

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Board of Directors Meeting
January 11, 1999 - Bobbie Robbins' Home

I. Call Meeting to Order

Board President, Chuck Scurich, called the meeting to order at 7:00 p.m., with all board members present.

II. Secretary's Report

Diane Reilly reported that the November 7, 1999 meeting minutes were distributed to all homeowners and residents. It was motioned, seconded and passed to approve the minutes of the December 5, 1999 board of directors meeting.

III. President's Report

The next board of directors meeting will be February 27th, 9:00 a.m., at the home of Paul and Kaye Tiao.

Repainting Spyglass Hill - The board would like to thank Basha Hanner for her help in collecting paint "punch lists" from all homeowners and preparing the final "punch list" to present to Ekim Painting. Ekim Painting Foreman, Steve, will be on the street January 12th to do all the "punch list" tasks. Painting the metal railings has been postponed until the weather gets warmer.

Chuck brought before the board a proposed Addendum to the Settlement Agreement and Release requested by W. L. Butler regarding the repainting. The board paid an attorney to review these documents. After review and discussion, the board members unanimously approved signing the Agreement and Release.

Meeting with Mike Newland - On December 7, 1998, Chuck Scurich met with Mike Newland of W. L. Butler to discuss two issues of concern to the board and homeowners, namely earth movement under a deck, and metal stair rails that have rusted and deteriorated. Mr. Newland will report back to Chuck.

New Neighbor - On behalf of all homeowners and residents, the board of directors would like to welcome Nancy Platford to Spyglass Hill. Nancy recently purchased #44.

Annual Meeting - The Annual Meeting will be held Thursday, March 11, 1999, 7:00 p.m., at the Highlands Country Club. The board encourages all homeowners and residents to attend. If you cannot attend, please complete a proxy form and return it to the Secretary, Diane Reilly, at #31, or give it to your representative to bring to the meeting. Coffee, tea and sweets will be served before and after the meeting.

IV. Treasurer's Report

Paul Tiao reported that as of this date, the overall account balance is \$144,394.

V. Landscape Report

Mary Flanders reported that she met with Richard Applebaum of East Bay Landscaping and they completed the walk through of the east and west sides of Spyglass Hill to assess paint damaged landscaping. A report will be submitted to Ekim Painting.

VI. New Business

Phil Martin (#28) came to the board meeting to inform the board of several issues he was concerned about relating to his home. The west facing sliding glass doors have leaked during the heavy rain and water has seeped down the wall and through the floor to the lower level ceiling. The front door weather-stripping was never installed properly and cold air leaks through. The deck is rippled, and there is condensation in some windows. The homeowner has written to W. L. Butler about these issues. Chuck Scurich will call Mike Newland and follow-up.

Retaining Wall - The board received a letter, dated December 8, 1998, from the homeowners at #57, expressing concern over new cracks in the retaining wall between #57 and #59. As this is common area, Chuck Scurich will contact a reputable professional to investigate and determine the possible cause, how serious it is, and what, if anything, needs to be done.

VII. Adjournment

It was motioned, seconded and passed to adjourn the meeting at 10:00 p.m.

Respectfully submitted,



Diane Reilly
Secretary

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Board of Directors Meeting
February 27, 1999 - Paul Tiao's Home

I. Call Meeting to Order

Board President, Chuck Scurich, called the meeting to order at 9:00 am, with all board members present.

II. Secretary's Report

Diane Reilly reported that the December 5, 1998, meeting minutes were distributed to all homeowners and residents. It was motioned, seconded and passed to approve the minutes of the January 11, 1999 meeting.

III. President's Report

Annual Meeting - The board discussed preparations for the 1999 Annual Meeting to be held March 11, 1999. The nominating committee does not have a full slate of nominees to serve on the 1999-2000 board of directors. Ned Flanders suggested that a questionnaire be distributed to all homeowners and residents regarding volunteering to serve as a board member and the board concurred.

Metal Railings and Earth Movement - As reported in previous minutes, there has been some earth movement under a deck and some metal stair rails have rusted and deteriorated. Chuck discussed these matters with Mike Newland of W. L. Butler last month and they are still in the process of being resolved.

Washers & Dryers in Common Area - Chuck will pursue the issue of responsibility for these machines and present a special report to the board.

Letter Regarding Insurance Cost Allocation - A letter regarding insurance cost allocation was distributed to all homeowners and residents by Fred Booker (#41). The board is open to any suggested plans from homeowners.

Lamp Post Accident - On February 21, the homeowners at #57 returned home to find that a portion of a lamp post on Hiller Drive fell down the hill and into their backyard, coming to rest against and breaking their sliding glass door. A witness reported that a moving truck, attempting to turn into Starview Drive, backed up and knocked the lamp post over.

IV. Treasurer's Report

Paul Tiao reported that, as of this date, the overall account balance is \$145,718. Paul also reported that the annual EBMUD land use permit was paid on January 19, 1999, at a cost of \$25.00.

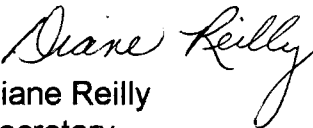
V. Landscape Report

On January 31, 1999, the homeowner at #40 distributed a letter to all homeowners and residents regarding the landscape in the common area surrounding his home. Mary Flanders reported that the issues raised were resolved by all of the homeowners adjacent to the common area. The trees will not be removed. When views are threatened, the trees will be trimmed.

VI. Adjournment

It was motioned, seconded and passed to adjourn the meeting at 12:15 pm.

Respectfully submitted,


Diane Reilly
Secretary

Draft

SPYGLASS HILL
Hillier Highlands Phase I Association
36 Spyglass Hill
Oakland, CA 94618

Annual Homeowners Meeting
Highlands Country Club – March 11, 1999

I. Meeting Called to Order

The meeting was called to order by President, Chuck Scurich, at 7:05 p.m. A quorum was established with the attendance of twenty-five homeowners and/or proxies.

