

THE GLEN OF PACIFIC GROVE
HOMEOWNERS ASSOCIATION

BOARD OF DIRECTORS MEETING

May 18, 1998

36 Glen Lake Drive

Pacific Grove, CA

MINUTES

- 1.0 CALL TO ORDER: 5:00 pm
- 2.0 ROLL CALL:
Jack Rutherford Present
Glen Grossman Present
Diane Hardcastle Present
Mark Risley Absent with notice at 6:05 pm
Chuck Adams Present
Charlotte Mosel MCC, Manager, Present
Also Present: Wolfgang Haas & Virginia Capra
- 3.0 AGENDA REVIEW, RESIDENT REQUESTS, CONSENT CALENDAR
APPROVAL: Add: 5.05 Annual Audit, 5.06 Budget/Dues Increase, 5.07 Bank
Signature Card Resolution, 5.08 Resolution, 5.09 CD, 7.01 ECHO Seminar
Update and 7.02 Reserve Study. No resident requests.
- 4.0 APPROVAL OF PREVIOUS MEETING MINUTES:
4.01 Minutes - April 8, 1998. On motion made by Grossman, seconded by
Adams, and carried, it was resolved to approve the minutes as presented.
- 5.0 REPORTS:
5.01 Delinquency Reports - 2.28.98 & 3.31.98
5.02 Financial Reports - 2.28.98 & 3.31.98
5.03 Bank Statements - 2.28.98
It was noted that the 3.31.98 bank statements were not received.
5.04 MCC Billing Report - 1.31.98, 2.28.98 & 3.31.98
On motion made by Grossman, seconded by Adams, and carried, items 5.01
through 5.04 were accepted as presented subject to audit.
5.05 Annual Audit: The Board was provided with a copy of the annual audit
from CPA Blake. The Board has questions with respect to certain

language in proposed letter to owners and also questions where the CPA came up with dollar amounts used. This will be deferred until the next budget meeting. Defer. OPEN ITEM.

5.06 Budget/Dues Increases: This item will be deferred to the June 1, 1998 budget meeting and review of the reserve study. Defer. OPEN ITEM.

5.07 Bank Signature Card Resolution: On motion made by Grossman, seconded by Rutherford, and carried, it was resolved to approve the Resolution attached as Exhibit "A".

5.08 Resolution: On motion made by Grossman, seconded by Hardcastle, and carried, it was resolved that the Association would reimburse Rutherford for the purchase of pizza for this meeting.

5.09 Certificate of Deposit: On motion made by Grossman, seconded by Hardcastle, and carried, it was resolved to place \$50,000 on a 90-day Certificate of Deposit and that the balance of funds from previous CD be placed in the money market account.

6.0 UNFINISHED BUSINESS:

6.01 Roof Repair & Flashing: Waiting for letters from roofing contractors regarding the condition of the roofs. Defer. OPEN ITEM.

6.02 Paint: No response has been received to letter sent to Saleh Company by the Association. Rutherford reviews with Board the Saleh contract and what it states. The Board feels that the painting was not completed properly and that this will cause further deterioration and additional costs to the Association and that the matter should be presented to an attorney. On motion made by Grossman, seconded by Adams, and carried, it was resolved to have Management prepare a final demand letter to Saleh Company, stating the Association has had contractors review the painting job and that it appears it wasn't completed per the contract. Saleh is to come to the property to complete the job no later than June 15, 1998, with the work being completed no later than July 16, 1998. If Saleh does not complete the contracted work, the Association will have no other alternative but to contract with another company to have work completed as soon as possible to prevent further damage to the buildings. The Association will seek all remedies available to them by law for reimbursement of costs from the Saleh Company. President Rutherford will have an attorney send the letter on attorney's letterhead. Defer. OPEN ITEM.

6.03 Committees: Welcoming Committee: No one present; report attached as Exhibit "B".

Gardening Committee: No one present; report attached as Exhibit "C". Board noted that the trees at the property should be maintained at a level that can be reached by the regular landscapers. President reads a letter dated May 6, 1998 from Property Services, Garden Maintenance regarding the removal of the turfed areas; attached hereto as Exhibit "D".

Rules & Enforcement: No one present; no report.

Architectural Control Committee: Wolfgang Haas is present. On motion made by Grossman, seconded by Adams and carried, it was resolved to appoint Jane Small to this Committee; members now are Haas, Johnson and Small. With respect to #16 and the butterflies they have attached to their unit: Haas reads a letter dated May 4, 1998 received from these owners requesting the butterflies be allowed to stay; Haas recommends the Board let the 30 day period pass within which the Committee must approve the architectural request. Then the installation request would be deemed accepted. Motion made by Adams, seconded by Grossman, to advise the owners to remove the butterflies. Motion fails for lack of majority.

Board requests Management to contact an attorney to present the question of what is considered "exclusive use common area" with respect to the patios and landscaped areas behind each unit. Some owners have extended their patios into these landscaped areas; has this set a precedent? Also, can spas be installed, can residents install lawn-type items in the landscaped areas, ie birdhouses/feeders and can they landscape the common areas next to the pond? In addition, some owners have installed fences which can block common area entrances. On motion made by Adams, seconded by Grossman, and carried, it was resolved to approve funds not to exceed \$275.00 to have an attorney research these questions. Defer. OPEN ITEM.

