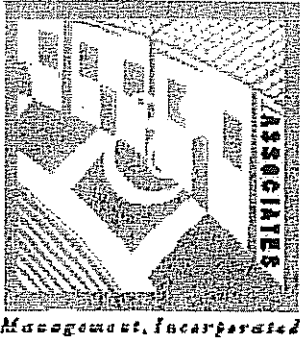


MASSINGHAM



ESCROW DEPARTMENT
Fax: (510)780-7535
2247 National Avenue
Hayward, CA 94545

Michelle Tsurui
Phone: (510) 780-8531
Michellet@massingham.com
Tiffany Williams
Phone: (510) 780-8525
Tiffanywi@massingham.com

PROPERTY ADDRESS 3422 Redhook Lane

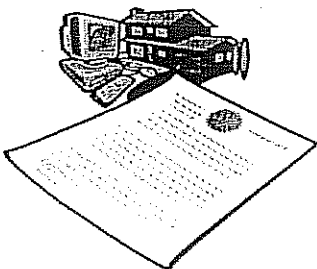
FROM MASSINGHAM AND ASSOCIATES MANAGEMENT COMPANY:

- ☐ C C & R'S
- ☐ BY LAWS
- ☐ ARTICLES OF INCORPORATION
- ☐ BUDGET
- ☐ FINANCIAL STATEMENT
- ☐ DECLARATION PAGE OF INSURANCE
- ☐ RULES & REGULATIONS
- ☐ MINUTES
- ☐ NEWSLETTERS
- ☐ LITIGATION INFORMATION
- ☐ CONFIDENTIAL INFORMATION SHEET
- ☐ AGREEMENT TO PAY

FROM SELLER:

- ☐ GARAGE DOOR OPENER
- ☐ POOL KEY
- ☐ LAUNDRY ROOM KEY
- ☐ ACCESS CODE FOR THE ENTRY GATE
- ☐ PARKING PERMITS
- ☐ OTHER: _____

I/We have received the information checked off above.



X _____
X _____

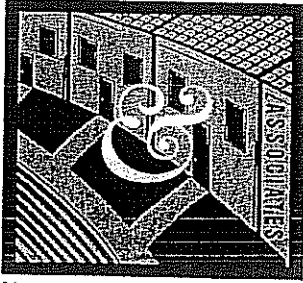
MASSINGHAM AND ASSOCIATES, INC.
2247 National Avenue
Hayward, CA 94545
510.780.8587
510.780.7535 (FAX)

AUTOMATIC PAYMENT

Please be advised that if you have an automatic payment taken out for your dues, it is your responsibility as a seller to cancel it. If you do not take it upon yourself to cancel your automatic payment it may result in delaying the process. If you have any questions please contact Massingham & Associates at the above number.

Thank you,
Massingham & Associates

MASSINGHAM



Management, Incorporated

2247 National Ave
Hayward, CA 94542
(510) 780-8587
WWW.MASSINGHAM.COM

Notice of Agreement to pay Association Assessments Covenant for Maintenance Assessment Creation of the Lien & Personal Obligation of Assessments

*This form must be signed and returned to Massingham & Associates Management. Prior to any change being made.

The declarant for each lot/unit owned within the properties, hereby covenants and each owner of any lot/unit by acceptance of deed therefore. Whether or not it shall be expressed in such deed is deemed to covenant and agree to pay the association Annual assessments or charges & Special assessments for Capital Improvements. Such assessments together with all interest, cost and reasonable attorney's fees shall be a charge on the land and shall be a continuing assessment together with interest cost, and reasonable attorney fees shall also be the personal obligation of the person who was the owner of such a property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to the successors in title unless expressly assumed by them.

Parking: I am aware that all drive ways and all areas other than designated parking are fire lanes and that all vehicles parked in the fire lanes will be towed at the owner's expense.

I/We have read and understand the above statement.

I/We have received a copy of the Declaration of Covenants, Conditions & Regulations, Bylaws and Articles of Incorporation (if applicable) for the Garden Isle HOA.

The current assessment for your Association are \$ 380.00 per month. The assessment is due on the 1st of the month and delinquent if not received in our office by the _____ of each month.

SPECIAL ASSESSMENT STATEMENT:

() Applicable: I/We are aware of the current special assessment due for the Association. Which are \$ _____ per month for the deeded property. The special assessment commenced on _____ and ends on _____

(X) Not Applicable

Buyer _____
(Print name)

X _____
(Signature)

Buyer _____
(Print name)

X _____
(Signature)

Property Address: 3422 Redhook Lane Mailing Address: _____

Phone# _____ Date _____

Massingham & Associates Management Inc.
2247 National Avenue
Hayward, CA 94545
(800) 863-6277

CONFIDENTIAL INFORMATION

The following information is requested from you so that the correct person can be contacted on Homeowner Association business in case of emergencies. This information will be available only to the Board of Directors and the management company.

PROPERTY:

MEMBER NUMBER: _____

ADDRESS: _____

PROPERTY OWNER(S):

NAME: _____

NAME: _____

ADDRESS: _____

ADDRESS: _____

PHONE HOME: _____

PHONE HOME: _____

WORK: _____

WORK: _____

EMAIL ADDRESS: _____

EMAIL ADDRESS: _____

PERSON TO CONTACT IN CASE OF EMERGENCY (FOR OWNER)

NAME: _____

ADDRESS: _____

PHONE HOME: _____

WORK: _____

CHILDREN (IF UNDER 18)

NAME: _____

NAME: _____

AGE: _____

AGE: _____

NAME: _____

NAME: _____

AGE: _____

AGE: _____

RESIDENT (IF OTHER THEN OWNER)

NAME:

NAME:

ADDRESS:

ADDRESS:

PHONE HOME:

PHONE HOME:

WORK:

WORK:

PERSON TO CONTACT IN CASE OF EMERGENCY (FOR RESIDENT)

NAME:

ADDRESS:

PHONE HOME:

WORK:

VEHICLE(S)

MAKE:

MAKE:

YEAR:

YEAR:

MODEL:

MODEL:

COLOR:

COLOR:

LICENSE:

LICENSE:

MAKE:

MAKE:

YEAR:

YEAR:

MODEL:

MODEL:

COLOR:

COLOR:

LICENSE:

LICENSE:

This is **CONFIDENTIAL** information and will not be available to other residents. Please fill out and return at your earliest convenience.

I hereby certify the above information as being true and correct.

Signature (owner or agent)

Name (please print)

Date

Please return to Massingham & Associates
2247 National Ave Hayward, CA 94545

“If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void. Any person holding an interest in this property may request that the county recorder remove the restrictive covenant language pursuant to subdivision (c) of Section 12956.1 of the Government Code.”

DECLARATION
OF
COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION made this 8TH day of March, 1973,
by WESTERN TITLE GUARANTY COMPANY ALAMEDA COUNTY DIVISION, a corporation,
hereinafter called "Declarant",

WITNESSETH:

WHEREAS, Declarant is the owner of the real property described on
Exhibit "A" attached hereto and made a part hereof by this reference;

AND WHEREAS, Declarant will convey the said properties, subject to
certain protective covenants, conditions, restrictions, reservations,
liens and charges as hereinafter set forth;

NOW, THEREFORE, Declarant hereby declares that all of the properties
described above shall be held, sold and conveyed subject to the follow-
ing easements, restrictions, covenants and conditions, all of which are
for the purpose of enhancing and protecting the value, desirability and
attractiveness of the real property. These easements, covenants,
restrictions and conditions shall run with the real property and shall
be binding on all parties having or acquiring any right, title, or inter-
est in the described properties or any part thereof, and shall inure to
the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to GARDEN ISLE HOME
OWNERS' ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real
property described on Exhibit "A" attached hereto, and such additions
thereto as may hereafter be brought within the jurisdiction of the
Association.

Section 3. "Common Area" shall mean and refer to those areas of land shown on any recorded subdivision map of the properties and intended to be devoted to the common use and enjoyment of the Owners of the properties and described as Lots A, B, C, D, E, F, G, H, I, J, and K, as shown on the map of Tract No. 3422, filed January 15, 1973, in Map Book 77, page 69, Alameda County Records.

Section 4. "Residence Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Residence Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to WESTERN TITLE GUARANTY COMPANY ALAMEDA COUNTY DIVISION, a corporation, and its successors and assigns if such successors or assigns would acquire more than one undeveloped Residence Lot from the Declarant for the purpose of development.

ARTICLE II

ANNEXATION OF ADDITIONAL PROPERTIES

Section 1. Additional land within the area described in Exhibit "B" attached hereto and made a part hereof may be annexed by the Declarant without the consent of members.

The additions authorized under this section shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to that portion of the additional property to be annexed thereto. Upon such annexation, all of the property subject thereto shall be and become a part of the development subject to these Restrictions, the Articles of Incorporation of the Association and the Bylaws, which shall

be applicable to the entire development from and after the date of such annexation with the same force and effect as if the property annexed had been a part of the property described in Exhibit "A."

The Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties, and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify or add to the covenants established by this Declaration within the property described on Exhibit "A" attached hereto.

Section 2. Upon approval in writing of the Association pursuant to an affirmative vote of seventy-five per cent (75%) of its members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than ten (10) nor more than sixty (60) days in advance of the meeting, setting forth the purpose of the meeting, the owner of any property, other than the property referred to in Section 1 of this Article, who desires to add it to the scheme of this Declaration and to subject it to the jurisdiction of the Association, may file of record a Supplementary Declaration of Covenants and Restrictions in the form and manner set forth in Section 1 of this Article.

ARTICLE III

MEMBERSHIP

Every person, persons or entity owning a fee interest of record in any Residence Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing shall not include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be

separated from ownership of any Residence Lot which is subject to assessment by the Association. Ownership of such Residence Lot shall be the sole qualification for membership. Where two or more persons own interest in the fee simple estate in a Residence Lot, each such person shall be entitled to share in the benefits of membership subject to all of the terms hereof; provided, however, that the vote or votes attributable to any such membership shall only be cast with the unanimous consent of all those persons owning interest in the Residence Lot upon which such membership is predicated.

ARTICLE IV

VOTING RIGHTS

Each member in the Association shall be entitled to cast one vote for each Residence Lot owned by such member in all elections or other matters which, by the terms of these Restrictions, the Association's Articles of Incorporation or the By-Laws, require the vote of the members, except as herein otherwise provided.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Each member shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Residence Lot, subject to the following provisions:

- (a) The right of the Association to limit the number of guests of members;
- (b) The right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;
- (c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Area and facilities, and in aid thereof to mortgage said property, and the rights of such mortgagee in said properties

shall be subordinate to the rights of the homeowners hereunder;

(d) The right of the Association to suspend, after notice and hearing, the voting rights and right to use of the recreational facilities by a member for any period during which any assessment against his Residence Lot remains unpaid; and, after notice and hearing, for a period not to exceed thirty (30) days for any infraction of its published rules and regulations;

(e) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by members entitled to cast three-fourths (3/4) of the votes of the membership has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than ten (10) nor more than sixty (60) days in advance.

(f) The restriction upon the Association that the Common Area be used and developed only for social and recreational purposes.

Section 2. Delegation of Use. Any member may delegate, in accordance with the Bylaws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

Section 3. Title to the Common Area. Legal title to all of the lots comprising the Common Area is presently held by the Declarant, WESTERN TITLE GUARANTY COMPANY ALAMEDA COUNTY DIVISION, a corporation, and TITLE INSURANCE COMPANY, permitted to do business in California pursuant to an irrevocable escrow instruction of trust which provide as follows and the Declarant hereby covenants for itself, its successors and assigns, that it shall convey to the Association free and clear

legal title to each respective lot comprising the Common Area not later than three years after the date of the issuance of the Final Subdivision Public Report, or upon the completion of all dwelling units upon the respective residential lots set forth opposite the respective Common Area lots below, or upon the sale and close of escrow of 60% of the respective residential lots set forth opposite the respective Common Area lots below to persons other than the developer, its successors and assigns, whichever shall first occur. The conveyance from the title company to the Association can be in any order of the Common Area lots shown alphabetically within Blocks 1, 2 or 3, respectively, below.

BLOCK 1:

<u>Common Area Lots</u>	<u>Residential Lots</u>
"A"	122 thru 148
"B"	91 thru 121
"C"	18 thru 60
"E"	1 thru 17
"G"	158 thru 164
"I"	61 thru 90

BLOCK 2:

<u>Common Area Lots</u>	<u>Residential Lots</u>
"H"	1 thru 31 & 43 thru 50
"I"	63 thru 96
"J"	32 thru 42 & 51 thru 62 & 97 thru 110
"K"	No Lots

BLOCK 3:

<u>Common Area Lot</u>	<u>Residential Lots</u>
"F"	1 thru 15

BLOCK 4:

<u>Common Area Lot</u>	<u>Residential Lots</u>
"D"	No Lots

Section 4. Master Television Antennas. To avoid the necessity of a separate television antenna for each Residence Lot, master antennas shall be located upon certain Residence Lots throughout the Properties with connections thereto being located within or upon the

roof structure of the various residences. Said antennas and connections shall be maintained in good order and repair by the Association. To the extent required to effectuate the foregoing plan, there shall be an easement in favor of each Residence Lot for the purpose of providing connection of that Residence Lot with the master antenna most convenient thereto. Each Residence Lot shall be subject to easements in favor of all the other Residence Lots providing for the passage through the roof structure of television connections from all of said Residence Lots to the master antenna most convenient thereto. Each Residence Lot shall be subject to a further easement for the placement thereon by the Association of a master antenna and appurtenances. All of the foregoing easements are granted and reserved subject to the condition that their use and enjoyment shall not interfere with the use, occupancy or enjoyment of all or any part of the Residence Lot servient to them or to which they are appurtenant.

Section 5. Encroachments: There is reserved for the benefit of each Residence Lot an easement of maintenance and use to which the entire tract shall be subject for any and all encroachments resulting from roof, balcony, or deck overhangs, wing walls and any other causes attributable to the design and construction of structures and any and all encroachments resulting from construction errors, lateral shifting or settlement or any other cause and any and all encroachments resulting from construction of sewer, water, and electrical liens and other utilities

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Residence Lot owned within the Properties, hereby covenants, and each Owner of any Residence Lot by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual and special assessments, together with

such interest thereon, and costs of collection thereof, as herein-
after provided, shall be a charge on the land and shall be a continuing
lien upon the Residence Lot against which each such assessment is made.
Each such assessment, together with such interest, costs, and reasonable
attorney's fees shall also be the personal obligation of the person
who was the Owner of such property at the time when the assessment
fell due. The personal obligation shall not pass to his successors
in title unless expressly assumed by them.