II. Approval of 1998 Annual Meeting Minutes

Bob Schiff made a motion to approve the minutes of the March 13, 1998 Annual Meeting. Phil Martin seconded the motion. It was passed unanimously.

III. President's Remarks

Acknowledgments and the board's expression of appreciation on behalf of homeowners were given to neighbors who contributed their time and expertise to Spyglass Hill. Jim Douglas, who passed away shortly before the meeting, was remembered for his dedication to handling all the insurance matters for the Association. Ned Flanders was thanked for his efforts as the nominating coordinator to recruit neighbors to serve on the board of directors, and for fixing irrigation leaks throughout the year. Sue Naylor was acknowledged for participating in finding solutions to various street issues. Thank you to Steve Cobbledick for reading the water meters every month throughout the year. Thank you to Fred Booker for his work on the Reserve Study, the water usage calculations and the repair of irrigation leaks. Thank you to Basha Hanner for coordinating and supervising the painting project. Bob Schiff is appreciated for his continuing work in keeping the lights shining bright on our street. Thank you to Ed Ono for all the work he has done as our representative to CORE. Chuck Scurich expressed his thanks to the 1998-99 Board of Directors for all their hard work.

Our new neighbors, Nancy Platford (#44), and Amir and Bitu Naini (#51) were welcomed to Spyglass Hill.

IV. Painting Project

As of today, all of the houses on Spyglass Hill have been painted. The metal railings and some "punch list" items need to be done; however, our paint consultant recommended that all painting stop until the weather improves. Tricia Swift asked how long the painter's storage unit will be parked on the street. Chuck responded that painting is expected to resume April 10th and should be completed at the end of April. The storage unit will be removed as soon as the painting project is finished. Ed Ono asked about the damage to the asphalt in several areas on the street. Chuck explained that the painters tried to remove paint spills with a high-pressure washer and blew off the asphalt sealer. Ekim Painting will pay for repairing the street.

V. Change to Article VIII, Section 2 (Insurance) of the CC&R's

Upon the recommendation of Jim Douglas, who served for many years as our volunteer insurance consultant, the Board of Directors proposed changing a portion of Article VIII, Section 2 (Insurance) of the CC&R's. This change will clarify that the amount of insurance carried by the Association is meant to be enough to rebuild the units to the configuration of the 1994 building plans on file. If a homeowner makes substantial modifications or improvements to a unit, then the owner is responsible for carrying additional insurance to cover the increased cost of the upgrades.

Chuck Scurich asked for a motion to adopt the change to the CC&R's. Pat Geoghegan made a motion and Joe Hunt seconded the motion. Chuck asked if there was any discussion.

Ned Flanders and Ann Schiff helped clarify their understanding of the change. Roger Baron brought up the subject of a letter written by Fred Booker, asking the Board to consider prorating the insurance portion of the Association dues based on each unit's square footage. Tricia Swift reminded homeowners that this question did not apply to the motion being discussed. Chuck Scurich clarified that the issue brought up by Roger Baron has nothing to do with the motion to change the CC&R's and that it is an issue that will be taken under consideration by the 1999-00 Board of Directors. Ann Schiff suggested to the audience that voting on the motion as it is written does not preclude any future changes should the suggestion to prorate insurance costs by square footage be adopted, but that the motion does correct a problem that currently exists and could pose major difficulties. Ann Schiff further suggested that if some homeowners wanted to change the way the cost of insurance is shared, they could put together a proposal and present it to the Board of Directors.

Tricia Swift asked, "If a homeowner does work or makes improvements to their home with permits and then those improvements are signed off by the City of Oakland and become a matter of public record, are the improvements covered under the blanket insurance policy? Chuck responded that the improvements are not covered under the Association's blanket policy. Ann Mulligan asked for clarification about the recent remodeling improvements to her unit. She stated that it was her understanding that if there was a fire tomorrow the unit would be covered under the blanket policy only for the way it was before the improvements and that additional insurance would have to be carried by the homeowner for the improvements. Chuck stated that was correct. Ann Mulligan asked for further clarification regarding the coverage of the outside of the building where changes were made to add a dormer to her unit. Chuck stated the outside changes would also be the responsibility of the homeowner. Ann Schiff volunteered that homeowner building addition insurance (separate from loss assessment and contents insurance) is available to homeowners. Mildred Hughes said her insurance agent told her that she might need to increase her Coverage A for upgrades.

Chuck asked for a vote on the motion. The motion passed unanimously.

VI. Landscape Report

Landscape Chairperson, Mary Flanders, presented a status report. The "strip" area was planted with ivy. Although the landscaping company said that deer did not eat ivy, they do. Steps were being taken to cover the ivy with netting to keep the deer away.

The painting project required that all shrubs and trees be cut back 18" from each home. This took the gardener's time away from the usual maintenance of the common area landscaping. There was damage to the landscaping by the painters and as each home was painted, the gardener's had to clean up dead and broken plants. A walk-through was conducted with Richard Applebaum, the owner of the landscaping company, to determine what plants were damaged and would re-grow and which plants were dead and had to be removed. A claim will be presented to Ekim Painting for reimbursement. After the painting project is completed, landscape improvements will be made in accordance with the priorities established in the homeowner survey. 1) The Strip; 2) Area behind north entrance white walls; 3) Bare hillsides on the north and east sides of Spyglass Hill; and, 4) The south entrance. Phil Martin congratulated Mary on the excellent job she has done. Chuck Scurich explained that all the money allocated to landscaping in the 1998-99 budget had not been spent and that the \$3,000 not used would be rolled over and added to the money budgeted for 1999-00 landscaping.

