiors by unit Owners. CC&R articles are referenced by []. The Owner may consult the Architectural Control Committee (ACC) for guidance in complying with this policy. If unsure whether approval is required, the Owner must consult with the ACC before moving forward.

### TYPES OF ALTERATIONS

#### PROHIBITED

The following types of alterations are prohibited:

- Changes affecting load-bearing walls [6.3.5]
- Alterations to the structural integrity of any building [6.3.5]
- Alterations to interior partitions contributing to the support of any unit [6.3.5]
- Changes that impair any easement
- Addition of a bathroom
- Installation of Jacuzzis, Hot/Soft Tubs (Rule G.10.c)
- Hard surface flooring with exceptions [4.10]
- Tile on balcony

#### APPROVAL REQUIRED

The following are typical examples of alterations that require Application submission and approval:

- Changes that affect the property, interest or welfare of any other unit owner
- Changes that materially increase the cost to operate or insure the condominium
- Floor plan re-design
- Replacement of any floor covering (sound issue) [4.10]
- Installing new flooring material over existing flooring (kitchen, sound issue) [4.10]
- Replacement of bathroom wall tile
- Cutting into or creating pass-through of any wall
- Removal of any wall
- Upgrading capacity of appliances (i.e. garbage disposal units, washing machines)
- Any modifications to the plumbing system (but not repairs)
- Any modifications to the electrical system (but not repairs)

#### REPLACEMENT-IN-KIND

The following are typical examples of alterations that do not require Application submission and approval; however the Instructions for Unit Alterations must be followed:

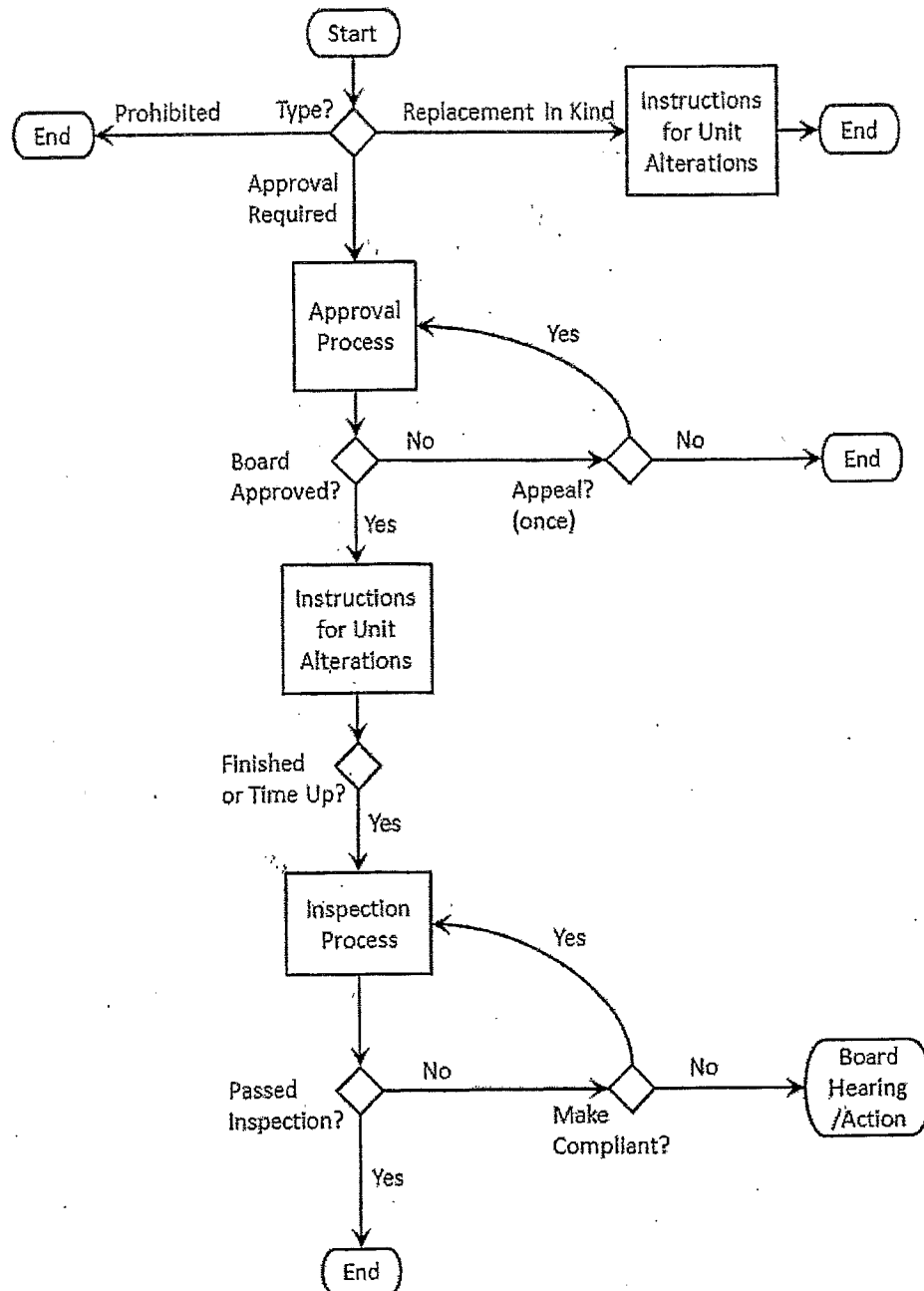
- Interior painting
- Replacement of existing fixtures, e.g., faucet, sink, toilet, lighting in the same general location and at or below the same capacity
- Replacement of existing appliances in the same general location and at or below the same capacity
- Replacement of kitchen countertops and cabinets in the same general location
- Re-building existing shelving within closets or rooms

If none of these Types of Alterations are applicable, Application submission is required and the ACC/Board will determine disposition.

# Paseo Villas Homeowners Association

## ARCHITECTURAL CONTROL PROCESS

The chart below presents an overview of the architectural control process. The type of alteration is first determined, and if approval is required, the approval process is followed. If approved, alterations to the unit may proceed. Once the work has finished, it is inspected and the process is complete. In all cases, the work done in the unit must adhere to the Instructions for Unit Alterations.



# Paseo Villas Homeowners Association

## **1. APPLICATION AND CLASSIFICATION PROCESS**

- 1.1. The Owner submits a Paseo Villas Architectural Change Application to the Association's management company (Management), with a complete description of the proposed Project and duration not to exceed six (6) months. [7.6] [7.12] This may include design statements, drawings and plans. Management will forward the Application to the ACC.
- 1.2. The ACC will classify the Project in accordance with the Type of Alteration (i.e., PROHIBITED, REPLACEMENT-IN-KIND or APPROVAL REQUIRED).
- 1.3. For PROHIBITED, the ACC will notify the Owner and the Board of disapproval of the Application. The Owner may appeal to the Board. The Board's decision is final.
- 1.4. For REPLACEMENT-IN-KIND, the ACC will notify the Owner that no approval is required. The Owner must follow the Instructions for Unit Alterations.
- 1.5. For APPROVAL REQUIRED, Projects may not proceed until complete plans and specifications have been approved. Inspections of work performed are required upon completion. The Owner must follow the Approval, Variance and Inspection Processes. The Owner must follow the Instructions for Unit Alterations. The Owner must consult the ACC for acceptable building materials and construction standards where applicable, per the Architectural Review Guidelines. [7.5]

## **2. APPROVAL PROCESS**

- 2.1. All APPROVAL REQUIRED Projects shall follow this process.
- 2.2. The ACC will review the Application and determine whether it is compliant with the Association's Governing Documents, including CC&Rs, Rules and Policies. [7.8] The ACC may require additional information from the Owner, including a report by a professional to attest to the safety and provide details about the impact on all areas and systems affected by the proposed change. All costs for professional consultations and work, including any requested by the ACC or the Board, will be the responsibility of the Owner.
- 2.3. The ACC will determine whether a City of San Jose Building Permit is required.
- 2.4. The ACC will make a recommendation within thirty (30) days of Application submission, which the Board will review.
- 2.5. The Board will decide on the Application at the HOA meeting. [7.8]
- 2.6. The Board will notify the Owner, ACC and Management in writing of its decision within sixty (60) days of Application submission. [7.9]
- 2.7. If disapproved, the reason is given (e.g., non-compliant section in Governing Documents) and the procedure for appeal of the decision is provided to the Owner by the Board.
- 2.8. If appealed, the Board will reconsider at the next open meeting with the Owner. The Board's decision is final. [7.10]
- 2.9. If approved, the Owner must commence the Project within ninety (90) days. [7.11]
- 2.10. An Owner that proceeds with a Project without approval is subject to action by the Board. [7.1] If structural, mechanical, electrical, plumbing or other building systems outside the unit interior are impacted, the Board may remove the alteration at the Owner's expense.
- 2.11. Projects shall be inspected and signed off when completed.

## **3. VARIANCE PROCESS**

- 3.1. Should any variance from what was approved be considered/required by the Owner, an amended Application must be submitted immediately.
- 3.1. A REPLACEMENT-IN-KIND variance may proceed without approval. A PROHIBITED variance will be denied by the ACC.
- 3.2. For an APPROVAL REQUIRED variance, the proposed changes may not be implemented until the Board, upon the recommendation of the ACC, grants approval.

## **4. INSPECTION PROCESS**

- 4.1. If an Owner fails to complete work within six (6) months without an extension granted by the ACC, the Board may decide to proceed with inspection as though the failure to complete was a non-compliance with approved plans. [7.12]

## Paseo Villas Homeowners Association

- 4.2. The Owner must notify Management within ten (10) days of completing the Project. [7.13.a]
- 4.3. Management will arrange for an inspection of the completed Project within sixty (60) days. [7.13.b] The ACC and the Board may attend the inspection.
- 4.4. If the inspection finds that the Project was not done in substantial compliance with the approved Application, Management will notify the Owner in writing within the sixty (60) day period, specifying the particulars of non-compliance and shall require the Owner to remedy such non-compliance. [7.13.b]
- 4.5. If the Owner fails to remedy such non-compliance within thirty (30) days without an extension granted by the Board, Management will schedule a hearing before the Board. [7.13.c] The Owner has forty-five (45) days to comply with the Board's ruling. Thereafter, the Board may remove the alteration or remedy the non-compliance at the Owner's expense, as a Reimbursement Assessment. [7.13.d]
- 4.6. Upon successful inspection, the Application is signed off by the inspector. Thereafter, or after sixty (60) days without inspection, the Project is deemed completed. [7.13.e]

# PASEO VILLAS ARCHITECTURAL CHANGE APPLICATION

## Owner Section:

Processing of this application is described in the Paseo Villas Architectural Control Policy.

Unit: \_\_\_\_\_ Date Submitted: \_\_\_\_\_  
Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
E-mail: \_\_\_\_\_ Project Duration: \_\_\_\_\_ (< 6 months)  
Rooms: master bed/master bath/guest bed/guest bath/kitchen/dining/lounge/entry/other: \_\_\_\_\_  
Systems: flooring/plumbing/electrical/structural/cabinets/fireplace/windows/HVAC/other: \_\_\_\_\_  
Project Description: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (add sheets)

## ACC Section:

APPROVAL REQUIRED       REPLACEMENT-IN-KIND       PROHIBITED  
Type of Alteration: \_\_\_\_\_  
 Recommend Approval       Recommend Denial      Date: \_\_\_\_\_  
Reason for Recommending Denial: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Board Section:

Approved       Denied      Date: \_\_\_\_\_  
Reason for Denial: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## Completion Section:

Date Notified by Owner: \_\_\_\_\_  
Date Inspection Passed: \_\_\_\_\_ Inspector: \_\_\_\_\_ Role: ACC/Board/Mgmt  
Date Project Completed: \_\_\_\_\_ Signed: \_\_\_\_\_ Role: ACC/Board

## INSTRUCTIONS FOR UNIT ALTERATIONS

1. Contractors: Unit owners are directly responsible for the actions of their contractors and are responsible for seeing that contractors understand and follow all HOA rules and guidelines. The term "contractor" applies to but is not limited to any person or persons providing repair, maintenance, construction, decoration or installation services to a unit.
2. Work hours: Work inside a unit shall be performed Monday through Friday, from 8 AM to 6 PM. No work shall be performed on weekends or holidays, except in an emergency. (Rule G.10.d)
3. Noise: Every effort shall be made by contractors to minimize noise. Noisy work may be subject to limitations by the HOA. This includes but is not limited to the use of heavy hammers or electrical equipment during demolition or construction and the use of compressors to operate spray equipment, nail guns, ventilating fans, etc. The Board strongly recommends delivery of a courtesy notice to nearby neighbors (adjacent, above and below) with construction work dates and times. (Rule G.10.d)
4. Elevators: The unit owner must arrange with Management for padding to be placed in the elevators if large amounts of tools, equipment, construction materials or debris removal are being transported in the elevators.
5. Security: The unit owner must ensure that building security is maintained at exterior doors to the building at all times. Specifically, contractors may not prop open doors and leave them unattended while moving tools, debris or materials in or out. (Rule G.5.e)
6. Debris: The contractor is responsible for keeping hallways and elevators free of debris at all times. Debris must be completely removed from the building and cannot be dropped into dumpsters or trash chutes. Removal of construction debris shall be through the elevators only, and not through outside windows.
7. Cleaning: Hallways and elevators must be cleaned daily to remove evidence of construction activity. Contractors must bring their own vacuum and cleaning equipment. Paseo Villas custodial staff will not provide this equipment nor will they be responsible for construction clean-up.
8. Damage: The unit owner is liable for any damages to elevators or to common areas as a result of any project work. (Rule G.2.g)
9. Storage: Tools, equipment, building materials and debris must be kept inside the owner's unit and cannot be stored in the hallways or common areas.
10. Breaks: Coffee breaks, lunch breaks and use of bathrooms by contractors must be confined to the owner's unit. Contractors cannot use the bathrooms in the Social Room or Exercise Room and cannot use these rooms or the common areas such as the pool or patio areas, garages or auto galleria for breaks. Smoking is not permitted in any of the common areas. (Rule G.11.a)
11. Parking: The unit owner is responsible for providing on-site parking for the contractor.
12. Permits: The unit owner may be required to apply for City of San Jose building permits prior to commencing work. The Architectural Control Committee shall notify the Board if permits are required.
13. Exceptions: Should a unit owner encounter an unforeseen situation requiring an exception to these rules, Management should be notified and an exception requested e.g., extending work hours.
14. Completion: Management shall notify the Board if a project exceeds its completion date. The unit owner will receive a copy of this notification.
15. Inspection: The HOA retains the right to inspect the project at any time to verify compliance with approved work, given at least 24 hours written notice. [6.1.5] The Board has the authority to stop work if violations are suspected, and may assess fines or penalties for non-compliance with HOA CC&Rs, rules or policies.
16. Plumbing: Note that some plumbing renovations require shutting off water for an entire stack of units and possibly adjacent stacks. The unit owner must notify Management at least 3 business days in advance of any planned plumbing renovations. This will allow Management to determine whether a water shut off is required, to plan the shutoff, and to notify affected residents.
17. Aerosols: The unit owner must notify Management at least 3 business days in advance if aerosols associated with construction work might activate building alarms. This will allow Management to temporarily shut down the alarm system, to avoid setting off a building-wide alarm. Adequate ventilation is required to clear a unit of vapors without drifting into hallways or other units. (Rule G.10.e)
18. Welding: The unit owner must notify Management at least 3 business days in advance of planned welding, brazing, or other heat-generating activity within a unit. This will allow Management to temporarily shut down and drain the affected part of the fire sprinkler system, to avoid setting off a building-wide alarm and flooding adjacent units and units below. (Rule G.10.f)



# Paseo Villas Homeowners Association

## COMMITTEES AT PASEO VILLAS POLICY Adopted August 5, 2015

1. Any resident may join one of the Paseo Villas standing or ad hoc committees and in that way participate indirectly (as an advisory to the board) in the governance and decision making processes of the Association. The Paseo Villas Bylaws state that all committees and committee members serve "at the pleasure of" the board.
2. There are two kinds of committees at Paseo Villas:
  - a. Standing committees facilitate some of the more general aspects of community life.
    - i. Standing committees function on a continuous year-to-year basis and have defined charters describing their duties and responsibilities.
    - ii. There are five (5) standing committees at Paseo Villas; the "Social and Welcoming Committee," the "Finance Committee," the "Building Operations Committee," the "Rules Committee," and the "Architectural Control Committee" (ACC). The ACC has special status as the only committee whose structure and function is described in the governing documents of the Association. Membership on the ACC is by board appointment only.
    - iii. Standing committees and their chairs are reappointed or "reaffirmed" at the beginning of each calendar year once newly elected board members are seated.
  - b. "Ad hoc" committees are appointed for a specific purpose detailed in a written board statement briefly describing that purpose or goal. An ad hoc committee is dissolved once that task or assigned purpose has been realized.
3. Any resident of Paseo Villas may be a member of one or more "ad hoc" or "standing" committees.
  - a. Please note that all committees have an expectation of regular attendance at meetings.
  - b. Although residents from a single unit may be members of the same committee, voting rights on all committees are limited to one vote per unit.
  - c. If a resident wishes to be on a committee they should attend a committee meeting and ask the chairperson to be included. The chairperson will request that the Board appoint the candidate unless doing so would be in violation of the committee's charter relative to the size of the committee.
4. Reports to the board are encouraged and/or expected from all HOA committees.
  - a. To place a committee report on the agenda of a board meeting a committee representative must submit a written report ten (10) days before the date of the next board meeting.
    - i. This report will be included in the board packet and the committee's report will be listed on the board meeting agenda.
    - ii. A committee representative will have a limited time to present the report during the board meeting.
      - i. The report should reflect and be confined to the written material that was "pre-submitted."

# Paseo Villas Homeowners Association

## **ELECTION POLICY AND PROCEDURES**

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

Pursuant to the California Civil Code, Sections 5105 et seq (including Sections 5105, 5135, 4900, 5145) effective July 1, 2006, the following rules and procedures shall apply for election of Directors, Voting regarding Assessments, Governing Documents and the Granting of the Exclusive Rights to Use Common Area:

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

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

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

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

### **3. ELECTION INSPECTORS**

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

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

1. Determine the number of homeowners entitled to vote and the voting power of each.
2. Determine the authenticity, validity, and effect of proxies, if any.
3. Receive ballots.
4. Hear and determine all challenges and questions in any way arising out of or in connection with the right to vote.
5. Count and tabulate all votes.
6. Determine when the polls shall close.
7. Determine the result of the election.
8. Perform any acts as may be proper to conduct the election with fairness to all members in accordance with this section and all applicable rules of the association regarding the conduct of the election that are not in conflict with this section.

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

# Paseo Villas Homeowners Association

## 4. SECRET BALLOT

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

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

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

## 5. PROXY BALLOT

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

## 6. COUNTING THE VOTES

All votes shall be counted and tabulated by the inspector or inspectors of the election in public at a properly noticed open meeting of the Board of Directors. Any candidate or other member of the association may witness the counting and tabulation of the votes. No person, including a member of the association or an employee of the management company, shall open or otherwise review any ballot prior to the time and place at which the ballots are counted and tabulated.

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

## 7. RESULTS OF THE ELECTION

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

# Paseo Villas Homeowners Association

## **ELECTRONIC COMMUNICATIONS POLICY**

Adopted June 3, 2015

California Civil Code and Corporations Code allow community associations, such as Paseo Villas Homeowners Association ("Association"), to distribute communications to homeowners ("Owners") via electronic mail ("email") or other electronic means.

### **Consent and Acknowledgement**

By opting in-to electronic delivery on the Association's website at [www.GoCompass.com](http://www.GoCompass.com), each Owner agrees to the electronic delivery (via the internet to an email address designated by the Owner) of all Association communications and/or email notifications that Association communications are available for retrieval on the secure members section of the Association's website. The delivery option of Association communications shall be determined by the Board of Directors. Each Owner also confirms that they are able to access and retain electronic communications from the Association. According to the law, communications sent via email are deemed received at the time they are sent.

### **Multiple Owners of Record**

For Units with multiple owners, each owner of record may create their own account on the Association's website for individual delivery of Association communications.

### **Withdrawing Consent**

Each Owner may withdraw their consent by opting out of electronic delivery on the Association's website. The legal validity of prior electronic communications will not be affected if an Owner withdraws consent.

### **Hardware and Software Requirements**

No particular computer system is required in order to receive electronic communications. However, retrieval of confidential Association documents on a public computer is strongly discouraged and should be avoided whenever possible. If Association documents must be retrieved on a public computer, it is recommended that the user log-off completely after using the computer.

### **Paper Copies**

Each Owner may request a paper copy of any document sent via electronic delivery. Requests shall be made to Compass Management at (408) 226-3300 or [Helpdesk@GoCompass.com](mailto:Helpdesk@GoCompass.com). The Association will provide a paper copy at no charge.

### **Updating Contact Information**

Each Owner is responsible for ensuring that the Association has current email address information for the purposes of receiving electronic communications. Should an Owner's email address change, please contact Compass Management at (408) 226-3300 or [Helpdesk@GoCompass.com](mailto:Helpdesk@GoCompass.com). If the Owner fails to notify the Association of any change in the designated email address, the Owner agrees that Association shall provide electronic communications via the email address maintained in the records as previously provided by the Owner.

## **ETHICS POLICY**

Adopted January 15, 2009

It shall be the policy of the Paseo Villas HOA that all Board and Committee members will use their office to promote the wellbeing of the entire community and not for personal gain or benefit. They shall adhere to and enforce the Association's governing documents, respect and maintain confidential information, and only act within the scope of their authority.

PASEO VILLAS HOA  
EMERGENCY ACCESS KEY RECEIPT

Unit Number: \_\_\_\_\_ [ ] Key [ ] Keybox Code

Owner Name(s): \_\_\_\_\_

I, the undersigned owner, understand that:

1. I am voluntarily providing emergency access to my home.
2. I am placing my key/keybox code in the envelope and signing the envelope.
3. This key will NOT be used for any non-emergency reason (maintenance, repair work, etc.). My locking myself out is NOT an emergency.
4. In an emergency situation, an attempt will be made to contact me according to the information on the emergency contact sheet I provided.
5. If this key/keybox code is used in an emergency, at least two people (Board member, management personnel, public safety worker, plumber or similar) will enter my home together and document its status.
6. If this key/keybox code is used, it will be necessary for me to reseal and sign a new envelope. A current Board member will contact me to arrange a time.
7. If I rekey my door, or change the combination to my keybox, I will contact a current Board member to provide the new key/keybox combination.
8. The safe can only be opened by a current Board member. Management and staff do NOT have access to this safe. It is sealed with both a key and a combination that only current Board members have.
9. All Board access to this safe will be logged in each time the safe is opened.
10. I may request an appointment with a current Board member to retrieve this envelope and withdraw voluntary access to my home.

Signed by owner: \_\_\_\_\_ Date: \_\_\_\_\_

I, a current Board member as of this date, acknowledge receipt of this key/keybox code:

Board Member: \_\_\_\_\_ Date: \_\_\_\_\_

I, the homeowner, retrieved my key and no longer choose to participate in this arrangement.

Signed by owner: \_\_\_\_\_ Date: \_\_\_\_\_

Board Member: \_\_\_\_\_ Date: \_\_\_\_\_

# Paseo Villas Homeowners Association

## KEY POLICY

Adopted November 5, 2009

- 1.) The following common area keys will be provided per unit:
  - 3 PRIMUS common area hard keys
  - 3 BLACK electronic keys
  - 1 GARAGE transponder for each parking space assigned to the unit.
- 2) A \$500 deposit is required for each additional PRIMUS key up to a total of 2 extra PRIMUS keys. An owner's request for more than 5 PRIMUS keys will require the approval of a written explanation for the request by the Board of Directors.
- 3) Additional BLACK electronic keys may be issued to an owner upon payment of the current fee.
- 4) Additional GARAGE transponders will require the approval of a written explanation for the request by the Board of Directors and the payment of the current fee.
- 5) Only those persons who are owners in the building shall be issued keys of any sort.
- 6) Non-owners may only pick up keys if the owner has signed the "Key Pick Up Authorization" form.
- 7) A signature and a photo ID are required for all keys received by owners or their designees.
- 8) All keys will be individually numbered, logged, and cannot be duplicated.
- 9) All keys to common areas, including the black electronic keys and the garage transponders, remain the property of the Paseo Villas HOA.
- 10) Upon the sale of a unit, common area keys must be registered by the seller with the HOA by presenting them to the on-site staff for review. A deposit of \$500.00 per key for each registered primus key will be held in escrow as part of the Estoppel process until the keys are re-registered by the new owner. If the new owners do not re-register the keys with the association within 30 days the deposit held in escrow shall be released to the association.
- 11) All black electronic keys and garage transponders will be disabled 30 days after close of escrow if they are not re-registered with the on-site office.
- 12) New owners who do not re-register their keys within 30 days of escrow will be subject to a \$100.00 fine. It will be assumed that new owners received all of the keys registered by the seller if those keys are not re-registered with the association.
- 13) Any non-functional Primus or black key will be replaced free of charge. Garage transponders will be replaced with a non-battery transponder for free or a large battery type transponder for a fee.
- 14) Any key that cannot be produced on demand by the Association will be subject to the appropriate replacement charges.

# Paseo Villas Homeowners Association

## **LOCKBOX PLACEMENT**

Do not attach lockbox to any wood surfaces (i.e. chair rails or pillars). Drywall mount only using plastic wall anchors.

A/B/D/ floor plans – Install lockbox opposite doorbell, centered on short wall perpendicular to door, and immediately above chair rail.

F floor plan – Install lockbox opposite doorbell, centered on very short wall parallel to door, and immediately above chair rail.

C floor plan –

Option 1 – Install lockbox opposite doorbell, next to door handle, on wall perpendicular to door, and immediately above chair rail

Option 2 – Install lockbox centered with doorbell, and immediately below chair rail.

# Paseo Villas Homeowners Association

## MEETING CONDUCT POLICY

Adopted March 6, 2014

This Policy is written to provide a mechanism of smooth operation during Board meetings, to ensure the respect and rights of all members and the orderly conduct of the Association's business, which is the purpose of a board meeting in this Association.

Per the Bylaws of Paseo Villas, Amended and Restated 2011, page 20, Article IX, Section 9.8 the President shall preside at all meetings of the Members and the Board, and in the President's absence, the Vice President shall preside. The President shall also be known as the Chair of the meeting and anyone acting in the President's place shall be known as the Acting Chair.

The agenda shall be set in advance of the meeting by the President who may solicit opinion/agenda items from the other Board members and/or Homeowners and Management. The President or Acting Chair shall direct Management to publish the set agenda. Once the agenda is set (published and/or posted at least four days in advance of the meeting) it may not be added to, except in the instance of an emergency (per California Civil Code 4930 *Board Discussion Restricted to Agenda Items*). Posting the agenda in the mail rooms of the Community four days in advance of a regular meeting has been confirmed by legal counsel to meet California Civil Code requirements.

The agenda shall be timed and the Chair shall endeavor to keep the meeting to its timelines.

The agenda of any open meeting of the Board shall allow for a homeowner's forum where homeowner's may make statements or ask questions of the Board. The Board and/or President are under no obligation to respond in the meeting and may instead take any question or statement under advisement and respond, or cause a response to be made, to the homeowner within ten days following the meeting.

The Chair shall recognize who has the floor at any time.

An item of business will be opened on the agenda when the Chair recognizes it, which may include requesting a motion on the item before discussion is heard.

The Chair or Acting Chair, or any other Board Member may place motions on the floor, and vote on any motion.

A motion should be stated and then seconded before any discussion occurs. If during the course of discussion an amendment to the motion is proposed (subsidiary motion), the amendment shall be voted on first and then the main motion shall be voted. A majority of the Board present in the meeting shall decide the outcome of a motion. A motion which fails to receive a second is a failed motion and the Chair shall move to the next item of business if no further new motion is made. In the event of a tie on any motion, the motion is considered failed.

No motion, unless a subsidiary motion, or discussion unrelated to the motion on the floor shall be entertained until the main motion has been resolved.

The meeting shall be called to order by the Chair or Acting Chair and may be adjourned by the Chair or Acting Chair without further formality. A motion to adjourn may also be made and seconded by board members not the chair. If such a motion is made and seconded a vote is not necessary and the meeting stands adjourned.

No gathering of a quorum (if Five Directors are currently seated, no more than three Directors) of the Board in a meeting setting, either physically or electronically, shall occur at any time without notice to the Owners, except in the instance of an emergency. Such meetings occurring in an emergency shall be



# Paseo Villas Homeowners Association

immediately declared to the membership as soon as practical afterward, but in no instance no longer than four days. Any action taken in executive session shall be generally addressed as to the result of the action (but without naming the parties in favor or dissenting) in the next regular minutes of the Association.

Member Attendance: The Board welcomes the presence of Members at the regular and special board meetings. However, it is essential for the efficient and effective transaction of business at these meetings that all Members of the Association conduct themselves in a businesslike, ethical, and appropriate manner that serves the best interests of the Association as a whole. To that end all Members are expected to adhere to the following guidelines at all such meetings. Any Member who cannot conduct themselves as outlined below will be asked to leave any meeting of the Board.

1. All members are asked to give their attention to the meeting and not have any side conversations or make comments unless or until they are recognized by the Chair of the meeting.
2. Anyone who has been recognized by the Chair and has the floor should not be interrupted.
3. The Chair may determine, if a disruption by any member will not stop, that the meeting shall be adjourned and may be reconvened without the disruptive member present.
4. No personal, physical or oral attacks on any person present in a meeting shall be tolerated. Such conduct shall demand that the Chair request the person making these attacks immediately leave the meeting.
5. When speaking all comments or questions shall be directed to the Chair of the meeting and not any other person present. The Chair may direct other persons present to respond or comment.
6. Members are expected to at all times behave with common courtesy and civility, and will refrain from the use of abusive, rude, threatening or crude language. If such conduct occurs while the member has the floor, the Chair shall revoke the floor from said member.
7. There shall be no electronic recording (video or audio) of meetings except by approval of a quorum of the Board, and such recording shall be done by an agent of the Association and shall remain the property of the Association, under the direction of the Board.

# Paseo Villas Homeowners Association

## MOVE-IN / MOVE-OUT POLICY

Revised October 4, 2004

### Synopsis:

This policy will address the following move-in / move-out issues:

- Definition of a move
- Building Security.
- Notifications and Deposit.
- Penalties for failure to comply.
- Financial responsibility.

### Policy:

#### **Definition of a Move**

- A move is defined as the physical household moving activities associated with the addition of or departure of a resident in the building.
- A move also includes:
  - The movement of an individual already residing in the building from one unit to another unit.
  - Adding or subtracting an incremental roommate(s) to an existing residence.
  - Any change of occupants of a unit.
- Delivery of incremental furniture, artwork, or decorative items to an existing resident is not a move and not subject to these rules.

#### **Building Security**

- Building security must be maintained at all times during any move-in /move-out. This means that building doors may not be prevented from automatically closing (i.e. not propped open), thereby compromising building security. This is subject to spot-verification and a security penalty will be assessed if a failure is reported.
- As a service to people moving in and out, and to alleviate the need to prop open the building doors, keyless transmitters are available for movers. These keyless transmitters are activated for the duration of the move only and only open the main gates and doors of the building. They are available for a refundable deposit equal to the cost of the key.

#### **Notifications and Deposit**

- The current policy will be distributed to all homeowners. It is the responsibility of the OWNERS to communicate this policy and its requirements to their tenants. Failure to do so will result in a notification penalty assessed against the homeowner as noted below.
- Prior to the close of all escrows for both the purchase and sale of any unit in Paseo Villas, and prior to the initiation and termination of all leases, the homeowner of record or his /her designated representative must notify the management company of an impending move. Failure to do so will result in a notification penalty assessed against the homeowner as noted below, in addition to the standard moving fees and any other penalties if applicable.
- The purpose of the notification is to prevent more than one move attempting to use the elevators at the same time, allowing time for deployment of protective pads, and to facilitate pre and post move inspections to limit the homeowner's damage charges.
- The management company requires a minimum of five-business days notice before a move-in / move-out can be scheduled. Pre and post move inspections must be arranged with the management company.

# Paseo Villas Homeowners Association

- All moving deposits and fees must be provided to the management company five business days prior to the move

## **Cost of Move-in / Move-out services:**

- The owner of a unit involved in a move is responsible for paying the moving fees and deposits.
- Any move in or move out requires a \$750 damage deposit check . Any damage done to any common area during the move or any penalties as outlined below incurred during the move will be subtracted from this deposit. Fees are in addition to this deposit.
- Upon purchasing a unit the owner is allowed one move in at the reduced fee of \$50 to cover the cost of having protective pads installed in the elevator and to have a routine damage inspection performed by the management company both prior to and after the move.
- The owner is also allowed to move out of the unit upon selling it for an additional \$50 fee.
- All other move-ins and move-outs under the same owner are charged \$200. So for example, changing tenants will cost \$200 for the move-out and another \$200 for the move-in – a total of \$400 for a tenant change. Adding or subtracting an occupant to a unit will cost \$200.
- If a resident is having a new piece of furniture delivered (not as part of a move) and they would like to have the pads installed for protection of the elevator, the service is available for a flat fee of \$15. Arrangements should be made directly with the management company.

## **Penalties:**

- The notification penalty will be \$100. This penalty applies when a resident moves without notifying the management company or when a homeowner fails to notify his/her tenant of the Move In Move Out Policy.
- The homeowner may incur additional costs if a move results in damage to the common area of the building (such as the elevator). Assessment of such damage will be at the discretion of the management company and HOA Board.
- The security penalty for failing to secure any outside door or gate will be \$100.

## **Financial responsibility:**

- The current unit homeowner is responsible for all deposits, service fees, damage costs and penalties where applicable.

Acknowledged and signed by: \_\_\_\_\_

Printed name: \_\_\_\_\_

Unit number: \_\_\_\_\_

Date: \_\_\_\_\_

Move Date: \_\_\_\_\_

# Paseo Villas Homeowners Association

## **RULES AND REGULATIONS**

**Adopted April 4, 2013**

### **Preamble**

In this document the Paseo Villas (PV) Board of Directors has abstracted important rules from the Declarations of Covenants, Conditions, and Restrictions (hereafter referred to as the CC&R's) of the Paseo Villas Home Owners Association (HOA). Other rules enacted by the Board of Directors are also in this document. The intent of the documents is to help serve in the creation of an environment that operates smoothly and is as enjoyable and pleasant as possible. The information provided here is NOT a replacement for the CC&R's or By Laws. Should there be any discrepancy, the CC&R's and Bylaws take precedence. More information about a particular rule may be found in the section defined in square brackets [ ] located in the CC&R's of the Paseo Villas Home Owners Association" or in the HOA Bylaws. If there are no square brackets on a rule below, then that rule was adopted and approved by the HOA Board of Directors.

### **CONTENTS: GENERAL RULES (Numbered G.xx)**

- G1. Rules Enforcement**
- G2. Unit and Building Maintenance and Appearance**
- G3. Unit and Building Occupancy and Use**
- G4. Parking Rules**
- G5. Community Living**
- G6. Miscellaneous Association Rules**
- G7. Water Shutdown Procedures and Rules**
- G8. Pets**
- G9. Signs**
- G10. Alterations of Units**
- G11. Exclusive Use Areas**
- G12. Leasing Procedures and Rules**
- G13. General Procedures and Rules for Holiday Tree and Wreath Disposal**
- G14. Sale of Unit**
- G15. Moving Policies and Keying Policies for the Common Area**
- G16. Reference to Pool Rules, Exercise Room Rules, and Social Room Rules Addendum  
Signed Rules Acknowledgement**

# Paseo Villas Homeowners Association

## **G.1 Rules Enforcement and Fines:**

Anyone, owner, resident or visitor, who breaks the rules or violates any of the other Paseo Villas governing documents, is subject to fines or other consequences as determined by the HOA (Home Owners' Association) board. [9.5.2]

## **G.2 Unit and Building Maintenance and Appearance:**

- a. **Responsibilities:** The owner is responsible for all maintenance and repairs within units, including plumbing, caulking, windows, screens, pipes, hoses, heating, electrical, etc. [6.3.1]
- b. **Window Treatments:** In order to give the building a uniform look, window treatments must be white or off white on the exterior. [4.25]
- c. **Outside Drying and Laundering:** No clothes washing, drying or airing is permitted outside the individual units, including on the balcony or balcony railings. [4.13]
- d. **Unit Entryway:** This space is defined as the door and the space immediately adjacent to the door. Small decorations on unit doors and doormats are allowed as long as the decorations are not offensive and do not protrude into the hallways. The association reserves the right to determine what may be offensive. [4.7]
- e. **Antennas and Satellite Dishes:** All units are pre-wired for TV and internet. Other antenna systems and dish systems may not be attached to the face of the building nor may they be installed in or on any common area, including the roof. [4.14]
- f. **Bird Feeders:** Bird feeders of any kind are not allowed anywhere on the property, including patios and balconies. [4.16.3]
- g. **Elevators:** When moving large objects in the elevators, unit owners and residents **MUST** contact management with five days' notice to arrange for the installation of elevator pads to prevent damage. Unit owners will be charged a minimal amount for the elevator pad installation, AND WILL BE CHARGED for any damage that you cause to the elevators during use.

## **G.3 Unit and Building Occupancy and Use**

- a. **Unit Occupancy and Use:** Only five (5) people may occupy a unit, (2) persons per bedroom plus one. This limit may be exceeded temporarily with guests whose stay is limited to less than thirty (30) days. [4.1] (Note that this is also a city ordinance.)
- b. **Restriction on Businesses:** No business of any kind shall be owned or operated within the building, with the exception of professional and administrative professions that operate without disruption to the building and its environment. [4.3] Also permitted are child care facilities, as long as they are properly licensed and operated day care centers that adhere to all governmental requirements, and the Association is given prior notice of intended use for child care. [4.4]
- c. **Selling and Soliciting:** Selling, soliciting, and commercial enterprises are prohibited within the community. If a solicitor comes to your door please notify management. This rule is not intended to limit the rights of the residents to freely canvass or contact one another.
- d. **Shopping Cart Use:** The use of Paseo Villas shopping carts is limited to 19 minutes, after which the cart is to be returned to the appropriate side of the correct garage level as indicated by its attached sign, and placed within the taped and designated red zone. Shopping carts are NEVER to be removed from the building.
  1. Return cart empty, clean, and in useable condition.
  2. Use is restricted to garages (not including the autogalleria) and internal corridors and hallways.

- G.4 **Parking Rules:** Vehicles are defined as conveyances licensable by the California Department of Motor Vehicles [1.53] and must have current registration [4.23], a category that includes automobiles, motorcycles, and watercraft (mounted on trailers).

# Paseo Villas Homeowners Association

## 1. Parking in Paseo Villas Garage also known as 2R and BR

- a. Parking spaces within the garages (2R and BR) are deeded to specific units in PV and are reserved for the exclusive use of the residents. Only Vehicles may occupy these parking spaces.
- b. Vehicles or other conveyances or items not authorized to occupy those spaces are subject to removal at the vehicle/items owner's expense.
- c. Owners may lease/rent/loan spaces to other residents but under no circumstance may a non-owner /non-resident park on a regular basis. An exception is for a guest who stays less than 30 days and does not pay for the space.
- d. Vehicles parked in Paseo Villas garages must be confined to the clearly outlined and assigned parking spaces. Disordered parking outside the marked area which impinges on a neighboring space or the common area may result in a FINE being levied by the Board.
- e. Parking spaces may NOT be converted to other use, specifically for any type of storage.
- f. Parking spaces must be kept neat and orderly. In particular, oil stains must be cleaned up and not stain the concrete. Small oil pans to capture leaks are permitted. [4.21,4.24] the cost of any cleanup performed by the Association shall be deemed a reimbursement assessment against the unit owner
- g. Automobile repairs are not allowed in the gated garage area other than emergency repairs to enable transport of the vehicle to a proper repair facility.

## 2. Parking in the Autogalleria

- a. Vehicles parked in the Autogalleria during business hours, (6 AM to 12 PM Mondays through Saturdays), are subject to towing, as per the REMA agreement.
- b. Residents may park their vehicles in the Autogalleria from Midnight to 6AM. It is required that they identify their vehicle as belonging to PV by using the mirror hang tag issued to the unit.
- c. Use of the mirror hang tags at any other time provides no guarantee that your car will not be towed. NOTE, no liability is assumed by the association for damage or theft resulting from the towing or storage of any parked vehicles.

## G.5 Community Living

- a. **Noise.** No resident shall permit loud noise of any kind to emanate from their unit. This includes TV, Stereo, and barking dog noise, or any other type of noise. Residents are also responsible for the noise of their visitors.  
Speakers may not be mounted on walls, cabinets or ceilings or sitting on the floor, in such a way as to cause the transmission of sounds or vibrations. Residents are also responsible for the noise of their visitors. The designated QUIET HOURS on patios, balconies, and in the courtyard, (swimming pool and spa) MUST BE OBSERVED from 10 pm to 8 am Sundays through Thursdays, and 11 pm to 9 am on Friday, through to Sunday morning. [4.5, 4.6]
- b. **Flooring Restrictions:** For noise abatement reasons, carpet and carpet padding of at least 8lb weight is required in all areas except the unit entry area, kitchen, baths, and laundry closet. All units on the third floor, and those located above common areas are exempt from these flooring requirements and restrictions.  
If tile or linoleum flooring is replaced or overlaid adequate noise abatement material must be added between the cement floor and the new flooring change must be approved by the Architectural Control Committee and the Board. [4.10]
- c. **Trash:** All trash shall be bagged prior to being dropped down trash chutes. No boxes are to be dropped into the trash chutes. Boxes must be collapsed and taken to the recycling room. Residents are responsible for the proper disposal of any garbage or materials left behind by workmen or visitors. [4.17]
- d. **Common Areas:** Obstruction and storage of any kind is not permitted in the common areas, including the hallways and outside any designated storage area. [4.8] Residents will assume

# Paseo Villas Homeowners Association

responsibility for the cleaning and removal of stains or mess on carpeting and any flooring in all common areas of the building. Residents are responsible for mess caused by residents, owners, visitors, or people working in their unit.

- e. **Common Area Doors:** Doors to lobbies and the common area must be kept closed and locked. If it becomes necessary for a resident, mover, employee, visitor, etc. to open both doors to accommodate a large object, the door should be released immediately after the object is in or out of the immediate hallway or entry lobby area.
- f. **Visitors:** We maintain very tight security at our site. Please tell your visitors they must be buzzed onto the property and may not follow another resident into the building or parking garage. You are responsible for your visitors' behavior during their stay, whether you yourself are present or not. [9.3]
- g. **Committee Membership:** All residents, including renters, are welcome to join and fully participate on all Paseo Villas Standing and "ad hoc" committees. Only owners may vote. Each Paseo Villas unit may have no more than a single vote on any issue coming before the respective committees.

## G.6 Miscellaneous Association Rules

- a. **Association Assessments:** The HOA assessment(s) are due and payable by the fifth (5<sup>th</sup>) of each month. After the 15<sup>th</sup> of the month a late penalty, interest payment, and other additional charges will be added to your account. No owner may exempt himself or withhold payment for any reason whatsoever. If payments are unacceptably late the association may place a lien on the property and elect to foreclose, forcing legal sale of the property. [8.6.2, 8.12, 9.4]
- b. **Complaints and Rules Violations:** We encourage owners to resolve neighbor to neighbor disputes among themselves and not to involve the HOA. Should this fail, the Board may elect to process complaints and minor rules violations after receiving a written and signed complaint, available online or from the office, the "Action Request Form." After a Board investigation, a determination will be made in the subsequent executive session of the board whether further action is warranted. This decision will be relayed in writing to the complainant within ten (10) days after the executive session in which the relevant findings are considered. [9.9]
- c. **Attorney's Fees:** If the association takes any action to enforce any of the provisions of the rules or governing documents, it shall be entitled to recover the full amount of the costs, including but not limited to attorney fees. [9.14]
- d. **Individual Unit Insurance:** Each unit owner is required to obtain and maintain property insurance for the interior of his/her unit including all upgrades and personal property. A copy of "proof of insurance" for each unit owned is to be placed on file in the office. [2.7.4]
- e. **Right of Access:** Each unit owner has granted a right of access to his unit to the managing agent and/or other person authorized by the Association for the purpose of making inspections, for pest control, and for the purpose of correcting conditions in a unit that threaten other units or common elements. [6.1.5]  
In a non-emergency situation (e.g. pest control) the association will use its best efforts to schedule a mutually convenient time. In the case of an emergency (e.g. fire & water line break), the HOA's access will be immediate. (See also Emergency Access Policy)
- f. **Water Leaks:** When a water leak occurs within a unit, it is the unit owner's responsibility to notify owners below or adjacent to his/her unit as well as management so as to determine the extent of damage. The HOA does not become further involved in the repair process unless damage emanating from a unit has originated within the common area.
- g. **Emergency Instructions for the Mobility Impaired:** Residents unable to use the stairs for building egress in emergency situations may so advise the office. It is the responsibility of the office to contact the local fire officials serving this building, providing the names, phone numbers, and locations within the building of such persons. In an emergency situation, it is

# Paseo Villas Homeowners Association

the task of the emergency responders to locate and assist these individuals to safety. The office computer file location of this list shall be made known to board members.

## **G.7 Water Shutdown Procedures and Rules**

### **a. In non-emergency situations:**

1. Schedule the shutdown with management at least three days in advance.
2. Schedule the service of a plumber qualified by the HOA.
3. Shutdowns are not allowed on Fridays, Saturday, or Sunday, and may not be scheduled before 8:30 am or later than 4:00 pm.
4. Notify affected residents, (those in the same stack or with same shutoff valve), of the shutdown by posting HOA approved notices on their doors and in the elevators.

### **b. IN EMERGENCY SITUATIONS:**

Immediately contact management for assistance and coordination.

## **G.8 Pets**

**Permissible Pets:** Residents may have a maximum of two (2) common domestic pets (dogs, cats, rabbits and small caged animals), not weighing more than 30 pounds each animal. Pets that are wild, poisonous, or in some other way dangerous may not be kept.

**Restrictions:** Pets (dogs AND cats) must NOT be allowed to roam free in common areas or be left chained or confined within any exclusive use common area (patio or balcony). Pets are not allowed in the pool or courtyard areas.

Residents are responsible for pets that visit their unit and are subject to the same rules as resident pets. Pets in transit must be leashed (a maximum of six feet in length) AT ALL TIMES when in the Common Areas. Pet Caregivers are responsible for immediately cleaning up after their animals. Should your pet have an accident in a Common Area, the pet caregiver must clean up the mess or stain as soon as humanly possible. Residents are responsible for any damage caused by the animal or by any cleaning in an attempt to remedy any stain.

Pets shall not be allowed to become a nuisance or create unreasonable disturbance. The Humane Society of the United States lists examples of nuisance behaviors

[http://www.humanesociety.org/assets/pdfs/pets/renting\\_with\\_pets/recommended\\_pet\\_policies.pdf](http://www.humanesociety.org/assets/pdfs/pets/renting_with_pets/recommended_pet_policies.pdf)

Pets who become a nuisance will as evidenced by factual complaints will be encouraged to receive pet training, and the HOA may move toward a penalty process. The HOA may ultimately ask that the pet be removed from the building.

## **G.9 Signs:** No commercial signs may be displayed on the units. No signs may be installed in the common area without permission of the Board of Directors or property manager. [4.20]

Signs of personal interest 8 ½ by 11 inches or less in size may be posted by residents on the bulletin boards in the mail rooms for the duration of one week. The date of posting is to be written in the upper right corner. The same sign may be reposted at the end of any given week. Any resident may remove a sign that has exceeded the posting date.

## **G.10 Alterations of Units**

- a. **Additions, Alterations, or Improvements by Unit Owners:** Improvements interior to private apartments may not impair or affect building structural integrity or mechanical systems, as specified in Davis-Stirling 4760 (a) (1) and the Paseo Villas CC&Rs. [6.3.5] If it is conceivable that planned interior modifications could impact building structure, or disrupt and in any way affect building electrical, plumbing, venting, or other mechanical systems, the Paseo Villas CC&R's REQUIRE SUBMISSION OF THE PLANS to the ACC for review and final approval by the board.

- b. **Subdivision:** No unit may be subdivided by an owner into smaller units. [7.1-17]



# Paseo Villas Homeowners Association

- c. **Restriction on Jacuzzis, Hot (and Soft) Tubs:** The installation of Jacuzzis and hot tubs without approval of the Architectural Control Committee and the Board is forbidden, whether located on a patio or balcony, or within a unit.
- d. Any construction work within apartments should be scheduled between the hours of 8 AM and 6 PM. Because such work may be disturbing to near neighbors, delivery of a courtesy notice with repair/remodel dates and times is recommended.
- e. If there is a chance that aerosols associated with construction work may activate building alarms, prior notice of planned work to the onsite office will enable a temporary shutdown of the building alarm systems.
- f. Providing notice to the office of intended welding, brazing, or other heat generating activity within an apartment will allow management to shut down (or empty) a restricted portion of the fire sprinkler system. This can avoid setting off a building-wide alarm and the creation of an unwanted water deluge.

## **G.11 Exclusive Use Areas.**

- a. **Smoking and Fumes:** Smoking is not allowed in Paseo Villas common areas, but is permitted on the exclusive use patios and balconies subject to the restriction that if fumes or smoke from a patio or balcony becomes a disturbance to other residents by finding its way to their unit interiors, those causing the fumes or smoke must contain these odors within their own respective units (by moving inside and closing doors and windows, for example).
- b. **Balcony and Patio Plants:** Balcony and patio plants must be confined within the exclusive use area and situated such that when watered the water does not find its way to balconies or patios below. Hosing of patios and balconies must also confine water so it does not leak or run below.

## **G.12 Leasing Procedures and Rules.**

- a. **Notification of Tenancy:** An owner must provide management with a copy of a signed lease within five (5) days after the lease effective date and the names of any (new) tenants. New tenants will be requested to fill out a "tenant update form" and provided with a copy of the governing documents and copies of this rules document upon move in. One copy of the rules document is to be initialed and signed by each new tenant and returned to a management representative accompanying the copy of the lease. Another copy (may be unsigned) of the rules accompanies at least one of the new tenants to the newly leased unit for purposes of future reference. [5.1.b,c]

## **G.13 General Procedures and Rules for Holiday Tree and Wreath Disposal**

- a. Management shall annually prepare a disposal plan that is approved by the Board and then posted in the elevators.
- b. A reminder to clean up the mess created by transporting Christmas trees and wreaths in or out of the building is also posted.
- c. **Trees and wreaths ARE NOT to be disposed of in the trash chutes;** they must be bagged and moved out of individual units into the common areas for disposal in the pre-designated bins.

## **G.14 Sale of Unit**

- a. Any owner that places his unit for sale must notify the Association so that the association may make available current association documents (CC&R's, ByLaws, rules, etc) to be signed at escrow and conduct an estoppel inspection.
- b. **Moving Policies and Keying Policies for the Common Area** are found separately in "Paseo Villas Homeowner Policies."

# Paseo Villas Homeowners Association

## CONTENTS: FACILITY USE RULES (Numbered F.xx)

While the "General Rules" of the Paseo Villas Homeowners Association are more broadly applicable, the "Facility Use Rules" describe rules and procedures for making use of the special common area features available to residents; the Pool and Spa, the Exercise Room, and the Social Room.

