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**BY-LAWS OF
PALM MANOR HOMEOWNERS' ASSOCIATION, INC.**

**ARTICLE I
OFFICES**

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SECTION 1: PRINCIPAL OFFICE.

The principal office of the Corporation for its transaction of business is located in the City of Oakland, County of Alameda, State of California.

SECTION 2: CHANGE OF ADDRESS.

The Board of Directors is hereby granted full power and authority to change the principal office of the Corporation from one location to another in the County of Alameda, California. Any such change shall be noted by the Secretary in these By-Laws, but shall not be considered an amendment of these By-Laws.

**ARTICLE II
MEMBERS**

SECTION 1: CLASSIFICATION AND QUALIFICATION OF MEMBERS.

The Corporation shall have one class of members as follows: regular members. Regular members of the Corporation shall be those persons as defined in Section 5065 of the Corporations Code owning a condominium unit in Palm Manor. The owners of each

such unit shall be entitled to one regular membership. A person, as defined in Section 5065 of the Corporations Code shall not hold more than one membership unless such person owns more than one condominium unit in Palm Manor.

SECTION 2: ELIGIBILITY FOR MEMBERSHIP.

Any person, as defined in Section 5065 of the Corporations Code and subject to Section 1 of this Article, is eligible to be a member of the Corporation, except that, in the case of a natural person, such person shall not be eligible for membership unless over the age of 18.

SECTION 3: ADMISSION TO MEMBERSHIP.

Any person, as defined in Section 5065 of the Corporations Code, qualified for membership under Section 1 of Article II of these By-Laws and eligible for membership under Section 2 of Article II of these By-Laws, shall be admitted to membership of the Corporation.

SECTION 4: ASSESSMENTS.

Memberships shall be subject to assessment. The amount of each levy and the method of collection shall be fixed from time to time by the resolution of the Board of Directors of the Corporation, subject to the procedures established in the Declaration of Covenants, Conditions and Restrictions of Palm Manor, a Condominium Project as amended from time to time. Assessments shall be made payable at such times or intervals and on such notice as the board shall prescribe.

SECTION 5: NUMBER OF MEMBERS.

The number of members shall be limited to the number of condominium units contained in Palm Manor.

SECTION 6: MEMBERSHIP BOOK.

The Corporation shall keep in written form a membership book containing the name and address of each member. The book shall also contain the fact of termination and the date on which such membership ceased. Such book shall be kept in the principal office of the Corporation and shall be subject to the rights of inspection required by law as set forth in Section 7 of Article II of these By-Laws.

SECTION 7: INSPECTION RIGHTS OF MEMBERS.

1. Demand: Subject to the Corporation's right to set aside a demand for inspection pursuant to Section 8331 of the Corporations Code and the power of the court to limit inspection rights pursuant to Section 8332 of the Corporations Code, and unless the Corporation provides a reasonable alternative as permitted by paragraph 3 of this Section, a member satisfying the qualifications set forth hereafter may do either or both of the following:

1.01. Inspect and copy the record of all the members' names, addresses and voting rights, at reasonable times, on five business days' prior written demand on the Corporation, which demand shall state the purpose for which the inspection rights are requested; or

1.02. Obtain from the Secretary of the Corporation, on written demand and tender of a reasonable charge, a list of the names, addresses and voting rights of those members entitled to vote for the election of directors, as of the most recent record date for which it has been compiled or as of the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be available on or before the later of ten business days after the demand is received or after the date specified therein as the date as of which the list is to be complied.

2. Members Permitted to Exercise Rights of Inspection: The rights of inspection set forth in paragraph 1 of this Article may be exercised by the following:

2.01. Any member, for a purpose reasonably related to such person's interest as a member; and

2.02. The authorized number of members for a purpose reasonably related to the members' interest as members.

3. Alternative Method of Achieving Purpose: The Corporation may, within ten business days after receiving a demand pursuant to paragraph 1 of this Article, deliver to the person or persons making the demand a written offer of an alternative method of achieving the purpose identified in said demand without providing access to or a copy of the membership list. An alternative method which reasonably and in a timely manner accomplishes the proper purpose set forth in a demand made pursuant to paragraph 1 of this Article shall be deemed reasonable, unless within a reasonable time after acceptance

of the offer, the Corporation fails to do those things which it offered to do. Any rejection of the offer shall be in writing and shall indicate the reasons the alternative proposed by the Corporation does not meet the proper purpose of the demand made pursuant to paragraphs 1.01 or 1.02 of this Article.

SECTION 8: CERTIFICATES OF MEMBERSHIP.

The Corporation shall not issue membership certificates; however, the Corporation reserves the right to issue identity cards or similar devices to members which serve to identify members qualifying to use the facilities or services of the Corporation.

SECTION 9: NONLIABILITY OF MEMBERS.

A member of the Corporation shall not solely because of such membership be personally liable for the debts, obligations or liabilities of the Corporation.

SECTION 10: TRANSFERABILITY OF MEMBERSHIP.

The membership in the Corporation and any rights in the membership shall be transferred for value or otherwise at such time as record or contract ownership of a condominium unit shall be transferred to a new owner. At such time, the transferor's membership in the Corporation shall terminate, and not otherwise.

SECTION 11: CAUSES.

The membership and all rights of membership may be suspended for nonpayment of assessments subject to those limitations set forth in paragraph 3.19 of the Second Amended Declaration of Covenants, Conditions and Restrictions of Palm Manor, a condominium project.

All rights of a member in the Corporation and in its property shall cease on the suspension of such member's membership. Termination shall not relieve the member from any obligation for charges incurred, services or benefits actually rendered, assessments or fees, or arising from contract or otherwise. The Corporation shall retain the right to enforce any such obligation or obtain damages for its breach.

ARTICLE III
MEETINGS OF MEMBERS

SECTION 1: PLACE.

Meetings of members shall be held on premises within the condominium project.

SECTION 2: DATE:

The members shall meet annually on the second Tuesday in March in each year, beginning with the year 1980, for the purpose of transacting such proper business as may come before the meeting, including the election of directors for such terms as are fixed in Section 3 of Article IV of these By-Laws. If the election of directors shall not occur at any such meeting of the members, or without a meeting by written ballot pursuant to Section 11 of this Article, the board shall, or 15% of the members may, cause the election of directors to be held at a special meeting of members called and held as soon as it is reasonably possible after the adjournment of the regular meeting of the members. If the day fixed for the regular meeting of the members falls on a legal holiday, such meeting shall be held at the same place on the next succeeding day. In addition, special meetings

of members for the purpose of removal of directors and election of their replacements may be called by 5% or more of the members.

SECTION 3: SPECIAL MEETINGS.

Special meetings of members shall be called by the Board of Directors or the President of the Corporation and held at such place within the State of California as is fixed in Section 1 of this Article for regular meetings of members. Where the purpose is any lawful purpose, 15% or more of the members of the Corporation may call special meetings for such purpose.

SECTION 4: NOTICE OF MEETINGS.

Written notice of every meeting of members shall be either personally delivered or mailed by first class, United States mail, postage prepaid, not less than ten days before the date of the meeting to each member who on the record date for notice of the meeting is entitled to vote thereat; except that in the event that the directors shall call a special meeting for voting special assessments to the members, written notice shall be given in the same fashion not less than 30 days prior to the meeting date. In the event given by mail or other means of written communication, the notice shall be addressed to the member at the address of such member appearing on the books of the Corporation or at the address given by the member to the Corporation for the purpose of notice. Where no such address appears or is given, notice shall be given at the principal office of the Corporation or by publication in any newspaper of general circulation in the county in which the principal office of the Corporation is located. The Secretary of the Corporation, or any transfer agent specially designated by the Secretary for the purpose

herein mentioned, shall execute an affidavit of the giving of the notice of the meeting of members. In the case of a specially called meeting of members, notice that a meeting will be held at a time requested by the person or persons calling the meeting not less than 35 days nor more than 90 days after receipt of the written request from such person or persons by the Chairman of the Board or the President of the Corporation shall be sent to the members forthwith and in any event within 20 days after the request was received.

When a members' meeting is adjourned to another time or place, and if the adjournment is for more than 45 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each member of record entitled to vote at the meeting.

SECTION 5: CONTENTS OF NOTICE.

The notice shall state the place, date and time of the meeting. In the case of regular meetings, the notice shall state those matters which the Board of Directors, at the time the notice is given, intends to present for action by the members. The notice of any meeting at which directors are to be elected shall include the names of all those who are nominees at the time the notice is given to the members.

SECTION 6: WAIVERS, CONSENTS AND APPROVALS.

The transactions of any meeting of members, however called and noticed and whenever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, but not present in person or by proxy,

signs a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

SECTION 7: QUORUM.

A quorum at any meeting of members shall consist of at least 50% of the voting power represented in person or by proxy. For purposes of this By-Law, "voting power" means the power to vote for the election of directors at the time any determination of voting power is made and does not include the right to vote on the happening of some condition or event which has not yet occurred.

SECTION 8: LOSS OF QUORUM.

The members present at a duly called or 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 such action taken, other than adjournment, is approved by at least a majority of members required to constitute a quorum.

SECTION 9: ADJOURNMENT FOR LACK OF QUORUM.

In the absence of a quorum, any meeting of members may be adjourned from time to time by the vote of a majority of the vote represented either in person or by proxy, but no other business may be transacted except as provided in Section 8 of Article III of these By-Laws.