VII. Treasurer's Report

Paul Tiao reported that the Association was financially very healthy. He pointed out that in 1998-99 the Association had a surplus of \$3,452. Looking at the profit and loss statement, he showed that the Association had an \$8.46 per month per unit surplus. The operating fund started at \$22,890 and with the \$3,452 surplus, increased 15% to \$26,342. Moving to the 1999-00 proposed budget, Paul pointed out that the Association will start out with an operating fund of \$26,342 and end up with a surplus of \$3,780. -- a 14% increase to \$30,122. That reflects a \$9.27 per month per unit surplus. He reported that at a monthly board of directors meeting the board voted to decrease the monthly dues from \$230 to \$220, effective April 1, 1999.

Bob Schiff commended Paul for the job he is doing as Treasurer and asked if he had factored in the landscaping damage claim against Ekim Painting. Paul said that he had not. Paul stated that he had factored in cost of living and inflation and that some of the numbers were arbitrary. Mary Flanders offered to itemize landscaping expenses for Bob Schiff.

Alice Lyman Westby asked why the operating fund interest income was estimated at only \$1,054 for 1999-00 when it was \$2,600 for 1998-99. Paul explained that the Association had unexpected income. The painting insurance settlement was \$148,500. This amount sat in the Association's bank account for six months, earning 4.5% interest, before it had to be paid out.

Ann Schiff asked for clarification of the landscaping budget. In the 1998-99 budget, \$3,000 of the \$7,000 amount allocated to landscaping was not spent; therefore, it will be carried forward and added to the \$2,235 allocated for Plantings and Repairs in the 1999-00 budget. The \$3,000 being carried forward is not shown in the 1999-00 proposed budget; however, when the 1999-00 proposed budget is approved it is with the understanding that the unused \$3,000 budgeted for landscaping in the 1998-99 budget will be carried forward.

Amir Naini brought up the subject of reducing the monthly dues since there was a large net operating fund balance. He asked what was considered a prudent amount to be kept in the operating fund. Chuck Scurich answered that ideally the Association should

have a net operating profit/loss each year as close to zero as possible and agreed that the present operating fund balance of \$26,342 could easily be reduced.

Paul Tiao presented several scenarios of how much the monthly dues could be reduced and still maintain a sufficient operating budget. In Paul's opinion, \$10,000 would be a healthy operating budget.

Ann Schiff motioned to reduce the monthly Association dues from \$230 to \$210 per month. Joe Hunt seconded the motion. Chuck asked for discussion.

Roger Baron is in favor of further reducing the dues to \$200 per month. Chuck asked for a vote.

The motion to reduce the dues from \$230 to \$210 per month passed.

Roger Baron motioned to reduce the monthly Association dues to \$200 per month. Amir seconded the motion. Chuck asked for discussion.

Tricia Swift felt that an operating fund balance of approximately \$26,000 was less than \$1,000 per home. She is more than willing to let her money sit with the Association so that should there be a major expense the volunteer board would have adequate funds to take care of any unexpected expenses. Tricia feels that she is comfortable with the \$20 per month reduction in dues to \$210 per month.

Alice Lyman Westbie asked what opinion the IRS has about a non-profit organization, such as our Association, having a surplus. No one on the board or in the audience knew the answer.

Chuck asked for a vote on the motion to reduce the dues to \$200 per month. A count of hands and proxies reflected 13 in favor of the motion and 14 opposed the motion. The motion did not pass.

Effective April 1, 1999, the Association dues will be \$210 per month per unit.

Ann Schiff motioned to approve the 1999-00 Budget. Ann Mulligan seconded the motion. A vote was taken and the motion passed unanimously.

VIII. New Business

Ned Flanders asked to discuss an idea that was presented to the board by Fred Booker in the form of a letter. Ned said that Fred suggested that the insurance portion of homeowner dues be allocated based on the size of each home. Ned said he is in favor of eliminating this particular lack of equity and is willing to form a committee to look into this matter.

IX. Report from the Nominating Committee

Ned Flanders announced that Basha Hanner, Joe Hunt, Amir Naini, Diane Reilly and Paul Tiao have all agreed that if they are elected they are willing to serve on the Board of Directors for the 1999-2000 term.

Bob Schiff motioned to elect the nominees. Phil Martin seconded the motion. The motion passed.

Chuck Scurich thanked Ned Flanders for serving as the nominating committee.

X. Adjournment

Lyle Byers motioned to adjourn the meeting. Phil Martin seconded the motion. The meeting adjourned at 8:30 p.m.

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Board of Directors Meeting
February 27, 1999 - Paul Tiao's Home

I. Call Meeting to Order

Board President, Chuck Scurich, called the meeting to order at 9:00 am, with all board members present.

II. Secretary's Report

Diane Reilly reported that the December 5, 1998, meeting minutes were distributed to all homeowners and residents. It was motioned, seconded and passed to approve the minutes of the January 11, 1999 meeting.

III. President's Report

Annual Meeting - The board discussed preparations for the 1999 Annual Meeting to be held March 11, 1999. The nominating committee does not have a full slate of nominees to serve on the 1999-2000 board of directors. Ned Flanders suggested that a questionnaire be distributed to all homeowners and residents regarding volunteering to serve as a board member and the board concurred.

Metal Railings and Earth Movement - As reported in previous minutes, there has been some earth movement under a deck and some metal stair rails have rusted and deteriorated. Chuck discussed these matters with Mike Newland of W. L. Butler last month and they are still in the process of being resolved.

Washers & Dryers in Common Area - Chuck will pursue the issue of responsibility for these machines and present a special report to the board.

Letter Regarding Insurance Cost Allocation - A letter regarding insurance cost allocation was distributed to all homeowners and residents by Fred Booker (#41). The board is open to any suggested plans from homeowners.

Lamp Post Accident - On February 21, the homeowners at #57 returned home to find that a portion of a lamp post on Hiller Drive fell down the hill and into their backyard, coming to rest against and breaking their sliding glass door. A witness reported that a moving truck, attempting to turn into Starview Drive, backed up and knocked the lamp post over.

