



**Hiddenbrooke Property Owners Association, Inc.**  
**Annual Meeting Minutes**  
**June 24, 2009 – 7:45 PM**

**1. Call to order at 7:45 pm—Joyce Estes**

Board President Joyce Estes outlined the purpose of the meeting and indicated there would be a slide presentation on power point.

**2. Introductions**

Board President Joyce Estes introduced the Board members and Committee chairs.

**3. Quorum Verification**

Vicki Idlor confirmed that there were 139 voters present personally or by proxy, sufficient for a quorum.

**4. Nominations/Election of 2009-2011 Directors**  
**Ian Forsyth – Ed Pryal – Doug Eeten – Kevin Dement**

Four Directors, identified above, had been proposed by the nominating committee and had agreed to be nominated. The floor was opened to any other nominations and there were no nominations from the floor. The Directors were elected by a show of hands (9 voters who had not submitted written ballots, voting to elect the nominated Directors) and counting of 130 paper ballots that had been turned in (voting to elect the nominated Directors).

**5. HPOA Purpose**

Board President Joyce Estes explained that HPOA is a IRS Section 501(c)(4) corporation that does not own common area. It operates as a California corporation and is not an HOA. It is founded to enforce, through the Covenants, Conditions and Restrictions (CCRs) in property deeds architectural control, and to promote the maintenance, preservation, recreation, health, safety and welfare to the benefit of homeowners in Hiddenbrooke.

**6. 2008-2009 Accomplishments**

The dues structure allows HPOA to accomplish its tasks. There are about 800 hours of paid work done. This includes maintaining a property roster, despite a number of homes turning over, and writing letters re violations of the CC&Rs. 10 agendas were posted on the web announcing meetings of the Board of Directors.

## 7. **Financial Condition**

The financial picture of the organization was reviewed. The funding is sound. Dues this year will stay at \$55, with no Cost of Living Adjustment, although the governing documents permit this. Ending cash balance is about \$70,000 for the organization. The goal is to reach about \$100,000. This would hopefully eliminate any risk of needing to ask for an assessment of members. There is about \$15,000 in accounts receivable as of 5/09, and the Board is investigating collection options.

## 8. **15 Day Program/Foreclosures/Vacant Homes**

This year HPOA started a 15 day notice program re foreclosed properties that were not being maintained by banks owning properties as well as other vacant homes. 12 homes with weeds growing were mowed and the bank/owners charged. Unfortunately, when water is shut off and the lawn dies, HPOA is not in a position to order water turned back on.

## 9. **CC&R Violations—Reporting & results**

Dave Caldwell reported that 197 courtesy letters were sent out in the last year. Most incidents of CCR violations were remedied in response to the first written notice. 23 final notices were sent out. 3-4 incidents resulted in fines. One case went to a hearing before the HPOA Board.

## 10. **Staying in Compliance**

Plans for 18 landscapes were reviewed and approved this year, some with changes or suggestions. The CCRs do not permit landscaping front yards with white rock, red rock, or sierra red rock, nor with red mulch. If there is an issue with landscape, or color change of a home, check with HARC to find out about design guidelines, which are also posted on the web site. Complaints about neighbors leaving trash cans out, using non-permitted bark, installing palm trees (which are not allowed as the types of trees allowed are covered in the design guidelines) and weeds should be directed to Dave Caldwell.

## 11. **Web site/documents**

The web site has been upgraded. It includes governing documents, the CC&Rs, and design guidelines.

Desiree Conley pointed out that the web site includes a guide for real estate agents, title officers, etc. This has driven a lot of the traffic on HiddenbrookeOnline.org recently. It also provides owners, old and new, with information about the organization, its committees, upcoming meetings, etc. HPOA also maintains a database with current ownership information for the 1100+ homes in the valley. Welcome letters are sent to new owners directing them to the web site.

## 12. **Hiddenbrooke TIMES—Published each March, June and Sept.**

Since HCA stopped printing a paper copy of Neighbors, HPOA started publishing a newsletter to make sure HPOA information gets to all homeowners.

