

**Holiday Estates Maintenance Association
Board of Directors Meeting
July 19, 2007**

Board Members

John Milner	President
Eva Schaffer	Vice President
Tessy Albin	Treasurer
Nancy Schultz	Secretary
Sandor Drobilisch	Director/Marina/Roads and Ditches
Harris Hall	Director/Architectural Committee (absent)
David Frazer	Director/Annexation and Sewer Committee
Frank Blenn	Director/Beautification Committee

Others Present

Tim Dillon	Access Association Services, Inc.
Eight	Homeowners

Item I Call to Order

John Milner, Board President, called the meeting to order at 7:00 p.m.

Item II Agenda Review

Following additions to the agenda were made:

- lower meadow report to Beautification;
- marina parking to Roads and Ditches;
- movie in the meadow to Beautification; and
- management RFQ to Other Business

Motion made, seconded and approved to accept the Agenda as amended.

Item III Open Forum

Homeowners in attendance discussed the following issues with the Board of Directors:

- A. A homeowner on Holiday Drive reported his driveway has been damaged several times by residents speeding in the community. As a result of the damage to his property, he is requesting the Board consider speed bumps in order to reduce potential property damage.
- B. Additionally, the homeowners are concerned with a Lot specifically that it has a substantial amount of weeds and dead tree branches creating a fire hazard and is requesting assistance from the Board in cleaning up this property.
- C. Another homeowner in attendance reported that a sewer leak erupting on his property, but belonging to another lot within Holiday Estates, is creating significant problems. Sandor Drobilisch, the Roads and Ditches Chairperson, has been working with the city of Morgan Hill to ascertain the location. The leak has been uncovered and the city of Morgan Hill has been contacted to try and resolve this matter.

Item IV Consent Agenda

- A. Minutes of the April 19, 2007 Board of Directors meeting were approved as submitted;
- B. Minutes of the April 19, 2007 Executive Session were disputed by Director Frank Blenn. Although Frank was not in attendance at this meeting, he disputed the language contained in the minutes and requested that the Association go on record with the comments to the Associations' legal counsel. President John Milner stated that since Frank was not in attendance, that the minutes clearly reflected the discussion held by the Board membership. The minutes were approved as submitted and without change.
- C. Correspondence and Work Order Summary's approved as submitted.

Item V Committee Reports

Financial Report – Tessy Albin

- A. Tessy Albin expressed dissatisfaction with the financial reports submitted by Management, specifically in regards to the investment accounts and the maturity dates on the certificates of deposit that Management admitted were incorrect.
- B. Additionally, Ms. Albin stated that the cash financials provided by Management do not reflect the adjustments from the Associations CPA at the conclusion of their review.
- C. Management commented that the financials will be reviewed and every effort made to comply with all of Tessy's requests provided she put them in writing and clearly defines the changes and/or corrections that she is requesting. Ms. Albin agreed to do so.

Architectural Report – Dave Frazier

- A. The committee reviewed blueprints from 3420 Blue Grass Court. Motion made, seconded, and approved to accept the proposal provided the color matches the existing home.
- B. 17401 Lakeview Dr. - request to replace the asphalt driveway with concrete was approved as submitted.
- C. 17241 Quail Court – the committee reports construction on this lot has started and no architectural request has been received.
- D. The Board requested that Chairperson Harris Hall follow-up with the homeowner at 17115 Holiday Drive in regards to the fire hazard and removal of materials.

Beautification – Co-chair, Frank Blenn

- A. Frank reported that he met with the irrigation technician at the lower meadow and reviewed the programming of the controller. Frank stated that as a result of this meeting, the irrigation has been properly set.
- B. Lengthy discussion ensued regarding parking on the access road to the marina. Suggestions to resolve these problems ranged from installation of bollards to installing large boulders to prevent parking on this area. Dave Frazer and John Milner discussed reviewing the location and pricing of boulders and will report back their findings to the Board.
- C. Additional discussion ensued regarding the movie in the meadow. There are plans for three movies this year and the committee is requesting permission to install a port-a-potty. Lengthy discussion ensued regarding the removal of a potty system and not wanting to have the equipment on-site for long periods. Motion made, seconded, and approved to allow a port-a-potty not to exceed \$75.00 with the provision that the equipment is removed within 24 hours.
- D. Gophers are being reported in the lower meadow causing significant damage. Management was to obtain the eradication of the gophers and are e-mailing to the Board upon receipt.
- E. Renovation of the wooden front entry sign and planter – A variety of suggestions on the removal and/or replacement of the sign was discussed. Frank will obtain bids on renovating the sign and report back to the Board.
- F. Management was directed to follow-through with the installation of flowers in the planter box at the front entry.