IV. Treasurer's Report

Paul Tiao reported that, as of this date, the overall account balance is \$145,718. Paul also reported that the annual EBMUD land use permit was paid on January 19, 1999, at a cost of \$25.00.

V. Landscape Report

On January 31, 1999, the homeowner at #40 distributed a letter to all homeowners and residents regarding the landscape in the common area surrounding his home. Mary Flanders reported that the issues raised were resolved by all of the homeowners adjacent to the common area. The trees will not be removed. When views are threatened, the trees will be trimmed.

VI. Adjournment

It was motioned, seconded and passed to adjourn the meeting at 12:15 pm.

Respectfully submitted,

Diane Reilly
Secretary

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Board of Directors Meeting
March 25, 1999 – Home of Diane Reilly

I. Call meeting to order

Board President, Diane Reilly, called the meeting to order at 7:10 p.m. with all board members present.

II. Secretary's report

Diane Reilly reported that the January 11, 1999 meeting minutes were distributed to all homeowners and residents. It was motioned, seconded, and passed to approve the board meeting minutes of February 27, 1999. The annual meeting minutes will be presented to the board at the next meeting.

Diane reported that a letter to all homeowners and residents was sent out following the annual meeting introducing new board members. A new Spyglass Hill roster has been prepared and will be distributed.

III. President's report

Board meetings were scheduled as follows: April 17, 1999, 9 a.m. at the home of Basha Hanner. May 20, 7 p.m. at the home of Diane Reilly. June 19, 1999 at 9 a.m. at the home of Basha Hanner. Homeowners are welcome to attend board meetings. Please notify the board ahead of time

Basha has agreed to be the homeowner liaison, handling all inquiries and concerns and informing the board of these communications.

IV. Treasurer's report

Paul Tiao reported that, as of this date, the overall balance is \$146,767.53. The revised budget will be distributed to board members at the next meeting. Paul reported that the domestic nonprofit statement was completed and sent to the secretary of state on March 14, 1999 with a payment of \$10. An association federal tax payment of \$2040 was paid on March 15.

New bank signature cards were signed by the president, vice president, secretary, and treasurer. Dues envelopes and labels have been printed, and will be distributed to homeowners. Homeowners are reminded that, effective April 1, 1999, dues have been reduced to \$210 per month. The association has changed accountants from Fred Countryman to Bailey & Utley in San Leandro, CA. The documentation necessary to prepare the association's tax return for 1998 has been sent to Bailey & Utley.

V. Landscape report

A walkthrough with Richard Applebaum of East Bay Landscaping, Joe Hunt, Mary Flanders, and Basha Hanner will take place Tuesday, March 30, 1999. Joe Hunt and

Basha Hanner will be working together on landscaping. The landscape budget has a \$3000 carryover from 1998, which will be used for plantings according to the survey done by the board in 1998. An additional \$2235 for plantings and repairs has been budgeted for 1999. The landscape committee will decide how this will be spent after the general overview and walkthrough.

VI. Old business

Painting: Basha Hanner will continue to pursue the painting of the railings. Chuck Scurich has kindly volunteered to handle the financial tasks involved with the painting project. Tom Fairly from Coatings Control will inform Ekim Painting when he thinks the conditions are appropriate for finishing the metal railings and other items on the punch list.

Steel handrails: Chuck Scurich will continue to pursue the matter of rusted steel handrails with W. L. Butler.

Wall repair: The retaining wall between 57 and 59 has a crack. Chuck Scurich will arrange to have a foundation engineer assess the damage and will give the board a report.

Washers and dryers in common area under 42 and 48: Diane Reilly will collect further information from the homeowners involved in this matter to clarify ownership and responsibility.

Earth movement under #24 deck: The Board is continuing to address this matter.

The new Board sincerely thanks Mary Flanders and Chuck Scurich for their willingness to help in the transition period and to work on special projects.

VII. New business

Review of the insurance policies prior to renewal is a critical task. The Board discussed the possibility of retaining an insurance consultant. Other insurance bids will be obtained as part of a regular review. Diane will follow-up on these insurance matters. Options for professional management of the Phase I Association was discussed; Diane will collect information on these options.

Special projects: A group of homeowners asked permission of the board to place a commemorative stone, honoring Jim Douglas for his contributions to our street, in the landscaped common area at the south end of Spyglass Hill. The board approved this request. The Board, through Basha Hanner, is willing to coordinate replacement of defective windows in Spyglass Hill homes by Pacific Industries. Coordination of deck refinishing/painting may be handled similarly. Notices will be distributed to homeowners and residents with more information.

VIII. Adjournment

It was motioned, seconded, and passed to adjourn the meeting at 9:40 p.m.

Sincerely,
Amir Naini
Secretary

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Board of Directors Meeting
April 17, 1999 – Home of Basha Hanner

I. Call meeting to order

Board President, Diane Reilly, called the meeting to order at 9:10 a.m. with all board members present.

II. Secretary's report

Diane Reilly reported that the February 27, 1999 meeting minutes were distributed to all homeowners and residents. It was motioned, seconded, and passed to approve the board meeting minutes of March 25, 1999.

III. President's report

Board members were reminded of the dates and times of upcoming board meetings: 7 p.m. on May 20, 1999 at the home of Diane Reilly, and 9 a.m. on June 19, 1999 at the home of Basha Hanner.

The association fax machine is now located at the home of Basha Hanner.

A committee has been formed to explore the issue of insurance allocation as discussed at the annual meeting. The committee members are Roger Baron (#38), Fred Booker (#41), and Ned Flanders (#1).

IV. Treasurer's report

Paul Tiao reported that, as of this date, the overall balance is \$154,176.74. The association CD at World Savings was rolled over on April 1, 1999 for a term of one year.