SECTION 10: VOTING OF MEMBERSHIP.

1. Entitlement: Except as provided in paragraph 5 of this Section authorizing cumulative voting at the election of directors, each regular member is entitled to one vote on each matter submitted to a vote of the members.

2. Indivisible Interest in Single Memberships: Single memberships in which two or more persons have an indivisible interest shall be voted as set forth in paragraph 3 of this Section relating to the voting of memberships in two or more names.

3. Memberships in Two or More Names: Where a membership stands of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, husband and wife as community property, tenants by the entirety, or otherwise, or if two or more persons (including proxy holders) 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, their acts with respect to voting shall have the following effect: if only one member votes, such act shall bind all members; and if more than one member votes, the act of the majority so voting shall bind all members.

4. Record Date of Membership: The Board of Directors shall fix, in advance, a date as the record date for the purposes of determining the members entitled to notice of and to vote at any meeting of members. Such record date for voting at meetings shall not be more than 60 nor less than ten days before the date of the meeting.

5. Cumulative Voting: Every member entitled to vote at any election of the directors may cumulate such member's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the member is entitled, or distribute the member's votes on the same principle among as many candidates as the member thinks fit. No member shall be entitled to cumulate votes for a candidate or candidates unless such candidate's name or candidates' names have been placed in nomination prior to voting and a member has given notice at the meeting, prior to the commencement of voting, of the member's intention to cumulate votes. If any one member has given such notice, all members may cumulate their votes for candidates in nomination. In any election of directors, the candidates receiving the highest number of votes are elected.

6. Proxy Voting: Members entitled to vote, as set forth in paragraph 1 of this Section, shall have the right to vote either in person or by a written proxy executed by such person or his or her duly authorized agent and filed with the Secretary of the Corporation, except as otherwise expressly provided in these By-Laws, provided, however, that a proxy shall not be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall continue in full force and effect until revoked by the person executing it prior to the vote pursuant thereto, subject to the automatic termination at the end of 11 months.

SECTION 11: ACTION WITHOUT MEETING BY WRITTEN BALLOT.

1. Ballot Requirements: Subject to the limitations specified in paragraph 2 of this Article, any action which may be taken at any regular or special meeting of

members may be taken without a meeting provided there is satisfaction of the following ballot requirements:

1.01. The Corporation distributes a written ballot to every member entitled to vote on the matter;

1.02. The ballot shall set forth the proposed action, provide an opportunity to specify approval or disapproval of any proposal and provide a reasonable time within which to return the ballot to the Corporation;

1.03. The number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action; and

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

2. Limitations Pertaining to Election of Directors: Directors may be elected by written ballot, except that election of directors by written ballot shall not be permitted where the directors are elected by cumulative voting pursuant to Section 7615 of the Corporations Code.

3. Solicitation of Ballots: Ballots shall be solicited in a manner consistent

with the requirements of giving notice of members' meetings set forth in Section 4 of this Article. All such solicitations shall indicate the number of responses needed to meet the quorum requirement and, with respect to ballots other than for the election of directors, shall state the percentage of approvals necessary to pass the measure submitted. The solicitation shall specify the time by which the ballot must be received in order to be counted.

SECTION 12: CONDUCT OF MEETINGS.

1. Chairman: The President of the Corporation or, in his or her absence, any other board member chosen by a majority of the voting members present in person or by proxy shall be Chairman of and shall preside over the meetings of the members.

2. Secretary of Meetings: The Secretary of the Corporation shall act as the Secretary of all meetings of members; provided that in his or her absence, the Chairman of the meetings of members shall appoint another person to act as Secretary of the meetings.

3. Rules of Order: The Robert's Rules of Order, as may be amended from time to time, shall govern the meetings of members insofar as such rules are not inconsistent with or in conflict with these By-Laws, the Articles of Incorporation of this Corporation or the law.

SECTION 13: INSPECTORS OF ELECTION.

1. Appointment: In advance of any meeting of members, the board may

appoint any persons, other than candidates for office, as inspectors of election to act at the meeting and any adjournment thereof. If the inspectors of election are not so appointed, or if any persons so appointed fail to appear or refuse to act, the Chairman of any meeting may, and on request of any member or member's proxy must, appoint inspectors of election at the meeting. The number of inspectors shall be either one or three. If appointed at a meeting on the request of one or more members or proxies, the majority of members represented in person or by proxy shall determine whether one or three inspectors are to be appointed.

2. Duties: The inspectors of election shall perform the following duties:

2.01. Determine the number of voting memberships outstanding and the voting power of each, the number represented at the meeting, the existence of a quorum and the authenticity, validity and effect of proxies;

2.02. Receive votes, ballots or consents;

2.03. Hear and determine all challenges and questions in any way arising in connection with the right to vote;

2.04. Count and tabulate all votes and consents;

2.05. Determine when the polls shall close;

2.06. Determine the result; and

2.07. Do such acts as may be proper to conduct the election or vote with fairness to all members.

The inspectors shall perform their duties impartially, in good faith, to the best of their ability and as expeditiously as is practical.

3. Vote of Inspectors: If there are three inspectors of election, the decision, act or certificate of a majority is effective in all respects as the decision, act or certificate of all.

4. Report and Certificate: On request of the Chairman or any member or member's proxy, the inspectors of election shall make a report in writing concerning the performance of their duties and execute a certificate of any fact found by them. Any report or certificate made by the inspectors shall be prima facie evidence of the facts stated therein.

ARTICLE IV

DIRECTORS

SECTION 1: NUMBER.

The Corporation shall have five directors. Collectively, the directors shall be known as the Board of Directors.

SECTION 2: QUALIFICATIONS.

The directors of the Corporation shall be residents of the State of California

and the directors shall also be members of the Corporation.

SECTION 3: TERMS OF OFFICE.

Each director shall hold office until the next annual meeting of members as prescribed by Section 2 of Article III of these By-Laws and until such director's successor is elected and qualifies under Section 2 of this Article. In the event a director is removed at a special meeting of the members called and held as prescribed by Section 3 of Article III of these By-Laws, such director shall hold office until his or her removal and his or her successor is elected and qualifies, and no longer.

SECTION 4: NOMINATION.

Nomination for election to the Board of Directors shall be made by a nominating committee. Nominations may also be made from the floor at the annual meeting of the members. The nominating committee shall consist of a chairperson, who shall be a member of the Board of Directors, and two or more members of the Association. The nominating committee shall be appointed by the Board of Directors prior to each annual meeting of the members.

SECTION 5: ELECTION.

The directors shall be elected either at each annual meeting as prescribed by Section 2 of Article III of these By-Laws, or by written ballot as authorized by Section 11 of Article III of these By-Laws. The candidates receiving the highest number of votes up to the number of directors to be elected are elected. Directors shall be eligible for reelection without limitation on the number of terms they may serve, provided they continue to meet the qualifications required by Section 2 of this Article.

SECTION 6: COMPENSATION.

The directors shall serve without compensation, except on the vote or written assent of a majority of the members.

SECTION 7: MEETINGS.

1. Call of Meetings: Meetings of the board may be called by the Chairman of the board or the President or any Vice President or the Secretary or any two directors.

2. Place of Meetings: All meetings of the board shall be held at the principal office of the Corporation as specified in Section 1 of Article I of these By-Laws or as changed from time to time as provided in Section 2 of Article I of these By-Laws.

3. Time of Regular Meetings: Regular meetings of the Board of Directors shall be held monthly; provided, however, if the board shall determine that the business to be transacted by the board does not reasonably justify monthly meetings, then regular meetings of the board shall be held at such intervals as the board may determine, but not less frequently than once every three months. All such regular meetings of the board shall be held at a place within the subdivision as shall be fixed by the board from time to time.

4. Special Meetings: Special meetings of the board may be called by the Chairman of the board or the President or any Vice President or the Secretary or any two directors. Special meetings shall be held on four days' notice by first class mail, postage prepaid, or on 48 hours' notice delivered personally or by telephone or telegraph. Notice of the special meeting need not be given to any director who signs a waiver of notice or a

written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of such notice of such director. All such waivers, consents and approval shall be filed with the corporate records or made a part of the minutes of the meeting.

5. Quorum: A majority of the authorized number of directors constitutes a quorum of the board for the transaction of business, except as hereafter provided.

6. Notice to Members; Attendance by Members: The Secretary of the Association shall post a notice of all board meetings, regular and special, in a conspicuous place of the project common area not less than 72 hours prior to the scheduled time of the meeting. All meetings of the Board of Directors shall be open to all members of the Association; provided, however, that members of the Association who are not members of the Board of Directors shall have no right to participate in any deliberations or discussions of the board unless authorized by the vote of a majority of a quorum of the board.

7. Executive Sessions: The Board of Directors may, with the approval of a majority of a quorum of its members, adjourn any meeting of the board and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and orders of business of a similar nature; provided, however, the nature of any and all business to be considered in executive session shall first be announced in open session.

8. Transactions of Board: Except as otherwise provided in the Articles, in these By-Laws or by law, 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 is the act of the board, provided, however, that any meeting at which a quorum was 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 such meeting.