Section 2. Annual Assessments. Said annual assessments shall
include and the Association shall acquire and pay for out of the funds
derived from said annual assessments the following:

(a) Water, sewer, garbage, electrical, telephone and
gas and other necessary utility service for the Common Area.

(b) Maintenance and repair of storm drains, sanitary
sewers and private driveways lying within the Common Area.

(c) Water service and maintenance and repair of tele-
vision antenna systems for all the homes situated upon the
Properties.

(d) Fire insurance covering the full insurable replace-
ment value of buildings located on the Common Area.

(e) Liability insurance insuring the Association against
any liability to the public or to any owner, their invitees or
tenants incident to their occupation and/or use of the Common
Area and the Residence Lots, with limits of liability not less
than One Million and No/100 Dollars (\$1,000,000.00) for any
one person injured and for any one accident, and not less than
Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00) for
property damage each occurrence (such limits and coverage to
be reviewed at least annually by the Association and increased
in its discretion).

(f) Fire insurance with a minimum of extended coverage
endorsement covering the Residence Lots and improvements
thereon as set forth in Article X of this Declaration.

(g) Workmen's Compensation Insurance to the extent neces-
sary to comply with any applicable laws, and any other insurance

deemed necessary by the Board of Directors of the Association.

(h) Painting, maintenance, repair, replacement and all landscaping of the Common Area, and such furnishings and equipment for the Common Area as the Association shall determine are necessary and proper, including but without limiting the generality of the foregoing, all equipment, furnishings, and personnel for the recreational areas necessary or proper for the use thereof, and the facilities thereon by the Owners for recreational purposes and the Association shall have the exclusive right and duty to acquire the same.

(i) Painting, maintenance and nonstructural repair of the exterior surfaces of the residences; including but without limitation, painting as often as the same shall be necessary, replacement of trim, caulking and other repairs of the roof covers, and other miscellaneous repairs, not of a structural nature.

(j) Landscape planting and maintenance service for that portion of the Residence Lots upon which no building, patio or garage exists; provided, however, that all landscaping inside enclosed patio or yard areas shall be provided by the owner thereof.

(k) Removal and replacement of any part of a patio or fence that extends into the Common Area under authority of an easement when access to a utility line underneath such patio or fence is requested by any utility company.

(l) Any other materials, supplies, furniture, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments which the Association is required to secure or pay for pursuant to the terms of these restrictions or by law or which in the opinion of the Association's Board of Directors shall be necessary or proper for the operation of the Common Area, or for the benefit of the Residence Lot Owners, or

for the enforcement of these restrictions.

Section 3. Determination of Annual Assessments. The Board of Directors of the Association shall fix the annual assessments.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment in excess of Ten Thousand and No/100 Dollars (\$10,000.00) shall have the assent of three-fourths (3/4) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than seven (7) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Annual assessment must be fixed at a uniform rate for all Residence Lots. The annual assessment shall be collected on a monthly basis.

Section 6. Quorum for Any Action Authorized Under Section 4. At the first meeting called, as provided in Section 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty per cent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 4, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence "

commence as to each respective Residential Lot set forth opposite the respective alphabetical Common Area lot within each of Blocks 1, 2, and 3 as listed in Article V, Section 3 hereof, on the first day of the month following the completion or occupancy of a dwelling unit on any of the respective numbered Residential Lots set opposite the respective alphabetically listed Common Area lots shown. The Board of Directors shall fix the amount of the annual assessment against each Residence Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The annual assessment shall be payable on a monthly basis and the due dates shall be established by the Board of Directors. The Association shall upon demand at any time, furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a specified Residence Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of seven per cent (7%) per annum. In the event of a default or defaults in payment of any assessment and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation as follows:

(a) By suit or suits at law to enforce each such assessment obligation. Any judgment rendered in any such action shall include where permissible under any law, a sum for reasonable attorney fees in such amount that the Court may adjudge against such defaulting owner. Upon full satisfaction of any such judgment, it shall be the duty of the Association by any authorized officer thereof to execute and deliver to the judgment debtor an appropriate satisfaction thereof.

(b) At any time within ninety (90) days after the delinquency of any assessment, the Association may give a notice to the defaulting owner, which said notice shall state the date of the delinquency, the amount of the delinquency, and the interest charge for such delinquency, and make a demand for payment thereof. If such delinquency and interest is not paid within ten (10) days after delivery of such notice, the Association may elect to file a claim of lien against the Residence Lot of such delinquent owner. Such claim of lien shall state (1) the name of the delinquent owner or reputed owner, (2) a description of the Residence Lot against which claim of lien is made, (3) the amount claimed to be due and owing (with any proper offset allowed), (4) that the claim of lien is made by the Association pursuant to the terms of these restrictions (giving the date of execution and the date, book and page reference of the recording hereof in the Office of the Recorder of the County of Alameda), and (5) that a lien is claimed against said described Residence Lot in an amount equal to the amount of the stated delinquency plus interest. Any such claim of lien shall be signed and acknowledged by an authorized officer of the Association. Upon recordation of a duly executed original or copy of such claim of lien by the Recorder of the County of Alameda, the lien claimed therein shall immediately attach and become effective subject only to limitations hereinafter set forth. Each delinquency shall constitute a separate basis for a claim of lien or a lien. Any such lien may be foreclosed by appropriate action in Court or in the manner provided by law for the foreclosure of a mortgage under power of sale. In the event such foreclosure is by action in Court, reasonable attorney's fees shall be allowed to the extent permitted by law. In the event the foreclosure is as in the case of a mortgage under power of

sale, any authorized officer of the Association shall be deemed to be acting as the agent of the lienor (mortgagee) and shall be entitled to actual expenses and such fees as may be allowed by law or as may be prevailing at the time the sale is conducted. A certificate of sale shall be executed and acknowledged by any authorized officer of the Association or by the person conducting the sale. A deed upon foreclosure shall be executed in like manner.

No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Residence Lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any recorded first mortgage (meaning a mortgage with first priority over other mortgages). Sale or transfer of any Residence Lot shall not affect the assessment lien. However, the sale or transfer of any Residence Lot which is subject to any recorded first mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. Pursuant to the terms of Section 8(b) hereof, liens may be created on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as an Owner after the date of such foreclosure sale, which said lien, if any claimed, shall have the same effect and be enforced in the same manner as provided herein.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Area; and (c) all properties owned by a charitable or nonprofit organization exempt from taxation by the laws

of the State of California. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VII

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the Properties and placed on the dividing line between the Residence Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners who make use of the wall.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4. Weatherproofing. Notwithstanding any other provision of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be a majority of all the arbitrators.

ARTICLE VIII

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board, to serve at the pleasure of the Board. In the event said Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Owners who have complied with the requirements of this Article VIII shall be entitled to obtain from the Board a certificate in recordable form so stating upon demand and upon payment of a reasonable fee which shall in no event exceed the sum of Twenty and No/100 Dollars (\$20.00). In any event, if no suit to enjoin or abate any structure or improvement constructed in violation hereof is commenced within one (1) year after completion thereof, compliance with the terms hereof shall be conclusively presumed.

ARTICLE IX

EXTERIOR MAINTENANCE

In addition to maintenance upon the Common Area, the Association

shall provide exterior maintenance upon each Residence Lot which is subject to assessments hereunder, as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks, and other exterior improvements. Such exterior maintenance shall not include glass surfaces.

In the event that the need for maintenance or repair is caused through the willful or negligent act of the Owner, his family, or guests, or invitees, the cost of such maintenance or repairs shall be added to and become a part of the assessment to which such Residence Lot is subject.

ARTICLE X

OBLIGATION TO REBUILD

Section 1. Residence Insurance. The Association shall have the duty to purchase, carry and at all times to maintain in force fire insurance with extended coverage endorsement covering all of the Residence Lots, the improvements thereon and appurtenances thereto, for the interest of the Association and of all owners and their mortgagees, as their interests may appear, in such amounts and with such endorsements and coverage as shall be considered good sound insurance coverage for properties similar in construction, location and use to Residence Lots and improvements. Such insurance will be in an amount which shall be equal to the maximum insurable replacement value, excluding foundation and excavation costs, as determined annually by the insurance carrier.

Section 2. Damage and Destruction Affecting Residences - Insurance Proceeds. If all or any portion of any residence is damaged or destroyed by fire or other casualty, then the following rules shall be applicable:

- (a) If the cost of repairing or rebuilding the residence or residences does not exceed the amount of insurance proceeds initially offered or paid by the insurance carrier by more than Fifteen Hundred and No/100 Dollars (\$1,500.00) per residence;

(1) All insurance proceeds shall be paid to Wells Fargo Bank or such other bank or trust company as may be designated by amendment hereof, to be held for the benefit of the owners of the damaged residence or residences and the mortgagees, as their interest shall appear.

(2) The Board of Directors of the Association shall levy a special assessment against the Owners of the Residence Lots upon which the casualty has occurred equal to the difference between the cost of repairing or rebuilding and the amount of available insurance proceeds which said sums shall be secured by the lien provided for herein and shall be payable into the fund held by the insurance trustee. The Board of Directors may advance the amount of the special assessment to the insurance trustee from association general funds or reserves if the Board of Directors determines that the residence, as so rebuilt and reconstructed, will furnish adequate security for the repayment of said advance by operation of the assessment lien.

(3) When the amount held by the insurance trustee is sufficient to pay the costs of repair and reconstruction, the Board of Directors, as agent for the Owners, shall thereupon contract for the repair or reconstruction of the residences paying the cost of such work from the amount held by the insurance trustee, said repair or reconstruction to be for the purpose of returning the residences substantially to their appearance and condition immediately prior to the casualty.

(4) Notwithstanding the foregoing, any Owner of a Residence which has suffered damage may apply to the Board of Directors for reconstruction, rebuilding or repair of his residence in a manner which will provide for an exterior appearance and design different than that which existed prior to the date of the casualty. Application for such

approval shall be made in writing together with full and complete plans, specifications, working drawings and elevations showing the proposed reconstruction and the end result thereof. The Board of Directors shall grant such approval only if the design proposed by the Owner would result in a finished residence in harmony of exterior design with other residences on the Properties, and the Owner shall have deposited with the insurance trustee any additional monies required to complete reconstruction in such changed manner. Failure of the Board of Directors to act within sixty (60) days after receipt of such a request in writing coupled with drawings and plot plans showing the full and complete nature of the proposed change shall constitute approval thereof.

(5) In any event, the Owner or Owners of any damaged residence and the Board of Directors shall be obligated to proceed with all due diligence hereunder and commence reconstruction within six (6) months after the damage occurs and complete reconstruction within one (1) year after the damage occurs, unless prevented by causes beyond their reasonable control.

(b) If subparagraph (a) is inapplicable with respect to any residence, then all insurance proceeds with respect thereto shall be paid to the insurance trustee above-named, and

(1) The Owner of such Residence shall elect in writing among the following alternatives:

(i) To rebuild and reconstruct the residence substantially in accordance with the condition it was in immediately prior to the casualty; or

(ii) To rebuild and reconstruct the Residence in a different manner subject to the approval of the Board of Directors applicable thereto and provided that such changed Residence shall provide for reconstruction

and proper support for all party walls upon the Residence Lot; or

(iii) To provide such support as may be required by reconstruction of any and all party walls damaged by such casualty, to remove from the balance of the Residence Lot all wreckage or remains of the Residence and leave the lot in a level, clean and landscaped condition.

The election shall be exercised by a written notice given to the Board of Directors within sixty (60) days after the date of such damage or destruction (or within thirty (30) days after the amount of insurance award initially offered becomes known, whichever is the later) which said notice shall plainly state the alternative which has been elected and shall be submitted together with the items required pursuant to the provisions hereof. In the event that any Owner fails to make an election as required pursuant to the terms hereof, then the Board of Directors shall have the power and the authority as agent for the Owner, said agency being coupled with an interest, to make the election on the Owner's behalf. Said election shall be binding upon and inure to the benefit of the Owner, his successors and assigns. In accordance with the terms of any such election, the Board of Directors shall be entitled to draw upon and made use of the insurance proceeds awarded or paid for the account of said Owner by reason of the casualty as herein provided.

(2) Any Owner who elects the first alternative set forth in paragraph (1) above, shall deposit with the insurance trustee cash or security satisfactory to the Board of Directors in an amount sufficient to pay the cost of reconstructing his residence over and above the available insurance proceeds.

(3) Any Owner who elects the second alternative set forth in paragraph (1) above shall provide with his written election plans, specifications, drawings, and elevations sufficient to show the work which he proposes to be performed and the finished product which will result therefrom upon his residence lot. The Board of Directors shall approve such proposal only if it finds that the reconstructed and rebuilt residence which would result therefrom is compatible in exterior design with the other residences and structures upon the Properties and provides the structural support required to fulfill the Owner's party wall obligations. Failure of the Board of Directors to approve or reject any such proposed change within sixty (60) days after the date of submission thereof shall be conclusively deemed an approval thereof. In the event the Board of Directors approves such a proposed change, the Owner, within ten (10) days thereafter, shall deposit with the insurance trustee cash or security satisfactory to the Board of Directors in an amount sufficient to pay the cost of reconstructing the residence as so changed over and above the available insurance proceeds. In the event the Board of Directors denies the proposed change, the Owner shall, within thirty (30) days thereafter, elect as between alternatives one and three set forth in paragraph (1) above.

(4) Any Owner who elects the third alternative set forth in paragraph (1) above shall deposit with the insurance trustee cash or security satisfactory to the Board of Directors over and above the available insurance proceeds in an amount sufficient to provide the requisite structural support of any party walls in accordance with the Owner's party wall obligations, to demolish any remnants of the damaged residence upon the lot and to clear,

level and landscape the surface thereof.

(c) In the event that any Owner does not promptly and diligently perform the obligations on his part to be performed pursuant to the terms of this paragraph and the Board of Directors does not diligently proceed to enforce the terms hereof, then any Owner or Mortgagee of any residence lot within the Properties or any part thereof, or interest therein, may bring an action in equity to enforce the performance of such obligations.