The revised budget was distributed to board members.

V. Landscape report

Basha Hanner reported that Mary Flanders, Joe Hunt and she met with Richard Applebaum on March 30, 1999. They discussed plans to use the accumulated funds in the landscaping budget to make substantial improvements in the appearance of Spyglass Hill. Richard Applebaum agreed to design a plan with cost estimates according to the guidelines given to him.

Basha Hanner has kindly offered to replace the yellow tape along the ivy-planted section near the entrance to Spyglass Hill with reflectors.

Homeowners are reminded to direct landscaping requests and concerns to Joe Hunt so that communications with our landscapers can be coordinated through a single channel.

VI. Special projects

Basha Hanner has received reports of 22 damaged windows as of this date. Pacific Industries has been informed of these damaged windows, and Basha Hanner is attempting to schedule replacement. Affected homeowners will be contacted directly as information becomes available concerning this issue.

VII. Adjournment

It was motioned, seconded, and passed to adjourn the meeting at 10:35 a.m.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Naini", written in a cursive style.

Amir Naini
Secretary

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Board of Directors Meeting
May 20, 1999 – Home of Diane Reilly

I. Call meeting to order

Board President, Diane Reilly, called the meeting to order at 7:20 p.m.

II. Secretary's report

Amir Naini reported that the March 25, 1999 meeting minutes were distributed to all homeowners and residents. It was motioned, seconded, and passed to approve the board meeting minutes of April 17, 1999.

III. President's report

Diane Reilly informed the board that Paul and Kaye Tiao have purchased a home in Montclair and will be moving shortly. Paul Tiao has asked to resign as Treasurer, and Mark Hanner has generously offered to serve the remainder of Paul's term. It was motioned, seconded, and passed to approve Mark Hanner as the new Treasurer of the homeowner's association.

Diane Reilly reported that the wastewater discharge permit was sent to EBMUD by Fred Booker on May 11, 1999.

IV. Treasurer's report

Paul Tiao reported that, as of this date, the balances are \$51,908 in the general fund and \$100,180 in the reserve fund.

V. Landscape report

Basha Hanner reported that East Bay Landscaping has terminated its contract with the association. Landscape Care Company has been selected as the new contractor based on their work in Phases II, III, and VI, their familiarity with the unusual terrain along Spyglass Hill and the unusual landscaping challenges it presents, and a review of competing bids from other companies.

Landscape Care Company has provided the landscaping committee with bids for improvements to the areas identified previously by homeowners as needing the most attention. The committee plans to approve the proposed work shortly.

VI. Paint report

Basha Hanner reported that the painting of home exteriors and common area items is complete. A final walk-through will take place on May 26, 1999.

VII. Special projects

The Board's attempt to coordinate replacement of the failed windows by Pacific Industries was unfruitful. Pacific Industries has firmly stated that the warranty has expired. The Board will find glass companies, collect bids for replacement, and will attempt to facilitate replacement of the failed windows by paid contractors.

Fred Booker determined water use for the six units (1-11) connected to the Hiller Highlands Club's meter, and presented it to Tim Palmer on May 12, 1999. As of March 26, 1999, the balance of the loan to the club was \$2,144.88.

VIII. Adjournment

It was motioned, seconded, and passed to adjourn the meeting at 8:40 p.m.

Sincerely,



Amir Naini
Secretary

DRAFT FOR REVIEW – DRAFT FOR REVIEW

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Board of Directors Meeting
June 19, 1999 – Home of Basha and Mark Hanner

I. Call meeting to order

Board President, Diane Reilly, called the meeting to order at 9:05 a.m.

II. Secretary's report

Amir Naini reported that the April 17, 1999 meeting minutes were distributed to all homeowners and residents. It was motioned, seconded, and passed to approve the board meeting minutes of May 20, 1999.

III. President's report

Diane Reilly reported that

- A letter was sent to Tim Palmer of the Club regarding trimming of the weeds along the water tank slope. It is anticipated that the landscapers will address this issue shortly.
- Yellow "CAUTION" tape and homeowner presence at the south entrance will again be used this year to prevent trespassing and landscape damage during the evening of July 4.
- The Board would like to thank Basha Hanner for organizing the July 4th picnic at the Club.
- The Board received a letter from Rosalind Ono (#59) with some concerns regarding landscaping. The letter has been copied and forwarded to the new landscaping contractor. In addition, a request for approval to install an air conditioning unit in front of #59 was received and approved by the Board.
- The Board has received several letters regarding the extent of bush pruning by the new landscapers. Another issue raised in some letters has been the amount of water supplied to various landscaped areas. The Board has been told by the landscapers that some bushes have not been properly pruned in the past and required emergency pruning to assure their health in the future. These bushes should recover quickly and look much better soon after new growth appears. In general, the Board has been quite satisfied with the work the new landscapers have performed, and recognizes that some time is necessary to address all of the outstanding landscaping and irrigation issues. The new landscapers are attending to all of these issues expeditiously. As always, if there are any complaints or concerns, homeowners are encouraged to contact Basha Hanner and Joe Hunt of the Landscaping Committee.

- Homeowners are reminded to contact the Board before any modifications or additions are made in the common area. If there is any question about which areas are common, the Board can help make a determination, and homeowners should check with the Board. In particular, all projects which involve permanent modifications or installations in the common area must be approved by adjacent neighbors and the Board before any work begins. This has been the policy for many years, and is repeated here for the information of homeowners.

IV. Treasurer's report

Mark Hanner reported that, as of this date, the balances are \$36,039 in the general fund and \$100,223 in the reserve fund.

V. Paint report

Basha Hanner reported that a letter has been sent to Ekim Painting thanking them for their excellent work in repainting Spyglass Hill homes. As noted in numerous previous meeting minutes, the bases of the steel railings along walkways (points at which the steel railings enter the concrete) will need to be resealed; Coating Controls will suggest the materials and procedures for completing this work properly.