9. Notwithstanding any other provision of these By-Laws, the Board of Directors shall be prohibited from taking the following actions without the affirmative majority vote or written assent of the members:

9.01. Entering into a contract with a third person for goods or services for the common area or the association for a term longer than one year with the following exceptions:

9.01.01. A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

9.01.02. Prepaid casualty or liability insurance of not more than three years duration, provided that the policy permits for short rate cancellation by the insured.

10. Conduct of Meetings: The Chairman of the board or, in his or her absence, any director selected by the directors present shall preside at meetings of the

Board of Directors. The Secretary of the Corporation or, in the Secretary's absence, any person appointed by the presiding officer shall act as Secretary of the board. Members of the board may participate in a meeting through use of conference telephone or similar communications equipment, so long as all members participating in such meeting can hear one another. Such participation shall constitute personal presence at the meeting.

11. Adjournment: A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of the adjournment to another time or place must be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

SECTION 8: ACTION WITHOUT MEETING.

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

SECTION 9: REMOVAL OF DIRECTORS.

1. Removal for Cause: The board may declare vacant the office of a director on the occurrence of any of the following events:

1.01. The director has been declared of unsound mind by a final order of court;

1.02. The director has been convicted of a felony; or

1.03. The director has been found by a final order or judgment of any court to have breached duties imposed by Sections 5230-5238, or the duties imposed by Section 7238 of the Corporations Code on directors who perform functions with respect to assets held in charitable trust.

1.04. The director has missed three consecutive board meetings or shows a consistent pattern of nonparticipation in board duties and activities.

1.05. The director is in arrears an amount equal to three months regular assessments.

2. Removal Without Cause: Any or all of the directors may be removed without cause if such removal shall be approved by a majority of all members pursuant to Section 5033 of the Corporations Code. However, a director shall not be removed, unless the entire board is removed, when the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election at which the same total number of votes were cast (or if such action is taken by written ballot, all memberships entitled to vote were voted) and the entire number of directors authorized at the time of the director's most recent election were then being elected.

SECTION 10: RESIGNATION OF DIRECTOR.

Any director may resign effective on giving written notice to the Chairman of

the Board of Directors, the President, the Secretary or the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

SECTION 11: VACANCIES IN THE BOARD.

1. Causes: Vacancies on the Board of Directors shall exist on the death, resignation or removal of any director; whenever the number of directors authorized is increased; and on the failure of the members in any election to elect the full number of directors authorized.

2. Filling Vacancies by Directors: Except as otherwise provided in the Articles or these By-Laws and except for a vacancy created by the removal of a director pursuant to Section 9 of this Article, vacancies on the Board of Directors 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.

3. Filling Vacancies by Members: Vacancies created by removal of directors shall be filled only by the approval of the members within the meaning of Section 5034 of the Corporations Code. The members may elect a director at any time to fill any vacancy not filled by the directors.

SECTION 12: DUTIES OF THE BOARD.

The duties of the Board of Directors shall be as set forth in the operative

Declaration of Covenants, Conditions and Restrictions of the Corporation and shall also include the following duty:

1. As more fully provided in the declaration, to:

1.01. Fix the amount of the annual assessment against each unit at least 30 days in advance of each annual assessment period;

1.02. Send written notice of each assessment to every owner subject thereto at least 30 days in advance of each annual assessment period.

ARTICLE V

OFFICERS

SECTION 1: NUMBER AND TITLES.

The officers of the Corporation shall be a President, a Secretary, a Chief Financial Officer and such other officers with such titles and duties as shall be determined by the board and as may be necessary to enable it to sign instruments. The President is the general manager and chief executive officer of the Corporation. Any number of offices may be held by the same person.

SECTION 2: APPOINTMENT AND RESIGNATION.

The officers shall be chosen by and serve at the pleasure of the board, subject to the rights, if any, of an officer under any contract of employment. Any officer may

resign at any time on written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the officer is a party.

SECTION 3: DUTIES.

1. President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the board are carried out; shall sign all leases, mortgages, deeds and other written instruments.

2. Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members, serve notice of meetings of the board and of the members, keep appropriate current records showing the members of the association, together with their addresses, and shall perform such other duties as required by the board.

3. Chief Financial Officer: The Chief Financial Officer shall receive and deposit in appropriate bank accounts all monies of the association and shall disburse such funds as directed by resolution of the board; shall sign all checks of the association, keep proper books of account; cause all annual audits of the association books to be made at the completion of each fiscal year; shall prepare an annual operating statement reflecting income and expenditures of the board from the maintenance fund for the preceding calendar year and the allocation thereof to each unit and a balance sheet as of the last day of the association's fiscal year.

ARTICLE VI
CORPORATE RECORDS AND REPORTS

SECTION 1: KEEPING RECORDS.

The Corporation shall keep adequate and correct records of account and minutes of the proceedings of its members, board and committees of the board. The Corporation shall also keep a record of its members giving their names and addresses. The minutes shall be kept in written form. Other books and records shall be kept in either written form or in any other form capable of being converted into written form.

SECTION 2: ANNUAL REPORT.

The Corporation shall notify each member yearly of the member's right to receive a financial report pursuant to Corporations Code Section 8321(a). Except where the Corporation does not have more than 100 members or more than \$10,000 in assets at any time during the fiscal year, on the written request of a member, the board shall promptly cause the most recent annual report to be sent to the requesting member. The annual report shall be prepared not later than 90 days after the close of the Corporation's fiscal year. The annual report shall contain in appropriate detail the following: (1) a balance sheet as of the end of such fiscal year and an income statement and statement of changes in financial position for such fiscal year; (2) a statement of the place where the names and addresses of the current members are located; and (3) any information concerning certain transactions and indemnifications required by Corporations Code Section 8322. The annual report shall be accompanied by any report thereon of independent accountants or, if there is not such a report, the certificate of any authorized

officer of the Corporation that such statements were prepared without audit from the books and records of the Corporation.

SECTION 3: ANNUAL STATEMENT OF CERTAIN TRANSACTIONS AND INDEMNIFICATIONS.

The Corporation shall furnish annually to its members a statement of any transaction or indemnification described in Corporations Code Section 8322(d) and (e), if such transaction or indemnification took place. Such annual statement shall be affixed to and sent with the annual report described in Section 2 of this Article.

**ARTICLE VII
AMENDMENTS**

SECTION 1: AMENDMENTS:

These By-Laws may be amended at a regular or special meeting of the members by the vote or written assent of 51% of the members at a meeting duly held for such purpose, provided that wherever a paragraph hereof specifies a higher percentage vote, that paragraph may not be amended with less than the percentage of votes required under such paragraph.

SECTION 2: RECORDS OF AMENDMENTS:

Whenever an amendment or new By-Law is adopted, it shall be copied in the book of By-Laws with the original By-Laws in the appropriate place. If any By-Laws repeal any portion of the original By-Laws, the date of the meeting at which the repeal was enacted or written assent was filed shall be stated in such book.

ARTICLE VIII
MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of the Palm Manor Condominiums Homeowners' Association, Inc., a California corporation, and

That the foregoing By-Laws constitute the By-Laws of the Association as duly adopted at a meeting of the Board of Directors hereof held on the 10th day of March, 1980.

Maurice S. Welch

PALM MANOR HOMEOWNERS ASSOCIATION
RESERVE STUDY
2006 BUDGET

NAME _____ DATE _____
NAME _____ DATE _____

ITEM	REPLACEMENT COST	LIFE IN YRS	REMAINING LIFE	APPROXIMATE RESERVE BALANCE 12/31/05	SHOULD BE IN RESERVES	% FUNDED	PROPER ANNUAL FUNDING	2006 RESERVE CONTRIBUTION
ROOF	\$35,000.00	15	15	0.00	0.00	0.00%	\$2,333.00	\$2,144.00
ROOF DECKS	\$20,000.00	15	15	0.00	0.00	0.00%	\$1,333.00	\$1,225.00
PAINT- EXTERIOR	\$30,000.00	7	0	7,000.00	\$30,000.00	23.33%	\$4,286.00	\$3,939.00
PAINT- INTERIOR	\$8,000.00	10	7	1,000.00	\$2,400.00	41.67%	\$800.00	\$735.00
CARPET	\$6,000.00	10	7	800.00	\$1,800.00	44.44%	\$600.00	\$551.00
LIGHTING- EXTERIOR	\$3,500.00	10	0	2,000.00	\$3,500.00	57.14%	\$350.00	\$322.00
LIGHTING- INTERIOR	\$3,000.00	10	0	2,000.00	\$3,000.00	66.67%	\$300.00	\$276.00
BOILER	\$20,000.00	25	23	700.00	\$1,600.00	43.75%	\$800.00	\$735.00
GARAGE DOOR OPENER	\$3,500.00	12	0	2,000.00	\$3,500.00	57.14%	\$292.00	\$268.00
PIPES	\$25,000.00	20	4	6,000.00	\$20,000.00	30.00%	\$1,250.00	\$1,150.00
ELEVATOR OVERHAUL	\$35,000.00	25	4	6,000.00	\$22,400.00	26.79%	\$1,400.00	\$1,287.00
TOTALS	\$189,000.00			\$30,900.00* * Less allocated assessment repairs	\$88,200.00	35.03%	\$13,744.00	\$12,632.00 (Budget \$10,382) (Laundry \$2,250)

