

23



CITY OF SACRAMENTO

CITY PLANNING DEPARTMENT

725 "J" STREET

SACRAMENTO, CALIF. 95814

TELEPHONE (916) 449-5604

MARTY VAN DUYN

PLANNING DIRECTOR

January 6, 1981

City Council
Sacramento, California

Honorable Members in Session:

- SUBJECT: 1. Tentative Map (P-9152)
2. Special Permit

LOCATION: 6241 Riverside Boulevard

SUMMARY

This is a proposal to create an airspace condominium lot for the conversion of 46 individual apartment units to 46 condominium units. The Planning Commission and staff recommend approval of this tentative map and special permit subject to conditions.

BACKGROUND INFORMATION

On December 4, 1980, the Planning Commission recommended approval of this project subject to conditions. The conditions imposed on the tentative map were necessary to bring this complex up to required building codes and development standards for conversion to condominiums.

In addition to the tentative map conditions, special permit conditions were included to ensure that tenant dislocation would not occur with this conversion. This condition was based on a proposed relocation plan offered by the applicant. The applicant will offer all eligible tenants a renewable lifetime lease at a rental rate the tenant is presently paying. The rents will not be increased greater than the Consumers Price Index for the State of California. With this provision, there should be no tenant displacement with this conversion.

Based on the appraisal report submitted to Planning, the apartment value of these units will start at \$24,200. These appraised apartment values will be the minimum sales price for qualified low and moderate income tenants.

APPROVED
BY THE CITY COUNCIL

JAN 13 1981

OFFICE OF THE
CITY CLERK

*Cont. to
2-3-81*

To prevent increased costs for City services, a condition requiring one billing for each City service was imposed on the special permit.

VOTE OF COMMISSION

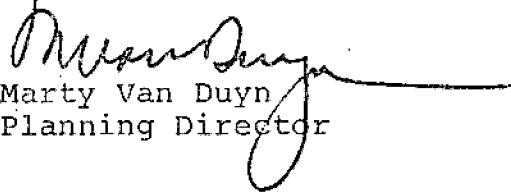
On December 4, 1980, by unanimous vote, the Planning Commission recommended approval of this proposed conversion subject to conditions.

RECOMMENDATION

The staff and Planning Commission recommend that the City Council:

1. Approve and adopt the attached Tentative Map Resolution with conditions;
2. Approve the Special Permit and adopt the attached Findings of Fact with conditions.

Respectfully submitted,


Marty Van Duyn
Planning Director

FOR CITY COUNCIL INFORMATION
WALTER J. SLIPE
CITY MANAGER

MVD:SC:jm
Attachments
P-9152

January 13, 1981
District No. 8

RESOLUTION No.

Adopted by The Sacramento City Council on date of

JANUARY 13, 1981

RESOLUTION ADOPTING FINDINGS OF FACT, APPROVING
A REQUEST FOR TENTATIVE MAP FOR SOUTH LAKE
SHORES CONDOMINIUMS (APN: 031-042-43) (P-9152)

WHEREAS, the Planning Commission has submitted to the City Council its report and recommendations concerning the request for a tentative map for South Lake Shores Condominiums, located at 6241 Riverside Boulevard (hereinafter referred to as the proposed subdivision).

WHEREAS, the Council of the City of Sacramento, based on testimony submitted at a public hearing conducted on January 13, 1981, hereby finds and determines as follows:

- A. The proposed subdivision, together with the provisions for its design and improvement, is consistent with the City General Plan and the Pocket Community Plan in that both plans designate the subject site for Residential uses. Also, any required improvements are to be designed and constructed within the provisions of the Subdivision Regulations which, by Section 40.102 of said regulations, is designated as a Specific Plan of the City of Sacramento.
- B. The site is physically suitable for the type and proposed density of development in that the subject site is flat with no significant erosional, soil expansion, or other similar problems.
- C. The design of the subdivision or proposed improvements are not likely to cause substantial environmental damage and will not substantially and avoidably injure fish, wildlife, or their habitat. The proposed project has been reviewed and assessed by the Environmental Coordinator, who has determined that the proposed project will not cause individual or cumulative adverse effects on the natural and social-physical environment or substantially and avoidably injure fish, wildlife, or their habitat, pursuant to CEQA, Section 15101k.
- D. The design of the subdivision or the type of improvements are not likely to cause serious public health problems in that community water and sewer systems exist at the site. The site is not within an established floodplain or over a known seismic fault.