(d) In any event, if there is a damage or destruction affecting any residence lot which is not fully repaired or reconstructed within two (2) years from the date thereof (with extension for delays not the fault of the Owner thereof), then the Board of Directors shall be authorized to use any insurance proceeds available by reason of said damage or destruction for the purpose of pursuing the third alternative paragraph (1) above restoring the site to a level, clean and landscaped condition subject only to such structural supports as may be required in connection with the maintenance of any party wall thereon.

ARTICLE XI

USE RESTRICTIONS

Section 1. Residence Lots and Common Area. Residence Lots and Common Area shall be occupied and used as follows:

(a) Each Residence Lot shall be used as a residence for a single family and for no other purpose.

(b) No business of any kind shall be conducted on any residence lot with the exception of the business of Declarant in completing the construction of residences on the Properties and disposing of the same by sale, lease or otherwise.

(c) Nothing shall be stored in the Common Area without the prior consent of the Association.

(d) Nothing shall be done or kept in the Common Area which will increase the rate of insurance on the Common Area without the prior written consent of the Association. No Owner shall permit anything to be done or kept on his Residence Lot or in the Common Area which will result in the cancellation of insurance on any residence or any part of the Common Area or which would be in violation of any law. No waste will be committed in the Common Area.

(e) No sign of any kind shall be displayed to the public view on or from any Residence Lot or the Common Area without the prior written consent of the Association, excepting therefrom customary name and address signs and one "For Rent" and "For Sale" sign for each Residence Lot which shall not exceed twelve (12) inches by twenty-four (24) inches in dimension, and such signs as may be erected by Declarant in connection with the subdivision sale or leasing of any or all of the Properties.

(f) No animals, livestock or poultry of any kind shall be raised, bred or kept on any Residence Lot or in the Common Area, except that dogs, cats or other household pets may be kept on Residence Lots subject to rules and regulations adopted by the Association. No dog shall be allowed on the Common Area without being held on a leash. The Association may adopt rules and regulations providing for the removal to a pound of any dog found on the Common Area without being held on a leash.

(g) No noxious or offensive activity shall be carried on, in or upon any Residence Lot or in the Common Area, nor shall anything be done therein which may be or become an annoyance or nuisance to the other Owners.

(h) No outside television antenna or aerial or radio pole shall be erected, constructed or maintained on any Residence Lot located in such a manner as to be visible from the outside of such Residence Lot except as provided in Section 4 of Article V

of this Declaration or by written consent from the Association.

(i) Nothing shall be altered or constructed in or removed from the Common Area except upon the written consent of the Association.

(j) All automobiles owned or used by Residence Lot Owners or occupants shall be parked inside garages overnight. No such automobiles shall be parked at any time in parking areas designated for visitors by the Board of Directors of the Association. No boats, trailers, trucks or campers shall be parked anywhere on the Properties except in areas designated as storage areas by the Board of Directors of the Association.

(k) No basketball standard or fixed sports apparatus shall be attached to the exterior surfaces of any residence or garage except where such exterior surface faces an interior patio.

(l) There shall be no violation of rules for the use of the Common Area adopted by the Association and furnished in writing to the Owners; and the Association is authorized to adopt such rules.

ARTICLE XII

RIGHT OF ENTRY

For the purpose of performing the exterior maintenance authorized by Article IX, and the repair and restoration authorized by Article X, the Association through its duly authorized agents or employees shall have the right after reasonable notice to the Owner to enter upon any Residence Lot at reasonable hours on any day.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration.

Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Residence Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of forty (40) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended by an instrument signed by not less than seventy-five per cent (75%) of the Residence Lot Owners. Any amendment must be properly recorded.

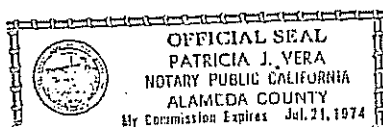
IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has hereunto set its hand and seal this 8th day of March 1973.

WESTERN TITLE GUARANTY COMPANY
ALAMEDA COUNTY DIVISION,
a corporation

By R D Blanchard
Vice Pres.

STATE OF CALIFORNIA)
) ss.
COUNTY OF ALAMEDA)

On MARCH 8, , 1973, before me, the undersigned, a Notary Public, personally appeared R. D. Blanchard known to me to be the Vice President of the corporation that executed the within instrument and acknowledged to me that such corporation executed the same.



Patricia J. Vera
Notary Public in and for said
County and State.

EXHIBIT "A"

All that certain real property lying within the City of Alameda,
County of Alameda, State of California, being designated as
Tract No. 3422, as per map thereof, filed January 15, 1973, in
Map Book 77, page 69, Alameda County Records.
EXCEPTING THEREFROM: Lot 165, Block 1, and Lot 1, Block 4

EXHIBIT "B"

That parcel of land in the City of Alameda, County of Alameda, State of California, described as follows:

Parcel 1 as shown on Parcel Map 970, filed December 22, 1972, in Map Book 76, page 83, Alameda County Records.

BYLAWS OF GARDEN ISLE HOME OWNERS' ASSOCIATION
A California Nonprofit Mutual Benefit Corporation

ARTICLE I

General

Section 1. Name

The name of this corporation shall be the GARDEN ISLE HOME OWNERS' ASSOCIATION.

Section 2. Purposes

The primary purposes of this corporation shall be to provide for management, administration, exterior maintenance, landscaping, preservation, and architectural control of the buildings and common area within that certain real property ("the Project") in the City of Alameda, Alameda County, California, described as follows:

Tract No. 3422, as per map filed January 15, 1973, in Map Book 77, Page 69, Alameda County Records; EXCEPTING: Lot 165, Block 1, and Lot 1, Block 4;

and to promote the health, safety, and welfare of all the residents within the Project, in accordance with the declaration of covenants, conditions and restrictions ("the Declaration") adopted for the Project from time to time.

Section 3. Principal Office

The principal office for the transaction of the business of the corporation ("principal executive office") shall be at 1060 Melrose Avenue, Alameda, California. Whenever provision is made in these bylaws for notice to this corporation, the notice may be given (in addition to any other manner provided by law) by first-class mail, telegraphic or other written communication, charges prepaid, and addressed to the corporation at its principal executive office.

ARTICLE II

Membership

Section 1. Qualification

Each owner of a residence lot included in the Project is a member of this corporation, except that such a person may resign from membership at any time on notice to this corporation. A resignation as a member may be withdrawn and membership reinstated on notice to this corporation so long as the person remains an owner. "Owner" means the owner of a fee simple interest as shown in the records of the Alameda County Recorder; however, the buyer and seller of a residence lot included in the Project under an executory contract of sale may, with the consent of this corporation, provide that the purchaser (and not the seller) shall be considered the owner with respect to that residence lot. A corporation, association, or partnership may be a member as well as a natural person. Where a residence lot has more than one owner (whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, or tenants by the entirety), the single membership associated with that residence lot shall be held jointly by all of its owners.

Section 2. Termination Or Transfer Of Membership

Membership in this corporation is appurtenant to ownership of a residence lot included in the Project and cannot be separated from that ownership. No member may transfer a membership or any right arising from membership except in conjunction with a conveyance of a residence lot included in the Project where the transferee becomes the owner of the residence lot. A person who no longer meets the membership qualifications of the preceding section shall automatically cease to be a member.

Section 3. Fees, Dues, And Assessments

There are no fees, dues, or assessments for membership as such in this corporation. Residence lots included in the Project owned by members are subject to assessments by this corporation, for which the members are liable, as provided in the Declaration. Members may also be subject to fines as provided in the following section.

Section 4. Suspension Of Rights

The rights of a member of this corporation may be suspended as a penalty for the member's violation of the Declaration or the rules adopted by the corporation as provided for in the Declaration. A committee of not less than three members selected by the board of directors shall investigate allegations of such violations referred to the committee by the board. The committee shall hold a hearing and notify the accused member to permit the member to appear to defend himself or herself and cross-examine witnesses. Following the hearing, the committee shall report its findings to the board in writing and recommend appropriate action. The accused member shall have the right to be heard, orally or in writing, by the board before its final consideration of the matter. If the board determines a violation has occurred, the board shall impose a penalty (including without limitation a reasonable fine or suspension of membership rights) and notify the member of its action and the reasons for the action at least 15 days before the penalty becomes effective. If the violation is of the type which can be cured, and the member cures it within a reasonable time after first being notified (in any event before the penalty becomes effective), the board shall rescind the penalty.

ARTICLE III

Meetings Of Members

Section 1. Place Of Meeting

Meetings of the membership shall be held at any place within the City of Alameda, Alameda County, California, designated by the board of directors. In the absence of any such designation, members' meetings shall be held at the principal executive office of the corporation.

Section 2. Annual Meeting

The annual meeting of members shall be held on the second Wednesday of November each year, unless the board of directors fixes another date and so notifies the members as provided in Section 4 of this ARTICLE III.

Section 3. Special Meeting

(a) Authorized persons who may call. A special

meeting of the members may be called at any time by any of the following: the board of directors; the Chairman of the Board; the President; or five percent or more of the members.

(b) Calling meetings by members. If a special meeting is called by members other than an authorized officer, the request shall be submitted by such members in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the Chairman of the Board, the President, or the Secretary of the corporation. The officer receiving the request shall cause notice to be promptly given to the members entitled to vote, in accordance with the provisions of Sections 4 and 5 of this ARTICLE III, that a meeting will be held, and the date for such meeting, which date shall be not less than 35 nor more than 90 days following the receipt of the request. If the notice is not given within the 20 days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this subsection shall be construed as limiting, fixing, or affecting the time when a meeting of members may be held when the meeting is called by action of the board of directors.

Section 4. Notice Of Members' Meetings

(a) General notice contents. All notices of meetings of members shall be sent or otherwise given in accordance with this section not less than 10 nor more than 90 days before the date of the meeting. The notice shall specify the place, date, and hour of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of the annual meeting, those matters which the board of directors, at the time of giving the notice, intends to present for action by the members.

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

- (i) Removing a director without cause;

(ii) Filling vacancies on the board of directors by the members;

(iii) Amending the articles of incorporation;

(iv) Approving a contract or transaction in which a director has a material financial interest;

(v) Approving a plan of distribution of assets, other than cash, in liquidation when the corporation has more than one class of membership outstanding.

(c) Manner of giving notice. Notice of any meeting of members shall be given either personally or by first-class mail, telegraphic or other written communication, charges prepaid, addressed to each member either at the address of that member appearing on the books of the corporation or the address given by the member to the corporation for the purpose of notice. If no address appears on the corporation's books and no other has been given, notice shall be deemed to have been given if either (i) notice is sent to that member by first-class mail or telegraphic or other written communication to the corporation's principal executive office, or (ii) notice is published at least once in a newspaper of general circulation in the county where that office is located. Notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by telegram or other means of written communication.

(d) Affidavit of mailing notice. An affidavit of the mailing or other means of giving any notice of any members' meeting may be executed by the Secretary, Assistant Secretary, or any other party of the corporation giving the notice, and if so executed, shall be filed and maintained in the minute book of the corporation.

Section 5. Quorum

(a) Percentage required. The presence of members or their proxies entitled to cast one-third of the votes of the membership shall constitute a quorum for the transaction of business at a meeting of the members.

(b) Loss of quorum. The members present at a duly called or duly held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken (other than adjourn-

ment) is approved by at least a majority of the members required to constitute a quorum.

Section 6. Adjourned Meeting

Any members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the members represented at the meeting, either in person or by proxy. But in the absence of a quorum, no other business may be transacted at that meeting, except as provided in this Article.

Section 7. Voting

(a) Eligibility to vote. Persons entitled to vote at any meeting of members shall be members as of the date determined in accordance with Section 10 of this ARTICLE III, subject to the provisions of the California Nonprofit Corporation Law.

(b) Manner of casting votes. Voting may be by voice or ballot, provided that any election of directors must be by ballot. Each member shall be entitled to cast one vote for each residence lot included in the Project owned by the member, ownership being determined under ARTICLE II, Section 1. In the case of a membership in the names of two or more persons, or if two or more persons (including proxyholders) have the same fiduciary relationship respecting the same membership (unless the Secretary of the corporation is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided), then their acts with respect to voting shall have the following effect:

- or
- (i) If one only votes, such act binds all;
 - (ii) If more than one votes, the act of the majority voting binds all.

(c) Cumulative voting. Each member entitled to vote at any election of directors shall have the right to cumulate his votes by giving one candidate a number of votes equal to the number of directors to be elected, multiplied by the number of votes to which his membership is entitled, or by distributing his votes on the same principle among as many candidates as he desires. No member shall be entitled to cumulate votes unless (i) the candidate's or candidates' name(s) have been placed in nomination before the voting, and (ii) a member has given notice at the meeting, and before the

voting, of the member's intention to cumulate the member's votes. If any one member has given such notice, all members may cumulate their votes for candidates in nomination. Those candidates receiving the highest number of votes, up to the number of directors to be elected, shall be winners of the election.

Section 8. Waiver Of Notice Or Consent By Absent Members

(a) Written waiver or consent. The transactions of any meeting of members, either annual or special, however called or noticed, and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each person entitled to vote, who was not present in person or by proxy, signs a written waiver of notice or a consent to a holding of the meeting, or an approval of the minutes. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of members, except that if action is taken or proposed to be taken for approval of any of those matters specified in Section 4(b) of ARTICLE III, the waiver of notice or consent shall state the general nature of the proposal. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

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

Section 9. Action By Written Ballot Without A Meeting

Any action other than the election of directors that may be taken at any annual or special meeting of members may be taken without a meeting and without prior notice if written ballots are received from a number of members at least equal to the quorum applicable to a meeting of members. All such written ballots shall be filed with the Secretary of the corporation and maintained in the corporate records. All solicitations of ballots shall indicate the time by which the ballot must be returned to be counted, the number of

LEGAL DESCRIPTION

Real property in the City of Alameda, County of Alameda, State of California, described as follows:

LOT 11, BLOCK 1, TRACT 3422, FILED JANUARY 15, 1973, MAPBOOK 77, PAGE 69, ALAMEDA COUNTY RECORDS.

APN: 074-1075-180

the inspection rights are requested; or

(ii) Obtain from the Secretary, on written demand and tender of a reasonable charge a list of the names, addresses, and voting rights of all members, as of the most recent record date for which it has been compiled or as of a date specified by the member subsequent to the date of demand. The membership list shall be made available on or before the later of 10 business days after the demand is received or after the date specified in it as the date as of which the list is to be compiled.

