

**STONELAKE ASSOCIATION**  
**BOARD OF DIRECTORS MEETING**  
THURSDAY, SEPTEMBER 16, 2010 AT 6:00 P.M.  
STONELAKE CLUBHOUSE  
3000 RIPARIAN DRIVE, ELK GROVE, CA 95757

**DRAFT MINUTES**

**I. CALL TO ORDER / ESTABLISH QUORUM**

The Board of Directors Meeting was called to order by Director Mihalko AT 6:03 P.M. A quorum of the Board of Directors was established.

<b>Directors Present:</b>	Director Mihalko Director Sidhu Director Tosi-Smith Director Li
<b>Directors Absent:</b>	Director Allen
<b>Management Present:</b>	Rachel Corona, Community Manager

Note - Member Shirley Ng asked if she could video record the meeting. The Board said that she could audio record the meeting but not video record. Member Mark Buckman objected to the Board's decision to not allow video recording. This was briefly discussed and the Board President stated that the Association would seek legal advise regarding the Association's options on this matter.

**II. RULES ADVISORY PANEL (it is noted that this items was moved from Item III on the Agenda to Item II)**

The Board of Directors discussed the creation of Rules Advisory Panel and the Rules Advisory Charter.

**Motion:** Director Tosi-Smith      **Second:** Director Sidhu      **Vote:** All In Favor  
**Resolution:** The Board approved the creation of the Stonelake Parking Rules Advisory Panel. The panel will be composed of Stonelake Members who will review and provide feedback to the Board for a revised draft parking rule, which will include modification to allow driveway parking. Panel Members will be provided with a Charter.

**Motion:** Director Sidhu      **Second:** Director Li      **Vote:** All In Favor  
**Resolution:** The Board outlined the following items for the Parking Rules Advisory Panel Charter:

- Term - September 16, 2010 to October 14, 2010
- Purpose / Task - provide the Board with recommended changes to the existing parking rules, which will allow driveway parking, encourage off street parking, and address parking enforcement (provide enforcement mechanisms). The proposal cannot conflict with the Stonelake CC&Rs.
- A report is due back to the Board at the October 14, 2010, Open Meeting.
- Five Members must be present to establish quorum
- The panel Chair must attend and organize all meetings

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**III. ADVISORY PANEL CHAIR STATEMENTS**

The Board called for statements from Members that were interested in serving as a Chair to the Parking Advisory Panel. Member Kami Browning provided expressed her interest in serving as a chair and provided a brief statement.

**Motion:** Director Tosi-Smith      **Second:** Director Sidhu      **Vote:** All In Favor  
**Resolution:** The Board selected Kami Browning to be the Chair of the Parking Advisory Rules Panel.

**IV. BUDGET FOR HALLOWEEN PARTY**

The Board discussed the budget for the annual Halloween Party. The Board asked Management to have a separate costume contest for little ones first.

**Motion:** Director Sidhu      **Second:** Director Tosi-Smith  
**Vote:** Director Li - Abstain; Directors Sidhu, Tosi-Smith and Mihalko - In Favor.  
**Resolution:** The Board approved a budget of \$800, all receipts must be submitted for accounting. Stacey Dolby will coordinate event and ask for community volunteers and donations.

**V. HOMEOWNER OPEN FORUM**

- Mark Buckman had questions regarding the Technology and Camera expenses. Are there anticipated expenses for these line items? Management provided a brief summary of the anticipated expenses for the Cameras and Technology for the Association Common Area.
- Marilyn Santiago had a question about Bad Debt - why is it \$100K and what is Earthquake Insurance? When is Bad Debt written off. Management provided an explanation about Bad Debt and stated that she would follow up on Earthquake Insurance..
- Vince Lena - Provided an update on the Security Committee Event. Asked - if the Board would consider homeowners that may not want to be recorded during the open board meetings. He also asked that Members not be allowed to speak out of turn, it is not fair to the other Members in attendance.
- El Stone - Ask for clarification on the lawsuit - was it dropped? Asked about legal fees, and who is being sued. Director Mihalko provided clarification - the lawsuit was not dropped, the Association and Director Mihalko personally is being sued. Management stated that legal fees to date were approximately \$15,000 and are anticipated to increase.
- Ila Huster- Asked if the Stonelake Panel is a mute point because of the lawsuit? Director Milhalko stated that the lawsuit is not about parking and Association can move forward with parking discussions and rules.
- Shirley Ng - mentioned that she had received a flyer after a meeting and asked if the Association sent it out. She also asked if the Board would answer specific questions

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about parking? The Board stated that they would answer questions about parking. Regarding notices, all notices that are distributed to the membership from the Association will also be posted on the website. So check the website if you receive information and are not sure if the Association sent it out.