- E. The design of the subdivision or the type of improvements will not conflict with easements acquired by the public for access through, or use of, the property within the proposed subdivision, in that there are no access easements for use by the public at large on the subject site.
- F. The discharge of waste from the proposed subdivision into the community sewer system servicing the proposed subdivision will not result in or add to a violation of the waste discharge requirements applicable to said sewer system which were prescribed by the California Regional Water Quality Control Board, Central Valley Region, in that the existing City of Sacramento treatment plants have a design capacity of 75 mgd and that actual treated discharge averages 56 mgd. The discharge from the proposed project will not create a condition exceeding the design capacity.
- G. The design of the proposed subdivision provides, to the extent feasible, for future passive or natural heating or cooling opportunities in the proposed subdivision, taking into consideration the local climate, the contour and configuration of the parcel to be divided, and such other design and improvement requirements applicable to the proposed subdivision.
- H. The proposed subdivision of existing multiple family dwellings into condominiums is within the Pocket Community Plan area and the average annual vacancy rate for this area at the time of approval exceeds five percent.
- I. An adequate relocation plan providing for relocation of tenants in the proposed conversion of this multiple family residential building(s) into condominiums has been provided in accordance with the Comprehensive Zoning Ordinance.
- J. The proposed conversion of this multiple family residential project to condominiums makes available ownership or long term lease opportunities to qualified and eligible tenants of low and moderate income.
- K. The proposed conversion of this multiple family residential project does or will be required by condition to comply with all applicable development and building standards contained in the Comprehensive Zoning Ordinance and the City Building Code.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Sacramento as follows:

The Tentative Map be approved subject to the following conditions:

1. The applicant shall pay off all existing assessments.
2. The applicant shall comply with the following development standards set forth in Section 28-C-3 of the Zoning Ordinance:
 - a. Separate sewer and water services or an approved equivalent shall be provided to each unit (Section 28-C-3(b);
 - b. Floor-to-ceiling and wall-to-wall assemblies between each unit shall comply with the sound transmission and sound impact standards specified in Section 28-C-3(c);
 - c. Each unit shall be equipped with a smoke detector in the proper location and either an automatic fire sprinkler system or two-hour fire separations on floors and each wall common to itself and an adjacent unit.
3. The applicant shall bring into compliance with applicable City Codes as follows:
 - a. Ground fault circuit interrupters shall be provided on receptacles which are located outdoors, in bathrooms, at swimming pool lights and in individual garages;
 - b. Replace the water boiler;
 - c. Repair or replace the circulating pump in the boiler room and the pool filter;
 - d. Clean the boiler room of all storage and debris;
 - e. Provide an inspection and plumbing report of the buried galvanized or black iron cold water system for the review and approval of the City Building Inspector. Pending the results of the report, the applicant may be required to replace said system prior to filing the final map with the Council;
 - f. Reroof all buildings.

MAYOR

ATTEST:

CITY CLERK

P-9152

In the matter of the decision of)
the City Council on application)
P-9152, Special Permit to convert)
46 apartment units to 46 condo-)
minium units in the R-2B Zone)
located at 6241 Riverside)
Boulevard)

NOTICE OF DECISION
AND
FINDINGS OF FACT

Based on documentary and oral evidence submitted at the public hearing on January 13, 1981, the City Council approved the Special Permit subject to the following conditions and findings:

Special Permit Conditions

1. The Conditions, Covenants and Restrictions shall make provisions for services provided by the City to be paid by the Association with a single billing for each service.
2. The applicant shall provide each eligible tenant with a renewable lifetime lease. The rental rate of the lease shall be the rent the tenant is presently paying with a maximum increase not to exceed the percentage change for the Consumers Price Index for the State of California.

Findings of Fact

1. The proposed conversion is consistent with the General Plan and Housing Element as required by Section 28-C-6-(a)(i) of the Comprehensive Zoning Ordinance.
 - a. The vacancy rate of this community plan area is in excess of five percent and no significant change on the housing stock will occur with this conversion.
 - b. There will be no significant tenant displacement due to the lease provisions the applicant is offering all eligible tenants.
 - c. This project will meet the required development standards contained in the Comprehensive Zoning Ordinance and the City Building Code as conditioned on the tentative map.
 - d. This project will provide ownership opportunities to eligible tenants of low or moderate income.
2. This proposed conversion is located in the Pocket Community Plan area where the rental vacancy rate is 5.6 percent as of October 1, 1980.

There appears to be an adequate supply of rental housing in this area based on the vacancy rate.
3. Adequate comparable replacement housing is available for all eligible tenants.

- a. There is an adequate supply of rental housing in this area as evidenced by the vacancy rate.
 - b. The applicant will provide comparable housing by offering a renewable lifetime lease to all eligible tenants.
4. The applicant has complied with all the required sections of the Comprehensive Zoning Ordinance pertaining to condominium conversions that relate to the application procedure Subsection C-6-(a)(iv).
 5. The proposed conversion as conditioned will comply with all development standards as set forth in Section 28-C-6-(a)(v).
 - a. Separate water and sewer service or an approved equivalent will be provided.
 - b. Two-hour fire wall or sprinkler system and smoke alarms will be provided.
 - c. Sound transmission levels will meet required standards as conditioned.
 6. This complex does not represent a unique and needed rental housing resource for this community.