(b) Refusal to publish or mail material. The corporation may not decline to publish or mail material that it is otherwise required hereby to publish or mail on behalf of any nominee, on the basis of the content of the material, except that the corporation or any of its agents, officers, directors, or employees may seek or comply with an order of the Superior Court allowing them to delete material that the court finds will expose the moving party to liability.

(c) Use of corporate funds to support nominee. Without authorization of the board, no corporate funds may be expended to support a nominee for director after there are more people nominated for director than can be elected.

Section 3. Vote Required To Elect Director

Candidates receiving the highest number of votes shall be elected as directors up to the number of directors to be elected.

ARTICLE V

Directors

Section 1. Powers

(a) General corporate powers. Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the articles of incorporation, the Declaration, and these bylaws relating to action required to be approved by the members, the business and affairs of the corporation shall be managed, and all corporate powers shall be exercised, by or under the direction of the board of directors.

(b) Specific powers. Without prejudice to these

general powers, and subject to the same limitations, the directors shall have the power to:

(i) Select and remove all officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; and fix their compensation.

(ii) Borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

Section 2. Number And Qualification Of Directors

The authorized number of directors shall be five. Each director shall be a member of the corporation.

Section 3. Election And Term Of Office Of Directors

Directors shall be elected at each annual meeting of the members, three being elected in odd-numbered years and two being elected in even-numbered years, to hold office for two years; however, if any annual meeting is not held or the directors are not elected at any annual meeting, they may be elected at any special members' meeting held for that purpose. Each director, including a director elected to fill a vacancy or elected at a special members' meeting, shall hold office until expiration of the term for which elected and until a qualified successor has been elected.

Section 4. Removal Of Directors

(a) For cause. The board of directors may declare vacant the office of a director who has been declared of unsound mind by a final order of court, or convicted of a felony.

(b) Without cause. Any or all directors may be removed without cause if such removal is approved by the members. However, no member may be removed unless the entire board is removed when the votes cast against removal (or ballots not cast in favor of removal, in the case of action by written ballot) would be sufficient to elect such director if voted cumulatively at an election at which the same total

number of votes were cast (or, if such action is taken by written ballot, all memberships entitled to vote were voted) and the entire number of directors authorized at the time of the most recent election were then being elected.

(c) No removal on reduction of number of directors. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires.

Section 5. Resignation

Any director may resign, which resignation shall be effective on giving written notice to the Chairman of the Board, the President, the Secretary, or the board of directors, unless the notice specifies a later time for the resignation to become effective. If the resignation of a director is effective at a future time, the board of directors may elect a successor to take office when the resignation becomes effective.

Section 6. Vacancies

(a) Events causing vacancy. A vacancy or vacancies in the board of directors shall be deemed to exist on the occurrence of the following:

(i) The death, resignation, or removal of any director;

(ii) The increase of the authorized number of directors; or

(iii) The failure of the members, at any meeting of members at which any director or directors are to be elected, to elect the number of directors to be elected at such meeting.

(b) Vacancies filled by board. Except for a vacancy created by the removal of a director, vacancies on the board may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director.

(c) Vacancies filled by members. The members may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors, but any such election by written consent shall require the consent of a majority of the voting power.

Section 7. Place Of Meetings; Meetings By Telephone

Regular meetings of the board of directors may be held at any place within the State of California that has been designated from time to time by resolution of the board. In the absence of such designation, regular meetings shall be held at the principal executive office of the corporation. Special meetings of the board shall be held at any place within the State of California that has been designated in the notice of the meeting or, if not stated in the notice, or if there is no notice, at the principal executive office of the corporation. Notwithstanding the above provisions of this Section 7, a regular or special meeting of the board of directors may be held at any place consented to in writing by all the board members, either before or after the meeting. If consents are given, they shall be filed with the minutes of the meeting. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all directors participating in the meeting can hear one another, and all such directors shall be deemed to be present in person at such meeting.

Section 8. Regular Meetings

Regular meetings of the board of directors shall be held without call at such time as shall be determined from time to time by the board, but at least six such meetings shall be held during each year. Notice of the regular meetings of the board of directors shall be dispensed with. All regular meetings shall be open to the membership, except when litigation or personnel matters are being discussed.

Section 9. Special Meetings

(a) Authority to call. Special meetings of the board of directors for any purpose may be called at any time by the Chairman of the Board, the President, the Secretary, or any two directors.

(b) Notice.

(i) Manner of giving. Notice of the time and place of special meetings shall be given to each director by one of the following methods: (a) by personal delivery of written notice; (b) by first-class mail, postage paid; (c) by a telephone communication, either directly to the director or to a person who would reasonably be expected to

communicate such notice promptly to the director; or (d) by telegram, charges prepaid. All such notices shall be given or sent to the director's address or telephone number as shown on the records of the corporation.

(ii) Time requirements. Notices sent by first class mail shall be deposited into a United States mail box at least five days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 48 hours before the time set for the meeting.

(iii) Notice contents. The notice shall state the time and place for the meeting. However, it need not specify the purpose of the meeting, or the place of the meeting, if it is to be held at the corporation's principal executive office.

Section 10. Quorum

A majority of the authorized number of directors shall constitute a quorum for the transaction of business, except to adjourn as provided in Section 12 of this ARTICLE V. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the board of directors, subject to the provisions of the California Nonprofit Corporation Law, including those provisions relating to (i) approval of contracts or transactions in which a director has a direct or indirect material financial interest; (ii) appointment of committees, and (iii) indemnification of directors. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Section 11. Waiver Of Notice

The transactions of any meeting of the board of directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice, if (a) a quorum is present, and (b) either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be

filed with the corporation records or made a part of the minutes of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 12. Adjournment

A majority of the directors present, whether or not constituting a quorum, may adjourn any meeting to another time and place.

Section 13. Notice of Adjournment

Notice of the time and place of holding an adjourned meeting need not be given, unless the meeting is adjourned for more than 24 hours, in which case personal notice of the time and place shall be given before the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

Section 14. Action Without Meeting

Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as an unanimous vote of the board of directors. Such written consent or consents shall be filed with the minutes of the proceedings of the board.

Section 15. Liability Of The Board Of Directors

The members of the board of directors shall not be liable to the corporation or any member for any mistake of judgment, negligence, or otherwise except for their own willful misconduct or bad faith.

Section 16. Compensation Of Directors

No director shall receive any compensation from the corporation for acting as such, except for reimbursement of reasonable expenses incurred by the director in the performance of his or her duties as director.

ARTICLE VI

Committees

Section 1. Committees Of Directors

The board of directors may, by resolution adopted by a majority of the directors then in office, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the board. Any committee, to the extent provided in the resolution of the board, shall have all the authority of the board, except that no committee, regardless of board resolution, may:

(a) Take any final action on matters which, under the Declaration or the California Nonprofit Corporation Law, also requires members' approval.

(b) Fill vacancies on the board of directors or on any committee;

(c) Fix compensation of the directors for serving on the board or on any committee;

(d) Amend or repeal any resolution of the board of directors which by its express terms is not so amendable or repealable;

(e) Appoint any other committees of the board of directors or the members of these committees;

(f) Expend corporate funds to support a nominee for director after there are more people nominated for director than can be elected;

(g) Approve any transaction (i) to which the corporation is a party and one or more directors have a material financial interest, or (ii) between the corporation and one or more of its directors or between the corporation or any person in which one or more of its directors have a material financial interest.

Section 2. Meetings And Action Of Committees

Meetings and action of committees shall be governed by, and held and taken in accordance with, the provisions of ARTICLE V of these bylaws, concerning meetings of directors, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the

board of directors and its members, except that the time for regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee. Special meetings of committees may also be called by resolution of the board of directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The board of directors may adopt rules for the governance of any committee not inconsistent with the provisions of these bylaws.

ARTICLE VII

Officers

Section 1. Designation

The principal officers of the association shall be the Chairman of the Board, the President, the Secretary and the Treasurer. The corporation may have such other officers with such titles and duties as shall be determined by the board and as may be necessary to enable it to conduct the business of the corporation in accordance with the provisions of Section 2 of this ARTICLE VII. Any number of offices may be held by the same person. The Chairman shall be a member of the board of directors. The Chairman and the President shall be members of the corporation. Any other officers may be, but are not required to be, members of the corporation.

Section 2. Election Of Officers

The officers of the corporation, except those appointed in accordance with the provisions of Section 3 of this ARTICLE VII, shall be chosen by the board of directors, and each shall serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. Subordinate Officers

The board of directors may appoint, and may authorize the Chairman of the Board or the President or another officer to appoint, any other officers that the business of the corporation may require, each of whom shall have the title, hold office for the period, have the authority, and perform the duties specified in the bylaws or

determined from time to time by the board of directors.

Section 4. Removal Of Officers

Subject to the rights, if any, of an officer under any contract of employment, any officer may be removed, with or without cause, by the board of directors, at any regular or special meeting of the board, or, except in case of an officer chosen by the board of directors, by an officer on whom such power of removal may be conferred by the board of directors.

Section 5. Resignation Of Officers

Any officer may resign at any time by giving written notice to the corporation. Any resignation shall take effect at the date of the receipt of that notice or at any later time specified in that notice; and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation under any contract to which the officer is a party.

Section 6. Vacancies in Offices

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled only in the manner prescribed in these bylaws for regular appointments to that office.

Section 7. Responsibilities Of Officers

(a) Chairman of the Board. The Chairman of the Board shall preside at meetings of the board of directors and exercise and perform such other powers and duties as may be from time to time assigned to him by the board of directors or prescribed by the bylaws. In the absence or disability of the President, the Chairman shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President.

(b) President. Subject to such supervisory powers as may be given by the board of directors to the Chairman of the Board, the President shall, subject to the control of the board of directors, generally supervise, direct, and control the business and the officers of the corporation. He shall preside at all meetings of the members and, in the absence of

the Chairman of the Board, at all meetings of the board of directors. He shall have such other powers and duties as may be prescribed by the board of directors or the bylaws.

(c) Secretary. The Secretary shall attend to the following:

(i) Book of minutes. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the board of directors may direct, a book of minutes of all meetings and actions of directors, committees of directors, and members, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at such meetings, the number of members present or represented by members' meetings, and the proceedings of such meetings.

(ii) Membership records. The Secretary shall keep, or cause to be kept, at the principal executive office record of the corporate members, showing the names of all members and their addresses.

(iii) Notices, seal and other duties. 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 to be given. He shall keep the seal of the corporation, if any, in safe custody. He shall have such other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(d) Treasurer. The Treasurer shall be the chief financial officer and attend to the following:

(i) Books of account. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and other matters customarily included in financial statements. The books of account shall be open to inspection by any director at all reasonable times.

(ii) Deposit and disbursement of money and valuables. The Treasurer shall deposit all money and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the board of directors; shall disburse the funds of the corporation as may be ordered by the board of directors; shall render to the

President and directors, whenever they request it, an account of all of his transactions as chief financial officer and of the financial condition of the corporation; and shall have other powers and perform such other duties as may be prescribed by the board of directors or the bylaws.

(iii) Bond. If required by the board of directors, the Treasurer shall give the corporation a bond in the amount and with the surety or sureties specified by the board for faithful performance of the duties of his office and for restoration to the corporation of all its books, papers, vouchers, money, and other property of every kind in his possession or under his control on his death, resignation, retirement, or removal from office.

Notwithstanding the foregoing, the board of directors may delegate any or all of the duties of Treasurer to a manager employed by the board to manage the Project.

ARTICLE VIII

Indemnification Of Directors, Officers, And Other Agents

The corporation shall, to the maximum extent permitted by the NonProfit Corporation Law of California, indemnify each of its agents against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact any such person is or was an agent of the corporation. For purposes of this ARTICLE, an "agent" of the corporation includes any person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise.

ARTICLE IX

Records and Reports

Section 1. Inspection Rights

Any member of the corporation may:

(a) Inspect and copy the records of members' names and addresses and voting rights during usual business

hours on five days' prior written demand on the corporation, stating the purpose for which the inspection rights are requested, and

(b) Obtain from the Secretary of the corporation, on written demand and on the tender of the Secretary's usual charges for such a list, if any, a list of names and addresses of members who are entitled to vote for the election of directors, and their voting rights, as of the most recent record date for which that list has been compiled, or as of a date specified by the member after the date of demand. The demand shall state the purpose for which the list is requested. This list shall be made available to any such member by the Secretary on or before the later of 10 days after the demand is received or the date specified in it as the date by which the list is to be compiled.

Any inspection and copying under this section may be made in person or by an agent or attorney of the member and the right of inspection includes the right to copy and make extracts.

Section 2. Maintenance And Inspection Of Articles And Bylaws

The corporation shall keep at its principal executive office the original or a copy of the articles and bylaws as amended to date, which shall be open to inspection by the members at all reasonable times during office hours.

Section 3. Maintenance And Inspection Of Other Corporate Records

The accounting books, records, and minutes of proceedings of the members and the board of directors and any committee(s) of the board of directors shall be kept at such place or places designated by the board of directors, or, in the absence of such designation, at the principal executive office of the corporation. The minutes shall be kept in written or typed form, and the accounting books and records shall be kept either in written or typed form or in any other form capable of being converted into written, typed, or printed form. The minutes and accounting books and records shall be open to inspection on the written demand of any member, at any reasonable time during usual business hours, for a purpose reasonably related to the member's interests as a member. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts.

Section 4. Inspection By Directors

Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 5. Annual Report To Members

The annual report to members referred to in the California Nonprofit Corporation Law is expressly dispensed with, but nothing in these bylaws shall be interpreted as prohibiting the board of directors from issuing annual or other periodic reports to the members of the corporation as they consider appropriate.

ARTICLE X

Construction And Definitions

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Nonprofit Corporation Law shall govern the construction of these bylaws. Without limiting the generality of the above, the masculine gender includes the feminine and neuter, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person. In the event of any conflicts or inconsistencies between any of the following instruments, the following order of priority, from highest to lowest, shall apply: the Declaration; the articles; the bylaws; and the rules of the corporation.

ARTICLE XI

Amendments

New bylaws may be adopted or these bylaws may be amended or repealed by approval of the members only.

CERTIFICATE OF SECRETARY

I, the undersigned, certify that I am the presently elected and acting Secretary of the Garden Isle Home Owners' Association, a California nonprofit corporation, and the above bylaws, consisting of 23 pages, are the bylaws of this corporation as adopted at a meeting of the members held on November ___, 1986.