PALM MANOR HOMEOWNERS ASSOCIATION				
YTD. ACTUAL VS. BUDGET with VARIANCE				
		02/28/06		
	2006 ANNUAL	2 Months		%
	BUDGET	YTD	AMOUNT	USED
EXPENSES:				
ADMINISTRATIVE:				
INSURANCE - FIRE/LIAB/EQ	\$19,100.00	\$3,152.16	\$15,947.84	16.50%
LEGAL	\$500.00	\$35.00	\$465.00	7.00%
AUDIT/TAX PREP	\$1,150.00	\$1,224.77	(\$74.77)	106.50%
TAXES (STATE & FED)	\$10.00	\$0.00	\$10.00	0.00%
MANAGEMENT	\$7,800.00	\$1,300.00	\$6,500.00	16.67%
POSTAGE/COPIES	\$250.00	\$25.15	\$224.85	10.06%
BANK CHARGES/MISC	\$700.00	\$271.94	\$428.06	38.85%
TOTAL ADMIN:	\$29,510.00	\$6,009.02	\$23,500.98	20.36%
MAINTENANCE:				
JANITORIAL/GARDENING	\$5,100.00	\$500.00	\$4,600.00	9.80%
ELEVATORS	\$1,400.00	\$300.00	\$1,100.00	21.43%
R/M SERVICES	\$4,000.00	\$4,766.70	(\$766.70)	119.17%
TOTAL MAINTENANCE:	\$10,500.00	\$5,566.70	\$4,933.30	53.02%
UTILITIES:				
ELECTRICITY/GAS	\$15,000.00	\$3,485.36	\$11,514.64	23.24%
GARBAGE	\$11,640.00	\$1,929.48	\$9,710.52	16.58%
WATER	\$8,000.00	\$757.39	\$7,242.61	9.48%
TOTAL UTILITIES:	\$34,640.00	\$6,172.23	\$28,467.77	17.82%
RESERVES:				
RESERVE ACCOUNT	\$10,382.00	\$865.17	\$9,516.83	8.33%
TOTAL EXPENSES	\$85,032.00	\$18,613.12	\$66,418.88	21.89%
INCOME	SCHEDULED	RECEIVED	DIFFERENCE	% REC'D
HOMEOWNERS DUES	\$82,782.00	\$13,253.29	\$69,528.71	16.01%
OTHER/CARRYOVER	\$2,250.00	\$753.87	\$1,496.13	33.51%
TOTAL INCOME	\$85,032.00	\$14,007.16	\$71,024.84	16.47%

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**PALM MANOR
HOMEOWNERS ASSOCIATION**

DATE: NOVEMBER 14, 2005
TO: OWNERS OF THE PALM MANOR HOMEOWNERS ASSOCIATION
FROM: PALM MANOR HOA BOARD OF DIRECTORS AND MANAGER
RE: 2006 ANNUAL BUDGET PACKAGE

Dear Homeowner,

After thoughtful review and consideration, the Board of Directors has approved a budget for the fiscal year ending December 31, 2006, which it believes is reasonable and prudent to meet the needs of the Association. The assessments will be raised 20% effective January 1, 2006. A copy of the budget is enclosed for your review.

Please review the attached material. If you have any questions, please contact Jon Hudson, Manager at (510) 835-1839.

For a quick reference, please note that as of January 1, 2006, your monthly assessment rate is reflected per the attached schedule on page 4 of this packet.

Please continue to pay promptly and in the same manner as before, or payments may be mailed to the address below:

Palm Manor HOA
P.O. BOX 10707
Oakland, CA 94610

Payment Booklets for our HOA remittance processing will be distributed to all owners as soon as they are received from the Bank.

Sincerely,

Jon Hudson,
Manager
Palm Manor HOA

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NAME _____ DATE _____

A Special Notice to Homeowners From The Board of Directors

In reviewing the budget needs for next year, and in projecting our long-term funding needs, it has become clear that a significant adjustment to our monthly dues is required. Last year there were no assessment increases, and overall during the past five years, we have kept the average annual assessment increase well under inflationary increases in the cost of living. The Board has the fiduciary obligation to keep the association in a strong position. On November 7, 2005, the Board voted to approve the new assessment based upon the relevant criteria.

As required by California law, the Board of Directors had a reserve study performed for the major components in 2004. At the end of fiscal year 2005, the Association reserves are projected to be 35.03% of the reserve guidelines. A summary of the 2005 updated reserve study is enclosed.

The Board of Directors is required by California Civil Code to inform owners if the approved 2006 budget fails to adequately fund the reserves. With the 20% budget increase, the Association will be able to fund the reserves at 92% of the amount specified by the 2005 Reserve study. It is expected that the Association will begin to meet the reserve funding at 100% by fiscal year 2007.

It is important to note that the \$72,000.00 emergency assessment is not included in the reserve study, as those funds are currently being spent as assessment funds are earned. To date, \$41,940.00 has been received from owners and \$50,425.00 has been spent on the specified repairs. By July 15, 2006, it is anticipated that 100% of the assessment funds will have been received and the repair work completed in the same amount.

Association assessments are due and payable on the first day of the month and are delinquent by California State Law, if the Association has not received payment by the fifteenth of the month. A courtesy statement can be sent to each Homeowner on a monthly basis, as a reminder of the assessment due. Homeowners are obligated by law to tender payment of the assessment in a timely manner, even if the courtesy statement is lost in the mail, or somehow is never received at the mailing address. The Board of Directors Resolution regarding the Collections Policy for the Association is enclosed.

Also included, as required by California State Law is a copy of the Civil Code Section 1354, known as the Alternative Dispute Resolution Measure, which requires that certain types of disputes between the Association and the

Membership provide for an independent forum to resolve the dispute before filing of a lawsuit by any party.

Effective January 1, 1996 the California Civil Code was amended to require the Association to prepare and distribute summaries of insurance policies carried by the association. A summary of the Association's Property and General Liability policies are enclosed.

Members of the Association are hereby advised that in addition to the information required by law, minutes or summary minutes of the meetings of the Board of Directors are available to any member upon written request and with the submission of payment for the cost of distribution.

It is suggested that you keep these reports with all other documents pertaining to your home, as you may be required to show it to any prospective buyer of your property.

Sincerely,

The Board of Directors
David Zaiss
Arthur Thomas
Stephanie Wolper
Roger Montti
Erin Gray

Jon Hudson
Manager

PALM MANOR HOMEOWNERS ASSOCIATION

APPROVED BUDGET 2006

			10/31/05	
	2005 ANNUAL	10 Months	%	2006 APPROVED
	BUDGET	YTD	USED	BUDGET
EXPENSES:				
ADMINISTRATIVE:				
INSURANCE - FIRE/LIAB/EQ	\$15,700.00	\$16,111.72	102.66%	\$19,100.00
LEGAL	\$500.00	\$92.00	18.40%	\$500.00
AUDIT/TAX PREP	\$900.00	\$1,132.61*	125.85%	\$1,150.00
TAXES (STATE & FED)	\$10.00	\$10.00	100.00%	\$10.00
MANAGEMENT	\$7,800.00	\$5,900.00	75.64%	\$7,800.00
POSTAGE/COPIES	\$500.00	\$110.24	22.05%	\$250.00
BANK CHARGES/MISC	\$300.00	\$598.13	199.38%	\$700.00
TOTAL ADMIN:	\$25,710.00	\$23,960.70	93.20%	\$29,510.00
MAINTENANCE:				
JANITORIAL/GARDENING	\$3,700.00	\$2,670.00	72.16%	\$5,100.00
ELEVATORS	\$1,400.00	\$1,083.26	77.38%	\$1,400.00
R/M SERVICES	\$5,000.00	\$1,194.06	23.88%	\$4,000.00
TOTAL MAINTENANCE:	\$10,100.00	\$4,947.32	48.98%	\$10,500.00
UTILITIES:				
ELECTRICITY/GAS	\$12,500.00	\$10,272.94	82.18%	\$15,000.00
GARBAGE	\$10,650.00	\$8,375.58	78.64%	\$11,640.00
WATER	\$8,500.00	\$4,257.41	50.09%	\$8,000.00
TOTAL UTILITIES:	\$31,650.00	\$22,905.93	72.37%	\$34,640.00
RESERVES:				
RESERVE ACCOUNT	\$3,400.00	0.00%	0.00% * \$3,400.00 dep by 12/15/05	\$10,382.00
TOTAL EXPENSES	\$70,860.00	\$51,813.95	73.12%	\$85,032.00
INCOME				
	SCHEDULED	RECEIVED	% REC'D	
HOMEOWNERS DUES	\$68,610.00	\$ 56,396.52	82.20%	\$82,782.00
OTHER/CARRYOVER	\$2,250.00	\$ 44,194.15	1,964.18%	\$2,250.00
TOTAL INCOME	\$70,860.00	\$100,590.67	141.96%	\$85,032.00

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20% INCREASE

2005 BUDGET	\$70,860.00
20% INCREASE	<u>+\$14,172.00</u>
TOTAL ANNUAL AMOUNT	\$85,032.00
<u>LESS LAUNDRY INCOME (Scheduled)</u>	<u>\$2,250.00</u>
2006 ANNUAL ASSESSMENT	\$82,782.00
TOTAL ANNUAL AMOUNT	\$85,032.00
<u>LESS 2006 OPERATING EXPENSES</u>	<u>-\$74,650.00</u>
2006 RESERVE FUNDING	\$10,382.00