### F.1 POOL, SPA AND POOL AREA RULES

- a. **Hours of Use:** The pool and spa are open from 6 am until midnight. During the quiet hours you must lower your voice and respect other residents need for quiet. (The hours of operation of the switch for the jets on the spa may be restricted.)
- b. **Follow Posted Rules:** Pool and spa users are required to follow the rules for use that are posted on three sides of the pool deck.
- c. **Swim at Your Own Risk:** As no lifeguard is on duty, residents and their guests swim at their own risk.
- d. **Pool Gate:** The pool gate must be closed at all times.
- e. **No Boisterous Play:** No diving, running, pushing, or boisterous play is allowed in the pool/spa area.
- f. **Attire:** Customary bathing attire is required for use of the pool and spa.
- g. **Maximum Number in Pool:** The maximum pool capacity is 14 persons, with no more than ten at a time sponsored by, or including the residents of, a single Paseo Villas residence.
- h. **Maximum Number in Spa:** The maximum spa capacity is 6 persons at a time. All must be over the age of 14.
- i. **Children Must be Accompanied:** Children under the age of 14 must be accompanied by an adult at all times. (It is NOT sufficient to monitor children from a patio or balcony.) Any resident has the right to request that children unaccompanied by an adult leave the pool/spa area.
- j. **Swim Diaper Required:** Non toilet-trained children must wear a swim diaper at all times.
- k. **Toys Allowed:** Only toys designed for pool use may be used in the pool. Remove them when you leave.
- l. **Earphones Required:** The use of audio devices without earphones is prohibited.
- m. **No Glass Containers:** While food and drinks are permitted in the pool area, under no circumstance is the utilization of glass containers allowed on the swimming pool and spa deck areas or in the spa and pool.
- n. **Keep Area Clean:** Pick up your own trash and any clean any spills that are your responsibility properly and promptly.
- o. **Replace spa cover:** Replace the spa cover after each use.

### F.2 EXERCISE ROOM RULES

- a. **Permission to use:** Use of the room is limited to Paseo Villas residents and one guest at a time.
- b. **Age Restrictions for Children:** No children under the age of 10 are allowed, and children between the ages of 10 and 14 must be accompanied by an adult.
- c. **Attire required.** Shirt and athletic shoes are required.
- d. **Share the Equipment:** Limit time on the equipment to 30 minutes when others are waiting, and allow others to "work in" between sets on the machines.
- e. **Use Equipment Properly:** Don't slam or drop the equipment.
- f. **Use of the TV:** Keep the TV volume low at all times and off during "quiet hours."
- g. **Wipe Off Equipment:** Bring and use your own towel to wipe moisture off the equipment when you are finished.
- h. **Return Equipment to Proper Place:** Replace the dumbbells on the rack when you are finished.

# Paseo Villas Homeowners Association

- i. **No food permitted:** No food or glass containers are allowed in the Exercise Room.
- j. **Remove What You Bring:** Take with you any items you brought with you into the room—newspapers, water bottles, etc.
- k. **Properly Exit the Room:** The last person out should turn off the lights, the TV, the air conditioning, and make sure the doors are closed.

## F.3 SOCIAL ROOM RULES

- a. **Availability:** The Social Room is available 24/7 to all residents and their invited guests, but room users must be certain that party noise does not present a problem for other residents. In particular, quiet hours must be respected.
- b. **Business Use Prohibited:** The Social Room may not be used for any commercial event or activity, including but not limited to vending, sales demonstrations, etc.
- c. **Capacity:** The room capacity is limited to 72 people.
- d. **Sign Contract in Advance:** Arrangements to reserve the Social Room must be made with the management company prior to the date of the event. At this time a "Social Room Contract" will be signed by the resident desiring room use. Use priority is generally determined on a first come, first served basis.
- e. **Use of AV Equipment:** Arrangement must be made with the management company in order to make use of the audio/visual equipment stored in the Social Room. A key will be loaned to you for access to this equipment, but the key must be returned the day of the event by slipping the key under the office door if necessary.
- f. **Return to Original Condition:** The Social Room must be returned to its original pre-party condition after any event. Furniture must be restored to its original position, and cooktops, counters, the microwave, the refrigerator, the kitchen floor, the carpet in the room, and the bathroom must all be cleaned and appear as they did before use. Trash must be bagged, removed and properly disposed of, the lights and air conditioning turned off, and the doors to the room properly closed.
- g. **Latest time for Clean Up:** If not all cleanup is accomplished the evening of an event, it is permissible to return and complete the pre-party restoration of the Social Room the morning following, as long as this work is completed by 10 am the following day.
- h. **Inspection Afterwards:** The Social Room will be inspected by the management company for damage and cleanliness as soon after the scheduled event as is practicable.
- i. **Payment Liability:** The owner of the unit reserving the Social Room is responsible for the payment of all charges incurred by the association because of the need for additional maintenance, repair, or upkeep to the room following their Social Room event.
- j. **Host's Presence Required:** The resident reserving the Social Room must be present at all times during the scheduled event, and further accepts all liability for the actions and safety of all guests.
- k. **Kitchen Use Limited:** Use restrictions for the kitchen are the following:
  - i. The kitchen facilities are limited to the "warming up" of food and light or basic food preparation (such as chopping salad ingredients).
  - ii. There is to be no baking, broiling, boiling, or frying of food.
  - iii. The oven is never to be put into the self-clean cycle, but should be cleaned by hand if necessary.
- l. **All HOA Rules Enforced:** The resident reserving the room will enforce all the HOA rules. NO SMOKING is permitted in any of the building common areas, including the elevators, courtyard, hallways, the Social Room itself, and the entry lobbies.
- m. **HOA Precedence:** The association reserves the right to first pick of the times and dates of Social Room reservation for general membership parties and other events important to the maintenance of its typical and/or necessary functions.
- n. **No Access beyond Social Room:** Note that use of the pool, spa, and exercise room is not included with the reservation of the Social Room.

# Paseo Villas Homeowners Association

- o. **Cap on Simultaneous Reservations:** No resident may have more than two active open reservations for use of the Social Room on any Friday, Saturday, or Sunday (not including the holiday lottery reservation system).
- p. **Holiday Lottery:** Because at holidays there can be competition for the use of the Social Room space, Paseo Villas has created a lottery system to make this determination as fair as possible. To enter a holiday lottery it is necessary to contact management and "sign up" at least 30 days prior to the planned event and provide information as to desired dates and times. At the dates that is 30 days before the beginning of that Holiday, management will no longer accept Social Room reservation requests for that particular holiday or holiday weekend, and will proceed to conduct the drawing, prioritize the results according to the selected order, and then contacting residents to make the official time assignments for use of the Social Room during that holiday period. The designated holidays include:

New Year's Eve	St. Patrick's Day	Independence Day	Thanksgiving
Super Bowl Sunday	Easter	Labor Day	Christmas Eve
President's Day	Memorial Day	Halloween	Christmas Day

# Paseo Villas Homeowners Association

## **SOCIAL E-MAIL GROUP POLICY** **Adopted November 5, 2015**

1. The administrator of the e-mail group shall be appointed by the Board and must be an owner who is a member in good standing.
2. A backup administrator who is a member in good standing shall also be appointed to ensure access to the administrative function.
3. If messages on the e-mail group are to be moderated, a separate policy for moderation must be approved by the Board.
4. The e-mail group is for social communication. It is not monitored by the Board or by the management company or used for official association communication.
5. Joining the e-mail group is optional. Owners/renters may apply by contacting paseovillas-subscribe@yahoogroups.com.
6. In order for the administrator to add a new member to the e-group:
  - a. The applicant must submit the required personal information:
    - i. Name
    - ii. Unit number
    - iii. E-mail address
    - iv. Owner or renter
  - b. The administrator verifies that the applicant is a current owner or renter of Paseo Villas by contacting the management company.
  - c. If verified, the administrator approves the new member of the e-mail group.
7. Personal information submitted by an applicant is confidential. It may not be disclosed and may only be used for controlling membership of the e-mail group.
8. In order for the administrator to delete a member from the e-mail group:
  - a. The management company must notify the administrator of any move-outs/sales.
  - b. The administrator shall delete members who have left the association.
9. To access the e-mail group:
  - a. To post a message, email paseovillas@yahoogroups.com
  - b. To unsubscribe, email paseovillas-unsubscribe@yahoogroups.com
  - c. To set communication preferences, edit membership settings at:  
<https://groups.yahoo.com/neo/groups/PaseoVillas/info>

# Paseo Villas Homeowners Association

## VIOLATION AND FINING POLICY AND SCHEDULE OF FINES

Adopted May 6, 2010

This policy sets forth the Association's policy for imposing sanctions for violations of the Association's governing documents pursuant to California Civil Code section 5850.

**1. Owner Responsibility.** Under California law, the owners of units at Paseo Villas are responsible for complying with the governing documents. Fines, other penalties, or the suspension of any rights or privileges of membership may be imposed against unit owners for violations of any of the governing documents.

Owners are required to give their tenants, if any, copies of the governing documents, amendments, and new rules as they are adopted. Owners are responsible for ensuring that their tenants comply with the governing documents. In case of violations by tenants, the Association will notify the owner of the unit. Any fines or reimbursement assessments for non-compliance will be imposed against the owner.

**2. Notice and Hearing.** Prior to imposing a fine, penalty, or suspending any rights or privileges of membership, the Board of Directors will notify the member in writing:

- a) identifying the governing document provision that has been violated,
- b) describing the nature of the violation,
- c) describing the corrective action to be taken by the member and the time within which it must be done,
- d) describing possible sanctions if the corrective action is not taken within the prescribed time, and
- e) giving the member the opportunity for a hearing at least fifteen (15) days prior to any sanction becoming effective. At such hearing the member will have the opportunity to express their position.

The notice of hearing will be sent by-first class mail with certificate of mailing to the last known address for the owner shown on the Association records. The notice will be deemed delivered seventy-two (72) hours after it has been deposited in the United States Mail.

**3. Payment of Fines and Penalties.** Fines and penalties are due when imposed by the Board and are delinquent if not paid within fifteen (15) days after they are due. If a fine or penalty is delinquent, a late charge of ten percent (10%) of the fine or penalty will be added. Interest at the rate of twelve percent (12%) per year will be imposed on the entire amount owing beginning thirty (30) days after the fine or penalty is due.

**4. Schedule of Fines.** The following Schedule of Fines is in effect until changed by action of the Board. An instance of a violation is deemed to be the time as described in the notice sent to the owner.

First violation: \$200.00

Second instance of the same violation†: \$400.00

Third instance of the same violation†: \$800.00

Fourth and subsequent instances of the

Same violation†: \$1,600.00

[† = Within six months of a previous violation]

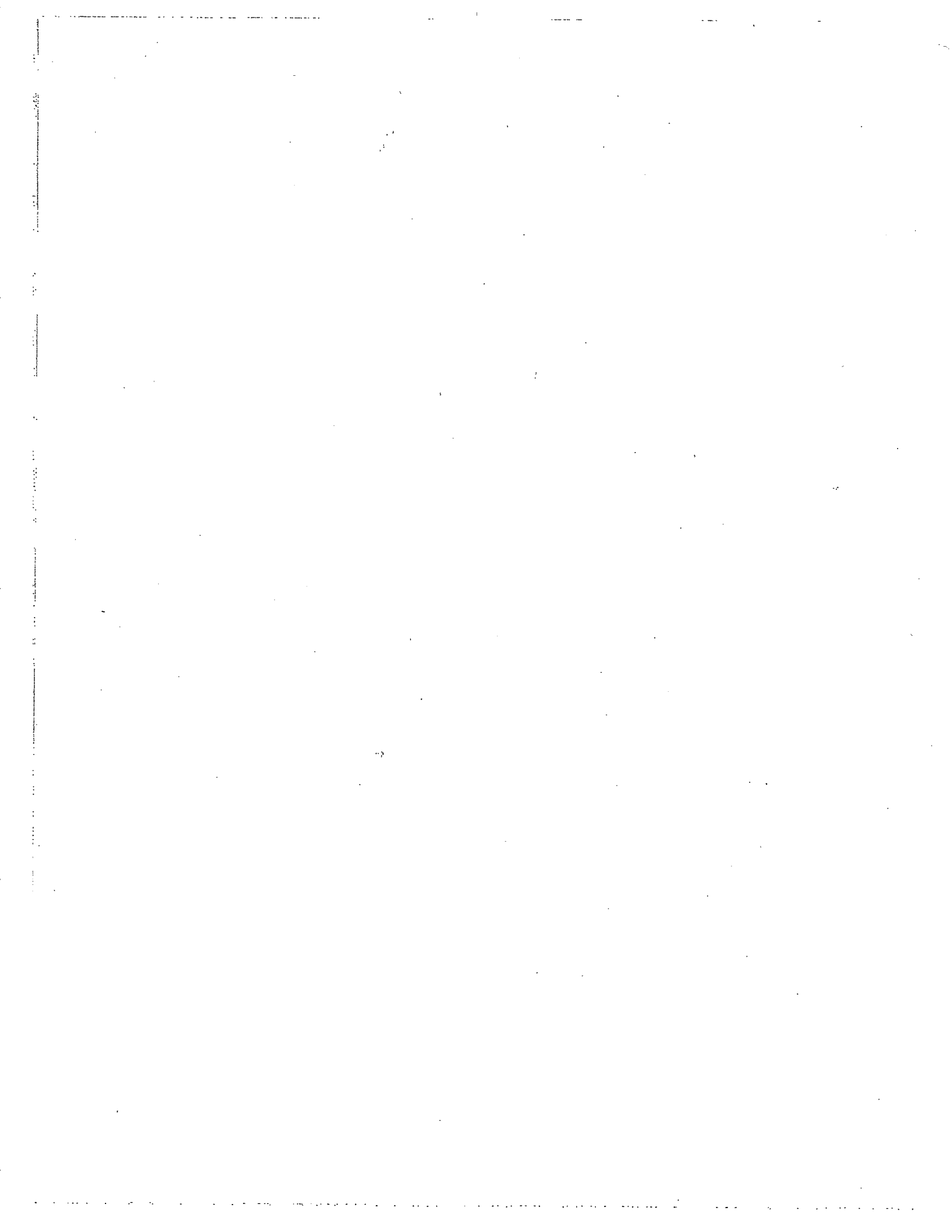
**5. Alternative Fine:** In an instance when the cost of damage exceeds the amount of the fine imposed, the Board may impose a penalty equal to the amount of the cost of the damage plus any other expenses required.

# Paseo Villas Homeowners Association

**6. Penalties in Addition to Corrective Measures.** The imposition of fines, suspension of any voting rights or privileges of membership are in addition to the requirement that owners comply with the governing documents. Compliance may include, but is not limited to, correcting, repairing or replacing non-complying conditions, all at the owner's expense.

**7. Other remedies.** The Association reserves the right to avail itself of any other remedy permitted by law and the governing documents of the Association. These remedies include, but are not limited to, bringing an action in Small Claims, Municipal or Superior Court, or requesting that the matter be submitted to any form of Alternative Dispute Resolution (ADR). Such remedies may be taken in addition to, or in lieu of, any action already taken, and commencement of one remedy shall not prevent the Association from electing to pursue another remedy at a later date.

**8. Deposit of Fines, and Penalties.** All fines and penalties collected shall be placed in the Association's operating fund.





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



# State of California



## SECRETARY OF STATE

I, *BILL JONES*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 4 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

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

FEB - 9 2000



*Bill Jones*

Secretary of State

2210789

ARTICLES OF INCORPORATION  
OF  
PASEO VILLAS HOMEOWNERS ASSOCIATION

---

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

JAN 31 2000

BILL JONES, Secretary of State

ARTICLE 1

NAME

1.1 The name of this corporation is PASEO VILLAS HOMEOWNERS ASSOCIATION ("Association").

ARTICLE 2

PURPOSES

2.1 The corporation is a nonprofit, mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law of the State of California. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

2.2 The specific and primary purposes for which the corporation was formed are to provide for the management, administration, maintenance and preservation of architectural control of that certain common interest development, organized in accordance with the Davis-Stirling Common Interest Development Act, known as "Paseo Villas" ("Project"), located in the City of San Jose, County of Santa Clara, State of California, and to promote the health, safety and welfare of all residents within the Project, according to that certain "Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Paseo Villas" ("Declaration") recorded, or to be recorded, in the Official Records of Santa Clara County, California, as such Declaration may be amended and supplemented, from time to time.

2.3 The corporation is intended to qualify as a homeowners association under the applicable provisions of the Internal Revenue Code and of the Revenue and Taxation Code of California. No part of the net earnings of this Association shall inure to the benefit of any Member or individual, other than by acquiring, constructing or providing management, maintenance and care of real and personal property owned or controlled by the Association, and other than by a rebate of excess assessments or fees.

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

ARTICLE 3

AGENT FOR SERVICE OF PROCESS

3.1 The name and address of the Association's initial agent for the service of process is:

Janice Baran  
c/o Goldrich & Kest Industries  
5150 Overland Avenue  
Culver City, California 90230-4996

ARTICLE 4

CORPORATE OFFICE

The corporate office of the Association, if any, shall be located at the following address:

130 E. San Fernando Street  
San Jose, California 95112

As required for compliance with Section 1363.5 of the California Civil Code:

- (a) The Project entry is on San Fernando Street;
- (b) The nearest cross street to the Project is Fourth Street; and
- (c) The zip code for the Project is 95112-0000.

ARTICLE 5

MANAGING AGENT

5.1 The name and address of the Association's initial managing agent (as defined in California Civil Code Section 1363.1) shall be:

G & K Management Co., Inc.  
5150 Overland Avenue  
Culver City, California 90230-4996

ARTICLE 6

CLASSES OF MEMBERSHIP

6.1 The classes of membership, voting rights and other rights and privileges of Members of the Association shall be as set forth in the By-Laws of the Association and in the Declaration.

ARTICLE 7

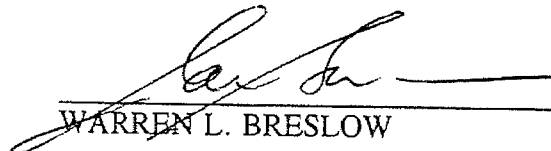
AMENDMENTS

7.1 So long as the two-class voting structure provided for in the By-Laws shall remain in effect, these Articles may be amended only by the vote or written assent of a majority of the voting power of each class of Members and a majority of the members of the Board of Directors. At such time as the Class B membership shall cease and be converted to Class A membership, as set forth in the By-Laws, amendments to these Articles shall be enacted by requiring the vote or written assent of:

- (a) A majority of the voting power of the Association;
- (b) A majority of the votes of Members, other than the Declarant (as defined in the Declaration); and
- (c) A majority of the members of the Board of Directors.

Notwithstanding the foregoing, the percentage of a quorum of the Members, or of the Members other than the Declarant, necessary to amend a specific provision in these Articles shall not be less than the prescribed percentage of affirmative votes required for action to be taken under said provision.

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this 24<sup>th</sup> day of January, 2000.

  
WARREN L. BRESLOW

I declare that I am the person who executed the above Articles of Incorporation, and that this instrument is my act and deed.

  
WARREN L. BRESLOW







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



**AMENDED AND RESTATED BYLAWS  
OF  
PASEO VILLAS HOMEOWNERS ASSOCIATION**

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2011 VERSION FOR VOTE OF MEMBERS



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**AMENDED AND RESTATED BYLAWS**  
**OF**  
**PASEO VILLAS HOMEOWNERS ASSOCIATION**

---

**ARTICLE 1**

**NAME AND LOCATION**

The name of the corporation is Paseo Villas Homeowners Association, which is hereinafter referred to as the "Association." The principal office of the Association shall be located in Santa Clara County, California or such other place reasonably convenient to the Development as the Board of Directors may from time to time establish.

**ARTICLE 2**

**DEFINITIONS**

Any capitalized term that is not defined below shall have the meaning set forth in Article 1 of the Declaration.

2.1 Articles. "Articles" shall mean the Articles of Incorporation of Paseo Villas Homeowners Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

2.2 Assessments. "Assessments" shall mean any or all of the following: Annual Assessments, Special Assessments, and Reimbursement Assessments, each as is defined in the Declaration.

2.3 Association. "Association" shall mean the Paseo Villas Homeowners Association, its successors and assigns.

2.4 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.

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2.5 Bylaws. "Bylaws" shall mean these Amended and Restated Bylaws of the Paseo Villas Homeowners Association and any duly-adopted amendments thereto.

2.6 Civil Code. "*Civil Code*" shall mean the California Civil Code as amended from time to time.

2.7 Common Area. "Common Area" shall mean all real property comprising the Development which is owned by all of the Owners in common, but excluding the Units, as more fully described in the Declaration.

2.8 Condominium. "Condominium" shall mean an estate in real property, as defined in *Civil Code* Section 1351(f), consisting of an undivided interest in all or any portion of the Common Area together with a separate fee interest in a Unit and all easements appurtenant thereto as described in the Declaration or in the deed conveying a Condominium.

2.9 Corporations Code. "*Corporations Code*" shall mean the California Corporations Code as amended from time to time.

2.10 Declaration. "Declaration" shall mean the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Paseo Villas Homeowners Association, recorded in the Office of the County Recorder of Santa Clara County, California, and any amendments thereto.

2.11 Days. "Days" (whether the term is capitalized or not) shall mean calendar days.

2.12 Development. "Development" shall mean all of the real property comprising Paseo Villas condominium development, as described in the Declaration.

2.13 Fine. "Fine" (whether the term is capitalized or not) shall mean a monetary penalty levied against a Member for a violation of the Governing Documents. The term "monetary penalty," as used in the Governing Documents shall have the same meaning as "fine."

2.14 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, Rules, policies and resolutions adopted by the Board and distributed to the Members.

2.15 Lien. "Lien" (whether the term is capitalized or not) shall mean a claim on property for payment of a debt or obligation.

2.16 Majority of the Total Voting Power. "Majority of the Total Voting Power" shall mean a majority (i.e., greater than fifty percent (50%)) of all members entitled to vote at a particular time. If all Members are Members in Good Standing and entitled to vote, the Majority of the Total Voting Power shall be Members representing at least 53 Units.

2.17 Member. "Member" shall mean an Owner.

2.18 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who: is current in the payment of all Assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents; is otherwise free from sanctions imposed by the Association; and is in compliance with all provisions of the Governing Documents.

2.19 Owner. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Condominium which is a part of the Development.

2.20 Quorum. "Quorum" (whether the term is capitalized or not) shall mean the minimum number of members (of either the Association or the Board of Directors) that must be present in person or by ballot in order to conduct business. Quorum requirements for certain actions of the Board and the Members are specifically set forth in these Bylaws and the Declaration.

2.21 Rules. "Rules" shall mean the rules, regulations and policies governing the use, occupancy, management, administration, and operation of the Development or any part thereof as adopted and published by the Board of Directors from time to time.

2.22 Sanction. "Sanction" (whether the term is capitalized or not) shall mean a penalty, monetary or otherwise, imposed by the Board against a Member for a violation of the Governing Documents.

2.23 Simple Majority. "Simple Majority" and "Simple Majority of the Members" shall mean a majority of those voting, provided a quorum of Members is represented in person or by ballot.

2.24 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one vote for each Unit, excluding any Unit as to which an Owner is not then a Member in Good Standing. If all Members are Members in Good Standing, the Total Voting Power shall be Members representing all 104 Units.

2.25 Unit. "Unit" shall mean the elements of a Condominium that are not owned in common with the other Owners of Condominiums within the Development. Each Unit is an individual residence shown as separately designated and numbered areas on the Plan. Each Unit consists of the interior space bounded by and contained within the interior unfinished surfaces of the floors, ceilings, and perimeter walls; provided, however, that bearing walls located within a Unit (except for the finished surfaces thereof) are Common Area and not part of the Unit. Each Unit also consists of the utility installations, fixtures, cabinetry and appliances located within its boundaries and/or which exclusively serve the Unit, as more particularly set forth in the Declaration. There are 104 Units in the Development.

### ARTICLE 3

#### MEMBERSHIP AND VOTING

3.1 Membership. Membership in the Association shall include, and shall be limited to, all Owners of any Condominium located within the Development. Membership shall be appurtenant to and may not be separated from ownership of a Condominium, and shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Condominium to which it is appurtenant. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a Condominium including a transfer upon the death of an Owner, membership in the Association shall pass automatically to the transferee.

3.2 Voting. Members in Good Standing shall be entitled to cast one (1) vote for each Unit owned. In the event more than one (1) person owns a given Unit, the vote for such Unit shall be exercised as the Owners among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Unit. If the joint Owners of a Unit are unable to agree among themselves as to how their vote or votes are to be cast, they shall lose their right to vote on the matter in question. If any Owner casts a vote representing a certain Unit, it will thereafter be conclusively presumed for all purposes that such Owner was acting with the authority and consent of the other Owners of that Unit. The vote at any meeting of Members may be by a show of hands or by ballot. Votes of the Members on the following issues must be by secret ballot, conducted by means of a double envelope system pursuant to *Civil Code* Section 1363.03: Assessments legally requiring a vote of the Members, election and removal of members of the Board of Directors, amendments to the Governing Documents, or the grant of exclusive use of Common Area property.

3.3 Determination of Good Standing Status. A Member may only be determined "Not in Good Standing" after a duly-noticed hearing before the Board.

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A Member's status shall remain as "Not in Good Standing" until determination by the Board to rescind that status at a hearing requested by the subject Member.

3.4 Delegation of Membership Rights. Any Owner may delegate his or her rights of use and enjoyment, including easements, in the Development to the members of his household, tenants, guests and invitees, subject to the terms of the Governing Documents. Each Owner shall notify the Association's managing agent of the names of any tenants of such Owner's Unit. Each Owner and/or tenant shall also notify the Association's managing agent of the names of all members of his or her household to whom such Owner or tenant has delegated any rights of enjoyment in the Development as provided herein and the relationship which each such person bears to such Owner or tenant. Any rights of enjoyment delegated pursuant to this Section and Section 3.4 of the Declaration, are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents. Notwithstanding the above, a leasing or renting Owner shall be deemed to have delegated to tenants all rights of use and enjoyment of Common Area facilities. The renting and leasing of Units shall be subject to the provisions of Article 5 of the Declaration.

3.5 Record Date. The Board of Directors may fix a time not more than ninety (90) days and not less than ten (10) days preceding the date of any meeting of the Members or vote of the Members, if conducted without a meeting, as a record date for determining the Members entitled to notice of and to vote at any such meeting or vote of the Members, if conducted without a meeting. If the Board sets a record date, only those persons or entities identified as Members in the records of the Association on the date so fixed shall be entitled to notice of such meeting or vote of the Members and only Members in Good Standing as of the record date shall be entitled to vote at such meeting or vote of the Members, if conducted without a meeting. In the event no such record date is fixed by the Board of Directors, the record date for the determination of Members entitled to notice of and to vote at any meeting or vote of the Members shall be the thirty-fifth (35th) day preceding the date of the meeting as of 8:00 a.m. on such day.

## ARTICLE 4

### MEETINGS OF MEMBERS

4.1 Annual Meeting. The Annual Meeting of the Members shall be held in the Spring of each year, on a date and at a time and place to be designated by the Board of Directors, upon proper written notice to all Members. The purpose of the Annual Meeting is for the Board to present reports on Association matters over the previous year and goals for the following year.

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AMENDED AND RESTATED BYLAWS  
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4.2 Special Meetings. Special Meetings of the Members may be called at any time by the President or by a majority of the Board of Directors or by written request of Members not less than five percent (5%) of the Total Voting Power of the Association or otherwise according to law.

4.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by or at the direction of the Secretary or other person authorized to call a meeting. Written notice shall be mailed first class, postage prepaid, or otherwise delivered at least ten (10) but not more than ninety (90) days before such meeting, to each Member entitled to vote at such meeting, except that in the case of a special meeting called pursuant to a written request of Members, notice of such special meeting shall be mailed or otherwise delivered within twenty (20) days after receipt of such written request by the Board, and the date of such special meeting shall be set by the Board and shall be not sooner than thirty-five (35) days nor later than ninety (90) days after the date of the Board's receipt of such written request. Notice of meetings shall be addressed or otherwise delivered to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Notice of any meeting of Members shall specify the date, hour, and place of the meeting, and the general nature of those matters which the Board intends to present for action by the Members.

4.4 Conduct of Meetings. All meetings of Members shall be conducted in accordance with a recognized system of parliamentary procedure or such parliamentary procedures as the Association may adopt. A reasonable time limit for all Members to speak at a meeting of the Members shall be established by the Board of Directors.

4.5 Place of Meetings. Annual and special meetings shall be held at a location within the Development, provided that the Board may designate, by resolution, a convenient place outside the Development located as close as reasonably practicable to the Development.

4.6 Quorum Requirements. The following quorum requirements must be satisfied in order to take valid action at any meeting of the Members or by written ballot:

4.6.1 Quorum for Votes on Assessment Increases. In the case of any secret written ballots mailed to Members for the purpose of voting on Assessment increases requiring membership approval, the quorum requirement for valid action on the proposal shall be the percentage specified in *Civil Code* Section 1366 or comparable successor statute. That quorum percentage is currently a majority of the Members.

4.6.2 Quorum for Election of Directors and Vote Regarding Excess Income. There shall be no minimum quorum requirement for the election of Directors and/or the vote regarding excess income pursuant to IRS Revenue Ruling 70-604 (or any successor Ruling). With respect to the election of Directors, the number of secret written ballots received by the deadline set forth in the ballot and/or the voting instructions shall constitute the quorum for such election, notwithstanding any other quorum requirements set forth in these Bylaws or the Declaration. With respect to the vote of the Members regarding excess income pursuant to IRS Revenue Ruling 70-604 (or any successor Ruling), the number of ballots received by the deadline set forth in the ballot and/or the voting materials or the number of Members in attendance at the meeting at which the vote is conducted shall constitute the quorum for such vote, notwithstanding any other quorum requirements set forth in these Bylaws or the Declaration.

4.6.3 Quorum for Valid Action on Other Matters. In the case of a membership meeting called or written ballot distributed for any other purpose, the quorum shall be a Majority of the Total Voting Power of the Members represented in person at the meeting or by casting a written ballot.

4.7 Proxies. The use of proxies in connection with votes of the Members and/or membership meetings is expressly prohibited.

4.8 Approval of the Members. If a quorum is achieved, in person or by ballot, the affirmative vote of a Simple Majority shall constitute the act of the Members, unless the approval of a greater number or proportion of Members is required by any provision of the law or the Governing Documents.

4.9 Voting by Ballot.

4.9.1 Ballot Requirements. Any action which may be taken at a regular or special meeting may be taken without a meeting of Members if the Association distributes a ballot to every Member entitled to vote. Such ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal, and provide a reasonable time within which to return the ballot to the Association (which, in the case of any secret ballots mailed to Members pursuant to *Civil Code* section 1363.03, shall be a date not earlier than thirty (30) days after distribution of the ballots to the Members).

4.9.2 Quorum Required. Approval by ballot shall be valid only when the number of votes cast equals or exceeds the quorum that would be required if the action were taken at a meeting, and the number of approvals equals or exceeds the number of votes that would be required to approve the

action if it were taken at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

4.9.3 Solicitation Rules. The ballot solicitation shall identify both the number of responses needed to meet the quorum requirement and the percentage and/or number of approvals necessary to pass the measure submitted and shall specify the time by which the ballot must be received by the Association in order to be counted. The Board, in its sole discretion, may extend the deadline to return ballots if deemed appropriate, or may instruct the Association election inspector to do so.

## ARTICLE 5

### BOARD OF DIRECTORS; ELECTION; TERM OF OFFICE

5.1 Number of Directors. The affairs of this Association shall be conducted by or under the direction of a Board of five (5) Directors.

5.2 Qualification of Candidates. Candidates for the Board must be Members in Good Standing, may not have been declared of unsound mind by a final order of court, and may not have been convicted of a felony. In addition, only one (1) Owner of a particular Unit may serve on the Board at any time.

5.3 Nomination. Nominations of candidates to the Board of Directors may be made by nominating committee or by self-nomination. All nominations shall be conducted in accordance with Rules adopted pursuant to *Civil Code* Section 1363.03. The Board may recruit qualified candidates and/or appoint a Nominating Committee prior to any election of Directors. The Nominating Committee, if one is appointed, shall consist of a chairman, who shall be a Director, and two or more Members of the Association. The Nominating Committee shall make as many nominations for election to the Board as it determines in its discretion.

Any Member who satisfies the qualifications set forth in these Bylaws and Rules adopted pursuant to *Civil Code* Section 1363.03 may place his or her name in nomination for election to the Board of Directors by giving written notice to the Association's managing agent and/or the Board. Notice of self-nomination must be received prior to the published deadline for nominations. Nominations may not be made from the floor at any meeting.

5.4 Election. Directors shall be elected annually by secret ballot in accordance with *Civil Code* Section 1363.03 and Rules adopted pursuant thereto. The Members in Good Standing may cast, in respect to each position on the Board to be filled, one vote for each Unit owned. The persons receiving the



largest number of votes shall be elected. The method for voting for Directors shall be as set forth in Section 3.2 of these Bylaws. If two or more candidates receive the same number of votes, a runoff election shall be conducted in accordance with *Civil Code* Section 1363.03 and Rules adopted pursuant thereto. Newly-elected Directors shall be seated at the first meeting of the Board following the election of Directors.

5.5 Election by Acclamation. If, as of the published deadline for nominations, the number of qualified candidates nominated does not exceed the number of Directors to be elected, then the individuals nominated and qualified to be elected shall be declared elected and written notice of the election shall be given to the Members.

5.6 Term of Office. In odd-numbered years the Members shall elect two (2) Directors, and in even-numbered years the Members shall elect three (3) Directors. Each Director shall serve a two-year term. Each Director shall serve until the expiration of his or her term and thereafter until a successor is seated, or until the earlier disqualification, death, resignation, or removal of such Director.

5.7 Removal. Any Director may be removed from the Board, with or without cause, by the affirmative vote of a Simple Majority of the Members. No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

5.8 Disqualification of Directors. A Director shall be deemed ineligible and disqualified from serving on the Board under the following circumstances: (i) the person fails within sixty (60) days after receiving notice of election to accept such office, either in writing or by attending a meeting of the Board of Directors as a Director; (ii) the person is absent without good cause from three (3) consecutive meetings of the Board; (iii) the person is more than sixty (60) days delinquent in the payment of Assessments, fines, penalties or other charges imposed by the Association; (iv) the person has been declared to be of unsound mind by a final order of court; or (v) the person has been convicted of a felony. A Director disqualified under any of the foregoing circumstances shall forfeit his or her seat on the Board without a vote of the remaining Directors and a vacancy shall be created which shall be filled by the remaining Director(s) as provided herein.

A Director may be also be disqualified and removed from the Board upon a finding of the Board, following a duly-noticed hearing, that the Director is not a Member in Good Standing. The remaining Director(s) shall appoint a successor as provided herein.

5.9 Vacancies. A vacancy shall exist on the Board of Directors in the event of the disqualification, death, resignation, or removal of any Director, or if the authorized number of Directors is increased, or if the Members fail to elect the full authorized number of Directors. The Board of Directors, by a majority vote of the Directors who meet all of the qualifications for Directors as set forth in Section 5.2, above, may declare vacant the office of any Director who fails or ceases to meet any required qualification that was in effect at the beginning of that Director's current term of office.

5.10 Filling Vacancies. Any vacancy on the Board of Directors, except a vacancy created by the removal of a Director, may be filled by vote of the Board of Directors, or if the number of Directors then in office is less than a quorum, by the vote of a majority of the remaining Directors at a meeting of the Board, or by unanimous written consent of the Directors then in office, or by a sole remaining Director. A Director so chosen shall serve the remainder of the term of office of the Director whom he or she replaces. The Members may elect a Director at any time to fill any vacancy not filled by the Board. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board or, if the Board fails to act, the Members may elect a successor to take office when the resignation becomes effective.

5.11 Compensation. No Director shall receive compensation for any service he or she may render to the Association as a Director. However, upon approval by the Board, any Director may be reimbursed for his or her expenses actually incurred in the performance of his or her duties.

## ARTICLE 6

### MEETINGS OF DIRECTORS

6.1 Organizational Meetings. Within forty five (45) days after the election of Directors, the Board of Directors shall hold a meeting for the purpose of organization, seating newly-elected Directors, election of officers, and transaction of other business, as appropriate.

6.2 Regular Meetings. Regular meetings of the Board of Directors shall be held monthly, at a place within the Development and on a day and at a time as fixed from time to time by resolution of the Board or, upon proper notice which conforms to the provisions of Sections 6.4 and 6.5 of these Bylaws, at another place, day, and time as set forth in such notice.

6.3 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors.

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6.4 Notice to Directors. Except as otherwise provided in Section 6.2 of these Bylaws, notice of each meeting of the Board shall be communicated to the Directors not less than four (4) days prior to a regular meeting, and not less than seventy-two (72) hours prior to a special meeting; provided that shorter notice may be given in the case of a bona fide emergency; and provided further that notice of a meeting need not be given to any Director who signed a waiver of notice or a written consent to holding the meeting, whether before or after the meeting.

6.5 Notice to Members. Except for bona fide emergency meetings and executive sessions, as defined by law, at least four (4) days' prior written notice of the day, time, and place of each meeting of the Board of Directors, whether regular or special, shall be given to all Members by posting it in a prominent place or places within the Common Area, by mailing or delivery to each Unit, by newsletter, or by other means of communication reasonably designed to provide prior actual notice of such meeting. The notice shall contain the agenda for the meeting.

6.6 Open Meeting. Regular and special meetings of the Board of Directors shall be open to all Members of the Association, except when the Board meets in executive session. A reasonable time limit for all Members to speak to the Board shall be established by the Board.

6.7 Executive Session. The Board of Directors may meet in executive session on the following issues: (i) litigation in which the Association is or may be involved; (ii) personnel matters; (iii) Member discipline; (iv) the formation of contracts involving the Association; and (v) upon a Member's request, the Member's payment of Assessments. In any matter relating to the discipline of a Member, the Board shall meet in executive session if requested to do so by that Member, and that Member and any other person(s) whose participation is, in the judgment of the Board, necessary or appropriate shall be entitled to attend the executive session.

6.8 Telephone Participation. To the extent permitted by law, including, without limitation, *Corporations Code* Section 7211, Directors may participate in regular or special Board meetings through the use of conference telephone, electronic video screen communications, or other communications equipment.

6.9 Quorum. A majority of the Directors then in office, but not less than two (2), shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly-held meeting at which a quorum is present shall be regarded as the act of the Board.

6.10 Minutes of Meetings of Directors. Within thirty (30) days after the date of any meeting of the Board, the Board shall make available to the Members either (i) the minutes of that meeting as adopted by the Board, (ii) those minutes as proposed for adoption which shall be marked to indicate draft status, or (iii) a summary of the minutes. Any matter discussed in an executive session shall be generally noted in the minutes of the Board, and minutes of executive sessions shall not otherwise be required. Copies of the open session minutes, proposed open session minutes, or summary of open session minutes shall be provided to any Member of the Association upon request and upon reimbursement of the Association's costs in providing such copies. Members of the Association shall be notified annually in writing of their right to obtain copies of the minutes of meetings of the Board and how and where those minutes may be obtained.

## ARTICLE 7

### POWERS OF THE BOARD OF DIRECTORS

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

7.1 Rules and Regulations. Subject to *Civil Code* Sections 1357.100 *et seq.*, adopt, publish, amend, repeal, and enforce Rules and regulations governing the administration, management, operation, use, and occupancy of the Development.

7.2 Contracts. Authorize any officer or officers to enter into any contract in the name of, or on behalf of, the Association. Unless expressly authorized by resolution of the Board, no officer shall have any power or authority to bind the Association or to render the Association liable for any purpose or on any account. No contract with any person or entity to supply or furnish the Association with goods or services shall be for a term in excess of one year, except upon the prior affirmative vote or written consent of a Simple Majority of the Members; provided, however, that the foregoing shall not apply to: (i) a contract with a public utility company, if the rates charged for the materials or services to be furnished are regulated by the California Public Utilities Commission, the term of which contract shall not exceed the shortest term for which the supplier will contract at the regulated rate; (ii) prepaid casualty and/or liability insurance policies not to exceed three (3) years duration, which policy or policies shall permit short rate cancellation by the insured; (iii) lease agreements for equipment not to exceed five (5) years duration; and (iv) agreements for cable television services and equipment not to exceed five (5) years duration.

7.3 Collect Assessments. As addressed in the Declaration, the Board shall have the power to collect Assessments levied by the Association by

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foreclosing the lien against any property for which Assessments are not paid as required by the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same.

7.4 Sanctions; Hearings; Continuing Violations. Establish and impose monetary penalties (fines) for the infraction of any provision of the Governing Documents, in accordance with a schedule of monetary penalties adopted by the Board and distributed to all Members, and suspend the voting or other membership rights and privileges of a Member, including but not limited to the right to use Common Area facilities.

When the Board is to meet to consider or impose discipline upon a Member, the Board shall notify the Member in writing, by either personal delivery or first-class mail, at least ten (10) days prior to the meeting. The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a Member may be disciplined, and a statement that the Member has a right to attend and may address the Board at the meeting. The Board shall meet in executive session if requested by the Member being disciplined. If the Board imposes discipline on a Member, the Board shall provide the Member a written notification of the disciplinary action, by either personal delivery or first-class mail, within fifteen (15) days following the action. A disciplinary action shall not be effective against a Member unless the Board has fulfilled the foregoing requirements.

A Member's rights may be suspended after fifteen (15) days prior notice of the hearing at which the Board intends to suspend the Member's rights.

In the case of a continuing violation, such as an uncorrected architectural violation, where a Member fails to cease or remedy a violation after notice from the Board to do so, the Board may deem such a continuing violation and may impose separate and successive sanctions for each such violation without holding further hearings for each sanction unless requested by the Member in writing.

7.5 Manager. Engage the services of a manager or management company as either an employee or an independent contractor, and engage such other employees or independent contractors as the Board may deem necessary, and to prescribe their duties.

7.6 Professional Advisors. Consult with, seek the advice of, and reasonably rely on the advice of attorneys, accountants, and other professionals in carrying out its authority and responsibility under the Governing Documents and the law, and to pay for such professional services.

7.7 Investment of Reserve Funds. Invest Association reserve funds in prudent investments subject to the provisions of Section 8.4 of these Bylaws.

7.8 Entry for Repairs. Enter a Unit or Exclusive Use Common Area appurtenant to such Unit when necessary, in connection with maintenance, repair or replacement for which the Association is responsible or which it is authorized to perform, provided that the Board shall provide the Unit Owner with at least twenty-four (24) hours prior notice, except that in the case of a bona fide emergency, notice shall be given as the exigencies of the situation reasonably permit.

7.9 Property Taxes. Pay all real property taxes and assessments levied upon any property within the Development to the extent not separately assessed to the Owners. Provided that any such taxes are paid or that a bond insuring the payment is posted, such taxes and assessments may be contested or compromised by the Association prior to the sale or other disposition of any property to satisfy the payment of such taxes.

7.10 Mergers. To the extent permitted by law, participate in mergers and consolidations with other nonprofit organizations organized for the same purposes as this Association, provided that any such merger or consolidation shall be approved by the affirmative vote of a Majority of the Total Voting Power.

7.11 Association Property; Common Area. Subject to the provisions of Articles 2 and 3 of the Declaration, including any required approval of the Members, acquire, own, hold, convey, transfer, dedicate or otherwise dispose of real or personal property consistent with the purposes and powers of the Association and the management, administration and operation of the Development or the business and affairs of the Association, and grant and convey easements, licenses, and rights of way in, over, upon or under the Common Area.

7.12 Indemnification of Agents. Except with respect to intentional, wanton and/or reckless acts, indemnify and hold harmless, to the maximum extent permitted by California law, each person who is or at any time was a Director, officer, Inspector of Election, employee, or agent of the Association or member of any committee appointed by the Board from and against any and all claims, liabilities, expenses, judgments, fines, settlements, actually and reasonably incurred by any such person, and to which any such person shall become subject by reason of his or her being a Director, officer, Inspector, employee, or agent of the Association or member of any committee appointed by the Board.

7.13 Bank Accounts and Borrowing; Pledge Assets As Security for Loans. Open bank accounts and designate signatories upon such bank accounts. The Board may borrow money on behalf of the Association and pledge assets of the Association as security for loans only upon the affirmative vote of a sixty seven percent (67%) of the Total Voting Power.

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

7.15 Limitation on Powers. The powers of the Board shall be subject to the limitations set forth in the Declaration.

## ARTICLE 8

### DUTIES OF THE BOARD OF DIRECTORS

It shall be the duty of the Board of Directors to:

8.1 Records and Minutes. Cause to be kept a complete record of all its acts and the corporate affairs, including an accurate and current record of the Members setting forth their names and addresses, adequate and correct books and records of account, and minutes of the proceedings of the Members, the Board, and committees of the Board, and to present a statement thereof to the Members at the Annual Meeting of the Members.

8.2 Reserve Study. Cause to be conducted, at least once every three (3) years, a reasonably competent and diligent visual inspection of the accessible areas of the major components which the Association is obligated to repair, replace, restore or maintain as part of a study of the reserve account requirements of the Development if the current replacement value of such major components is equal to or greater than one-half of the Association's reserve account for that period. The Board shall review, or cause to be reviewed, the reserve study annually and shall consider and implement necessary adjustments to the Board's analysis of the reserve account requirements as a result of that review. The reserve study required by this Section shall include the minimum requirements specified in *Civil Code* Section 1365.5 or comparable successor statute(s).

8.3 Reserve Funds. Not expend funds designated as reserve funds for any purpose other than the maintenance, restoration, repair, or replacement of,

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or litigation involving the maintenance, restoration, repair, or replacement of, major components which the Association is obligated to maintain, repair, or replace and for which the reserve fund was established. However, the Board may authorize a temporary transfer of money from a reserve fund to the Association's general operating fund to meet short term cash flow requirements or other expenses, provided the Board has made a written finding, recorded in the Board's minutes, explaining the reasons that the transfer is needed and describing when and how the money will be repaid to the reserve fund. Any such transferred funds shall be restored to the reserve fund within one year of the date of the initial transfer, except as otherwise expressly provided by law. The Board shall exercise prudent fiscal management in maintaining the integrity of the reserve account.

8.4 Investment of Reserve Funds. Manage and invest Association reserve funds in a prudent manner designed to achieve the primary objective of preserving principal while realizing a reasonable return and to assure the availability of funds as they are needed based upon the most recent reserve fund study obtained by the Board as provided in these Bylaws and by law.

8.5 Annual Disclosures to Members. Distribute to the Members annually:

(a) A pro forma operating budget as required by law including, without limitation, *Civil Code* Section 1365(a), or a summary of the pro forma operating budget as permitted by *Civil Code* Section 1365(d), not less than thirty (30) days nor more than ninety (90) days prior to the beginning of the Association's fiscal year;

(b) A summary of the reserve funding plan adopted by the Board as specified in paragraph (5) of subdivision (e) of *Civil Code* Section 1365.5, which summary shall include notice to the Members that the reserve funding plan will be provided upon written request;

(c) A statement describing the Association's policies and practices in enforcing lien rights and other legal remedies for default in payment of Assessments against Members, as required by *Civil Code* Section 1365(e);

(d) A summary of the alternative dispute resolution procedures as set forth and required by *Civil Code* Sections 1369.510 and 1369.590, and a description of the internal dispute resolution process pursuant to *Civil Code* Section 1363.850;

(e) A schedule of fines or other monetary penalties, if revised during the preceding year, as required by *Civil Code* Section 1363(g);

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(f) A notice and statement concerning the insurance carried by the Association, as required by *Civil Code* Section 1365(f);

(g) A statement explaining the Members' right to obtain copies of minutes of meetings of the Board as required by Section 6.10 of these Bylaws and by *Civil Code* Section 1363.05(e);

(h) A notice concerning Members' collection rights and duties with regard to Assessments and foreclosure, as required by *Civil Code* Section 1365.1, may be distributed with the budget, but must be distributed during the 60-day period immediately preceding the beginning of the Association's fiscal year;

(i) The policy and procedure regarding Association approval for any physical modifications to an Owner's separate interest (i.e., Architectural Review Guidelines) pursuant to *Civil Code* Section 1378(c);

(j) A Notice of any Assessment increase, pursuant to *Civil Code* Section 1366(d);

(k) A statement including a summary of the Association's Assessment and reserve funding in accordance with *Civil Code* Section 1365.2.5;

(l) A notice of Members' right to submit secondary addresses, pursuant to *Civil Code* Section 1367.1(k);

(m) A copy of the review of the Association's financial statement, pursuant to *Civil Code* Section 1365(c), for any fiscal year in which the gross income to the Association exceeds seventy-five thousand dollars (\$75,000.00); and

(n) A notice of Members' right to receive the annual report, pursuant to *Corporations Code* Section 8321.

8.6 Review of Accounts. Review the Association's operating and reserve account at least in accordance with the following minimum requirements:

(a) Review a current reconciliation of the Association's operating accounts on at least a quarterly basis;

(b) Review a current reconciliation of the Association's reserve accounts on at least a quarterly basis;

(c) Review, on at least a quarterly basis, the current year's actual reserve revenues and expenses compared to the current year's budget;

(d) Review the latest account statements prepared by the financial institutions where the Association keeps its operating and reserve accounts; and

(e) Review an income and expense statement for the Association's operating and reserve accounts on at least a quarterly basis.

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

8.7 Supervision. Supervise all officers, agents, and employees of the Association, and see that their duties are properly performed.

8.8 Notice of Assessments. As more fully provided in the Declaration, (i) send written notice to each Owner in advance of each fiscal year of the Annual Assessment levied against his or her Unit for that fiscal year; and (ii) collect Assessments levied by the Association by foreclosing the lien against any property for which Assessments are not paid as required in the Declaration and/or by bringing an action at law against the Owner personally obligated to pay the same.

8.9 Certificate of Payment of Assessments. Issue, or cause an appropriate officer to issue, upon demand by any proper person, a certificate setting forth whether any Assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states an Assessment has been paid, such certificate shall be conclusive evidence of such payment.

8.10 Insurance. Procure and maintain adequate casualty, liability and other insurance on Common Area property, and other appropriate insurance, as the Association deems necessary and appropriate.

8.11 Enforcement of Governing Documents. Enforce the provisions of the Governing Documents, as more particularly set forth in the Declaration, and perform all acts required of the Board under the Governing Documents or required by law.

8.12 Results of Membership Vote. Disclose results of membership votes in accordance with Rules adopted pursuant to *Civil Code* Section 1363.03 for all elections subject to those Rules. For all other elections, for a period of sixty (60) days following the conclusion of an annual, regular, or special meeting of Members, upon written request from a Member, the Board shall forthwith inform the Member of the result of any particular vote of the Members taken at the meeting, including the number of memberships voting for, the number of memberships voting against, and the number of memberships abstaining or withheld from voting.

## ARTICLE 9

### OFFICERS AND THEIR DUTIES

9.1 Enumeration of Officers. The officers of the Association shall be a President, Vice President, Secretary, and a Treasurer, who shall at all times be members of the Board of Directors, and such other officers as the Board of Directors may, from time to time, appoint by resolution.

9.2 Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following the annual election of Directors.

9.3 Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year, unless he or she shall sooner resign, be removed by the Board, or otherwise be disqualified to serve.

9.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

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

9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he or she replaces, subject to the Board's right to remove an officer.

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

9.8 President. The President shall be the chief executive officer of the Association and shall, subject to control of the Board of Directors, have general supervision, direction, and control of the affairs and the other officers and the employees and agents of the Association. The President shall preside at all meetings of the Members and at all meetings of the Board of Directors, shall have the general powers and duties of management usually vested in the office of the President of an Association, and shall have such other powers and duties as may be prescribed by the Board of Directors and the Bylaws, subject, however, to any limitations contained in the Declaration.

9.9 Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President and, when so acting, shall have all of the powers of, and be subject to all of the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as, from time to time, may be prescribed by the Board of Directors.

