Holiday Estates Maintenance Association
Board of Directors Meeting
February 28, 2008

Board Members

John Milner	President
Dave Frazer	Vice President
Tessy Albin	Treasurer
Gregg Potter	Secretary
Sandor Drobilisch	Director/Marina/Roads and Ditches
Harris Hall	Director/Architectural Committee
Frank Blenn	Director/Beautification Committee (absent)
Jess Macias	Director

Others Present

Tim Dillon	Access Association Services, Inc.
Eight Homeowners	

Item I Call to Order

The Board of Directors meeting was called to order at 7:00 p.m. by John Milner, Board President.

Item II Agenda Review

The Board approved the agenda as submitted.

Item III Board Hearings

17815 Holiday Drive – Homeowner submitted a written request for reimbursement due to water damage to his home during the January 4, 2008 storm that flooded most of Morgan Hill. The homeowner stated that the flood damage in his home resulted from failure by the association to maintain the ditch in front of his house.

Prior to the Board hearing on this matter, the Association received a letter from the homeowners attorney suggesting that if the Board of Directors do not approve Mr. McMahon's claim, that this letter will serve as a formal request to "meet and confer" under civil code 1363.840.

President, John Milner opened the hearing offering Mr. McMahon an opportunity to speak. Mr. McMahon stated that his letter of January 13, 2008 and attorney letter of February 27, 2008 represent his position. John Milner had several questions in regards to the claim, specifically asking if cleaning of the ditch the day before the storm would be considered reasonable, Mr. McMahon agreed that it would. Sandor Drobilisch commented on his actions during his site visit to McMahon's property on the day of the storm. Sandor indicated and provided photos that the only debris collected in the ditch at the leaf grate, was from the redwood tree on the homeowner's property which was removed immediately upon his arrival. Sandor also stated that the ditch was not overflowing. This matter ended after a lengthy discussion between the owner and members of the board. The board advised the homeowner that due to the inclusion of the homeowner's attorney, that they would confer during Executive Session and most likely

turn the matter to legal council for review. The homeowner was advised that he will receive a written response by Friday, March 8, 2008.

17241 Quail Court – Parking Violations
Homeowner was not in attendance. As a result of the correspondence submitted on the parking violations, the Board authorized the immediate towing of the vehicles when parked on the roadway.

17890 Holiday Drive – Architectural Violations
The homeowners were present to discuss the installation of a chain link fence on the property placed against the asphalt roadway on their lot. Homeowners contend that the fence was erected as a safety issue in regards to their children and further that the CC&Rs do not specify that chain link fencing is not allowed in the community.

The Board of Directors commented that the issue remains that the homeowner never requested architectural permission to install the fence prior to commencing the project, thus the location of the fence creates a safety hazard for pedestrians and the materials used for the chain link fencing are not in keeping with the general appearance within HLE as required by the architectural guidelines (2001) and CC&Rs. Additionally, architectural committee members met with the homeowner's during the construction and stated that the owner was asked to cease and desist pending architectural review. The homeowner's response to the request was to continue the project without approval. This matter also ended after a lengthy discussion between the homeowners and the Board members and was referred to Executive Session.

Item IV Open Forum
Homeowners in attendance had the following issues at Open Forum:

A. A request to publish and post signs in the community advising homeowners not to feed the deer and turkeys as it is against the law and results in the increase in animal predators in the community.
B. A homeowner commented on the previous two board hearings and the degree of animosity between the homeowners and the Board members and suggested that the Board members be more sensitive to the homeowner's issues.

Item V Consent Agenda
The Consent Agenda was approved as submitted.

A. Minutes of the November 29, 2007 Board of Directors
B. Correspondence and Work Order Summaries.

Item VI Committee Reports
Financial Report – Tessy Albin

A. Tessy presented a review of the December 31, 2007 and January 31, 2008 financials.
B. Tessy commented that the current financials were received the same day as the board packet and requested that she receive the financials prior to submitting to the entire board.
C. Additional questions in regards to the excess income from the operating account to reserves had not been completed. Management commented that $18,000.00 has been transferred to the reserves account; the remaining $24,000.00 will be transferred upon closing of the SJNB account equaling $42,000.00 in excess income. Tessy requested

that the excess income should be $46,678.70. Additional questions on the financials will have to be researched. Management will provide the information as requested.

D. A motion was made, seconded and approved to accept the December 31, 2007 financial report and to table the January 31, 2008 financials to the March meeting.