2006 ANNUAL ASSESSMENT	\$82,782.00
LESS PRORATED ITEMS	
INSURANCE	\$19,110.00
RESERVE FUNDING	<u>\$10,382.00</u>
TOTAL EQUAL AMOUNT	\$53,290.00
TOTAL MONTHLY AMOUNT (EQUAL)	\$4,440.83
EQUAL ASSESSMENT (+24)	\$185.03
TOTAL PRORATED AMOUNT	\$29,492.00
TOTAL MONTHLY (PRORATED)	\$2,457.67

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NAME _____ DATE _____

**PALM MANOR HOMEOWNERS ASSOCIATION
2006 ASSESSMENT SCHEDULE**

UNIT #	EQUAL ASSESSMENT	+ PRORATED SHARES	TOTAL MONTHLY ASSESSMENT
101	185.03	71.25	256.28
102	185.03	71.25	256.28
103	185.03	142.47	327.50
104	185.03	71.25	256.28
105	185.03	106.83	291.86
106	185.03	71.25	256.28
107	185.03	71.25	256.28
108	185.03	142.47	327.50
201	185.03	71.25	256.28
202	185.03	71.25	256.28
203	185.03	142.47	327.50
204	185.03	71.25	256.28
205	185.03	106.83	291.86
206	185.03	71.25	256.28
207	185.03	71.25	256.28
208	185.03	142.47	327.50
302	185.03	178.06	363.09
303	185.03	142.47	327.50
304	185.03	71.25	256.28
305	185.03	106.83	291.86
306	185.03	71.25	256.28
307	185.03	71.25	256.28
308	185.03	142.47	327.50
401	185.03	178.06	363.09
TOTAL			
MONTHLY AMOUNT	\$4,440.72	\$2,457.68	\$6,898.40
TOTAL ANNUAL AMOUNT:		\$82,782.00	
LESS PRORATED ITEMS			
INSURANCE		\$19,100.00	
PAINT, ROOF, BOILER, ETC.		<u>\$10,382.00</u>	
TOTAL PRORATED AMOUNT		\$29,492.00	
TOTAL EQUAL AMOUNT:		\$53,290.00	

PALM MANOR HOMEOWNERS ASSOCIATION
MONDAY, MARCH 27, 2006
ANNUAL GENERAL MEMBERSHIP MEETING
MINUTES

CALL TO ORDER- 7:00 PM:

It being determined that a quorum of the General Membership was present sufficient in number to meet the quorum requirements to hold the Annual Meeting, the meeting was called to order at 7:00 PM. Therefore, the purpose of the meeting was stated to be as follows:

- 1) Election of Directors
- 2) Passage of Federal Tax Resolution

STATUS OF THE COMPLEX REPORT:

President David Zaiss reviewed the financial status and operational accomplishments over the past year.

BOARD ELECTIONS:

Candidates were introduced and a call for nominations from the floor was made. The following candidates were either already on the ballot, had been written in, or volunteered to run:

ARTHUR THOMAS
ROGER MONTTI
STEPHANIE WOLPER
ROSE WORKS
ADRIENNE MCGEE

There being sufficient number of candidates to cast ballots, the nominations were moved closed on a motion by David Zaiss, second by Roger Montti. MOTION CARRIED. As the number of candidates did not exceed the number of directors to be elected, the corporation, without further action, declared the nominees elected to serve a one-year term on the board. Therefore, the 2006/2007 Board of Directors would consist of the following:

ARTHUR THOMAS
ROGER MONTTI
STEPHANIE WOLPER
ROSE WORKS
ADRIENNE MCGEE

RECEIVED AND READ
NUMBER OF PAGES 13

NAME _____ DATE _____

NAME _____ DATE _____

FEDERAL TAX RESOLUTION:

WHEREAS, the Palm Manor Homeowners Association is a California corporation duly organized and existing under the laws of the State of California; and,

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service,

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the Palm Manor Homeowners Association:

RESOLVED, that any excess of membership income over membership expenses for the year ended December 31, 2006 as defined in IRS Reg. 1.277-1, shall be applied against the subsequent tax year member assessments for operations or common area replacement, as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the Annual Meeting on March 27, 2006.

APPROVAL OF MINUTES:

On a motion by Rose Works, second by Stephanie Wolper, the minutes of the January 26, 2006 meeting were approved as submitted. MOTION CARRIED.

NEW BUSINESS:

Management reviewed the financial statements from January 1 through February 28, 2006.

ADJOURNMENT:

As there was no further business to come before the Membership, the meeting was adjourned at 9:10 P.M.

Next Regular Board Meeting: Wednesday, April 5, 2006, 7 P.M. at unit 308.

Respectfully Submitted,
Jon Hudson, Manager
Palm Manor Homeowners Association

**PALM MANOR HOMEOWNERS ASSOCIATION
THURSDAY, JANUARY 26, 2006
REGULAR BOARD OF DIRECTORS MEETING
MINUTES**

CALL TO ORDER- 7:10 PM:

Board members present included Roger Montti, Arthur Thomas, Stephanie Wolper and David Zaiss.

Other Members Present: Jon Hudson, Judith Lynch, Evelyn Trowell and Jeanette Davis.

APPROVAL OF MINUTES:

On a motion by Arthur Thomas, second by Roger Montti, the minutes of the November 07, 2005 meeting were approved as submitted. **MOTION CARRIED.**

FINANCIAL STATEMENT - DECEMBER 2005

Mgt. reviewed the financial statement for the month of December, 2005, noting the following:

Net Cash flow (including \$3,400.00 annual reserve deposit)	-\$4,398.98
Ending Checking Account Balance	\$8,062.12
Maintenance Reserves	\$21,529.88
Delinquents (Updates)	\$3,512.80

NEW/OLD BUSINESS:

ADJOURNMENT:

The meeting was adjourned at 7:45 P.M. Set next meeting date for March 27, 2006.

Respectfully submitted,

Jon Hudson
Manager
Palm Manor HOA

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_____ NAME	_____ DATE
_____ NAME	_____ DATE

**PALM MANOR HOMEOWNERS ASSOCIATION
MONDAY, NOVEMBER 07, 2005
REGULAR BOARD OF DIRECTORS MEETING
MINUTES**

CALL TO ORDER- 7:15 PM:

Board members present included Roger Montti, Arthur Thomas, Stephanie Wolper and David Zaiss.

Other Members Present: Jon Hudson, Judith Lynch, Adrienne McGee, Evelyn Trowell and Ken Ross.

APPROVAL OF MINUTES:

On a motion by Roger Montti, second by David Zaiss, the minutes of the July 21, 2005 meeting were approved as submitted. **MOTION CARRIED.**

FINANCIAL STATEMENT - OCTOBER 2005

Mgt. reviewed the financial statement for the month of October, 2005, noting the following:

Net Cash flow	\$251.90
Ending Checking Account Balance	\$10,715.30
Maintenance Reserves	\$34,641.46
Delinquents (Updates)	\$5,918.23

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NEW/OLD BUSINESS:

1. The Board reviewed the updated reserve guidelines for 2006.
2. On a unanimous vote (Erin Gray vote cast prior to meeting start), the Board approved a 20% increase for the Pro-Forma budget for fiscal year 2006. Motion by Arthur Thomas, second by Roger Montti.
3. The small claims court date for the owner of unit #207 has been postponed on the court calendar until February 3, 2006
4. The Board discussed the delinquent account for unit #305. Additionally, the outstanding claim for water damages from said unit in 2004 were reviewed. The Board opted for a hearing with the owner to be set at a later date.
5. The Board reviewed and rejected a proposal from East Bay Landscaping for a one-time clean-up as well as a bi-monthly maintenance schedule for the front yard.

6. On the action items for assessment repairs, the Board awarded to MCE Corp. the front walkway repair in the sum of \$3,550.00, as well as the window guard replacement to JK Construction for \$3,150.00. Motion by Stephanie Wolper, second by Arthur Thomas.

7. Mgt. reviewed the policy for member attendance at Board meetings. Under State Law, attendance by proxy is strictly for voting at the annual membership meeting, or at any other meeting where a vote of the entire membership is required. Otherwise, the presence of non-members is strictly at the Board's discretion.

8. Mgt. advised the Board to form a committee to review the CC&R's. Tabled until next meeting.

9. The Board reviewed a proposal for an exterminator to treat several affected units for ant infestation. Tabled until next meeting.

ADJOURNMENT:

The meeting was adjourned at 9:30 P.M. Set next meeting date for January, 2006.

Respectfully submitted,

Jon Hudson
Manager
Palm Manor HOA

**PALM MANOR HOMEOWNERS ASSOCIATION
MONDAY, JULY 25, 2005
BOARD OF DIRECTORS MEETING
MINUTES**

MONDAY, JULY 25, 2005

CALL TO ORDER- 7:00 PM:

By unanimous vote, the Board of Directors approved the following:

1. The Emergency Assessment in the amount of \$72,000.00
2. The structuring of the assessment into three equal payments of \$24,000.00
3. The authorization to borrow from reserves, with full repayment by the third and final installment of the assessment.

ADJOURNMENT:

As there was no further business to come before the Board, the meeting was adjourned at 8 P.M.

Next Regular Board Meeting: Monday, November 7, 2005, 7 P.M. at unit 401.

