

**Holiday Estates Maintenance Association
Board of Directors Meeting
October 23, 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
David Frazer	Director/Annexation and Sewer Committee
Frank Blenn	Director/Beautification Committee

Others Present

Tim Dillon	Access Association Services, Inc.
Two	Homeowners

Item I Call to Order

The Board of Directors meeting was called to order at 7:04 p.m. by John Milner, Board President.

Item II Agenda Review

The Agenda Review was approved as submitted.

Item III Open Forum

Dave Albin discussed his opinion that the Board of Directors should honor term limits. Additionally, Dave restated his concerns regarding the ethics policy from the October 18, 2007 Board of Directors meeting; and that the policy, in his opinion, favors the current management company.

Item IV Consent Agenda

- A. Minutes of the July 19, 2007 and October 18, 2007 Board of Directors meeting were approved as submitted.
- B. Correspondence and Work Order Summary from the October 18, 2007 Board of Directors meeting were approved as submitted.

Item V Committee Reports

Financial Report – Tessy Albin

At the October 18, 2007 meeting, Tessy presented management with a question regarding the Open Space funds showing a negative balance. The CPA has not yet addressed this issue, so no motion was made to approve the financials at this meeting.

Architectural Report – Harris Hall

17160 Holiday Drive – Management provided a copy of the cease and desist letter and has referred the matter to legal counsel. It was noted that the homeowner had started the wrought iron fence installation.

Communication – Nancy Schultz

The Newsletter announcing the election results will be scheduled for November 16, 2007. Additionally, management will arrange to have the 2007 financial review mailed to the membership.

Committee members will please submit articles for review on or before November 9, 2007 for publication in the Newsletter.

Sewer and Annexation – David Frazer

Dave confirmed that the city of Morgan Hill should be producing the written report within the next few weeks.

Item VI Other Business

- A. Prescriptive Easement – Motion made, seconded and approved to proceed with recording the documents recommended by legal counsel and to purchase and install three traffic signs stating the civil code requirements at the entrance to the community, at the fire gate on Lori, and the cul-de-sac at the end of Holiday Drive.
- B. Motion made, seconded and approved to increase the ditch cleaning contract for Gamino Landscape from \$725.00 a month to \$835.00 per month based on the revised scope of work.
- C. A lengthy discussion ensued regarding the Ethics Policy as proposed at the October 18, 2007 Board meeting. After further review, Tessy Albin suggested that the Ethics Policy be separate from the Revolving Door Policy. Frank Blenn concurred that they should be two separate policies. The remaining Board Members disagreed primarily based on the fact that a single policy would be the most effective way for homeowners to understand the reasoning for adopting the policy. Motion made, seconded and approved by a vote of six in favor and two opposed to keep both the Ethics Policy and Revolving Door Policy as a single policy and to mail the proposal to the membership for review and comment at a Board meeting to be held on Thursday, November 29, 2007.
- D. 2008 Budget – a lengthy review of the proposed 2008 budget resulted in a motion to approve a 20% increase in the annual assessments for 2008.
- E. Tree clearance and dead tree removals – Three bids were reviewed for clearance and removal: Lewis Tree at \$27,500; True Green at \$28,000; and Tree Teck at 25,650. After a lengthy discussion, motion made, seconded and approved to accept the proposal from Tree Teck at \$25,650 and to offer a \$5,650 deposit and four payments of \$5,000 to be released as the project continues. Sandor Drobilisch and Dave Frazer volunteered to review the tree removals as detailed in the contract. Tree Teck will remove up to ten dead trees during the course of this work. Sandor and Dave will provide management with the appropriate locations slotted for removals.

Item VII Next Meeting Date

The next meeting is the annual meeting scheduled for November 15, 2007; and a special meeting for review and comment on the Ethics Policy on November 29, 2007.

Item VIII Adjournment

There being no further business before the Board, the meeting adjourned at 8:55 p.m. to Executive Session.

Item IX Executive Session

Motion was made, seconded and approved to record a notice of default on: 729-43-023; 729-36-014; 729-33-008; and 729-39-031.

Motion was made to adjourn the Executive Session at 9:15 p.m.