6.04 Insurance: On motion made by Grossman and seconded by Adams, and carried, it was resolved to ratify the decision made by the Board at their special May 5, 1998 meeting (called by President Rutherford) with respect to the entire liability and property insurance for the Association. That is to go with the proposal from KBK Insurance for a total yearly premium of \$20,641, with \$5,000 deductible on property and 10% deductible on earthquake insurance. Member Hardcastle would like it noted that she was not advised of the special May 5, 1998 meeting. CLOSED ITEM.

7.0 NEW BUSINESS:

7.01 ECHO Seminar: Members Adams and Grossman give a brief synopsis of the April 25, 1998 ECHO Seminar held in Carmel. To name a few items, it was noted that every three years Associations should have a full audit, not just a review, also session on what an Association should require when entering into a contract, opportunity to schedule a training session for board members on how to run an effective meeting, and rule enforcement should be by a third neutral party and not board members. They recommend this ~~meeting~~ ^{Seminar} very highly.
CLOSED

7.02 Reserve Study: Member Grossman will contact CMA who prepared the most recent study and request they run the schedules using a 3% inflation factor instead of 4% and see what the numbers are (it seems that most reserve study companies are using 3%). The Board will then decide at a later date as to which percentage to go with. Defer. OPEN ITEM.

7.03 Invoice Approval: On motion made by Adams, seconded by Grossman and carried, it was resolved to approve the following invoice: Property Services, 5.5.98, \$228.86, for irrigation. CLOSED ITEM.

8.0 CORRESPONDENCE:

8.01 General Correspondence: None.

8.02 Board Correspondence: None

9.0 ADJOURNMENT

9.01 Schedule Next Meeting: June 1, 1998, 5:00 pm in unit 36 for the purpose of budget preparation.

9.02 Adjourned at 9:21 pm

Please sign in black ink only and line out unused signature spaces.

BANK-DEPOSITOR AGREEMENT
Corporation/Unincorporated Non-Business Association
DEPOSIT AGREEMENT

TO: Union Bank of California, N.A. ("Bank")

The organization agrees that the deposit account(s) opened by it with Bank is/are listed on the reverse and is/are governed by this Agreement and the terms and conditions of Bank's disclosure brochure and Bank's schedule of fees and charges; that the brochure and schedule have been received; that the terms, conditions, fees and charges may be amended from time to time by the Bank on reasonable notice; and that accounts opened hereafter and listed on the reverse are subject to the terms, conditions, fees and charges of Bank then in effect.

Number of Signatures Required:	Special Signing Instructions:
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Prepare and mail statements as follows:

According to Bank's schedule. At the end of the month. Hold; if not called for in 60 days, then mail. Bank is not responsible for statements lost in transit.

By Jack Rutherford (SIGNATURE) By _____ (SIGNATURE)
Title Jack Rutherford, President (CONTRACTING OFFICER) _____ (CONTRACTING OFFICER)

FORM BANKING RESOLUTION

RESOLVED, that this organization open an account or accounts with Union Bank of California, N.A. ("Bank") and that the President, Secretary, Treasurer, Vice President, Assistant Secretary or Assistant Treasurer, any two acting together ("Contracting Officers"), are hereby authorized to establish such accounts upon such terms as shall be agreed upon by the Contracting Officers with Bank.

RESOLVED FURTHER, that

TYPED NAME AND TITLE	SPECIMEN SIGNATURE
1. Jack Rutherford, President	<u>Jack Rutherford</u>
2. Diane Hardcastle, VP	<u>Diane Hardcastle</u>
3. Glen Grossman, Sec/Treasurer	<u>Glen Grossman</u>
4. Mark Risley, Director	<u>Mark Risley</u>

(LINE OUT UNUSED SPACES)
5. Chuck Adams, Director Chuck Adams
be and they are authorized, acting in such number as the Contracting Officers shall direct, to withdraw funds from any such account in any manner as shall be agreed upon by the Contracting Officers with Bank including by means other than drafts.

RESOLVED FURTHER, that the authority hereby conferred shall remain in force until notice of revocation of it by resolution of this organization shall be received by Bank at the office where the account is maintained or as Bank shall otherwise direct.

CERTIFICATION OF RESOLUTION

The undersigned, the Secretary or Assistant Secretary of this organization, hereby certifies that the foregoing resolutions were duly adopted by the governing body of this organization and are now binding on the organization and in effect; that all signatures or initials appearing on this card are those of the persons authorized in accordance with the resolutions; and that the Deposit Agreement is the binding obligation of the organization.