VI. Special projects

The Board received and reviewed a carefully and thoughtfully prepared proposal for insurance cost reallocation from the committee of homeowners which has worked on this issue since this year's Annual Meeting. The Board would like to thank the members of this committee, Roger Baron (#38), Fred Booker (#41), and Ned Flanders (#1) for their hard work on this issue. This proposal will form the basis for the discussion among all homeowners concerning insurance cost allocation.

The issue of insurance allocation is only one of the important issues with legal implications which have confronted the Board this year. The Board has collected information on professional management companies, in part to help the Board address these issues in a timely and legally sound manner. Miramonte Company has been selected and Board will contract with them to begin managing the Phase I Association in July. A separate informational letter will be sent to homeowners detailing this and other outstanding issues.

VII. Adjournment

It was motioned, seconded, and passed to adjourn the meeting at 11:00 a.m.

Sincerely,

Amir Naini
Secretary

SPYGLASS HILL
HILLER HIGHLANDS PHASE I ASSOCIATION
c/o Miramonte Company
1225 Alpine Road, Suite 206
Walnut Creek, CA 94596

BOARD OF DIRECTORS MEETING
THURSDAY, SEPTEMBER 9, 1999
6:00PM, HILLER HIGHLANDS CLUB

MEETING MINUTES

BOARD MEMBERS PRESENT: Diane Reilly, Basha Hanner, Amir Naini, Mark Hanner, Joe Hunt
MIRAMONTE COMPANY REPRESENTED BY: L. Yates, M. Rottenberg
MEMBERS PRESENT: List attached.

CALL TO ORDER

The Meeting was called to order by the President, D. Reilly, at 6:39PM.

PRESIDENT'S REPORT

D. Reilly reviewed the projects that the Board has accomplished in the recent months; painting project has been completed, a new landscape contractor was hired at a significantly lower monthly cost than the previous landscape contract. Ms. Reilly reported that the Board hired Miramonte Company, a community association management firm, to assist the Board of Directors in the management of the Association. Ms. Reilly reported that the Board has obtained proposals to update the governing documents. D. Reilly stated that the Board would investigate incorporating the proposal submitted by R. Baron, F. Booker and N. Flanders to prorate the costs of insurance among the 34 units during the governing documents' revision process. Ms. Reilly acknowledged the contributions of E. Ono (CORE), B. Schiff (common area lights), S. Cobbledick (water meter readings), F. Booker (EBMUD permit) on behalf of the Association.

INTRODUCTION OF MIRAMONTE COMPANY

D. Reilly introduced Lin Yates, President, Miramonte Company and Maxine Rottenberg, Vice President Operations, Miramonte Company. L. Yates provided a brief overview of Miramonte Company's background and answered members' questions concerning the role of Miramonte Company in the community.

HOMEOWNERS FORUM

L. Yates explained that Miramonte has recommended a revised meeting format in an effort to conduct the business on the Agenda within the limited time available. Ms. Yates further explained how the Homeowners Forum would be conducted and recommended that members submit items to be placed on the Agenda, in writing, no less than a week prior to the scheduled Board Meeting.

Asphalt Repairs: The Board reported that Ekim Painting gave the Association a credit on the final painting contract invoice for minor asphalt damage. Asphalt repairs will be made next year. Miramonte was instructed to contact O.C. Jones (paving contractor) concerning asphalt deficiencies by Unit # 11.

Retaining Wall Rear of Units #57/59 - Soil Erosion: Miramonte recommended that Engineered Soils Repairs inspect the retaining wall and surrounding area at the rear of Units #57/59 when they inspect soil erosion conditions rear of Units #20-30.

Initials: 

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Board of Directors Meetings: D. Reilly stated that Miramonte would attend four meetings per year and that the Board would continue to hold informal meetings on a regular basis.

Deck Repair/Refinish Units #40-46: Board stated that the Association would repair/refinish the common area decks for Units #40-46. This is a Reserve Fund expense.

CORE REPORT

Ed Ono present to inform the membership of the purpose, goals and activities of the Citizens of Oakland Respond to Emergencies (CORE) group. Each Association in the Hiller Highlands development has a representative. CORE meets on the second Tuesday of each month in the Club. Members were encouraged to attend the meetings and complete vital emergency information.

MINUTES

MOTION: B. Hanner moved, D. Reilly seconded to approve the June 19, 1999 Meeting Minutes as given. PASSED

MOTION: D. Reilly moved, A. Naini seconded to have Miramonte distribute a draft of the Meeting Minutes with the monthly dues assessment billing. PASSED

TREASURER'S REPORT

August 31, 1999 Financial Statement: M. Hanner reported that as of August 31, 1999 there is \$26,422.15 in the Operating Fund and \$102,254.14 in the Reserve Fund. There is an overall reduction in water usage over the last two years due to previous irrigation leaks.

Fiscal Year 2000 Budget: M. Hanner reported that the Fiscal Year 2000 budget will be distributed to the members by November 15, 1999.

Reserve Study: M. Hanner reported that Reserve Data Analysis has been engaged to conduct the three-year Reserve Component update.

Tax Return Review: **MOTION: D. Reilly moved, B. Hanner seconded to approve the proposal submitted by Carol Stalker, CPA, dated August 14, 1999, to amend the tax Federal returns for 1996, 1997 and 1998, to have excess taxes refunded to the Association, service cost \$500.00. PASSED**

LANDSCAPE REPORT

August Site Inspection: Miramonte briefly reviewed the quarterly site inspection conducted in August with Board members and applicable action items that will be addressed by Miramonte.