9.10 Secretary. The Secretary shall keep or cause to be kept, at the principal office or such other place as the Board of Directors may prescribe, a book of minutes of all meetings of Directors, Members, and Committees of the Board setting forth the time and place of holding of such meetings; whether regular or special, and if special, how authorized; the notice thereof given; the names of those present at Directors' or Committee meetings; the number of memberships and votes present or represented at Members' meetings; and all the proceedings thereof. The Secretary shall give, or cause to be given, notice of all meetings of the Members and of the Board of Directors required by the Bylaws or by law to be given and shall maintain a proper record of the giving of such notice, and shall keep the books, records, and documents of the Association in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

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

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as provided by law; and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

## ARTICLE 10

### COMMITTEES

The Board may appoint an Architectural Control Committee as provided in Article 7 of the Declaration and may appoint such other committees as it deems appropriate in carrying out the powers and purposes of the Association, including a Building and Grounds Committee, a Finance Committee, a Nominating Committee and a Rules Committee. The Board shall appoint all of the members of any committee created by the Board and said committee members shall serve at the pleasure of the Board.

## ARTICLE 11

### BOOKS, RECORDS AND FUNDS

11.1 Association Records. In accordance with *Civil Code* Section 1365.2, the Association shall make Association records available for inspection and copying to a Member or Member's designated representative upon written request. If the Member requests the Members list, he or she shall state, in writing, the purpose for which the list is requested, which purpose shall be reasonably related to such Member's interest as a Member of the Association. Association records, and any information from them, may not be sold, used for commercial purpose, or used for any other purpose not reasonably related to a Member's interest as a Member. The Association may bill the Member who has requested documents the direct and actual costs incurred by the Association to copy and mail any requested documents. The Board may adopt and publish reasonable Rules and regulations establishing procedures relating to Members' inspection and copying of Association records.

11.2 Checks, Drafts, and Evidences of Indebtedness. All checks, drafts, or other orders for payment of money, or notes or other evidences of indebtedness issued in the name of, or payable to, the Association shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board, and in the manner as specified by the Board of Directors, provided that the signatures of at least two (2) persons, who shall be members of the Board of Directors, shall be required for the withdrawal of funds from the Association's reserve account.

11.3 Funds and Deposits. Any funds of the Association shall be deposited to the credit of the Association in such banks or other depositories as the Board of Directors shall, from time to time, determine.

11.4 Fiscal Year. The fiscal year of the Association shall be as determined by resolution of the Board of Directors.

## ARTICLE 12

### AMENDMENTS

These Bylaws may be amended by the affirmative vote of a Majority of the Total Voting Power of the Association.

## ARTICLE 13

### MISCELLANEOUS

13.1 Conflict Between Governing Documents. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

13.2 Amendment to Referenced Statutes. References in these Bylaws to particular statutes, including sections of the *Civil Code* or the *Corporations Code*, shall be deemed to include any successor statute and any amendments to existing or successor statutes.

13.3 References to the Declaration. These Bylaws were presented with the Amended and Restated Declaration of Covenants, Conditions and Restrictions of Paseo Villas Homeowners Association for approval by the Members. In the event the Members approved adoption of these Bylaws but did not approve the adoption of the Amended and Restated Declaration of Covenants, Conditions and Restrictions, any references to specific sections of the Declaration in these Bylaws shall be null and void unless and until the Amended and Restated Declaration of Covenants, Conditions and Restrictions is adopted.

---

**CERTIFICATE OF AMENDMENT  
TO  
BYLAWS  
OF  
PASEO VILLAS HOMEOWNERS ASSOCIATION**

---

I, the undersigned, hereby certify that:

I am the Secretary of Paseo Villas Homeowners Association.

The foregoing Amended and Restated Bylaws of Paseo Villas Homeowners Association were duly approved by the requisite vote of the Members of the Association on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Executed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

---

[insert name as will sign], Secretary

---

CERTIFICATE OF AMENDMENT  
TO  
BYLAWS  
OF  
PASEO VILLAS HOMEOWNERS ASSOCIATION

---

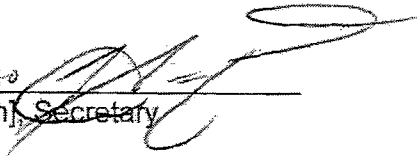
I, the undersigned, hereby certify that:

I am the Secretary of Paseo Villas Homeowners Association.

The foregoing Amended and Restated Bylaws of Paseo Villas Homeowners Association were duly approved by the requisite vote of the Members of the Association on the 3 day of November, 2011.

Executed this 16 day of November, 2011.

JOSEPH A. SANTOSUOSSO  
[insert name as will sign], Secretary

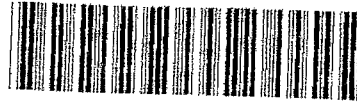




If this document contains any restriction based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, that restriction violates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

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**HUGHES GILL COCHRANE, P.C.  
Attn: Michael J. Hughes, Esq.  
1600 S. Main Street, Suite 215  
Walnut Creek, California 94596**

REGINA ALCOMENDRAS  
SANTA CLARA COUNTY RECORDER  
Recorded at the request of  
Homeowners' Association

RDE # 010  
9/09/2011  
10:12 AM

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(Space Above For Recorder's Use)

**AMENDED AND RESTATED DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS OF  
PASEO VILLAS HOMEOWNERS ASSOCIATION**

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AS APPROVED BY MEMBERS JULY 2011

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**AMENDED AND RESTATED**  
**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**  
**OF**  
**PASEO VILLAS HOMEOWNERS ASSOCIATION**

---

This Amended and Restated Declaration of Covenants, Conditions and Restrictions is made on the date hereinafter set forth by Paseo Villas Homeowners Association, a nonprofit mutual benefit corporation (hereinafter sometimes referred to as the "Association").

**RECITALS**

A. WHEREAS, the Association is the successor in interest to Paseo Villas, LLC, which, as Declarant, executed that certain Declaration of Covenants, Conditions and Restrictions, and Reservation of Easements for Paseo Villas recorded on August 29, 2000 as Document No. 15371061 in the Official Records of Santa Clara County, State of California (the "2000 Declaration");

B. WHEREAS, a First Amendment to Declaration of Covenants, Conditions and Restrictions, and Reservation of Easement for Paseo Villas was recorded on March 1, 2010 as Document No. 20624593 in the Official Records of Santa Clara County, State of California;

C. WHEREAS, the 2000 Declaration, as amended, establishes certain limitations, easements, covenants, restrictions, conditions, liens, and charges which run with and are binding upon all parties having or acquiring any right, title, or interest in that certain parcel of real property located in the County of Santa Clara, State of California, and more particularly described in Exhibit "A" attached hereto and incorporated by reference;

D. WHEREAS, Members, constituting at least fifty-three and seventy-five one hundredths percent (53.75%) of the total voting power of the Association, desire to amend, modify, and otherwise change the 2000 Declaration, as amended, pursuant to Section 20.8b. thereof;

E. NOW, THEREFORE, pursuant to Section 20.8 of the 2000 Declaration, as amended, Members, constituting at least fifty-three and seventy-

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AMENDED AND RESTATED DECLARATION  
PASEO VILLAS HOMEOWNERS ASSOCIATION  
AS APPROVED BY MEMBERS JULY 2011

five one hundredths percent (53.75%) of the total voting power of the Association, do hereby declare that the aforesaid 2000 Declaration, as amended, be and hereby is AMENDED AND RESTATED IN ITS ENTIRETY as set forth in the within Amended and Restated Declaration of Covenants, Conditions and Restrictions of Paseo Villas Homeowners Association;

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

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

H. IT IS FURTHER HEREBY DECLARED that all of the covenants, conditions, and restrictions herein set forth shall constitute enforceable equitable servitudes as provided in Section 1354 of the *Civil Code*, shall constitute covenants that shall run with the said real property, and shall be binding upon and inure to the benefit of each Owner of any portion of the said real property or of any interest therein and their heirs, successors, and assigns.

## ARTICLE 1

### DEFINITIONS

1.1 Additional Charges. "Additional Charges" shall mean all costs, fees, charges, and expenditures including, without limitation, interest, late charges, attorneys' fees, recording and filing fees, and all other costs actually incurred by the Association in collecting and/or enforcing payment of Assessments, fines, and/or penalties.

1.2 Agency. "Agency" shall mean and refer to The Redevelopment Agency of the City of San Jose, a public body corporate and politic, and its departments, officials, representatives, and any successors thereto. The Agency reserves the right to transfer and assign to the City some or all of its powers, rights and responsibilities pursuant to this Declaration, and upon such transfer the term "Agency" shall thereafter mean and refer to the City of San Jose, as applicable.

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AMENDED AND RESTATED DECLARATION  
PASEO VILLAS HOMEOWNERS ASSOCIATION  
AS APPROVED BY MEMBERS JULY 2011

1.3 Annual Assessments. "Annual Assessments" shall have the meaning set forth in Section 8.6.

1.4 Architectural Control Committee. "Architectural Control Committee" and "ACC" shall mean the Architectural Control Committee created pursuant to Article 7 of this Declaration and the Bylaws.

1.5 Articles. "Articles" shall mean the Articles of Incorporation of Paseo Villas Homeowners Association, as they may be amended from time to time, and as filed with the Office of the Secretary of State of California.

1.6 Assessments. "Assessments" shall mean any or all of the following: Annual Assessments, Special Assessments, and Reimbursement Assessments.

1.7 Association. "Association" shall mean the Paseo Villas Homeowners Association, its successors and assigns.

1.8 Autogalleria. "Autogalleria" shall mean those portions of Lot 2 of the Retail Property, as described in Exhibit "C" attached hereto consisting of: a) pedestrian and vehicular access, ingress and egress to the Garage; b) access, ingress, egress and parking for patrons of commercial and retail businesses operating within the Retail Property; c) handicap parking spaces; d) trash rooms and related facilities. The ownership, maintenance and operation of the Autogalleria shall be as set forth in the REMA.

1.9 Balcony. "Balcony" shall mean a platform enclosed by a railing which is appurtenant to an upper level Unit. Balconies are Exclusive Use Common Area components, identified on the Plan by the letter "B" followed by the Unit number to which the Balcony is appurtenant (e.g., "B-100").

1.10 Board of Directors. "Board of Directors" or "Board" shall mean the governing body of the Association.

1.11 Building. "Building" shall mean the mixed use structure which includes the residential Development and the Retail Complex owned by the Retail Owner, and all improvements therein.

1.12 Bylaws. "Bylaws" shall mean the Bylaws of Paseo Villas Homeowners Association and any duly-adopted amendments thereto.

1.13 Capital Improvement. "Capital Improvement" shall mean the original construction of an improvement that did not previously exist, as distinguished from the repair, upgrading, or replacing of an existing improvement.

1.14 City. "City" shall mean the City of San Jose.

1.15 Civil Code. "Civil Code" shall mean the California Civil Code as amended from time to time.

1.16 Common Area. "Common Area" shall mean all real property comprising the Development which is owned by all of the Owners in common, but excluding the Units. Common Area includes, without limitation: the entry gate; swimming pool and hot tub; social room (including the restrooms located therein); exercise room; saunas; Garage; central courtyard; landscaping (including roots of trees planted in Common Area); and lobbies.

1.17 Condominium. "Condominium" shall mean an estate in real property, as defined in *Civil Code* Section 1351(f), consisting of an undivided interest in all or any portion of the Common Area together with a separate fee interest in a Unit and all easements appurtenant thereto as described in the Declaration or in the deed conveying a Condominium.

1.18 County. "County" shall mean the County of Santa Clara.

1.19 Days. "Days" (whether the term is capitalized or not) shall mean calendar days.

1.20 Declaration. "Declaration" shall mean this Amended and Restated Declaration of Covenants, Conditions and Restrictions of Paseo Villas Homeowners Association, recorded in the Office of the County Recorder of Santa Clara County, California, and any amendments thereto.

1.21 Development. "Development" shall mean all of the real property described in this Declaration which comprises the Paseo Villas residential development as described in Exhibit "A" attached hereto, including all structures and other improvements located at any time upon or adjacent to said real property.

1.22 Exclusive Use Common Area. "Exclusive Use Common Area" shall mean any portion of the Common Area the exclusive use of which is set aside, allocated, assigned, and/or restricted to the exclusive use or possession of the Residents of a particular Unit, including, without limitation: Balconies; Parking Spaces; Patios; Storage Spaces; window systems (including all frames, glass, gaskets, screens, flashing and other waterproofing components) serving a particular Unit; sliding glass doors (including all frames, glass, gaskets, screens, flashing and other waterproof components) serving a particular Unit; any door screens serving a particular Unit; and internal and external telephone wiring designed to serve a single Unit but located outside the boundaries of that Unit.

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AMENDED AND RESTATED DECLARATION  
PASEO VILLAS HOMEOWNERS ASSOCIATION  
AS APPROVED BY MEMBERS JULY 2011



1.23 Fine. "Fine" (whether the term is capitalized or not) shall mean a monetary penalty levied against a Member for a violation of the Governing Documents.

1.24 Garage. "Garage" shall mean those portions of the Building that are designed to provide Parking Spaces, Storage Spaces and access to such areas. The Garage is also designed with certain areas and improvements (i.e., utility rooms and ventilation systems) which are common both to the Development and to the Retail Property as provided for in the REMA. The Association shall be responsible for the maintenance, operation and repair of the Garage.

1.25 Governing Documents. "Governing Documents" shall mean the Articles, Bylaws, Declaration, Rules, policies and resolutions adopted by the Board and distributed to the Members.

1.26 Lien. "Lien" (whether the term is capitalized or not) shall mean a claim on property for payment of a debt or obligation.

1.27 Maintenance. "Maintenance" or to "maintain" (whether the term is capitalized or not) shall mean the act of caring for property and keeping it in its existing state, preserving it from failure or deterioration, including painting, caulking, cleaning, and minor, non-structural upkeep.

1.28 Majority of Total Voting Power. "Majority of the Total Voting Power" shall mean a majority (i.e., greater than fifty percent (50%)) of all Members entitled to vote at a particular time. If all Members are Members in Good Standing and entitled to vote, the Majority of the Total Voting Power shall be Members representing at least 53 Units.

1.29 Member. "Member" shall mean an Owner.

1.30 Member in Good Standing. "Member in Good Standing" shall mean a Member of the Association who: is current in the payment of all Assessments, fines, penalties, and other charges imposed in accordance with the Governing Documents; is otherwise free from sanctions imposed by the Association; and is in compliance with all provisions of the Governing Documents.

1.31 Mortgage. "Mortgage" shall mean a deed of trust as well as a mortgage in the conventional sense.

1.32 Mortgagee. "Mortgagee" shall mean a beneficiary under a deed of trust as well as under a Mortgage.

1.33 Owner. "Owner" shall mean the record owner, whether one or more persons or entities, of the fee simple title to any Condominium which is a part of the Development.

1.34 Parking Space. "Parking Space" shall mean a space within the Garage designed for parking a vehicle, the exclusive use of which is granted to or reserved for a specific Unit. Parking Spaces are Exclusive Use Common Area components, identified on the Plan by the letters "PS" followed by a number (e.g., "PS-100").

1.35 Patio. "Patio" shall mean a ground level improvement made of concrete or comparable material appurtenant to a ground floor Unit. Patios are Exclusive Use Common Area components, identified on the Plan by the letter "P" followed by the Unit number to which the Patio is appurtenant (e.g., "P-301").

1.36 Plan. "Plan" means the Condominium Plan attached as Exhibit "B" to the 2000 Declaration.

1.37 Quorum. "Quorum" (whether the term is capitalized or not) shall mean the minimum number of members (of either the Association or the Board of Directors) that must be present in person or by ballot in order to conduct business. Quorum requirements for certain actions of the Board and the Members are specifically set forth in this Declaration and the Bylaws.

1.38 REMA. "REMA" shall mean that certain Reciprocal Easement and Maintenance Agreement executed by Declarant and the Retail Owner, and any amendments thereto, which provide various covenants, conditions, restrictions, limitations, rights and obligations between/among the Association and the Retail Owner for the shared use, maintenance, operation and repair of portions of the Development and the Retail Property including, without limitation: a) service and maintenance of common facilities; b) custodial service in connection with certain common improvements which will be maintained by the Association for the benefit of the Owners and Occupants of the Retail Owner; and c) certain reciprocal easements for support, settlement, encroachment, maintenance, operation, inspection and repair of utilities, facilities and other improvements which serve both the Development and the Retail Property.

1.39 Reimbursement Assessment. "Reimbursement Assessment" shall have the meaning set forth in Section 8.9.

1.40 Repair. "Repair" (whether the term is capitalized or not) shall mean the minor restoration of property that is torn, broken, or otherwise damaged, or has sustained wear, tear, or deterioration such that minor restoration is necessary.

1.41 Replacement. "Replacement" or to "replace" (whether the term is capitalized or not) shall mean substantial reconstruction, restoration, or substitution of the whole or a substantial part of property that has been damaged or destroyed through usage or through hazard or catastrophe such that it is no longer useable or serviceable in its current condition.

1.42 Resident. "Resident" shall mean any person who resides in a residential Unit within the Development whether or not such person is an Owner as defined in Section 1.33 above.

1.43 Retail Complex. "Retail Complex" shall mean all those portions of the Retail Property which may be developed and operated for such retail, commercial, restaurant, office of other purposes as shall be permitted by the City and the Agency. Occupants of the Retail Complex and/or Retail Property shall not be Owners, nor shall they be obligated to pay Assessments. The Retail Complex shall be owned, operated, managed and maintained by the Retail Owner, subject to the applicable provisions of the REMA.

1.44 Retail Owner. "Retail Owner" shall mean Paseo Retail, LLC, a California limited liability company, and its successors and assigns, as the owner of fee title to all or a portion of the Retail Property. A Retail Owner shall not be a Member of the Association, but will be a party to the REMA.

1.45 Retail Property. "Retail Property" shall mean and refer individually and collectively to Lots 2, 3 and 4 of Tract 9047, as more particularly described in Exhibit "B" attached hereto and incorporated herein by reference. The Retail Property shall be owned, operated and maintained by the Retail Owner, and will be operated and maintained by the Retail Owner or its operator, management or other designated employees or representatives, subject to the REMA, for the purpose of developing and maintaining a retail complex occupied for such retail stores, offices, restaurants, bakeries, and other retail establishments as may be approved for occupancy by the Retail Owner, the City and the Agency, as such parties determine, in consultation with the Association.

1.46 Rules. "Rules" shall mean the rules, regulations and policies governing the use, occupancy, management, administration, and operation of the Development or any part thereof as adopted and published by the Board of Directors from time to time.

1.47 Sanction. "Sanction" (whether the term is capitalized or not) shall mean a penalty, monetary or otherwise, imposed by the Board against a Member for a violation of the Governing Documents.

1.48 Simple Majority. "Simple Majority" and "Simple Majority of the Members" shall mean a majority of those voting, provided a quorum of Members is represented in person or by ballot.

1.49 Special Assessment. "Special Assessment" shall have the meaning set forth in Section 8.7.

1.50 Storage Space. "Storage Space" shall mean a space designed for storing personal property, the exclusive use of which is granted to or reserved for a specific Unit. Storage Spaces are Exclusive Use Common Area components, typically identified on the Plan by the letters "ST" followed by a number (e.g., "ST-100").

1.51 Total Voting Power. "Total Voting Power" shall mean the total number of votes of all Members entitled to vote at a particular time, calculated on the basis of one vote for each Unit, excluding any Unit as to which an Owner is not then a Member in Good Standing. If all Members are Members in Good Standing, the Total Voting Power shall be Members representing all 104 Units.

1.52 Unit. "Unit" shall mean the elements of a Condominium that are not owned in common with the other Owners of Condominiums within the Development. Each Unit is an individual residence shown as separately designated and numbered areas on the Plan. Each Unit consists of the interior space bounded by and contained within the interior unfinished surfaces (which unfinished surfaces shall not include paint, paper, wax, tile, enamel or other finishes) of the floors, ceilings, and perimeter walls; provided, however, that bearing walls located within a Unit (except for the finished surfaces thereof) are Common Area and not part of the Unit. Each Unit also consists of the utility installations, fixtures, cabinetry and appliances located within its boundaries including, without limitation: oven, range and fans; garbage disposal unit; dishwasher unit; refrigerators; freezers; washing machines, dryers and vents; heaters/furnaces; lighting fixtures; heating conduits; any air conditioning units, condensers, and equipment serving such Unit; plumbing fixtures including bathtubs, sinks and wash basins, shower stalls, toilets, and metal plumbing fixtures (including diverters); fireplaces and fireboxes; telephone facilities (not including internal and external telephone wiring designed to serve a single Unit but located outside the boundaries of that Unit, which is Exclusive Use Common Area); smoke alarms; and interior partitions which are located entirely within the boundaries of the Unit they serve. Each Unit includes both the portion of the building so described and the air space so encompassed. There are 104 Units in the Development. Pipes, ducts, flues, chutes, conduits, wires, exterior lighting and other utility installations wherever located (except all utility installations and/or outlets thereof when located within the Units, including the internal and

external telephone wiring designed to exclusively serve a Unit) are not part of a Unit.

1.53 Vehicle. "Vehicle," whether capitalized or not, is defined as described in California *Vehicle Code* Section 670 and any successor statute thereto.

## ARTICLE 2

### HOMEOWNERS ASSOCIATION

2.1 Management and Operation. The Association shall manage and operate the Development in accordance with the Governing Documents and California law. The Association shall have all of the powers set forth in the Governing Documents together with the general power to do any and all things that a nonprofit mutual benefit corporation may lawfully do under California law, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Governing Documents.

2.2 Membership. Membership in the Association shall include, and shall be limited to, all Owners of any Condominium located within the Development. Membership shall be appurtenant to and may not be separated from ownership of a Condominium, and shall not be transferred, encumbered, pledged, alienated, or hypothecated in any way, except upon the transfer or encumbrance of the Condominium to which it is appurtenant. Any attempt to make a prohibited transfer is void. Upon any transfer of title to a Condominium including a transfer upon the death of an Owner, membership in the Association shall pass automatically to the transferee.

2.3 Voting. Only one vote shall be cast for each Condominium. Additional requirements regarding voting are set forth in the Bylaws.

2.4 Board of Directors. The affairs of the Association shall be managed by or under the direction of a Board of Directors consisting of five (5) Owners, as more fully described in the Bylaws.

2.5 Association Rules. Subject to *Civil Code* Sections 1357.100 *et seq.*, the Board of Directors shall have the power and the authority to establish, promulgate, amend, repeal, and enforce such Rules as the Board deems necessary for the management and operation of the Development and the conduct of business and affairs of the Association.

2.6 Assessments. The Association shall have the power and duty to levy and collect Assessments, as more particularly set forth in Article 8 of this Declaration.

2.7 Insurance. The Board shall obtain and maintain the insurance policies as provided below unless the Board determines that the cost is so unreasonable as to make maintenance of the insurance not in the best interest of the Association. If the Board is unable to purchase a policy or if the Board believes that the cost of the policy is unreasonable, the Board may call a special meeting of Members to determine what action to take.

2.7.1 General Provisions and Limitations. All insurance policies shall be subject to and, where applicable, shall contain the following provisions and limitations:

(a) Named Insured. Unless otherwise provided in this Section, the named insured shall be the Association or its authorized representative, as a trustee for the Owners. However, all policies shall be for the benefit of Owners and their Mortgagees, as their interests may appear;

(b) Authority to Negotiate. Exclusive authority to adjust losses under policies obtained by the Association shall be vested in the Board; provided, however, that no Mortgagee having an interest in such losses may be prohibited from participating in any settlement negotiations related thereto;

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

(d) Subrogation. A waiver of subrogation by the insurer as to any claims against the Board, the manager, the Owners and their respective servants, agents and guests;

(e) Primary Coverage. That the policy will be primary, even if an Owner has other insurance which covers the same loss;

(f) Cancellation/Modification. That no policy may be canceled or substantially modified without at least thirty (30) days' prior written notice to the Association;

(g) Endorsements. An agreed amount endorsement, if the policy contains a coinsurance clause; a guaranteed replacement cost or replacement cost endorsement; and an inflation guard endorsement; and

(h) Term. The period of each policy shall not exceed three (3) years and must permit short rate cancellation by the insureds.

2.7.2 Types of Coverage. Unless the Board determines otherwise, the following policies shall be obtained:

(a) Property Insurance. A blanket policy of fire and extended coverage insurance covering all improvements within the Development, including the Common Area and all Units (but not interior upgrades and personal property) in an amount equal to the full replacement cost (without deduction for depreciation) of such improvements. A replacement cost endorsement shall be part of the policy. Any such blanket policy shall specify as insureds all Owners, their Mortgagees, and the Association as their respective interests may appear;

(b) Liability Insurance. A combined single limit policy of liability insurance covering the Common Area and all damage or injury caused by the negligence of the Association, the Board or any of its agents, or the Owners against any liability to the public or to any Owner incident to the use of or resulting from any accident or intentional or unintentional act of an Owner or a third party occurring in or about any Common Area, with limits set by the Board but in no event less than those set forth in *Civil Code* Section 1365.9. If available, each policy shall contain a cross liability endorsement in which the rights of the named insured shall not be prejudiced with respect to any action by one named insured against another named insured;

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

(d) Fidelity Bond. A fidelity bond naming the Board, the Owners, the Association and such other persons as the Board may designate as obligees, in an amount which shall be determined by the Board. The fidelity bond shall contain a waiver of any defense based on the exclusion of persons serving without compensation;

(e) Directors and Officers. Errors and omissions insurance covering individual liability of Directors and officers for their negligent acts or omissions while acting in their capacities as Directors and officers in an amount equal to at least the minimum amount specified in *Civil Code* Section 1365.7(a)(4); and

(f) Other Insurance. The Association may obtain other types of insurance as the Board determines to be necessary to fully protect the interests of the Owners.

2.7.3 Deductible. Owners shall be responsible to pay the deductible on any Association insurance applicable to a loss resulting from the conduct or negligence of the Owner or from any loss which emanates from an Owner's Unit which damages Common Area or the Unit and improvements of another Owner.

2.7.4 Insurance by Owner. Each Owner, at that Owner's sole cost and expense, shall obtain and maintain a property insurance policy which provides coverage against losses caused by fire and all other hazards normally covered under a "special form" policy or its equivalent, in an amount to cover the Unit interior (including upgrades) and the personal property contained therein. The policy shall also provide liability coverage in such amounts and for such acts or omissions as are normally and customarily included in homeowners property insurance coverage of the types required herein. However, no Owner shall be entitled to maintain insurance coverage in a manner so as to decrease the amount which the Association, on behalf of all Owners and their Mortgagees, may realize under any insurance policy which the Association may have in effect at any time.

2.7.5 Claims Submission. No Owner may make a claim to or put either the agent or any insurance company providing insurance to the Association on notice of any damages or claim relating to Association-maintained insurance. Claims may only be made by the Association.

2.7.6 Notice of Damage to Unit. All Owners must notify the Association of any damage sustained to their Unit to which Association-maintained insurance may apply within 24 hours of the time when the Owner knew or should have known of the damage. Any reduction in insurance coverage available or premium increase resulting from the failure to provide notice of damage as required herein shall be the responsibility of the subject Member and not the Association and may be subject to a Reimbursement Assessment.

2.7.7 Annual Review. The Board shall review the adequacy of all insurance, including the amount of liability coverage and the amount of property damage coverage, at least once every year. At least once every three (3) years, the review shall include a replacement cost appraisal of all insurable Common Area improvements without respect to depreciation. The Board shall adjust the policies to provide the amounts and types of coverage and protection that are



customarily carried by prudent owners of similar property in the area in which the Development is situated.

2.7.8 Annual Notice to Members. The Association shall provide a summary of all existing Association policies of property, general liability, earthquake, flood and fidelity insurance, as required by *Civil Code* Section 1365.

2.8 Acquisition of Property. The Board, acting on behalf of the Association, shall have the power to acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, and maintain real or personal property in connection with the affairs of the Association; provided, however, that in any fiscal year acquisitions shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the approval of a Simple Majority.

2.9 Capital Improvements. The Board of Directors shall have the power and authority to provide for the construction, reconstruction, installation, or acquisition of Capital Improvements upon the Common Area, provided that in any fiscal year expenditures for Capital Improvements shall not exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the approval of a Simple Majority.

2.10 Sale or Transfer of Association Property. Except as otherwise provided herein or by law, the Board of Directors shall not in any fiscal year sell, lease, grant easements, or otherwise transfer property owned by the Association having a value in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year without approval of a Simple Majority.

2.11 Easements to Owners. The Board shall have the power to grant and convey easements, licenses for use and rights of way in, over, or under the Common Area or any portion thereof to Unit Owners, for such purposes as the Board deems to be appropriate and not inconsistent with the purposes and interests of the Association, subject to the limitations set forth in the Governing Documents. If the Association acquires fee title to or an easement right over Common Area, and an exception as set forth in *Civil Code* Section 1363.07 does not apply, the approval of a Simple Majority shall be required before the Board may grant exclusive use of any portion of that Common Area to any Unit Owner.

2.12 Access. The Board and its duly authorized agents or representatives shall have the right, after reasonable notice to the Owner thereof, to enter any Unit for the purpose of performing the maintenance authorized herein or for any other purpose reasonably related to the performance by the Association or the Board of their responsibilities.

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## ARTICLE 3

### OWNERSHIP RIGHTS AND EASEMENTS

3.1 Ownership of Condominium; Exclusive Easements. Ownership of each Condominium within the Development shall include: (i) a designated Unit; (ii) the respective 1/104th interest as tenant in common in the Common Area; (iii) a membership in the Association; and (iv) any exclusive easements or easements appurtenant to such Unit and such other easements as are applicable, all as described in the Declaration or in the deed to the Unit. The undivided interests in the Common Area established in this Declaration cannot be changed. The undivided interests in the Common Area shall not be severed or conveyed separately from the respective Units to which they are appurtenant, and each such undivided interest shall in all cases be deemed to be conveyed or encumbered along with the respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. Any purported severance or separate conveyance of an undivided interest in the Common Area apart from a conveyance of the respective Unit shall, for all purposes, be null, void, and unenforceable. In interpreting deeds, it shall be conclusively presumed that the then-existing physical boundaries of a Unit are its boundaries, rather than the metes and bounds or other description expressed in the deed, and regardless of any settling or lateral movement of buildings or minor variance between the boundaries shown on the deed, the Declaration and the actual existing physical boundaries.

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

(a) The right of the Board of Directors to establish and enforce reasonable rules and regulations governing the use of the Common Area and facilities thereon;

(b) The right of the Board to charge reasonable admission and other fees for the use of any facilities situated upon the Common Area;

(c) The right of the Board to determine a Member is Not in Good Standing and suspend an Owner's rights and privileges as a Member, including

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voting rights and the right to use the recreational facilities, for any period during which any Assessment against such Owner's Condominium remains unpaid and/or for infraction of the Governing Documents of the Association;

(d) The right of the Board, as set forth in Section 3.14, to grant easements and rights of way in, on, over, or under the Common Area subject to the limitations set forth in Section 2.11 and *Civil Code* Section 1363.07 and any successor statute thereto;

(e) The right of the Board to mortgage, pledge, encumber, or otherwise hypothecate the Common Area and facilities thereon as security for money borrowed by the Association, subject to any Member approval requirements set forth in this Declaration or the Bylaws; and

(f) The right of the Association or its authorized agents, as provided in this Declaration, to perform its obligations under this Declaration, including obligations with respect to construction, maintenance, repair, or replacement for the benefit of the Common Area or the Owners in common.

3.3 Acquisition of Ownership Interest. Any person who acquires title to a Unit or any ownership interest within the Development must notify the Association of his or her acquisition of an ownership interest. Notice must be provided in writing, to the Association's managing agent, within fifteen (15) days of the person's acquisition of an ownership interest.

3.4 Delegation of Membership Rights. Any Owner may delegate his or her rights of use and enjoyment, including easements, in the Development to the members of his household, tenants, guests and invitees, subject to the terms of the Governing Documents. Each Owner shall notify the Association's managing agent within five (5) days of said delegation of the names of any tenants of such Owner's Unit. Each Owner or tenant shall also notify the Association's managing agent of the names of all members of his or her household to whom such Owner or tenant has delegated any rights of enjoyment in the Development as provided herein and the relationship which each such person bears to such Owner or tenant. Any rights of enjoyment delegated pursuant to this Section are subject to suspension to the same extent that rights of Owners are subject to suspension as provided in the Governing Documents. Notwithstanding the above, a leasing or renting Owner shall be deemed to have delegated to tenants all rights of use and enjoyment of Common Area facilities. The renting and leasing of Units shall be subject to the provisions of Article 5 of this Declaration.

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3.5 Sale of Parking Spaces and Storage Spaces. Owners may transfer or exchange Parking Spaces and/or Storage Spaces the exclusive use of which is assigned to their respective Units in the individual grant deed, subject to the following conditions: (i) tandem Parking Spaces may not be divided and must be transferred or exchanged as a single unit; (ii) no transfer or exchange of Parking Spaces shall be effective if such transfer or exchange would result in fewer than the number of Parking Spaces required by the City for such Unit (i.e., two (2) Parking Spaces); (iii) the transfer or exchange of Parking Spaces and/or Storage Spaces shall be made with or to another Owner; (iv) deeds identifying the exchanged or transferred Parking Spaces and/or Storage Spaces, the exchanging or transferring Owners, and their respective Condominiums is executed by such Owners and the Mortgagees of the Condominiums affected by such exchange and such deeds are recorded in the Official Records of Santa Clara County; (v) and copies of recorded deeds must be provided to the Association within 45 days of recordation.

3.6 Common Area Construction. Except as may be authorized by the Board, no person or entity, other than the Association or its duly-authorized agents, shall construct, reconstruct, refinish, alter, or maintain any improvement upon the Common Area, or shall make or create any excavation or fill upon the Common Area, or shall change the natural or existing drainage of the Common Area, or shall plant, remove, or destroy any seed, plant material, tree, shrub, or other vegetation upon the Common Area.

3.7 Mechanic's Liens. In the event there shall be filed against the Common Area a Notice of Mechanic's Lien for, or purporting to be for, labor or materials alleged to have been furnished or delivered for any Owner within the Development or his or her Condominium, such Owner shall forthwith cause such lien to be discharged by payment, bond, or otherwise. If the Owner fails to cause the lien to be discharged, the Board may send written notice to the Owner specifying that unless the Owner causes the lien to be discharged within five (5) days from the date of such notice, the Board may cause the lien to be discharged. Within such five (5) day period, the Owner shall be permitted a hearing before the Board regarding the validity of such lien and any offsets or defenses thereto. At that time, the Board shall determine whether the lien adversely and improperly affects and encumbers the rights and interests of the Association or the other Owners. If the Board of Directors determines that the lien does adversely and improperly affect and encumber such rights and interests and that adequate protection of such rights and interests has not been provided, the Board may cause the lien to be discharged by payment, bond, or otherwise. The Board shall have the right to levy a Reimbursement Assessment against the subject Owner for all amounts paid by the Association together with interest

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thereon at the legal rate and all costs and expenses incurred in connection with discharging a lien, including reasonable attorneys' fees.

3.8 Notice of Airport in Vicinity. This property is presently located in the vicinity of an airport, within what is known as an airport influence area. For that reason, the property may be subject to some of the annoyances or inconveniences associated with proximity to airport operations (for example: noise, vibration, or odors). Individual sensitivities to those annoyances can vary from person to person. You may wish to consider what airport annoyances, if any, are associated with the property before you complete your purchase and determine whether they are acceptable to you. As provided by *Civil Code* Section 1353(a)(4), the preceding statement does not constitute a title defect, lien or encumbrance.

3.9 Easements in General. In addition to all easements reserved and granted by the Plan, and the easements provided in Section 3.2; there are hereby specifically reserved and granted for the benefit of the Units and Unit Owners in common and for each Unit and Unit Owner severally, and for the Association, as their respective interests shall obtain, the easements, reciprocal negative easements, secondary easements and rights of way as particularly identified in this Article 3.

3.10 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Unit and such portion or portions of the Common Area adjacent thereto and/or as between adjacent Units due to the unwillful placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon in accordance with the terms of the Declaration; provided, however, that in no event shall an easement for encroachment exist if such encroachment occurred due to willful conduct on the part of an Owner, a tenant, or the Association.

In the event that a structure or any Unit is partially or totally destroyed and then repaired or rebuilt in accordance with the provisions of the Declaration, the Owners of each Unit agree that minor encroachments over adjoining Units shall be permitted and there shall be easements for the maintenance of said encroachments so long as they shall exist.

3.11 Utility Easements. Easements over and under the Development or any portion thereof for the installation, repair, maintenance, and replacement of electric, telephone, water, gas, and sanitary sewer lines and facilities, heating and air-conditioning facilities, cable, satellite or master television antenna lines, drainage facilities, walkways, and landscaping as may be hereafter required or needed to service the Development, are reserved by and shall exist in favor of the Association, together with the right to grant and transfer

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the same. The Association shall maintain all utility installations located in the Common Area except for: (i) those installations maintained by utility companies, public, private, or municipal; and (ii) utility installations which are within a Unit as defined in Section 1.53. The Association shall pay all charges for utilities supplied to the Development except those metered or charged separately to the Units.

3.12 Easements for Air Conditioners/Forced Air Heating Units. As to any air conditioning compressor or forced air heating unit which is located on a portion of the Common Area, which includes the roof of the Building, there is hereby created, established and granted an exclusive easement on, over and across said portion of the Common Area for the permanent placement of such compressor. Additionally, each Owner is granted a non-exclusive easement for ingress, egress and access on and over the Common Area to maintain, repair and replace his or her respective air conditioning compressor and/or heating unit. However, in order to protect the health and safety of the Owners and their service contractors, Owners must notify the Association's managing agent prior to accessing the roof area and must be escorted by the Association's managing agent in order to access the roof. Owners' service personnel may be granted access to the roof by the Association's managing agent with prior approval. Prior written approval of the ACC and/or Board, in accordance with Article 7 of this Declaration, is required to install any air conditioner or forced air heating unit.

3.13 Easements Benefitting the Retail Property. Each Owner, by acceptance of a grant deed for the conveyance of a Condominium in the Development, together with such Owner's successors and assigns, acknowledge and understand that portions of the Development are subject to easements, both exclusive and non-exclusive in nature, and other rights and obligations as set forth in the REMA. The Retail Owner shall be liable to the Association for any damage to person or property proximately caused by the installation and maintenance of signs serving the Retail Complex. Notwithstanding anything to the contrary set forth herein, the easements so created and reserved herein shall not unreasonably interfere with the use and enjoyment of the Common Area by the Owners and their respective tenants and lessees. In the event of a conflict between the terms and provision of the REMA and the terms and provisions of this Declaration, as it pertains to easements, covenants, conditions, obligations and duties of the Declarant (referred to in the REMA as the "Residential Developer"), the Retail Owner and the Association, respectively, the REMA shall be the controlling document.

3.14 Easements Granted by the Board. The Board shall have the power to grant and convey to any person or entity easements and rights of way, in, on, over, or under the Common Area for the purpose of constructing, erecting, operating, or maintaining thereon, therein, or thereunder overhead or

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underground lines, cables, wires, conduits, or other devices for electricity, cable television, power, telephone and other purposes, public sewers, storm water drains and pipes, water systems, sprinkler systems, water, heating and gas lines or pipes, and any similar public or quasi-public improvements or facilities, and for any other purposes deemed by the Board to be appropriate and not inconsistent with the purposes and interests of the Association; provided, however, that no such easements may be granted if such easement would interfere with the use, occupancy, or enjoyment by an Owner or Resident of any Unit and any existing exclusive easements over Common Area appurtenant thereto, if any, without the consent of the Owner(s) affected.

3.15 Partition Prohibited. There shall be no judicial partition of the Development, or any part thereof, nor shall any Owner or any person acquiring any interest in the Development or any part thereof seek any judicial partition therefore; provided, however, that if any Unit is owned by two or more co-tenants as tenants in common or as joint tenants, nothing herein contained shall be deemed to prevent a judicial partition by sale as between such co-tenants.

#### ARTICLE 4

##### USE RESTRICTIONS

4.1 Residential Use. Units shall be occupied and used for residential purposes only. The number of occupants per Unit shall not exceed two (2) individuals per bedroom plus one, so long as said limitation is not in conflict with any governmental regulation or ordinance. Guests in excess of this occupancy limit are permitted, but only if the duration of a guest's stay does not exceed thirty (30) days.

4.2 Rental of Units. The rental or lease of any Unit within the Development shall be subject to the provisions of the Governing Documents and Article 5 of this Declaration.

4.3 Restriction on Businesses. No business of any kind shall be established, maintained, operated, permitted, or conducted within the Development except such professional and administrative professions as may be permitted by applicable governmental ordinances, provided that there shall be no external evidence thereof, and except for such exceptions and limitations as may be imposed by the REMA. Copies of any licenses or permits issued or required for such businesses allowed by this Article must be provided to the Association at all times that such businesses are operated.

4.4 Child Care Facilities. Child care facilities may be maintained in any Unit within the Development so long as they comply with all governmental

requirements. The owner/operator of any permitted day care facility shall provide the Association with prior written notice as to its operation and comply with all local and state laws regarding the licensing and operation of a day care center and, in addition, shall:

(a) Name the Association as an additional insured on the liability insurance policy or bond carried by the owner/operator of the day care center, as provided under *Health and Safety Code* Section 1597.531. This Section 4.4(a) is intended to be and shall be conclusively deemed to be the written request to the operator or owner from the Association as specified in *Health and Safety Code* Section 1597.531;

(b) Defend, indemnify and hold the Association harmless from any claim, demand, loss, liability, action or cause of action arising out of the existence and operation of the day care center;

(c) Abide by and comply with all of the Association's Governing Documents, including all Rules;

(d) Supervise and be completely responsible at all times for children for whom day care services are provided while they are within the Development; and

(e) Cooperate with the Association if the Association's insurance agent or carrier requires proof of insurance, proof of the agreement of the owner or operator of the center to these conditions, or other reasonable requests.

4.5 Offensive Conduct, Nuisances, Noise. No harmful or offensive activities shall be conducted upon or within any part of the Development, nor shall anything be done thereon which may be or become a nuisance, or cause unreasonable embarrassment, disturbance, or annoyance to any Residents of the Development, or which shall in any way interfere with their use of the Common Area or the use and enjoyment of their Units. Without limiting any of the foregoing, no Resident shall permit noise, including but not limited to the barking of dogs and noise emanating from sound systems and televisions, to emanate from the Resident's Unit, which would unreasonably disturb another Resident's enjoyment of his or her Unit or of the Common Area.

4.6 Sound Systems and Televisions. Sound systems and/or televisions shall not be rigidly attached to the ceilings, walls, shelves or cabinets so as to disturb other Residents via noise or vibrations.

4.7 Use of the Common Area. All use of Common Area is subject to the Governing Documents and no modifications of any type shall be made to

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the Common Area without the express written permission of the Board. The Common Area shall be kept free of rubbish, debris, and other unsightly or unsanitary materials. Each Owner shall avoid causing any damage to the Common Area. No portion of the Common Area shall be monopolized by any Owner, group of Owners, or tenants without the prior written approval of the Board of Directors.

4.8 Hazards. There shall be no obstruction of any part of the Common Area. Nothing shall be done, placed, or kept within the Development that will increase the rate of insurance or result in the cancellation of insurance under any insurance policy obtained by the Association, or which will be in violation of any governmental statute, ordinance, rule, or regulation. Nothing shall be stored in the Common Area without the prior consent of the Board. Each Owner and Resident shall comply with all requirements of all federal, state, and local governmental authorities and all laws, ordinances, rules and regulations applicable to his or her Unit.

4.9 Requirement of Architectural Approval. As addressed in greater detail in Article 7, construction, installation, modification, or alteration of buildings, structures, landscaping, and outdoor lighting are subject to approval of the Board.

4.10 Flooring Restrictions. Except as specifically provided in this Section, in order to ensure sound attenuation within the Building, wall-to-wall carpeting and padding shall be required in all areas of each Unit, with the exception of the entry area, kitchen, laundry closet and bath areas, which are permitted to have flooring materials other than wall-to-wall carpeting and padding. Notwithstanding the foregoing, the approval of the Board must be sought and granted before any hard-surface flooring (including but not limited to tile, wood and Pergo) may be installed in any portion of a Unit. Notwithstanding the foregoing, all Units located on the third floor and Units 413 and 415 on the fourth floor, shall not be subject to the floor covering limitations set forth in this Section.

4.11 Sports Apparatus. No basketball standards (including portable basketball standards) or fixed sports apparatus shall be placed upon or attached to any portion of the Development without the written permission of the Board.

4.12 Mailboxes and Exterior Newspaper Tubes. Mailboxes shall comply with all applicable postal regulations and Architectural Review Guidelines, if any. There shall be no free-standing exterior mailboxes or newspaper tubes.

4.13 Outside Drying and Laundering. No outside clothesline or other outside clothes washing, drying, or airing facilities shall be permitted in the Development.

4.14 Satellite Dishes and Antennas. The installation and maintenance of antennas and satellite dishes and related wiring in the Common Area is expressly prohibited. The Board may adopt Rules regarding the installation and maintenance of antennas and satellite dishes and related wiring for all telecommunications devices in Units and Exclusive Use Common Areas.

4.15 Solar Energy Systems. The installation and maintenance of any solar energy system by an individual Owner shall be subject to all applicable zoning regulations, the Uniform Building Code and associated City ordinances, California law, and rules established by the Architectural Control Committee and/or Board regarding the installation, use, maintenance, repair and replacement of solar energy systems.

4.16 Animals.

4.16.1 Limitation on Pets. No animals shall be kept, bred, or maintained within the Development for commercial purposes. A reasonable number of common domestic household pets may be kept in each Unit. Unless otherwise provided in the Rules, "reasonable numbers" shall be deemed to limit the total number of all pets kept in a Unit to two (2). The Rules may establish limitations on the type, size and number of pets permitted. The limitations on pets in the Development shall not apply to guide or service dogs. While in Common Area each dog must be restrained on a leash held by a responsible person capable of controlling it. No animal may be left, chained, or otherwise tethered in Common Area, including Exclusive Use Common Area.

4.16.2 Owner's Responsibility for Pets. The owner of each pet shall be responsible for immediately removing and disposing of any waste introduced to any portion of the Development by such pet. Each Owner, Resident, and any person bringing or keeping an animal within the Development shall be absolutely liable to the Association and all other persons for any injury or damage to persons or property caused by the animal. The Owner shall indemnify the Association and its officers, Directors, and agents against any and all claims, damages, losses, demands, liabilities and expenses, including but not limited to attorneys' fees, arising out of or resulting from the presence or conduct of any animal brought upon or kept within the Development by the Owner, members of his or her household, guests, tenants, or invitees.

4.16.3 Pet Rules. The Board may adopt and enforce Pet Rules in addition to the provisions of this Section. The Association shall have the right to

prohibit the keeping of any animal which constitutes, in the sole and exclusive opinion of the Board, a nuisance to any other person.

4.17 Trash Disposal. Trash, garbage, accumulated waste plant material, recyclables, or other waste and refuse shall be deposited only in dumpsters in a number, location and size as determined by the Board of Directors. Such dumpsters shall be concealed from view. No Owner or Resident shall permit or cause any garbage, trash, or other waste or refuse to be kept upon any portion of the Common Area, except in such dumpsters.

4.18 Construction Materials, Construction Debris. No portion of the Development shall be used for the storage of building materials other than in connection with approved construction. All construction debris shall be picked up and deposited daily in an appropriate container.

4.19 Machinery and Equipment. Except as approved by the Board, no machinery or equipment of any kind shall be maintained or operated within the Development except as is customary and necessary in connection with approved construction:

4.20 Signs, Banners, Flags. No sign of any kind shall be displayed to the public view from any portion of the Development except:

- (a) Signs required by legal proceedings;
- (b) Noncommercial signs or posters no larger than nine (9) square feet in size and noncommercial flags or banners no larger than 15 square feet in size, displayed on or in an Owner's Unit, and limited to the fullest extent permitted by *Civil Code* Section 1353.6;
- (c) A single sign of customary and reasonable dimension and design complying with the Association or Architectural Review Guidelines and reasonably located on a Unit advertising a Unit for sale or rent;
- (d) Other signs which by law cannot be prohibited;
- (e) A flag of the United States subject to any city or county restrictions as to size and as to time, place, and manner of display;
- (f) A single identification sign which has been approved by the Board located on a Unit identifying the number or address of the Unit;
- (g) Signs approved by the Board located at or near any entrance to the Development identifying the Development;

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(h) Signs required for traffic control and regulation of streets or open areas within the Development; and

(i) Signs on the Common Area as approved by the Board for a purpose reasonably related to the affairs of the Association.

4.21 Vehicles and Parking. Vehicles of Owners, Residents and their guests shall not be parked anywhere in the Development except wholly within the Owner or Resident's Parking Space(s), designated by striping on the pavement or other markings or devices in the Garage. All vehicles parked within the Development must have current registration.

4.22 Bicycles. Bicycles of Owners, Residents and their guests should be kept in bike racks located in the Garage.

4.23 Parking Enforcement. In addition to the provisions of Section 4.21, above, the Board shall have the power and authority to adopt, promulgate, and enforce parking rules and shall have the power to impose fines and other sanctions for violations of provisions of the Governing Documents relating to vehicles and parking. Such power shall include the power and authority to cause the towing, at the vehicle owner's expense, of vehicles which are parked within the Development in violation of any of the provisions of the Governing Documents. Costs incurred by the Association relating to the towing and/or storage of any vehicle parked in violation of any provision of the Governing Documents shall be assessed as a Reimbursement Assessment against the Condominium Owner responsible or whose household members, tenants, or guests are responsible for the presence of such vehicle.

4.24 Parking Spaces. Each Owner and Resident shall keep the Parking Space(s) assigned to or reserved for their Unit in a neat, orderly, sanitary and safe condition. Parking Spaces may not be converted to other use. In no event shall a Parking Space be used for any storage or in a way that will preclude the parking of the Owner's or Resident's vehicle within the Parking Space.

4.25 Window Coverings. Drapes, window shades, and other window coverings installed in the windows of any Unit shall comply with any Rules adopted by the Board. Curtains, draperies, blinds, shades and other materials installed in windows, which are visible from the exterior and Common Area, shall be white or off-white in color, so as to preserve the aesthetic integrity and attractiveness of the Development. In no event shall aluminum foil, newspaper, or similar materials be placed in windows. The Architectural Control

Committee and/or Board may approve the installation of solar film on windows if professionally installed.

4.26 Connecting Two Units. The connection of two (2) Units is prohibited without prior written approval of the Board.

4.27 Drainage. No Resident shall do any act or construct any improvement which would interfere with the natural or established drainage systems or patterns within the Development without the prior written approval of the Board.

## ARTICLE 5

### RENTING OR LEASING

5.1 Requirements for Renting. An Owner renting his or her Unit shall:

(a) Do so pursuant to a written lease or rental agreement. The lease or rental agreement shall be for a minimum term of at least one (1) year and shall expressly provide that its terms are subject to all the provisions of the Governing Documents and that failure of the tenant, members of the tenant's household, invitees or guests to comply with applicable provisions of the Governing Documents shall constitute a breach of the terms of such lease or rental agreement;

(b) File a copy of the signed lease or rental agreement with the Board (via the Association's manager) within five (5) days after the lease becomes effective. The Owner may redact or blackout the financial terms (i.e., the amount of rent and security deposit) from the copy of the lease or agreement provided to the Board;

(c) Provide the tenant(s) with a copy of the Governing Documents and any subsequent changes thereto; and

(d) Notify the Board of the name of each tenant and of the members of the tenant's household.

5.2 Rental of Entire Unit. No Owner shall rent or lease less than the entire Unit. The preceding sentence is intended to prohibit the operation of a rooming house or similar operation within the Development. This Section is not intended to prohibit a resident Owner from sharing his or her Unit with a roommate or other person(s) with whom the Owner maintains a common household. As discussed in Section 5.8 herein, Owners may exchange or rent

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their Parking Spaces or Storage Spaces, but only to other Owners or Residents of the Development.

