

AGM #5 Meeting Notes

June 24, 2011

| Date | Start | End | Next Meeting | Prepared By | General |
|-----------|---------|--------|--------------|------------------------|---------|
| 6/24/2011 | 5:30 pm | 7:45pm | Tbd | Secretary to the Board | |

| Purpose | Location | Next Location |
|---------------------|----------------------|----------------------|
| 5 th AGM | San Mateo Club House | San Mateo Club House |

| Board Members Present: | Staff Present: | Other: |
|---|------------------|--------|
| Tony Mooney, President James Norwood, Board Chairman | Property Manager | |
| Apologies for Absence: R.B. Schillinger | | |

Members Present:

| Unit # | Name | Unit # | Name | Unit # | Name |
|----------|-----------------------|--------|---------------------------|--------|----------------|
| 3 | Suzanne Funsch | 51 | G. Hoeglund / P. Lissaman | 121 | Dianne Wright |
| 4 | Jennifer Cole | 67 | Larry Clark | 162 | Yvonne Rigatti |
| 6 | James Norwood | 68 | John Damgaard | 173 | Tina Richards |
| 11,49,56 | Celia and Al Castillo | 69 | Fred DeCastro | 185 | Judith Hodell |
| 12 | Ed Zendel | 84 | Judy Casper | 191 | Joel Harkow |
| 13 | Barbara Mellers | 92 | Stephen Newhall | 195 | Susan Walters |
| 17 | Jill Bardwell | 108 | Nancy Perlman | | |
| 22 | Lori Hogan | | | | |

Proxies Received:

Louis Weller: 9 (Cecily Drucker Units 25-32, Margarat Propora #105)
Judy Casper: 2 (June Gondek #106, Pamela Krisco #170)
Dianne Wright: 1 (Rebecca Tallman #202)
Sarah Wallace: 1 (Caleb Clark #8)

James Norwood, Board Chairman called the meeting to order at 5:30pm.

A quorum was determined.

Approval of AGM Minutes from March 24, 2010

As the minutes were circulated and there were no questions, Tony Mooney moved for approval. James Norwood seconded. The minutes of the 2010 AGM were approved unanimously by all participants.

DISCUSSION ITEMS

Appointment of Ex-Officio Officer, Finance

The board confirmed the appointment of Dianne Wright as the ex-officio officer of finance at their meeting on 4/26/2011. Dianne Wright then introduced herself to members. She explained the role she has been asked to perform for the HOA which is to serve as an independent third party who reviews the financial activities and books of the HOA. She reported that the first task she undertook was to review bank statements from 2010 and 2011. Her main objective was to verify that the developer is indeed contributing

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monthly to the HOA and that nothing is being paid back to the developer. She said she feels comfortable that money received is being utilized for HOA-related expenses. She also reviewed the capital reserves fund and confirmed that monies are being transferred monthly to this account and that the balance is growing. She investigated check-writing procedure and reported that invoices are approved in the HOA office and then sent to a CPA for payment. She added that the fact that no checks are written in the office represents an appropriate separation of duties. She said that even though she did not perform an audit, the records in her estimation are adequately transparent. She will continue her investigation over the next few weeks. Questions regarding HOA financials can be addressed to Dianne at dgwems@me.com.

Discussion: J. Casper questioned how Ms. Wright was appointed to this position. J. Norwood responded that an action stemming from the last AGM where the HOA's financial process was questioned. The experience and background of D. Wright made her an ideal candidate for the position. J. Casper expressed concern that the homeowners had not been informed of this decision. J. Norwood reiterated that the appointment was made at the last board meeting and was not up for vote by homeowners. It was resolved to send out notifications of board meetings to all homeowners via email. G. Hoeglund suggested that meetings should be scheduled at the beginning of the year. It was noted that with board member's schedules, it has proved very difficult to find a day where everyone can attend. Board members emphasized that homeowners will be informed of future meetings via email. Management will send test emails to all owners to confirm that email addresses are current and working. Those that have no emails will receive hard copies. Upon consensus, homeowners approved the appointment.

10th Amendment to the Declaration

After lengthy discussion, the 10th amendment was approved by the body of the meeting. Homeowners recognized that it was in the best interest of the developer and current property owners that the complex maintains Fannie Mae approval to ensure that the sales process is not interrupted.

Financials

J. Casper inquired about the role of the security company. It was explained that the security service is a good deterrent and a protection mechanism for homeowners. It was recommended that in the case of a major security event, homeowners need to call the police in the first instance. It was also mentioned that residents should call security on the weekends when there are pool issues. Their number is 505 **995-0440**.

A proposal to approve the 2011 budget as presented was approved.

Insurance

It was reported that the HOA's insurance premiums were recently increased. This increase was a result of various water damage claims during the past year. A proposal to reduce premiums was presented and after discussion, a deductible of \$6000 per claim was ratified.

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Capital Reserves

The capital reserves are currently \$76,000. G. Hoeglund asked if this is considered adequate. It was confirmed that the goal is \$100,000 by the year end and the long-term reserve projections are considered adequate to cover major repairs over the next 5-10 years.

A brief discussion centered on the possibility of bringing the landscaping services in house to save money. Management advised that if the pilot scheme is successful this service will be the responsibility of the HOA maintenance staff. Savings resulting from dispensing with the Landscaping company will be transferred to the reserve account.

NEW BUSINESS

Water Billing

Discussion centered on various complaints pertaining to billing and customer service. Management confirmed that due to delinquent homeowners and renters there is a significant deficiency in income.

The concept of bringing the water collection service in house was discussed. Consensus revealed that a decision on this aspect would best be deferred to allow EBS to improve collections.

At the same time, members confirmed that ALL homeowners are 100% responsible for water. If there are delinquencies with tenants, then the homeowners association will look to owners for recompense as they will not pursue renters.

A motion was passed that all outstanding accounts be presented to homeowners who will be expected to pay delinquent bills. Management has been instructed to be vigilant in pursuing homeowners who are delinquent as it is unfair to expect the homeowners association, and by extension homeowner's to absorb and subsidize delinquencies. At this time it was agreed not to publish the names of delinquent owners.

Delinquent Dues

It was reported that there are very few issues with delinquent dues except three units that are in foreclosure. Management has placed a lien on these units and expects to collect dues balance in full, past water, late fees etc. when the units sell.

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Compactor

Homeowners are particularly pleased with the cleanliness in the compactor area which is a credit to the maintenance crew. Of major concern is the abuse of the facility by outsiders who drive into the complex to dispose of their garbage, usually over weekends.

A solution proposed of keying the gate was not accepted as it was felt that this would cause more problems than it would resolve. It was recommended that homeowners be vigilant and inform security and/or police when they witness anyone abusing or misusing the common areas.

Pet Policy

It was suggested that management draft a new pet policy. Suggestions: additional doggie stations, limiting size of dogs and breed of dogs, ensuring that all dogs have appropriate shot records and imposing a \$200 non-refundable deposit for ALL pet owners.

AOB

The following were brought up as additional ideas/improvements for the property:

- Suggestion to install lights in the mailbox area.
- Management to consider implementing a non-smoking policy in the complex.
- In each breezeway it was suggested to add a receptacle for people to discard their cigarette butts.
- Lights at the front entrance gates could be improved.
- Removal of dead trees.

Hot Tub

Due to continuous misuse by residents and ongoing maintenance issues, it was unanimously decided to remove the hot tub from the pool area. The issue will be revisited at the next Board Meeting.

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