MAYOR

ATTEST:

CITY CLERK

P-9152

City Planning Commission
Sacramento, California

Members in Session:

- APPLICATION:
1. Tentative Map to create an air space condominium complex for an existing 46-unit apartment complex known as South Lake Shores.
 2. Special Permit to convert 46 apartment units to 46 condominium units. (P-9152)

LOCATION: 6241 Riverside Boulevard

PROJECT INFORMATION

General Plan Designation: Residential
Pocket Community Plan
Designation: Residential
Existing Zoning of Site: R-2B
Existing Land Use of Site: Existing 46-unit apartment

Surrounding Land Use and Zoning:

North: Single Family; R-1
South: Lake; A
East: Apartment; R-2B/R-3
West: Vacant land/Single Family; R-2A & R-1

Parking Required: 46 Parking Provided: 46+
Ratio Required: 1:1 Ratio Provided: 1:1+

Property Dimensions: 2.2+ ac.
Density of Development: 20
Square Footage of Building: 41,566 square feet

Significant features of
Site: Existing apartment complex
Topography: Sloping
Street Improvements: Existing
Utilities: Existing

SUBDIVISION REVIEW COMMITTEE RECOMMENDATION: On November 5, 1980, by a vote of five ayes, three absent and one abstention, the Subdivision Review Committee recommended approval of the tentative map subject to the attached conditions (see Exhibit 1).

BACKGROUND INFORMATION: This project is located in the Pocket Community Plan Area. The current vacancy rate of this area is 5.6 percent. There is one other conversion project in this area; that project is Riverside Villa, and there are 180 units in that project.

PHYSICAL CHARACTERISTICS: South Lake Shores is situated on the north-east tip of Lake Greenhaven. The property slopes down from Riverside Boulevard until it reaches the lake. A small private beach is available for the residents along the shore of the lake.

The buildings are terraced down the slope and arranged to create a center courtyard. A pool area is provided in the lower section of the court near the lake. The applicant has indicated that a jacuzzi will also be added to this area.

Most of the units appear to have a view of the lake. There are 14 buildings on the 2.2+ acre site which contains a total of 46 units. A variety of units are available in this complex with one and two-bedroom apartment units and four bungalows, each with two bedrooms. Each unit has a private balcony and fireplace.

At present, this complex does not meet the required physical standards for conversion to condominium. Proposed repairs and conditions of final map approval will bring this complex up to required codes and standards.

The pest control report noted several problem areas due to leakage of water. Some of the subareas contained debris which will have to be removed. The report also noted locations where wood framing or form boards were in contact with the earth. This will have to be corrected to avoid fungus damage.

The complex provides 46 covered parking spaces with additional uncovered spaces on site.

SOCIAL CHARACTERISTICS: The tenants of South Lake Shores completed a survey that was submitted to Planning, and the response rate of the survey was 35 percent. From this response the following observations have been made.

From the survey results it is difficult to determine any outstanding characteristics of these tenant's views regarding this conversion. Of the tenants who responded to the survey approximately half said they would like to purchase, while the other half said they would not purchase a unit. The tenants did agree that they wanted laundry facilities in each unit before they would purchase. The survey showed 56 percent of the tenants to be of low or moderate income; however, only 11 percent of the tenants are qualified according to the applications submitted to Planning. This amounts to five tenants. (See Exhibit 2 for tenant survey.)

The applicant is proposing to offer all eligible tenants a lease if they choose not to purchase. The lease will be on a yearly basis with a successive right to renew on an indefinite basis. (See Exhibit 3.)

STAFF EVALUATION

1. There was concern by the Subdivision Review Committee regarding the sewer system and underground pipes in this complex. The applicant has had difficulty in determining the location and condition of the cold water pipes and sewage system since plans are not available.

The present cold water delivery system is galvanized piping, and the life expectancy of this system is limited. There have been recent leakage problems with these pipes. Due to the Committee's concern over this problem a request was made for the applicant to have an engineering study made of this system. If the condition of these pipes is found to be poor, then the applicant will be required to replace this system.

The applicant did not address the subject of sewer capacity in the property report. The Committee requested a study be accomplished to determine whether the capacity of this system will comply with required development standards. Pending the results of this study a condition will be placed on the tentative map to ensure compliance with Section 28-C-3-(b) (i).

This complex will meet all required development standards and City building codes as it is conditioned.