5.3 Association as Third Party Beneficiary. The Owner and the tenant(s) of any Units subject to this Declaration shall be conclusively deemed to have agreed that the Association is an intended third party beneficiary to the contract between the Owner and the tenant(s); that failure of the tenant, members of the tenant's household, or guests to comply with the Governing Documents shall constitute a breach of the terms of the contract between the Owner and the tenant(s); and that the Association shall have the right but not the obligation to enforce the contract and to pursue every remedy available under the contract, under the Declaration, including but not limited to the rights granted pursuant to Section 5.4 below, or under the law, including eviction, to the same extent as the Owner of the Unit. The Association's right to maintain an eviction action shall arise only in the event that; (i) the Association has given notice to the Owner detailing the nature of the infraction and the Owner has had a reasonable opportunity to take corrective action or to appear before the Board to present arguments against eviction by the Association, and (ii) the Owner has not taken action to prevent and/or correct the actions of the tenant giving rise to the damage or nuisance.

5.4 Assignment of Rents as Security for Payment of Liens. As security for the payment of all liens provided for under the Declaration, including those described in Section 8.2, each Owner hereby gives to and confers upon the Association the right, power, and authority during the continuance of such ownership to collect the rents, issues, and profits of the Owner's Unit, reserving unto the Owner the right, prior to any default by such Owner in performance of that Owner's obligations under the Governing Documents in payment of any indebtedness to the Association or in performance of any agreement thereunder including but not limited to those set forth in Section 8.2, to collect and retain such rents, issues, and profits as they may become due and payable. Upon any such default, the Association may at any time, upon ten (10) days written notice to such Owner, then (either in person, by agent, or by a receiver to be security for such indebtedness) enter upon and take possession of such Owner's Unit or any part thereof, in its own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any such indebtedness, and in such order as the Association may determine or as required by applicable law. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, and the application thereof as aforesaid, shall not cure or waive any default under the Governing Documents or invalidate any act done pursuant to this Declaration, including but not limited to imposition of a Reimbursement Assessment and any Additional

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Charges. The assignment of rents and powers described in this Section 5.4 shall not affect, but shall in all respects be subordinate to, the rights and power of the holder of any first Mortgage on any Unit, or any part thereof, to do the same or similar acts.

5.5 Owner Responsible for Tenant's Actions; Indemnification of Association. Each Owner leasing or renting a Unit shall be responsible and strictly liable to the Association for the action of such Owner's tenant(s) in or about all Units and Common Area and for each tenant's compliance with the provisions of the Governing Documents. To the fullest extent permitted by law, every Owner of a Unit that is occupied by persons other than the Owner pursuant to a rental agreement or lease or otherwise, agrees to and shall indemnify and defend the Association, its Directors and agents and shall hold them harmless from and against any cost, loss, claim or damages of any kind, arising out of the conduct or presence of the occupants of the Unit, including but not limited to attorneys' fees, any claims for consequential damages, and any claims arising or alleged to arise out of the enforcement or non-enforcement by the Association of the Governing Document with respect to such occupants. Any amounts owed pursuant to this Section 5.5 may be assessed as a Reimbursement Assessment.

5.6 Owner Prohibited From Using Common Facilities While Unit Rented. Any Owner who leases or rents his or her Unit and does not still reside in the Development shall not be entitled to use and enjoy any common facility during the period the Unit is occupied by a tenant or tenants.

5.7 Time-Share Arrangements Prohibited. No Unit or Units 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 any Unit or Units in the Development 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. This Section shall not be construed to limit the personal use of any Unit in the Development by any Owner or his or her or its social or familial guests.

5.8 Leasing of Parking Spaces and/or Storage Spaces. Notwithstanding any other provision of the Governing Documents, leases for the use of Parking Spaces or Storage Spaces between Owners or between Owners and Residents is permissible, provided, however, the lease is in writing and signed by all parties. There may be an unlimited number of Owner-Owner and/or

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Owner-Resident leases. A copy of each such lease shall be provided to the Association within thirty (30) days of its execution.

## ARTICLE 6

### MAINTENANCE OF PROPERTY

#### 6.1 Association Responsibility.

6.1.1 Common Area. The Association shall provide maintenance, repair, and replacement of the Common Area and all facilities and improvements, thereon including: the exterior surfaces and structural elements of the Building (including the walls, roof systems, siding, trim, exterior doors and doorframes, and Common Area window systems (i.e., window systems not appurtenant to a Unit)); the Garage; gutters and downspouts; any fencing materials which screen air conditioning compressors and related improvements on the Building roof; and roof drains. The Association shall also provide maintenance, repair and replacement of all landscaped areas and trees (including the roots of such trees) in the Development, and within the public right of way, including the streetscape areas along Third Street, Fourth Street and San Fernando Street, keeping such areas free of weeds, rubbish, debris and diseased or dead plantings in accordance with maintenance standards as may be established by the City and the Agency. The Association shall further provide maintenance, repair and replacement of Common Area utility facilities (except for those utility facilities which are maintained by public or private utility companies or agencies), including mechanical, plumbing and electrical equipment and lines, keeping such property in good condition and repair. The Association shall further provide maintenance, repair and replacement of any common solar energy device or system, however Owners shall be responsible for the maintenance, repair and replacement of any solar energy device or system individually installed with the approval of the ACC and/or Board.

6.1.2 Exclusive Use Common Area. The responsibility for maintenance, repair and replacement of Exclusive Use Common Area components shall be that of the Owners of Units to which the Exclusive Use Common Area Components are appurtenant, except as specifically stated in this Section. The Association shall provide maintenance, repair and replacement of walking surfaces, framing and railings of Balconies. The Association shall also provide maintenance, repair and replacement of Parking Spaces and Storage Spaces. The Association shall further provide maintenance, repair and replacement of window systems and sliding glass doors, with the exception of glass, gaskets and screens, which are the sole responsibility of the Owner of the Unit to which the windows and sliding glass door(s) are appurtenant. The Association shall further provide maintenance, repair and replacement of

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chimneys and flues (excepting the fire box portion of the fireplace located within the boundaries of a Unit).

6.1.3 Fire Protection System and Security System. The Association shall provide maintenance of all fire sprinklers in the Development, including those located within the boundaries of individual Units. The Association shall also provide maintenance, repair and replacement of the common fire suppression and alarm monitoring systems within the Development, not including smoke alarms in individual Units. The Association shall further provide maintenance, repair and replacement of any common security systems, including controlled access doors and gates and related equipment serving the Building and the Garage, card access readers and television cameras and monitors (if any) designed to serve the Development.

6.1.4 Autogalleria. The Association shall maintain, repair and replace the Autogalleria and improvements located thereon as more particularly described in the REMA.

6.1.5 Authority for Entry of Unit or Exclusive Use Common Area. The Association or its agents may enter any Unit or any portion of Exclusive Use Common Area which has been designated or assigned for the exclusive use of the Residents of a particular Unit, whenever such entry is necessary, in the Board's sole discretion, in connection with the performance of any maintenance, repair, construction, or replacement for which the Association is responsible or which it is authorized to perform. Such entry shall be made with as little inconvenience to the Residents as practicable and only upon reasonable advanced written notice of not less than twenty-four (24) hours, except in emergency situations.

6.1.6 Reimbursement Assessments for Damage Caused By Owner-Maintained Components. If it is determined that the cause of damage to a component the maintenance of which is the Association's responsibility is a failed or improperly installed component for which the Owner is responsible then the Association shall have the right to replace the component for which the Owner is responsible and may levy a Reimbursement Assessment against the Unit Owner to reimburse the Association for replacement costs.

6.1.7 Owner Modifications. In the event an Owner or Resident has modified or added on to a Unit or to a component that would otherwise be the maintenance responsibility of the Association and which increases the maintenance, repair and/or replacement cost to the Association, the Owner shall reimburse the Association for the increased cost, which may be levied as a Reimbursement Assessment. The Association may condition approval of a modification on an Owner assuming responsibility for increased maintenance

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costs associated with the modification. However, the Owner and his or her successors shall be responsible for payment of increased costs even in the absence of an express assumption of responsibility.

6.1.8 Association Liability. Except as specifically provided in this Section 6.1, the Association shall not be responsible or liable for any maintenance, repair, or replacement of a Unit or any improvement therein, except to the extent that the need for such maintenance, repair or replacement results from the negligence or fault of the Association, its employees, contractors, or agents.

6.2 Repair of Damage Caused by Wood-Destroying Pests or Organisms. The Association shall bear the costs for the repair and maintenance of Common Area damaged by the presence of wood destroying pests or organisms. However, if any of the maintenance and repair work referred to in this Section is necessitated by the willful or negligent acts of the Owner, members of his or her household, guests, tenants or invitees, the costs of such maintenance or repairs shall be charged to, and paid by, Owner as a Reimbursement Assessment. Residents shall cooperate with the Association to enable any fumigation work to be done promptly and effectively. Owners shall be responsible for all costs for food and lodging during the period the Building and/or any Unit is required to be vacated.

6.3 Owner Responsibility.

6.3.1 Maintenance of Units. Each Owner shall be responsible for providing maintenance, repair, and replacement of his or her Unit or any portion thereof, as defined in Section 1.52, any door screens serving the Unit, any equipment, utility facilities, fixtures, cabinetry and appliances located therein, and the finished surfaces of the interior floors, ceilings and perimeter walls of the Unit, in a clean, sanitary, workable, and attractive condition, subject to the provisions of this Article 6.

6.3.2 Maintenance of Heating and Air Conditioning Equipment. Each Owner shall be responsible for providing maintenance, repair and replacement of heating and air conditioning equipment serving his or her Unit, with the exception of duct work located in Common Area. If the repair to any heating or air conditioning equipment impacts or affects Common Area, the procedures described in Section 3.11 must be followed. In order to protect the health and safety of the Owners and their service contractors, Owners must notify the Association's managing agent prior to accessing the roof area and must be escorted by the Association's managing agent in order to access the roof. Owners' service personnel may be granted access to the roof by the Association's managing agent with prior approval. The provisions of this Section

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shall not be construed to permit any interference with or damage to the structural integrity of any building.

6.3.3 Exclusive Use Common Area. Except as otherwise provided in Section 6.1, above, each Owner shall further be responsible for providing maintenance (not including painting and caulking) and cleaning of Exclusive Use Common Area which is appurtenant to his or her Unit, including the Balcony, Patio, Parking Space(s) and/or Storage Space(s) which has/have been assigned to such Unit. Each Owner shall be responsible for the maintenance, repair and replacement of the glass, gaskets and screens of windows and sliding glass doors appurtenant to his or her Unit, and the maintenance, repair and replacement of any door screens appurtenant to his or her Unit. Owners shall also be responsible for all planting and landscaping located in Balconies and Patios, and any damage caused thereby. All planting and landscaping in Balconies and Patios shall be installed and maintained by the Resident of such Unit at the Resident's expense in conformity with Rules adopted by and plans approved by the Board.

6.3.4 Compliance with Architectural Review Guidelines. An Owner's right and responsibility for maintaining, repairing or replacing any portions of his or her Unit shall be subject to any applicable provisions of the Governing Documents relating to landscaping and architectural control, including Article 7.

6.3.5 Interiors. No Owner shall do anything in or about his or her Unit that will affect the structural integrity of the building in which it is located; windows shall be covered only in material approved by the Association.

6.3.6 Board Discretion. The Board shall have the absolute discretion to determine whether any maintenance, repair, or replacement, which is the responsibility of an Owner, is necessary to preserve the appearance and value of the property within the Development or any portion thereof and may notify an Owner of the work the Board deems necessary. In the event an Owner fails to perform such work within sixty (60) days after notification by the Board to the Owner the Board may, after written notice to the Owner, and the opportunity of a hearing before the Board, cause such work to be done and charge the cost thereof to the Owner as a Reimbursement Assessment. In the case of an emergency, or if the Owner's failure to perform work presents a safety hazard, the Board may cause such work to be done immediately, without notice to the Owner, and charge the cost thereof to the Owner as a Reimbursement Assessment.

6.3.7 Owner Liability. In the event the need for any maintenance, repair, or replacement of a component which is otherwise the Association's

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responsibility is caused by the willful or negligent act or omission of an Owner or members of an Owner's household, tenants, guests, invitees, or household pets, the cost of such maintenance, repair, or replacement, including the cost of materials, labor, supplies, and services, shall be charged to, and paid by, such Owner in the form of a Reimbursement Assessment. Owners shall be further responsible for any damage to Common Area or the Unit and improvements of another Owner which emanates from an Owner's Unit or Exclusive Use Common Area appurtenant to the Unit. The cost of any maintenance, repair or replacement of damaged components, including the cost of materials, labor, supplies, and services, shall be charged to, and paid by, the Owner responsible in the form of a Reimbursement Assessment. This provision shall apply regardless of the applicability of coverage provided by Association-maintained policies of insurance.

## ARTICLE 7

### ARCHITECTURAL CONTROL

7.1 Submission of Plans and Specifications. Except for improvements made or constructed by or on behalf of the Association, no exterior addition or modification, nor interior change, remodel, or structural modification of any kind, shall be made without prior written approval by the Board as provided in this Article 7.

7.2 Establishment of Architectural Control Committee.

7.2.1 Members. The ACC shall be composed of three (3) Members in Good Standing appointed by the Board of Directors. The Board may also appoint one alternate member who may be designated by the ACC to act as a member of the ACC in the absence or incapacity of any ACC member. ACC members shall serve subject to the Board's power to remove any ACC member and to appoint his or her successor. Neither the members of the ACC nor its designated representatives shall be entitled to any compensation for service performed pursuant hereto.

7.2.2 Vacancies. In the event of a vacancy on the ACC, the Board shall have the full authority to appoint a new member. If at any time there shall not be a duly-constituted Architectural Control Committee, the Board shall exercise the functions of the ACC in accordance with the terms of this Article 7.

7.3 Duties. It shall be the duty of the ACC to consider proposals or plans submitted to it pursuant to the terms of this Article 7 and make recommendations to the Board regarding approval or disapproval, to perform

other duties delegated to it by the Board, to carry out all other duties imposed upon it by this Declaration and act in accordance with *Civil Code* Section 1378.

7.4 Meetings, Minutes, Reimbursement. The ACC shall meet as necessary to properly perform its duties hereunder. The vote or written consent of a majority of the members of the ACC shall constitute an act by the ACC. The ACC shall keep and maintain a record of all actions taken by it at such meetings or otherwise. The ACC and its members shall be entitled only to reimbursement for reasonable out-of-pocket expenses incurred by them in the performance of any ACC function.

7.5 Architectural Review Guidelines. Subject to the Board's approval and the requirements of *Civil Code* Sections 1357.100 *et seq.*, the ACC may adopt, amend and repeal rules to be known as "Architectural Review Guidelines." The Architectural Review Guidelines may interpret and implement the provisions hereof by providing for any or all of the following:

(a) The standards and procedures for ACC and/or Board review, including the required content of application and procedures for obtaining preliminary approval of plans;

(b) Guidelines for architectural design, placement of any work of Improvement or color schemes, exterior finishes and materials and similar features which are recommended or required for use in connection with particular improvement projects within the Development;

(c) The criteria and procedures for requesting variances from any property use restrictions or minimum construction standards that would otherwise apply to the proposed improvement under the Governing Documents. All variances shall be reviewed on a case by case basis with no precedent being established if a variance is granted in a particular instance and must be approved by a majority of the affirmative votes of the Board;

(d) Lists of repair projects and minor improvement projects that can receive final review and approval by the Architectural Control Committee without approval by the Board, so long as the project is undertaken in accordance with plans and specifications that are consistent with the Architectural Review Guidelines or the project involves use of an identical color or external material to the existing color or material and the new materials/colors are submitted to and reviewed by the ACC; and

(e) Notwithstanding the foregoing, no Architectural Review Guidelines shall be in derogation of the minimum standards required by this

Declaration. In the event of any conflict between the Architectural Review Guidelines and this Declaration, the provisions of the Declaration shall prevail.

7.6 Application. Any Owner proposing to perform any work of any kind whatsoever, which requires prior approval pursuant to this Article 7, shall apply for approval by notifying the ACC and/or Board, in writing, of the nature of the proposed work and furnishing such information and documentation as the ACC and/or Board may require.

7.7 Fees. The ACC and/or Board may charge a reasonable fee or fees for its review of applications, drawings, plans, and specifications which may include the cost of retaining outside consultants including but not limited to architects, engineers, soils experts, or contractors.

7.8 Grant of Approval. The ACC shall recommend approval by the Board or, if there is no ACC, the Board shall grant the requested approval only if all the following conditions are met:

(a) The Owner shall have complied with the provisions of Section 7.6 above.

(b) The ACC and/or Board shall find that the plans and specifications conform to this Declaration and to the Architectural Review Guidelines in effect at the time such plans were submitted to the ACC.

(c) The ACC and/or Board shall determine that the proposed improvements would be consistent with the standards and aesthetics of the Development and the purposes of this Declaration as to quality of workmanship, design and materials, as to harmony of exterior design with the existing improvements, and as to location with respect to topography and finished grade elevations, with consideration given to preserving views and light.

7.9 Form of Approval. All approvals and rejections of requests for approval shall be in writing and shall be issued by the Board within sixty (60) days from the date of submission of a complete application to the ACC and/or Board. Oral approvals will be of no force and effect. If an application is rejected, the decision shall include an explanation of the Board's decision and a notice describing the Owner's right to request reconsideration by the Board, if any.

7.10 Appeals. The Rules shall contain procedures to process appeals pursuant to this Article however denial decisions rendered by the Board may not be appealed.

7.11 Commencement. Within ninety (90) days of receipt of approval pursuant to Sections 7.8 and 7.9 above, the Owner shall satisfy all conditions thereof and diligently proceed with the commencement and completion of all work pursuant to said approval. If the Owner shall fail to comply with this Section, any approval previously given shall be deemed revoked unless the Board, upon written request of the Owner made prior to the expiration of said ninety (90) day period, extends the time for such commencement. No such extension shall be granted except upon a finding by the Board that there has been no change in the circumstances upon which the original approval was granted.

7.12 Completion. Unless shorter time is specified in the approval by the Association, the Owner shall complete the approved work within six (6) months after receipt of approval, except and for as long as such completion is rendered impossible or would result in great hardship to the Owner due to strikes, fires, national emergencies, natural calamities, or other supervening forces beyond the control of the Owner or his agents. If an Owner fails to comply with this Section, the Board or its duly authorized representative shall proceed in accordance with the provisions of Section 7.13, below, as though the failure to complete the improvements was a non-compliance with approved plans.

7.13 Inspection of Completed Work; Non-Compliance. Inspection of work and correction of defects therein shall proceed as follows:

(a) Upon the completion of any installation, construction, reconstruction, alteration, or refinishing of improvements, or upon the completion of any other work for which approved plans are required under this Article 7, the Owner shall give written notice thereof to the Board or its duly authorized representative;

(b) Within sixty (60) days thereafter, the Board or its duly authorized representative may inspect such improvement to determine whether it was installed, constructed, reconstructed, altered, or refinished to substantial compliance with the approved plans. If the Board or its duly authorized representative finds that such installation, construction, reconstruction, alteration, or refinishing was not done in substantial compliance with the approved plans, it shall notify the Owner in writing of such non-compliance within such sixty (60) day period, specifying the particulars of non-compliance, and shall require the Owner to remedy such non-compliance;

(c) If the Owner shall have failed to remedy such non-compliance upon the expiration of thirty (30) days from the date of such notification, the ACC or other duly authorized representative of the Board shall notify the Board in writing of such failure. The Board shall then set a date on

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which a hearing before the Board shall be held regarding the alleged non-compliance. The hearing date shall be not more than thirty (30) nor less than fifteen (15) days after notice of the non-compliance is given to the Board by the ACC or the Board's duly authorized representative. Notice of the hearing date shall be given at least ten (10) days in advance thereof by the Board to the Owner, to the ACC and, in the discretion of the Board, to any other interested party;

(d) At the hearing, the Owner, the ACC and, in the Board's discretion, any other interested persons, may present information relevant to the question of the alleged non-compliance. After considering all such information, the Board shall determine whether there is non-compliance, and, if so, the nature thereof and the estimated cost of correcting or removing the same. If non-compliance exists, the Board shall require the Owner to remedy or remove the same within a period of not more than forty-five (45) days from the date of the Board's ruling. If the Owner does not comply with the Board's ruling within such period or within any extension of such period as the Board, in its discretion, may grant, the Board, at its option, may either remove the non-complying improvement or remedy the non-compliance and all expenses incurred in connection therewith shall be assessed against the Owner as a Reimbursement Assessment; and

(e) If, for any reason, the ACC or other duly authorized representative of the Board fails to notify the Owner of any non-compliance within sixty (60) days after receipt of a notice of completion from the Owner, the improvement shall be deemed to be in accordance with the approved plans.

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

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



certificate with respect to the matters therein set forth, such matters being conclusive as between the Association and all Owners and such persons deriving any interest through them.

7.16 Liability. Neither the Board nor the ACC (or any member thereof) shall be liable to the Association or to any Owner for any damage, loss, or prejudice suffered or claimed on account of: (i) the approval or disapproval of any plans, drawings, and specifications, whether or not defective; (ii) the construction or performance of any work, whether or not pursuant to approved plans, drawings, and specifications; (iii) the development of any property within the Development; or (iv) the execution and filing of an estoppel certificate pursuant to Section 7.15, whether or not the facts therein are correct; provided, however, that the ACC and/or Board (or any member thereof) has acted in good faith on the basis of such information as may be possessed by it (or such ACC and/or Board member). Without in any way limiting the generality of the foregoing, the ACC and/or Board (or any member thereof) may, but is not required to, consult with or hear the views of the Association or any Owner with respect to any plans, drawings, specifications, or any other proposal submitted to the ACC and/or Board. Every purchaser, by acquiring title to a Condominium, agrees not to bring any action or suit against the ACC and/or Board (or any member thereof) seeking to recover any such damages.

7.17 Compliance With Governmental Requirements. The application to the Association and the review and approval of any proposals, plans, or other submittals shall in no way be deemed to be satisfaction of or compliance with any building permit process or any other governmental requirements, the responsibility for which lies solely with the respective Owner, nor shall it constitute the assumption of any responsibility by or impose any liability on the Board, the ACC, or their members as to the accuracy, efficacy, or sufficiency thereof. The obtaining of a permit or other approval of a government agency shall not be a substitute for nor constitute compliance with the requirements of this Article 7.

## ARTICLE 8

### ASSESSMENTS AND LIENS

8.1 Covenant of Owner. Each Owner of a Condominium within the Development, by acceptance of a deed or other conveyance thereof, whether or not it shall be so expressed in such deed or conveyance, shall be deemed to have covenanted and agreed to pay to the Association: (i) Annual Assessments; (ii) Special Assessments; and (iii) Reimbursement Assessments levied by the Association as hereinafter provided, together with all Additional Charges.

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8.1.1 Association's Power to Collect. Such deed or conveyance shall be deemed to vest in the Association the right and power to initiate all actions and procedures as the Board shall deem necessary or appropriate for the collection of such Assessments and Additional Charges and for the enforcement of the liens hereinafter provided for.

8.1.2 Each Assessment Is a Separate Obligation. Each Assessment levied by the Association under this Article 8, together with all Additional Charges, shall be a separate, distinct, and personal debt and obligation of the Owner against whom it is assessed, and shall bind his or her heirs, devisees, personal representatives, successors, and assigns.

8.1.3 Obligation Runs With the Land. Such obligation to pay Assessments and Additional Charges and the right and power of the Association to initiate all actions and procedures for collection shall run with the land, so that each successive Owner or Owners of record of any Condominium within the Development shall, in turn, become liable to pay all such Assessments and Additional Charges assessed during the time he or she is record Owner of such Condominium.

8.1.4 Owner's Liability After Transfer. After an Owner transfers fee title to any Condominium he or she owns, he or she shall not be liable for any Assessments levied thereafter with respect to such Condominium. Such Owner shall remain personally liable, however, for all unpaid amounts due and owing at the time of transfer, together with Additional Charges accruing until time of collection. The seller of any Condominium shall continue to be liable for all Assessments and Additional Charges until a conveyance by deed of such Condominium is recorded in the Office of the County Recorder of Santa Clara County.

8.2 Creation of Lien. Each Assessment levied by the Association pursuant to this Declaration, together with all Additional Charges, shall be a charge upon the land and upon levy shall be secured by a continuing lien upon the property against which such Assessment is levied. The Association shall have a separate lien and a separate lien is hereby created upon each Condominium to secure the payment of any such Assessments and Additional Charges as may be levied under this Declaration.

8.2.1 Continuing Lien. The lien provided for herein shall continue to secure all Assessments and Additional Charges levied upon any Condominium notwithstanding the transfer of record title to such Condominium, and any such transfer shall be subject to the Association's lien, provided that, prior to such transfer, a Notice of Delinquent Assessment has been recorded as provided in the Declaration and by law.

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8.2.2 Priority of Liens. The priority of all such liens on each Condominium shall be in inverse order so that upon the foreclosure of the lien for any particular charge on any Condominium, any sale of such Condominium pursuant to foreclosure of the lien will be made subject to all liens securing the respective monthly Assessments and Additional Charges on such Condominium for succeeding months.

8.3 Purpose of Assessments. The Assessments levied by the Board shall be used exclusively to pay for the costs of management and operation of the Development, to conduct the business and affairs of the Association; to promote the safety, health, welfare, benefit, and recreation interests of the Owners and Residents in the Development, and for the improvement and maintenance of the Common Area and, to the extent provided for in the Governing Documents or by law, of the Units situated within the Development.

8.4 Authority of the Board. The Board shall have the power and the duty to levy Annual, Special and Reimbursement Assessments sufficient to meet the Association's obligations under the Governing Documents and applicable law.

8.5 Association Funds. Unless otherwise determined by the Board, the Association shall maintain at least two (2) separate accounts in one or more banks or other depositories selected by the Board, which accounts shall be clearly designated PASEO VILLAS HOMEOWNERS ASSOCIATION OPERATING ACCOUNT and PASEO VILLAS HOMEOWNERS ASSOCIATION RESERVE ACCOUNT. The Assessments collected by the Association shall be properly deposited into such accounts. The Assessments collected by the Association shall be held in trust by the Association for and on behalf of each Owner and shall be used for the purposes set forth in Section 8.3. The Board shall allocate a portion of said funds as collected for the annual maintenance and operation of the Development and another portion of said funds as collected as reserves for contingencies, replacement, and deferred maintenance of the capital improvements of the Development, as specified in the annual budget. Upon sale or transfer of any Condominium by any Owner, the Owner's interest in the funds held in trust by the Association shall terminate and shall be deemed automatically transferred to the successor-transferee of such Owner.

8.6 Annual Assessments.

8.6.1 Calculation of Estimated Requirement. Not later than thirty (30) days nor more than ninety (90) days prior to the beginning of each fiscal year, the Board shall complete and distribute to all Owners an estimate of the net funds required by the Association for such fiscal year, including a reasonable

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amount allocated to contingencies and to a reserve fund for restoration, repair, and/or replacement of those components for which the Association is responsible and which must be repaired or replaced on a periodic basis; to manage, administer, operate, and maintain the Development; to conduct the affairs of the Association; and to perform all of the Association's duties in accordance with this Declaration.

8.6.2 Allocation of Annual Assessment. The Board shall allocate and assess the Annual Assessment equally among the Units by dividing the total amount of the Annual Assessment by the number of Units within the Development. Unless the Board shall designate otherwise, the Annual Assessment shall be levied on an annual basis and shall be paid in twelve (12) equal monthly installments during the fiscal year, and each installment shall be due and payable on the first day of each month.

8.6.3 Surplus Funds. If, as of the end of any fiscal year, there is a surplus of cash in the Association's maintenance and operating account, as reflected in the Association's financial statement for such fiscal year, such surplus shall be applied to the subsequent tax year's membership assessments unless some other disposition of such surplus funds is determined by the vote of the Members pursuant to IRS Revenue Ruling 70-604 (or any successor Ruling), as more fully discussed in the Bylaws.

8.6.4 Increases in Annual Assessment. Pursuant to *Civil Code* Section 1366(b), except as otherwise provided by law, the Board shall not increase the Annual Assessment for any fiscal year above the amount of the Annual Assessment for the preceding fiscal year by more than twenty percent (20%) (or such other limitation on the increase as may be imposed by law), except upon the affirmative vote of a majority of Members voting on any such increase in the Annual Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association (i.e., at least 53 Units), notwithstanding any lower quorum requirement set forth in the Bylaws.

## 8.7 Special Assessments.

8.7.1 Purpose of Special Assessments. If at any time during any fiscal year the Annual Assessment proves inadequate for any reason, including nonpayment of any Owner's share thereof or the unexpected repair, replacement, or reconstruction of improvements located in the Development, or if funds are otherwise required for any authorized activity of the Association, the Board may levy a Special Assessment in the amount of such actual or estimated inadequacy or cost.

8.7.2 Allocation of Special Assessments. Special Assessments shall be allocated and assessed among the Condominiums in the same manner as Annual Assessments.

8.7.3 Approval of Special Assessments. Except in the case of an emergency situation as defined in *Civil Code* Section 1366, in any fiscal year the Board may not levy Special Assessments which, in the aggregate, exceed five percent (5%) of the budgeted gross expenses of the Association for that fiscal year, except upon the affirmative vote of a majority of the Members voting on any such Special Assessment, provided that a quorum is established. For purposes of the preceding sentence, a quorum shall mean more than fifty percent (50%) of the Members of the Association (i.e., at least 53 Units), notwithstanding any lower quorum requirement set forth in the Bylaws.

8.8 Notice of Assessment Increases. Upon the imposition of a Special Assessment or an increase in the Annual Assessment, notice shall be sent by first class mail to each Owner not less than thirty (30) days and not more than sixty (60) days prior to the due date of the Assessment.

8.9 Reimbursement Assessments. The Association shall levy a Reimbursement Assessment against any Owner and his or her Condominium if a failure by such Owner, or any person or pet for whom the Owner is responsible, to comply with any provision of the Governing Documents has necessitated or resulted in an expenditure of funds by the Association, specifically including legal fees. A Reimbursement Assessment shall include any costs, including attorneys' fees incurred by the Association and costs of collecting from an Owner any amount which the Owner is obligated to pay to the Association. A Reimbursement Assessment shall be due and payable to the Association when levied and subject to the same enforcement procedures as Annual and Special Assessments, including lien and foreclosure.

8.10 Failure to Fix Assessments. The failure or omission by the Board to fix or levy any Annual Assessment provided for by the terms of this Declaration before the expiration of any fiscal year, shall not be deemed either a waiver or a modification in any respect of the provisions of this Declaration, or a release of any Owner from the obligation to pay Assessments or any installment thereof for that or any subsequent year, but the amount of the Annual Assessment fixed for the preceding fiscal year shall be the amount of the Annual Assessment for the ensuing fiscal year until a new Annual Assessment is levied.

8.11 No Offsets. All Assessments levied by the Board shall be payable in the full amount specified, including any Additional Charges imposed as provided by the terms of this Declaration, and no offsets against any such amounts shall be permitted for any reason whatsoever, including without

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limitation a claim that the Association has failed to properly exercise its duties of maintenance or enforcement.

8.12 Delinquent Assessments. Any installment or other portion of an Assessment not paid within fifteen (15) days after its due date shall be delinquent and shall be subject to interest and late charges not to exceed the maximum rate permitted by law, as well as all other Additional Charges. The Board, on behalf of the Association, may enforce the payment of any delinquent Assessment plus Additional Charges by bringing an action at law against any Owner personally obligated to pay the same, or by foreclosing the lien against the Owner's Condominium by judicial or non-judicial foreclosure, except as prohibited by law. Prior to recording a Notice of Delinquent Assessment, the Association shall provide notice to the Owner in accordance with *Civil Code* Section 1367.1 or successor statute. No procedures shall be initiated to foreclose the lien securing any Assessment levied under this Article 8 except as in accordance with *Civil Code* Sections 1367.1 and 1367.4 or successor statutes. Except as prohibited by law, upon the recording of the Notice of Delinquent Assessment referred to above, the Association may, at its option, declare the entire balance of all sums then due or to become due from the Owner, immediately due and payable, which total sum may then be included in any suit, action, or other procedure initiated to collect said sums, including all Additional Charges. Notwithstanding any other provision of this Declaration, the Association must comply with the requirements of *Civil Code* Sections 1367.1 and 1367.4 or successor statutes when collecting delinquent Assessments.

8.13 Power of Sale. Each Owner does hereby appoint the Association as trustee to enforce and to foreclose any lien which is established pursuant to the terms of this Declaration, by private power of sale as provided by law, and does further grant to the Board of Directors, on behalf of the Association, the authority and power to sell the Condominium of such Owner in the event of any default in payment of any Assessments or Additional Charges levied against such Condominium, for lawful money of the United States, to the highest bidder, to satisfy said lien. The Association, as trustee for the remaining Owners, or any other Owner, may purchase the Condominium at said sale. The decision to record a lien and initiate foreclosure may only be made by the Board and may not be delegated.

8.14 Remedies Cumulative. The remedies provided in this Declaration for collection of delinquent Assessments shall be cumulative and not exclusive; that is, the Association may use one or more or all of the available remedies to collect delinquent Assessments.

8.15 Certificate of Satisfaction and Release of Lien. Upon payment in full of a delinquent Assessment, including any Additional Charges, or the

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satisfaction thereof, the Board shall cause to be recorded, in the same manner as the Notice of Delinquent Assessment, a further certificate stating the satisfaction thereof and the release of the lien.

8.16 Priority. Except as otherwise expressly provided by law, the lien securing each of the Assessments provided for under this Article 8 shall have priority as of the date of recording of the original Declaration applicable to the Development over all other liens and encumbrances applicable to the Condominiums; provided, however, that such Assessment lien shall be subordinate to the lien of any first Mortgage or first deed of trust recorded against the Condominium; and provided, further, that such subordination shall apply only to the Assessments which have become due and payable prior to the sale of such property pursuant to a decree of foreclosure of any such Mortgage or deed of trust, or pursuant to a power of sale contained in any such Mortgage. Such foreclosure sale shall not relieve such property from liability for any Assessments and Additional Charges thereafter becoming due, nor from the lien of any subsequent Assessment.

8.17 Waiver of Exemptions. Each Owner, to the extent permitted by law, does hereby waive, to the extent of any liens created pursuant to this Article 8, the benefit of any homestead or exemption laws of the State of California in effect at the time any Assessment or installment thereof becomes delinquent or any lien is imposed pursuant to the terms of this Article 8.

8.18 Property Exempt From Assessments. The following property subject to this Declaration shall be exempt from the Assessments, Additional Charges, and liens created herein:

(a) All property dedicated to and accepted by Santa Clara County or other local public authority and devoted to public use;

(b) Any Condominium which is owned by the Association as a result of the Association having acquired such Condominium through foreclosure, provided, however, that such exemption shall be applicable only during the period in which the Association is record Owner of such Condominium; and

(c) All Common Area.

8.19 Cost Sharing With the Retail Owner. In accordance with the provisions of the REMA, the Retail Owner shall be obligated to share certain designated costs with the Association and to reimburse the Association for all such allocated costs. The REMA shall be the controlling instrument with respect to the allocation and sharing of costs, and with regard to the method of payment.

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## ARTICLE 9

### ENFORCEMENT

9.1 Violations as Nuisance. Every act or omission constituting or resulting in a violation of any of the provisions of the Governing Documents shall be deemed to constitute a nuisance and, in addition to any other remedies which may be available, such nuisance may be abated or enjoined by the Association; provided, however, that the Board shall not be obligated to take action to abate or enjoin a particular violation if, in the exercise of its discretion, the Board determines that acting to abate or enjoin such violation is not likely to foster or be in the best interests of the Association and its Members as a whole. Notwithstanding the preceding sentence and without limiting its generality, nothing in the Governing Documents shall be deemed to impose upon the Association, the Board, or the officers, employees, or agents of the Association a duty to intervene in any physical dispute or altercation or any criminal or alleged criminal activity other than to notify law enforcement officials.

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

9.3 Owners' Responsibility for Conduct of Others and Damages. Each Owner shall be fully responsible for informing members of his or her household and his or her tenants and guests of the provisions of the Governing Documents, and shall be fully responsible for the conduct, activities, any Governing Document violation of any of them, and for any damage to the Development or the Association resulting from the negligent or intentional conduct of any of them or any household pets. If a Condominium is owned jointly by two (2) or more persons, the liability of each Owner in connection with the obligations imposed by the Governing Documents shall be joint and several.

9.4 No Avoidance. No Owner may avoid the burdens or obligations imposed by the Governing Documents through non-use of any Common Area facilities or by abandonment of his or her Unit.

9.5 Rights and Remedies of the Association.

9.5.1 Rights and Remedies Are Cumulative. The Association, its Directors, officers, or agents, and any Owner shall have the right to enforce any and all provisions of the Governing Documents by any proceeding at law or in equity, or through the use of such other remedies as are available and deemed

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appropriate by the Board. Each remedy provided is cumulative and not exclusive.

9.5.2 Imposition of Sanctions. In the event of a breach or infraction of any provision of the Governing Documents by an Owner, members of an Owner's household, or his or her tenants or guests, the Board shall have the power to impose a sanction against the Owner who is responsible as provided in Section 9.3 for such breach or infraction. A sanction may include but shall not be limited to a monetary penalty and/or the suspension of an Owner's rights as a Member of the Association, including an Owner's voting rights or an Owner's right to use the recreational or community facilities on the Common Area. Imposition of a sanction shall be effective only after notice and an opportunity for hearing. Any monetary penalty imposed pursuant to this Section shall not exceed the amount for each violation, as set forth in the schedule of monetary penalties adopted pursuant to *Civil Code* Section 1363(g). Each Owner shall be obligated to pay costs incurred by the Association relating to violation of any provisions of the Governing Documents by such members of Owner's household, tenants, guests, pets, or other invitees. Sanctions may be enforced by the Association in any matter permitted by law.

9.5.3 Continuing Violations. In the case of a continuing violation, such as an uncorrected architectural violation, where an Owner, member of an Owner's household, or his or her tenants or guests fails to cease or remedy a violation after notice from the Board to do so, the Board may deem such a continuing violation and may impose separate and successive sanctions for each such violation without holding further hearings for each sanction.

9.6 Inadequacy of Legal Remedy. Except for the non-payment of any Assessment, a remedy at law to recover damages for the breach or violation of the Governing Documents is inadequate and the failure of any Owner or a member of the household of any Owner or an Owner's tenants, guests, or household pets or any other occupant or user of any of the property within the Development to comply with any provision of the Governing Documents may be enjoined in any judicial proceedings initiated by the Association or by any Owner, or by their respective successors in interest.

9.7 Limitation on Disciplinary Rights. The Association shall not have the power to cause a forfeiture or abridgment of a Member's right to the full use and occupancy of his or her Unit as the result of the failure by such Owner, members of such Owner's household, or his or her tenants, guests, invitees or household pets to comply with any provision of the Governing Documents, except where such forfeiture or abridgment is the result of the judgment of a court of competent jurisdiction, a decision arising out of an arbitration proceeding, or a foreclosure or sale under private power of sale for failure of such Owner to

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pay Assessments. The provisions of this Section shall not affect the Association's right to impose fines or monetary penalties or to suspend an Owner's membership rights, as provided in the Governing Documents.

9.8 Disciplinary Rules. The Board or a committee appointed by the Board for that purpose may adopt rules and regulations that further elaborate upon and refine procedures for conducting disciplinary proceedings and otherwise imposing sanctions upon Members of the Association for violation of provisions of the Governing Documents. Such rules, when approved and adopted by the Board subject to *Civil Code* Sections 1357.100 *et seq.*, shall be deemed to be a part of the Association Rules provided for, in and constituting a part of the Governing Documents.

9.9 Investigation of Complaints. Upon receipt of a written complaint from an Owner or Resident, the Board shall conduct an investigation of the allegations in the complaint and shall make relevant findings upon which the Board shall base a decision to pursue or not pursue the matter.

9.10 Emergency Situations. The following shall constitute emergency situations: (i) an immediate and unreasonable infringement of or threat to the safety or peaceful enjoyment of Residents of the Development; (ii) a traffic or fire hazard; (iii) a threat of material damage to or destruction of the Development or any portion thereof; and (iv) a violation of any provision of the Governing Documents that is of such a nature that there is no material question regarding the identity of the violator or whether the violation has occurred (such as parking violations). Notwithstanding any other provision of the Governing Documents, under circumstances involving conduct that constitutes an emergency, the Board or its duly authorized agents may undertake immediate corrective or disciplinary action and, upon request of the Owner as to whom such corrective or disciplinary action has been taken, or on its own initiative, conduct a hearing as soon thereafter as reasonably possible. If the Association acts on its own initiative to schedule a hearing, notice of the date, time and location of the hearing shall accompany the notice of the disciplinary action which is transmitted to the Owner. If the Board has not scheduled a hearing and the Owner desires a hearing, the Owner's written request for a hearing shall be delivered to the Association no later than five (5) days following the date when the notice of the Board's disciplinary action is transmitted to the Owner. The hearing shall be held not later than fifteen (15) days following the date of the Board's notice of the disciplinary action or fifteen (15) days following the receipt of the Owner's request for a hearing, whichever is later. If a hearing is scheduled or requested, any sanctions imposed or other disciplinary action taken by the Board shall be held in abeyance and shall become effective only if affirmed at the hearing.

9.11 Notices. Any notices required or given under this Article 9 shall, at a minimum, set forth the date, time, and location of any hearing, a brief description of the act or omission constituting the alleged violation of the Governing Documents, a reference to the specific Governing Document provision or provisions alleged to have been violated, and the sanction, disciplinary action, or other enforcement action being contemplated by the Board, if any. The notice shall be in writing and may be given by any method reasonably calculated to give actual notice to the affected Member, provided, however, that if notice is given by mail, it shall be sent by first-class mail, postage prepaid, sent to the most recent address for the affected Member as shown on the records of the Association.

9.12 Dispute Resolution.

9.12.1 Alternative Dispute Resolution. Any dispute other than those listed in *Civil Code* Section 1369.520(b) or those related to the power and duty of the Board of Directors to levy and collect Assessments through lien and foreclosure proceedings shall be submitted to alternative dispute resolution procedures ("ADR") as described in *Civil Code* Sections 1369.510 *et seq.* In the case of any claim, dispute, or controversy which is not otherwise subject to *Civil Code* Sections 1369.510 *et seq.*, involving a sum of money not in excess of the jurisdiction of the Small Claims Court, any party to the dispute shall have the right to file a claim in Small Claims Court and have the matter determined therein in lieu of ADR.

9.12.2 Internal Dispute Resolution. In addition to the ADR provisions of *Civil Code* Sections 1369.510 *et seq.*, the Association shall provide for Internal Dispute Resolution in any dispute regarding the rights, duties or liabilities under *Civil Code* Sections 1350 *et seq.*, the Nonprofit Mutual Benefit Corporation Law, or the Governing Documents. The procedure may be invoked by any party pursuant to *Civil Code* Sections 1363.810 *et seq.*

9.13 Non-Waiver. Failure to enforce any provision of the Governing Documents at any time shall not be deemed a waiver of the right to do so thereafter with respect to the same or any other violation of any provision of the Governing Documents.

9.14 Costs and Attorneys' Fees. In the event the Association shall take any action to enforce any of the provisions of the Governing Documents or shall determine that any Owner or Resident, member of his or her household, tenants, guests, invitees or household pets have violated any provision of the Governing Documents, and whether or not legal or judicial proceedings are initiated, the Association shall be entitled to recover the full amount of all costs including attorneys' fees incurred by the Association in responding to such a violation and/or in enforcing any Governing Document provision. In the event of a

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AS APPROVED BY MEMBERS JULY 2011

court awarding attorneys' fees, the court shall not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses and attorneys' fees paid or incurred in good faith. The remedies of the Association to recover the amount of such costs and attorneys' fees shall include, but shall not necessarily be limited to, the imposition of a Reimbursement Assessment as provided in Article 8.9 of this Declaration.

## ARTICLE 10

### DAMAGE OR DESTRUCTION OF BUILDINGS; CONDEMNATION

10.1 Damage to Single Unit. If the Development is damaged by fire or other casualty which it is insured against, and damage is limited to a single Unit, the insurance proceeds shall be paid to the Owner or Owners of such Unit, or the Mortgagees thereof as their respective interests appear, and such Owner or Mortgagee shall use the same to rebuild or repair such Unit. Any such repair or rebuilding shall be subject to the provisions of Article 7. In the event the insurance proceeds are insufficient to complete such work, the Association shall pay and advance such additional sums as may be necessary to complete such rebuilding and repair.

10.2 Damage to Two or More Units or Common Area. If such damage extends to two (2) or more Units or extends to any part of the Common Area, then and in that event:

10.2.1 Proceeds Equal or Exceed 85% of Reconstruction Costs. If the amount of available insurance proceeds is equal to at least eighty-five percent (85%) of the cost of repairing or rebuilding the damaged property to its original design and specifications, the insurance proceeds shall be paid to the Association, and the Board shall thereupon contract to repair or rebuild the damaged portions of the Development, including all Units and the Common Area so damaged unless, within ninety (90) days from the date of destruction sixty-seven percent (67%) of the Total Voting Power of the Association determine that repair and reconstruction shall not take place.

10.2.2 Proceeds Less Than 85% of Reconstruction Costs. In the event that the amount available from such insurance proceeds is less than eighty-five percent (85%) of the cost of repairing or rebuilding the damaged property to its original design and specifications, repair and rebuilding may nevertheless take place if, within ninety (90) days from the date of destruction, a Majority of the Total Voting Power of the Association determines that repair and reconstruction shall take place. If the Members approve repair and reconstruction, the Board shall execute, acknowledge and record in the office of the County Recorder not later than one hundred twenty (120) days from the date

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of destruction a certificate declaring the intention of the Members to rebuild. Alternatively, the Members by vote of a Majority of the Total Voting Power of the Association may elect to sell the Development.

10.2.3 Rebuilding Contract. If a determination is made to rebuild, the Board shall obtain bids from at least three (3) reputable contractors to restore the Development, including all damaged Units and all damaged Common Area, to its condition immediately prior to such damage or destruction. The Board shall have the authority to enter into a written contract with the contractor for the repair and reconstruction. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of authorized repair and reconstruction at the earliest possible date. The contractor shall provide a completion bond naming the Association and each Owner as beneficiaries.

10.2.4 Costs to Rebuild/Special Assessment. The insurance proceeds shall be disbursed to the chosen contractor according to the terms of the contract. The Association shall levy a Special Assessment to make up the deficiency, if any, between the total insurance proceeds and the contract price for repair and rebuilding. The Special Assessment shall be allocated in a manner determined by the Board, based on the type and cause of the damage.

10.3 Sale of Entire Development. In the event of the sale of all Units and the Common Area, proceeds from such sale and insurance proceeds received by the Association on account of the destruction of the Common Area shall be distributed by the Association among the Owners and their respective Mortgagees according to the respective fair market values of the Units at the time of the destruction as determined by an independent appraisal. The members of the Board are hereby authorized to execute and deliver, on behalf of all of the Owners, any instruments necessary or required to affect such a sale or sales and each Owner shall be obligated to execute and deliver such instruments and to perform such acts as may be necessary to affect such sale or sales.

10.4 Condemnation of Common Area. If at any time all or any portion of any Common Area, or any interest therein, shall be taken for any public or quasi-public use, under any statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the entire compensation or award in condemnation, to the extent such award is not apportioned among the Owners by court judgment or by agreement between the condemning authority and each of the affected Owners in the Development, shall be paid to the Association and shall be used in the manner determined by the Board, provided that such use shall not be inconsistent with the purposes of the Association. The Association shall represent the interests of all Owners in any proceedings relating to such condemnation to the extent such Owners have any interest in the Common Area.

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## ARTICLE 11

### RIGHT OF CITY AND AGENCY TO COMPEL PERFORMANCE

11.1 Enforcement of Protective Covenants. The City and the Agency shall have the right, but not the obligation, to enforce, by proceedings at law or in equity and to the fullest extent permitted by law, the Protective Covenants of this Declaration, or any amendments hereto, which pertain to the Common Area, the Exclusive Use Areas or the Units. The City and Agency shall, to the fullest extent allowed by law, be entitled to all costs and expenses from such enforcement, including reasonable attorneys' fees.

11.2 Rights of City and Agency. The Association shall indemnify and hold the City and the Agency harmless for any damages resulting from the Association's maintenance of the Common Area. Notwithstanding any other provision regarding maintenance responsibilities, the City and the Agency are hereby granted the right, but in no event the duty, to enforce the maintenance obligations of the Owners and the Association for the Common Area described in this Declaration, to the extent that the Common Area is not maintained in a manner which complies with all applicable City, State and Federal ordinances, statutes and regulations, or creates or perpetuates nuisances or health or safety hazards. In the event of a breach of the maintenance provisions contained in this Section, the City or the Agency shall give written notice of such breach and the Association shall remedy such breach within thirty (30) days of receipt of such written notice. The Association recognizes that it has the primary responsibility for enforcement of its maintenance responsibilities that are contained in this Declaration, unequivocally guarantees to institute and expeditiously prosecute any required legal action to obtain compliance with the provision contained in this Article. The City and the Agency, in enforcing the provisions contained in this Article, shall be entitled to all the rights and remedies of an Owner or of the Association. The City and the Agency shall, to the extent permitted by law, be entitled to recover all expenses of enforcement, including the enforcement by private legal counsel, and shall have the authority to lien the subject property (including individual Condominiums, if applicable) if the Association does not pay the City or the Agency, as applicable, for all expenses of correction and enforcement. All funds obtained by lien or other legal proceeding by the City or the Agency shall be utilized to repay the City or the Agency for the costs of correcting the breach after costs of expenses of enforcement shall first have been deducted.

11.3 Amendments to Article 11. No amendment, modification or deletion of the terms and provisions of this Article 11 shall be valid without the express written approval of the City and the Agency, which consent may be withheld in its/their sole discretion.

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## ARTICLE 12

### AMENDMENT

This Declaration may be amended by the affirmative vote of a Majority of the Total Voting Power of the Association. Any amendment of the Declaration shall be signed and acknowledged by the duly authorized officer(s) of the Association and recorded in the Office of the Santa Clara County Recorder.

## ARTICLE 13

### GENERAL PROVISIONS

13.1 Headings. The headings used in this Declaration are for convenience only and are not to be used in interpreting the meaning of any of the provisions of this Declaration or otherwise.

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

13.3 Liberal Construction. The provisions of this Declaration shall be liberally construed to effectuate its purpose of fostering a plan of community ownership and occupancy and of management of the Development for the benefit of the community.

13.4 Conflict Between Governing Documents. In the case of any conflict between the Articles of Incorporation and this Declaration, the Articles shall control; and in the case of any conflict between this Declaration and the Bylaws, this Declaration shall control.

13.5 Conflict Between Governing Documents and REMA. In the event of any conflict between the Governing Documents and the REMA, the provisions of the REMA shall be deemed to supersede such provisions of the Governing Document to the extent of such conflict.

13.6 Amendment to Referenced Statutes. References in this Declaration to particular statutes, including sections of the *Civil Code*, shall be deemed to include any successor statute and any amendments to existing or successor statutes.

13.7 Number; Gender. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine,

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feminine, and neuter shall each include the masculine, feminine, or neuter, as the context requires.

13.8 Easements Reserved and Granted. Any and all easements referred to herein shall be deemed reserved or granted, or both reserved and granted, as appropriate, by reference to this Declaration in a deed to any Condominium.

13.9 Power of Attorney. To the extent necessary to carry out and enforce the provisions of this Declaration, an irrevocable power of attorney coupled with an interest is granted to the Association by the Owners and each of them.

