

MINUTES

STONEMARK AT LOS MORROS HOMEOWNERS ASSOCIATION
MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, FEBRUARY 25, 2009 6:00 PM
AT THE ASSOCIATION'S CLUBHOUSE

HOMEOWNER OPEN FORUM:

Introductions were made and homeowners present were given an opportunity to speak and ask questions of the Board. Homeowners present raised the following issues:

- Discussion of roof leak and mold issues
 - Roofer inspected 4 units that had leaks
 - Roofer gave recommendations to do further inspection, but stated that there were no leaks present.
 - Patio above 3x2 units and flowerboxes identified as possible sources of leaks.
 - PRES explained the difference between emergency repairs versus large repairs and capital expenditures and stated the requirement for prior approval from the Board of Directors prior to the commencement of major financial undertakings.
 - Homeowner of the following units reported roof leaks: 69, 61, 53, and 37.
 - PRES took contact information from two Homeowners who listed specific concerns and stated that pictures may be needed in the future.
 - Rocio and Ozzie Ulloa #69
 - Scott Greenwood #61
- Question from Homeowner regarding a temporary parking permit for guest.
- Question from Homeowner regarding number of units foreclosed
- Questions from Homeowner regarding liens and action being taken to collect Aged Receivables.
- PRES explained creation of community website which will make the following items available:
 - Monthly Financial Statements
 - Insurance Declaration & Certificate
 - Automatic Withdrawal Form
 - Board Meeting Minutes
 - CCRs, Bylaws, Articles of Incorporation
 - Sign-up section on website for the purpose of quick communication between Homeowners, the Board of Directors, and Management.
- PRES announced future meetings of the Board of Directors to take place on the second Wednesday of each month at 6:00 PM in the Association's Clubhouse.
- Homeowners Forum was Adjourned

CALL TO ORDER:

- The main meeting of the Board of Directors was called to order by the Association's President at 6:45 PM.
 - A quorum of the Board of Directors was met.

DIRECTORS PRESENT:

President: Nicole Jones

Vice President: Patricia Hasen

Secretary: Theresa Lally

Treasurer: Walid Romaya

Director: Jesse Nunez

PACIFICA REAL ESTATE SERVICES (PRES):

Mirko Marrone, Kimberly McBryde, Peter Bower

REVIEW OF FINANCIAL STATEMENTS:

- PRES presented the Board of Directors Packet and asked if there were any changes or recommendations to be made.
- PRES explained that the financial statements included were received from the former management company, and at the next Board of Directors Meeting the packet will contain PRES financials.
- Discussion and review of January Financials.
- The Treasurer made a motion to approve the January Financial Statements and all were in favor.
- The following discussion took place between the Board of Directors and PRES regarding the financials:
 - PRES confirmed that the operating funds under a Pacific Western Bank Account have been transferred to another Pacific Western Bank Account under PRES.
 - Discussion of Reserve Bank Account:
 - PRES recommended the removal of funds from this account to a Money Market Account with Union Bank bearing 2.7% to 2.9% interest.
 - PRES will bring proposals to next Board of Directors Meeting of examples of CD's and Money Market Funds.
 - Director inquired about the status of the insurance policy coming due in February 2009.
 - PRES confirmed that insurance policy has been renewed
 - The term of the new policy is from February 1, 2009 to February 1, 2010. Building Limit is \$11 Million, Worker's Comp is \$100,000, Sewer Backup is \$25,000, and Employee Dishonesty is \$150,000. The policy also includes a \$2 Million limit per occurrence and a \$4 Million aggregate limit and a \$1 Million Umbrella Policy with a \$2,500 deductible.
 - Discussion regarding Repayment Plan to Reserves
 - Repayment plan may not exceed 12 months unless extenuating circumstances arise.
 - PRES to get info on loan.
 - PRES to put on agenda for next Board of Directors Meeting to put 30% down towards repayment of loan and follow with \$1,200 per month until loan paid off.
 - Discussion regarding \$37,000 insurance claim of which \$33,000 was paid by the Association for repairs in order to not make insurance claim.
 - PRES to ask prior management company (Transcontinental) for more information.
 - PRES proposed a hold on monthly contribution to reserves of \$5,323 per month for three months until financial state of Association can be determined
 - Discussion followed and the Board of Directors decided on the following:
 - Essential to continue putting money into reserves on a monthly basis as a matter of principle.
 - \$17,000 that needs to be paid back is a separate issue.

- A 50% reserve contribution from February through April 2009.
- All board members were in favor

NEW BUSINESS:

- The Treasurer made a motion to approve the management contract with Pacifica Real Estate Services was made and all were in favor.
- The Vice President made a motion to approve the proposal for the website for the community in two (2) payments, and all were in favor.
- The Treasurer made a motion to approve the proposal by Fitzgerald and Associates for the 2008 tax return and review of financials and all were in favor. Proposal was signed by the treasurer.
- The Board of Directors discussed but did not approve the proposal to repair the front gate.
 - PRES to research whether a card reader system would work with the new motherboard that the Board of Directors is considering installing.
- The Board of Directors discussed recharging the fire extinguishers around the community.
- The Board of Directors reviewed the 12 months of history for the water and sewer for the community and discussed options for reducing consumption.
 - Remove water pickets
 - Letter to Homeowners
- The Board of Directors discussed options for reducing the trash expense and decided to change the number of dumpsters from (9) 3-yard trash bins costing \$2,336.53 monthly to (7) 3-yard trash bins costing \$1,747.34 monthly saving a total of \$589.19 per month.
- The Board of Directors discussed the security patrol and voted to stop the service. All were in favor.

ADJOURMENT:

- The main meeting of the Board of Directors was adjourned at 8:15 PM.

Submitted by:



Peter Bower

Pacifica Real Estate Services, Inc.

CERTIFICATION BY SECRETARY:

Theresa L. Lally, am the duly appointed Secretary of Stonemark at Los Morros Condominium Association, and hereby certify that these minutes were approved by the Association's Board of Directors on 3-11-09 (DATE).

Theresa Lally
Duly Appointed Secretary
Stonemark at Los Morros Condominium Association