2. The proposed project is located in an area where the vacancy rate is above five percent. Based on this fact and the additional provisions the applicant has proposed to offer these tenants, it is unlikely that tenant displacement problems will result from this conversions.
3. In addition to the required sales and lease provision for elderly, handicap, low and moderate income tenants, the applicant is proposing to offer all eligible tenants a lifetime lease. (See Exhibit 3.) The lease will be offered at the same rental rate the tenant is presently paying. The rent will not be increased at a percentage rate greater than the Consumers' Price Index for the State of California. The tenant will have a successive right to renew the lease for as long as the tenant wishes to remain on this complex. This right will be protected when the property is sold. To insure that this provision is made available to the eligible tenants, staff will make this a condition of the special permit.
4. A study of the organizational documents was made by the Sacramento Area Condominium Association. A number of recommendations have been made which are believed to be in the best interest of the homeowners. A report detailing the recommended changes is attached. (See Exhibit 4.)

STAFF RECOMMENDATIONS: Staff recommends approval of the special permit and tentative map to convert 46 apartment units to 46 condominium units based on the following Findings of Fact and with the attached conditions.

Conditions for Tentative Map (see attached Exhibit 1).

Conditions for Special Permit (see attached Exhibit 1).

Findings of Fact

1. The proposed conversion is consistent with the General Plan and Housing Element as required by Section 28-C-6-(a) (i) of the Comprehensive Zoning Ordinance.
 - a. The vacancy rate of this community plan area is in excess of five percent and no significant change on the housing stock will occur with this conversion.
 - b. There will be no significant tenant displacement due to the lease provisions the applicant is offering all eligible tenants.
 - c. This project will meet the required development standards contained in the Comprehensive Zoning Ordinance and the City Building Code as conditioned on the tentative map.
 - d. This project will provide ownership opportunities to eligible tenants of low or moderate income.
2. This proposed conversion project is located in the Pocket Community Plan area where the rental vacancy rate is 5.6 percent as of October 1, 1980.

There appears to be an adequate supply of rental housing in this area based on the vacancy rate.
3. Adequate comparable replacement housing is available for all eligible tenants.
 - a. There is an adequate supply of rental housing in this area as evidenced by the vacancy rate.
 - b. The applicant will provide comparable housing by offering a renewable lifetime lease to all eligible tenants.
4. The applicant has complied with all the required sections of the Comprehensive Zoning Ordinance pertaining to condominium conversions that relate to the application procedure Subsection C-6-(a) (iv).
5. The proposed conversion as conditioned will comply with all development standards as set forth in Section 28-C-6-(a) (v).
 - a. Separate water and sewer service or an approved equivalent will be provided.
 - b. Two-hour fire wall or sprinkler system and smoke alarms will be provided.
 - c. Sound transmission levels will meet required standards as conditioned.

6. This complex does not represent a unique and needed rental housing resource for this community.

SOUTH LAKE SHORES

Tentative Map Conditions:

1. Pay off all existing assessments.
2. Comply with the following development standards set forth in Section 28-C-3 of the Zoning Ordinance:
 - a. separate sewer and water services shall be provided to each unit (Sec. 28-C-3(b)); *(CPC added... or an approved equivalent.)*
 - b. floor-to-ceiling and wall-to-wall assemblies between each unit shall comply with the sound transmission and sound impact standards specified in Section 28-C-3(c);
 - c. each unit shall be equipped with a smoke detector in the proper location and either an automatic fire sprinkler system or two-hour fire separations on floors and each wall common to itself and an adjacent unit.
3. Bring the project into compliance with applicable City codes as follows:
 - a. ground fault circuit interrupters shall be provided on receptacles which are located outdoors, in bathrooms, at swimming pool lights and in individual garages;
 - b. replace the water boiler ~~and the hot water tanks~~ *(as amended by CPC)*
 - c. repair or replace the circulating pump in the boiler room and the pool filter;
 - d. clean the boiler room of all storage and debris;
 - e. provide an inspection and plumbing report of the buried galvanized or black iron cold water system for the review and approval of the City Building Inspector. Pending the results of the report, the applicant may be required to replace said system prior to filing the final map with the Council;
 - f. reroof all buildings.

Special Permit Conditions:

1. The Conditions, Covenants and Restrictions shall make provisions for services provided by the City to be paid by the Association with a single billing for each service.
2. The applicant shall provide each eligible tenant with a renewable lifetime lease. The rental rate of the lease shall be the rent the tenant is presently paying with a maximum increase not to exceed the percentage change of the Consumers Price Index for the State of California.

The owner of your apartment complex has filed an application with the City of Sacramento for conversion to condominium (sales) housing. You are requested to answer completely the questions below and return the survey within five (5) days to:

EXHIBIT NO. 2

City Planning Department

725 J Street
Sacramento, CA 95814

SOUTH LAKE SHORES

TOTAL RESPONSE (16) RESIDENT SURVEY

1. How long have you been a resident? 2 years 2 months
2. Why did you move into this complex? Check most important reason(s).