ENDORSED
FILED
In the office of the Secretary of State
of the State of California
MAR 7 - 1973
EDMUND G. BROWN, Secretary of State
By JAMES E. HARRIS
Deputy

ARTICLES OF INCORPORATION
OF
GARDEN ISLE HOME OWNERS' ASSOCIATION

ARTICLE I

The name of the corporation (hereafter called the "Association") is GARDEN ISLE HOME OWNERS' ASSOCIATION.

ARTICLE II

The principal office for the transaction of the business of the Association is located in Alameda County, State of California.

ARTICLE III

This Association is organized pursuant to the General Nonprofit Corporation Law.

ARTICLE IV

PURPOSE AND POWERS OF THE ASSOCIATION

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific primary purposes for which it is formed are to provide for maintenance, preservation, and architectural control of the residence Lots and Common Area within that certain tract of property described as:

That parcel of land in the City of Alameda, County of Alameda, described as follows:

All that land designated on the map of Tract 3422, filed January 15, 1973, Map Book 77, page 69, Alameda County Records.

Excepting therefrom: Lot 165, Block 1, and Lot 1, Block 4;

and to promote the health, safety, and welfare of the residents within the above-described property and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose.

In furtherance of said purposes, this Association shall have power to:

(a) perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions, and Restrictions, hereinafter called the "Declaration," applicable to the property and recorded or to be recorded in the Office of the County Recorder of Alameda County;

(b) fix, levy, collect, and enforce payment by any lawful means, all charges or assessments, pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and only with the assent (by vote or written consent) of two-thirds (2/3) of the members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No

such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of the members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other nonprofit corporations organized for the same purposes or annex additional residential property and Common Area pursuant to said Declaration.

(g) have and to exercise any and all powers, rights, and privileges which a corporation organized under the General Nonprofit Corporation Law of the State of California by law may now or hereafter have or exercise.

ARTICLE V

MEMBERSHIP

Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

VOTING RIGHTS

The Association shall have one class of voting membership, which members shall be all owners, including the Declarant, and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any lot.

ARTICLE VII

BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of five (5) directors, who need not be members of the Association. The number of directors may be changed by amendment of the Bylaws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

R. C. BRADDOCK	14795 Washington Avenue San Leandro, California 94578
R. H. LOGAN	14795 Washington Avenue San Leandro, California 94578
JAMES R. BELL	14795 Washington Avenue San Leandro, California 94578
JOHN F. HUGHES	14795 Washington Avenue San Leandro, California 94578
B. R. LOGAN	14795 Washington Avenue San Leandro, California 94578

ARTICLE VIII

DISSOLUTION

Upon dissolution of the Association, the assets of the Association shall be distributed to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such distribution is refused acceptance, such assets shall be granted, conveyed, and assigned to any nonprofit corporation, association, trust or other organization organized and operated for such similar purposes.

ARTICLE IX

DURATION

The corporation shall exist perpetually.

ARTICLE X

AMENDMENTS

Amendment of these Articles shall require the assent (by

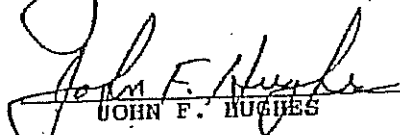
(vote or written consent) of members representing 75% or more of the voting power.

(IN WITNESS WHEREOF, for the purpose of forming this corporation under the laws of the State of California, we, the undersigned, constituting the incorporators of this Association, have executed these Articles of Incorporation this 9th day of February, 1973.

(
R. C. BRADDOCK

(
R. H. LOGAN

(
JAMES R. BELL

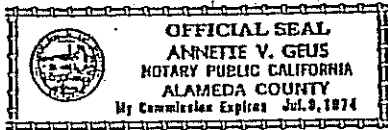
(
JOHN F. HUGHES

(
B. R. LOGAN

STATE OF CALIFORNIA)
 : ss.
COUNTY OF AL. DA)

On this 9th day of February, 1973, before me,
the undersigned, a Notary Public in and for said County and
State, residing therein, duly commissioned and sworn, per-
sonally appeared R. C. BRADDOCK, R. H. LOGAN, JAMES R. BELL,
JOHN F. HUGHES, and B. R. LOGAN, known to me to be the persons
described in and whose names are subscribed to the within
instrument and they acknowledged to me that they executed the
same.

IN WITNESS WHEREOF, I have hereunto set my hand and
affixed my Official Seal, the day and year first above written.



Annette V. Geus

Notary Public

RESERVE STUDY SUMMARY

for

Garden Isle

HOMEOWNERS ASSOCIATION

Date Prepared: 12/01/00

Prepared By:

John D. Beatty & Company

315 Diablo Road, Suite 222

Danville, CA 94526

(925) 831-1803

Fax (925) 831-2493

Reserve Study

This report documents the results of a reserve study performed by John D. Beatty & Company for Garden Isle Homeowners Association in Alameda. It provides an analysis of the repair and replacement requirements for the association's major components and recommends a funding plan to meet those obligations. This study was performed in compliance with California Civil Code sections 1365 and 1365.5. The intent of this legislation is to insure that associations maintain a plan to meet all future obligations for major component maintenance. The essential elements of this legislation are:

1. Identification of the major components which the association is obligated to maintain
2. Current estimate of the useful life of each component
3. Current estimate of the remaining life of each component
4. Current estimate of the replacement cost of each component
5. Current estimate of the total annual contribution necessary to maintain the major components
6. Current estimate of the amount of cash reserves necessary to maintain the major components
7. Disclosure of the current amount of accumulated cash reserves actually funded
8. Disclosure of the percentage of reserves actually funded
9. Disclosure of any determined or anticipated special assessments
10. A general statement of methodology

SCOPE

This study is aligned with the association's fiscal year and establishes November 1, 2000 through October 31, 2030 as the period of time for which reserve expenditures and reserve fund balances are projected.

METHODOLOGY

A cash flow methodology was used to determine the annual reserve contribution. The underlying premise of this reserve funding approach is to establish a contribution level that will allow the association to maintain a positive balance in the reserve fund while meeting all anticipated maintenance obligations. The cash flow method allows the association to achieve this goal without the unnecessary overfunding of reserves. Also, as the interest earned on the reserve fund will not totally offset inflation, projections were made using the current inflation factor and an average interest rate on fully insured certificates of deposit.

In preparing this study, a comprehensive list of major components was developed and information was compiled on the type, number, age and cost of each of these components. In gathering this data, certain assumptions were made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material. All life expectancies were based on reasonable industry experience for equipment and material and, unless specifically noted, all components were in a reasonable and ordinary condition.

This study was limited to a visual inspection of the property and as such did not disturb the major components. Therefore, all common areas for which there is no access without defacement are specifically omitted. However, if sufficient historical data were available that would allow a reasonable projection of future expenditures for any unobservable components e.g., plumbing or electrical wiring, those components could be included in this report.

Since no destructive testing was undertaken, this study does not purport to address any latent and/or patent defects, nor does it address any life expectancies that are abnormally short due to either improper design or installation, or to subsequent improper maintenance. It is assumed that all components are to be reasonably maintained for the remainder of their life expectancy.

For a component to be included in this study, the following criteria must be met:

1. The maintenance of the component is the responsibility of the association;
2. The maintenance of the component is not included in the annual operating budget;
3. The estimated useful life of the component is greater than one year; and
4. The estimated remaining life of the component is less than 30 years.

This study is intended to reflect the estimated replacement cost of the components and is not intended to project the actual cost of the work when performed. This limitation is necessary, as it is virtually impossible to predict with any degree of certainty the myriad factors that will impact costs at a future date. Because of this qualification, it is necessary for the results of this study to be reviewed annually to reflect any meaningful changes in use or significant increases in labor and/or materials costs.

The funding for this study has a threshold margin of 10%. This means that the projected ending balance for each fiscal year is at least 10% of the projected expenditures for the same year. This margin provides for any unforeseen or out of the ordinary repair or replacement expense. Additionally, it can be used in subsequent years as a source of funds for reallocation of the life cycles should the aging of any components be abnormally accelerated.

FINDINGS

The findings of this study indicate that it will be necessary to adjust the annual reserve contribution as indicated on pages 9, 10, and 11 of this report in order to meet projected expenditures and keep pace with inflation. For fiscal year 2000-2001 an increase of 0.0% is recommended in the reserve contribution. This results in no change in the overall assessment for that year. These findings are based upon the following:

1. Projected reserve fund balance as of November 1, 2000 \$288,000
2. Reserve contribution for fiscal year 1999-2000 \$293,400
3. Reserve contribution for fiscal year 2000-2001 \$293,400
4. Assumed annual inflation rate 3%
5. All "after tax" interest earned on reserve fund investments will be retained in the reserve fund.

DISCLOSURES

This plan provides adequate funds to meet projected expenditures without relying on special assessments or increases in regular assessments that require a vote of the membership. Based on the assumption that the association will fund reserves in accordance with this plan, which includes those increases indicated above, the percent funded was calculated in the following manner:

Accumulated Cash Reserves (Numerator)

Projected reserve fund balance as of November 1, 2000 \$288,000

Accrued Liability (Denominator)

(Refer to page 15 of this report)

Estimate of the amount of cash necessary to repair, replace, restore
or maintain the association's major components as of November 1, 2000 \$1,060,489

Percent Funded

27%

This report was reviewed and approved by the Board of Directors for the Garden Isle Homeowners Association.

Projected Expenditures

RESERVE COMPONENTS		Current		Fiscal Year		(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)	
Assumed Annual Inflation Rate..... 3.0%		Repair/Replace		Nov 1		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009	
		Cost		Oct 31		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010	
PAVED SURFACES:																									
1 - Asphalt Streets Major Repair	1%	10,927	8	0		10,927																			
2 - Asphalt Streets Repair/Seal		35,514	4	0		35,514								39,971								13,842			
3 - Asphalt RV Lot Repair/Seal		1,172	4	0		1,172								1,319								44,988			
4 - Concrete Walkways		5,464	1	1		5,464		5,628		5,796		5,970		6,149		6,334		6,524		6,720		1,485			
LANDSCAPING:																									
5 - Meters & Automation -Phase I		97,236	20	20																				7,129	
6 - Valves & Spacing-Phase II		71,787	20	20																					
7 - Irrigation System Repairs		5,000	5	5																					
8 - Tree Removal/Replace		6,956	1	1		6,956		7,164		7,379		7,601		7,829		8,063		8,305		8,555		8,811			9,076
ROOFING SYSTEM:																									
9 - Roof Flat Phase 1 (Hypalon)		545,471	15	4								596,051													
10 - Roof Flat Phase 2 (Hypalon)		535,005	16	9																		677,728			
11 - Roof & Garage Flat (Foam)		134,933	20	15										79,109											
12 - Foam Roof Coating		70,287	10	5																		477,235			
13 - Roof Garage (Brown Hypalon)		376,734	16	9																					
14 - Composition Shingle Phase 1		80,708	30	22																					
15 - Composition Shingle Phase 2		80,099	30	23																					
16 - Composition Shingle Phase 3		90,353	30	24																					
17 - Exterior Roof Repairs		13,113	1	1		13,113		13,506		13,911		14,329		14,758		15,201		15,657		16,127		16,611		17,109	
18 - Interior Repairs - Roof Leaks		8,742	1	1		8,742		9,004		9,274		9,552		9,839		10,134		10,438		10,751		11,074		11,406	
19 - Gutters and Downspouts		4,057	1	0		4,057		4,179		4,305															
20 - Gutters Improve		2,185	1	0		2,185		2,251		2,319		2,388		2,460		2,534									
PAINTING & BUILDING REPAIR:																									
21 - Ext. Building Paint 8 yr. Cycle		31,200	1	1		31,200		32,136		33,100		34,093		35,116		36,169		37,254		38,372		39,523		40,709	
22 - Ext. Building Repair 8 yr. Cycle		46,800	1	1		46,800		48,204		49,650		51,140		52,674		54,254		55,882		57,558		59,285		61,063	
23 - Clubhouse Interior		1,971	8	2				2,030																2,571	
LIGHTING EXTERIOR:																									
24 - Pole Lights		5,796	30	15																					
25 - Building Lights		3,478	20	15																					
CHIMNEY EXTERIOR REPAIRS:																									
26 - Spark Arrestor Replacement		20,867	20	14																					
FENCING/RETAINING WALL:																									
27 - Iron Fencing Repair/Paint		4,956	8	0		4,956																6,278			
28 - Wooden Fencing	33%	65,921	5	5		21,974		22,633		23,312				74,195										86,013	
29 - Retaining Wall Wooden		6,144	12	5										6,915											

Projected Expenditures

RESERVE COMPONENTS		Current		Estimated		Fiscal Year		(1)		(2)		(3)		(4)		(5)		(6)		(7)		(8)		(9)		(10)	
Assumed Annual Inflation Rate..... 3.0%		Repair/Replace		Usn		Nov 1		2000		2001		2002		2003		2004		2005		2006		2007		2008		2009	
		Cost		Life		Oct 31		2001		2002		2003		2004		2005		2006		2007		2008		2009		2010	
BALCONIES EXTERIOR:																											
30 - Repair/Replace		16,391		1	1			16,391		16,883		17,389		17,911		18,448		19,002									
31 - Covers		5,464		1	1			15,500		5,628		5,796		5,970													
POOL:																											
32 - Plaster/Tile		17,389		24	24																						
33 - Filters		2,600		12	3							2,758															
34 - Pump/Motors		2,325		8	3							2,467															
35 - Heater		5,500		12	9																						
36 - Solar		5,901	25%	5	3							6,260															
37 - Furniture		2,319		10	10																						
38 - Pool Cover		3,014		6	1			3,014																			
MAINTENANCE CENTER:																											
39 - Metal Containers		9,274		10	5																						
EQUIPMENT/VEHICLE:																											
40 - Truck		23,185		12	7																						
41 - Golf Cart		1,159		5	0			1,159																			
CLUBHOUSE:																											
42 - Furniture		5,796		10	9																						
43 - Appliances		2,319		15	11																						
44 - Water Heater		546		8	2					563																	
45 - Furnace		2,732		15	2					2,814																	
46 - Interior Light Fixtures		1,421		25	21																						
47 - Carpeting		1,785		8	4																						
48 - Vinyl Floor Covering		1,217		10	6																						
49 - Office Computer		3,478		6	5																						
SEWER SYSTEM:																											
50 - Repair		46,371		30	4																						
OTHER:																											
51 - Reserve Study		2,000		3	3																						
UNSCHEDULED..... 5%								14,670		15,587		16,561		17,596		18,696		19,864		21,106		22,425		23,827		25,316	
TOTAL EXPENDITURES		2,525,061						243,794		188,209		202,400		815,223		381,831		176,629		186,450		160,508		1,404,451		264,130	