### 13. Real Estate Taxes – How to request a reduction and get help

Joyce Estes advised that the HPOA web site has helpful information for homeowners who wish to challenge their property tax assessments, with the necessary forms and records of comparable sales to support requests for reduction in assessed value for property tax purposes.

### 14. Election Report

Vicki Idlor reported the count of 130 handwritten ballots and 9 verbal votes supported the election of four directors identified in Item 5, above.

### 15. Questions

Hiddenbrooke Architectural Review Committee (HARC)—Jamie Clark  
15 Day Program (Foreclosures)—Kim Dowdall  
CC&R Violations—Dave Caldwell  
Valley Management Services—Desiree Conley

There were a number of questions from the floor.

**Questions:** Jim Libien raised the issue why HPOA needed to collect such a large amount of money when it was paying for insurance at a cost of \$8,000. Bob Schussel asked why a newsletter was necessary when HCA published a newsletter (now online instead of print edition) and particularly, why HPOA sold ads in the newsletter. He wondered if HPOA was “creeping beyond” what was required to enforce the CC&Rs. He wondered why an expert wasn’t retained to assess whether the funds collected were enough to cover uninsured litigation expenses. Sasha Jain indicated that he had some neighbors not in compliance with CC&Rs, and wanted to find out what steps, if any, he could take to get HPOA action. Brenda, an owner in the Orchards, indicated that some areas that were still owned by the developer and are to be turned over to the City (Hiddenbrooke Maintenance District) are not being maintained and are suffering from unsightly weeds.

**Response:** Board President Joyce Estes indicated that the funds being collected are to make sure there is a stable financial basis for HPOA’s operations, keeping in mind that the right to assess is limited and requires going back to the homeowners for a direct vote. There is an exposure to litigation not covered by insurance. Re the advertising, she indicated that HPOA has certain obligations in its governing documents to report to members, and ads are sold to help defray some of the cost, consequently keeping dues lower. As for Mr. Jain’s issue, she indicated that this had a long history, including times when Mr. Jain wanted no HPOA Board involvement and more recently, when he wanted some HPOA involvement. She indicated that the annual meeting wasn’t the best forum to discuss the issue, but that she encouraged him to attend an HPOA board meeting the following night or any subsequent meeting and the issue would be addressed. She indicated that the issue re the Orchards is that the builder and the City have not finalized an agreement for turning over the property to HMD so it could be maintained. She said HPOA would lobby the City and the builder to get this expedited, and may send a notice of violation letter to the builder to get the matter moving.

Byrne Conley spoke briefly about the organization’s history in response to Jim Libien’s question. He noted that HPOA was formed because of a gap in the documents drafted by the master developer and the City; CC&Rs were in place, but no organization to enforce them. Normally a developer would have formed the association and turned over board control to homeowners after sales were concluded. Instead, Hiddenbrooke homeowners had to form an organization to take over this

responsibility. The documents limit the right to assess, requiring direct homeowner vote, and this was done on purpose to protect homeowners from assessments.

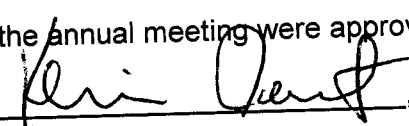
But, it also means that the organization has to have sufficient reserves to do business without counting on assessment. In fact, the first directors indicated they would not serve unless the organization was solvent and stable. Insurance does not cover the cost of bringing an action to enforce CC&Rs, and does not cover some type of cross complaints, or the cost of hiring a contractor to abate a nuisance, or perform other functions. A goal of eventually having \$100,000 in reserves was set several years ago, with the idea that a future HPOA board will consider what steps to take when the reserve target is met.

Board President Estes noted that there is a liaison committee being formed to discuss relations between HPOA and HCA, that HPOA director Chris Brittle had volunteered to represent HPOA on this committee, and HPOA was waiting to hear back from HCA on this.

**16. Meeting Adjourned 8:45 pm**

The meeting was adjourned and the next annual meeting will be held in June 2010.

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The minutes of the annual meeting were approved by the Board of Directors on 7-23 2009  
Signed: , Secretary 7-23 2009