Proposed Plantings/Improvements: B. Hanner reviewed proposals submitted by Landscape Care Company for additional common area landscape improvements. M. Hanner will review budget to determine amount of funds available for landscape improvements for 1999 and 2000. B. Hanner will distribute a flyer to all members to determine what landscape improvements members would like implemented and set a meeting date to form a committee.

Potted Plants In Common Area: General discussion regarding placement of potted plants in common areas (stairways, walkways, planter areas, etc.). Miramonte expressed concern the potted plants along stairways and walkways could pose an ingress and/or egress hazard to pedestrians and/or emergency response personnel. Miramonte recommended that members remove any such pots from the common area.

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Discussion regarding members planting in common area. Miramonte reported that Landscape Care would only maintain plant material planted by the Association. Homeowners and residents are not to plant in the common area. Any requests for improvements or plantings in the common area must be submitted to the Board for approval and implementation by our landscape company.

Back Flow Prevention Testing: **MOTION: D. Reilly moved, B. Hanner seconded to authorize Miramonte to have Landscape Care Company conduct EBMUD's required Back Flow Prevention Testing. PASSED.**

Fire Prevention Landscape Maintenance: B. Hanner reported that Landscape Care is in the process of abating plant material as instructed by the Fire Marshall. The Board thanked E. Pavone for contacting Camille Rogers, City of Oakland Fire Marshall, to speak to the Club and EBMUD regarding required fire prevention landscape maintenance on their lots.

CURRENT BUSINESS

Soil Erosion – Rear Units #20-30: B. Hanner reported that she will meet with Bill Gibson, engineer with Engineered Soils Repairs, on September 13, 1999, to obtain recommendations for soil erosion prevention rear of Units #20-30. B. Hanner will request that ESR also inspect the retaining wall rear of Unit #57/59.

Failed Windows: Miramonte instructed to obtain names of window installers to assist in the replacement of 29 failed windows throughout the development.

Proposal to Adjust Dues Based on Square Footage: D. Reilly reiterated that the proposal to adjust the monthly dues assessment based on square footage would be considered and investigated during the governing documents revision process. **PENDING**

Painting Project – Wrought Iron Railing Base Repair: Miramonte instructed to obtain proposals to repair/replace the failed rubber gasket at the base of the wrought iron hand rails. B. Hanner will forward a copy of Coatings Controls repair specifications to Miramonte. M. Hanner advised Miramonte that the estimated available funds for this repair are \$1,200.

NEW BUSINESS

Proposal to Amend Governing Documents: General discussion regarding the goal and purpose of the proposal to amend the Association's governing documents. **MOTION: D. Reilly moved, B. Hanner seconded that the Board shall schedule an appointment to interview attorney Ann Rankin to discuss amendment procedure process. If legal counsel is retained, the Board will form an Ad-Hoc Committee to draft amendments. PASSED**

Miramonte instructed to send letters to Berding & Weil and Fong & Fong declining their respective proposals.

Request to Paint Parking Spot Numbers On Curbs: **MOTION: J. Hunt moved, D. Reilly seconded to have the parking spot for Unit #20 painted "Reserved for Resident of Unit #20", if Owner approves. Discussion regarding purpose of project and conflict between CC&R's and individual Grant Deeds. Motion withdrawn. TABLED**

Request to Paint House Numbers On Curbs: **TABLED**

Initials: 

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Problems with Skunks and Raccoons: Miramonte instructed to include an item in the Newsletter requesting members secure the tops of garage containers to prevent skunks and/or raccoons from ravaging.


Reserve Expenditures: **MOTION: D. Reilly moved, A. Naini seconded to approve the repair/refinishing of the common area wood deck for Units #40-46, repairs of mailbox posts as necessary and, necessary irrigation repairs as recommended by Landscape Care. Funds for the aforementioned repairs shall be applied against the Reserve Fund. PASSED**
Miramonte instructed to obtain bids for the repairs to mailbox posts.

NEWSLETTER ITEMS

e-mail addresses: forward your e-mail address to A. Naini for a distribution log. Reserve Expenditures: upcoming repairs. Board will review the draft of the October Newsletter prepared by Miramonte no later than September 17, 1999.

There being no further business, the meeting was adjourned at 8:51PM. An Executive Session was held immediately following the Board Meeting to review an Appeal.

Respectfully Submitted,


A. Naini, Secretary Date: 11/26/00

S: 118-999 Minutes.doc/lpy

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Board of Directors Meeting
October 28, 1999 – Home of Basha and Mark Hanner

I. Call meeting to order

Board President, Diane Reilly, called the meeting to order at 5:25 p.m. with all Board members present.

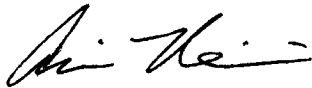
II. Action items

- It was motioned and seconded to accept Landscape Care Co.'s bid of \$2,300 to install erosion prevention matting under the decks of units 20-30 as per engineering specifications. PASSED.
- A bid to install a drainage system behind the retaining wall of Units 57 and 59 was received from Engineered Soil Repairs, Inc. Additional bids will be sought before a final decision is made on this matter.
- Reserve Data Analysis has completed the Association's reserve fund analysis. A recommendation was made to increase the monthly reserve contribution by \$100 from the current \$320 to \$420. This increase in reserve contribution will not require a dues increase and will be incorporated into the budget.
- It was motioned and seconded to increase the plantings allocation from \$8,000 to \$12,000 in the FY2000 budget. PASSED.
- Reconco of Pleasant Hill, CA has provided a bid of \$725 to caulk all metal railing posts according to the specifications provided by Coatings Control. In addition, Reconco has bid \$150/post to fix three mailbox posts which have become loose. It was motioned and seconded to approve the contracts with Reconco. PASSED.
- Miramonte Co. is collecting bids for the refinishing of the common area deck walkway (Units 40-46).
- Mark Hanner presented an annual budget for FY2000. It was motioned and seconded to approve the budget. PASSED.