Projected Fund Balances

	Fiscal Year									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
BEGINNING BALANCE	288,000	353,247	497,526	654,444	212,283	214,786	451,700	715,844	1,046,829	403,695
EXPENDITURES (inflated \$)	243,794	188,209	202,400	815,223	381,831	176,629	186,450	160,508	1,404,451	264,130
RESERVE CONTRIBUTION	293,400	311,738	331,221	351,922	373,918	397,287	422,118	448,500	476,532	506,315
Per Unit Per Month (346 units)	70.66	75.08	79.77	84.76	90.06	95.69	101.67	108.02	114.77	121.94
1 Percentage Increase to Reserves	0.0	6.3	6.3	6.3	6.3	6.3	6.3	6.3	-6.3	6.3
SPECIAL ASSESSMENTS	0	0	0	0	0	0	0	0	0	0
INTEREST AFTER TAX	15,640	20,751	28,097	21,140	10,416	16,256	28,477	42,992	29,143	13,457
ENDING BALANCE	353,247	497,526	654,444	212,283	214,786	451,700	715,844	1,046,829	148,053	403,695

**GARDEN ISLE HOMEOWNERS
ASSOCIATION**

**BUDGET
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2005**

GARDEN ISLE HOMEOWNERS ASSOCIATION
 OPERATING BUDGET
 FOR THE FISCAL YEAR ENDING OCTOBER 31, 2005

	2003-04 YEARLY BUDGET	2004-05 YEARLY BUDGET	2004-05 MONTHLY BUDGET	COST PER UNIT PER MONTH
INCOME				
HOMEOWNERS ASSESSMENTS	1,316,184	1,515,480	126,290	365.00
LATE CHARGES	4,000	4,000	333	
INTEREST INC. OPERATIONS	250	100	8	
OTHER INCOME	500	500	42	
CLUBHOUSE	2,400	3,600	300	
DOCUMENTS	900	1,200	100	
RV PARKING RENTAL INCOME	3,600	6,000	500	
SWIM LESSON INCOME & EXPENSES	1,500	1,600	133	
TOTAL INCOME	1,329,334	1,532,480	127,707	365.00
EXPENSES				
ADMINISTRATIVE EXPENSES				
MANAGEMENT FEE	57,704	0	0	0.00
MANAGEMENT - EXTRA SERVICE	480	0	0	0.00
COLLECTIONS	1,000	0	0	0.00
BAD DEBT EXPENSE	1,200	1,200	100	0.29
TAX PREPARATION / AUDIT	2,500	0	0	0.00
INSURANCE - BLANKET COVERAGE	170,100	223,795	18,650	53.90
COMPUTER HARDWARE, INTERNET & SOFTWARE	0	1,571	131	0.38
DUES / PUBLICATIONS	500	500	42	0.12
LEGAL / CONSULTING - GENERAL	10,000	0	0	0.00
OFFICE EXPENSE	3,000	3,105	259	0.75
OFFICE EQUIP - PURCH & REPAIRS	7,000	9,042	753	2.18
OFFICE EXPENSE - POSTAGE	3,000	5,300	442	1.28
PRINTING	3,705	6,718	560	1.62
OFFICE ALARM	412	428	36	0.10
FEES & LICENSES	50	95	8	0.02
TAXES	1,300	500	42	0.12
TELEPHONE / TOLL CHARGES	3,000	2,794	233	0.67
MISCELLANEOUS	1,577	1,732	144	0.42
TOTAL ADMINISTRATIVE EXPENSES	266,528	256,779	21,398	61.84
UTILITY EXPENSE				
ELECTRICITY	2,190	2,463	205	0.59
WATER	170,000	186,506	15,542	44.92
EBMUD WASTE WATER PERMIT	830	830	69	0.20
TOTAL UTILITY EXPENSES	173,020	189,799	15,817	45.71
LANDSCAPE EXPENSES				
LANDSCAPE MAINTENANCE CONTRACT	124,445	128,135	10,678	30.86
IRRIGATION REPAIRS / REPLACEMENTS	3,600	3,726	311	0.90
LANDSCAPE PLANTS	3,600	3,716	310	0.89
TREE TRIMMING / REMOVAL	25,300	16,000	1,333	3.85
TOTAL LANDSCAPE EXPENSES	156,945	151,577	12,631	36.51

GARDEN ISLE HOMEOWNERS ASSOCIATION
 OPERATING BUDGET
 FOR THE FISCAL YEAR ENDING OCTOBER 31, 2005

	2003-04 YEARLY BUDGET	2004-05 YEARLY BUDGET	2004-05 MONTHLY BUDGET	COST PER UNIT PER MONTH
REPAIR & MAINTENANCE EXPENSES				
GENERAL REPAIRS & MAINTENANCE	150	518	43	0.12
ROOF REPAIRS & MAINTENANCE	3,000	52,855	4,405	12.73
ELECTRICAL & LIGHTING	2,000	2,070	173	0.50
PLUMBING REPAIRS / SERVICE	500	518	43	0.12
PEST CONTROL	500	1,000	83	0.24
MAINT MATERIALS & SUPPLIES	6,000	10,350	863	2.49
PAINTING - UNITS	20,998	10,800	900	2.60
LUMBER & SUPPLIES - UNITS	42,021	54,200	4,517	13.05
TRASH REMOVAL	1,000	2,588	216	0.62
MAINT VEHICLE OPERATION & RPR	1,500	1,035	86	0.25
FUEL - VEHICLE / MAINT EQUIP	2,500	1,802	150	0.43
MAINTENANCE SALARIES & WAGES	182,021	170,349	14,196	41.03
PAYROLL-ROOF GUTTERS, DOWNSPOUTS CLEAN	0	28,814	2,401	6.94
PAYROLL TAXES	16,233	17,481	1,457	4.21
PAYROLL SERVICE	3,515	3,629	302	0.87
INSURANCE - WORKERS COMP	25,099	14,378	1,198	3.46
INSURANCE - EMPLOYEE MEDICAL	27,407	29,660	2,472	7.14
GARAGE DOOR CREDITS	3,000	3,000	250	0.72
TOTAL REPAIRS & MAINTENANCE EXPENSES	337,444	405,398	33,783	97.64
CLUBHOUSE / SWIMMING POOL EXPENSES				
POOL REPAIRS / REPLACEMENTS	1,200	2,070	173	0.50
POOL CHEMICALS / MAINT SUPPLIES	2,000	2,070	173	0.50
POOL LICENSES / PERMITS	300	325	27	0.08
CARPET CLEANING SVC - REC CTR	500	600	50	0.14
REC CENTER CLEANING SUPPLIES	500	621	52	0.15
TRASH REMOVAL	0	996	83	0.24
CLUBHOUSE PAYROLL	0	1,875	156	0.45
POOL / PAYROLL	14,690	15,195	1,266	3.66
POOL - PAYROLL TAXES	1,197	1,314	110	0.32
POOL - WORKERS COMPENSATION	2,065	1,831	153	0.44
POOL - PAYROLL SERVICE	278	295	25	0.07
GAS - POOL	3,118	2,833	236	0.68
ELECTRICITY - POOL	3,666	3,711	309	0.89
WATER - POOL	3,535	4,381	365	1.06
SWIM LESSON ACCT - EXPENSES	0	100	8	0.02
TOTAL CLUBHOUSE SWIMMING POOL EXPENSES	33,049	38,216	3,185	9.20
PROFESSIONAL SERVICES				
COLLECTIONS	0	1,000	83	0.24
LEGAL / CONSULTING - GENERAL	0	27,336	2,278	6.58
MANAGEMENT FEE	0	58,416	4,868	14.07
MANAGEMENT - EXTRA SERVICE	0	480	40	0.12
TAX PREPARATION / AUDIT	0	2,551	213	0.61
TOTAL PROFESSIONAL SERVICES	0	89,783	7,482	21.62

GARDEN ISLE HOMEOWNERS ASSOCIATION
 OPERATING BUDGET
 FOR THE FISCAL YEAR ENDING OCTOBER 31, 2005

	2003-04 YEARLY BUDGET	2004-05 YEARLY BUDGET	2004-05 MONTHLY BUDGET	COST PER UNIT PER MONTH
OTHER EXPENSES				
CONTRIBUTIONS TO RESERVES	348,198	373,918	31,160	90.06
OPERATING CONTINGENCY	1,000	10,000	833	2.41
 TOTAL OPERATING EXPENSES	 1,316,184	 1,515,470	 126,289	 365.00

**GARDEN ISLE HOMEOWNERS ASSOCIATION
CAPITAL RESERVE EXPENDITURE PLAN
FOR THE FISCAL YEAR ENDING OCTOBER 31, 2005**

CAPITAL RESERVE EXPENDITURE	2004-05 YEARLY PLAN	2004-05 MONTHLY PLAN	COST PER UNIT PER MONTH
CLUBHOUSE IMPROVEMENTS	20,000	1,667	4.82
CONCRETE - WALKWAYS	0	0	0.00
BALCONIES - REPAIR / REPLACEMENT / COVERS	0	0	0.00
ROOF REPAIRS - EXTERIOR	0	0	0.00
ROOF REPAIRS - INTERIOR	0	0	0.00
GUTTERS & DOWNSPOUTS	0	0	0.00
DRAIN INSTALLATIONS	0	0	0.00
IRRIGATION SYSTEM UPGRADES	0	0	0.00
DRAIN SYSTEMS	0	0	0.00
FENCING - PERIMETER	0	0	0.00
GUTTERS & DOWNSPOUTS	0	0	0.00
IRRIGATION SYSTEM UPGRADES	0	0	0.00
POOL RESURFACING	0	0	0.00
ROOF REPLACEMENT	0	0	0.00
SOLAR FRAME & PANELS	0	0	0.00
POOL EQUIPMENT	5,000	417	1.20
TREE REMOVAL / REPLACEMENT	4,000	333	0.96
VEHICLES	1,500	125	0.36
RESERVE STUDY	0	0	0.00
ROOF CONSULTANT	0	0	0.00
TOTAL RESERVE EXPENDITURES	30,500	2,542	7.35

ANNUAL INSURANCE DISCLOSURE

GARDEN ISLE HOMEOWNER ASSOCIATIONS

In compliance with Civil Code 1365 the following is a summary of the associations' insurance coverage.

ELLIS INSURANCE ASSOCIATES
324 VILLAGE SQUARE, ORINDA, CA 94563
P. 925 258-1010 F. 925 2581019 E. ellisins@pacbell.net

Policy Period: 11/01/04 to 11/01/05

PROPERTY INSURANCE:

Name of Insurer: Mount Hawley
RSUI GROUP
Policy Limit: \$ 60,000,000

Policy No.: MCP0125126
Policy No.: TBA
Deductible: \$50,000

GENERAL LIABILITY INSURANCE:

Name of Insurer: Mount Vernon Fire
Policy Limit: \$1,000,000

Policy No.: CL2265927A
Deductible: \$1,000

DIRECTORS & OFFICERS LIABILITY INSURANCE:

Name of Insurer: Continental Casualty
Policy Limit: \$1,000,000

Policy No.: 0250784447
Deductible: \$1,000

FIDELITY BOND INSURANCE:

Name of Insurer: Continental Casualty
Policy Limit: \$250,000

Policy No.: 0250784450
Deductible: \$1000

EXCESS (UMBRELLA) LIABILITY INSURANCE:

Name of Insurer: Continental Casualty
Policy Limit: \$4,000,000

Policy No.: CNU-98624
Deductible: None

EARTHQUAKE INSURANCE:

Not Covered

FLOOD INSURANCE:

Not Covered

"This summary of the association's policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 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 brokers or agents for appropriate additional coverage."

**GARDEN ISLE HOMEOWNERS
ASSOCIATION**

**" BUDGET NARRATIVE
FOR THE FISCAL YEAR ENDED OCTOBER 31, 2006**

GARDEN ISLE HOMEOWNERS ASSOCIATION

BUDGET NARRATIVE FISCAL YEAR ENDED OCTOBER 31, 2006

EXECUTIVE OVERVIEW

The Board of Directors ("Board") and Budget Committee ("Committee") provide the following analysis of the Fiscal Year Ending October 31, 2006 Budget ("FY 2006 Budget" or the "Budget") for Garden Isle Homeowners Association ("Homeowners" or the "Community"). The Budget Committee prepared this Budget after numerous meetings during the months of August and September to ensure that the FY 2006 Budget is fair and lean and in the best interests of the Homeowners. The Committee reviewed, evaluated, and verified each budget line item with respect to the Community's needs for the item and the reasonableness of the item's proposed cost. Input for the Budget was received from the Community's management agent, Lodestar, Community committees, and other relevant sources.

As owners, you can be assured that this Budget reflects the service levels required for our Community to provide the necessary funding to retain a cost effective and stable work force to maintain the property, repair and / or replace property and equipment, and continue to sustain and enhance our property values. Additionally, the Board is committed to continue to increase the reserves for future improvements to the Community, with minimum reserve improvement expenditures during the FY 2006 Budget period.

As you review the Budget, please bear in mind six significant factors affecting this Budget. First, Repairs and Maintenance increased 8.66% over the Fiscal Year 2005 Budget ("FY 2005 Budget"). However this increase is misleading because in FY 2005 there was a non-recurring budgeted expenditure of \$49,750 for resealing the foam roofs to maintain the warranty on those roofs. Removing the resealing produces a year-over-year increase of 23.55%. This increase is attributable to the cost of construction materials projected to occur due to material scarcity likely to result from the rebuilding caused by the devastation from both Hurricanes Katrina and Rita. Second, while the Clubhouse and Swimming Pool expenses also increased by 8.21%, the dollar increase is quite nominal. Third, while our budget for insurance parallels what was paid in Fiscal Year 2005 (a decrease from FY 2004), there was a hesitancy to budget at a lower level in light of the recent hurricanes. Fourth, that is not the case for health insurance as premiums continue to increase at a rate higher than the cost of living indices not only in the Bay Area and were budgeted at a 15% increase over the actual premiums for FY 2005. Fifth, the overriding goal of the Committee was to limit, wherever possible, expense increases to a 3.5% cost of living increase, unless a lower or higher expense level was justifiable to the Committee. This permitted the Committee to recommend to the Board a 16.25% increase to the Reserve fund.