- Vince Lena - Offered to meet with the person that is filing the lawsuit to help mediate. Told the Board to feel free to provide the person his name.
- Jan Smutny-Jones - stated that the lawsuit is about process and hopes that communication will improve. At the last meeting there was confusion about the committee. Recommends we record the meeting and put the recording on the website. Asked for clarification of process for recording the meetings. Also asked that motions and draft minutes get out to the community quickly.
- Jenny Gallegus - Asked that Management respond to emails promptly and let Members know that they are working on requests (communication both ways). Director Mihalko stated that Members should notify her via email if they are not getting response from Management.
- Member stated that houses are not being maintained - We are at the age as a community where painting and general maintenance is needed. Director Mihalko asked that the Newsletter address some of these items (like painting or big projects).
- Jan Smutny-Jones - suggested allowing Members to paint without architectural approval provided they use the same color.
- El Stone - stated that painting was discussed by the architectural committee when she was on it and they needed to take the sheen of the paint into account - not just the color. It could look bad if you use the same color and but the wrong sheen.

**VI. MANAGEMENT REPORT**

The Community Manager stated that the Board has had several Executive Session Meetings. Generally there are numerous member requests at every executive session as well as numerous violations/member discipline items. The Board also has discussed Association contracts, litigation and staffing issues. Management will provide the Membership with a list of the types of violations that have occurred at future meetings. Management also answered financial questions that had been previously submitted to her from the Board. Director Sidhu read the most current Financial Status for the membership.

**VII. CONSENT CALENDAR**

Made the following resolutions on the Consent Calendar.

**Motion:** Director Sidhu                      **Second:** Director Tosi-Smith      **Vote:** All In Favor

*The following Financial Reports were previously mailed to the Board for review.*

**Resolution:** The Board approved the financial statement and bank reconciliation dated January 2010 as presented, reflecting \$32,400 in operating funds, \$243,498.87 in reserve funds, \$183,973.33 in owner's receivable, \$3,485,923 in Other Assets and total assets of \$6,669,896.16. The statement reflects year-to-date Reserve contribution of \$86,046.62, compared to a budget of \$86,737.

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**Resolution:** The Board approved the financial statement and bank reconciliation dated February 2010 as presented, reflecting \$82,132.63 in operating funds, \$256,283.31 in reserve funds, \$155,460.38 in owner's receivable, \$3,573,589 in Other Assets and total assets of \$3,729,049.79. The statement reflects year-to-date Reserve contribution of \$25,579., compared to a budget of \$25,512.

**Resolution:** The Board approved the financial statement and bank reconciliation dated March 2010 as presented, reflecting \$149,838.33 in operating funds, \$269,097.31 in reserve funds, \$166,600.43 in owner's receivable, \$3,654,159 in Other Assets and total assets of \$3,729,049.79. The statement reflects year-to-date Reserve contribution of \$38,393., compared to a budget of \$38,268.

**Resolution:** The Board approved the financial statement and bank reconciliation dated April 2010 as presented, reflecting \$144,887.78 in operating funds, \$281,909.04 in reserve funds, \$164,289.57 in owner's receivable, \$3,658,333 in Other Assets and total assets of \$3,822,622.87. The statement reflects year-to-date Reserve contribution of \$51,205., compared to a budget of \$51,024.

**Resolution:** The Board approved the financial statement and bank reconciliation dated May 2010 as presented, reflecting \$233,049.20 in operating funds, \$294,719.34 in reserve funds, \$164,608.07 in owner's receivable, \$3,758,836.93 in Other Assets and total assets of \$3,923,445.09. The statement reflects year-to-date Reserve contribution of \$64,015.31., compared to a budget of \$63,780.

**Resolution:** The Board approved the financial statement and bank reconciliation dated June 2010 as presented, reflecting \$241,259.82 in operating funds, \$307,542.20 in reserve funds, \$165,037 in owner's receivable, \$3,758,836.93 in Other Assets and total assets of \$3,779,278.49. The statement reflects year-to-date Reserve contribution of \$76,838.17., compared to a budget of \$76,536.

**VIII. ASSOCIATION ELECTION AND SECRET BALLOT VOTING RULES AND PROCEDURES**

The Board was provided with proposed changes to the election and secret ballot voting rules and procedures.

**Motion:** Director Sidhu

**Second:** Director Tosi-Smith

**Vote:** All In Favor

**Resolution:** The Board approved the proposed amendment to the Election and Secret Ballot Voting Rules and Procedures as presented to be mailed out to the Membership for 30 day review. Director Tosi-Smith will work with Management to create a purpose and effect of the rule change.

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**Motion:** Director Sidhu

**Second:** Director Li

**Vote:** All In Favor

**Resolution:** The Board appoints Merit Property Management to be the Inspector of Election of the 2010/2011 election.

**IX. 2011 BUDGET WORKSHOP**

The Board of Directors were provided with a draft budget from Management. The Directors reviewed and made various changes to the draft budget. Some contract related items will be discussed at the next Executive Session.

**X. NEXT MEETING**

The next open meeting of the Stonelake Master Association is scheduled for Thursday, October 14, 2010, at 6:30 PM, located at the Stonelake Clubhouse.

**XI. ADJOURNMENT**

Director Milhalko adjourned the meeting at 9:18 PM.