

LOS PASEOS HOMEOWNERS ASSOCIATION BOARD MEETING

June 7, 2006

In Attendance:

Daniel Bilkey Paz Bilkey Juan Dominguez Damon Holst Jenn Holst Cheryse Triano
Chris Roberts

Susan Kind Tim Nemeth Jona Denz-Hamilton Gizelle Lamb Helen Gardin Maria Preciado
John Godwin

Ford Sandberg Pete Hernandez Jerry Amaro

The meeting was called to order at 7:03 p.m. The May 2006 minutes were reviewed and approved. (Chris motioned to approve; Cheryse seconded the motion. All approved; there were no objections.)

Items Discussed:

Financial Balances:

- a. Checking: \$10,418.87
- b. MRA: \$105,492.81
- c. Wadell and Reed: \$82,066.48 (transferred \$10,000 from MRA to Wadell and Reed)

Items from the Floor:

- a. Paz and Daniel Bilkey asked the Board for permission to install solar panels and to remove two trees from the front of their property. The Architectural Review Committee recommended to the Board to allow for the installation of the solar panels, under the condition that the panels are installed prior to the removal of any trees. Additionally, the Architectural Review Committee recommended the removal of only the right, front tree (facing the house), nearest the front, right corner of the house, pending the City of San Jose tree removal process as the base of this tree is greater than 56 inches in circumference (measured two feet from the ground). The Architectural Review Committee did not recommend the removal of the left, front tree (facing the house) as this tree posed no interference to the normal operations of the solar panels and would thus be an unnecessary removal. Additionally, the left, front tree is greater than 56 inches in circumference and would be subject to the City of San Jose tree removal request process before any removal action could be considered or taken. The Bilkeys then stated that the left, front tree posed a structural problem to the integrity of the house and they would provide documentation to the Board to validate their claim. The Board will reconsider their request to remove the left, front tree upon receipt of said documentation.
- b. Juan Dominguez thanked the Board for providing information regarding the additional homeowner's insurance that is required when homeowners rent the clubhouse.
- c. Maria Preciado was concerned with autos that block thoroughfare in the alley. This has become a recurring problem and the Board is considering different actions to resolve, including towing actions. CCR violation notices will be placed on cars blocking passageway in the alley.
- d. Ford Sandberg provided an update on the landscaping progress he is making on his front yard.

Old Business: Nothing to report.

New Business:

- a. Architecture Committee Report. The Committee is pleased to report that the letters to the homeowners regarding CC&R violations appears to be having a positive affect as repeat violations are occurring less frequently.
- b. Rental Agreement Policy. Non-member renters of the LPHOA clubhouse must provide a copy of their insurance within two weeks of providing their deposit which states that the renter is carrying the required amounts of coverage and listing LPHOA as "additional insured". See the

LPHOA website for applications and additional details.

c. Financial report.

i. The goal for this year is to paint the interior and exterior of the clubhouse, and to remove and replace the clubhouse flooring. Sufficient funding is allocated in the reserve. There was some discussion of enlisting the help of volunteers to help with the painting effort in order to minimize costs. More details to follow.

d. Grounds Report.

i. Gizelle received a bid of \$2,200 to remove the decorative, non-load bearing walls in front of the clubhouse, and repaint. She is expecting another bid.

ii. Gizelle is looking into bids to make repairs to the wood benches.

iii. Gizelle has received two bids to repave the parking lot, and may receive one other bid. She is considering surface durability issues before making a recommendation to the board.

iv. Gizelle received one bid to make repairs to the sports court. There was some discussion regarding the installation of a lock box to allow members' access to the sports court beyond the present access of the summer pool months only.

v. The water leak was repaired in the volleyball court. Bids will be sought to determine the cost to resand the court in order to make it useable again.

vi. There was some discussion about erecting some type of barrier to block the sight of the dumpster container that sits in plain view in the clubhouse parking lot. The barrier would be constructed of either redwood, or a chain link fence with wooded slats. Bids will be solicited.

vii. There was some discussion of purchasing a marquee, announcement-type sign for in front of the clubhouse. This sign would be used to advertise LPHOA-related events.

e. Pool Report.

i. Jerry drained and acid-washed the baby pool, which greatly improved its appearance.

ii. There was some discussion regarding the diving board. The discussion raised the questions as to whether the board was an additional cost to the Association's insurance policy, and how often was the board used. We will attempt to compare our policy to Rancho Santa Teresa

f. Gardener Report.

i. The landscaper informed Gizelle that it will cost approximately \$1,200 for repairs to the sprinkler system; the same cost as the other assessment.

ii. It will cost \$5,000 to remove one dead tree and the stump, prune seven trees, and raise the canopy on other trees. Gizelle requested a motion to proceed. The company is insured and licensed. (Chris made the motion to proceed, Tim seconded the motion. All approved; there were no objections.)

g. Office Report.

i. Rental Report. 5 dates for June.

ii. Welcome Committee: There were three home sales and new member packages delivered.

iii. Assessment status: 4 homeowners have yet to pay their yearly dues. Collection actions authorized per the LPHOA bylaws have commenced.

iv. The report completed by the CPA regarding the tax-exempt status of the Association was briefly discussed. The CPA determined that our present type of tax filing was adequate regarding our associate members' income. She recommended the Board consider filing a private letter ruling with the IRS to determine if the income from the associate members could be treated as "membership income" and therefore not subject to income tax. She also recommended that should we gain such approval from the IRS, that we then consider the potential transfer tax liability as well as the cost of applying for tax exemption under IRC 501(c)(7) against the expected annual tax liabilities currently assessed against the Association for associate members' income.

h. Social Activities:

i. Spring Flea Market- June 4th. Cancelled due to less than 20 spaces reserved.

ii. Family Fun Nights: July 15, August 19, September 30.

With all business concluded, the meeting was adjourned at 9:15 p.m. (Tim motioned to approve; Chris seconded the motion.)