GARDEN ISLE HOMEOWNERS ASSOCIATION

BUDGET NARRATIVE FISCAL YEAR ENDED OCTOBER 31, 2006

INCOME

ASSESSMENTS \$1,577,760

The \$1,577,760 represents a 4.11% increase in regular assessment fees over last year's budget of \$1,515,480. The monthly assessment increases by \$15 from \$365 per home, per month to \$380 per home, per month. Setting aside all of the changes in the budgeted expenses, the increase in assessments is really attributable to an increase in the contribution to our Reserves.

Approximately \$105 of the monthly assessment goes to increase contributions to our capital replacement reserve fund. Commencing in FY 2002, a concerted and continuing effort was made to increase the reserves, with minimal expenditures from the reserve fund. The addition to the Reserves for the current year is less than recommended on our current Reserve Study that has recommended a monthly contribution of \$215 per unit.

OTHER INCOME ITEMS \$16,600

This category reflects income from late charges, interest on operating funds, document production fees from sales of homes, rent from the Clubhouse and RV Storage Lot and other miscellaneous income.

TOTAL INCOME \$1,594,380

EXPENSES

ADMINISTRATIVE \$228,788

This category provides the basic costs for insurance, communications with Homeowners, office equipment and supplies and postage. The expense category reflects a net decrease between years of 10.90%. While the FY 2006 property and liability insurance premiums decreased 12.87% from the FY 2005 Budget, the FY 2006 budget was held at the cost of the actual FY 2005 insurance premiums. While all other components of Administrative expenses have changed, sometimes by significant amounts, Insurance comprises 85% of this category and the other percentage variances are not large enough to merit explanation.

UTILITIES \$184,293

This category provides for all utility services for common areas, other than for the clubhouse and swimming pool. The budget reflects a decrease of 2.90% principally

GARDEN ISLE HOMEOWNERS ASSOCIATION

BUDGET NARRATIVE FISCAL YEAR ENDED OCTOBER 31, 2006

attributable to water usage. Homeowners need to recognize that approximately 80% of the water usage covers their personal use in their homes and outside watering for their patio and washing their cars. Homeowners are reminded to conserve their water usage at all times.

LANDSCAPE

\$138,511

This category provides for landscape maintenance, repairs to the irrigation system, tree trimming and pruning and additions of plants. This category decreased 8.62% from FY 2005 and is attributable to the hiring of a new landscape contractor. The new landscape contractor will provide expanded service for \$15,000 less than the current contractor. Also, less tree trimming is planned for FY 2006. Deep root fertilizing was recommended to maintain the health of some of the trees.

REPAIRS AND MAINTENANCE

\$448,529

This category provides for the maintenance and operation of the Community's common areas in accordance with the policies and services desired by the Community, in addition to routine maintenance projects performed on an annual basis. Items included in this category include expenses for the common area such as the payroll and associated payroll taxes, insurance and associated payroll benefits, lumber, supplies and paint for the ongoing maintenance of the exteriors and roofs of Owner units, exterior lighting, plumbing, pest control, materials and supplies, fuel and trash removal.

While this category increased by \$37,377 or 8.66%, this increase is misleading because in FY 2005 there was a non-recurring budgeted expenditure of \$49,750 for resealing the foam roofs to maintain the warranty on those roofs. Removing the resealing produces a year-over-year increase of 23.55%. This increase is attributable to the cost of construction materials projected to occur due to material scarcity likely to result from the rebuilding caused by the devastation from both Hurricanes Katrina and Rita. This year, a significant number of the units scheduled for the ongoing maintenance contain balconies. With balconies, the cost of maintenance rises significantly for units that have few or no balconies. The costs associated with the maintenance of the units accounts for \$396,873 of the total category expenditures, or 89%. All other expenditures, which account for the remaining 11% of the category, and none had significant dollar amount variances requiring explanations.

CLUBHOUSE / SWIMMING POOL EXPENSES

\$39,198

This category provides services for maintenance of the clubhouse, payroll for the cleaning the clubhouse and pool attendants, chemicals, utilities, pool repairs, permits, and miscellaneous supplies. While the category had a net increase of 8.21% over FY 2005, the pool attendant payroll, taxes and workers compensation decreased as the pool hours

GARDEN ISLE HOMEOWNERS ASSOCIATION

BUDGET NARRATIVE FISCAL YEAR ENDED OCTOBER 31, 2006

and coverage for FY 2006 will be decreased to follow usage patterns from the current year. The most significant increase resulted from the determination that most of the trash removal originated from the Clubhouse and not from the periodic dump costs associated with the ongoing maintenance of our buildings.

PROFESSIONAL SERVICES

\$73,766

This category includes all outside professional services including Collection Services, Legal, Consulting Services, Management Fees, Tax Preparation Fees, and new for FY 2006, a Patrol Service to enforce the HOA's parking rules. Even with the addition of the Patrol Service, all professional services decreased 17.83% over FY 2005 principally because a large contingency was built into the FY 2005 Budget due to unknowns associated with the revisions to the HOA's governing documents.

OTHER EXPENSES

\$464,670

This category reflects an operational contingency of \$30,000, an increase from \$10,000 from FY 2005 based upon unexpected expenditures as the community's equipment is aging and unexpected repairs are more frequent and necessary, plus even though a significant increase has been budgeted in the applicable categories for construction material costs, utility increase and fuel costs, the contingency provides an overall cushion for any unknowns. The \$434,670 addition to the Community's Reserve fund is an increase of \$60,752 over FY 2005, or \$105 per unit per month, is still less than the current Reserve Study recommendation of \$215 per unit per month. The result of the Reserve Study is included with the material for the Annual Meeting, which accompanies this Budget.

TOTAL EXPENSES

\$1,577,765

SUMMARY

In summary, after several months of careful consideration by the Budget Committee and the Board of Directors, the FY 2006 Budget proposes an increase in expenditures over FY 2005 of \$131,480 for an assessment increase of 4.11%. For FY 2006, the monthly assessment increases \$15 to \$380 per home, per month from \$365 per home, per month in FY 2005. Additionally, by minimizing the reserve expenditures for FY 2006; the Community reserves are budgeted to increase by \$409,170.

Any excess of cash receipts over operating expenditures as of October 31, 2006 will be added to the Community reserves.

**GARDEN ISLE HOMEOWNERS ASSOCIATION
CAPITAL RESERVE EXPENDITURE PLAN
FOR THE FISCAL YEAR ENDING OCTOBER 31, 2006**

CAPITAL RESERVE EXPENDITURE	2005-06 YEARLY PLAN	2005-06 MONTHLY PLAN	COST PER UNIT PER MONTH
CLUBHOUSE IMPROVEMENTS	\$2,500	\$208	\$17.36
CONCRETE - WALKWAYS	2,500	208	17.36
BALCONIES - REPAIR, REPLACEMENT, COVERS	0	0	0.00
ROOF REPAIRS - EXTERIOR	0	0	0.00
ROOF REPAIRS - INTERIOR	0	0	0.00
GUTTERS & DOWNSPOUTS	0	0	0.00
DRAIN INSTALLATIONS	0	0	0.00
IRRIGATION SYSTEM UPGRADES	0	0	0.00
DRAIN SYSTEMS	0	0	0.00
FENCING - PERIMETER	0	0	0.00
GUTTERS & DOWNSPOUTS	0	0	0.00
IRRIGATION SYSTEM UPGRADES	0	0	0.00
POOL RESURFACING	0	0	0.00
ROOF REPLACEMENT	0	0	0.00
SOLAR FRAME & PANELS	1,000	83	0.24
POOL EQUIPMENT	2,000	167	0.48
TREE REMOVAL & REPLACEMENT	40,500	3,375	9.75
VEHICLES	0	0	0.00
MAINTENANCE FACILITY	10,000	833	2.41
RESERVE STUDY	0	0	0.00
ROOF CONSULTANT	0	0	0.00
TOTAL RESERVE EXPENDITURES	\$58,500	\$4,875	\$47.61

ACORD™ CERTIFICATE OF PROPERTY INSURANCEDATE
1/13/2006PRODUCER PH (866) 386-3400 FAX (866) 386-5655
Select Commercial Insurance Services
Po Box 1188

San Carlos CA 94070

INSURED
Garden Isle HOA
1060 Melrose Ave.

Alameda CA 94502

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION
ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER.
THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE
COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY
A Lexington A+ XV (AIG), RSUI A XIVCOMPANY
B St Paul/Travelers Co. A+ XVCOMPANY
C United National Co. A IXCOMPANY
D Zurich A XV

COVERAGES

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	COVERED PROPERTY	LIMITS
A	PROPERTY	Primary to 5 Million	2/15/2006	2/15/2007	BUILDING	\$
	CAUSES OF LOSS				PERSONAL PROPERTY	\$
	BASIC	Primary Lexington 7479245	2/15/2006	2/15/2007	BUSINESS INCOME	\$
	BROAD				EXTRA EXPENSE	\$
	<input checked="" type="checkbox"/> SPECIAL	Excess RSUI NHD412345	2/15/2006	2/15/2007	<input checked="" type="checkbox"/> BLANKET BUILDING	\$ 250,000,000
	EARTHQUAKE				BLANKET PERS PROP	\$
	FLOOD	5,000 Deductible			BLANKET BLDG & PP	\$
		Replacement Cost			Build Ord A	\$ Incl In Above
					Bld ord B & C	\$ 1,000,000
						\$
	INLAND MARINE					\$
	TYPE OF POLICY					\$
	CAUSES OF LOSS					\$
	NAMED PERILS					\$
	OTHER					\$
						\$
B	<input checked="" type="checkbox"/> CRIME	104695318	2/15/2006	2/15/2007	I Empl Dishonesty	\$ 1,000,0000
	TYPE OF POLICY				II, III, IV, VI	\$ 100,000
B	Directors & Officers	104553447	2/15/2006	2/15/2007		\$ 1,000,000.00
	BOILER & MACHINERY					\$
						\$
C	OTHER	Policy 9958550A	2/15/2006	2/15/2007		\$1,000,000 OCC
	General Liability					2,000,000 Agg
D	Umbrella Liability	Policy 5A010172200	2/15/2006	2/15/2007		5,000,000

LOCATION OF PREMISES/DESCRIPTION OF PROPERTY

1060 Melrose Avenue, Alameda, CA 94502. 346 Unit Condominium Complex, Built 1973

SPECIAL CONDITIONS/OTHER COVERAGES

This certificate is for escrow and informational purposes only. Coverage is subject to the
terms, conditions, limitations and exclusions of the actual policies.

CERTIFICATE HOLDER

(510) 780-7535 MichelleK@Massingham.com
Massingham Corporate File
For Informational Purposes Only
Hayward Massingham & Assoc.
2247 National Avenue
Hayward, CA 94545

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE
EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL
10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT,
BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY
OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE



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ANNUAL INSURANCE DISCLOSURE GARDEN ISLE HOMEOWNERS ASSOCIATION

Prepared As Of March 08, 2006

Page 1 of 3

A. PROPERTY INSURANCE

1. Name of Insurer: Primary Coverage (First \$5,000,000, Less A \$5,000 Deductible) Through Lexington Insurance Company, Policy #7479245. Excess Coverage (From \$5,000,001 to \$62,784,600 Policy #NHD412345).
2. Effective Date of Policy: 2-15-2006 to 2-15-2007
3. Property Coverage Limits: First \$5,000,000, Less A \$5,000 Deductible Through Lexington Insurance Company, Policy #7479245. Excess Coverage, From \$5,000,001 to \$62,784,600, Policy #NHD412345.
4. Property Coverage Deductible: \$ 5,000
5. Person or Entity responsible to pay the Property Insurance Deductible in the event of a Loss: OWNER OR ASSOCIATION.
6. Does the Property Insurance extend to the Real Property Improvements of Separate Interest? See Master Policy.

B. GENERAL LIABILITY INSURANCE

1. Name of Insurer: United National Company Binder # 9958550A
2. Effective Date of Policy: 2-15-2006 to 2-15-2007
3. Limits of Liability: \$1,000,000 per Occurrence/ \$2,000,000 Annual Aggregate
4. General Liability Deductible: \$500

C. DIRECTORS AND OFFICERS INSURANCE

1. Name of Insurer: Travelers Policy # 104553447
2. Effective Date of Policy: 2-15-2006 to 2-015-2007
3. Limit of Liability: \$1,000,000 (Inclusive of Defense Costs)
4. Retention Amount: \$2,500

D. UMBRELLA LIABILITY INSURANCE

1. Name of Insurer: Zurich Insurance Company Policy #5A010172200
2. Effective Date of Policy: 2-15-2006 to 2-15-2007
3. Limits of Liability: \$5,000,000 per Occurrence/ \$5,000,000 Annual Aggregate
4. \$10,000 Self Insured Retention (SIR)



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Prepared As Of March 08, 2006

Page 2 of 3

E. FIDELITY BOND INSURANCE

1. **Name of Insurer:** Travelers Policy # 104695318
Effective Date of Policy: 2-15-2006 to 2-15-2007
2. **Limit of Liability:** \$1,000,000 (Inclusive of Defense Costs)
3. **Does Association carry FLOOD INSURANCE? Not with our Agency.**
4. **Does Association carry EARTHQUAKE INSURANCE? Not with our Agency .**
5. **Does Association carry WORKERS COMPENSATION INSURANCE? Not with our Agency.**

INSURANCE DISCLOSURE REQUIREMENTS (Chapter 396) S.B. 1535

This summary of the Associations policies of insurance provides only certain information, as required by subdivision (e) of Section 1365 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 Associations 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 Associations 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 the 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.



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Prepared As Of March 08, 2006

Page 3 of 3

If the policies mentioned above lapse, are canceled, are not immediately renewed, restored or replaced, or if there is a significant change, such as a reduction in coverage or limits or an increase in the deductible, the association shall notify the membership as soon as "reasonably practical", by first class mail. If the association receives a notice of non-renewal and the coverage will lapse, the association shall "immediately notify" the members.

It is important to note that the association does not carry earthquake insurance coverage. It is not required to do so by the governing documents for the association. To that end, each individual owner should take whatever precautions they want to take with regard to earthquake coverage. You could check with the California Earthquake Insurance Authority, a state agency that provides policies. Most of the primary carriers in the state can obtain policies through the authority. It is important in discussing coverage to protect your selves that to point out to the carrier that the association has no master coverage for earthquake. Please be advised that some policies sold to owners depend on master coverage for the association providing the primary coverage, and others do not. It is important to seek coverage for your own personal property, rebuilding of your particular dwelling unit within your building, and most importantly, the special assessment , loss assessment coverage to pay for any assessment that might be imposed on all of the members by the association.

