

SUGARLOAF HOMEOWNERS ASSOCIATION

Minutes of the Board of Directors' Meeting

October 23, 2007

ORDER

The meeting, which was held at the office of PML Management Corporation, was called to order by Bob Kiss at 5:31pm. Other directors present were Larry Connell, Miles Dooher and Frank O'Neill. Director Mark Broche was absent. Homeowner Walter Capaccioli was also present, but arrived after the Open Forum had been conducted. Sabrina Davis and Greg Fox represented PML Management.

OPEN FORUM

No issues were brought by homeowners to the board for open forum.

AGENDA APPROVAL / CALENDAR REVIEW

The Agenda and Calendar were approved as amended. The November meeting was rescheduled to Monday, November 19 at 5:30pm.

APPROVAL OF PREVIOUS MEETING MINUTES

On a motion duly made, seconded, and passed by unanimous vote, the Board approved the September 25, 2007, Board of Directors Minutes as amended.

REPORTS

Treasurer – Greg Fox reported that overall the Sugarloaf finances are in good health, although a small transfer of funds from the reserve account into the operating account will need to be made. Mr. Fox then briefly reviewed the September 30, 2007 financial statement. Mr. O'Neill stated that he recommends having the owner dues payment to be made directly to PML Management's office in San Mateo and not to the lock box in San Diego. On a motion duly made and seconded, the Board approved all owner dues payments to be sent to PML Management's main office in San Mateo. The aging report was then discussed; Mr. Fox stated that he would verify the accounts where credits are shown. Mr. O'Neill reminded PML that the Board must review and approve any delinquency letters before they are mailed to owners. Mr. Kiss reminded everyone that the agreement with PML requires that the PML manager for SHOA must provide a final check before any dues delinquency letters go out to mail. It was agreed that further investigation is still warranted to confirm accuracy of the aging list. Homeowner Walter Capaccioli reported that owner Coffey has passed away and the son periodically picks up the mail. Mr. Capaccioli stated that he would volunteer to receive and deliver any dues letter to Coffey's son. The Board agreed that, if a letter is warranted, the letter would be mailed to the son as well as have Mr. Capaccioli hand deliver the dues letter. In reviewing the financial statement, Mr. Kiss wanted to know why administrative charges were over budget by 50%; Mr. Fox stated that it was mainly due to legal services, such as for drafting the revised Bylaws to account for changes in state law.

The Board reviewed the draft financial statement for the period ending 9/30/07 as follows:

	Month	Y-T-D	Budget	Variance
Total Revenue	996	136,524	123,848	12,676
Total Maint. & Repairs	18,226	83,742	51,156	1,624
Total Landscape	0	0	0	15,250
Total Utilities	1,749	12,320	8,091	4,229
Total Admin. Expenses	2,940	45,406	33,417	11,989
Total Reserve Expenses	1,553	1,953	12,336	(10,386)
Total Expenses	24,468	143,422	105,000	22,712
Total Assets		270,882		
Total Liabilities		25,997		
Total Fund Balances		244,905		

OPEN FORUM (After arrival of Mr. Capaccioli)

Owner Mr. Capaccioli reported that Mr. O'Neill spoke with him about a potential sprinkler project. Mr. O'Neill stated that he wanted to give an opinion and stated that it is really important to keep the dues low and said that from what he sees, they will be going up but the Board has done a good job in keeping them low so far. Mr. Capaccioli stated that the sprinklers by his unit weren't working properly for a long time until Mr. Lee has fixed them. He stated that if the Board is looking to replace the system as a whole, he is against it. He is only for repairs and not replacement, and that if the Board is looking to replace the system as a whole, then it should be put to a vote by the homeowners (note that the Association's Bylaws stipulate what types of issues and expenditures must be brought to a homeowner vote). Mr. Dooher stated that the Board only has a plan so far to have someone come into evaluate the system. Mr. Kiss stated that no decisions have been made.