1 close to work 3 close to friends 4 amenities
6 close to services
(shopping, church, entertainment) 5 like rent rate
9 good management, maintenance 3 other

3. How long do you plan on living at this complex?

9 unknown 0 less than 1 year 1 1 to 3 years
1 3 to 5 years 5 more than 5 years

Under what conditions? _____

4. If it is offered for sale within the price range estimated for the project, are you interested in purchasing the unit in which you are now living, or another in this complex?

5 yes 6 no

5. If you are unable to purchase a unit, will you be able to locate a comparable unit to rent within this vicinity?

2 yes 3 no 1 do not know

6. What improvements, if any, to your unit and/or the complex would be necessary before you would be interested in buying?

REFURBISH UNIT, FIX LEAKS, MINOR ELECTRICAL

SOUND PROOF, WASHER/DRYER IN UNIT

7. Are you retired? 2 yes 14 no

If retired; are others in your household currently wage earners?

0 yes 2 no

8. Do you approve in principle of this proposed conversion to condominium housing?

5 yes 8 no

Why or why not? _____

-2-

9. Do you and your family qualify as a low or moderate income household as defined by the U.S. Department of Housing and Urban Development? Please use the attached table to determine your income status.

8 yes 7 no _____ uncertain

10. Would you be interested in attending a resident meeting to discuss conversion plans?

12 yes 3 no

11. Do you have any comments related to the owner's request?

INAPPROPRIATE USE, CANNOT AFFORD, DO NOT WANT
TO MOVE

The completed questionnaire will be used by the Planning Department in writing its report to the Planning Commission and City Council on the proposed conversion. Your name, apartment number, et cetera will be used only to verify the number of returns, and the City will make every effort to preserve the confidentiality of the tenant. Only a summary of all tenant answers will be disclosed. Thank you for your cooperation.

NAME _____ APT. # _____
ADDRESS _____ TEL. # _____

Further information on condominium conversions can be obtained by calling:

California Department of Real Estate: 322-2505
County Consumer Protection Bureau: 440-7732
City Planning Department: 449-5604

THOMAS F. McGRATH
 200 Gregory Lane
 Pleasant Hill, Calif. 94523
 415 - 827-1106

November 26, 1980

Sharon Caudle
 Assistant Planner
 c/o City Planning Department
 725 "J" Street
 Sacramento, CA 95800

Re: Application for Conversion
 South Lake Shores Apartments
 6241 Riverside Blvd.
 Sacramento, CA

When our application was submitted in June of this year, our concern was focused upon the effect of condominium conversion and relocation on all of our tenants as well as those protected under "special" programs. Therefore, we have offered to our tenants, in addition to the ordinance provisions, the option of life-time leases. Many tenants felt that they were not in a financial position at this time to consider purchasing their unit but would like to continue to live at South Lake Shores with the anticipation of purchasing in the future. Leases would not require tenants to find replacement housing or compete for other units in the immediate area. Our goal was to make the units available for purchase by as many tenants as possible and reduce the negative effects of conversion on the lives of the tenants.

Therefore we are proposing two classifications of leases, each to be one year, automatically renewable for successive one year periods.

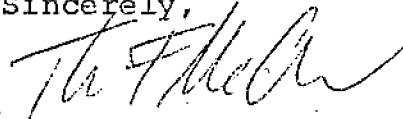
1. Lifetime leases to all Elderly, Handicapped or Qualified Low and Moderate Income Tenants tied to a maximum annual percentage of increase for three years, not to exceed 7% as required by the ordinance and not to exceed the increase in H.U.D. established fair market rents for comparable units in subsequent years.

2. Lifetime leases for all other eligible tenants to be adjusted annually by the percentage increase in the residential rent component of the Consumers Price Index for all urban consumers in the State of California. *INITIAL BASE YEAR RENT TO BE SAME AS EXISTING RENTS.*

4 PLUS FOUR SUCCESSIVE OPTIONS TO RENEW.

The concept of leases has been discussed in a meeting of interested tenants last summer and appeared to be very well received. Our goal is that no eligible tenants will be inconvenienced by the conversion of the apartments to condominiums.

Sincerely,



THOMAS F. McGRATH

TFM:dma

NOTE: Lease to be RECORDED on the property / UNITS
to PROTECT RESIDENTS in the event of sale.



28 Aug 80

P.O. BOX 160246
SACRAMENTO CA 95816

City Planning Department
725 J St
Sacramento, Ca 95814

ATTN: Sharon Caudle

Re: South Lake Shores Condominiums
Condominium Conversion "Special Permit"

Dear Sharon:

I have reviewed the conversion documents and had Bill Crawford carefully study the budget after walking the condominium. We then reviewed each other's work.