Architectural Report – Harris Hall

A. 17305 Lakeview Drive – water line installation completed. The bond will be returned to the homeowner.
B. 2946 Holiday Court – issue regarding the neighbor at 17770 Holiday Drive in regards to site drainage was addressed by the homeowner in attendance. The Architectural Committee will submit a letter to the homeowner requesting architectural submission on his driveway the site drainage and the covering of the sewer line.
C. 17321 Lakeview Drive – Harris recommended approval of the request to collapse a swimming pool.

Communication – Gregg Potter

A. Gregg reported on a homeowners request to replace the damaged bump sign and an additional request to replace the street sign for Lori Lane. Gregg will follow-up on these items.
B. Gregg also commented that he will be working on the newsletter and hopes to have a first draft to the Board by March 15, 2008 with plans on mailing by the end of the month.

Sewer and Annexation – David Frazer

A. Dave reported on the activities of the committee over the past several months commenting that several meetings have been held with governmental agencies, congress people and senators and the committee has been very active in these matters. However, at this time, there is little activity in obtaining funding for these projects and the committee is currently trying to locate an advocate to file the appropriate paperwork with the governmental agencies to assist homeowners financially.
B. Sandor presented information on a product that has been approved by Santa Clara County as well as other California counties that can be installed in septic tanks to rejuvenate that and prevent red tagging. The company is requesting additional information to solicit homeowners. The Board suggested placing a link to the manufacturer on the website as an alternative solution.

Roads and Ditches – Sandor Drobilisch

A. Sandor gave a brief report on the storm damage starting with the January 4, 2008 storm, stating that several ditches had been blocked from debris carried down the roadway and cleared utilizing a contractor that provides horizontal drilling of the blocked storm drains. Further, Sandor reported that Jose Gamino's monthly contract to maintain the ditches continue and no problems have been reported since the January storm.
B. Sandor reported there are still 14 locations that could have gratings installed to prevent blockages. John Milner suggested tabling this project pending further discussion.
C. Sandor also commented that the City of Morgan Hill currently maintains the 61 light poles in the community. However, the City does not have a budget for maintenance. The cost to paint the existing poles is approximately $600.00 per fixture. The Board

suggested drafting a letter to the City of Morgan Hill requesting that they maintain the lights.

Beautification – John Milner

A. John discussed a proposal to lower the valve boxes in the lower meadow that currently sit 3-5" above ground. Management had the landscape contractor investigate and reported that 15 of the boxes can be reset at a cost of approximately $200.00. However, three of the current valve boxes cannot be lowered without lowering the irrigation valve. The Board suggested contacting the installer to see if the issue can be addressed under the warranty; and if not, to proceed with the lowering of the valves utilizing Donaldos Gardening. A motion was made, seconded and approved to accept this proposal.
B. A bid to remove the cattails from the pond was discussed at a cost of $600.00. After a brief discussion, a motion was made, seconded and approved to proceed with the project as the water line lowers as approved by a vote of six in favor and one opposed (Frazer).
C. Entry Lighting bid – Dave Frazer commented that a bid was received last year to replace the lights at the front entry. This item was tabled until the March meeting.
D. Meeting signs – Dave reported that an "**A"** frame meeting signs can be purchased at a cost of $95.00 each and placed at the front entry to notify homeowners of pending Board meetings. After a brief discussion, motion made, seconded and approved to purchase one meeting sign at a cost of $95.00. The item passed with a vote of six in favor and one opposed (Milner).

Item VII Other Business

A. Management meeting with 17000 Holiday Drive – Management provided a detailed call log and summary of a recent meeting with the homeowners in an effort to establish approval for removal and repair of the damaged trees on the association's property. The meeting with the homeowner resulted in a difference of opinion on the property line for the association and the homeowner. The homeowner believes that their property line is the edge of the asphalt pavement areas, while the associations plot map shows the associations property 30' from the center of the roadway. The meeting ended with the homeowner's refusal to accept this premise and the homeowner statement that no work can be done on their property without their permission. A brief review of this situation between the Board members resulted in a motion being made, seconded and approved to obtain bids to survey the property line location for the association and the homeowner.
B. The proposal from Allen and Cook for a financial audit of 2007 at a cost of $5,000.00 was approved unanimously by the Board of Directors.

Item VIII Next Meeting Date

The next Board of Directors meeting is scheduled for Thursday, March 20, 2008 at Ramada Inn at 7:00 p.m.

Item VIII Adjournment

There being no further business before the Board, the meeting adjourned at 9:22 p.m. to Executive Session to record resolutions for notice of default, and to address board hearing requests.