Respectfully Submitted,
Jon Hudson, Manager
Palm Manor Homeowners Association

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NAME DATE

NAME DATE

**PALM MANOR HOMEOWNERS ASSOCIATION
THURSDAY, JULY 21, 2005
REGULAR BOARD OF DIRECTORS MEETING
MINUTES**

CALL TO ORDER- 7:15 PM:

Board members present included Erin Gray, Roger Montti, Arthur Thomas, Stephanie Wolper and David Zaiss.

Other Members Present: Jon Hudson, Judith Lynch, Adrienne McGee, Zeola Slaughter, Ken Ross and Rose Works.

Barbara Mason, Tenant, unit 202, appeared at the meeting as proxy for Frederick Jordan. Although not entitled in CA statutes (Annual Meeting Only), Board decided not to further object.

APPROVAL OF MINUTES:

On a motion by Arthur Thomas, second by David Zaiss, the minutes of the May 26, 2005 meeting were approved as submitted. **MOTION CARRIED.**

FINANCIAL STATEMENT - JUNE 2005

Mgt. reviewed the financial statement for the month of June, 2005, noting the following:

Net Cash flow	\$211.15
Ending Checking Account Balance	\$8,392.60
Maintenance Reserves	\$26,280.99
Delinquents (Updates)	\$2,135.17

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NEW/OLD BUSINESS:

1. Jon Hudson updated the Board on the emergency water leak that originated in unit 302 in June. Ms. Mason informed the Board that Mr. Jordan, owner of unit 202, was gathering estimates for damages to his unit. The Board asked for updates and Jon Hudson said he that would update as new information arrived.

2. The board reviewed the figures for the emergency assessment and began drafting a letter for all members, which would be sent upon approval of the assessment.

3. On a motion by Arthur Thomas, second by Stephanie Wolper, the bids for the roof and deck replacement were awarded to General Roofing Company in the amounts of \$29,600.00 and \$18,260.00, respectively.

ADJOURNMENT:

The meeting was adjourned at 9:30 P.M. As there was additional business to conduct, the Board agreed to reconvene in an emergency session to be held on Monday, July 25, 2005.

**PALM MANOR HOMEOWNERS' ASSOCIATION
THURSDAY, MAY 26, 2005
REGULAR BOARD OF DIRECTORS MEETING
MINUTES**

CALL TO ORDER- 7:10 PM:

Board members present included Erin Gray, Roger Montti, Arthur Thomas, Stephanie Wolper and David Zaiss.

Others Present: Sue Engel, Jon Hudson, Judy Lynch, Adrienne McGee, Ken Ross and Zeola Slaughter.

APPROVAL OF MINUTES:

On a motion by Arthur Thomas, second by Erin Gray, the minutes of the March 24, 2005 meeting were approved as submitted. **MOTION CARRIED.**

FINANCIAL STATEMENT - APRIL 2005

Mgt. reviewed the financial statement for the month of April, 2005, noting the following:

Net Cash flow	\$405.44
Ending Checking Account Balance	\$6,643.00
Maintenance Reserves	\$23,460.41
Delinquents (Updates)	\$2,142.01

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NEW/OLD BUSINESS:

1. Small Claims Case: Reviewed the ongoing small-claims case regarding the balance on the account of unit 207, owned by Stella Onuaguluchi.

Update: We have filed an appeal to vacate the judgment and are waiting for a reply from the court.

2. Roof estimates: Manager met with approximately 12 roofing contractors. Several immediately declined based on the nature of the job.

.The Board requested manager to follow up with these two companies:

General Roofing Company: 2 bids of ~29K and ~41K. New type of roofing material.

Possibility of causing glare for unit 401.

GRC Roofing: bid of ~47K. Includes a proposal to fix the ponding on the roof.

Highest bid ~86K and lowest ~29K.

Manager will follow up with these two companies and follow up with Acker and Guerrero about why their bid was so high.

3. Special Assessment: Board will send a letter to all owners notifying them that the special assessment will be coming. Manager will provide the Board with a figure as more complete estimates come in.

Issues that need to be addressed:

Roof (29-86K)



Deck replacement (??)
Perimeter fence (~12K)
Sidewalk (4K)

4. Question about exclusive common area. Whose responsibility is it to pay for improvements to exclusive common area? Erin will look through CC&Rs.

5. The Board decided to contract with Luis Cruzado for the landscaping service. Manager will contact him.

6. We are ineligible for a PG&E rebate for the new boiler. We received credit for a PG&E account deposit of \$2,300.00, dated approximately 1999. Motion made and passed to have PG&E remit a check for said amount and apply it to our reserve account.

ADJOURNMENT:

As there was no further business to come before the Membership, the meeting was adjourned at 9:14 P.M.

Next Regular Board Meeting: Thursday, July 21, 2005, 7 P.M. at unit 401.

Respectfully Submitted,
Jon Hudson, Manager
Palm Manor Homeowners' Association

PALM MANOR HOMEOWNERS' ASSOCIATION
THURSDAY, MARCH 24, 2005
ANNUAL GENERAL MEMBERSHIP MEETING
MINUTES

CALL TO ORDER- 7:00 PM:

It being determined that a quorum of the General Membership was present sufficient in number to meet the quorum requirements to hold the Annual Meeting, the meeting was called to order at 7:00 PM. Therefore, the purpose of the meeting was stated to be as follows:

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- 1) Election of Directors
- 2) Passage of Federal Tax Resolution

NAME

DATE

APPROVAL OF MINUTES:

On a motion by David Zaiss, second by Arthur Thomas, the minutes of the February 3, 2005 meeting were approved as submitted. MOTION CARRIED.

NAME

DATE

STATUS OF THE COMPLEX REPORT:

Management reviewed the financial status and operational accomplishments over the past year.

BOARD ELECTIONS:

Candidates were introduced and a call for nominations from the floor was made. The following candidates were either already on the ballot, had been written in, or volunteered to run:

ERIN GRAY
KEN ROSS
ARTHUR THOMAS
EVELYN TROWELL
BENJAMIN WILLIAMS
DAVID ZAISS

Prior to closing the nominations, Evelyn Trowell made it clear that she had been erroneously placed on the ballot and Ken Ross also withdrew his name from candidacy. As there were only four available candidates, a call for further nominations was made. Two additional candidates were introduced:

ROGER MONTTI
STEPHANIE WOLPER

There being sufficient number of candidates to cast ballots, the nominations were moved closed on a motion by Arthur Thomas, second by Zeola Slaughter. MOTION CARRIED.

ELECTION OF CANDIDATES:

Upon completion of the vote count, it was agreed that the following five candidates would be elected to serve a one-year term on the board. Therefore, the 2005/2006 Board of Directors would consist of the following:

ERIN GRAY
ROGER MONTTI
ARTHUR THOMAS
STEPHANIE WOLPER
DAVID ZAISS

FEDERAL TAX RESOLUTION:

WHEREAS, the Palm Manor Homeowners' Association is a California corporation duly organized and existing under the laws of the State of California; and,

WHEREAS, the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service,

NOW, THEREFORE, the members hereby adopt the following resolution by and on behalf of the Palm Manor Homeowners' Association:

RESOLVED, that any excess of membership income over membership expenses for the year ended December 31, 2005 as defined in IRS Reg. 1.277-1, shall be applied against the subsequent tax year member assessments for operations or common area replacement, as provided by IRS Revenue Ruling 70-604.

This resolution is adopted and made a part of the minutes of the Annual Meeting on March 24, 2005.

NEW BUSINESS:

Management notified the association that the roof has started to fail in various sections, resulting in damage to several units. Manager presented the board with an initial set of (3) different estimates from Acker & Guerrero Roofing Co., costing \$74,500.00, \$76,100.00 and \$86,500.00, respectively. The board was informed that the manager would get more estimates from different contractors, and would present the bids at the next meeting. Additionally, the board discussed the issue of funding the roof replacement.

ADJOURNMENT:

As there was no further business to come before the Membership, the meeting was adjourned at 8:45 P.M.

Next Regular Board Meeting: Thursday, May 19, 2005, 7 P.M. at unit 401.

Respectfully Submitted,
Jon Hudson, Manager
Palm Manor Homeowners' Association

PALM MANOR HOMEOWNERS' ASSOCIATION RECEIVED AND READ
REGULAR BOARD OF DIRECTORS MEETING NUMBER OF PAGES 13
THURSDAY, FEBRUARY 3, 2005
MINUTES

NAME _____ DATE _____
NAME _____ DATE _____

CALL TO ORDER- 7:00 PM:

Board Members present included David Zaiss and Evelyn Trowell.

Others Present: Rose Works, Judith Lynch, Erin Gray, and Stephanie Wolper.

APPROVAL OF MINUTES:

No minutes were submitted from Independent Planning for the November meeting.