Roads and Ditches – Sandor Drobilisch

- A. Sandor provided a summary of road repairs on the Associations interior streets. It was noted that this proposal also contains budgetary information for the private streets in the community. The Associations' responsibility for road repairs and seal coating were estimated at \$496,000. After a brief discussion, a motion was made, seconded and approved to have the Roads Committee proceed with all of the suggested crack seal and

slurry seal with the exception of: Holiday Court at \$48,300; Raccoon Court at \$25,000; and Holiday Drive North at a cost of \$320,000 for asphalt overlays. This would bring the cost of the road project to approximately \$100,000 plus striping as cast. Motion made, seconded and approved unanimously.

- B. Bids for ditch cleaning - the Board reviewed the only two bids for the cleaning of the roadway ditches provided by the committee. Gamino at a cost of \$725 per month and Coast Landscape Services at a cost of \$2,910 per month. After a brief discussion, motion made, seconded and approved to terminate the existing contract with Donaldos Gardening and to approve the contract with Gamino Landscape at \$725 per month.
- C. Additional discussion ensued regarding road clearance from trees and shrubs alongside the road. Dave Frazer commented that a 15' height clearance should be maintained on all of the Associations' roads. Management will provide bids from the Association arborist on tree pruning and removals going into the winter season.

Communication Committee – Nancy Schultz

Nancy reported that the newsletter was mailed in June for the spring/summer.

Sewer and Annexation – David Frazer

Dave reported that the committee received a written response from the city of Morgan Hill that the new study will be available in a few weeks and they will call a meeting with the homeowners in late summer or early fall.

Item VI Other Business

- A. Bank Change – Management reported that the operating and reserve checking accounts are being moved from San Jose National to Pacific Western Bank and that, as a result of the change in banks, that the members will be able to pay their assessments online using credit cards and the Association will be receiving higher interest rates on their basic money market accounts.
- B. Bid request for electrical repairs at the main entry were submitted from T. E. Nichols Construction. Dave Frazer requested a site meeting with Mr. Nichols and if the proposal from Tim Nichols meets with his approval, he will contact Management to proceed.
- C. 17096 Shady Lane Lot Merge – Lengthy discussion ensued regarding the request from the prior owner to be reimbursed for six years of assessments on the second lot that was merged into his current lot. The homeowner cited a statement in the Associations' By-Laws that the assessments are charged for each building site, without regard to square foot area... President John Milner stated that based on the CC&Rs, that the assessments are based on lots and are applicable to "each" building site. It is John's opinion that the reference to size is to clarify that dues are not variable according to area like taxes are, but rather are based on the individual building sites or lots, as defined and recorded in the Tract Maps. Therefore, voluntary merge of two lots or building sites into one would still require payment based on two individual lots. Additionally, the new owner should be billed accordingly. Motion made, seconded, and approved to decline the request for reimbursement and to have Management re-establish billing on this for two individual lots.
- D. Prescriptive Easement - Legal opinion from Jeff Barnett is that closing of the road for a period of time will not protect the Association from a prescriptive easement. Dave Frazer suggested that Jeff be asked the question "what can the Association do to protect it from a prescriptive easement"?
- E. Homeowner requests – 17164 Copper Hill Drive; 17245 Blue Jay Drive and 17471 Holiday Drive – lot owners are requesting that the Board waive the \$35.00 final notice fee for non-payment of their annual assessments. After a brief discussion, a motion was made, seconded, and approved to deny the request in all three cases, the homeowners are responsible.

- F. Management RFQ – President John Milner reported that he had received the RFQ from Tessy Albin and Frank Blenn for the purpose of reviewing management proposals. John commented that he had also sent the ECHO Management Evaluation Form to all of the management companies, rather than the RFQ from Tessy, since the ECHO form was more thorough. John reported that bids have been received from several of their requested companies and that he expects to receive at least four in total. John stated that since two of the Officers of AMS are also officers at HEMA, that a conflict of interest would prevent the Board from soliciting AMS for a proposal. Further, that since Frank and Tessy would be reviewing proprietary information from other management companies; they should be excluded from all discussion on management proposals. The remaining Board Members will discuss management RFQ's via e-mail.

Item VII Next Meeting Date

The next Board of Directors meeting will be Thursday, September 20, 2007 at 7:00 p.m. at Ramada Inn.

Item VIII Adjournment

There being no further business before the Board, the meeting adjourned at 9:42 p.m. to Executive Session.