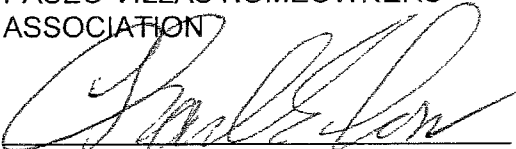
13.10 Term. The covenants, conditions, restrictions, limitations, reservations, grants of easement, rights, rights-of-way, liens, charges, and equitable servitudes contained in this Declaration shall run with and shall benefit and burden all of the real property subject to this Declaration, including without limitation the Units and Common Area, and shall inure to the benefit of and be binding upon the Owners, the Association, its Board of Directors and officers, and their respective agents and successors in interest, for a term of thirty (30) years from the date of recordation of this Declaration. Thereafter the term shall be automatically extended for successive periods of ten (10) years each, unless within the six (6) months prior to the expiration of the initial 30-year term or any 10-year extension period, a written instrument approved by Owners entitled to vote and holding at least a Majority of the Total Voting Power of the Association, terminating the effectiveness of this Declaration shall be recorded in the Office of the County Recorder of Santa Clara County, California.



IN WITNESS WHEREOF, we, the Members of Paseo Villas Homeowners Association, constituting at least fifty-three and seventy-five one hundredths percent (53.75%) of the total voting power of the Association, hereby affirm, approve, and adopt the foregoing Amended and Restated Declaration of Covenants, Conditions and Restrictions of Paseo Villas Homeowners Association, in accordance with Section 20.8 of the 2000 Declaration, as amended, by means of the signatures of the President and Secretary of the Association, duly authorized by the affirmative vote of at least fifty-three and seventy-five one hundredths percent (53.75%) of the total voting power of the Association, which the Amended and Restated Declaration of Covenants, Conditions and Restrictions shall be recorded with the County Recorder of Santa Clara County, California.

DATED: \_\_\_\_\_

PASEO VILLAS HOMEOWNERS  
ASSOCIATION

  
Charles Corr, President

  
Joseph Santosuosso, Secretary

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AMENDED AND RESTATED DECLARATION  
PASEO VILLAS HOMEOWNERS ASSOCIATION  
AS APPROVED BY MEMBERS JULY 2011

**ACKNOWLEDGMENT**

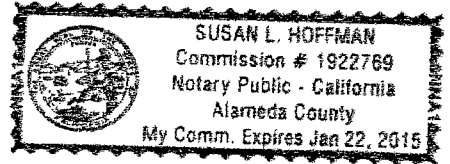
STATE OF CALIFORNIA  
COUNTY OF Alameda Santa Clara SH

On August 4 2011, before me, Susan L. Hoffman,  
Notary Public, personally appeared, Charles Corr, who proved to me on the basis  
of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to  
the within instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon behalf of which  
the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Susan L. Hoffman (Seal)



ACKNOWLEDGMENT

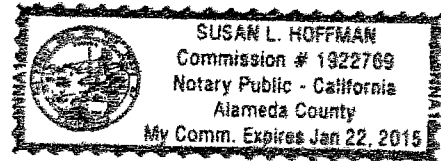
STATE OF CALIFORNIA  
COUNTY OF Santa Clara

On August 4 2011 before me, Susan L Hoffman,  
Notary Public, personally appeared, Joseph Santosuosso, who proved to me on  
the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they  
executed the same in his/her/their authorized capacity(ies), and that by  
his/her/their signature(s) on the instrument the person(s), or the entity upon  
behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Susan L Hoffman (Seal)



**EXHIBIT "A"**  
**LEGAL DESCRIPTION OF THE RESIDENTIAL PROPERTY**

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PORTION OF LOT 1, TRACT NO. 9047, FILED ON OCTOBER 15, 1998 IN BOOK 709 OF MAPS AT PAGES 7, 8 AND 9, SANTA CLARA COUNTY RECORDS, AS MODIFIED BY THE LOT LINE ADJUSTMENT GRANT DEED RECORDED OCTOBER 21, 1999 IN DOCUMENT NO. 15025730, AND AS MODIFIED BY THE LOT LINE ADJUSTMENT GRANT DEED RECORDED AUGUST 2, 2000 IN DOCUMENT NO. 15341743, OFFICIAL RECORDS OF SANTA CLARA COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWESTERLY CORNER OF SAID LOT 1 AT THE NORTHEASTERLY RIGHT OF WAY LINE OF THIRD STREET AS SHOWN ON SAID MAP;

THENCE ALONG SAID RIGHT OF WAY LINE NORTH 30°40'56" WEST, 160.64 FEET;

THENCE LEAVING SAID RIGHT OF WAY LINE THE FOLLOWING FIVE (5) COURSES:

NORTH 59°19'04" EAST, 95.50 FEET;  
SOUTH 30°40'56" EAST, 1.00 FEET;  
NORTH 59°19'04" EAST, 78.33 FEET;  
NORTH 30°40'56" WEST, 1.00 FEET; AND  
NORTH 59°19'04" EAST, 102.40 FEET TO THE NORTHEASTERLY LINE OF SAID LOT 1, SAID LINE BEING THE SOUTHWESTERLY RIGHT OF WAY LINE OF FOURTH STREET AS SHOWN ON SAID MAP;

THENCE ALONG SAID RIGHT OF WAY LINE SOUTH 30°40'56" EAST, 160.65 FEET TO THE NORTHEASTERLY CORNER OF SAID LOT 1;

THENCE ALONG THE SOUTHEASTERLY LINE OF SAID LOT 1 SOUTH 59°19'13" WEST, 276.23 FEET TO THE POINT OF BEGINNING.

**EXHIBIT "B"**  
**LEGAL DESCRIPTION OF RETAIL PROPERTY**

ALL THAT CERTAIN REAL PROPERTY SITUATED IN THE CITY OF SAN JOSE, COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED ASD FOLLOWS:

**LOT 2**

LOT 2 AND A PORTION OF LOT 1 AND LOT 3, TRACT NO. 9047, FILED ON OCTOBER 15, 1998 IN BOOK 709 OF MAPS AT PAGES 7, 8 AND 9, SANTA CLARA COUNTY RECORDS, AS MODIFIED BY THE LOT LINE ADJUSTMENT GRANT DEED RECORDED OCTOBER 21, 1999 IN DOCUMENT NO. 15025730, AND AS MODIFIED BY THE LOT LINE ADJUSTMENT GRANT DEED RECORDED AUGUST 2, 2000 IN DOCUMENT NO. 15341743, OFFICIAL RECORDS OF SANTA CLARA COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 2; SAID CORNER BEING THE INTERSECTION OF THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF FOURTH STREET AND THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF SAN FERNANDO STREET AS SHOWN ON SAID MAP OF TRACT NO. 9047;

THENCE ALONG SAID RIGHT-OF-WAY LINE OF SAN FERNANDO STREET SOUTH 59°20'12" WEST, 152.55 FEET TO THE NORTHEASTERLY LINE OF ADJUSTED LOT 3;

THENCE ALONG THE BOUNDARY LINES OF SAID ADJUSTED LOT 3 THE FOLLOWING SEVEN (7) COURSES:

SOUTH 30°40'56" EAST, 42.21 FEET;  
NORTH 59°19'04" EAST, 1.99 FEET;  
SOUTH 30°40'56" EAST, 8.50 FEET;  
SOUTH 59°19'04" WEST, 20.41 FEET;  
NORTH 30°40'56" WEST, 9.20 FEET;  
SOUTH 59°19'04" WEST, 11.82 FEET; AND  
NORTH 30°40'56" WEST, 41.53 FEET TO SAID RIGHT-OF-WAY LINE  
OF  
SAN FERNANDO STREET AS SHOWN ON SAID MAP OF TRACT 9047;

THENCE ALONG SAID RIGHT-OF-WAY LINE SOUTH 59°20'12" WEST, 5.75 FEET TO THE MOST NORTHERLY CORNER OF LOT 4 AS SHOWN ON SAID MAP OF TRACT 9047;

THENCE ALONG THE BOUNDARY LINES OF SAID LOT 4 THE FOLLOWING FOUR (4) COURSES:

SOUTH 30°40'56" EAST, 46.89 FEET;  
SOUTH 59°19'04" WEST, 61.69 FEET;  
SOUTH 30°40'56" EAST, 11.12 FEET; AND  
SOUTH 59°19'04" WEST, 26.00 FEET TO THE NORTHEASTERLY  
RIGHT-OF-WAY LINE OF THIRD STREET;

THENCE ALONG SAID RIGHT-OF-WAY LINE OF THIRD STREET SOUTH  
30°40'56" EAST, 51.74 FEET;

THENCE LEAVING SAID RIGHT-OF-WAY LINE THE FOLLOWING FIVE (5)  
COURSES:

NORTH 59°19'04" EAST, 95.50 FEET;  
SOUTH 30°40'56" EAST, 1.00 FEET;  
NORTH 59°19'04" EAST, 78.33 FEET;  
NORTH 30°40'56" WEST, 1.00 FEET; AND  
NORTH 59°19'04" EAST, 102.40 FEET TO THE SOUTHWESTERLY  
RIGHT-OF-WAY LINE OF FOURTH STREET AS SHOWN ON SAID MAP  
OF TRACT 9047;

THENCE ALONG SAID RIGHT-OF-WAY LINE NORTH 30°40'56" WEST 109.69  
FEET TO THE POINT OF BEGINNING.

THE ABOVE LEGAL DESCRIPTION DEFINES THE HORIZONTAL  
PARAMETERS AS SHOWN ON THE ATTACHED PLAT, IN ADDITION, SUCH  
BOUNDARIES SHALL ALSO INCLUDE VERTICAL LIMITS OF AN AREA  
BETWEEN THE ELEVATION 81.00 FEET AND 95.00 FEET.

**LOT 3**

PORTION OF LOT 3, TRACT NO. 9047, FILED ON OCTOBER 15, 1998 IN  
BOOK 709 OF MAPS AT PAGES 7, 8 AND 9, SANTA CLARA COUNTY  
RECORDS, AS MODIFIED BY THE LOT LINE ADJUSTMENT GRANT DEED  
RECORDED OCTOBER 21, 1999 IN DOCUMENT NO. 15025730, OFFICIAL  
RECORDS OF SANTA CLARA COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF SAID LOT 3 AT THE  
SOUTHEASTERLY RIGHT-OF-WAY LINE OF SAN FERNANDO STREET AS  
SHOWN ON SAID MAP OF TRACT 9047;

THENCE ALONG THE BOUNDARY LINES OF SAID ADJUSTED LOT 3 THE  
FOLLOWING SEVEN (7) COURSES:

SOUTH 30°40'56" EAST, 42.21 FEET;  
NORTH 59°19'04" EAST, 1.99 FEET;  
SOUTH 30°40'56" EAST, 8.50 FEET;  
SOUTH 59°19'04" WEST, 20.41 FEET;  
NORTH 30°40'56" WEST, 9.20 FEET;  
SOUTH 59°19'04" WEST, 11.82 FEET; AND  
NORTH 30°40'56" WEST, 41.53 FEET TO SAID RIGHT-OF-WAY LINE  
OF SAN FERNANDO STREET AS SHOWN ON SAID MAP OF TRACT  
9047;

THENCE ALONG SAID RIGHT-OF-WAY LINE NORTH 59°20'12" EAST, 30.24  
FEET TO THE POINT OF BEGINNING.

THE ABOVE LEGAL DESCRIPTION DEFINES THE HORIZONTAL  
PARAMETERS AS SHOWN ON THE ATTACHED PLAT, IN ADDITION, SUCH  
BOUNDARIES SHALL ALSO INCLUDE VERTICAL LIMITS OF AN AREA  
BETWEEN THE ELEVATION 81.00 FEET AND 95.00 FEET.

**LOT 4**

ALL OF LOT 4, TRACT NO. 9047, FILED ON OCTOBER 15, 1998 IN BOOK 709  
OF MAPS AT PAGES 7, 8 AND 9, SANTA CLARA COUNTY RECORDS.

THE ABOVE LEGAL DESCRIPTION DEFINES THE HORIZONTAL  
PARAMETERS AS SHOWN ON THE ATTACHED PLAT, IN ADDITION, SUCH  
BOUNDARIES SHALL ALSO INCLUDE VERTICAL LIMITS OF AN AREA  
BETWEEN THE ELEVATION 81.00 AND 95.00 FEET.

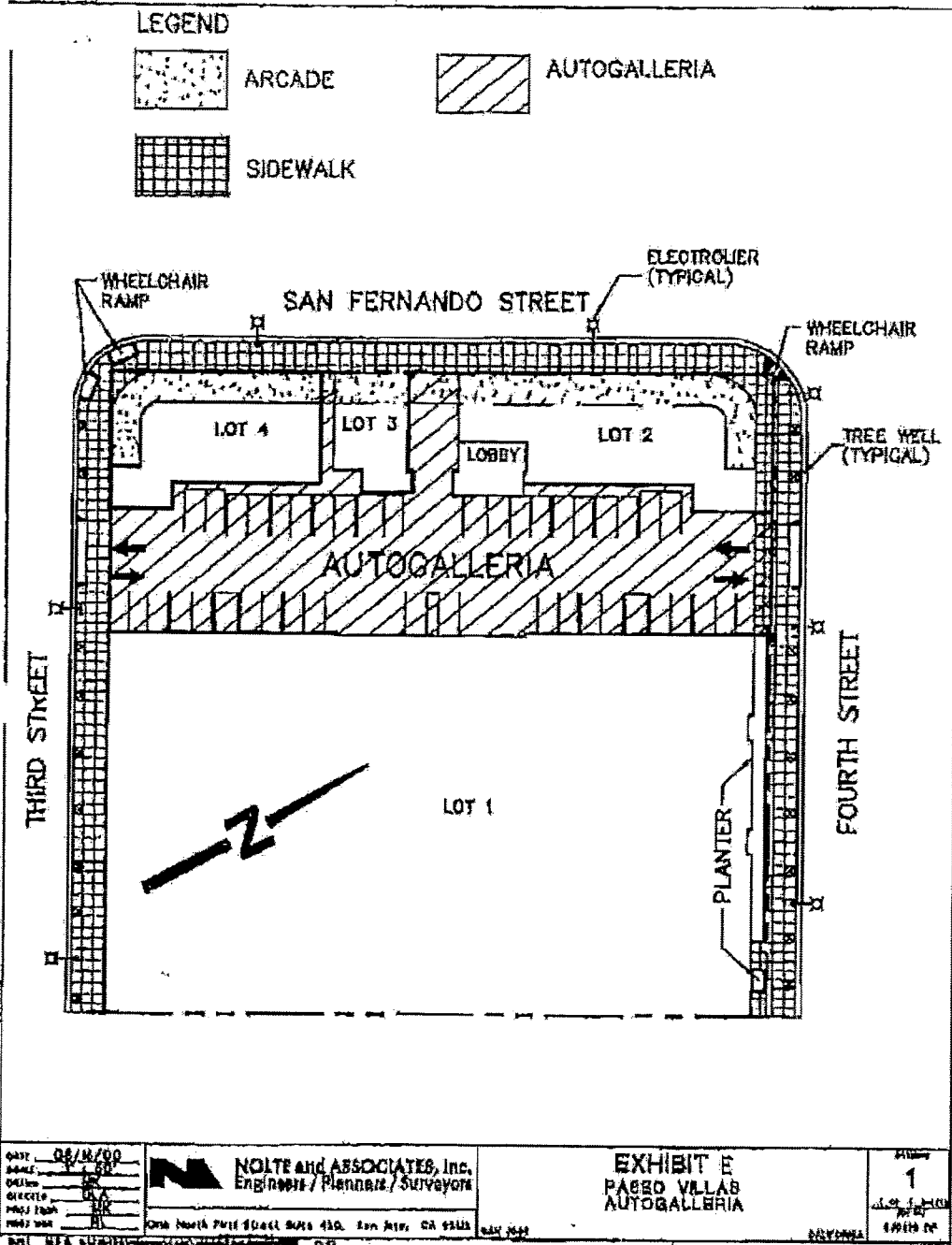


EXHIBIT C



# Paseo Villas Homeowners Association

## Board of Directors Emergency Meeting Minutes August 28, 2017

### Board Members

Nicholas Antoniou President  
Julie Matsushima Vice-President  
Jeff Gale Secretary  
Regina Schuck Treasurer  
Chuck Corr Director

### Others Present

Shannon Hernandez Compass Management

### 1.0 Emergency Session

The Board of Directors Emergency Meeting was called to order at 2:08 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

- 1.1 Fire Alarm System- The board discussed the current state of the alarm system and options to limit or stop the random alarms that are going off during the day/night. After discussion ***a motion was made to leave the fire system in its current state until Cintas was able to come out on Thursday, August 31, 2017 and repair the three (3) failed pull stations, motion carried unanimously.***

### 2.0 Adjournment

There being no further business before the Board of Directors, the Board Meeting was adjourned at 2:43PM.

Attest:

Signature

Director Name

Date

Director Position



N. ANTONIOU

Sept 13, 2017

President

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes August 9, 2017

### Board Members

Nicholas Antoniou	President (absent)
Julie Matsushima	Vice-President
Jeff Gale	Secretary
Regina Schuck	Treasurer
Chuck Corr	Director

### Others Present

Shannon Hernandez	Compass Management
Chris Perret	Compass Management
(13) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:08 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

- 2.1 Architectural – Pieter Smith was present and noted there was nothing new other than the application.
  - 2.1.1 Floor Change (Unit 412) – The architectural application was approved by the ACC Committee. **Regina motioned to approve, Jeff seconded, and was approved unanimously.**
- 2.2 Building Operations – Eugenie Taylor was present and reported that Janitorial citations were issued, and waiting to hear back from DirecTV.
  - 2.2.1 DirecTV Options – Management notified the Board that DirecTV cancelled the scheduled appointments.
- 2.3 Finance – Mel Matsushima was present and reported they did not meet this month. Management notified they have the new financial report and will email it to Mel.
- 2.4 Green – Sandra Hayden was present and reported they received proposals for Charge Point stations to be installed.
  - 2.4.1 EV Charging Stations – No report was given.
  - 2.4.2 Temp EV Charge – Homeowner explained to the Board how he was planning to use a temporary solution and how the Board could monitor the energy being used to charge his vehicle. **The Board has tabled until the September meeting.**
  - 2.4.3 Charge Point Quotes – The Board reviewed the proposals from Voltaic. **Regina motioned to expedite a permanent solution, Jeff seconded, and was approved unanimously.** The Board asked Shannon to work with the Green Committee and obtain additional quotes. Sandra informed the Board that there may be limited space in the electrical rooms for future expansion.
- 2.5 Rules – Pat Corr reported that the committee has not had any directives or meetings. The change of rules approved in June were distributed for 30 day review and will be discussed during the September Board Meeting. The Board asked the Rules Committee to add a section in the move in and move out policy that make owners pay for security

during the move in move out process.

### 3.0 Approval of Minutes

- 3.1 **A motion to approve the June 30, 2017 emergency meeting minutes, as presented, was approved unanimously, Chuck Abstained (Absent).**
- 3.2 **A motion to approve the July 12, 2017 executive session minutes, as presented, was approved unanimously.**
- 3.3 **A motion to approve the July 12, 2017 board meeting minutes, as presented, was approved unanimously.**

### 4.0 Unfinished Business

- 4.1 Balcony Inspection – Management informed the Board that the inspections should be coming soon and current inspections should be completed by the end of August.
- 4.2 Interior Decoration Project – Regina motioned to have the Board approve that herself and Julie be allowed to spend up to \$7,500 at Z Galleria for artwork and to ensure securely installed, Julie seconded, and approved unanimously. Jeff asked about securing new furniture that is arriving at the end of August. Chuck motioned to have Management dispose, sell, or donate any or all old furniture that is no longer needed for association purposes, Julie seconded, and was approved unanimously.
- 4.3 Roof Reseal – Management notified the Board that the project should be finished by August 31, 2017.
- 4.4 3<sup>rd</sup> Street Boiler Replacement – Management informed the Board that the Boiler should be delivered and schedule in the coming weeks. The roof would be finished once the install was completed.
- 4.5 Building and Storage Door Replacement Proposals – **Jeff motioned to approve proposal Dan Danna Builders Inc. to replace the 10 damaged storage doors and 1 single double door, Julie seconded, and was approved unanimously.**
- 4.6 Statcomm Proposal for Maintenance on gates and readers – **The Board asked Management to obtain updated proposal to include all exterior exit doors that lead to the street.**
- 4.7 Elevator Maintenance – Management informed the Board that all elevators are currently working and that Schindler is still looking for a solution to fix the software on the 3<sup>rd</sup> Street elevator.
- 4.8 Estoppel Inspections – Management informed the Board that the vendor has cancelled the appointments twice and will find alternative vendors.
- 4.9 Fire System Repairs – **Jeff motioned to approve the proposal to replace (3) faulty pull stations, Julie seconded, and was approved unanimously.**
- 4.10 2018 Reserve Study – Management reported they would email the board an updated Reserve Study once it was completed.

- 4.11 Janitorial/Landscape Services – Management reported they are obtaining proposals from vendors for both Janitorial and Landscape Services to have as backup to replace the current vendor as may be needed. Ernie updated the Board on how Jeff and himself have adjusted the timers and what currently needs to be done to properly water the landscaping to prevent the water runoff onto 3<sup>rd</sup> and 4<sup>th</sup> Street.
- 4.12 Social Room Refrigerator/Oven – Management informed the Board that Shannon and Regina will be investigating Refrigerators and Ovens. Estelle Kadis and Leticia Gutierrez volunteered to help organize the Social Room.

## 5.0 New Business

- 5.1 Unit Door Deadbolt Locks – **Julie motioned to direct the head of the ACC to provide the direction and recommendation for deadbolt lock solution by the September meeting.**
- 5.2 Irrigation – **Julie motioned to approve the proposal from SVSS, Jeff seconded, and was unanimously approved. Jeff asked to be sure all bubblers were adjustable.**
- 5.3 Additional Security Cameras – **Jeff motioned to approve the proposal from CSC Integrations, Julie seconded, and was unanimously approved.**
- 5.4 Move In Move Out Security – Management discussed security solutions with the Board and delegated the Rules Committee to find options.
- 5.5 Action Item List – **Regina motioned to have an action item list be kept going forward and included in the Board Packet, Jeff seconded, and was approved unanimously.**
- 5.6 General Maintenance – Management informed the Board of possibly hiring a regular maintenance person to perform daily maintenance tasks. The Board tabled until September meeting.
- 5.7 Roof Proposals “For Reserve Study” – Management informed the Board that they have not yet received the Roof Proposals.
- 5.8 City Tree Removal and Replacement Proposal – The Board approved the proposal from the City of San Jose to remove and replace a tree on the sidewalk near Power Bowl with the understanding the City replaces the tree with like and kind.
- 5.9 Water Tank Booster Pump – **Jeff motioned to arrange 3 meetings between himself and any other Board Member with Aquatek, Cal Hydronics, and Rayne Plumbing to discuss the status of the skid, Julie seconded, and was approved unanimously.** Chuck has volunteered to assist Jeff with the meetings.
- 5.10 Carpet Cleaning – The Board reviewed the proposal from SVSS. **Julie motioned to decline the proposal, Chuck seconded, and was unanimously disapproved.**
- 5.11 2018 Budget Draft – Management reviewed the Budget Draft with the Board. Management will update the Budget accordingly to rebalance the operating funds.

**6.0 Management Reports**

- 6.1 The Board received the unaudited financial statement for the period ending July 31, 2017.
- 6.2 The Board received the delinquency report for the period ending July 31, 2017.
- 6.3 The Board reviewed the annual calendar.
- 6.4 The Board reviewed the contact report and work order report for the period from July 8, 2017 to August 2, 2017.
- 6.5 The Board reviewed the letter report for the period ending August 4, 2017.
- 6.6 Newsletter Items – The Board has no new items for the newsletter.

**7.0 Open Forum** Homeowners were present and discussed; EV Charging Stations to be installed at each homeowner's expense, roof water, janitorial and landscape.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:45 PM.

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director Name

\_\_\_\_\_  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes July 12, 2017

### Board Members

Nicholas Antoniou	President (absent)
Julie Matsushima	Vice-President
Jeff Gale	Secretary
Regina Schuck	Treasurer
Chuck Corr	Director

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Chris Perret	Compass Management
Twelve (12) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:02 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

- 2.1 Architectural – Pieter Smith was present and noted there was nothing new other than the application.
  - 2.1.1 Dead Bolt Installation (Unit 524) – **A motion to ratify the committee’s recommendation to deny the application was tabled to discuss under item 5.1.**
- 2.2 Building Operations – Eugenie Taylor was not present and no report was given.
  - 2.2.1 DirecTV Options – No report was given.
- 2.3 Finance – Mel Matsushima reported there was some movement of CD’s.
- 2.4 Green – Eric Wertz reported; the committee had not met in the last three months, the approval for an Association credit card would help with the purchase of lights, and that a new light bulb substitute would need to be found.
  - 2.4.1 EV Charging Stations – No report was given.
- 2.5 Rules – Pat Corr reported that the committee has not had a meeting.
  - 2.5.1 Quiet Hours/Pool Hours – **A motion to leave the pool rules as they are was approved unanimously.** The Board requested Management to provide a proposal for camera installation.

### 3.0 Approval of Minutes

**A motion to approve the May 10, 2017 meeting session minutes, as presented, was approved unanimously.**

**A motion to approve the June 14, 2017 executive and meeting minutes, as presented, was approved unanimously.**

**A motion to approve the June 30, 2017 executive meeting minutes, as presented, was approved by a vote of three in favor to one abstention (Chuck Corr – absent).**

The Board tabled approval of the June 30, 2017 emergency meeting minutes for the next meeting.

### 4.0 Unfinished Business

- 4.1 Balcony Inspection Preliminary Report – Management reported that Silicon Valley is

working on scheduling and cannot use the EBM system. They would need to enter all units.

- 4.2 Interior Decoration Project – **A motion to approve the invoice for the in stock items was approved unanimously.**
- 4.3 Roof Reseal – Management reported that Xteria Roofing was moving along well and planned to be done by the end of August.
- 4.4 3<sup>rd</sup> Street Boiler Replacement – Management reported that Aquatek should complete before the roof.
- 4.5 Social Room Refrigerator/Oven – Management reported they had obtained several other quotes from other vendors. **A motion to purchase a new fridge and a range not to exceed \$2,500 was approved unanimously.**
- 4.6 Building and Storage Door Repairs – Management reported they are waiting for a quote from Orchard City Locks.
- 4.7 Security Guards Proposal – **A motion to not hire any security guards was approved unanimously.**
- 4.8 Statcomm Proposal for Maintenance on gates and readers – Management reported that they are meeting with Statcomm on Friday to go over the proposal to ensure it is correct and would have it for the August meeting.
- 4.9 Statcomm Proposal for Programmable Access Cards on Doors – **A motion to deny the proposal was approved unanimously.**
- 4.10 Elevator Maintenance – Management reported on an email received from Schindler regarding elevator issues. **A motion to approve proposal number NREO-AP6Q84 from Schindler for an amount of \$11,327.00 was approved unanimously.**
- 4.11 Estoppel Inspections – Management reported the vendor wanted to inspect a unit and Management requested a volunteer from the Board.
- 4.12 Fire System Monitoring and Repairs – Management reported Cintas will take over monitoring on July 27 and do the testing on August 11 and 12.
- 4.13 2018 Reserve Study – The Board tabled discussion for the next meeting.
- 4.14 Safe Location/Owner Keys – **A motion to not keeping unit keys on the property was approved unanimously.**
- 4.15 Gas Room Door & Lock – Management reported that everything is on order but has not arrived yet.

## 5.0 New Business

- 5.1 Unit Door Deadbolt Locks – The Board requested that the ACC provide standards for deadbolts and attending residents research options and provide to management for

the August 9, 2017 meeting. **A motion to approve the application for a deadbolt lock at 524 was not approved by a vote of none in favor to four against.**

- 5.2 Irrigation – Management reported that the irrigation leaks have been repaired. **A motion to deny proposal number 1498-646 from Aquatek for an amount of \$1,575.00 was approved unanimously.**
- 5.3 Additional Security Cameras – **A motion to form an ad-hoc committee consisting of Regina Schuck and Jeff Gale to evaluate the proposals and make a recommendation to the Board was approved unanimously**
- 5.4 Third Street Card Reader Proposal – **A motion to ratify proposal number 15956 from Statcomm for an amount of \$2,397.00 was approved unanimously.**
- 5.5 Statcomm Work Order Report – The Board reviewed correspondence from Statcomm, no action required.

**6.0 Management Reports**

- 6.1 The Board received the unaudited financial statement and delinquency report for the period ending June 30, 2017.
- 6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from June 9, 2017 to July 7, 2017.

**7.0 Open Forum** Homeowners were present and discussed; cleanup needed from the landscapers on Fourth Street, complaints about Flames Party Room, skateboarders, a vandalized lock box and hallway maintenance.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:04 PM.

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director Name

\_\_\_\_\_  
Director Position



# Paseo Villas Homeowners Association

## Board of Directors Emergency Meeting Minutes June 30, 2017

### Board Members

Nicholas Antoniou	President	
Julie Matsushima	Vice-President	
Jeff Gale	Secretary	
Regina Schuck	Treasurer	
Chuck Corr	Director	(absent)

### Others Present

Shannon Hernandez	Compass Management
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### 1.0 Emergency Session

The Board of Directors Emergency Meeting was called to order at 12:41 PM, noting the presence of a quorum, inside the social room.

- 2.0 Irrigation** – Management reported the association was given a warning with the possibly of daily fines by the City of San Jose for water running out of the drain holes located on the 3<sup>rd</sup> and 4<sup>th</sup> street sides of the building into the storm drains. The City demanded the irrigation back flow remain turned off until the leaks were fixed. **A motion was made to hire an additional person from Silicon Valley Site Services for a max of 12 hours a week to perform hand watering until the irrigation leaks are fixed. Motion, carried unanimously.**

- 3.0 Adjournment** There being no further business before the Board of Directors, the Board Meeting was adjourned at 1:15PM.

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director Name

\_\_\_\_\_  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes June 14, 2017

### Board Members

Nicholas Antoniou President  
Julie Matsushima Vice-President  
Jeff Gale Secretary  
Regina Schuck Treasurer  
Chuck Corr Director

### Others Present

Andrew Warren Compass Management  
Shannon Hernandez Compass Management  
Twelve (12) Homeowners

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:05 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

- 2.1 Architectural – Pieter Smith was present and noted there was nothing new.
- 2.2 Building Operations – Eugenie Taylor reported that there was no meeting this month and needed to be rescheduled.
  - 2.2.1 DirecTV Options – No report was given.
- 2.3 Finance – Mel Matsushima reported there had been no meeting and no report to give.
- 2.4 Green – Sandra Hayden reported there had been no meeting but updated they were working on how to order new bulbs.
  - 2.4.1 EV Charging Stations – No report was given.
- 2.5 Rules – **A motion to approve the rule update to G.2.c for 30 day member review as presented, were approved unanimously.**  
**A motion to approve the rule update to G.2.d for 30 day member review as presented, were approved unanimously.**  
**A motion to approve the rule updates to G.2.e and G.8.d for 30 day member as amended, were approved unanimously.**  
**A motion to approve the new committee meeting conduct policy for 30 day member review as amended, was approved unanimously.**  
**A motion to approve the updated key policy for 30 day member review as amended, was approved unanimously.**

### 3.0 Approval of Minutes

- A motion to approve the April 29, 2017 meeting minutes, as amended, was approved by a vote of three in favor to two abstentions (Nicholas Antoniou and Chuck Corr – absent).**
- A motion to approve the May 5, 2017 meeting minutes, as amended, was approved unanimously.**
- A motion to approve the May 10, 2017 executive session minutes, as presented, was approved unanimously.**
- A motion to approve the May 17, 2017 meeting minutes, as presented, was approved by a vote of three in favor to two abstentions (Jeff Gale and Regina Schuck – absent).**
- A motion to approve the May 18, 2017 meeting minutes, as presented, was approved by a vote of four in favor to one abstention (Jeff Gale – absent).**

**A motion to approve the May 23, 2017 meeting minutes, as presented, was approved by a vote of three in favor to two abstentions (Jeff Gale and Chuck Corr – absent).**

**A motion to approve the May 26, 2017 meeting minutes, as presented, was approved by a vote of four in favor to one abstention (Chuck Corr – absent).**

**A motion to approve the second May 26, 2017 meeting minutes, as presented, was approved unanimously.**

#### **4.0 Unfinished Business**

- 4.1 Balcony Inspection Preliminary Report – Management that Silicon Valley is working on scheduling and may be able to use the EBM system. The Board requested that Silicon Valley ensure matching the color of the balcony decks.
- 4.2 Interior Decoration Project – Julie Matsushima gave a report to the owners present on the presentation that was given by Design Within Reach during the executive session.  
**A motion to proceed with a down payment to Design Within Reach to move forward with ordering, was approved unanimously.**
- 4.3 Roof Reseal – Management reported that Xteria Roofing has been working on the roof and installed walk mats and were working on applying tar.
- 4.4 3<sup>rd</sup> Street Boiler Replacement – Management reported that Aquatek has ordered the parts and should be arriving soon.
- 4.5 Social Room Refrigerator – Management reported that they had not obtained additional proposals.
- 4.6 Building and Storage Door Repairs – Management reported they have compiled a list and given the list to Orchard City.
- 4.7 Security Guards Proposal – **A motion to approve the proposal from Pledge Protection for two hours per day for a monthly total of \$2,408.00, was denied by a vote of none in favor to five against.** The Board requested Management keep the item on the agenda.
- 4.8 Statcomm Proposal for Maintenance on gates and readers – The Board tabled discussion for the next meeting.
- 4.9 Elevator Maintenance – Management reported that recently all issues with the elevators have been different, but that Schindler stated a software update will correct the issues.
- 4.10 Building Re-Key – Management reported that the work for the primus re-key had been completed.
- 4.11 Estoppel Inspections – Management reported they had contacted a vendor who is reviewing all documents and working on providing an agreement to do estoppel inspections.
- 4.12 Fire System Monitoring and Repairs – Management reported that Cintas is taking over

June 14, 2017

in the next week, and they reported they do not expect to purchase a new panel.

**5.0 New Business**

- 5.1 Gas Room Door & Lock Proposal – **A motion to approve the proposal from Orchard City Lock for an amount of \$5,159.93, was approved unanimously.**
- 5.2 Loitering in the Common Areas – The Board requested the item be added to the next executive session.
- 5.3 Safe Location/Owner Keys – The Board tabled discussion for the next meeting.
- 5.4 Reimbursement for Locksmith – The Board tabled discussion for the next executive session meeting.

**6.0 Management Reports**

- 6.1 The Board received the unaudited financial statement and delinquency report for the period ending May 31, 2017.
- 6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from May 5, 2017 to June 9, 2017.

**7.0 Open Forum** Homeowners were present and discussed; several homeowners reported that there was no hot water on the 4<sup>th</sup> street side, security regarding gate closing, and a request for vendor clarification on who is sent by the HOA.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:04 PM.

Attest: Jeffrey W. Gale  
Signature  
Jeffrey W. Gale  
Director Name

7/12/17  
Date  
Secretary  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Emergency Meeting Minutes

May 17, 2017

### Conference Call

#### Board Members

Nicholas Antoniou	President	
Julie Matsushima	Vice-President	
Jeff Gale	Secretary	(Absent)
Regina Schuck	Treasurer	(Absent)
Chuck Corr	Director	

#### Others Present

Shannon Hernandez	Compass Management
Andrew Warren	Compass Management

#### 1.0 Emergency Session

The Board of Directors Emergency Session was called to order at 3:51 PM, noting the presence of a quorum via **Conference Call**.

##### 1.1 3<sup>rd</sup> Street Elevator:

1.1.1 Proposal From Schindler Elevator Company – **After discussion a motion to approve the proposal from Schindler to send a technician to trouble shoot issues with 3<sup>rd</sup> street elevator in the amount of \$4,221.00, was approved unanimously.**

1.1.2 Otis Contract – **After discussion a motion to have management discuss with Otis what it would take to get out of the contract and to have the tech send a written report explaining what they have done so far and that they have exhausted all the ideas to make to repairs the 3<sup>rd</sup> street elevator was approved unanimously.**

**2.0 Adjournment** There being no further business before the Board of Directors, the Board Meeting was adjourned at 4:10PM.

Attest: \_\_\_\_\_

Signature

\_\_\_\_\_

Date

\_\_\_\_\_

Director Name

\_\_\_\_\_

Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes May 10, 2017

### Board Members

Nicholas Antoniou	President
Julie Matsushima	Vice-President
Jeff Gale	Secretary
Regina Schuck	Treasurer
Chuck Corr	Director

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Ten (10) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:07 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

#### 2.1 Architectural:

2.1.1 Ratify Architectural Application – Unit PH21 - **A motion to ratify the architectural application passed by a vote of four in favor to one abstention (Jeff Gale).**

#### 2.2 Building Operations:

2.2.1 DirecTV Options - Eugenie Taylor reported that she was waiting on a form to be filled out. **A motion to authorize Management filling out the form was approved unanimously.**

2.3 Finance – Mel Matsushima reported that they did not have a quorum at the last meeting, but would have an update at the next meeting.

2.4 Green – Eric Wertz reported that the committee had been working on the lighting, and proposed buying new lights to test in the garage. **A motion to approve the proposal from the green committee for an amount of \$600.00 was approved unanimously.**

2.4.1 EV Charging Stations – No report was given.

2.5 Rules – Julie Matsushima had reported that the committee had not met yet since the last meeting, but are scheduled for May 17.

### 3.0 Approval of Minutes

**A motion to approve the April 12, 2017 meeting minutes and the April 12, 2017 executive session minutes, as presented, passed unanimously.**

### 4.0 Unfinished Business

4.1 Balcony Inspection Preliminary Report – **A motion to approve the proposal from Silicon Valley for an amount of \$13,992.00 and to continue with evaluating all other balconies passed by a vote of three in favor to two abstentions (Regina Schuck and Chuck Corr).**

4.2 Interior Decoration Project – Julie Matsushima reported that the Board had reviewed three proposals and had narrowed down to one vendor and will be working on the details of the proposal.

- 4.3 Roof Reseal – Management reported that Xteria Roofing would be starting the following week.
- 4.4 3<sup>rd</sup> Street Boiler Replacement – Management reported that Aquatek has ordered the boiler and will be coordinating with Xteria.
- 4.5 Social Room Refrigerator – Management reported that they had not obtained additional proposals.
- 4.6 Building and Storage Door Repairs – Management reported they are still working with residents to coordinate repairs.
- 4.7 Security Guards Proposal – Management reported that the retail companies were wanting security primarily during business hours. **A motion to approve joining with the retail tenants and to pay for 50%, did not pass by a vote of none in favor to five against.**
- 4.8 Statcomm Proposal for Maintenance on gates and readers – **A motion for option 2 from Statcomm for a cost of \$2,180.00 did not pass by a vote of one in favor to four against.** The Board requested Management obtain clarification on the proposal.
- 4.9 Elevator Maintenance – Nicholas Antoniou reported that the Board met with Otis Elevator Company to address issues with the elevators.
- 4.10 Criteria for Less Than 3 Vendor Proposals – **A motion to approve a recommended practice to send out three request for proposals for work that is needed with a requirement to be submitted within 30 days was approved unanimously.**
- 4.11 Window Washing – **A motion to approve the proposal from Significant Cleaning for an amount of \$5,500.00 was approved unanimously.**

## 5.0 New Business

- 5.1 Building Re-Key – **Management reported that Orchard City was working on the building re-key and there was general discussion regarding the plan for vendor lock boxes.**
- 5.2 Reserve Study – **A motion to approve the 3 year option from Association Reserves for an amount of \$1,660.00 per year, was approved unanimously.**
- 5.3 On-Site Management Mobile Phone – **A motion to approve Management to purchase a mobile phone for on-site management and the Association to pay \$40.00 per month for the monthly service was approved unanimously.**
- 5.4 On-Site Management Hours – **A motion to approve on-site management hours for the first two weeks of July for Silicon Valley Site Services to increase for 4 hours each day, was approved unanimously.**
- 5.5 Ball Valve Replacement Proposal – **A motion to approve the proposal from**

**Aquatek for an amount of \$2,035.00 with the note removed from the proposal was approved unanimously.**

- 5.6 Estoppel Inspections – **Management reported that the attorney had recommended a vendor to perform estoppel inspections and Management was working with the vendor.**
- 5.7 Fire System Monitoring and Repairs – After reviewing proposals the Board requested Regina Schuck to evaluate the proposals and Management to see where the prior year inspection cost was booked in the financials.
- 5.8 Arcade Sign Replacement – The Board requested Management try using tape and paint over the times on the signs.

**6.0 Management Reports**

- 6.1 The Board received the unaudited financial statement and delinquency report for the period ending April 30, 2017.
- 6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from April 2, 2017 to May 5, 2017.

**7.0 Open Forum** Homeowners were present and discussed; price for parts and San Jose Police Department crime prevention specialist.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:20 PM.

Attest: Jeffrey W. Gale  
Signature  
Jeffrey W. Gale  
Director Name

7/12/17  
Date  
Secretary  
Director Position



# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes April 12, 2017

### Board Members

Nicholas Antoniou	President
Julie Matsushima	Vice-President
Jeff Gale	Secretary
Regina Schuck	Treasurer
Chuck Corr	Director

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Ten (10) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:09 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

2.1 Architectural – No report was given.

2.2 Building Operations – No report was given.

2.3 Finance – Regina Schuck reported that Oppenheimer had reached out regarding an issue with the reserve account. **A motion to approve the Oppenheimer account change from non-profit to corporation not-for-profit.**

2.4 Green – Sandra Hayden reported on investigating fluorescent to LED in the garage, and recommended to keep the ballast and switch to LED that fit the ballasts. The Board requested that Management hold off on the order of replacement parts and the committee come to a decision.

2.4.1 EV Charging Stations – No report was given.

2.5 Rules – The Board requested the committee create a committee meeting conduct draft. The Board gave recommended changes to the key policy draft for the committee to consider.

2.5.1 Proposed Violation and Fine Rule Change - **A motion to approve the rules as presented and to use the low end of the range unless there is a rule with a specified amount and to change the rule with the next batch of rules going to members, was approved unanimously.**

2.5.2 Proposed Rules and Regulations Change - **A motion to approve the changes as presented was approved unanimously.**

2.5.3 Pool Umbrella - The Board requested the committee draft umbrella rules under the pool rules. The board approved management to order six (6) new umbrella for the pool area.

### 3.0 Approval of Minutes

**A motion to approve the March 8, 2017 meeting minutes and the March 8, 2017 executive session minutes, as presented, passed unanimously.**

**A motion to approve the March 14, 2017 meeting minutes and the March 14, 2017 executive meeting minutes, as presented, was approved by a vote of four in favor to one abstentions (Julie Matsushima - absent).**

### 4.0 Unfinished Business

- 4.1 Balcony Inspection Preliminary Report – Management reported that Silicon Valley Builders Group had been out and inspected the balconies and reported there were issues with only a handful.
- 4.2 Concrete Ceiling Over PS 99/100 – Management reported that the repairs are scheduled for the following day.
- 4.3 Landscape/Full Service Maintenance Proposal – **A motion to approve the proposal from Silicon Valley Site Services was approved unanimously.**
- 4.4 Pool Noise Complaints – The Board tabled discussion for a later meeting after the rules committee reviewed and requested Management remove from the next agenda.
- 4.5 Earthquake Insurance – The Board requested Management send an update to the membership regarding the issue of the large price change in quotes.
- 4.6 Interior Decoration Completion Project - Julie Matsushima reported that the two bids that have been received were insufficient. **A motion to appoint Julie Matsushima to work with the two companies to submit formal bids and to obtain more bids, was approved by a vote of four in favor to one abstention (Julie Matsushima).**
- 4.7 Roof Reseal Proposals – Management reported that materials have been ordered and work will begin after the new 3<sup>rd</sup> Street hot water heater system has been installed.
- 4.8 3<sup>rd</sup> Street Boiler Replacement – **A motion to approve the proposal by Aquatek for an amount of \$58,275.00, was approved unanimously.**
- 4.9 Social Room Refrigerator – **A motion to approve the proposal from Silicon Valley was not approved by a vote of zero in favor to five against.** The Board requested Management obtain more proposals and to specify the fridge have the freezer on the bottom and french doors for the fridge and no ice maker in the freezer.

## 5.0 New Business

- 5.1 Auditor's Report – **A motion to approve the auditors report was approved unanimously.**
- 5.2 Building and Storage Door Repairs – Management reported the building doors have been installed and are waiting to be painted and the storage doors still require coordination.
- 5.3 Security Camera Proposal – **A motion to approve the proposal from California Security Cameras was not approved by a vote of zero in favor to five against. A motion to approve the CSC Integrations proposal with the new wiring with the exclusion of adding cameras to the elevators was approved unanimously.**
- 5.4 Security Guards Proposal – The Board tabled discussion for the next meeting and that Management find out specifics on what the retail portion wants for coverage.
- 5.5 Statcomm Proposal for Maintenance on Gates and Readers – Management reported that Statcomm will be out the following week.

- 5.6 Elevator Maintenance – Management reported having met with Otis and is working on better plans.
- 5.7 Criteria for Less Than 3 Vendor Proposals – The Board tabled discussion for the next meeting.
- 5.8 Vendors Propping Doors – The Board requested Management remind vendors to not prop open doors that are unattended.
- 5.9 T-Mobile Electrical Outlet Proposal – **A motion to approve the request with Management taking pictures beforehand and inspecting after the work is completed, was approved unanimously.**
- 5.10 Fire Extinguisher Inspection – **A motion to approve the proposal from Cintas and to go out to bid next year was approved unanimously.**
- 5.11 Window Washing – The Board requested going to bid for the window washing.

**6.0 Management Reports**

- 6.1 The Board received the unaudited financial statement and delinquency report for the period ending March 31, 2017.
- 6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from March 3, 2017 to April 2, 2017.

**7.0 Open Forum** Homeowners were present but no items were discussed.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:20 PM.

Attest: Jeffrey W. Gale  
Signature  
Jeffrey W. Gale  
Director Name

May 10, 2017  
Date  
Secretary  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes March 14, 2017

### Board Members

Nicholas Antoniou President  
Julie Matsushima Vice-President (Absent)  
Jeff Gale Secretary  
Regina Schuck Treasurer  
Chuck Corr Director

### Others Present

Shannon Hernandez Compass Management  
Three (3) Homeowners

### 2.0 Call to Order

The Board of Directors Meeting was called to order at 7:37 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 3.0 Unfinished Business

- 3.1 Landscape Proposals –After review and discussion the board tabled until the April 12, 2017 meeting, requested management get two additional proposals for full site services if possible.
- 3.2 Full 3<sup>rd</sup> street Boiler Replacement – After review and discussion the board tabled until the April 12, 2017 meeting and requested management provide a third bid.
- 3.3 Leak repair for 3<sup>rd</sup> street boiler– After review and discussion **A motion to approve Rayne plumbing’s proposal to replace two (2”) existing horizontal domestic hot water copper pipe at a cost not to exceed \$636.87, carried unanimously.**
- 3.4 Auto Galleria door replacement proposal –After review of the proposal form Orchard City lock **A motion was made to approve a proposal to furnish and install two hollow metal doors at a cost not to exceed \$2,186.00. Noting management was only able to obtain one proposal due to the urgency of the doors needing to be replaced, carried unanimously.**
- 3.5 3<sup>rd</sup> Street lobby door repair – After review and discussion **A motion to approve the proposal from Statcomm in the amount of \$2,457.00, carried unanimously.**
- 3.6 Define emergency situations that require Board /Management access into unit- After review and discussion the board tabled until the April 12, 2017 meeting.

### 4.0 Adjournment

There being no further business before the Board of Directors, the Board Meeting was adjourned at 8:33 PM.

Attest:

Signature

Jeffrey W. Gale

Director Name

Jeffrey W. Gale

Date

4/12/17

Director Position

Secretary

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes March 8, 2017

### Board Members

Nicholas Antoniou	President
Julie Matsushima	Vice-President
Jeff Gale	Secretary
Regina Schuck	Treasurer
Chuck Corr	Director

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Ten (10) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:09 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

2.1 Architectural – No report was given.

2.2 Building Operations

2.2.1 Direct TV Options – Nicholas Antoniou reported that the committee was looking into different options.

2.2.2 Boiler Replacement – Management reported that while a vendor was onsite to prepare a proposal to replace the third street boiler a leak was found and also reported that there are proposals in the works to repair the leak.

2.2.3 Landscaping Company – Nicholas Antoniou reported the Board had met with two companies and is scheduling a third meeting next week.

2.2.4 Finance – Regina Schuck reported investigating the water usage and fees and that the fees had gone up significantly.

2.3 Green – Eric Wertz reported investigating fluorescent to LED in the garage.

2.3.1 EV Charging Stations – Eric Wertz reported he finally received two proposals from Charge Point, but still needed to analyze the proposals.

2.3.2 Rules – Management reported comments have been coming in, and that members have until the end of the month.

### 3.0 Approval of Minutes

**A motion to approve the February 8, 2017 meeting minutes and the February 8, 2017 executive session minutes, as presented, passed by vote of four in favor to one abstention (Chuck Corr - absent). A motion to approve the February 15, 2017 executive meeting minutes, as presented, was approved by a vote of three in favor to two abstentions (Regina Schuck and Julie Matsushima - absent). A motion to approve the February 27, 2017 emergency meeting minutes, as presented, was approved by a vote of three in favor to two abstentions (Nicholas Antoniou and Chuck Corr - absent).**

### 4.0 Unfinished Business

4.1 Preliminary Balcony Inspection Report – Management reported that All Seasons roofing had lost the data and is working to find another company to do the inspections.

- 4.2 Concrete Ceiling Over PS 99/100 – Management reported that they verified the warranty would cover large cracks and was working to schedule the repairs.
- 4.3 Landscape Maintenance Proposal – The Board reported having met with two vendors and are still meeting with a third.
- 4.4 Pool Noise Complaints – The Board tabled discussion for a later meeting after the rules committee reviewed.
- 4.5 Earthquake Insurance – Management reported that the insurance agent was still working to find other proposals similar in price.
- 4.6 Interior Decoration Completion Project - Management reported having obtained two proposals so far. **A motion to have Management make an effort to pressure a third bid and if a third is not obtained by the next meeting to proceed with the two proposals, carried unanimously.**
- 4.7 Roof Reseal Proposals – Management that Xteria roofing has ordered materials and will begin work late April into early May.
- 4.8 Thief Activity/Vehicle Gates - Nicholas Antoniou reported on the recent thief activity and vehicle gate issues. **A motion to have the key policy updated to require residents turn in old primus keys when the building is re-keyed and to have a stiffer penalty/fine when keys are not turned in or reported lost, carried unanimously. A motion to have the rules committee review a new rule to have Management obtain unit resident information including all cars (and related information) and pets to be updated annually and returned within 30 days, carried unanimously. A motion to have all the white transponders updated to only work the vehicle gates, carried unanimously.**
- 4.9 Vent Cleaning – Management reported the work is being scheduled. Management also reported that the Vent Cleaner reported that all booster fans need to be cleaned. **A motion to include the booster fan cleaning to be covered by the Association, carried unanimously.**
- 4.10 3<sup>rd</sup> Street Boiler Replacement – Item was discussed under the committee report.

## 5.0 New Business

- 5.1 Social Room Refrigerator – Management reported that Silicon Valley would be providing a proposal soon.
- 5.2 Building and Storage Door Repair – Management reported on the doors that have been damaged recently and working to obtain a proposal for the new damaged doors.

## 6.0 Management Reports

- 6.1 The Board received the unaudited financial statement for the period ending February 28, 2016. Management reported that the delinquency report was not ready.
- 6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from February 3, 2017 to March 3, 2017.

Paseo Villas Homeowners Association  
March 8, 2017

**7.0 Open Forum** Homeowners were present and discussed; the rules committee needing more information to address pool noise, thanking Management for cleaning the storage cage, and security issues.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:15 PM.