FINANCIAL STATEMENT –JANUARY 2005

Management reviewed the financial statement for the month of January 2005 noting the following:

Net Cash flow	<-\$2,199.86>
Ending Checking Account Balance	\$7,119.36
Maintenance Reserves	\$22,699.39
Delinquents (Updates)	\$2,146.80

MANAGER'S REPORT JON HUDSON

1. Small Claims Court Case – Onuaguluchi vs. Palm Manor Homeowners' Association.
The judge presiding over the case ruled in favor of the plaintiff (Onuaguluchi). The Association will review the ruling for further options.
2. Discussion continued regarding the water damage from unit 305.
3. Roof Estimate- The roof has exceeded its estimated lifespan and is beginning to fail in various sections, resulting in damage to some of the units. Management will get estimates for the association to review regarding replacement.
4. Landscaping service- The board has decided not to retain the services of Jorge Flores beyond the month of February.
5. Email correspondence- In effort to reduce printing and postage costs, Management would like to send correspondence to unit owners via email. Those interested may contact manager with info.
6. The board would like to solicit volunteers to review and update the CC&R's.
Possible areas of interest may include home businesses, excessive noise, and smoking.
7. Given that the budget for 2005 is unchanged and some of the vendors and accounts prior to January 2005 were paid late, management has asked to board to defer funding excess cash into reserves until it is again feasible to do so.
8. Plumbing issue- Units 103 & 203. Management contracted Harry Clark Plumbing to identify and repair the leak from unit 203. Arthur Thomas has agreed to pay for the repairs.
9. Manager will now look into possible rebates offered from PG&E for the water boiler.
10. The board reviewed the protocol for emergency repairs. Owners are to be reminded

to contact the manager or a board member, who may then authorize the repairs.
11. Manager has asked the board for reimbursement for expenses related to the building.
Manager will submit receipts for all items to be reimbursed.

The meeting was adjourned at 8:45 P.M.

Respectfully submitted,
Jon Hudson
Manager
Palm Manor HOA

To: Owners of Palm Manor Homeowners' Association
From: Board of Directors

Re: SPECIAL ASSESSMENT for mandatory building repairs

Reference: Roof Contractor Briefing to Homeowners on June 13, 2005
2005 Homeowner's Regular Board Meetings of: January, March and May '05

1. An Emergency Special Assessment in the amount of \$72,000.00 was approved on July 25, 2005 for our new roof, and our high priority maintenance and repair projects.
ASSESSMENT DUE DATES, AND AMOUNTS: SEP 15, 2005 \$24,000
FEB 15, 2006 \$24,000
JUL 15, 2006 \$24,000

>>>NOTE: We strongly urge as many homeowners as are able, to pay all three portions of their assessed amounts early by the September 15, 2005 due date, so that all repair work can be completed in a timely manner. Besides installation of our new roof and roof sun-decks, other priority projects next to be completed include: Repair of units water damaged during the past winter rains, replacement of our deteriorating fences, repair of the uneven entry walkway, water drainage pipe, street-side window and porch repairs, and metal and wood-trim painting to preserve our building's equity, safety, and attractiveness. Management will issue progress statements as funds are received, and as repairs are scheduled and completed.

2. Damaging roof-leaks have been reported in our recorded minutes since our November 2004 regular Homeowners' Board Meeting. Due to the advanced age of our roof, mere repairs were found to be impractical to isolate, and determined to be an ineffective use of our funds.

3. Work on Palm Manor's new tar and gravel roof is currently scheduled to begin on: September 6, 2005, and our new roof is expected to be completed by approximately two weeks later. General Roofing Company, (a Bay Area company since 1924) was selected. (Michael Cobb and Michael Wakerling who both represent this company, were the two gentlemen who briefed all interested homeowners about our roofing options earlier on June 13, 2005.)

4. If NO dry-rot is discovered under the old tar-paper, the roof will cost: \$29,600.00 (However as earlier briefed, it is realistic to expect more repair costs, even up to \$1000 additional or so, as possible dry-rot problems are discovered while the old roof is completely removed.)

5. The Board has also selected this same company to also replace our old and sun-rotted redwood decks, as this will keep our warrantee for our new roof. Replacement of the sun-decks will cost: \$18,260.00 and will be installed just after our new roof is completed.

6. Our Reserve Fund has grown to approximately: \$26,781.00 and will be used as necessary, and replenished as special assessment funds are received from all homeowners.

Thank you,
PMHOA Board Members Management: 510-835-1839

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NUMBER OF PAGES 2

NAME _____ DATE _____
NAME _____ DATE _____

EMERGENCY ROOF REPLACEMENT, ET AL

(As able, please pay TOTAL amount early, by September 15, 2005)

UNIT#	% of Undivided Interest For Assessments	15 SEP'05 due date:	15 FEB'06 due date:	15 JUL'06 due date:	TOTAL
101	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
102	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
103	5.797	\$1,391.28	\$1,391.28	\$1,391.28	\$4,173.84
104	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
105	4.347	\$1,043.28	\$1,043.28	\$1,043.28	\$3,129.84
106	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
107	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
108	5.797	\$1,391.28	\$1,391.28	\$1,391.28	\$4,173.84
201	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
202	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
203	5.797	\$1,391.28	\$1,391.28	\$1,391.28	\$4,173.84
204	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
205	4.347	\$1,043.28	\$1,043.28	\$1,043.28	\$3,129.84
206	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
207	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
208	5.797	\$1,391.28	\$1,391.28	\$1,391.28	\$4,173.84
302	7.245	\$1,738.80	\$1,738.80	\$1,738.80	\$5,216.40
303	5.797	\$1,391.28	\$1,391.28	\$1,391.28	\$4,173.84
304	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
305	4.347	\$1,043.28	\$1,043.28	\$1,043.28	\$3,129.84
306	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
307	2.899	\$695.76	\$695.76	\$695.76	\$2,087.28
308	5.797	\$1,391.28	\$1,391.28	\$1,391.28	\$4,173.84
401	7.245	\$1,738.80	\$1,738.80	\$1,738.80	\$5,216.40
TOTAL Assessment:		\$24,000.00	\$24,000.00	\$24,000.00	\$72,000.00

NAME

NAME

1. It is the fiduciary responsibility of the Board of Directors to collect all assessments for the maintenance and replacement of common area property in a timely fashion. The Association is entitled to recover assessments, reasonable collection costs, reasonable attorney's fees, late fees and interest. The Association may not use non-judicial foreclosure to collect fines or penalties, except for costs to repair common areas damaged by a member or guest, if the governing documents so provide. The association must comply with requirements of 1367 or 1367.1 of the Civil Code when collecting delinquent assessments. If the Association fails to follow these requirements, it may not record a lien until it has satisfied those requirements. Any additional costs that result from satisfying the requirements are the responsibility of the Association. (Note: Civil Code Section 1367 applied to the collection of liens recorded before January 1, 2003.)

2. Assessments are due on the first day of each month and are delinquent at 5:00 p.m. on the 15th of the month at which time a late charge of \$10.00 or 10% of the assessment (or special assessment), whichever is greater will be charged on the 16th day. All balances due as of 5:00 p.m. on the 30th day of the month will be subject to interest of 10% per annum. All such amounts must be paid in full and the Association shall not be required to accept partial payments absent an agreement. (Note: Amended Section 1366(e) provides that assessments shall become delinquent on the 15th day after they become due, unless the governing documents provides for a longer time period, in which case, that period applied. Also, the late charges and interest rate will be determined by statute, unless the governing documents provide for a lesser amount, in which case the amount in the governing documents applies.)

3. IMPORTANT NOTICE: IF YOUR SEPARATE INTEREST IS PLACED IN FORECLOSURE BECAUSE YOU ARE BEHIND IN YOUR ASSESSMENTS, IT MAY BE SOLD WITHOUT COURT ACTION.

4. On or about the 46th day after a payment is due, a 30-day Pre-Lien Notice will be prepared and sent, by certified mail, to the delinquent record owner(s) at the owners' last mailing address provided to the Association. Such notice will include an itemized statement of the total amounts delinquent, including but not limited to, assessments, late charges, interest and costs of collection, if any.

5. On or about the 30th day after the Pre-Lien Notice is sent, if all such amounts have not been paid, a Notice of Delinquent Assessment ("Lien") will be prepared and recorded. All resulting collection fees and costs will be added to the total delinquent amount as the Association reserves the right to recover costs of collection. A copy of the recorded Lien will be sent, certified mail, to the address as described in item (5) above, 10 days after recordation. If a lien is recorded in error, the person who recorded the lien is required to record a lien release within 21 days.

6. All charges assessed to the account must be paid in full as a condition to curing and releasing such Lien, and the Association shall not be required to accept any partial or installment payments from the Lien date to the time that all such amounts are paid in full, except by a execution of a mutually agreeable payment plan and forbearance agreement. Arrangements for such an agreement must be made with the Association's Agent assigned to the collection of the account.

7. If all such amounts have not been paid, in full, within thirty (30) days after the recordation of such Lien, the Association may, without further advance notice, proceed to take any and all additional enforcement remedies as the Association, in its sole discretion, deems appropriate, including, without limitation, non-judicial foreclosure of such Lien, judicial foreclosure, or suit for money damages, all at the expense of such owner.

8. When a payment is made, the owner may request a receipt and the association is required to provide it. On the receipt, the association must indicate the date of payment and person who received it.

9. Each payment from an owner shall be applied first to the principal sum owed, then, in descending order, to interest, late and collection expenses, unless a payment agreement and forbearance agreement is executed between the Association and the owner.