III. Adjournment

It was motioned, seconded, and passed to adjourn the meeting at 7:00 p.m.

Sincerely,



Amir Naini
Secretary

SPYGLASS HILL
Hiller Highlands Phase One
36 Spyglass Hill
Oakland, CA 94618

Annual Meeting
March 9, 2000 – Hiller Highlands Country Club

I. Call meeting to order

Board President, Diane Reilly, called the meeting to order at 7:05 p.m. A quorum was established with the presence of 14 homeowners and proxies for 9 homeowners. Those in attendance were Ned and Mary Flanders (1), Sue Naylor (11), Mildred Hughes (22), Lyle and Margaret Byers (24), Phil and Mimi Martin (28), Diane Reilly (31), Faye Baron (38), Fred Booker and Blythe Mickelson (41), Sonja Woodham (43), Nancy Platford (44), Mark and Basha Hanner (with power of attorney from the owner of 45), Joe Hunt (47), Amir Naini (51), and Rosalind Ono (59). The Board held proxies from the owners of Units 29, 46, 57, 59, 60 and 62. Fred Booker held a proxy from the owner of Unit 42. Ned Flanders held a proxy from the owner of Unit 33. Mary Flanders held a proxy from the owner of Unit 5.

II. Secretary's report

Diane Reilly asked for a motion to approve the minutes of the March 11, 1999 Annual Meeting. Fred Booker raised a question about whether the vote to pass the Amendment to the CC&Rs (Section V of meeting minutes draft) was properly taken, and also whether homeowners understood the amendment on which they had been voting. Diane Reilly replied that she transcribed an audio tape of the meeting to prepare the minutes, and that the vote had been taken after a lengthy discussion and had been unanimous.

Fred Booker restated that he believes the amendment was not properly understood by the voters. Ned Flanders asked whether the amendment had been properly recorded by the Alameda County Recorder's office. Diane Reilly answered that she believed it had been but could not verify until she collected more documentation after the meeting. There were further comments from a number of homeowners suggesting they did not understand the vote at the 1999 Annual Meeting and would not support the amendment today if asked to vote again.

Lin Yates of Miramonte Co. suggested that approval of the minutes be tabled until the audio tape could be reviewed and proper recording of the amendment verified.

Blythe Mickelson motioned to instruct the Board to review the audio tape at a subsequent meeting and to verify proper recording of the amendment. Basha Hanner seconded the motion. The motion passed with 13 homeowners and 9 proxies voting for the motion, and one homeowner voting against.

III. President's report

Board President Diane Reilly introduced Lin Yates and Maxine Rottenburg of Miramonte Co., the Phase I Association management company, and stated that Miramonte Co.'s professionalism in all aspects of their work is a real asset.

Diane Reilly commented that Landscape Care, the new landscaping company hired in spring 1999, has been a real improvement. Diane thanked Basha Hanner for all her hard work on this transition, and on all the landscaping improvements this past year.

Diane reported the completion of the painting project, as well as the sealing of the metal railing posts. Several loose mailbox posts on the street were fixed this year. Matting was placed on the ground behind units 22-30 to prevent soil erosion. Fire prevention trimming of vegetation was performed on EBMUD land and adjoining Association land. Many thanks to Evelyn Pavone for reminding the Board of this important item, and for helping coordinate its completion.

Members of the 1999 Board were thanked for their service.

New homeowners David and Mary Roth (9) were welcomed to the street.

Several projects were begun and will be continued by the new Board. These include the revision of the CC&Rs, for which attorney Ann Rankin has been retained (Diane Reilly has volunteered to type the text of the present CC&Rs into a word processing program to ease the revision process); resealing of the deck walkway between Units 40 and 46; and refinishing of the bench on the west side of Spyglass Hill.

IV. Landscape Report

Basha Hanner reported that the new landscaping contractor, Landscape Care, has lived up to our high expectations. A three year landscaping improvement plan was outlined (see attached landscape report). The Board once again thanked Basha for her dedication and hard work on organizing and implementing a comprehensive plan to improve the street's landscaping.

V. Treasurer's Report

Mark Hanner reported that the Association remains in excellent financial health, and detailed the conversion process undertaken after Miramonte Co. was hired (see attached Treasurer's Report). All dues were paid on time this year. Association tax returns were revised for 1996-8 to claim a refund of approximately \$2000. A budget plan for 2000 was presented, and Mark outlined the work he has done to begin automating the budgeting process using spreadsheets.

Mark reported that water usage increased this year due to an increase in irrigation. Adjustments will be made in 2000 based on the landscape committee's experience with the higher level of irrigation in 1999. Total homeowner usage is relatively constant at about 100,000 gallons per month. Occasional water usage reports will be distributed to homeowners to aid them in monitoring their water use and detecting any leaks which may develop. If water use appears dramatically higher than expected, homeowners are encouraged to contact to Board to investigate whether it could be due to a leak.

VI. Excess Income Resolution

Ned Flanders motioned to vote on the Excess Income Resolution distributed with the Annual Meeting packet. Fred Booker seconded the motion. The motion passed and the Excess Income Resolution was approved with 14 homeowners and 9 proxies voting for the motion and no votes against.

VII. Election of the 2000 Board of Directors

Ned Flanders, Patricia Swift, Nancy Platford, Mark Hanner, and Basha Hanner have agreed to serve if elected. Blythe Mickelson asked whether any other homeowners were interested in serving on the Board this year. There were no expressions of interest. Blythe Mickelson motioned to elect the candidates to the 2000 Board. Rosalind Ono seconded the motion. The candidates were elected with 14 homeowners and 9 proxies voting in favor of the candidates, and no one voting against.

VIII. Adjournment

Ned Flanders motioned to adjourn the meeting. Phil Martin seconded the motion. The meeting was adjourned at 8:26 p.m.

Respectfully submitted,

Amir Naini
Secretary