**GARDEN ISLE HOMEOWNERS ASSOCIATION
ALAMEDA, CALIFORNIA**

BOARD OF DIRECTORS MEETING

August 15, 2005

MINUTES

A meeting of the Board of Directors (BOD) of the Garden Isle Homeowners Association was held in the Association Clubhouse at 1060 Melrose Avenue in Alameda, California on July 18, 2005.

Officers and Directors:

(Vacant)	Chairperson	2005
Robert Day *	President	2005
Patricia Quinn	Secretary	2005
Richard Crevani	Treasurer	2006
Neil Wilson	Director	2006

(* denotes absence ** denotes late arrival)

Also present was Ann Parish and Kathy Krohn of Lodestar Management.

ITEM I. CALL TO ORDER

The regular meeting of the Garden Isle HOA Board of Directors was called to order at 7:06 P.M. with Treasurer Richard Crevani presiding.

ITEM II. APPROVAL OF MINUTES

It was moved, seconded and carried (MSC) (Quinn/Wilson) to approve the Minutes of the regular Board meeting held on July 18, 2005 as submitted by Management.

ITEM III. GUEST RECOGNITION / OPEN FORUM

- The homeowner at 1027 Kingston Lane requested that the Board reconsider her request for reimbursement of \$55.00 for the replacement of her door frame by the contractor who installed her garage door. She said Eller said he would pay it but then changed his mind. The Board agreed to reimburse the homeowner \$55.00 as an exception to the standing policy that a credit is given only for the garage door..

ITEM IV. COMMITTEE REPORTS

Architectural Committee – The following action was taken on architectural requests: It was MSC (Wilson/Quinn) to approve

- 3443 Capella Lane – Installation of cable
- 3443 Capella Lane- Installation of Columbia wood screen door – stained cherry finish.
- 1021 Kingston Lane- Installation of satellite dish on the patio.
- 1025 Kingston Lane- Replacement of windows as per HOA specifications.
- 3543 Norman Lane- Replacement of windows and sliding glass door.
- 3453 Oleander Ave.- Replacement of windows.
- 1023 Tobago Lane- Replacement of 4 windows and the patio door.
- 3446 Capella Lane – Replacement of windows with grids only on sliding doors facing the patio

3514 Savana – Management was requested to send a follow up letter early in September if no response is received to the letter sent regarding a non-conforming entry door.

CC&Rs Committee – Clarification is needed on provisions regarding insurance and rental restrictions before the proposed CC& Rs can be submitted to the membership for a vote. The BOD will arrange a meeting with the attorney and insurance agent to discuss these issues.

Disaster Response Committee – Blanche Kammer expressed concerns regarding the water being off the afternoon of August 8th. Three streets were without water. Ms. Parish explained that East Bay MUD was scheduled to work on one unit on Jost Lane and had incurred problems whereas three streets were without service for that afternoon. East Bay MUD had been contacted and the water was back on later that day around 6:00 p.m. Mr. Wilson assured Ms. Kammer that the fire hydrants are not affected by water loss since they are on a separate line.

Ms. Kammer also requested a stabilized office schedule and was told that regular hours are 8:00 A.M. to 12 Noon each weekday.

Landscape – It was MSC (Quinn/Wilson) to approve the tree trimming bid (Alders in Sections 3 & 4) provided by Davey Tree for \$6,000.

Management will request a bid for the removal of 3. It was suggested by the board that a total of three bids be obtained. And that all bids should include resodding the areas where trees are remove and the area next to 1120 Holly.

It was MSC (Wilson/Quinn) to approve the plant upgrade list provided by the Committee, with the modification that the Agapanthas be split and transplanted instead of new ones being planted, in accordance with the proposal from Cagwin & Dorward as long as the cost does not exceed \$1800.00.

Maintenance Committee— A representative from Harry Bunfill Urethane Roofing will need to come out and walk the sections where the foam roofing was sprayed. Numerous complaints were made regarding the roofers leaving a mess. Neil Wilson will walk these areas with Harry Bunfill at his earliest convenience. Full payment will not be made until everything is clean and the homeowners are satisfied with the corrective work that is done.

The planter box issue at 1073 Jost Lane still needs to be resolved. Mr. Wilson will look at it again and advise of what action to be taken.

It was agreed that the maintenance crew will only remove bees, wasp nest, etc. from common area and skylights. Any pest control needed on the residence structures or Lots will be the responsibility of the individual owner.

The maintenance crew will do interior painting of areas damaged from roof leaks during January through March, as needed.

Management will update the map for the 7-year Building Renovation Project for BOD review and will publish it in the October newsletter.

Pool & Clubhouse Committee— Discussion was held on advising people using the Clubhouse that guests cannot extend the party onto the pool area. A sign is now posted inside the clubhouse stating this. If homeowners have their pool tags, they can use the pool as long as they sign in and out on the sign in sheet.

It was MSC (Quinn/Wilson) to approve the revised Charter for this Committee.

According to the July sign in sheets, there was an average of 37 people per day using the pool. The committee will revise the sign in sheets so they can determine how many people are at the pool at one time so that, perhaps next year, pool attendants' hours can be effectively shortened.

The committee will be looking into new pool covers.

The Health Department was out for the annual pool inspection on August 4th. Per their request, a new flow meter is on order and a new respiratory procedure sign has been replaced.

ITEM V. FINANCIAL REPORT

The Financial Oversight Committee will be meeting in the next week to review Financial Statements from February through July.

A meeting of the Budget Committee will be held during the week of August 17, 2005.

ITEM VI. MANAGEMENT REPORT

Members' Issues:

- *3516 Savana* - Mr. Wilson will look at the new overhang on the roof and determine whether or not the homeowner's request to have it closed in is feasible.
- *1029 Kingston* - It was the consensus that more complaints should be received about the dog off-leash before further action is taken on the dog complaint.
- *3477 Oleander* - Management was requested to send a second letter, marked as "Final Notice", requesting that the homeowner remove the planters along the entry walkway.

A summary report of violation was provided to the BOD for review.

Budget Guidelines, provided by the Budget Committee, had been given to all committee chairpersons.

ITEM VII. UNFINISHED BUSINESS

Parking Enforcement - It was reported that Harbor Bay Security cannot provided assistance to the Association for the enforcement of parking rules. Alternatives will be sought to better monitor the guest parking spaces.

Reserve Study Status - Final comments from the BOD were given to The Helsing Group who is preparing the draft that will incorporate the changes. A proposal for asphalt work to provide an actual replacement cost figure was obtained from a paving contractor by Mr. Wilson.

ITEM VIII. NEW BUSINESS

Annual Meeting - It was confirmed that the Annual Meeting will be held on November 21, 2005 at St. Albert's Church Hall on Holly Street.

Meeting with Islandia Board - Mr. Wilson reported that the president of the Islandia Board of Directors had contacted him regarding a joint meeting of the two Boards. It was the consensus that a Tuesday evening in the latter part of October would be best.

Landscape Maintenance Contract - It was MSC (Quinn/Wilson) to terminate the services of FGS, effective September 30, 2005 and hire Cagwin & Dorward, effective November 1, 2005.

ITEM IX. NEXT MEETING DATE AND ADJOURNMENT

The next regular meeting of the BOD will be held on Monday, September 19, 2005 at 7:00 p.m.

It was MSC (Quinn/Wilson) to adjourn the meeting at 10:00 p.m.

ITEM X. EXECUTIVE SESSION

**GARDEN ISLE HOMEOWNERS ASSOCIATION
ALAMEDA, CALIFORNIA**

BOARD OF DIRECTORS MEETING

JULY 18, 2005

MINUTES

A meeting of the Board of Directors (BOD) of the Garden Isle Homeowners Association was held in the Association Clubhouse at 1060 Melrose Avenue in Alameda, California on July 18, 2005.

Officers and Directors:

(Vacant)	Chairperson	2005
Robert Day	President	2005
Patricia Quinn	Secretary	2005
Richard Crevani	Treasurer	2006
Neil Wilson	Director	2006

Also present was Ann Parish of Lodestar Management

ITEM I. CALL TO ORDER

The regular meeting of the Garden Isle HOA Board of Directors was called to order at 7:15 P.M. with President Bob Day presiding.

ITEM II. APPROVAL OF MINUTES

It was moved, seconded and carried (MSC) (Crevani/Wilson) to approve the Minutes of the regular Board meeting held on June 20, 2005 with the correction of two "typos".

ITEM III. GUEST RECOGNITION / OPEN FORUM

- The homeowner at 1029 Kingston Lane requested that notices be provided for roof/gutter cleaning at least 3 months in advance or a range of dates. Her roof had been cleaned right after she had her windows washed. Other concerns included 1) mushrooms growing at 1027 Kingston Lane, 2) removal of ladder at 1021 Kingston Lane and 3) length of time that it is taking to clean one roof
- The homeowner at 3510 Savanna Lane expressed concern about not receiving notice prior to the roofs being cleaned. She has noticed extensive dry rot on buildings and will drop notes in the mailbox with the addresses homes where she observes the dry rot.
- The homeowner at 1025 Tobago Lane expressed concern about residents parking in guest parking spaces.

ITEM IV. COMMITTEE REPORTS

Architectural Committee – The following action was taken on architectural requests:

- 3410 Brithorn Lane – Approval of window replacement, front entry door and screen door installation
- 3462 Dutchcap Lane – Installation of a mail slot in door
- 3547 Norman Lane – Installation of cable
- 1083 Melrose Avenue – Installation of the proposed front entry door was denied. The homeowner will be advised to submit a request for the Association approved 4 or 6 panel door with half-moon or rectangular windows at the top.
- 3531 Magnolia Drive – Replacement of only one exterior window was denied
- 3446 Capella Lane – Replacement of windows was put on hold until the next Board meeting

CC&Rs Committee – The committee has forwarded additional questions/issues to the attorney for a response. A letter from a new homeowner expressing his concern about any provisions in the restated CC&Rs to restrict rentals to a certain percentage was reviewed and will be considered at future meetings.

Disaster Response Committee – Blanche Kammer advised that this Committee had not met in July and thanked the Board for its timely response approving funds for supplies for the first aid kits.

Discussion was held on the need for an accurate listing of all homeowners and residents to be provided on a quarterly basis. Management will send out Resident Registration forms with the next newsletter.

Financial Oversight – Treasurer Crevani advised that this Committee would be meeting during the next week. Frances Genger volunteered to assist on the Budget Committee

Landscape – Ms. Ensor had provided a written report for the Board packet.

The tree survey from Davey Tree was discussed. Management was requested to find out how many of the trees on the survey list could be done for a cost not to exceed \$6,000.

The Committee will do a landscape walk through on July 28th.

Discussion was held on the request from the homeowner at 1079 Melrose to install solar lighting and art work. It was the consensus that the homeowner will be notified by the Committee that the wire artwork cannot be attached to the building.

Maintenance Committee – The following status report was provided:

The repair and spraying of the foam roofs is in progress and the contractor expects to be complete by July 22nd.

There are 11 homes that need interior painting of damage from roof leaks. The Maintenance Supervisor will be asked to get the measurements of the damaged area in each of the homes that needs to be painted. It was agreed that a large portion of the painting can be done during the winter months by the Association's maintenance staff.

Pool & Clubhouse Committee - The Charter for this Committee was reviewed and Mr. Day said that he would send some modifications to the Charter. The Committee Chairperson will provide a log of weekly attendance at the pool.

Discussion was held on a request from the Bridge Club to pay \$1.00 per guest/per night for use of the Clubhouse each Thursday evening. It was the consensus that the Board confirm its original decision to charge \$40 per evening for use of the Clubhouse by outside guests.

RV Lot - It was confirmed that the RV Lot is clean and that there are only three spaces left to rent.

ITEM V. FINANCIAL REPORT

A meeting of the Financial Oversight Committee and Budget Committee will be held during the week of July 25th.

It was MSC (Crevani/Quinn) to approve the proposal from Walter G. Grady, CPA for preparation of the Association's Tax Returns and a Review for a cost of \$2,575.00.

ITEM VI. MANAGEMENT REPORT

Members' Issues:

- 1027 Kingston Lane - The homeowner had requested, once again, to be reimbursed in the amount of \$55.00 for replacement of her door frame by the contractor that installed her garage door. It was agreed, after discussion, that the door frame could have been replaced by Association maintenance employees either before or after the installation of the garage door. No reimbursement was approved.
- 1139 Leeward Lane - The homeowner requested that the Board waive the late fees on this account because a check for January dues did not reach the bank. After discussion, it was the consensus that the late fees would not be waived.
- 1073 Jost Lane - The homeowner has requested that the planter box in front of her windows be boarded up on top or the bottom panel removed as it only collect dirt and dead birds. It was agreed that Mr. Wilson will look at the box and advise Management of whether or not to send a work order to maintenance for this work.

A summary list of violation letter sent since the last BOD meeting was provided to the BOD with several responses from homeowners.

ITEM VII. UNFINISHED BUSINESS

- Parking Patrol – Because of the high cost of a parking patrol company, it was agreed that the BOD would meet with other nearby associations to see if they had an interest in sharing the cost of a patrol service to enforce parking rules. Management will also check with Harbor Bay Security.
- Reserve Study – The BOD met to review the Reserve Study and needs to verify a couple of replacement costs for the larger components. It is anticipated that the information obtained will be forwarded to The Helsing Group for preparation of a final draft of the Reserve Study in approximately 10 days. Management was requested to obtain information on bank loans for associations.
- Letters to New Owners – Changes to the Welcome Letters and FAQs were provided to Management. Ms. Quinn said that she would hand deliver the letters to new homeowners when they are prepared.

ITEM VIII. NEW BUSINESS

There was no new business to be presented for consideration by the BOD.

ITEM IX. NEXT MEETING DATE AND ADJOURNMENT

The next regular meeting of the BOD will be held on Monday, August 15, 2005 at 7:00 P.M. in the Association Clubhouse.

It was MSC (Quinn/Day) to adjourn the meeting to Executive Session at 9:50 P.M.

ITEM X. EXECUTIVE SESSION

The delinquency report was discussed. It was MSC (Crevani/Wilson) to file a lien against Account #99168-G-000-2 and #88046-F-000-1 in accordance with the Association's collection policy.