REPORTS

Landscape – Mr. O'Neill reported the owner of 3401 Chris Lane wanted the tree in the backyard cut down to the fence line. Mr. O'Neill reported that it is an Association tree and if it is not dead, the Association will not cut the tree to the fence line. Mr. O'Neill stated that he wanted Mr. Lee to trim the branches from the owner's back patio, but the owner will not let Mr. Lee gain access to their back patio to trim the branches as that is the only way to cut the branches. The Board agreed to look at the tree again and report back to the owner. Mr. O'Neill then gave a report based on the monthly landscaping chart provided by Mr. Lee.

Public Safety / Parking – Mr. O'Neill reported that there is no issue with public safety. It was also stated that the PML is to continue sending parking violation letters as necessary.

Architectural Control Committee – Mr. Kiss reported that approximately 60% of the owners who received a letter based on the 2007 Audit Report have either completed the work or are scheduled (approved ACC project forms) to do the work. Mr. Kiss stated that the committee is in the process of confirming the true number of owners who have and have not completed the work via a follow-up audit and will report the findings at the next meeting. He stated that there are likely some owners who have completed the work, but have not submitted the Architectural Request form for approval.

UNFINISHED BUSINESS

3.1 Restatement of the Governing Documents – Action on this item has been tabled until the next regular Board meeting. All Board members were asked to review the revised Bylaws draft and communicate any questions to John Garvic so that the Board can be fully prepared to render a decision at the next Board meeting.

3.3 Website – Mr. Kiss reported that Mary Beth Wilson is making good progress on the Sugarloaf website; www.sugarloafhoa.org. Mr. Kiss stated that he paid for the domain name and for the hosting site. Mr. Kiss said that he has paid for a year at a cost of \$104.47 for the hosting site and the domain

name. Mr. Kiss reported that Mary Beth Wilson will have something for the Board to review within one to two weeks.

8.1 Large Tree Pruning – action on this item has been tabled until the next regular Board meeting after the contacted arborist issues his findings.

8.3 Irrigation System – Mr. Dooher reported that he and Deborah McGraw went on a two hour walkthrough of all of the irrigation timers. He reported that Mrs. McGraw was supposed to make a map of the irrigation timer locations and send a copy to Mr. Lee and Mr. Cozzolino. To date, neither has received the map. Mr. Dooher stated that Mr. Cozzolino has submitted a proposal to evaluate the irrigation system and report all findings, such as upgrades or system repairs and replacements and what can be done to make the system run better. On a motion duly made and seconded, the Board approved the hiring of Mr. Cozzolino to perform the evaluation, at a cost not to exceed \$1800. Mr. Connell suggested that the irrigation evaluation report should be compared to the irrigation inventory estimates in the Trower Reserve report.

8.4 Towing of Cars – The Board reported that they will continue to monitor complaints. No further action was taken.

9.1 2008 Budget – Mr. Fox explained briefly the 2008 Budget and the difference of the Budget with funding the reserve account and without funding the reserve account and its potential impact on the dues. The Board reported they will review the budget, make and submit changes to PML.

9.2 2008 Annual Meeting – The Board stated they wanted to submit the vote for the Governing Documents to the homeowners the same time as the Annual Meeting. PML will need to plan for this to happen in terms of getting the appropriate paperwork ready for the upcoming mailing. No further action was taken.

NEW BUSINESS

10.1 New President – on an action duly made and seconded, Mr. Kiss was voted into Presidency.

PENDING ITEMS

Denali HOA – No report was given, only a review of the documents provided.

2007 Audit – Action on this item was tabled until the next regular Board meeting.

Reserve Study – Action on this item was tabled until the next regular Board meeting. The Board is waiting for a reply from Trower. PML also stated they would follow up with Trower.

CORRESPONDENCE REVIEW

There was no correspondence to review.

ADJOURNMENT

It was noted that the next Meeting date has been changed to November 19, 2007 to be held at PML Management at 5:30pm. There being no further business, the Meeting was adjourned at 7:15pm.

Respectfully submitted,

Sabrina Davis
PML Management Corp.