I have been the President of one condominium and the Treasurer of two. I am Director for Homeowner Assistance for the Sacramento Area Condominium Assn (I'm the one they call for problems) and am Executive Director of the California Condominium Council, a statewide organization of the leaders of five regional condominium associations. We represent condominium homeowners. Crawford manages 7 condominiums. He has extensive experience in making and living with budgets.

Our purpose is constructive -- to make the condominiums formed work successfully. Both the documents and the budget must be sound. The following are our recommendations:

CC&Rs South Lake Shores Condominiums

- Page 12 Section 4.11
Change County of Contra Costa to County of Sacramento
- Page 12 Article V, Section 5.1 (a) Maintenance
(ADD) Owner shall be responsible for repair, replacement and cleaning of windows and glass of his unit, both exterior and interior. Each owner shall also maintain and repair all air conditioners, heaters, electric appliances, plumbing outlets and toilets, sinks, showers and tubs, keeping the same in good condition. The Association is not responsible for the glass of the individual unit.
- Page 15 Article V, Section 5.2 (c) Manager
The Association shall have the right to terminate the contract with the Manager or Management Company at any time without cause with sixty (60) days written notice.

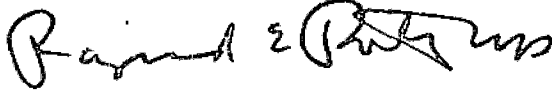
- Page 15 Article V, Section 5.2 (f) Assessments, Liens and Fines
Any monetary penalty for violation of rules shall not exceed one hundred dollars (\$100) for any single violation. The homeowners shall have the right of appeal. The Board shall form an Appeals Committee. (Two examples of Sacramento Appeals Committees are attached to the end of this report).
- Page 19 Article VIII, Section 7.11 Vehicles
No delapidated vehicles or equipment of any kind shall be parked or left on any part of the properties. There shall be no repair or reconstruction of automobiles within the properties, except emergency repairs. The Association may remove any unauthorized vehicle at the expense of the owner thereof. The Board shall have the right to tow away vehicles parked in violation of rules or vehicles that obstruct any part of the Common Area.
- Page 21 Article 8.6 (d) Right to examine books.
(ADD) The purpose of the inspection must be reasonably related to his interest as a member. The Board shall have the right to determine if it is reasonable. If disagreement, the homeowner has the right to appeal to the appeals committee.

BY-LAWS South Lake Shores Condominiums

- Page 3 Article IV, Section 4.2 Term of Office
(CHANGE) At the first meeting of the Association the members shall elect the directors for a term of two (2) years for three members and 1 year for two members. At the next Annual Meeting these two positions will be elected for two years. This will result in three members of the five person Board being elected one year and two the next on a continuing basis. (With one year terms there is too much chance of a complete turnover of the Board. Two year terms assure experience and continuity).
- Page 4 Article IV, Section 4.6 Indemnification of Officers and Directors.
THIS SECTION SHOULD BE DELETED.
When the Declarant is gone, the Board should protect itself with errors and omissions insurance. If such insurance is not available when the Declarant is on the Board, it is not fair to have the Association assume a risk that an insurance company will not take. Remember, until all memberships are Class A, control of the Board is not in the hands of directors elected by the homeowners. (In the Contra Costa area there have been seven lawsuits involving conversions).
- Page 4 Article VI, Section 6.1
(Change) Meetings shall be held not less than every two (2) months.
- Page 7 Article VII, Section 7.3 (e)
(Change) A member may be removed from the Board if he misses three consecutive meetings at the discretion of the Board. After all memberships become Class A, the Board shall appoint a successor to fill the remainder of his term. With resignation or death of a Board member the same applies.
- Page 9 Article IX
The Board of Directors shall appoint an Architectural Review Committee and an Appeals Committee. Membership, functions

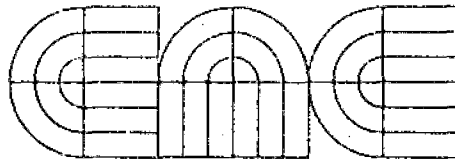
and procedures will be determined by the Board. (Two examples of Sacramento Condominium Appeals Committees are attached).

Very truly yours,

A handwritten signature in black ink, appearing to read "Raymond E. Porter". The signature is written in a cursive style with a large initial "R" and "P".