10. Assessment collection issues are generally exempt from Civil Code Section 1354, which provides a process for resolving matters through alternative dispute resolution (ADR). An owner may dispute an assessment by giving the Board a written explanation and the Board must respond within 15 days if certain conditions are met. However, a homeowner may lift the exception for association assessments through the following steps:

a. Homeowner pays in full all of the assessments in dispute, late charges, interest and all fees and cost associated with preparation and filing of a lien (including mailing costs, and attorneys fees not to exceed \$425);

b. This payment must be made along with a written statement of protest from the homeowner, which is sent to the association via certified mail, not more than 30 days after the Lien is recorded;

c. Upon receipt of such a written protest, the association must inform the owner of the right to resolve the matter through ADR as set forth in Civil Code Section 1354, a civil action or any other procedures that the Board might establish to resolve this matter. The Association is under no obligation to agree to ADR, even if an owner properly requests ADR;

d. A homeowner may use this exception for ADR for delinquent disputes not more than 2 times in any single year and not more than 3 times in any five calendar years;

e. If through ADR it is determined that some of the assessments are levied in error, the homeowner is entitled to recovery of interest in a reasonable amount.

11. An owner may request the association to consider a payment plan to satisfy a delinquent assessment. The association must inform the owner of the standards for payment plans, if any exist. The Board must meet with the owner in executive session within 45 days of the postmark of the request if the request is mailed within 15 days of the date of the postmark of the notice of delinquency, unless there is no regularly scheduled BOD meeting during that period. In that case, the BOD may designate a committee of one or more members to meet with the owner. These payment plans must confirm with the payment plan standards of the association, if they exist.

12. Any check returned by the bank for insufficient funds, stop payment or any other reasons will be charged back to the unit and a \$25.00 administrative fee plus any bank fees will be assessed to the account. If the account has been turned over to the Association's agent for collection and a check is returned, the account will be assessed whatever administrative fees as the Agent provides.

13. The mailing address for overnight payment of assessments is the same as that for routine assessment payments unless otherwise noted.

14. An owner of a separate interest has the right to inspect the association's records pursuant to Corporations Code Section 8333 (Note: See Civil Code Section 1367.(a)(1)).

15. Except where prohibited by law, the Board of Directors of the Association may revise this policy, either generally or on a case-by-case basis, if it finds good cause to do so.

THE PALM MANOR CONDOMINIUMS
HOME OWNERS ASSOCIATION

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NUMBER OF PAGES

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Rules for Use and Occupancy of Units

NAME

DATE

1. The unit is not to be used for hotel or transient purposes.
2. The CC&Rs prescribe the manner in which tenants may share their unit or sub-lease. Renters should check with their landlord and the Homeowners Board of Directors before taking in sub-renters or sharing the unit with additional persons.
3. One dog, cat or other customary household pet may be kept. The Board has the specific right to prohibit the maintenance of any pet which, in the opinion of the Board, constitutes a nuisance.
4. No business of any kind whatsoever shall be established, operated or conducted on the premises.
5. Damages to any portion of the common area property by a tenant will be the responsibility of the unit owner. He or she will be billed by the Board of Directors for needed repairs.
6. Two shopping cart belonging to the association are kept in the garage and are available for use by all residents. These carts are not to be left in hallways, the lobby, or the elevator, but should be returned to the garage immediately after use.
7. Gatherings in the common area should be scheduled with the Board at least five days in advance and should end at dark unless prearranged with the Board.
8. Voices, noises and music in common areas, hallways and individual units should be maintained at a reasonable sound level at all times and appropriate for the time of day.
9. Laundry machines should not be used between 11 PM and 6 AM daily.
10. Use of the storage area must comply with the following
 - A) Each unit shall be entitled to the use of one storage locker in the common area.
 - B) Each unit owner/occupant shall keep the interior of any storage area clean and free of debris.
 - C) No flammable liquids (gasoline, paint thinners or other solvents or gases), chemicals or explosives may be kept in storage lockers.
 - D) Storage in the common area, including garage and open space in the storage room, will not be permitted without written permission of the Board of Directors.Note Palm Manor Homeowners Association, Inc., accepts no responsibility for loss or damage to items stored.

There is only one parking space in the garage per unit and each unit has been assigned a specific one. You should inquire of your landlord which space is assigned to your unit, and you should use only that space. If you have a second car, it must be parked outside. If you have guests, their cars are to be parked outside unless you care to park your car outside while they use your space. It is your responsibility to inform your guests of the building's policy. Unauthorized vehicles may be towed, at the car owner's expense. Being careless about the building's parking policy can create much friction among residents, so please do not fail to observe the rules.

We ask that all residents be careful about the security of the building. Always check to see that common area doors close and lock behind you. Do not give the common area key to workmen, delivery people or others. Refuse requests by anyone around the front door whom you do not know to let them in the building. If you are buzzed on the intercom, be sure to identify the party before buzzing them inside. Beware of phony delivery men or repairmen who want inside. If you see anyone around the building who arouses your suspicions, inform a board member or call the police yourself. When you drive into the garage, make sure no one is following you either on foot or by car. There have been robberies and attempted robberies in the building, and it is to everyone's advantage to be security conscious.

There are a couple of housekeeping matters that we need to emphasize.

1) The two shopping carts in the garage are the property of the association and were purchased for the convenience of all the residents. It is very important that the carts be returned to their place in the garage immediately after use. A grocery cart left in the lobby, elevator or hallway takes away from the value and beauty of our building and creates an inconvenience for other people wanting to use it. Take the extra time and effort to always return the cart to the garage immediately after you have used it.

2) It's important that we show consideration for our neighbors by keeping down the noise level of music and conversation, especially after 10 PM and before 8 AM.

If you have questions about any phase of life at Palm Manor, the Board will be happy to answer them. We hope to maintain the highest standards concerning the care of the building and our living environment. We believe it will be to your own advantage if you help us in this objective. Thanks for your attention and help.

President
Board of Directors

PALM MANOR HOMEOWNERS' ASSOCIATION PARKING ASSIGNMENTS

<u>UNIT #</u>	<u>PARKING #</u>
101	20
102	4
103	23
104	6
105	22
106	17
107	1
108	12
201	5
202	11
203	19
204	21
205	8
206	15
207	2
208	14
302	9
303	16
304	18
305	3
306	10
307	7
308	13
401	24

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NAME _____ DATE _____

NAME _____ DATE _____

6400 State Farm Drive
Rohnert Park, CA 94926-0001

T-02- 3089-F156 F V 3

PALM MANOR HOMEOWNERS
ASSOCIATION
C/O JON HUDSON
PO BOX 10707
OAKLAND CA 94610-0707



Location: 377 PALM AVE
OAKLAND CA
94610-3361

SFPP No: 0365710002

Forms, Options, and Endorsements

Special Form 3	FP-6149
Dir & Officers	OPT DO
Emp Dishonesty \$25,000	OPT ED
Amendatory Endorsement	FE-6205
Tree Debris Removal	FE-6451
Policy Endorsement	FE-6506.2
Policy Endorsement-Condo/Asn	FE-6466
Building Ordinance or Law Covg	FE-6476.1
Lenders Loss Payable	438-BFU.NS
Earthquake/Volcanic Eruption	FE-6307.2
Glass Deductible - Section I	FE-6538.1
Policy Endorsement	FE-6567

Continued on next page

RENEWAL CERTIFICATE	
POLICY NUMBER	97-01-2153-0
Condominium F / JAN 18 2006 to JAN 18 2007	
BILLED THROUGH SFPP	
Coverages and Limits	
Section I	
A Buildings	\$2,814,000
B Business Personal Property	39,300
Deductibles - Section I	
Basic	5,000
Except 20% Earthquake Other deductibles may apply - refer to policy	
Section II	
L Business Liability	\$1,000,000
M Medical Payments	5,000
Gen Aggregate (Other than PCO)	2,000,000
Products-Completed Operations (PCO Aggregate)	2,000,000
Annual Premium	
Forms, Opts, & Endrmsnt	\$6,297.0
Bus Liability - Cov L	12,295.0
Total Amount	90.0
Premium Reductions	
Your premium has already been reduced by the following:	
Renewal Year Discount	
Prot. Devices Discount	
Claim Record Discount	
Inflation Coverage Index: 185.3	

Earthquake premium of \$10,835.00 is included in your annual premium.

NOTICE: Information concerning changes in your policy language is included. Please call your agent if you have any questions.

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NAME _____ DATE _____

NAME _____ DATE _____

17 3388 7542

See reverse side for important information.

Thanks for letting us serve you...

Agent DENNIS FRAGA INS AGENCY INC
Telephone (925) 937-5710

REP

Prepared NOV 09 2005

6400 State Farm Drive
Rohnert Park, CA 94926-0001

T-02- 3089-F156 FV 3

PALM MANOR HOMEOWNERS
ASSOCIATION
C/O JON HUDSON
PO BOX 10707
OAKLAND CA 94610-0707



POLICY NUMBER 97-C1-2153-0	
Condominium P /	
JAN 18 2006 to JAN 18 2007	
CONTINUED	

Forms, Options, and Endorsements

Developer/Sponsor Exclusion	FE-6384
Water Damage Deductible	FE-6410
Amendatory Collapse	FE-6551
Policy Endorsement-Condo/Asn	FE-6624
Inc Cost and Demolition Cov	FE-6587
Equipment Breakdown Coverage	FE-6617
Registered Domestic Partnership	* FE-5383
Terrorism Insurance Cov Notice	* FE-6999

*Effective: JAN 18 2006