Attest: Jeffrey W. Gale  
Signature  
Jeffrey W. Gale  
Director Name

4/12/17  
Date  
Secretary  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes February 8, 2017

### Board Members

Nicholas Antoniou	President	
Julie Matsushima	Vice-President	
Jeff Gale	Secretary	
Regina Schuck	Treasurer	
Chuck Corr	Director	(absent)

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Nine (9) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:15 PM, noting the presence of a quorum, at the Paseo Villas Social Room:

### 2.0 Committees

- 2.1 Architectural – No report was given. **A motion to ratify the application for unit 301 approved by the committee with the addition to recommend a pan be placed below the washer was approved unanimously.**
- 2.2 Building Operations
  - 2.2.1 Landscaping Update – Ernie Gutierrez reported that he and Eugenie Taylor had met with Silicon Valley Site Services.
  - 2.2.2 Order of Operations When Undertaking Reserve Study Items – Ernie Gutierrez reported that reserve projects should be reviewed to ensure everything is done in the most efficient order.
  - 2.2.3 Security Camera Update – Ernie Gutierrez reported that the building operations committee recommends the Board reach out for an expert opinion. The Board tabled discussion for later in the meeting.
  - 2.2.4 Elevator Maintenance and Health Report from Otis – Ernie Gutierrez reported that the BOC recommends obtaining a maintenance and lifespan expectancy report from Otis. **A motion to have Management obtain a maintenance and lifespan expectancy report from Otis was approved unanimously.**
- 2.3 Finance – Mel Matsushima reported that the committee had not received the January financials in time to review prior to the board meeting.
- 2.4 Rules – Deborah Matarazzo reported that the committee had updated fine schedule for the Board to review. **A motion to approve the fine schedule with the amendment of fines to with the range of \$250-\$500 and update the revised date for 30 day member review was approved unanimously.** Deborah Matarazzo reported the committee had updated rules and regulations. **A motion to approve reformed and updated rules as presented for 30 day member review was approved unanimously.**
- 2.5 Green – Eric Wertz reported on looking into changing out the lights within the association. **A motion to approve light testing was approved unanimously.**
  - 2.5.1 EV Charging Stations – Eric Wertz reported that he still has not heard back from one of the companies. He also reported having filled out a survey to send back to Charge Point.



### **3.0 Approval of Minutes**

**A motion to approve the January 9, 2017 meeting minutes, as amended, passed unanimously. A motion to approve the January 9, 2017 executive meeting minutes, as presented, was approved by a vote of three in favor to one abstention (Regina Schuck, absent).**

### **4.0 Unfinished Business**

4.1 Preliminary Balcony Inspection Report – Management reported that All Seasons had lost their data, but were still working to put the report together. The Board requested that Management find another company to do the inspections so long as All Seasons has not been paid.

4.2 Concrete Ceiling Over PS 99/100 – **A motion to approve the proposal from Foundation Repair of California dated January 23, 2017 for an amount of \$3,533.33 pending clarification of the cracking clause was approved unanimously.**

4.3 Landscape Maintenance Proposal – **A motion to meet with the vendors to discuss the proposals in executive session was approved unanimously.**

4.4 Pool Noise Complaints – The Board tabled discussion for a later after the rules committee reviewed.

4.5 Insurance Renewal – **A motion to approve the Terrorism coverage as present was approved by a vote of 3 in favor to 1 abstention (Nicholas Antoniou).**

4.5.1 Earthquake Insurance Proposals – Management reported that the broker stated the original quote could not be honored but was still working to see if another quote close in price could be obtained.

4.6 Interior Decoration Completion Project - The Board tabled discussion for the next meeting.

4.7 Roof Reseal Proposals – **A motion to approve the proposal from Xteria for an amount of \$339,540.00 with a delayed start date until the 3<sup>rd</sup> street boiler is replaced was approved unanimously.**

4.8 Vendor Action – The Board reviewed correspondence from Aquatek, no action required.

4.9 Thief Activity/Vehicle Gates - Management reported on recent thief activity. **A motion to request camera upgrade proposals was approved unanimously.**

### **5.0 New Business**

5.1 Vent Cleaning – The **A motion to approve the proposal from The Vent Cleaner for an amount \$99.00 per unit, with booster motor clean out as needed at \$99 each and hose replacement as needed at \$20 each to be billed back to the owner was approved unanimously.**

5.2 3<sup>rd</sup> Street Boiler Replacement – The Board requested Management to obtain bids for for replacement similar to 4th street but not a dual redundant system. **A motion for**

**the Building Operations Committee to prepare RFP to provide to Management to use for bidding the project was approved unanimously.**

- 5.3 Gate Closure Speed – Management reported that Advance Auto Gates has stated they cannot safely set the closure speed any faster.
- 5.4 Posting Notices – The Board reviewed posting notices on doors of units, no action was taken by the Board.
- 5.5 Damaged Storage Locker Door – **A motion to replace the exclusive use common area storage door was approved unanimously.**
- 5.6 BR Level Ramp Leak – Management reported that there is an intermittent leak that has no cause has been determined
- 5.7 Brown Act – Nicholas Antoniou reminded the Board and all attending members the Brown Act does not apply to private community associations; however, the Davis-Stirling Common Interest Development Act does apply. Where a majority of board members cannot be discussing Association business outside of a board meeting.

**6.0 Management Reports**

- 6.1 The Board received the unaudited financial statement and delinquency report for the period ending December 31, 2016.
- 6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from January 5, 2017 to February 3, 2017.

**7.0 Open Forum** Homeowners were present but no items were discussed.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:25 PM.

Attest: Jeffrey W. Gale  
Signature  
Jeffrey W. Gale  
Director Name

March 8, 2017  
Date  
Secretary  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes January 9, 2017

### Board Members

Nicholas Antoniou	President	
Julie Matsushima	Vice-President	
Jeff Gale	Secretary	
Regina Schuck	Treasurer	(absent)
Chuck Corr	Director	

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Seven (7) Homeowners	

## 2.0 Call to Order

The Board of Directors Meeting was called to order at 7:05 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.1 Reaffirm Committee Chairperson and Members – **A motion to appoint the following committee chairpersons carried unanimously:**

Pieter Smith – Architectural Control  
Eugenie Taylor – Building Operations  
Mel Matsushima – Finance  
Deborah Matarazzo – Rules  
Eric Wertz - Green

### 2.2 Appoint Board Liaisons to Committees – **A motion to appoint the following committee liaisons carried unanimously:**

Chuck Corr – Architectural Control  
Jeff Gale – Building Operations  
Regina Schuck - Finance  
Julie Matsushima - Rules  
Nicholas Antoniou - Green

## 3.0 Committees

### 3.1 Architectural – No report was given. **A motion to ratify the application for unit 527 approved by the committee was approved unanimously.**

### 3.2 Building Operations

3.2.1 Landscaping Update – Eugenie Taylor reported they would like to keep the calendar in place and revise once a new vendor is chosen.

3.2.2 Interior Decoration Completion Project – **A motion to approve the request for proposal amended to have the board take over for the committee was approved unanimously. The Board requested management send out to bid to all approved vendors.**

3.2.3 Other items – Eugenie Taylor reported that at the next meeting the committee will discuss upcoming reserve projects from the reserve study. Eugenie Taylor requested a copy of the overall maintenance schedule for the building.

3.3 Finance – No report given.

3.4 Rules – No report given.

3.5 Social- Committee disbanded, will be removed from next agenda.

3.6 Green – Eric Wertz reported that after the email blast there were no other people who attended the meeting.

3.6.1 EV Charging Stations – Eric Wertz reported he has started talking to service providers.

#### 4.0 Approval of Minutes

**A motion to approve the December 14, 2016 meeting minutes, as amended, passed unanimously. A motion to approve the December 14, 2016 executive meeting minutes, as presented, was approved by a vote of three in favor to one abstention (Chuck Corr, absent). A motion to approve the December 20, 2016 emergency meeting, as presented, was approved by a vote of three in favor to one abstention (Nicholas Antoniou, absent).**

#### 5.0 Unfinished Business

5.1 Preliminary Balcony Inspection Report – Management reported that All Seasons had completed the balcony inspections but still had not responded to Managements numerous requests to send the report. **A motion to request the report and to have Management ask if they want the business was approved unanimously.**

5.2 Concrete Ceiling Over PS 99/100 – After reveiwing the report Management reported that they had already request to have a proposal to repair the superficial issue.

5.3 Stack Valve Replacement Proposal – **A motion to approve the proposal was removed after discussion.** The Board requested management ask the plumbing vendor to have valves onsite and kept stocked, the board also requested when a plumbing vendor is schedule to perform work at a unit that they reference the valve inspection list to assure that the valve functions correctly.

5.4 San Fernando Floor – Management reported that it wasn't able to be scheduled before the year end. The Board requested that the work be scheduled as soon as possible.

5.5 Fire Alarm Pull Station Covers – **A motion to approve the proposal from ICS for an amount of \$1,216.99, was approved unanimously.**

5.6 Landscape Maintenance Proposal – Management reported they are waiting on one additional proposal, after discussion the board tabled for the February meeting.

5.7 Pool Noise Complaints – The Board tabled discussion for a later after the rules committee reviewed.

5.8 Insurance Renewal – The Board tabled discussion, requesting management find out more details on cost.

5.8.1 Earthquake Insurance Proposals – The Board requested Management ask the insurance company for the original amount and if the amount is still valid to move forward with the policy in accordance with the vote of the membership. **A motion to send a response to the membership that the quote had expired and gone up significantly if the agent stated the original quote could not be honored was approved unanimously.**

- 5.9 Roof Inspection Report – **A motion to authorize Management to make necessary temporary repairs in the next month while discussion is tabled was approved unanimously.**

**6.0 New Business**

- 6.1 Gas Detection System Inspection – The Board reviewed the inspection report from RKI, no action required.
- 6.2 Christmas Tree Disposal – Management reported that there was a dumpster out on 4th street and there were trees drug through the building leaving a mess. The board requested an executive session to discuss the tree drug through the building.
- 6.3 Vendor Action – The Board requested Management release payment but send a letter reminding the vendor they need approval for additional cost above quoted price.
- 6.4 Thief Activity/Vehicle Gates - **A motion to request the rules committee to review the proposed rule from Board Member Chuck Corr with an addition to include procedures for when an intruder gets in the building, was approved unanimously.**

**7.0 Management Reports**

- 7.1 Management reported that the year end financials are not ready yet. The Board received the delinquency report for the period ending December 31, 2016.
- 7.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from December 8, 2016 to January 5, 2017.
- 7.3 After reviewing the letter report the Board requested item 13 be given a 30 day notice to pay regardless of tenants.

**8.0 Open Forum** Homeowners were present to discuss; items being stored in the storage lockers, parking time in the auto galleria from retail owner, and other owner's with treadmills.

**9.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 8:57 PM.

Attest: Jeffrey W. Gale  
Signature  
Jeffrey W. Gale  
Director Name

February 8, 2017  
Date  
Secretary  
Director Position

# Paseo Villas Homeowners Association

## Emergency Session Meeting Minutes December 20, 2016

### Board Members

Nicholas Antoniou	President	(Absent)
Julie Matsushima	Vice-President	
Jeff Gale	Secretary	
Regina Schuck	Treasurer	
Chuck Corr	Director	

### Others Present

None

### 1.0 Call to Order

The Emergency Session was called to order at 9:34 AM, noting the presence of a quorum, at the Paseo Villas Social Room.

- 1.1 The Board discussed the \$1,774 expenditure to overnight ship a new gate motor to repair the 4<sup>th</sup> Street Autogalleria gate ASAP. **A motion to approve the \$1,774 expenditure to overnight ship a new gate motor to repair the 4<sup>th</sup> Street Autogalleria gate ASAP, and to request a proposal from Advanced Automatic Gates for the January 2017 Board meeting for the replacement of other Autogalleria gate motors that are starting to show the same issue, carried unanimously.**

### 2.0 Adjournment

The Emergency Session was adjourned at 9:41 AM.

Attest: \_\_\_\_\_  
Signature *Jeffrey W. Gale*  
\_\_\_\_\_  
Director Name *Jeffrey W. Gale*

\_\_\_\_\_  
Date *Jan. 9, 2017*  
\_\_\_\_\_  
Director Position *Secretary*

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes December 14, 2016

### Board Members

Nicholas Antoniou President  
Julie Matsushima Vice-President  
Jeff Gale Secretary  
Regina Schuck Treasurer  
Chuck Corr Director

### Others Present

Andrew Warren Compass Management  
Shannon Hernandez Compass Management  
Eight (8) Homeowners

### 2.0 Call to Order

The Board of Directors Meeting was called to order at 7:09 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

2.1 Appoint To Vacant Position – **A motion to appoint Chuck Corr to the vacant board position carried unanimously.**

2.2 Appoint Officers – **A motion to appoint Nicholas Antoniou to President, Julie Matsushima to Vice President, Jeff Gale to Secretary, Regina Schuck to Treasurer, and Chuck Corr to Director-at-large, carried unanimously.**

### 3.0 Committees

3.1 Architectural – Pieter Smith reported that while there were several inquiries, there were no applications within the last month. The Board requested to get a list of all the members who had made inquiries.

3.2 Building Operations

3.2.1 Landscaping Issues – Ernie Gutierrez reported that winter trimmings were being made and that the next irrigation check was scheduled for January.

3.2.2 Furniture Replacement Project Community Meeting – **The appointment of a Board member to review the committee's draft RFP and fill-in the blanks, carried unanimously.**

3.3 Finance – Regina Schuck reported that there had been no committee meeting.

3.4 Rules – No meeting was held this month and no report was given. **A motion to appoint Pat Corr to the committee passed by a vote of four in favor to one abstention (Chuck Corr).**

3.5 Social – **A motion to disband the Social Committee and run events on an ad-hoc basis, carried unanimously.**

3.6 Solar – Eric Wertz reported that he would work with Shannon Hernandez on soliciting information from EV charging companies. He also reported working on an evaluation of what lights that do not need to be on 24 hours a day.

### 4.0 Approval of Minutes

**A motion to approve the November 3, 2016, meeting minutes, as presented, passed by a vote of three in favor to two abstentions (Regina Schuck and Chuck Corr – not members of the board).**

### 5.0 Unfinished Business

- 5.1 Preliminary Balcony Inspection Report –Management reported that All Seasons had completed the balcony inspections and should have a report ready for Board review at the January Meeting.
- 5.2 Concrete Ceiling Over PS 99/100 – Management reported that they had finally received contact and the report had not been released as they were awaiting payment. Management finally received the invoice and have the check ready to be signed.
- 5.3 Water Softener Update – Jeff Gale reported that the target of three grains had finally been reached.
- 5.4 Stack Valve Replacement Proposal – **A motion to approve the Aquatek proposal to replace stack valve shut offs did not pass with zero votes in favor to five against.**
- 5.5 Thermostat Update – Management reported ABM had replaced the thermostats, but that there was a request to have the allowed temperatures lowered. The Board requested that heating have a range of 65-74 degrees and cooling to have a range of 70-74 degrees but to address the cooling range again in the summer.
- 5.6 Telephone/Cable Internet Contract – **A motion to approve the Comcast proposal for internet and all but the two AT&T required phone lines, with the amendment that the contract be annual with an auto-renewal, carried unanimously.**
- 5.7 San Fernando Floor Proposal – **A motion to approve the proposal from Love Your Floors for the amount of \$4,500.00, carried unanimously.**
- 5.8 Fire Alarm Pull Station Covers – Management reported they will be meeting with the vendor on Monday to make sure they have all the necessary information to prepare the proposal.
- 5.9 Landscape Maintenance Proposal – Management reported they have requested proposals and received one so far and will present the rest at the January meeting.
- 5.10 Dryer Vent Cleaning Proposals – **A motion to approve the proposal from Chimney Safe for the amount of \$9,360.00 pending the cost of hose replacement and booster fan cleaning, carried unanimously.**
- 5.11 Boiler Anode Rod Replacement – **A motion to approve the proposal from Aquatek to replace the 4<sup>th</sup> street boiler anode rods for an amount of \$575.00 and \$125.00 per anode replacement, carried unanimously.**
- 5.12 CD Purchase Update – Management reported that the CD's approved at the last meeting had been purchased.
- 5.13 Pool Noise Complaints – It was reported that the Rules Committee is looking into a solution.

## 6.0 New Business



- 6.1 Hot Water Valve Repair – The Board requested this repair be done in conjunction with the boiler anode replacement.
- 6.2 Insurance Renewal – After review the Board requested the address be updated to include Management as the mailing address.
  - 6.2.1 Earthquake Insurance Proposals – Management reported working to obtain the proposals.
- 6.3 Roof Inspection Report – After review the Board requested Management obtain two more proposals and find out what the maintenance costs are after the project is complete.
- 6.4 Carpet Stains/Removal – The Board decided to table discussion for a future meeting.

**7.0 Management Reports**

- 7.1 The Board received the unaudited financial statement and delinquency report for the period ending November 30, 2016.
- 7.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from October 28, 2016 to December 8, 2016.

**8.0 Open Forum** Homeowners were present to discuss noise complaints and a backflow leak related to the retail space.

**9.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:19 PM.

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Director Name

\_\_\_\_\_  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes November 3, 2016

### Board Members

Nicholas Antoniou	President	
Julie Matsushima	Vice-President	
Ricardo Suito	Secretary	(Absent)
Vacant	Treasurer	
Jeff Gale	Director	

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Ten (10) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:17 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

2.1 Architectural – No Applications were submitted to the committee and No report was presented.

#### 2.2 Building Operations

2.2.1 Landscaping Issues – Shannon Hernandez reported that she and Ernie Gutierrez met with Jensen and confirmed the irrigation repairs. She also reported that Building Operations had completed a landscape scope to use for obtaining bids.

2.2.2 Furniture Replacement Project Community Meeting – Eugenie Taylor was not present and no report was given.

2.2.3 EV Charging Stations – Eugenie Taylor was not present and Management advised they were working on getting proposals from the 3 requested vendors, Board President Nicholas Antoniou is contacting the retail management G&K to see if they would be willing to have two EV Charging stations installed in the auto galleria.

2.3 Finance – **A motion to approve Regina Schuck to assist a board member in purchasing CD's carried unanimously.**

2.3.1 New Committee Member Appointment – **A motion to appoint Mel Matsushima to the Finance Committee passed by a vote of two in favor to one abstention by Julie Matsushima.**

2.4 Rules – No meeting was held this month and no report was given.

2.5 Social – Bryan Burlingame was not present and no report was given. The Board asked Management to contact Bryan to see if he was still willing to be a part of the social committee.

2.6 Solar – The board discussed changing the committee name and making it an Eco friendly committee. **A motion to change the committee name to Green Committee, take over EV Charging Stations responsibility from the Building Operations Committee, and appoint Eric Wertz chair carried unanimously.**

### 3.0 Approval of Minutes

**A motion to approve the October 12, 2016, meeting minutes, as presented, passed unanimously.**

#### **4.0 Unfinished Business**

- 4.1 Preliminary Balcony Inspection Report – Management reported that All Seasons had completed the balcony inspections and should have a report ready for Board review at the December Meeting.
- 4.2 Draft Reserve Study – No action was taken.
- 4.3 Budget Draft – The Board did not make any changes to the budget with the Earthquake insurance being approved by the membership. Assessments to stay at \$575 per unit per month. No action was taken.
- 4.4 Concrete Ceiling Over PS 99/100 – Management reported that we are still waiting on a proposal for a cosmetic fix. Once Management receives a proposal they will present it to the board.
- 4.5 Water Softener Update – Board President Nicholas Antoniou discussed some concerns he noticed. No action was taken.
- 4.6 Thermostat Update – Management reported they had not received a proposal yet from the electrician and would follow up. The Board requested management proceed with the install from ABM if they could not get a proposal within three days.
- 4.7 Stack Valve Replacement Proposal – After reviewing the proposal the Board requested Management contact Aquatek set up a meeting between the board and the vendor any time between December 7 and December 22, 2016 to go over the report in more detail on how the techs determine which valves were bad.
- 4.8 Telephone/Cable Internet Contract – The board reviewed a proposal from Comcast for phone and internet. After review the board requested management get additional information from AT&T and tabled the issue until the December meeting.
- 4.9 San Fernando Floor Proposal – Management reported Love Your Floors should have a proposal for the December meeting. No action was taken
- 4.10 Pool Noise Complaints – After discussion the Board decided to review pool rules during the winter months.
- 4.11 Fire Alarm Pull Station Covers – Management reported still working to have the last covers fixed but having difficulty scheduling the vendor.
- 4.12 Landscape Maintenance Proposal – Management advised the board they just received the updated scope of work from Ernie and would work on getting three proposal for the December meeting. No action taken.

#### **5.0 New Business**

- 5.1 CD Purchase Placement – Action was taken on this by the board during the finance report.
- 5.2 Toilet Noise Issue – Homeowner was not present to discuss the issue, the board requested management follow up with the owner to help resolve the issue.

5.3 Dryer Vent Cleaning Proposals – **A motion to obtain three more proposals and to appoint Julie Matsushima to proceed with one proposal not to exceed \$10,400 carried unanimously.**

5.4 Boiler Anode Rod Replacement Proposals - After reviewing the proposal the board decided to wait to receive more details on the proposal from Aquatek.

**6.0 Management Reports**

6.1 The Board received the unaudited financial statement and delinquency report for the period ending October 31, 2016.

6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from October 7, 2016 to October 28, 2016.

**7.0 Open Forum** Homeowners were present to discuss noise complaints and a backflow leak related to the retail space.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 9:27 PM.

Attest: Jeffrey W. Gale  
Signature

December 14, 2016  
Date

Jeffrey W. Gale  
Director Name

Secretary  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Annual Meeting Minutes November 3, 2016

### Board Members

Nicholas Antoniou	President	
Julie Matsushima	Vice-President	
Ricardo Suito	Secretary	(Absent)
Vacant	Treasurer	
Jeff Gale	Director	

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Ten (10) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:17 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Open Forum

Homeowners were present, but no items were discussed.

### 3.0 Ballot Results

Management reported that the IRS Resolution had passed with a vote of 56 in favor to 2 against. Management also reported that the Earthquake Insurance vote was 28 in favor to 27 against. After discussion Management agreed to check if the vote required a simple majority or a super majority to pass.

### 4.0 Adjournment

There being no further business before the Board of Directors, the Board Meeting was adjourned at 7:17 PM.

Attest: Jeffrey W. Gale  
Signature  
Jeffrey W. Gale  
Director Name

December 14, 2016  
Date  
Director  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes October 12, 2016

### Board Members

Nicholas Antoniou	President	
Julie Matsushima	Vice-President	
Ricardo Suito	Secretary	(Absent)
Jim Crawford	Treasurer	
Jeff Gale	Director	

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Twelve (12) Homeowners	

### 1.0 Emergency Proposal

**A motion to approve as an emergency item the proposal from Aquatek to repair the 4<sup>th</sup> street boiler heat exchangers for an amount of \$4,500.00 carried unanimously.**

### 2.0 Call to Order

The Board of Directors Meeting was called to order at 7:01 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 3.0 Committees

3.1 Architectural – **A motion to approve the architectural application from unit PH-11 recommended by the architectural committee carried unanimously.**

#### 3.2 Building Operations

3.2.1 Landscaping Issues – Ernie Gutierrez presented on the meeting with Jensen landscape.

3.2.2 Furniture Replacement Project Community Meeting – Eugenie Taylor was not present and no report was given.

3.2.3 EV Charging Stations – **A motion to follow the BOC recommendations to send a survey to the residents and solicit three proposals carried unanimously.**

3.3 Finance – **A motion to approve the 2017 Budget proposed by the Finance Committee with an assessments increasing to \$575.00 per unit carried unanimously.**

3.4 Rules – No Items.

3.5 Social – No items.

3.6 Solar – The board discussed changing the committee name and summarizing all of the current issues with solar. No action was taken.

### 4.0 Approval of Minutes

**A motion to approve the September 14, 2016, meeting minutes, as presented, passed by a vote of 3 to 1 with Nicolas Antoniou abstaining due to not being at the meeting.**

### 5.0 Unfinished Business

5.1 Preliminary Balcony Inspection Report – Management reported they are working with All Seasons to coordinate inspections with homeowners and are still awaiting homeowner responses to availability.

- 5.2 Draft Reserve Study – The board requested Management address the changes to the reserve contribution per the approved budget.
- 5.3 Budget Draft – Addressed during Finance Committee Report
- 5.4 Concrete Ceiling Over PS 99/100 – Management reported that the structural engineer has done the inspection and reported there is no structural issues, and it is only cosmetic. Once Management receives a proposal they will present it to the board.
- 5.5 Water Softener Update – Management reported that the installation was successful. **A motion to adjust water softness from 2 grains to 3 grains carried unanimously.**
- 5.6 Thermostat Update – Management reported that Significant Cleaning stated they were unable to provide a proposal to replace the thermostats. Management had already contacted and are awaiting a proposal from an electrician

## 6.0 New Business

- 6.1 Stack Valve Replacement Proposal – After reviewing the proposal the Board requested Management contact Aquatek to obtain more details on what was used to determine if a valve was bad.
- 6.2 Onsite Management Hours – **A motion to approve adding 4 additional Management onsite hours per week and changing the schedule to Monday afternoon, Wednesday morning, and Friday morning carried unanimously.**
- 6.3 Telephone/Cable Internet Contract – The board requested Management look into why the cost changed when the bills were combined into one bill. The board also requested management obtain a proposal from Comcast for telephone and internet.
- 6.4 San Fernando Floor Proposal – The board requested that Management obtain three floor cleaning proposals for the November meeting.
- 6.5 Power Washing San Fernando Entrance – **A motion to approve Significant Cleaning power wash the arcade and just outside each lobby once per month carried unanimously.**
- 6.6 Pool Noise Complaints – After discussion the Board decided to review pool rules during the winter months.
- 6.7 Fire Alarm Pull Station Covers – Management reported still working to have the last covers fixed but having difficulty scheduling the vendor.
- 6.8 Landscape Maintenance Proposal – The board requested Management obtain landscape maintenance proposals. Ernie of the landscape committee would provide management with an updated scope of work to give the landscapers.
- 6.9 Elevator Pad Set – **A motion to approve the Otis proposal for \$1,257.14 per set for two sets totaling \$2,514.28 carried unanimously.**

## 7.0 Management Reports

- 7.1 The Board received the unaudited financial statement and delinquency report for the period ending September 30, 2016.
- 7.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from September 9, 2016 to October 7, 2016. The Board requested management changed the roof storm drain cleaning from twice a year to yearly. The Board also requested a second notice be sent to a unit for a possible Architectural Violation.
- 7.3 The Board elected to move the November meeting to Thursday November 3, 2016.

**8.0 Open Forum**

Homeowners were present to discuss elevator pad suggestions and plumbing issues. Jim Crawford announced that he is resigning from the Board of Directors and that the Board intends to appoint a replacement to fill the position at an upcoming Board meeting.

**9.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 8:59 PM.

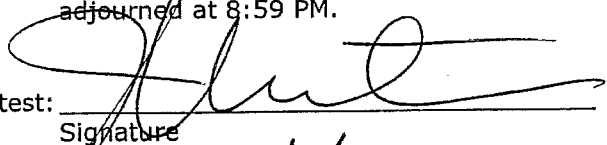
Attest:

Signature

Director Name

Date

Director Position



JULIE MATSUMURA

11/09/16

VP



# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes September 14, 2016

### Board Members

Nicholas Antoniou	President	(Absent)
Julie Matsushima	Vice-President	
Ricardo Suito	Secretary	
Jim Crawford	Treasurer	
Jeff Gale	Director	

### Others Present

Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Twelve (12) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:02 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

2.1 Architectural – **A motion to approve the architectural application from unit #518 recommended by the architectural committee passed by a vote of three to one, with Jim Crawford abstaining.**

#### 2.2 Building Operations

2.2.1 Landscaping Issues – Ernie Gutierrez presented two proposals to the board from Jensen for irrigation repairs and spraying pesticide. Ernie requested that he and Management meet with Jensen on site to evaluate the proposal. **A motion to authorize Ernie Gutierrez to approve irrigation repairs not to exceed \$1,000 carried unanimously.**

2.2.2 Furniture Replacement Project Community Meeting – Eugenie Taylor reported she is still working on the electronic survey to send out to residents and that it should be ready within the next week.

2.3 Finance – Jim Crawford reported the finance committee is working on the budget to present to the board at the October meeting. He also reported on the August financials and that revenue has exceeded expenses by \$82,055 for the year.

2.4 Rules – No Items.

2.5 Social – No items.

2.6 Solar – No items.

### 3.0 Approval of Minutes

**A motion to approve the August 10, 2016, meeting minutes, as presented, passed by a vote of 3 to 1 with Ricardo Suito abstaining due to not being at the meeting.**

### 4.0 Unfinished Business

4.1 Preliminary Balcony Inspection Report – Management reported they are working with All Seasons to coordinate inspections with homeowners and are still awaiting homeowner responses to availability.

4.2 Draft Reserve Study – The board requested Management address the changes to the fully funded reserve balance.

4.3 Budget Draft – The board deferred discussion to the next meeting.

- 4.4 Earthquake Insurance Proposal – **A motion to have the earthquake insurance proposal put to a vote of the membership carried unanimously.**
- 4.5 Concrete Ceiling Over PS 99/100 – Management reported that the structural engineer has done the inspection and reported there is no structural issues, and it is only cosmetic. Once Management receives a proposal they will present it to the board.

## 5.0 New Business

- 5.1 Water Softening Proposals – **A motion to approve the proposal from Water Warehouse for an amount of \$28,200.81 carried unanimously.**
- 5.2 No Trespassing Signs – **A motion to approve the proposal from Pelican Signs for an amount of \$411.00 with an additional two signs carried unanimously.**

**7:45 Ricardo Suito left the meeting.**

- 5.3 Thermostat Proposal – **A motion to have Management obtain an additional proposal to install a thermostat to compare to the proposal from ABM Systems Inc., and choose the one of lower cost not to exceed \$1,372.00 carried unanimously.**
- 5.4 Gym Air Conditioning Repair – Management presented the proposal from ABM Systems Inc. to repair the broken pan which had been repaired since the last meeting.

**7:52 Ricardo Suite returned to the meeting.**

- 5.5 Reimbursement Requests –
  - 5.5.1 **A motion to approve the reimbursement request from unit #409 for a plumbing in the amount of \$128.00 carried unanimously.**
  - 5.5.2 **A motion to approve the reimbursement request from unit #514 for the cost of one primus key and two transponders that weren't recovered carried unanimously.**

## 6.0 Management Reports

- 6.1 The Board received the unaudited financial statement and delinquency report for the period ending August 31, 2016.
- 6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from August 8, 2016 to September 9, 2016

## 7.0 Open Forum

Homeowners were present to discuss EV charging stations, owner's making changes without submitting architectural applications, and noise complaints. **A motion to approve contacting unit #419 regarding a possible unapproved flooring change carried unanimously.**

## 8.0 Adjournment

There being no further business before the Board of Directors, the Board Meeting was adjourned at 8:14 PM.

Paseo Villas Homeowners Association  
September 14, 2016

Attest: Jeffrey W. Gale  
Signature  
Jeffrey W. Gale  
Director Name

10/12/2016  
Date  
  
\_\_\_\_\_  
Director Position

# Paseo Villas Homeowners Association

## Board of Directors Meeting Minutes

August 10, 2016

### Board Members

Nicholas Antoniou	President	
Julie Matsushima	Vice-President	
Ricardo Suito	Secretary	(Absent)
Jim Crawford	Treasurer	
Jeff Gale	Director	

### Others Present

PK Hsu	Compass Management
Andrew Warren	Compass Management
Shannon Hernandez	Compass Management
Seven (7) Homeowners	

### 1.0 Call to Order

The Board of Directors Meeting was called to order at 7:02 PM, noting the presence of a quorum, at the Paseo Villas Social Room.

### 2.0 Committees

2.1 Architectural – Questions were raised about renovations that may be occurring without architectural approval.

2.2 Building Operations – Eugenie Taylor presented on the following:

2.2.1 Landscaping Issues – Committee members have some concerns about Jensen Landscape and would like management to take over communications between Jensen Landscape and the committee.

2.2.2 Furniture Replacement Project Community Meeting – The meeting was not well attended, working on an all-electronic version for the survey that will need board approval.

2.3 Finance – No items.

2.4 Rules –

2.4.1 Revised Committees Policy – **A motion to approve the policy with the following changes; rewording item 5A, and removing item 6, carried unanimously.**

2.4.2 Revised Move In/Out and Open House Policy – **A motion to approve the policy with the following changes; having the fine be a minimum of \$300 and a maximum of \$500, change the staging fee to \$500 combined for both moving in and out, allowing one A frame in the San Fernando lobby, carried unanimously.**

2.5 Social – No items.

2.6 Solar – No items.

### 3.0 Approval of Minutes

**A motion to approve the July 13, 2016, meeting minutes, as presented, passed by a vote of 3 to 1 with Jim Crawford abstaining due to not being at the meeting.**

### 4.0 Unfinished Business

4.1 Homeless encampment – Julie Matsushima reported that the hydrophobic paint has been applied and is working, the lighting is being gradually replaced, and they are meeting with a police officer to go over suggestions and civil code requirements to update the trespassing signs.

- 4.2 Metal Railing Paint Proposals – **A motion to have Ekim Painting repaint the 4<sup>th</sup> street planter carried unanimously.**
- 4.3 Preliminary Balcony Inspection Report – Management reported they are working with All Seasons to coordinate inspections with homeowners and are awaiting homeowner responses to availability.
- 4.4 Draft Reserve Study – **A motion to approve the draft reserve study with splitting line item 1113 into two separate line items carried unanimously.**
- 4.5 Concrete Ceiling Over PS 99/100 – Management reported that they are still working to schedule the structural engineer inspection.
- 4.6 Building Art – Julie Matsushima reported that the local artist is not available, but she is looking into other options through the downtown association.
- 4.7 Proposal for Rebuild of Water Pump Number 2 – **A motion to approve the proposed repair carried unanimously.**

**5.0 New Business**

- 5.1 Budget Draft – Management presented the first draft of the budget for 2017.
- 5.2 Earthquake Insurance Proposal – Management presented the proposal, no action from the board.

**6.0 Management Reports**

- 6.1 The Board received the unaudited financial statement and delinquency report for the period ending July 31, 2016.
- 6.2 The Board reviewed the annual calendar, and the contact report and work order report for the period from July 7, 2016 to August 5, 2016.

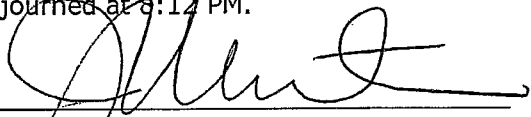
**7.0 Open Forum**

Homeowners were present to discuss cars not waiting for the gates to close and a run in with a vendor and a propped door.

**8.0 Adjournment**

There being no further business before the Board of Directors, the Board Meeting was adjourned at 8:12 PM.

Attest:

  
\_\_\_\_\_  
Signature  
**JULIE MATSUSHIMA**  
\_\_\_\_\_  
Director Name

9/20/16  
\_\_\_\_\_  
Date  
**VICE CHAIR**  
\_\_\_\_\_  
Director Position



September

### Paseo Villas Homeowners Association

#### Board Meeting: Wednesday, September 13, 2017, at 7:00 PM, in the Social Room

Agendas are posted at the mailroom bulletin boards four (4) days prior to the meeting. Homeowners are welcome to attend, though participation is limited to the open forum period of the meeting. If you would like to submit an item for the agenda, please submit a written proposal to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board cannot discuss or act upon items that are not on the agenda.

#### Safety/Security Reminder - BR and 2R Garage Gates

Maintain the security of the building by being vigilant when entering and exiting the BR and 2R garage gates. Residents should **STOP** and wait for the gates to close before proceeding. A courtesy letter will be sent for the first offence, second offence will be subject to fines per the association's fine policy schedule.

#### Rule Reminder (G.8.b)

**Restrictions:** *Pets (dogs AND cats) must NOT be allowed to roam free in common areas or be left chained or confined within any exclusive use common area (patio or balcony). Pets are not allowed in the pool area, inside the pool, or courtyard areas.*

*Pets in transit must be leashed (a maximum of six feet in length) AT ALL TIMES when in the Common Areas. Pet Caregivers are responsible for immediately cleaning up after their animals. Should your pet have an accident in a Common Area, the pet caregiver must clean up the mess or stain as soon as humanly possible. Residents are responsible for any damage caused by the animal or by any cleaning in an attempt to remedy any stain.*

#### Offices Closed

The offices of Compass Management Group, Inc. will be closed **Monday, September 4th**, in observance of Labor Day.

#### New Additional Cameras

At the August Board Meeting, the Board of Directors approved two (2) additional cameras to be installed, one (1) at the pool area and one (1) located in the lobby of the 3 floor facing toward the gym and social room.

#### Common Areas (G.5 h)

Obstruction and storage of any kind is not permitted in the common areas, including the hallways and outside any designated storage area. [4.8] Residents will assume responsibility for the cleaning and removal of stains or mess on carpeting and any flooring in all common areas of the building. Residents are responsible for mess caused by residents, owners, visitors, or people working in their unit.

#### Board of Directors

Nicholas Antoniou

*President*

Julie Matsushima

*Vice President*

Jeff Gale

*Secretary*

Regina Schuck

*Treasurer*

Chuck Corr

*Director at Large*

Managing Agent

Compass Management

77 Las Colinas Lane  
San Jose, CA 95119

Phone: (408) 226-3300

Fax: (408) 226-3406

Hours: 8:30AM- 5:00PM

Email

helpdesk@gocompass.com

Website

www.gocompass.com

Association Manager

Chris Perret

On-Site Administrator

Shannon Hernandez

Onsite Hours

**Mondays**

1pm to 5pm

**Wednesday & Fridays**

8:30am - 12:30pm

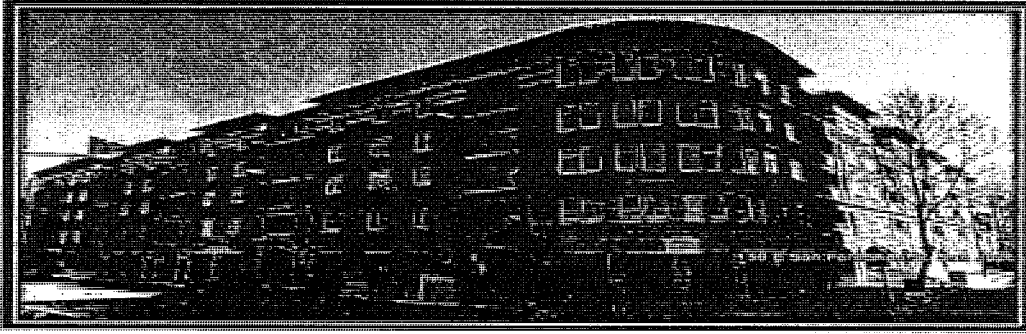
San Jose Homeless

PATH

Phone : 408-753-8735

Website:

www.epath.org



## Paseo Villas Homeowners Association

### Call for Candidates

This year, there are two (2) Board of Directors positions up for election, each with a two-year term. To be considered for one of these positions, members of the Association, who are in good standing, should submit a Candidate Nomination Form, expressing their interest, so that it is received by 5:00 PM on Friday, September 8, 2017, to:

Paseo Villas HOA  
c/o Compass Management Group, Inc.  
77 Las Colinas Lane  
San Jose, CA 95119  
Fax: (408) 226-3406  
Email: [helpdesk@gocompass.com](mailto:helpdesk@gocompass.com)

The Candidate Nomination Form can be found after logging into each unit owner's account at [www.gocompass.com](http://www.gocompass.com) (under HOA Documents, in the Announcement Folder) or a form can be requested by contacting Compass Management.

### 3rd Street Boiler Replacement

In the coming weeks Aqua Tek will be starting the process to replace the 3rd street boiler as management receives updates and the date gets closure notices will go out to residents with detail of sidewalk closure, water shut down etc.

### Parking G.7

**Vehicles:** Vehicles are defined as conveyances licensable by the California Department of Motor Vehicles [1.53] and must have current registration [4.23], a category that includes automobiles, motorcycles, and watercraft (mounted on trailers).

### Parking in the 2R and BR Paseo Villas Garages (G.7.b):

Parking spaces within the garages (2R and BR) are deeded to specific units in PV and are reserved for the exclusive use of the residents. Only Vehicles may occupy these parking spaces. Vehicles or other conveyances or items not authorized to occupy those spaces are subject to removal at the vehicle/item owner's expense. Owners may lease/rent/loan spaces to other residents but under no circumstance may a non-owner /non-resident park on a regular basis. An exception is for a guest who stays less than 30 days and does not pay for the space. Vehicles parked in Paseo Villas garages must be confined to the clearly outlined and assigned parking spaces. Disordered parking outside the marked area which impinges on a neighboring space or the common area may result in a FINE being levied by the Board.

Parking spaces may NOT be converted to other use, specifically for any type of storage.

Parking spaces must be kept neat and orderly. In particular, oil stains must be cleaned up and not stain the concrete. Small oil pans to capture leaks are permitted. [4.21,4.24] The cost of any cleanup performed by the Association shall be deemed a reimbursement assessment against the unit owner.

Automobile repairs are not allowed in the gated garage area other than emergency repairs to enable transport of the vehicle to a proper repair facility.

A Letter from the Association President  
Paseo Villas Homeowners Association  
San Jose, CA

September 1, 2017

I would like to communicate regularly with you covering events and activities in which the Board is engaged. This is my first such letter.

2017 has been an eventful year with many changes and issues which we have had to address.

The elevators reached the age where they require a lot of maintenance and it became apparent that the service company we had was not able to properly repair them. We switched to having our elevators serviced by the same company that manufactured them. Schindler, the new company, has fixed many problems that the previous service provider gave up on. We have signed a new service contract with Schindler and have faith that we will reach a more stable uptime with our elevators.

We had been unhappy with our landscape servicing company, and after months of reviewing proposals and meeting with potential landscaping services companies, we concluded that our needs could not be met by any of the proposals we received. At that point Silicon Valley Site Services (SVSS) was brought to our attention as a full-service janitorial and landscaping company. We interviewed SVSS's management, collected references and decided to switch to them. The changeover began on July 1st, just over a month ago. There were many problems at the change, some not the fault of SVSS. Volunteers from the Board and Building Operations Committee met early on with SVSS management to pass down much needed information about our janitorial and landscape needs. Shannon Hernandez has also supervised their work and reported issues as they arose. Most of us at PV are unhappy with the service they have provided so far. The board and management called SVSS in for a meeting in early August to express our dissatisfaction, to present our list of grievances, and to give them a chance to improve their performance. We hope to see much improvement soon.

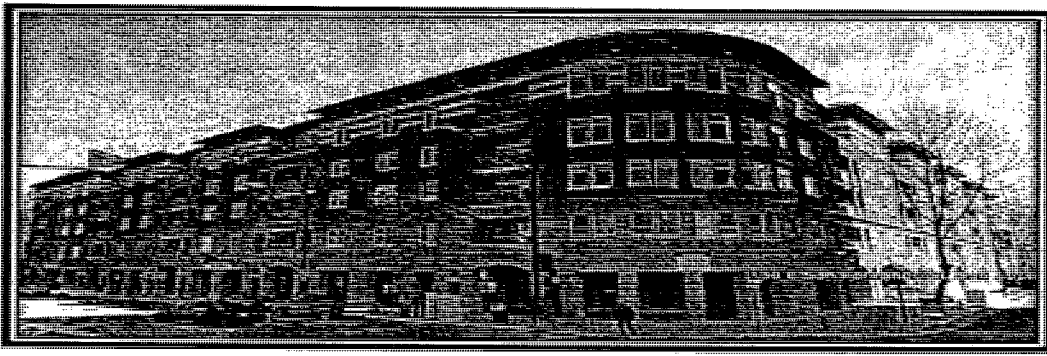
This year we also switched fire alarm service companies and this has been a great success. The new company, Cintas, conducted our fire alarm testing in the most efficient way possible. Instead of having the fire alarm go off for hours while they entered each unit, they were able to isolate each floor and inspect units in small groups. Also, they located many more fire detectors than previously identified. Cintas provided us with records of the location of all fire alarms along with a list of those units that did not provide access. Cintas will be returning to cover those.

In the interest of building safety this year we upgraded our camera monitoring system and are very pleased with the quality of images provided. Our rules require all of us to wait for the 2R and BR garage gates to close before proceeding. Violators can be fined for not doing so.

Please continue to provide feedback on these and any other issues or ideas you wish to share with management and the Board.

Sincerely,  
Nicholas Antoniou  
PV HOA President





august

## Paseo Villas Homeowners Association

**Board Meeting: Wednesday, August 9, 2017, at 7:00 PM, in the Social Room**

Agendas are posted at the mailroom bulletin boards four days prior to the meeting. Homeowners are welcome to attend, though participation is limited to the open forum period of the meeting. If you would like to submit an item for the agenda, please submit a written proposal to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.

### Annual Fire Alarm Inspection

The annual fire alarm testing is being scheduled to occur in August with the in-unit portion scheduled for **Saturday, August 12, 2017** from 9am to 11am. Notices were sent Via email to all residents.

### Safety/Security Reminder - Vehicle Gates

Maintain the security of the building by being vigilant when entering and exiting the BR and 2R garage gates, residents should **STOP** and wait for the gates to close before proceeding. A courtesy letter will be sent for the first offence, second offence will be subject to fines per the association's fine policy schedule.

### Proposed Rules

The Board is considering the adoption of the Committee Meeting Conduct Policy, revised Rules and Regulations, and revised Key Policy. The rules changes include rewording rule G.2.c Selling and Soliciting, new rule G.2.d Flyers, new rule G.2.e Census, and new rule G.8.d Pet and Service Animal Names/Types. These draft documents have been mailed please keep an eye out for them.

### Rule Reminder (G.8.b)

**Restrictions:** *Pets (dogs AND cats) must NOT be allowed to roam free in common areas or be left chained or confined within any exclusive use common area (patio or balcony). Pets are not allowed in the pool area or inside the pool.*

#### **Board of Directors**

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*President*

Julie Matsushima

*Vice President*

Jeff Gale

*Secretary*

Regina Schuck

*Treasurer*

Chuck Corr

*Director at Large*

**Managing Agent**

Compass Management

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**Association Manager**

Chris Perret

**On-Site Administrator**

Shannon Hernandez

**Onsite Hours**

**Mondays**

1pm to 5pm

**Wednesday & Fridays**

8:30am -12:30pm

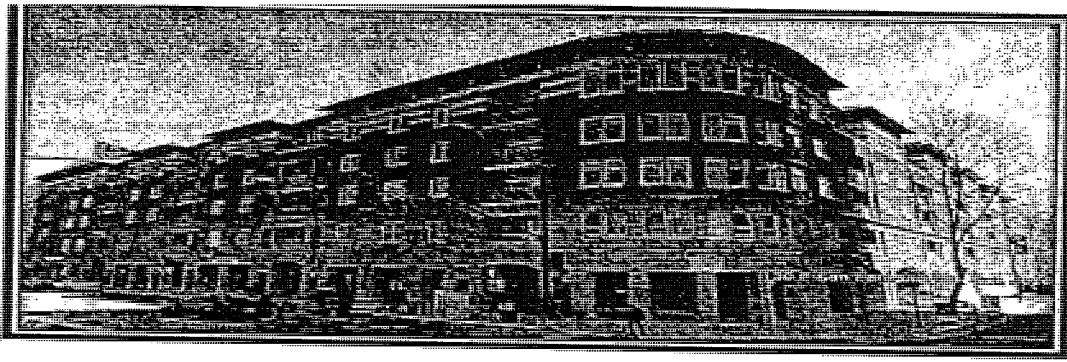
**San Jose Homeless**

**PATH**

Phone : 408-753-8735

**Website:**

WWW.epath.org



august

## Paseo Villas Homeowners Association

### Call for Candidates

This year, there are two Board of Director positions up for election, each with a two-year term. To be considered for one of these positions, members of the Association, who are in good standing, should submit a Candidate Nomination Form, expressing their interest, so that it is received by 5:00 PM on Friday, September 8, 2017, to:

Paseo Villas HOA  
c/o Compass Management Group, Inc.  
77 Las Colinas Lane  
San Jose, CA 95119  
Fax: (408) 226-3406  
Email: [helpdesk@gocompass.com](mailto:helpdesk@gocompass.com)

The Candidate Nomination Form can be found after logging into each unit owner's account at [www.gocompass.com](http://www.gocompass.com) (under HOA Documents, in the Announcement Folder) or a form can be requested by contacting Compass Management.

### National Night Out

National Night Out is going to be Tuesday, August 1 at St. James Park from 6:00-8:30 PM. Residents are encouraged to spend the evening out. National Night Out is designed to; Heighten crime and drug prevention awareness, generate support for and participation in local anti-crime efforts, strengthen neighborhood spirit and police/community partnerships, and send a message to criminals letting them know neighborhoods are organized and fighting back.

### Smoking Reminder

Smoking is not allowed in Paseo Villas common areas, but is permitted on the exclusive use patios and balconies subject to the restriction that if fumes or smoke from a patio or balcony becomes a disturbance to other residents by finding its way to their unit interiors, those causing the fumes or smoke must contain these odors within their own respective units.

# PASEO VILLAS HOMEOWNERS ASSOCIATION

To: All Paseo Villas Homeowners Association Homeowners

Re: Draft Committee Meeting Conduct Policy, Rules and Regulations, and Key Policy

Date: July 31, 2017

Dear Homeowner(s):

Enclosed please find the draft Committee Meeting Conduct Policy, Rules and Regulations, and Key Policy for the Paseo Villas Homeowners Association. Pursuant to California Civil Code §4360, there will be a thirty-day (30) review period for all homeowners prior to adoption of the Committee Meeting Conduct Policy, Rules and Regulations and Key Policy. Homeowners are encouraged to review the proposed documents and provide comments, suggestions, and recommendations.

You may submit your comments in writing no later than September 6, 2017 to the Paseo Villas Homeowners Association c/o Compass Management Group, Inc., 77 Las Colinas Lane, San Jose, CA 95119, attention Shannon Hernandez or by e-mail to [HelpDesk@gocompass.com](mailto:HelpDesk@gocompass.com). You may also attend the September 13, 2017 Board of Directors meeting.

If you have any questions regarding the draft Committee Meeting Conduct Policy, Rules and Regulations and Key Policy for the Paseo Villas Homeowners Association, please feel free to contact me at 408-226-3300.

Thank you.

On behalf of the Paseo Villas Homeowners Association Board of Directors,

*Shannon Hernandez*

Shannon Hernandez  
Compass Management Group, Inc.

# Paseo Villas Homeowners Association

## COMMITTEE MEETING CONDUCT POLICY

*Adopted June xx, 2017*

In following the Guidelines of the Meeting Conduct Policy all Committee members are expected to adhere to the following guidelines.

- Regularly attend meetings and be on time.
- Give your full attention to the tasks at hand.
- Conduct business in a civil, ethical and courteous manner.
- Refrain from disruptive behavior such as shouting, abusive language, threats or any other type of action that represents uncivil conduct.
- The Chair has the right to ask a disruptive member to leave the meeting.

# Paseo Villas Homeowners Association

## RULES AND REGULATIONS

Adopted April 4, 2013

Amended April 12, 2017

### Preamble

In this document the Paseo Villas (PV) Board of Directors has abstracted important rules from the Declarations of Covenants, Conditions, and Restrictions (hereafter referred to as the CC&R's) of the Paseo Villas Home Owners Association (HOA). Other rules enacted by the Board of Directors are also in this document. The intent of the documents is to help serve in the creation of an environment that operates smoothly and is as enjoyable and pleasant as possible. The information provided here is NOT a replacement for the CC&R's or By Laws. Should there be any discrepancy, the CC&R's and Bylaws take precedence. More information about a particular rule may be found in the section defined in square brackets [ ] located in the CC&R's of the Paseo Villas Home Owners Association" or in the HOA Bylaws. If there are no square brackets on a rule below, then that rule was adopted and approved by the HOA Board of Directors.