Raymond E. Porter, M.D.
Executive Director
California Condominium Council

Director for Homeowners Assistance
Sacramento Area Condominium Assn



CREATIVE MANAGEMENT
CORPORATION

September 3, 1980

California Condominium Council
P.O. Box #160246
Sacramento, California 95816

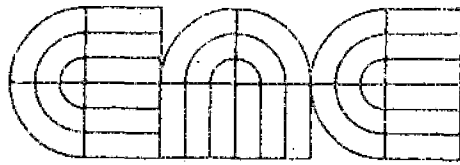
RE: South Lake Shores Condominiums

Dear Dr. Porter:

Please find below, our findings and recommendations regarding the above mentioned condominiums, after our on-site inspection.

1. Asphalt has recently been sealed and striped. There is no line item for sealing and striping or asphalt repair in the reserve budget.
2. Roofs noted two forms of roofing. Flat and shake. Provisions have not been made for shake roofs.
3. 10 years is probably the maximum life that will be obtained from flat roofs. Does this mean that the contractor is going to re-roof all the flat roofs?
4. The on-site manager made reference to new pool heater equipment and a jacuzzi. If the developer is considering this, they might take a look at solar, as gas is cost prohibitive. If a jacuzzi is going to be installed, a reserve line item should be established.
5. The funds for the pool line item, seems to be sufficient for only re-surfacing and maybe not adequately to replace the pumps or filter equipment.
6. Paint. 10 years is a considerable period of time without repainting. 5 years is a common practice for this line item.
7. Carports. There is no line item for this item for painting and re-roofing.
8. Utilities. Gas and water. There should be an energy cost pass through provision for this line item, without waiting for annual assessment increases.

We noted on our on-site review, that approximately 50% of



CREATIVE MANAGEMENT
CORPORATION

-2-

units have gas fire places that are master metered to the common areas. All the unit owners are being assessed equally for gas. This practice may have some problems. There should be a different cost breakdown for those who have fire places and those who do not.

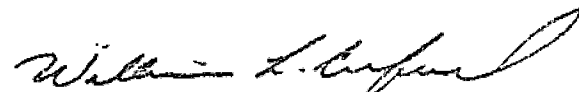
9. Management. This rate is considerably low. A professional management company should be actively involved with the Association in budget preparation, attending the meetings, responding to complaints. Considering this is a small association, they will have difficulty in obtaining professional management. \$8.00 per unit is more appropriate for this line item.

10. Accounting. An independent auditor should be retained annually by the Board to audit the accounting records at the end of each fiscal year. This line item will probably run from \$500.00 to \$700.00.

The on-site manager made reference to replacing the gas lines and hot water lines due to highly corrosive soil. The developer should provide the association with a full report on the system that is now being utilized to reduce this problem, such as magnesium anodes and inspection requirements. Since the gas is master metered, the association owns all of the gas lines from the meter to the apartments.

If we can be of any further service to you, please feel free to contact me.

Sincerely,


William L. Crawford
President
Creative Management Corporation

WLC:dls

APPEALS COMMITTEE PROCEDURE

Bluff City Condominiums

Committee

The Committee consists of five homeowners. The full Board of Directors shall, collectively, annually appoint homeowners to be members of the Appeals Committee. In addition, an alternate member to serve in the absence of an Appeals Committee member, will be appointed annually by the full Board of Directors. The Committee members shall elect a chairman, vice chairman and secretary.

Purpose

To hear appeals from fines and sanctions imposed by the Board of Directors on a homeowner (s) of the Association.

Decisions

The decision of the Committee, if unanimous by all five voting members, must be adopted by the Board of Directors as the final decision of the Association. A divided decision of the Committee refers the matter on appeal, back to the Board of Directors for reconsideration. The Board of Directors' decision on the matter becomes final.

Appeals Procedure

1. To appeal a decision of the Board of Directors, the appeal must be in writing; one copy sent to the President of the Board of Directors; one copy to the Chairman of the Appeals Committee, or in his/her absence, to any member of the Committee.
2. Time to file appeal is limited. The written appeal must be mailed within ten (10) days following the decision of the Board of Directors. The time for mailing an appeal may be extended for good cause by a majority vote of the members of the Appeals Committee, provided however, that the extension may NOT exceed ten (10) additional days.
3. Time of hearing and decision is limited. The appeal hearing must be held within twenty (20) days after receipt of the request for appeal or appeal extension. Written decision by the Appeals Committee must be rendered within ten (10) days after the appeals hearing. These times may be extended, however, for good cause if the appellant is in agreement and provided the extension does NOT exceed twenty (20) additional days. One copy of the Appeals Committee decision will be sent to the President of the Board of Directors, or in his/her absence, to any member of the Board of Directors; one copy to the appellant.