Date 5-17-78 Signed Glen Grossman
Name Glen Grossman
Title Sec/Treasurer

Exhibit "A"

000005

Exhibit "C"

Exhibit "B"

WELCOME COMMITTEE UPDATE
MAY 4, 1998

I HAVE MADE SEVERAL ATTEMPTS TO PRESENT CHERYL & JOHN HOSKINS, #50 THEIR WELCOME BASKET. I DID GO BY AND PERSONALLY MEET THEM AND HAD ASKED THEM TO CONTACT ME WHEN THEY FELT SETTLED. I HAVE NOT HEARD ANYTHING BACK FROM THEM. I HAVE MADE AT LEAST 5 TO 8 VISITS IN THE PAST TWO MONTHS. SO AT THIS POINT I WILL JUST HOLD ONTO THEIR WELCOME GIFT UNTIL I HEAR FROM THEM.

I HAVE NOT HAD AN OPPORTUNITY TO MEET THE NEW PEOPLE IN #84 AS YOU HAD INFORMED ME THAT WE HAD NEW TENANTS. I HAVE BEEN WORKING FULL TIME TEMPORARILY FOR THE PAST THREE WEEKS SO MY TIME HAS BEEN LIMITED. I WILL MAKE AN ATTEMPT THE WEEK OF MAY 10TH TO MEET THEM AND THEN WILL GET TOGETHER WITH MY COMMITTEE.

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Exhibit "C"

GARDENING COMMITTEE

MAY 4, 1998

#17 - THEY HAVE ASKED THAT A BRANCH BE CUT IN THE BACK OF THEIR UNIT THAT HANGS OVER INTO THEIR YARD. I HAVE LEFT A MESSAGE WITH SUSAN. AS OF TODAY, I RECEIVED ANOTHER CALL THAT THEY WERE STILL WAITING. I ADVISED THEM THAT SUSAN HAS BEEN QUITE BUSY NOW BUT I WOULD PUT ANOTHER CALL INTO HER. WHICH I DID.

#42 - THERE IS A DEAD BUSH NEXT TO THEIR FRONT DOOR THAT NEEDS TO BE REPLACED. I ADVISED SUSAN AND SHE SAID SHE WOULD REPLACE ON HER NEXT TRIP TO GILROY WHERE SHE CAN BUY HER PLANTS CHEAPER. AS OF THIS DATE THIS BUSH HAS NOT BEEN REPLACED.

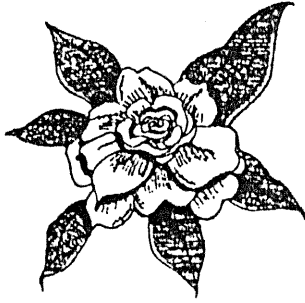
#84 - THIS NEW TENANT HAS REQUESTED THAT SOME PLANTS BE ADDED TO THE BACK OF THEIR UNIT, WHICH FACES THE CREEK. PER MY CONVERSATIONS WITH YOU IN THE PAST, THE TENANTS ARE RESPONSIBLE FOR THE PLANTS IN THE BACK OF THEIR UNIT. SUSAN IS USUALLY WILLING TO PLANT FOR THE TENANTS. AS OF THIS DATE I HAVE NOT MET WITH THE NEW TENANTS DUE TO MY RECENT CRAZY SCHEDULE BUT WILL ATTEMPT TO MEET WITH THEM NEXT WEEK. I HAVE APPRISED SUSAN OF THEIR NEEDS.

OUR COMMITTEE NEEDS TO GET TOGETHER AND WALK THE PREMISES TO DISCUSS REMOVAL OF GRASSES IN CERTAIN COMMON AREAS. SOME OF THE AREAS DO NOT GET THE PROPER DRAINAGE AND SOME OF THE SMALLER COMMON AREAS CAN BE REPLACED WITH SHRUBS, ETC.

I AGAIN APOLOGIZE FOR SOME OF THE RECENT DELAYS.

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Exhibit "D"



PROPERTY SERVICES

Garden Maintenance

P.O. Box 1315
Carmel Valley, CA 93924
(408) 659-0131

Susan McDonald-Brodey
CA Lic. 524767

May 6, 1998

The Glen of Pacific Grove
Homeowners Association
Glenlake Drive
Pacific Grove, CA 93950

Dear Board Members:

Despite the many problems caused by an unusually rainy winter, one positive result has been savings in the need to irrigate the landscape at the Glen. Irrigation has been on an as-needed basis during periods of dry weather. It has been suggested that, to conserve water, turf areas be removed. Because this is a large and costly undertaking, I'd like to mention some of the factors which should be considered.

Removal of the turf areas will alter the general visual impression of the area, altering the impression of continuity and unity provided by the repetition of turf segments.

To remove the turf in a particular area, the entire upper layer, containing grass, roots and soil, must be cut and removed. This will remove top soil. Dumpsters will be needed to dispose of this debris. This removal can be accomplished by hand or with a backhoe.

Each area, once bare, will need, then, new top soil, removal of the existent irrigation designed to irrigate turf, and replacement of that with drip components. Each area needs to be designed, plants purchased and planted. Mulch to conserve moisture is recommended.

A further suggestion to increase water conservation is a professional water audit to ensure proper use of existing irrigation, and a comprehensive check of the system to discover water wastage, which almost certainly exists. The wood chip mulch which we are currently applying to shrub and tree areas is intended to conserve moisture in the soil to reduce the need for irrigation and retard weed growth.

Sincerely,

Susan McDonald-Brodey

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