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Signed Rules Acknowledgement

### G. GENERAL RULES

#### G.1 ACCOUNTABILITY AND ENFORCEMENT

- a. **Enforcement:** Anyone, owner, resident or visitor, who breaks the rules or violates any of the other Paseo Villas governing documents, is subject to fines or other consequences as determined by the HOA (Home Owners' Association) board. [9.5.2]
- b. **Association Assessments:** The HOA assessment(s) are due and payable by the fifth (5<sup>th</sup>) of each month. After the 15<sup>th</sup> of the month a late penalty, interest payment, and other additional charges will be added to your account. No owner may exempt himself or withhold payment for any reason

# Paseo Villas Homeowners Association

whatsoever. If payments are unacceptably late the association may place a lien on the property and elect to foreclose, forcing legal sale of the property. [8.6.2, 8.12, 9.4]

- c. **Complaints and Rules Violations:** We encourage owners to resolve neighbor to neighbor disputes among themselves and not to involve the HOA. Should this fail, the Board may elect to process complaints and minor rules violations after receiving a written and signed complaint, available online or from the office, the "Action Request Form." After a Board investigation, a determination will be made in the subsequent executive session of the board whether further action is warranted. This decision will be relayed in writing to the complainant within ten (10) days after the executive session in which the relevant findings are considered. [9.9]
- d. **Attorney's Fees:** If the association takes any action to enforce any of the provisions of the rules or governing documents, it shall be entitled to recover the full amount of the costs, including but not limited to attorney fees. [9.14]
- e. **Individual Unit Insurance:** Each unit owner is required to obtain and maintain property insurance for the interior of his/her unit including all upgrades and personal property. A copy of "proof of insurance" for each unit owned is to be placed on file in the office. [2.7.4]
- f. **Right of Access:** Each unit owner has granted a right of access to his unit to the managing agent and/or other person authorized by the Association for the purpose of making inspections, for pest control, and for the purpose of correcting conditions in a unit that threaten other units or common elements. [6.1.5] In a non-emergency situation (e.g. pest control) the association will use its best efforts to schedule a mutually convenient time. In the case of an emergency (e.g. fire & water line break), the HOA's access will be immediate. (See also Emergency Access Policy)

## G.2 OCCUPANCY AND USE

- a. **Unit Occupancy and Use:** Only five (5) people may occupy a unit, (2) persons per bedroom plus one. This limit may be exceeded temporarily with guests whose stay is limited to less than thirty (30) days. [4.1] (Note that this is also a city ordinance.)
- b. **Restriction on Businesses:** No business of any kind shall be owned or operated within the building, with the exception of professional and administrative professions that operate without disruption to the building and its environment. [4.3] Also permitted are child care facilities, as long as they are properly licensed and operated day care centers that adhere to all governmental requirements, and the Association is given prior notice of intended use for child care. [4.4]
- c. **Selling and Soliciting:** Selling, soliciting, and commercial enterprises are prohibited within the community. If a solicitor comes to your door please notify management. This rule is not intended to limit the rights of the residents to freely canvass or contact one another.  
**Change to :** *selling, soliciting and commercial enterprises are prohibited within the community if a solicitor comes to your door please notify management.*
- D. **Add new rule:** *Flyer's, letters or papers (excluding newspapers) may not be left at resident doors. This presents a security risk.*
- E. **Add new rule: Census Rule:** *For the safety and security of all Paseo Villas Residents the following information is required to be kept on file with management. To keep the information current and a yearly census will be distributed to all homeowners. An owner will have 30 days. Should a change occur after the yearly distribution of the census homeowner are required to notify management within 30 days.*
  - 1. *Name of persons living in the unit identified as homeowners or renters*
  - 2. *Parking space #'s owned or rented and description of all vehicles in the garage, inclusive of year, make model and license plate numbers(optional)*
  - 3. *Storage Unit #'s owned or rented*
  - 4. *Service Animals Pets/Name Types and license and Vaccine info*

# Paseo Villas Homeowners Association

## G.3 MAINTENANCE AND APPEARANCE

- a. **Responsibilities:** The owner is responsible for all maintenance and repairs within units, including plumbing, caulking, windows, screens, pipes, hoses, heating, electrical, etc. [6.3.1]
- b. **Window Treatments:** In order to give the building a uniform look, window treatments must be white or off white on the exterior. [4.25]
- c. **Outside Drying and Laundering:** No clothes washing, drying or airing is permitted outside the individual units, including on the balcony or balcony railings. [4.13]
- d. **Unit Entryway:** This space is defined as the door and the space immediately adjacent to the door. Small decorations on unit doors and doormats are allowed as long as the decorations are not offensive and do not protrude into the hallways. The association reserves the right to determine what may be offensive. [4.7]
- e. **Antennas and Satellite Dishes:** All units are pre-wired for TV and internet. Other antenna systems and dish systems may not be attached to the face of the building nor may they be installed in or on any common area, including the roof. [4.14]
- f. **Bird Feeders:** Bird feeders of any kind are not allowed anywhere on the property, including patios and balconies. [4.16.3]
- g. **Elevators:** When moving large objects in the elevators, unit owners and residents **MUST** contact management with five days' notice to arrange for the installation of elevator pads to prevent damage. Unit owners will be charged a minimal amount for the elevator pad installation, AND WILL BE CHARGED for any damage that you cause to the elevators during use.

## G.4 ALTERATION OF UNITS

- a. **Additions, Alterations, or Improvements by Unit Owners:** Improvements interior to private apartments may not impair or affect building structural integrity or mechanical systems, as specified in Davis-Stirling 4760 (a) (1) and the Paseo Villas CC&Rs. [6.3.5] If it is conceivable that planned interior modifications could impact building structure, or disrupt and in any way affect building electrical, plumbing, venting, or other mechanical systems, the Paseo Villas CC&R's REQUIRE SUBMISSION OF THE PLANS to the ACC for review and final approval by the board.
- b. **Subdivision:** No unit may be subdivided by an owner into smaller units. [7.1-17]
- c. **Restriction on Jacuzzis, Hot (and Soft) Tubs:** The installation of Jacuzzis and hot tubs without approval of the Architectural Control Committee and the Board is forbidden, whether located on a patio or balcony, or within a unit.
- d. Any construction work within apartments should be scheduled between the hours of 8 AM and 6 PM. Because such work may be disturbing to near neighbors, delivery of a courtesy notice with repair/remodel dates and times is recommended.
- e. If there is a chance that aerosols associated with construction work may activate building alarms, prior notice of planned work to the onsite office will enable a temporary shutdown of the building alarm systems.
- f. Providing notice to the office of intended welding, brazing, or other heat generating activity within an apartment will allow management to shut down (or empty) a restricted portion of the fire sprinkler system. This can avoid setting off a building-wide alarm and the creation of an unwanted water deluge.

## G.5 COMMUNITY LIVING

- a. **Noise:** No resident shall permit loud noise of any kind to emanate from their unit. This includes TV, Stereo, and barking dog noise, or any other type of noise. Residents are also responsible for the noise of their visitors. Speakers may not be mounted on walls, cabinets or ceilings or sitting on the floor, in such a way as to cause the transmission of sounds or vibrations. Residents are also responsible for the noise of their visitors. The designated QUIET HOURS on patios, balconies, and in the courtyard, (swimming pool and spa) MUST BE OBSERVED from 10 pm to 8 am Sundays through Thursdays, and 11 pm to 9 am on Friday, through to Sunday morning. [4.5, 4.6]
- b. **Flooring Restrictions:** For noise abatement reasons, carpet and carpet padding of at least 8lb weight is required in all areas except the unit entry area, kitchen, baths, and laundry closet. All

# Paseo Villas Homeowners Association

units on the third floor, and those located above common areas are exempt from these flooring requirements and restrictions. If tile or linoleum flooring is replaced or overlaid adequate noise abatement material must be added between the cement floor and the new flooring change must be approved by the Architectural Control Committee and the Board. [4.10]

- c. **Smoking and Fumes:** Smoking is not allowed in Paseo Villas common areas, but is permitted on the exclusive use patios and balconies subject to the restriction that if fumes or smoke from a patio or balcony becomes a disturbance to other residents by finding its way to their unit interiors, those causing the fumes or smoke must contain these odors within their own respective units (by moving inside and closing doors and windows, for example).
- d. **Balcony and Patio Plants:** Balcony and patio plants must be confined within the exclusive use area and situated such that when watered the water does not find its way to balconies or patios below. Hosing of patios and balconies must also confine water so it does not leak or run below.
- e. **Signs:** No commercial signs may be displayed on the units. No signs may be installed in the common area without permission of the Board of Directors or property manager. [4.20] Signs of personal interest 8 ½ by 11 inches or less in size may be posted by residents on the bulletin boards in the mail rooms for the duration of one week. The date of posting is to be written in the upper right corner. The same sign may be reposted at the end of any given week. Any resident may remove a sign that has exceeded the posting date.
- f. **Shopping Cart Use:** The use of Paseo Villas shopping carts is limited to 19 minutes, after which the cart is to be returned to the appropriate side of the correct garage level as indicated by its attached sign, and placed within the taped and designated red zone. Shopping carts are NEVER to be removed from the building.
  - a. Return cart empty, clean, and in useable condition.
  - b. Use is restricted to garages (not including the autogalleria) and internal corridors and hallways.
- g. **Trash:** All trash shall be bagged prior to being dropped down trash chutes. No boxes are to be dropped into the trash chutes. Boxes must be collapsed and taken to the recycling room. Residents are responsible for the proper disposal of any garbage or materials left behind by workmen or visitors. [4.17]
- h. **Common Areas:** Obstruction and storage of any kind is not permitted in the common areas, including the hallways and outside any designated storage area. [4.8] Residents will assume responsibility for the cleaning and removal of stains or mess on carpeting and any flooring in all common areas of the building. Residents are responsible for mess caused by residents, owners, visitors, or people working in their unit.
- i. **Building Security:** In order to maintain building security and ensure the safety of all residents, all owners and residents are required to deny access to the building to anyone unknown to them to be a current resident. Further, all owners and residents are required to stop after entering or exiting the garages (2R-BR) until such time as the gates have fully closed behind them. Call 9-1-1 to report intruders.
- j. **Security:** Doors to lobbies and the common area must be kept closed and locked. If it becomes necessary for a resident, mover, employee, visitor, etc. to open both doors to accommodate a large object, the door should be released immediately after the object is in or out of the immediate hallway or entry lobby area.
- k. **Visitors:** We maintain very tight security at our site. Please tell your visitors they must be buzzed onto the property and may not follow another resident into the building or parking garage. You are responsible for your visitors' behavior during their stay, whether you yourself are present or not. [9.3]
- l. **Committee Membership:** All residents, including renters, are welcome to join and fully participate on all Paseo Villas Standing and "ad hoc" committees. Only owners may vote. Each Paseo Villas unit may have no more than a single vote on any issue coming before the respective committees.
- m. **Holiday Tree and Wreath Disposal:**
  1. Management shall annually prepare a disposal plan that is approved by the Board and then posted in the elevators.



# Paseo Villas Homeowners Association

2. A reminder to clean up the mess created by transporting Christmas trees and wreaths in or out of the building is also posted.
3. Trees and wreaths ARE NOT to be disposed of in the trash chutes; they must be bagged and moved out of individual units into the common areas for disposal in the pre-designated bins.

## G.6 PLUMBING AND EMERGENCIES

- a. **Water Shutdown in Non-Emergency Situations:**
  1. Schedule the shutdown with management at least three days in advance.
  2. Schedule the service of a plumber qualified by the HOA.
  3. Shutdowns are not allowed on Fridays, Saturday, or Sunday, and may not be scheduled before 8:30 am or later than 4:00 pm.
  4. Notify affected residents, (those in the same stack or with same shutoff valve), of the shutdown by posting HOA approved notices on their doors and in the elevators.
- b. **Water Shutdown IN EMERGENCY SITUATIONS:**  
**Immediately contact management for assistance and coordination.**
- c. **Water Leaks:** When a water leak occurs within a unit, it is the unit owner's responsibility to notify owners below or adjacent to his/her unit as well as management so as to determine the extent of damage. The HOA does not become further involved in the repair process unless damage emanating from a unit has originated within the common area.
- d. **Preventing Kitchen Sink Overflows:** In order to prevent kitchen sink back-ups/overflows, DO NOT put items, such as those in the following list, into your kitchen sink/disposal: Asparagus, Banana Peels, Bread, Celery, Coffee Grounds, Corn Husks/Silks, Egg Shells, Grease, Hair (human or pet), Lettuce, Onion Peels, Pasta, Potato Peels, Rice.
- e. **Preventing Toilet Overflows:** In order to prevent toilet back-ups/overflows, DO NOT put items, such as those in the following list, into your toilets: Bandages, Cigarette Butts, Condoms, Cotton Swabs, Dental Floss, Disposable Diapers, Disposable Gloves, Facial Tissues, Flowers, Hair (human or pet), Leaves, Paper Towels, Plastic Bags, Rags, Rubber Bands, Sanitary Napkins, Sponges, Tampon Applicators, Uneaten Food.
- f. **Emergency Instructions for the Mobility Impaired:** Residents unable to use the stairs for building egress in emergency situations may so advise the office. It is the responsibility of the office to contact the local fire officials serving this building, providing the names, phone numbers, and locations within the building of such persons. In an emergency situation, it is the task of the emergency responders to locate and assist these individuals to safety. The office computer file location of this list shall be made known to board members.

## G.7 PARKING

- a. **Vehicles:** Vehicles are defined as conveyances licensable by the California Department of Motor Vehicles [1.53] and must have current registration [4.23], a category that includes automobiles, motorcycles, and watercraft (mounted on trailers).
- b. **Parking in the 2R and BR Paseo Villas Garages:**
  1. Parking spaces within the garages (2R and BR) are deeded to specific units in PV and are reserved for the exclusive use of the residents. Only Vehicles may occupy these parking spaces.
  2. Vehicles or other conveyances or items not authorized to occupy those spaces are subject to removal at the vehicle/items owner's expense.
  3. Owners may lease/rent/loan spaces to other residents but under no circumstance may a non-owner /non-resident park on a regular basis. An exception is for a guest who stays less than 30 days and does not pay for the space.
  4. Vehicles parked in Paseo Villas garages must be confined to the clearly outlined and assigned parking spaces. Disordered parking outside the marked area which impinges on a neighboring space or the common area may result in a FINE being levied by the Board.
  5. Parking spaces may NOT be converted to other use, specifically for any type of storage.

# Paseo Villas Homeowners Association

6. Parking spaces must be kept neat and orderly. In particular, oil stains must be cleaned up and not stain the concrete. Small oil pans to capture leaks are permitted. [4.21,4.24] The cost of any cleanup performed by the Association shall be deemed a reimbursement assessment against the unit owner.
  7. Automobile repairs are not allowed in the gated garage area other than emergency repairs to enable transport of the vehicle to a proper repair facility.
- c. **Parking in the Autogalleria:**
1. Vehicles parked in the Autogalleria during business hours, (6 AM to Midnight, seven days per week), are subject to towing, as per the REMA agreement.
  2. Residents may park their vehicles in the Autogalleria from Midnight to 6AM. It is required that they identify their vehicle as belonging to PV by using the mirror hang tag issued to the unit.
  3. Use of the mirror hang tags at any other time provides no guarantee that your car will not be towed. NOTE, no liability is assumed by the association for damage or theft resulting from the towing or storage of any parked vehicles.

## G.8 PETS

- a. **Permissible Pets:** Residents may have a maximum of two (2) common domestic pets (dogs, cats, rabbits and small caged animals), not weighing more than 30 pounds each animal. Pets that are wild, poisonous, or in some other way dangerous may not be kept.
- b. **Restrictions:** Pets (dogs AND cats) must NOT be allowed to roam free in common areas or be left chained or confined within any exclusive use common area (patio or balcony). Pets are not allowed in the pool or courtyard areas.  
Residents are responsible for pets that visit their unit and are subject to the same rules as resident pets. Pets in transit must be leashed (a maximum of six feet in length) AT ALL TIMES when in the Common Areas. Pet Caregivers are responsible for immediately cleaning up after their animals. Should your pet have an accident in a Common Area, the pet caregiver must clean up the mess or stain as soon as humanly possible. Residents are responsible for any damage caused by the animal or by any cleaning in an attempt to remedy any stain.
- c. **Nuisance:** Pets shall not be allowed to become a nuisance or create unreasonable disturbance. Pets who become a nuisance will as evidenced by factual complaints will be encouraged to receive pet training, and the HOA may move toward a penalty process. The HOA may ultimately ask that the pet be removed from the building. The Humane Society of the United States lists examples of nuisance behaviors:  
[http://www.humanesociety.org/assets/pdfs/pets/renting\\_with\\_pets/recommended\\_pet\\_policies.pdf](http://www.humanesociety.org/assets/pdfs/pets/renting_with_pets/recommended_pet_policies.pdf)
- d. **Pets:** Pets Names License # and Vaccine info is required to be on file with management per the rules policy (G.2.e) (pets shall be registered, licensed and inoculated as required by law)

## G.9 SALES AND LEASING

- a. **Sale of Unit:** Any owner that places his unit for sale must notify the Association so that the association may make available current association documents (CC&R's, ByLaws, rules, etc) to be signed at escrow and conduct an estoppel inspection.
- b. **Notification of Tenancy:** An owner must provide management with a copy of a signed lease within five (5) days after the lease effective date and the names of any (new) tenants. New tenants will be requested to fill out a "tenant update form" and provided with a copy of the governing documents and copies of this rules document upon move in. One copy of the rules document is to be initialed and signed by each new tenant and returned to a management representative accompanying the copy of the lease. Another copy (may be unsigned) of the rules accompanies at least one of the new tenants to the newly leased unit for purposes of future reference. [5.1.b,c]

# Paseo Villas Homeowners Association

## G.10 MOVING AND KEYS

See Moving Policies and Keying Policies for the Common Area found separately in "Paseo Villas Homeowner Policies."

## F. FACILITY USE RULES

While the "General Rules" of the Paseo Villas Homeowners Association are more broadly applicable, the "Facility Use Rules" describe rules and procedures for making use of the special common area features available to residents; the Pool and Spa, the Exercise Room, and the Social Room.

### F.1 POOL AND SPA AREA RULES

- a. **Hours of Use:** The pool and spa are open from 6 am until midnight. During the quiet hours you must lower your voice and respect other residents need for quiet. (The hours of operation of the switch for the jets on the spa may be restricted.)
- b. **Follow Posted Rules:** Pool and spa users are required to follow the rules for use that are posted on three sides of the pool deck.
- c. **Swim at Your Own Risk:** As no lifeguard is on duty, residents and their guests swim at their own risk.
- d. **Pool Gate:** The pool gate must be closed at all times.
- e. **No Boisterous Play:** No diving, running, pushing, or boisterous play is allowed in the pool/spa area.
- f. **Attire:** Customary bathing attire is required for use of the pool and spa.
- g. **Maximum Number in Pool:** The maximum pool capacity is 14 persons, with no more than ten at a time sponsored by, or including the residents of, a single Paseo Villas residence.
- h. **Maximum Number in Spa:** The maximum spa capacity is 6 persons at a time. All must be over the age of 14.
- i. **Children Must be Accompanied:** Children under the age of 14 must be accompanied by an adult at all times. (It is NOT sufficient to monitor children from a patio or balcony.) Any resident has the right to request that children unaccompanied by an adult leave the pool/spa area.
- j. **Swim Diaper Required:** Non toilet-trained children must wear a swim diaper at all times.
- k. **Toys Allowed:** Only toys designed for pool use may be used in the pool. Remove them when you leave.
- l. **Earphones Required:** The use of audio devices without earphones is prohibited.
- m. **No Glass Containers:** While food and drinks are permitted in the pool area, under no circumstance is the utilization of glass containers allowed on the swimming pool and spa deck areas or in the spa and pool.
- n. **Keep Area Clean:** Pick up your own trash and any clean any spills that are your responsibility properly and promptly.
- o. **Replace spa cover:** Replace the spa cover after each use.

### F.2 EXERCISE ROOM RULES

- a. **Permission to Use:** Use of the room is limited to Paseo Villas residents and one guest at a time.
- b. **Age Restrictions for Children:** No children under the age of 10 are allowed, and children between the ages of 10 and 14 must be accompanied by an adult.
- c. **Attire Required:** Shirt and athletic shoes are required.
- d. **Share the Equipment:** Limit time on the equipment to 30 minutes when others are waiting, and allow others to "work in" between sets on the machines.
- e. **Use Equipment Properly:** Don't slam or drop the equipment.
- f. **Use of the TV:** Keep the TV volume low at all times and off during "quiet hours."
- g. **Wipe Off Equipment:** Bring and use your own towel to wipe moisture off the equipment when you are finished.
- h. **Return Equipment to Proper Place:** Replace the dumbbells on the rack when you are finished.

# Paseo Villas Homeowners Association

- i. **No Food Permitted:** No food or glass containers are allowed in the Exercise Room.
- j. **Remove What You Bring:** Take with you any items you brought with you into the room—newspapers, water bottles, etc.
- k. **Properly Exit the Room:** The last person out should turn off the lights, the TV, the air conditioning, and make sure the doors are closed.

## F.3 SOCIAL ROOM RULES

- a. **Availability:** The Social Room is available 24/7 to all residents and their invited guests, but room users must be certain that party noise does not present a problem for other residents. In particular, quiet hours must be respected.
- b. **Business Use Prohibited:** The Social Room may not be used for any commercial event or activity, including but not limited to vending, sales demonstrations, etc.
- c. **Capacity:** The room capacity is limited to 72 people.
- d. **Sign Contract in Advance:** Arrangements to reserve the Social Room must be made with the management company prior to the date of the event. At this time a "Social Room Contract" will be signed by the resident desiring room use. Use priority is generally determined on a first come, first served basis.
- e. **Use of AV Equipment:** Arrangement must be made with the management company in order to make use of the audio/visual equipment stored in the Social Room. A key will be loaned to you for access to this equipment, but the key must be returned the day of the event by slipping the key under the office door if necessary.
- f. **Return to Original Condition:** The Social Room must be returned to its original pre-party condition after any event. Furniture must be restored to its original position, and cooktops, counters, the microwave, the refrigerator, the kitchen floor, the carpet in the room, and the bathroom must all be cleaned and appear as they did before use. Trash must be bagged, removed and properly disposed of, the lights and air conditioning turned off, and the doors to the room properly closed.
- g. **Latest Time for Clean Up:** If not all cleanup is accomplished the evening of an event, it is permissible to return and complete the pre-party restoration of the Social Room the morning following, as long as this work is completed by 10 am the following day.
- h. **Inspection Afterwards:** The Social Room will be inspected by the management company for damage and cleanliness as soon after the scheduled event as is practicable.
- i. **Payment Liability:** The owner of the unit reserving the Social Room is responsible for the payment of all charges incurred by the association because of the need for additional maintenance, repair, or upkeep to the room following their Social Room event.
- j. **Host's Presence Required:** The resident reserving the Social Room must be present at all times during the scheduled event, and further accepts all liability for the actions and safety of all guests.
- k. **Kitchen Use Limited:** Use restrictions for the kitchen are the following:
  - i. The kitchen facilities are limited to the "warming up" of food and light or basic food preparation (such as chopping salad ingredients).
  - ii. There is to be no baking, broiling, boiling, or frying of food.
  - iii. The oven is never to be put into the self-clean cycle, but should be cleaned by hand if necessary.
- l. **All HOA Rules Enforced:** The resident reserving the room will enforce all the HOA rules. NO SMOKING is permitted in any of the building common areas, including the elevators, courtyard, hallways, the Social Room itself, and the entry lobbies.
- m. **HOA Precedence:** The association reserves the right to first pick of the times and dates of Social Room reservation for general membership parties and other events important to the maintenance of its typical and/or necessary functions.
- n. **No Access beyond Social Room:** Note that use of the pool, spa, and exercise room is not included with the reservation of the Social Room.
- o. **Cap on Simultaneous Reservations:** No resident may have more than two active open reservations for use of the Social Room on any Friday, Saturday, or Sunday (not including the holiday lottery reservation system).

# Paseo Villas Homeowners Association

- p. **Holiday Lottery:** Because at holidays there can be competition for the use of the Social Room space, Paseo Villas has created a lottery system to make this determination as fair as possible. To enter a holiday lottery it is necessary to contact management and "sign up" at least 30 days prior to the planned event and provide information as to desired dates and times. At the dates that is 30 days before the beginning of that Holiday, management will no longer accept Social Room reservation requests for that particular holiday or holiday weekend, and will proceed to conduct the drawing, prioritize the results according to the selected order, and then contacting residents to make the official time assignments for use of the Social Room during that holiday period. The designated holidays include:

New Year's Eve	St. Patrick's Day	Independence Day	Thanksgiving
Super Bowl Sunday	Easter	Labor Day	Christmas Eve
President's Day	Memorial Day	Halloween	Christmas Day

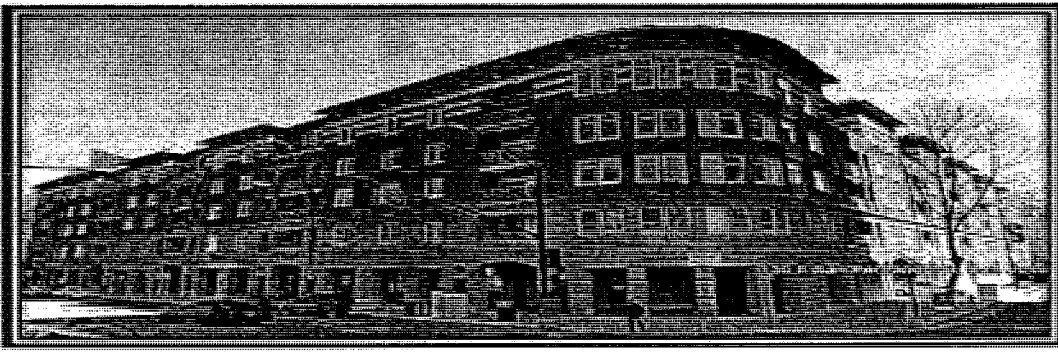
# Paseo Villas Homeowners Association

KEY POLICY Adopted November 5, 2009

***PROPOSED REVISION DATE JUNE 2017***

- 1.) The following common area keys will be provided per unit:
  - 3 Primus Common area hard keys
  - 3 Black electronic keys
  - 1 garage transponder for each parking space assigned to the unit.
- 2.) A \$500 deposit is required for each additional PRIMUS key up to a total of 2 extra PRIMUS keys. An owner's request for more than 5 PRIMUS keys will require the approval of a written explanation for the request by the Board of Directors.
- 3.) Additional BLACK electronic keys may be issued to an owner upon payment of the current fee.
- 4.) Additional GARAGE transponders will require the approval of a written explanation for the request by the Board of Directors and the payment of the current fee.
- 5.) Only those persons who are owners in the building shall be issued keys of any sort.
- 6.) Non-owners may only pick up keys if the owner has signed the "Key Pick-Up Authorization" form.
- 7.) A signature and a photo ID are required for all keys received by owners or their designees.
- 8.) All keys will be individually numbered, logged, and cannot be duplicated.
- 9.) All keys to common areas, including the black electronic keys and the garage transponders, remain the property of the Paseo Villas HOA.
- 10.) Upon the sale of a unit, common area keys must be registered by the seller with the HOA by presenting them to the on-site staff for review. A deposit of \$500.00 per key for each registered primus key will be held in escrow as part of the Estoppel process until the keys are re-registered by the new owner. If the new owners do not re-register the keys with the association within 30 days the deposit held in escrow shall be released to the association.

- 11.) All black electronic keys and garage transponders will be disabled 30 days after close of escrow if they are not re-registered with the on-site office.
- 12.) New owners who do not re-register their keys within 30 days of escrow will be subject to a \$100.00 fine. It will be assumed that new owners received all of the keys registered by the seller if those keys are not re-registered with the association.
- 13.) Any non-functional Primus or black key will be replaced free of charge. Garage transponders will be replaced with a non-battery transponder for free or a large battery type transponder for a fee.
- 14.) Any key that cannot be produced on demand by the Association will be subject to the appropriate replacement charges.
- 15.) **Any lost keys must be reported immediately or be subject to a \$500 fine and a \$500 replacement fee.**



## Paseo Villas Homeowners Association

**Board Meeting: Wednesday, July 12, 2017, at 7:00 PM, in the Social Room**

Agendas are posted at the mailroom bulletin boards four days prior to the meeting. Homeowners are welcome to attend, though participation is limited to the open forum period of the meeting. If you would like to submit an item for the agenda, please submit a written proposal to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.

### **New Landscape and Janitorial Service Starting July 1, 2017**

On July 1, 2017 Silicon Valley Site Service will take over the landscape and janitorial services at Paseo Villas. During the transition from Significant Cleaning/Jensen Landscaping to Silicon Valley Site Services please be patient with the new crew as they get familiar with the property. Please forward all maintenance/landscape requests to Management via telephone, e-mail or by stopping by the onsite office.

### **Safety/Security Reminder - Vehicle Gates**

Maintain the security of the building by being vigilant when entering and exiting the BR and 2R garage gates, residents should **STOP** and wait for the gates to close before proceeding. A courtesy letter will be sent for the first offence, second offence will be subject to fines per the association's fine policy schedule.

### **Proposed Rules**

The Board is considering the adoption of the revised Committee Meeting Conduct Policy and Rules and Regulations. The rules changes include rewording rule G.2.C. Unit and Building Occupancy and Use, and adding rules G.2.d. Selling and Soliciting and G.2.e. Flyers. These draft documents will be mailed soon. Please keep an eye out for them.

### **Office Closed**

The offices of Compass Management Group, Inc. will be *closed* on Monday and Tuesday, July 3 and 4, 2017 for Independence Day. Please call our office at (408) 226-3300 should you be in a property damaging situation over the holiday weekend.

#### **Board of Directors**

Nicholas Antoniou

*President*

Julie Matsushima

*Vice President*

Jeff Gale

*Secretary*

Regina Schuck

*Treasurer*

Chuck Corr

*Director at Large*

**Managing Agent**

Compass Management

77 Las Colinas Lane  
San Jose, CA 95119

Phone: (408) 226-3300

Fax: (408) 226-3406

Hours: 8:30AM- 5:00PM

**Email**

helpdesk@gocompass.com

**Website**

www.gocompass.com

**Association Manager**

Andrew Warren

**On-Site Administrator**

Shannon Hernandez

Onsite Hours

**Mondays**

1pm to 5pm

**Wednesday & Fridays**

8:30am -12:30pm

**San Jose Homeless**

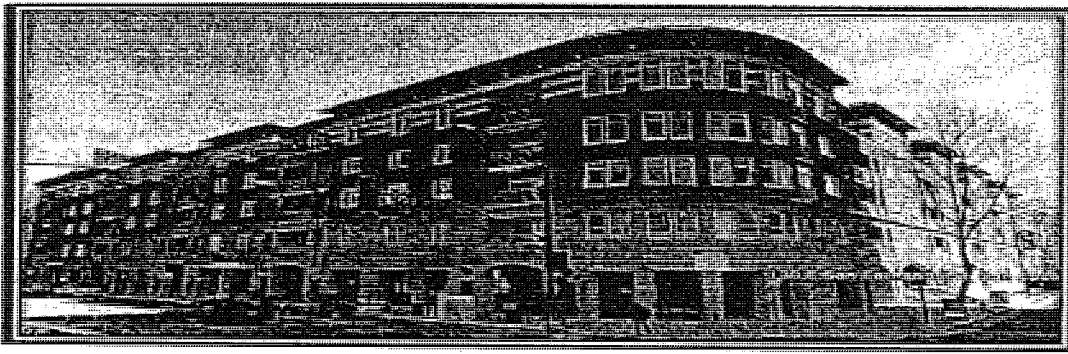
**PATH**

Phone : 408-753-8735

**Website:**

WWW.epath.org





happy  
4th  
of  
JULY!

## Paseo Villas Homeowners Association

### RULE REMINDER

**Restrictions:** Pets (dogs AND cats) must NOT be allowed to roam free in common areas or be left chained or confined within any exclusive use common area (patio or balcony). Pets are not allowed in the pool area or inside the pool.

### POOL AND SPA AREA RULES

**Hours of Use:** The pool and spa are open from 6 am until midnight. During the quiet hours you must lower your voice and respect other residents need for quiet. (The hours of operation of the switch for the jets on the spa may be restricted.)

**Follow Posted Rules:** Pool and spa users are required to follow the rules for use that are posted on three sides of the pool deck.

**Swim at Your Own Risk:** As no lifeguard is on duty, residents and their guests swim at their own risk.

**Pool Gate:** The pool gate must be closed at all times.

**No Boisterous Play:** No diving, running, pushing, or boisterous play is allowed in the pool/spa area.

**Attire:** Customary bathing attire is required for use of the pool and spa.

**Maximum Number in Pool:** The maximum pool capacity is 14 persons, with no more than ten at a time sponsored by, or including the residents of, a single Paseo Villas residence.

**Maximum Number in Spa:** The maximum spa capacity is 6 persons at a time. All must be over the age of 14.

**Children Must be Accompanied:** Children under the age of 14 must be accompanied by an adult at all times. (It is NOT sufficient to monitor children from a patio or balcony.) Any resident has the right to request that children unaccompanied by an adult leave the pool/spa area.

**Swim Diaper Required:** Non toilet-trained children must wear a swim diaper at all times.

**Toys Allowed:** Only toys designed for pool use may be used in the pool. Remove them when you leave.

**Earphones Required:** The use of audio devices without earphones is prohibited.

**No Glass Containers:** While food and drinks are permitted in the pool area, under no circumstance is the utilization of glass containers allowed on the swimming pool and spa deck areas or in the spa and pool.

**Keep Area Clean:** Pick up your own trash and any clean any spills that are your responsibility properly and promptly.

**Replace spa cover:** Replace the spa cover after each use.

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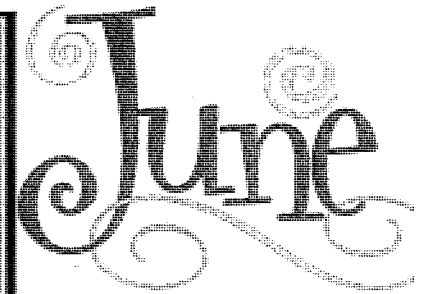
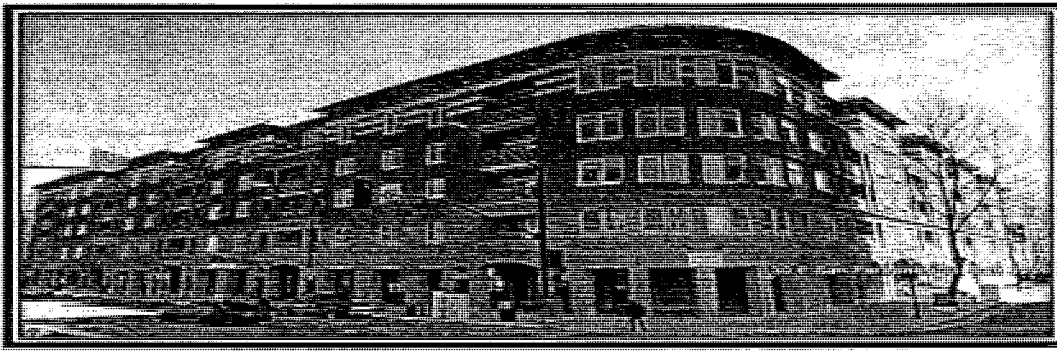
San Jose Homeless

PATH

Phone : 408-753-8735

Website:

WWW.epath.org



## Paseo Villas Homeowners Association

### Board Meeting: Wednesday, June 14, 2017, at 7:00 PM, in the Social Room

Agendas are posted at the mailroom bulletin boards four days prior to the meeting. Homeowners are welcome to attend, though participation is limited to the open forum period of the meeting. If you would like to submit an item for the agenda, please submit a written proposal to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.

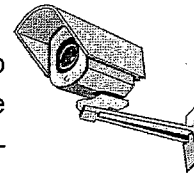


### 30 Day Notice Removal of Lock Boxes and the Green Bike Rack located in the Auto Galleria

Dear Residents, during the emergency meeting held on May 5, 2017 the Board of Directors determined that with the recent break-ins, lock boxes should no longer be allowed in the common area, with the exception of the those located outside resident's front doors. On June 20, 2017 the green bike rack located in the auto galleria will be removed, along with any lock boxes that still remain. If you have a lock box please have it removed ASAP.

### New Video Surveillance System

The Board of Directors approved a proposal from CSC Integrations to install a new camera system with four (4) additional cameras inside the resident garages. This project will begin May 22 and will be up and running by June 1, 2017.



### New Landscape and Janitorial Service Starting July 1, 2017

On July 1, 2017 Silicon Valley Site Service will take over the landscape and janitorial services at Paseo Villas. During the transition from Significant Cleaning/Jensen Landscaping to Silicon Valley Site Services please be patient with the new crew as they get familiar with the property. Please forward all maintenance/ landscape requests to Management via telephone, e-mail or by stopping by the onsite office.

### Roofing Seal Project

The Board of Directors approved Xteria roofing to perform roof repairs and to reseal the roof. The project is set to begin in the coming weeks and last about three (3) months, pending the weather. Residents on the PH floor will most likely hear a lot of noise from up on the roof during this project.

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**Mondays**

1pm to 5pm

#### Wednesday & Fridays

8:30am -12:30pm

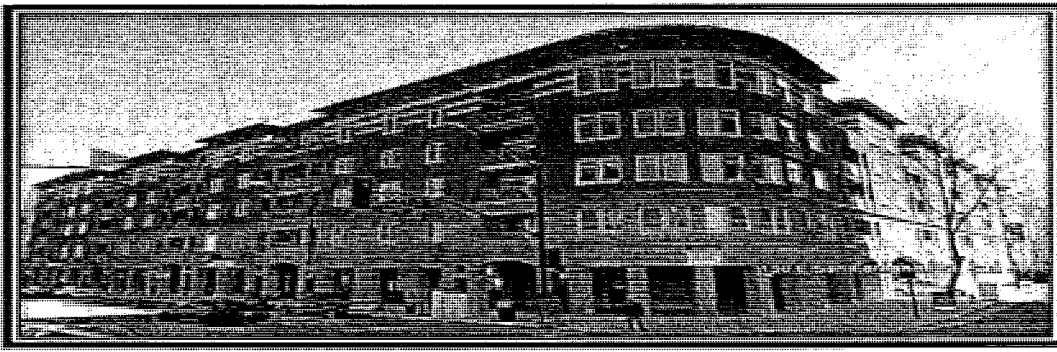
#### San Jose Homeless

#### PATH

Phone : 408-753-8735

#### Website:

WWW.epath.org



# MAY

## Paseo Villas Homeowners Association

### Board Meeting: Wednesday, May 10, 2017, at 7:00 PM, in the Social Room

Agendas are posted at the mailroom bulletin boards four days prior to the meeting. Homeowners are welcome to attend, though participation is limited to the open forum period of the meeting. If you would like to submit an item for the agenda, please submit a written proposal to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.

### Building Access Change Effective June 1, 2017

At the March 8, 2017 Board Meeting, the Board of Directors discussed changing the current access options for residents to enter the building through doors with readers. Given the recent break-ins, the Board has requested Management to limit the white garage transponders to only allow access to the vehicle gates. The black key fobs will still have full access to all doors with readers and vehicle gates. This change will take effect on June 1, 2017. If a resident needs additional keys, please see the Key Policy on the Compass website for information.

### Resident Information Sheets/ Building Key

Given recent events, Management and the Board want to express how important it is that management has current information for your unit including the following- **parking space, storage units numbers** and **vehicle information**. If you have not already updated management, please do so **ASAP**. Also, all residents are being asked to make sure all building key, black fobs and white garage transponders assigned to your unit are accounted for. Should you be missing one, even if you think its in your unit, please report to management. Black key fobs and white garage transponders can be temporarily deactivated until they are found.

### Fire Alarm Testing

Fire alarm testing is usually scheduled for the middle of May, but this year it has been pushed out until June. Once a date has been set further updates will be provided.

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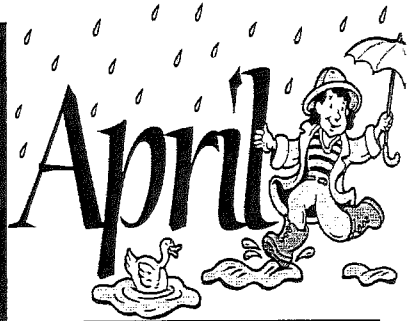
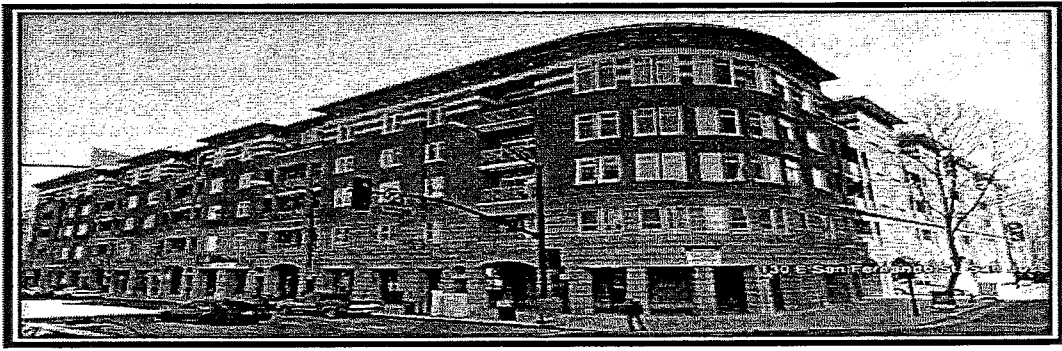
#### San Jose Homeless

#### PATH

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#### Website:

WWW.epath.org



## Paseo Villas Homeowners Association

### Board Meeting: Wednesday, April 12 2017, at 7:00 PM, in the Social Room

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### Safety/Security Reminder - Vehicle Gates

Help maintain the security of the building by being vigilant when entering and exiting the BR and 2R garage gates, residents should **STOP** and wait for the gates to close before proceeding. This practice could have prevented the last few garage break-ins as video surveillance footage showed the thieves entering the garage through the open gate after a vehicle left without stopping.

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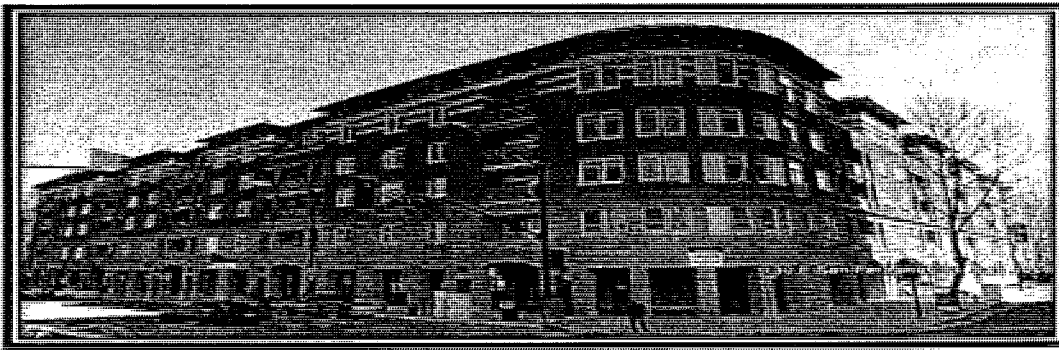
#### Outreach

Phone : 408-510-7600

#### Website:

ehcoutreach

@elifebuilders.org



# March

## Paseo Villas Homeowners Association



**Board Meeting: Wednesday, March 8, 2017, at 7:00 PM, in the Social Room**

Agendas are posted at the mailroom bulletin boards four days prior to the meeting. Homeowners are welcome to attend, though participation is limited to the open forum period of the meeting. If you would like to submit an item for the agenda, please submit a written proposal to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.



### Security Reminder

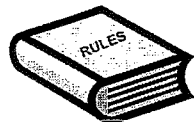
*Even though the Association has controlled access points, the Association cannot guarantee safety and security. You can do your part to help by ensuring that all exterior doors are securely closed behind you as you enter or leave the building, and by calling in any suspicious or threatening activity to the police. Reports of such activity should also be sent to Management so that the incident is documented and can be reviewed, as necessary, for further action by your Board of Directors.*



### Safetymatters

### Safety/Security Reminder - Vehicle Gates

*Help maintain the security of the building by being vigilant when entering and exiting the BR and 2R garage gates, residents should **STOP** and wait for the gates to close before proceeding. This practice could have prevented the last few garage break-ins as video surveillance footage showed the thieves entering the garage through the open gate after a vehicle left without stopping.*



### Proposed Rules

The Board is considering the adoption of the revised Violation and Fining Policy and Schedule of Fines, and Rules and Regulations. The policy changes include updating the Davis Stirling reference, updating the schedule of fines, and adding the first sentence to section 5. Alternative Fine. The rules changes include reformatting the document, adding rule G.5.i. Building Security, and correcting G.7.c.1. Parking in the Autogalleria. These draft documents will be mailed soon. Please keep an eye out for them.

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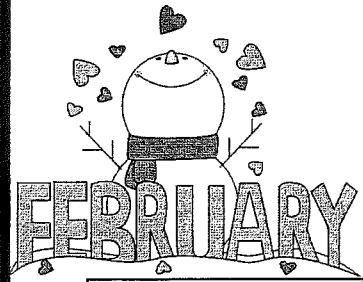
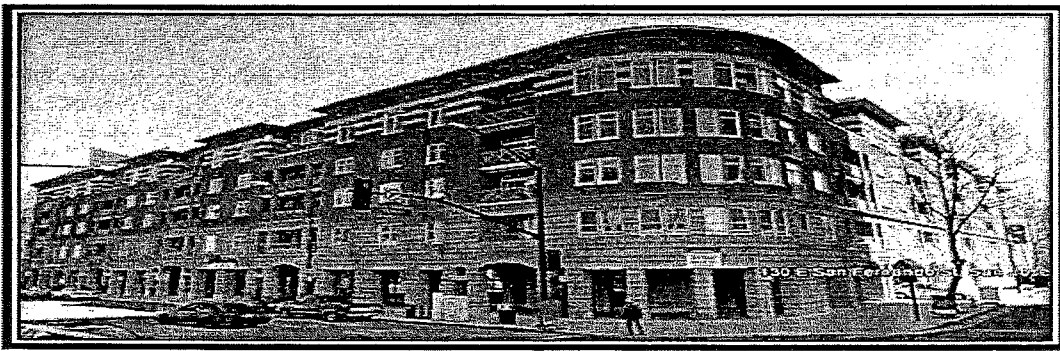
#### Onsite Hours

**Mondays**

1pm to 5pm

**Wednesday & Fridays**

8:30am -12:30pm



## Paseo Villas Homeowners Association

**Board Meeting: Wednesday, February 8, 2017, at 7:00 PM, in the Social Room**

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### Security Reminder

Even though the Association has controlled access points, the Association cannot guarantee safety and security. **You can do your part to help by ensuring that all exterior doors are securely closed behind you as you enter or leave the building, and by calling in any suspicious or threatening activity to the police.** Reports of such activity should also be sent to Management so that the incident is documented and can be reviewed, as necessary, for further action by your Board of Directors.

### Call for Building Operation & Green Committees Volunteers

The BOC & Green Committees are looking for volunteers to help make Paseo Villas a great place to live. The purpose of the BOC is to keep the building in tip top shape. The purpose of the Green Committee is to make Paseo Villas more environmentally friendly, and to help reduce the association's daily operating expense. If you are interested in being a part of these committees please send a written statement, noting your interest to contact Compass Management (by mail, fax, or email).

### Committee Meeting Dates

- Building Committee Meetings - third Tuesday of each month at 7:00 PM
- Finance Committee Meetings - fourth Monday of each month at 7:00PM
- Rules Committee Meeting - January 17, 2017 at 7:00PM
- Green Committee Meeting - TBD

### 2017 Budget

At the October Board meeting the Board approved the 2017 Budget. Dues increased from \$530.00 per month per unit to \$575.00 per month per unit. If you are signed up for auto pay with the Association's Bank, the change will be done automatically. If you use an on-line bill pay system or signed up for automatic payments with your bank, **please be sure to change your payment amount before your January payment is scheduled to be paid.** Please review the budget package which will have more information.

### Safety/Security Reminder - Vehicle Gates

Help maintain the security of the building by being vigilant when entering and exiting the BR and 2R garage gates, residents should **STOP** and wait for the gates to close before proceeding. This practice could have prevented the last few garage break-ins as video surveillance footage showed the thieves entering the garage through the open gate after a vehicle left without stopping.

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# PASEO VILLAS HOMEOWNERS ASSOCIATION

To: All Paseo Villas Homeowners Association Homeowners

Re: Draft Violation and Fining Policy and Schedule of Fines & Rules and Regulations

Date: February 16, 2017

Dear Homeowner(s):

Enclosed please find the draft Violation and Fining Policy and Schedule of Fines and Rules and Regulations for the Paseo Villas Homeowners Association. Pursuant to California Civil Code §4360, there will be a thirty-day (30) review period for all homeowners prior to adoption of the Violation and Fining Policy and Schedule of Fines and Rules and Regulations. Homeowners are encouraged to review the proposed documents and provide comments, suggestions, and recommendations.

You may submit your comments in writing no later than March 31, 2017 to the Paseo Villas Homeowners Association c/o Compass Management Group, Inc., 77 Las Colinas Lane, San Jose, CA 95119, attention Andrew Warren or by e-mail to [HelpDesk@gocompass.com](mailto:HelpDesk@gocompass.com). You may also attend the April 12, 2017 Board of Directors meeting.

If you have any questions regarding the draft Violation and Fining Policy and Schedule of Fines and Rules and Regulations for the Paseo Villas Homeowners Association, please feel free to contact me at 408-226-3300.

Thank you.

On behalf of the Paseo Villas Homeowners Association Board of Directors,

*Andrew Warren*

Andrew Warren  
Association Manager  
Compass Management Group, Inc.

# PASEO VILLAS HOMEOWNER'S ASSOCIATION VIOLATION AND FINING POLICY AND SCHEDULE OF FINES

This policy sets forth the Association's policy for imposing sanctions for violations of the Association's governing documents pursuant to Davis Stirling section 5850 - 5865.

**1. Owner Responsibility.** Under California law, the owners of units at Paseo Villas are responsible for complying with the governing documents. Fines, other penalties, or the suspension of any rights or privileges of membership may be imposed against unit owners for violations of any of the governing documents.

Owners are required to give their tenants, if any, copies of the governing documents, amendments, and new rules as they are adopted. Owners are responsible for ensuring that their tenants comply with the governing documents. In case of violations by tenants, the Association will notify the owner of the unit. Any fines or reimbursement assessments for non-compliance will be imposed against the owner.

**2. Notice and Hearing.** Prior to imposing a fine, penalty, or suspending any rights or privileges of membership, the Board of Directors will notify the member in writing:

- a) identifying the governing document provision that has been violated,
- b) describing the nature of the violation,
- c) describing the corrective action to be taken by the member and the time within which it must be done,
- d) describing possible sanctions if the corrective action is not taken within the prescribed time, and
- e) giving the member the opportunity for a hearing at least fifteen (15) days prior to any sanction becoming effective. At such hearing the member will have the opportunity to express their position.

The notice of hearing will be sent by first class mail with certificate of mailing to the last known address for the owner shown on the Association records. The notice will be deemed delivered seventy-two (72) hours after it has been deposited in the United States Mail.

**3. Payment of Fines and Penalties.** Fines and penalties are due when imposed by the Board and are delinquent if not paid within fifteen (15) days after they are due. If a fine or penalty is delinquent, a late charge of ten percent (10%) of the fine or penalty will be added. Interest at the rate of twelve percent (12%) per year will be imposed on the entire amount owing beginning thirty (30) days after the fine or penalty is due.

**4. Schedule of Fines.** The following Schedule of Fines is in effect until changed by action of the Board. An instance of a violation is deemed to be the time as described in the notice sent to the owner.