Hearing

- A. The Appeals Committee chairman shall preside over the hearing.
- B. Five members of the Committee shall hear the appeal.
- C. The decision on appeal shall be by majority vote of those members present and voting. Only Committee members present throughout the hearing may vote.
- D. No member may participate in the hearing or vote if beneficially interested, directly or indirectly, in the decision other than generally as a member of the Association.
- E. The appellant may be represented by legal counsel or any representative appointed by him/her if the Committee is notified at least ten (10) days prior to hearing.
- F. A member of the Board of Directors representing the majority view of the Board of Directors shall be the party to present the case of the Board.
- G. The hearing may be phonographically or stenographically reported at the sole expense of the party requesting same.
- H. The hearing will be open to any homeowner unless requested in writing to be closed by the appellant at least ten (10) days prior to hearing.
- I. The parties shall have a right to present and examine witnesses, to introduce exhibits and to cross examine witnesses.
- J. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely on in the conduct of serious affairs.

Factors to be considered in the decision

In arriving at its decision, the Appeals Committee shall be concerned whether the decision under appeal: 1. Is consistent with the Articles of Incorporation; Covenants, Conditions & Restrictions; Bylaws; Rules and Resolutions of the Association; 2. Is in the best interest of the Association and legally sound. 3. In the light of evidence presented, is a reasonable restriction upon the rights of the appellant.

Adopted 13 Feb 79

Three members, elected at the annual meeting. Board members can not nominate.

BRIARWOOD GREENHAVEN

APPEAL COMMITTEE PROCEDURE

I. TIME FOR APPEAL

- A. An appeal shall be filed with the Chairman of the Appeals Committee, or in his absence with any member of the Committee, no later than the 10th day following receipt by the appellant of the written decision of the Architectural Control Committee or, in the case of an appeal from the action of the Board of Directors, no later than the 10th day following the taking of such action.
- B. The time for filing of an appeal may be extended for good cause by majority vote of the Committee, provided however, that no extension may exceed 30 days from receipt of the decision or the taking of the action appealed from.

II. FORM OF APPEAL

Each appeal shall be in writing and signed by the appellant and shall contain the following:

- A. An attached copy of the decision appealed from or a description of the action appealed from, including the dates thereof.
- B. A clear and concise description of the relief sought.
- C. A clear and concise statement of the grounds for the appeal.
- D. A clear and concise statement of all pertinent facts upon which the appellant believes he is entitled to the relief sought.

III. INFORMAL INVESTIGATION AND CONCILLIATION

- A. Upon receipt of an appeal, the Chairman shall forthwith refer it to a committee member for review and investigation.
- B. The assigned member shall confer with the appellant and attempt to find a basis for the reconcilliation of conflicting viewpoints. If successful, such member shall request that the Architectural Control Committee or the Board agree to accept a voluntary remand for the purpose of considering the proposed compromise. The member's written findings and recommendations shall be transmitted to the body accepting the remand.
- C. If the voluntary remand is accepted no further proceedings shall be had by the Committee until the decision on remand has been rendered or action on remand is taken.
- D. If the decision or action or remand is acceptable to the appellant the appeal shall be terminated.
- E. If the decision or action on remand is not acceptable to the appellant, the appellant, not later than the 10th day following receipt of the written decision or the taking of action, may request a formal hearing before the Appeals Committee. This time may not be extended.
- F. The assigned member shall make his written findings and recommendations within 20 days of receipt by the Committee of the appeal unless such time period is waived in writing by the appellant.

IV. FORMAL APPEAL PROCEDURE

- A. If the assigned member is unable to recommend a basis for reconcilliation or a voluntary remand is not accepted or the decision or action on remand is not acceptable to the appellant and timely request is made therefor, a hearing shall be held by the Committee.
- B. The hearing shall be held and a written decision rendered by the Committee within 30 days of receipt of such request, unless such time is waived in writing by the appellant.
- C. The Committee Chairman shall preside over the hearing.

- D. A majority of the Committee shall constitute a quorum.
- E. The decision on appeal shall be by majority vote of those members present and voting. Only committee members present throughout the hearing may vote.
- F. No member may participate in the hearing or vote if beneficially interested, directly or indirectly, in the decision other than generally as a member of the association.
- G. The appellant may be represented by legal counsel or any representative appointed by him in writing.
- H. The hearing may be phonographically or stenographically reported at the sole expense of the party requesting the same.
- I. The hearing will not be open to anyone other than the appellant and his witnesses unless authorized to be open by the appellant in writing.
- J. Each party shall have the right to call and examine witnesses, to introduce exhibits and to cross-examine opposing witnesses.
- K. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs.
- L. In arriving at its decision the Committee shall determine whether the decision or action appealed from:
 - 1. Is consistent with the Articles of Incorporation; covenants, conditions and restrictions, by-laws and resolutions of the Association.
 - 2. In the light of the evidence presented is a reasonable restriction upon the rights of the appellant.
 - 3. Is in the best interest of the Association.
- M. The decision of the Appeals Committee shall be binding upon the Association.