First violation: \$250 to \$500

Second instance of the same violation†: Double the first violation.

Third instance of the same violation†: Double the second violation.

Fourth and subsequent instances of the same violation†: Double the third violation.

[† = Within six months of a previous violation]

**5. Alternative Fine:** A fine stipulated by a rule takes precedence over the Schedule of Fines. In an instance when the cost of damage exceeds the amount of the fine imposed, the Board may impose a penalty equal to the amount of the cost of the damage plus any other expenses required.

**6. Penalties in Addition to Corrective Measures.** The imposition of fines, suspension of any voting rights or privileges of membership are in addition to the requirement that owners comply with the governing documents. Compliance may include, but is not limited to, correcting, repairing or replacing non-complying conditions, all at the owner's expense.

**7. Other remedies.** The Association reserves the right to avail itself of any other remedy permitted by law and the governing documents of the Association. These remedies include, but are not limited to, bringing an action in Small Claims, Municipal or Superior Court, or requesting that the matter be submitted to any form of Alternative Dispute Resolution (ADR). Such remedies may be taken in addition to, or in lieu of, any action already taken, and commencement of one remedy shall not prevent the Association from electing to pursue another remedy at a later date.

**8. Deposit of Fines, and Penalties.** All fines and penalties collected shall be placed in the Association's operating fund.

Adopted: May 6, 2010

# Paseo Villas Homeowners Association

## RULES AND REGULATIONS

Adopted April 4, 2013

Amended December 2, 2015

### Preamble

In this document the Paseo Villas (PV) Board of Directors has abstracted important rules from the Declarations of Covenants, Conditions, and Restrictions (hereafter referred to as the CC&R's) of the Paseo Villas Home Owners Association (HOA). Other rules enacted by the Board of Directors are also in this document. The intent of the documents is to help serve in the creation of an environment that operates smoothly and is as enjoyable and pleasant as possible. The information provided here is NOT a replacement for the CC&R's or By Laws. Should there be any discrepancy, the CC&R's and Bylaws take precedence. More information about a particular rule may be found in the section defined in square brackets [ ] located in the CC&R's of the Paseo Villas Home Owners Association" or in the HOA Bylaws. If there are no square brackets on a rule below, then that rule was adopted and approved by the HOA Board of Directors.

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Signed Rules Acknowledgement

## G. GENERAL RULES

### G.1 ACCOUNTABILITY AND ENFORCEMENT

- a. **Enforcement:** Anyone, owner, resident or visitor, who breaks the rules or violates any of the other Paseo Villas governing documents, is subject to fines or other consequences as determined by the HOA (Home Owners' Association) board. [9.5.2]
- b. **Association Assessments:** The HOA assessment(s) are due and payable by the fifth (5<sup>th</sup>) of each month. After the 15<sup>th</sup> of the month a late penalty, interest payment, and other additional charges will be added to your account. No owner may exempt himself or withhold payment for any reason

# Paseo Villas Homeowners Association

whatsoever. If payments are unacceptably late the association may place a lien on the property and elect to foreclose, forcing legal sale of the property. [8.6.2, 8.12, 9.4]

- c. **Complaints and Rules Violations:** We encourage owners to resolve neighbor to neighbor disputes among themselves and not to involve the HOA. Should this fail, the Board may elect to process complaints and minor rules violations after receiving a written and signed complaint, available online or from the office, the "Action Request Form." After a Board investigation, a determination will be made in the subsequent executive session of the board whether further action is warranted. This decision will be relayed in writing to the complainant within ten (10) days after the executive session in which the relevant findings are considered. [9.9]
- d. **Attorney's Fees:** If the association takes any action to enforce any of the provisions of the rules or governing documents, it shall be entitled to recover the full amount of the costs, including but not limited to attorney fees. [9.14]
- e. **Individual Unit Insurance:** Each unit owner is required to obtain and maintain property insurance for the interior of his/her unit including all upgrades and personal property. A copy of "proof of insurance" for each unit owned is to be placed on file in the office. [2.7.4]
- f. **Right of Access:** Each unit owner has granted a right of access to his unit to the managing agent and/or other person authorized by the Association for the purpose of making inspections, for pest control, and for the purpose of correcting conditions in a unit that threaten other units or common elements. [6.1.5] In a non-emergency situation (e.g. pest control) the association will use its best efforts to schedule a mutually convenient time. In the case of an emergency (e.g. fire & water line break), the HOA's access will be immediate. (See also Emergency Access Policy)

## G.2 OCCUPANCY AND USE

- a. **Unit Occupancy and Use:** Only five (5) people may occupy a unit, (2) persons per bedroom plus one. This limit may be exceeded temporarily with guests whose stay is limited to less than thirty (30) days. [4.1] (Note that this is also a city ordinance.)
- b. **Restriction on Businesses:** No business of any kind shall be owned or operated within the building, with the exception of professional and administrative professions that operate without disruption to the building and its environment. [4.3] Also permitted are child care facilities, as long as they are properly licensed and operated day care centers that adhere to all governmental requirements, and the Association is given prior notice of intended use for child care. [4.4]
- c. **Selling and Soliciting:** Selling, soliciting, and commercial enterprises are prohibited within the community. If a solicitor comes to your door please notify management. This rule is not intended to limit the rights of the residents to freely canvass or contact one another.

## G.3 MAINTENANCE AND APPEARANCE

- a. **Responsibilities:** The owner is responsible for all maintenance and repairs within units, including plumbing, caulking, windows, screens, pipes, hoses, heating, electrical, etc. [6.3.1]
- b. **Window Treatments:** In order to give the building a uniform look, window treatments must be white or off white on the exterior. [4.25]
- c. **Outside Drying and Laundering:** No clothes washing, drying or airing is permitted outside the individual units, including on the balcony or balcony railings. [4.13]
- d. **Unit Entryway:** This space is defined as the door and the space immediately adjacent to the door. Small decorations on unit doors and doormats are allowed as long as the decorations are not offensive and do not protrude into the hallways. The association reserves the right to determine what may be offensive. [4.7]
- e. **Antennas and Satellite Dishes:** All units are pre-wired for TV and internet. Other antenna systems and dish systems may not be attached to the face of the building nor may they be installed in or on any common area, including the roof. [4.14]
- f. **Bird Feeders:** Bird feeders of any kind are not allowed anywhere on the property, including patios and balconies. [4.16.3]
- g. **Elevators:** When moving large objects in the elevators, unit owners and residents **MUST** contact management with five days' notice to arrange for the installation of elevator pads to prevent

# Paseo Villas Homeowners Association

damage. Unit owners will be charged a minimal amount for the elevator pad installation, AND WILL BE CHARGED for any damage that you cause to the elevators during use.

## G.4 ALTERATION OF UNITS

- a. **Additions, Alterations, or Improvements by Unit Owners:** Improvements interior to private apartments may not impair or affect building structural integrity or mechanical systems, as specified in Davis-Stirling 4760 (a) (1) and the Paseo Villas CC&Rs. [6.3.5] If it is conceivable that planned interior modifications could impact building structure, or disrupt and in any way affect building electrical, plumbing, venting, or other mechanical systems, the Paseo Villas CC&R's REQUIRE SUBMISSION OF THE PLANS to the ACC for review and final approval by the board.
- b. **Subdivision:** No unit may be subdivided by an owner into smaller units. [7.1-17]
- c. **Restriction on Jacuzzis, Hot (and Soft) Tubs:** The installation of Jacuzzis and hot tubs without approval of the Architectural Control Committee and the Board is forbidden, whether located on a patio or balcony, or within a unit.
- d. Any construction work within apartments should be scheduled between the hours of 8 AM and 6 PM. Because such work may be disturbing to near neighbors, delivery of a courtesy notice with repair/remodel dates and times is recommended.
- e. If there is a chance that aerosols associated with construction work may activate building alarms, prior notice of planned work to the onsite office will enable a temporary shutdown of the building alarm systems.
- f. Providing notice to the office of intended welding, brazing, or other heat generating activity within an apartment will allow management to shut down (or empty) a restricted portion of the fire sprinkler system. This can avoid setting off a building-wide alarm and the creation of an unwanted water deluge.

## G.5 COMMUNITY LIVING

- a. **Noise:** No resident shall permit loud noise of any kind to emanate from their unit. This includes TV, Stereo, and barking dog noise, or any other type of noise. Residents are also responsible for the noise of their visitors. Speakers may not be mounted on walls, cabinets or ceilings or sitting on the floor, in such a way as to cause the transmission of sounds or vibrations. Residents are also responsible for the noise of their visitors. The designated QUIET HOURS on patios, balconies, and in the courtyard, (swimming pool and spa) MUST BE OBSERVED from 10 pm to 8 am Sundays through Thursdays, and 11 pm to 9 am on Friday, through to Sunday morning. [4.5, 4.6]
- b. **Flooring Restrictions:** For noise abatement reasons, carpet and carpet padding of at least 8lb weight is required in all areas except the unit entry area, kitchen, baths, and laundry closet. All units on the third floor, and those located above common areas are exempt from these flooring requirements and restrictions. If tile or linoleum flooring is replaced or overlaid adequate noise abatement material must be added between the cement floor and the new flooring change must be approved by the Architectural Control Committee and the Board. [4.10]
- c. **Smoking and Fumes:** Smoking is not allowed in Paseo Villas common areas, but is permitted on the exclusive use patios and balconies subject to the restriction that if fumes or smoke from a patio or balcony becomes a disturbance to other residents by finding its way to their unit interiors, those causing the fumes or smoke must contain these odors within their own respective units (by moving inside and closing doors and windows, for example).
- d. **Balcony and Patio Plants:** Balcony and patio plants must be confined within the exclusive use area and situated such that when watered the water does not find its way to balconies or patios below. Hosing of patios and balconies must also confine water so it does not leak or run below.
- e. **Signs:** No commercial signs may be displayed on the units. No signs may be installed in the common area without permission of the Board of Directors or property manager. [4.20] Signs of personal interest 8 1/2 by 11 inches or less in size may be posted by residents on the bulletin boards in the mail rooms for the duration of one week. The date of posting is to be written in the upper right corner. The same sign may be reposted at the end of any given week. Any resident may remove a sign that has exceeded the posting date.

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- f. **Shopping Cart Use:** The use of Paseo Villas shopping carts is limited to 19 minutes, after which the cart is to be returned to the appropriate side of the correct garage level as indicated by its attached sign, and placed within the taped and designated red zone. Shopping carts are NEVER to be removed from the building.
  - a. Return cart empty, clean, and in useable condition.
  - b. Use is restricted to garages (not including the autogalleria) and internal corridors and hallways.
- g. **Trash:** All trash shall be bagged prior to being dropped down trash chutes. No boxes are to be dropped into the trash chutes. Boxes must be collapsed and taken to the recycling room. Residents are responsible for the proper disposal of any garbage or materials left behind by workmen or visitors. [4.17]
- h. **Common Areas:** Obstruction and storage of any kind is not permitted in the common areas, including the hallways and outside any designated storage area. [4.8] Residents will assume responsibility for the cleaning and removal of stains or mess on carpeting and any flooring in all common areas of the building. Residents are responsible for mess caused by residents, owners, visitors, or people working in their unit.
- i. **Building Security:** In order to maintain building security and ensure the safety of all residents, all owners and residents are required to deny access to the building to anyone unknown to them to be a current resident. Further, all owners and residents are required to stop after entering or exiting the garages (2R-BR) until such time as the gates have fully closed behind them. Call 9-1-1 to report intruders.
- j. **Security:** Doors to lobbies and the common area must be kept closed and locked. If it becomes necessary for a resident, mover, employee, visitor, etc. to open both doors to accommodate a large object, the door should be released immediately after the object is in or out of the immediate hallway or entry lobby area.
- k. **Visitors:** We maintain very tight security at our site. Please tell your visitors they must be buzzed onto the property and may not follow another resident into the building or parking garage. You are responsible for your visitors' behavior during their stay, whether you yourself are present or not. [9.3]
- l. **Committee Membership:** All residents, including renters, are welcome to join and fully participate on all Paseo Villas Standing and "ad hoc" committees. Only owners may vote. Each Paseo Villas unit may have no more than a single vote on any issue coming before the respective committees.
- m. **Holiday Tree and Wreath Disposal:**
  - 1. Management shall annually prepare a disposal plan that is approved by the Board and then posted in the elevators.
  - 2. A reminder to clean up the mess created by transporting Christmas trees and wreaths in or out of the building is also posted.
  - 3. Trees and wreaths ARE NOT to be disposed of in the trash chutes; they must be bagged and moved out of individual units into the common areas for disposal in the pre-designated bins.

## G.6 PLUMBING AND EMERGENCIES

- a. **Water Shutdown in Non-Emergency Situations:**
  - 1. Schedule the shutdown with management at least three days in advance.
  - 2. Schedule the service of a plumber qualified by the HOA.
  - 3. Shutdowns are not allowed on Fridays, Saturday, or Sunday, and may not be scheduled before 8:30 am or later than 4:00 pm.
  - 4. Notify affected residents, (those in the same stack or with same shutoff valve), of the shutdown by posting HOA approved notices on their doors and in the elevators.
- b. **Water Shutdown IN EMERGENCY SITUATIONS:**  
**Immediately contact management for assistance and coordination.**
- c. **Water Leaks:** When a water leak occurs within a unit, it is the unit owner's responsibility to notify owners below or adjacent to his/her unit as well as management so as to determine the extent of

# Paseo Villas Homeowners Association

damage. The HOA does not become further involved in the repair process unless damage emanating from a unit has originated within the common area.

- d. **Preventing Kitchen Sink Overflows:** In order to prevent kitchen sink back-ups/overflows, DO NOT put items, such as those in the following list, into your kitchen sink/disposal: Asparagus, Banana Peels, Bread, Celery, Coffee Grounds, Corn Husks/Silks, Egg Shells, Grease, Hair (human or pet), Lettuce, Onion Peels, Pasta, Potato Peels, Rice.
- e. **Preventing Toilet Overflows:** In order to prevent toilet back-ups/overflows, DO NOT put items, such as those in the following list, into your toilets: Bandages, Cigarette Butts, Condoms, Cotton Swabs, Dental Floss, Disposable Diapers, Disposable Gloves, Facial Tissues, Flowers, Hair (human or pet), Leaves, Paper Towels, Plastic Bags, Rags, Rubber Bands, Sanitary Napkins, Sponges, Tampon Applicators, Uneaten Food.
- f. **Emergency Instructions for the Mobility Impaired:** Residents unable to use the stairs for building egress in emergency situations may so advise the office. It is the responsibility of the office to contact the local fire officials serving this building, providing the names, phone numbers, and locations within the building of such persons. In an emergency situation, it is the task of the emergency responders to locate and assist these individuals to safety. The office computer file location of this list shall be made known to board members.

## G.7 PARKING

- a. **Vehicles:** Vehicles are defined as conveyances licensable by the California Department of Motor Vehicles [1.53] and must have current registration [4.23], a category that includes automobiles, motorcycles, and watercraft (mounted on trailers).
- b. **Parking in the 2R and BR Paseo Villas Garages:**
  - 1. Parking spaces within the garages (2R and BR) are deeded to specific units in PV and are reserved for the exclusive use of the residents. Only Vehicles may occupy these parking spaces.
  - 2. Vehicles or other conveyances or items not authorized to occupy those spaces are subject to removal at the vehicle/items owner's expense.
  - 3. Owners may lease/rent/loan spaces to other residents but under no circumstance may a non-owner /non-resident park on a regular basis. An exception is for a guest who stays less than 30 days and does not pay for the space.
  - 4. Vehicles parked in Paseo Villas garages must be confined to the clearly outlined and assigned parking spaces. Disordered parking outside the marked area which impinges on a neighboring space or the common area may result in a FINE being levied by the Board.
  - 5. Parking spaces may NOT be converted to other use, specifically for any type of storage.
  - 6. Parking spaces must be kept neat and orderly. In particular, oil stains must be cleaned up and not stain the concrete. Small oil pans to capture leaks are permitted. [4.21,4.24] The cost of any cleanup performed by the Association shall be deemed a reimbursement assessment against the unit owner.
  - 7. Automobile repairs are not allowed in the gated garage area other than emergency repairs to enable transport of the vehicle to a proper repair facility.
- c. **Parking in the Autogalleria:**
  - 1. Vehicles parked in the Autogalleria during business hours, (6 AM to Midnight, seven days per week), are subject to towing, as per the REMA agreement.
  - 2. Residents may park their vehicles in the Autogalleria from Midnight to 6AM. It is required that they identify their vehicle as belonging to PV by using the mirror hang tag issued to the unit.
  - 3. Use of the mirror hang tags at any other time provides no guarantee that your car will not be towed. NOTE, no liability is assumed by the association for damage or theft resulting from the towing or storage of any parked vehicles.

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## G.8 PETS

- a. **Permissible Pets:** Residents may have a maximum of two (2) common domestic pets (dogs, cats, rabbits and small caged animals), not weighing more than 30 pounds each animal. Pets that are wild, poisonous, or in some other way dangerous may not be kept.
- b. **Restrictions:** Pets (dogs AND cats) must NOT be allowed to roam free in common areas or be left chained or confined within any exclusive use common area (patio or balcony). Pets are not allowed in the pool or courtyard areas.

Residents are responsible for pets that visit their unit and are subject to the same rules as resident pets. Pets in transit must be leashed (a maximum of six feet in length) AT ALL TIMES when in the Common Areas. Pet Caregivers are responsible for immediately cleaning up after their animals. Should your pet have an accident in a Common Area, the pet caregiver must clean up the mess or stain as soon as humanly possible. Residents are responsible for any damage caused by the animal or by any cleaning in an attempt to remedy any stain.

- c. **Nuisance:** Pets shall not be allowed to become a nuisance or create unreasonable disturbance. Pets who become a nuisance will as evidenced by factual complaints will be encouraged to receive pet training, and the HOA may move toward a penalty process. The HOA may ultimately ask that the pet be removed from the building. The Humane Society of the United States lists examples of nuisance behaviors:

[http://www.humanesociety.org/assets/pdfs/pets/renting\\_with\\_pets/recommended\\_pet\\_policies.pdf](http://www.humanesociety.org/assets/pdfs/pets/renting_with_pets/recommended_pet_policies.pdf)

## G.9 SALES AND LEASING

- a. **Sale of Unit:** Any owner that places his unit for sale must notify the Association so that the association may make available current association documents (CC&R's, ByLaws, rules, etc) to be signed at escrow and conduct an estoppel inspection.
- b. **Notification of Tenancy:** An owner must provide management with a copy of a signed lease within five (5) days after the lease effective date and the names of any (new) tenants. New tenants will be requested to fill out a "tenant update form" and provided with a copy of the governing documents and copies of this rules document upon move in. One copy of the rules document is to be initialed and signed by each new tenant and returned to a management representative accompanying the copy of the lease. Another copy (may be unsigned) of the rules accompanies at least one of the new tenants to the newly leased unit for purposes of future reference. [5.1.b,c]

## G.10 MOVING AND KEYS

See Moving Policies and Keying Policies for the Common Area found separately in "Paseo Villas Homeowner Policies."

## F. FACILITY USE RULES

While the "General Rules" of the Paseo Villas Homeowners Association are more broadly applicable, the "Facility Use Rules" describe rules and procedures for making use of the special common area features available to residents; the Pool and Spa, the Exercise Room, and the Social Room.

### F.1 POOL AND SPA AREA RULES

- a. **Hours of Use:** The pool and spa are open from 6 am until midnight. During the quiet hours you must lower your voice and respect other residents need for quiet. (The hours of operation of the switch for the jets on the spa may be restricted.)
- b. **Follow Posted Rules:** Pool and spa users are required to follow the rules for use that are posted on three sides of the pool deck.
- c. **Swim at Your Own Risk:** As no lifeguard is on duty, residents and their guests swim at their own risk.
- d. **Pool Gate:** The pool gate must be closed at all times.

# Paseo Villas Homeowners Association

- e. **No Boisterous Play:** No diving, running, pushing, or boisterous play is allowed in the pool/spa area.
- f. **Attire:** Customary bathing attire is required for use of the pool and spa.
- g. **Maximum Number in Pool:** The maximum pool capacity is 14 persons, with no more than ten at a time sponsored by, or including the residents of, a single Paseo Villas residence.
- h. **Maximum Number in Spa:** The maximum spa capacity is 6 persons at a time. All must be over the age of 14.
- i. **Children Must be Accompanied:** Children under the age of 14 must be accompanied by an adult at all times. (It is NOT sufficient to monitor children from a patio or balcony.) Any resident has the right to request that children unaccompanied by an adult leave the pool/spa area.
- j. **Swim Diaper Required:** Non toilet-trained children must wear a swim diaper at all times.
- k. **Toys Allowed:** Only toys designed for pool use may be used in the pool. Remove them when you leave.
- l. **Earphones Required:** The use of audio devices without earphones is prohibited.
- m. **No Glass Containers:** While food and drinks are permitted in the pool area, under no circumstance is the utilization of glass containers allowed on the swimming pool and spa deck areas or in the spa and pool.
- n. **Keep Area Clean:** Pick up your own trash and any clean any spills that are your responsibility properly and promptly.
- o. **Replace spa cover:** Replace the spa cover after each use.

## F.2 EXERCISE ROOM RULES

- a. **Permission to Use:** Use of the room is limited to Paseo Villas residents and one guest at a time.
- b. **Age Restrictions for Children:** No children under the age of 10 are allowed, and children between the ages of 10 and 14 must be accompanied by an adult.
- c. **Attire Required:** Shirt and athletic shoes are required.
- d. **Share the Equipment:** Limit time on the equipment to 30 minutes when others are waiting, and allow others to "work in" between sets on the machines.
- e. **Use Equipment Properly:** Don't slam or drop the equipment.
- f. **Use of the TV:** Keep the TV volume low at all times and off during "quiet hours."
- g. **Wipe Off Equipment:** Bring and use your own towel to wipe moisture off the equipment when you are finished.
- h. **Return Equipment to Proper Place:** Replace the dumbbells on the rack when you are finished.
- i. **No Food Permitted:** No food or glass containers are allowed in the Exercise Room.
- j. **Remove What You Bring:** Take with you any items you brought with you into the room— newspapers, water bottles, etc.
- k. **Properly Exit the Room:** The last person out should turn off the lights, the TV, the air conditioning, and make sure the doors are closed.

## F.3 SOCIAL ROOM RULES

- a. **Availability:** The Social Room is available 24/7 to all residents and their invited guests, but room users must be certain that party noise does not present a problem for other residents. In particular, quiet hours must be respected.
- b. **Business Use Prohibited:** The Social Room may not be used for any commercial event or activity, including but not limited to vending, sales demonstrations, etc.
- c. **Capacity:** The room capacity is limited to 72 people.
- d. **Sign Contract in Advance:** Arrangements to reserve the Social Room must be made with the management company prior to the date of the event. At this time a "Social Room Contract" will be signed by the resident desiring room use. Use priority is generally determined on a first come, first served basis.
- e. **Use of AV Equipment:** Arrangement must be made with the management company in order to make use of the audio/visual equipment stored in the Social Room. A key will be loaned to you for

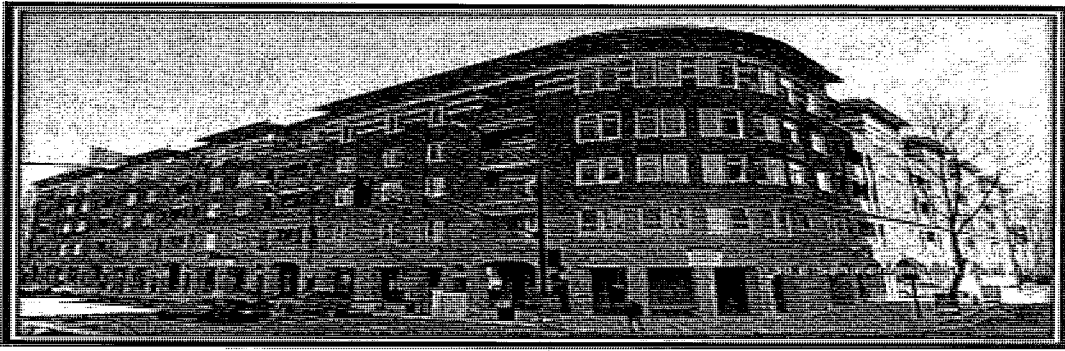


# Paseo Villas Homeowners Association

access to this equipment, but the key must be returned the day of the event by slipping the key under the office door if necessary.

- f. **Return to Original Condition:** The Social Room must be returned to its original pre-party condition after any event. Furniture must be restored to its original position, and cooktops, counters, the microwave, the refrigerator, the kitchen floor, the carpet in the room, and the bathroom must all be cleaned and appear as they did before use. Trash must be bagged, removed and properly disposed of, the lights and air conditioning turned off, and the doors to the room properly closed.
- g. **Latest Time for Clean Up:** If not all cleanup is accomplished the evening of an event, it is permissible to return and complete the pre-party restoration of the Social Room the morning following, as long as this work is completed by 10 am the following day.
- h. **Inspection Afterwards:** The Social Room will be inspected by the management company for damage and cleanliness as soon after the scheduled event as is practicable.
- i. **Payment Liability:** The owner of the unit reserving the Social Room is responsible for the payment of all charges incurred by the association because of the need for additional maintenance, repair, or upkeep to the room following their Social Room event.
- j. **Host's Presence Required:** The resident reserving the Social Room must be present at all times during the scheduled event, and further accepts all liability for the actions and safety of all guests.
- k. **Kitchen Use Limited:** Use restrictions for the kitchen are the following:
  - i. The kitchen facilities are limited to the "warming up" of food and light or basic food preparation (such as chopping salad ingredients).
  - ii. There is to be no baking, broiling, boiling, or frying of food.
  - iii. The oven is never to be put into the self-clean cycle, but should be cleaned by hand if necessary.
- l. **All HOA Rules Enforced:** The resident reserving the room will enforce all the HOA rules. NO SMOKING is permitted in any of the building common areas, including the elevators, courtyard, hallways, the Social Room itself, and the entry lobbies.
- m. **HOA Precedence:** The association reserves the right to first pick of the times and dates of Social Room reservation for general membership parties and other events important to the maintenance of its typical and/or necessary functions.
- n. **No Access beyond Social Room:** Note that use of the pool, spa, and exercise room is not included with the reservation of the Social Room.
- o. **Cap on Simultaneous Reservations:** No resident may have more than two active open reservations for use of the Social Room on any Friday, Saturday, or Sunday (not including the holiday lottery reservation system).
- p. **Holiday Lottery:** Because at holidays there can be competition for the use of the Social Room space, Paseo Villas has created a lottery system to make this determination as fair as possible. To enter a holiday lottery it is necessary to contact management and "sign up" at least 30 days prior to the planned event and provide information as to desired dates and times. At the dates that is 30 days before the beginning of that Holiday, management will no longer accept Social Room reservation requests for that particular holiday or holiday weekend, and will proceed to conduct the drawing, prioritize the results according to the selected order, and then contacting residents to make the official time assignments for use of the Social Room during that holiday period. The designated holidays include:

New Year's Eve	St. Patrick's Day	Independence Day	Thanksgiving
Super Bowl Sunday	Easter	Labor Day	Christmas Eve
President's Day	Memorial Day	Halloween	Christmas Day



## **Paseo Villas Homeowners Association**

### **Board Meeting: Monday, January 9, 2017, at 7:00 PM, in the Social Room**

Agendas are posted at the mailroom bulletin boards four days prior to the meeting. Homeowners are welcome to attend, though participation is limited to the open forum period of the meeting. If you would like to submit an item for the agenda, please submit a written proposal to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.

### **Tree & Wreath Disposal for the Holiday Season**

A large container specifically for the collection of natural and flocked Christmas trees and cut wreaths will be placed on 4th Street in the loading zone near the side entrance of Paseo Villas. This container is being shared with Paseo Plaza. This bin will be available on Tuesday, December 27, 2016 and will be removed on Tuesday, January 3, 2017.

This bin is **ONLY** for Christmas Trees. Ornaments and tree stands need to be removed before placing them in the bin. Flocked trees are ok to put in the bin. Be sure to bag your tree/wreath prior to removing from your home to minimize the amount of droppings left in the common areas. Please clean up any mess that might be created. Please do not dispose of trees or wreaths in the trash chutes.

### **Board Members**

At the December 14, 2016 Board meeting Board members were appointed to the following positions:

<b><i>President:</i></b>	<b><i>Nicholas Antoniou</i></b>
<b><i>Vice President:</i></b>	<b><i>Julie Matsushima</i></b>
<b><i>Secretary:</i></b>	<b><i>Jeff Gale</i></b>
<b><i>Treasurer:</i></b>	<b><i>Regina Schuck</i></b>
<b><i>Director at Large:</i></b>	<b><i>Chuck Corr</i></b>

### **Security Reminder**

Even though the Association has controlled access points, the Association cannot guarantee safety and security. **You can do your part to help by ensuring that all exterior doors are securely closed behind you as you enter or leave the building, and by calling in any suspicious or threatening activity to the police.** Reports of such activity should also be sent to Management so that the incident is documented and can be reviewed, as necessary, for further action by your Board of Directors.

#### **Board of Directors**

Nicholas Antoniou

*President*

Julie Matsushima

*Vice President*

Jeff Gale

*Secretary*

Regina Schuck

*Treasurer*

Chuck Corr

*Director at Large*

#### **Managing Agent**

Compass Management

77 Las Colinas Lane  
San Jose, CA 95119

Phone: (408) 226-3300

Fax: (408) 226-3406

Hours: 8:30AM- 5:00PM

#### **Email**

helpdesk@gocompass.com

#### **Website**

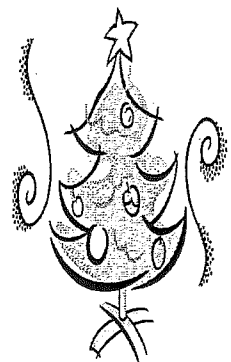
www.gocompass.com

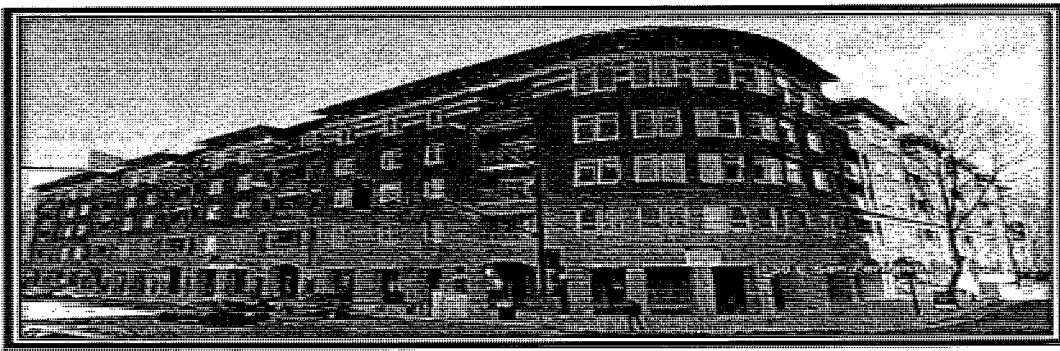
#### **Association Manager**

Andrew Warren

#### **On-Site Administrator**

Shannon Hernandez





## Paseo Villas Homeowner Association

### Board Meeting: Wednesday, December 14, 2016, at 7:00 PM, at the Social Room

Agenda's are posted at the mailroom bulletin boards four days prior to the meeting. Homeowners are welcome to attend, though participation is limited to the open forum period of the meeting. If you would like to submit an item for the agenda, please submit a written proposal to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.

### Holiday On-Site Office Hours

Due to the holidays, the on-site office hours will be from: 8:30AM – 12:30PM, Wednesday and Friday, the weeks of Christmas and New Year. To reach Compass Management outside of the onsite office hours, please call (408)226-3300 or email: HelpDesk@GoCompass.com.

### Compass will be Closed

Compass Management Group, Inc. will be closed on Monday, December 26th for the Christmas holiday and Monday, January 2nd for the New Years holiday.

### Safety/Security Reminder -Vehicle Gates and Entry Doors

Please help maintain the security of the building by being vigilant at the building's entry points. At vehicle gates, after proceeding through the gate, please wait for the gate to close before proceeding. At entry doors, please make sure that doors fully close behind you. If you are moving in or out, or are having workers in your unit, the doors are not to be propped open. You must let workers in and out each time they leave or enter the building.

### Balcony Drains

In preparation of a rainy winter, please remember to check the drain on your balcony to ensure that it is not clogged.

### Retail Parking Space

If you have a parking pass for the Autogalleria, remember that you may only park there between midnight and 6AM. Vehicles parked in violation will be towed, without warning and at the vehicle owner's expense. Please remind your guest or vendors of the parking restrictions as well.



#### Board of Directors

Nicholas Antoniou

Julie Matsushima

Vacant

Ricardo Suito

Jeff Gale

#### Managing Agent

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#### Association Manager

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#### San Jose Homeless

#### Outreach

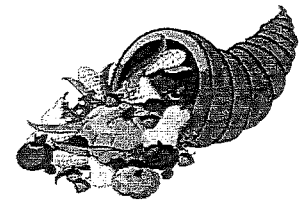
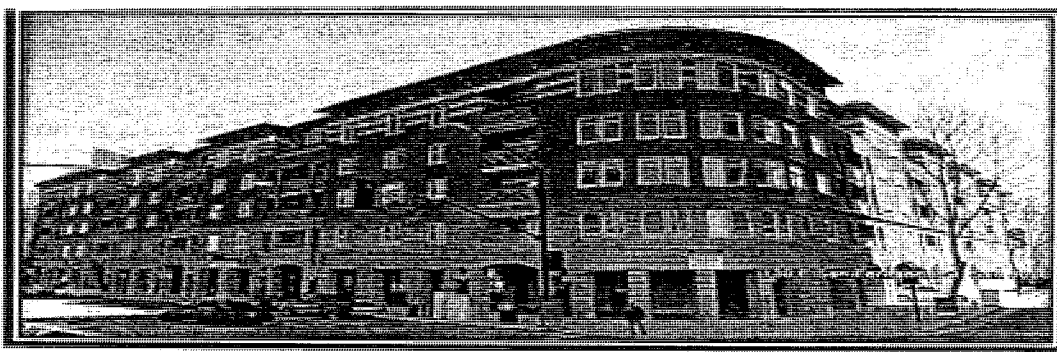
Phone : 408-510-7600

#### Website:

ehcoutreach

@elifebuilders.org





Happy Thanksgiving  
November 2016

**Paseo Villas Homeowner Association**

**Next Board Meeting: Thursday, November 3, 2016, at 7:00 PM, at the Social Room**

Agenda's are posted at the mailroom bulletin boards four (4) days prior to the meeting. If you would like to submit an item for the agenda, please submit a written statement, with the decision that you are requesting the Board to make, to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.

**New Association Manager**

Please help the Board in welcoming Andrew Warren as our Association Manager. PK Hsu has moved on to new projects in Texas. We wish him all the best on his new adventures. Andrew was assisting PK and has moved up as the Association Manager.

**Jim Crawford, Resignation from the Board of Directors**

On October 12, 2016, Jim Crawford resigned from the Paseo Villas Homeowners Association Board of Directors. The Board of Directors and the Association would like to acknowledge and thank Jim Crawford for his service to the Paseo Villas Community and wish him good luck on his future endeavors.

This resignation has created an open seat on the Board of Directors, with a term that ends in November of 2017. If you are a member that is interested in contributing your time to the Paseo Villas Homeowners Association by volunteering to serve on the Board of Directors, please nominate yourself for the open seat. At an upcoming Board meeting, the Board of Directors intends to appoint one of the volunteers to this open position.

To nominate yourself, please complete the attached Candidate Questionnaire and submit it to the Compass Management Group, Inc. via email, mail, fax, or in person at the on-site office during office hours to:

Paseo Villas Homeowners Association  
c/o Compass Management Group, Inc.  
77 Las Colinas Lane  
San Jose, CA 95119  
Fax: (408) 226-3406  
HelpDesk@GoCompass.com

ALL SUBMISSIONS MUST BE RECEIVED BY MANAGEMENT NO LATER THAN NOVEMBER 2, 2016.

**Office Closed**

The offices of Compass Management Group, Inc. will be *closed* on Friday, November 11, 2016 for Veterans Day and Thursday and Friday, November 24 & 25, 2016 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 common area property damage** over the holiday weekends.

**Time Change Reminder**

Don't forget to change your clocks back one hour from Daylight Savings Time to Standard Time on **Sunday, November 6, 2016**. This is also a good time to change the batteries in your smoke and carbon monoxide detectors.

**New Onsite Hours**

On-site office hours will be Mondays: 1:00PM to 5:00PM, Wednesdays and Fridays: 8:30 AM to 12:30 PM. Please contact Compass Management Group customer service at: (408) 226-3300 or email: HelpDesk@GoCompass.com.

**Pool Winterization**

The pool heat will be turned off on Tuesday, November 1st. All pool furniture will be winterized (stored and wrapped for the winter.

**Board of Directors**

**President**

Nicholas Antoniou

**Vice President**

Julie Matsushima

**Treasurer**

Vacant

**Secretary**

Ricardo Suito

**Director**

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# **Paseo Villas Homeowners Association**

October 14, 2016

Dear Residents,

Due to recent events, the Board of Directors has requested management send all residents a Resident Update Form that must be completed and returned. This is to make sure management has all current information in case of an emergency. Per the Association CC&Rs Section 5.1 & 5.8, owners are required to update management within 30 days of any changes.

The form must be returned by Wednesday, November 30, 2016.

The information provided is never shared and is only used on an emergency basis. The Board of Directors thanks you in advance for your prompt attention and cooperation.

# PASEO VILLAS HOMEOWNERS ASSOCIATION RESIDENT UPDATE FORM

**PLEASE PRINT.** All information provided is confidential to the Association and its Managing Agent. It will not be sold, published or released to anyone outside the Association who does not have a direct purpose in servicing the Association.

Property Address: \_\_\_\_\_

List Owners (up to 2 people):

(1) First name: \_\_\_\_\_ MI \_\_\_ Last \_\_\_\_\_

(2) First name: \_\_\_\_\_ MI \_\_\_ Last \_\_\_\_\_

Owner's Mailing Address: \_\_\_\_\_  
(if an off-site owner) \_\_\_\_\_

Phone numbers allow us to contact you in the event of an emergency. E-mail addresses give us an additional communication channel for regular business:

Owner's Home Phone: \_\_\_\_\_

Owner (1) Cell Phone \_\_\_\_\_ Work Phone \_\_\_\_\_

Owner (1) E-mail Address \_\_\_\_\_

Owner (2) Cell Phone \_\_\_\_\_ Work Phone \_\_\_\_\_

Owner (2) E-mail Address \_\_\_\_\_

If property is a rental, please provide resident names (up to 4 people):

First \_\_\_\_\_ MI \_\_\_ Last \_\_\_\_\_

First \_\_\_\_\_ MI \_\_\_ Last \_\_\_\_\_

First \_\_\_\_\_ MI \_\_\_ Last \_\_\_\_\_

First \_\_\_\_\_ MI \_\_\_ Last \_\_\_\_\_

Resident's Home Phone: \_\_\_\_\_

Resident (1) Cell Phone \_\_\_\_\_ Work Phone \_\_\_\_\_

Resident (1) Email Address \_\_\_\_\_

Resident (2) Cell Phone \_\_\_\_\_ Work Phone \_\_\_\_\_

Resident (2) Email Address \_\_\_\_\_

**(over)**

# PASEO VILLAS HOMEOWNERS ASSOCIATION RESIDENT UPDATE FORM

Please provide information on any vehicles you park within the Community.

1<sup>st</sup> vehicle: Make: \_\_\_\_\_ Model: \_\_\_\_\_

License # \_\_\_\_\_ Color: \_\_\_\_\_

Registered owner: \_\_\_\_\_

2<sup>nd</sup> vehicle: Make: \_\_\_\_\_ Model: \_\_\_\_\_

License # \_\_\_\_\_ Color: \_\_\_\_\_

Registered owner: \_\_\_\_\_

3<sup>rd</sup> vehicle: Make: \_\_\_\_\_ Model: \_\_\_\_\_

License # \_\_\_\_\_ Color: \_\_\_\_\_

Registered owner: \_\_\_\_\_

Parking Space \_\_\_\_\_ Owned \_\_\_\_\_ Rented \_\_\_\_\_ Unit # Renting \_\_\_\_\_

Parking Space \_\_\_\_\_ Owned \_\_\_\_\_ Rented \_\_\_\_\_ Unit # Renting \_\_\_\_\_

Please provide information on any storage units that are owned and advise if they are rented and to whom.

Storage Space \_\_\_\_\_ Owned \_\_\_\_\_ Rented \_\_\_\_\_ Unit # Renting \_\_\_\_\_

Storage Space \_\_\_\_\_ Owned \_\_\_\_\_ Rented \_\_\_\_\_ Unit # Renting \_\_\_\_\_

Please note: If you are an absentee Landlord, we will also need a copy of the current Lease or Rental Agreement you have with your Tenants, per the CC&Rs.

---

## **AUTHORIZATION TO BE INCLUDED IN THE COMMUNITY DIRECTORY:**

Please sign below if you wish to authorize your name(s) and home phone number to be included in the Community Directory or Entry System.

By initialing this box, I (Resident listed herein), authorize the release of our name(s) and phone number only to other residents of the Association.

By initialing this box, I (Resident listed herein), do **NOT** authorize the release of our name(s) and phone number to other residents of the Association.

All information provided is confidential to the Association and its Managing Agent. It will not be sold, published or released to anyone outside the Association who does not have a direct purpose in servicing the Association.

\_\_\_\_\_  
Signature of Resident

\_\_\_\_\_  
Date

# Paseo Villas Homeowners Association

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To: All Paseo Villas Homeowners  
From: Board of Directors  
Date: October 13, 2016

RE: Annual IRS Resolution/ Earthquake Insurance

A Call for Candidates for open positions on the Board of Directors was issued to all homeowners. As of the deadline for submitting nominations on Wednesday, September 14, 2016 at 4:00 PM, only three members of the Association declared their candidacy for the Board of Directors. Therefore, Jeff Gale, Julie Matsushima and Regina Schuck-Hahn have been appointed to the Board of Directors by acclamation to serve two-year terms and will assume their seats at the December Board Meeting.

A ballot is enclosed for the Annual IRS Tax Resolution. A positive response to this resolution permits the Association to transfer all or a portion of excess membership income into the reserve account for the following year, or to otherwise apply such surplus to membership assessments. If the resolution is not approved, such surplus may be classified as taxable income and the Association may incur a tax liability. Therefore, the Board encourages you to vote in favor of the Annual IRS Resolution.

On the ballot you will also see a request to vote on Earthquake Insurance, the association does not currently have Earthquake Insurance. Please cast your vote on whether or not you would like the association to purchase Earthquake insurance. The additional cost would be \$21,001.20 which would be about \$17.00 Per Unit, Per Month or a special assessment of \$204.00 for 2017.

Please use the enclosed prepaid envelope to return your completed ballot. Be sure to fill out the return address portion of the return envelope. Please return the ballot by mail no later than Tuesday, November 1, 2016. After that date, the Inspector of Elections will open and tally the ballots, and announce the result.

**Enclosed with this letter, you will find your ballot and a green prepaid envelope. After casting your vote, fold and place the ballot into the green envelope. Before mailing the envelope and ballot, please fill out the upper left hand corner of the green envelope with your name, address, and signature where indicated.**

Please contact Compass Management Group, Inc. if you have any questions.

Sincerely,  
Compass Management Group, Inc.

*The envelope provided is meant solely for the return of the ballot enclosed. This envelope will only be opened upon the instructions of the Inspector of Elections pursuant to the bylaws of the Association. Please do not include any other correspondence in this envelope.*

---



# Paseo Villas Homeowners Association

Annual Meeting of the Members  
Thursday, November 3, 2015

## Election of Directors

As of the deadline for submitting nominations on Wednesday, September 14, 2016 at 4:00 PM, only three members of the Association declared their candidacy for the Board of Directors. Therefore Jeff Gale, Julie Matsushima and Regina Schuck-Hahn have been appointed to the Board of Directors by acclamation to serve two-year terms and will assume their seats at the December Board Meeting.

---

## Annual IRS Resolution

**RESOLVED:** That any excess of membership income over membership expenses as defined in IRS Regulations 1.277-1 for the year ending December 31, 2016 shall be applied against the subsequent tax year member assessments, as provided by IRS Revenue Ruling 70-604.

FOR                       AGAINST

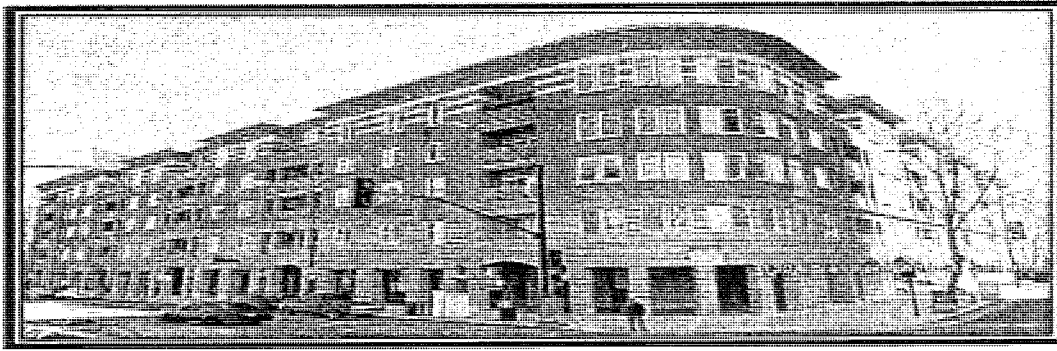
The quorum requirement for the IRS Resolution is the number of ballots received by the deadline.

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## Association Earthquake Insurance

Please vote yes if you would like the association to purchase earthquake insurance or Vote no if you prefer the association not purchase earthquake insurance.

YES                               NO



**Paseo Villas Homeowner Association**

**Next Board Meeting: Wednesday, October 12, 2016, at 7:00 PM, at the Social Room**

Agenda's are posted at the mailroom bulletin boards four (4) days prior to the meeting. If you would like to submit an item for the agenda, please submit a written statement, with the decision that you are requesting the Board to make, to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda.

**Water Softening System**

Just a reminder there is work has started on the water softening system, during which the water softening system will be down. The work has started on Tuesday, September 27<sup>th</sup> and will be done Tuesday, October 11<sup>th</sup>. While this work is being done the water will bypass the softening system so all units will not have any interruptions with having water. Once work has completed an email will be sent out and notices posted in the bulletin boards.

**Safety/Security Reminder -Vehicle Gates and Entry Doors**

Please help maintain the security of the building by being vigilant at the building's entry points. At vehicle gates, after proceeding through the gate, please wait for the gate to close before proceeding. At entry doors, please make sure that doors fully close behind you. If you are moving in or out, or are having workers in your unit, the doors are not to be propped open. You must let workers in and out each time they leave or enter the building.

**Halloween Safety Tips**

Halloween is an exciting time of year for kids, and to help ensure they have a safe holiday, here are some tips from the American Academy of Pediatrics (AAP) to keep everyone safe this Halloween.

**All Dressed Up:**

Plan costumes that are bright and reflective. Make sure that shoes fit well and that costumes are short enough to prevent tripping, entanglement or contact with flame.

Consider adding reflective tape or striping to costumes and Trick-or-Treat bags for greater visibility.

Because masks can limit or block eyesight, consider non-toxic makeup and decorative hats as safer alternatives. Hats should fit properly to prevent them from sliding over eyes.

When shopping for costumes, wigs and accessories look for and purchase those with a label clearly indicating they are flame resistant.

Obtain flashlights with fresh batteries for all children and their escorts.

**Carving A Niche:**

Small children should never carve pumpkins. Children can draw a face with markers. Then parents can do the cutting.

Votive candles are safest for candle-lit pumpkins.

Lighted pumpkins should be placed on a sturdy table, away from curtains and other flammable objects, and should never be left unattended.

**Home Safe Home:**

To keep homes safe for visiting trick-or-treaters, parents should remove from the porch and front yard anything a child could trip over such as garden hoses, toys, bikes and lawn decorations.

Parents should check outdoor lights and replace burned-out bulbs.

Restrain pets so they do not inadvertently jump on or bite a trick-or-treater.

**October 2016**

**Board of Directors**

**President**

Nicholas Antoniou

**Vice President**

Julie Matsushima

**Treasurer**

Jim Crawford

**Secretary**

Ricardo Suito

**Director**

Jeff Gale

**Managing Agent**

Compass Management

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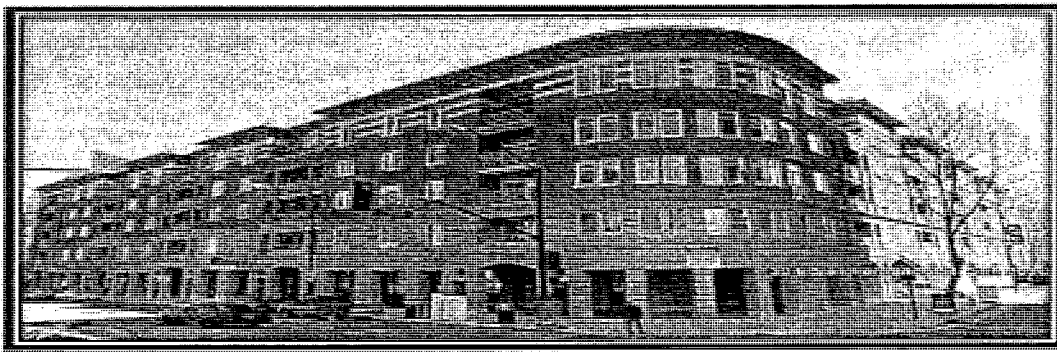
**Outreach**

Phone : 408-510-7600

**Website:**

ehcoutreach

@elifebuilders.org



## Paseo Villas Homeowner Association

### Call for Candidates:

This year, there are three Board of Director positions up for election, each with a two-year term. To be considered for one of these positions, members of the Association, who are in good standing, should submit a Candidate Nomination Form, expressing their interest, so that it is received by 4:00 PM on Wednesday, September 14, 2016, to:

Paseo Villas HOA  
c/o Compass Management Group, Inc.  
77 Las Colinas Lane  
San Jose, CA 95119  
Fax: (408) 226-3406

Email: [helpdesk@gocompass.com](mailto:helpdesk@gocompass.com)

Or hand carried to the board meeting

The Candidate Nomination Form can be found after logging into each unit owner's account at [www.gocompass.com](http://www.gocompass.com) (under HOA Documents, in the Announcement Folder) or a form can be requested by contacting Compass Management.

### Next Board Meeting: Wednesday, September 14, 2016, at 7:00 PM, at the Social Room

Agenda's are posted at the mailroom bulletin boards four (4) days prior to the meeting. If you would like to submit an item for the agenda, please submit a written statement, with the decision that you are requesting the Board to make, to Compass Management ten (10) days prior to the scheduled meeting. Per civil code requirements, the Board should not discuss or act upon items that are not on the agenda. The board is planning to have time for State Assembly candidate Ash Kalra to have a meet and greet with residents at 8:00 PM.

### Safety/Security Reminder -Vehicle Gates and Entry Doors

Please help maintain the security of the building by being vigilant at the building's entry points. At vehicle gates, after proceeding through the gate, please wait for the gate to close before proceeding. At entry doors, please make sure that doors fully close behind you. If you are moving in or out, or are having workers in your unit, the doors are not to be propped open. You must let workers in and out each time they leave or enter the building.

### Offices Closed

The offices of Compass Management Group, Inc. will be closed **Monday, September 5th**, in observance of the Labor Day.

## September 2016

### Board of Directors

#### President

Nicholas Antoniou

#### Vice President

Julie Matsushima

#### Treasurer

Jim Crawford

#### Secretary

Ricardo Suito

#### Director

Jeff Gale

### Managing Agent

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