

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

Annual Homeowners' Meeting
Highlands Country Club - March 13, 1998

I.) Meeting Called to Order

The meeting was called to order at 7:15 PM by President, Ann Schiff. A quorum was determined to be present.

II.) Attendance

A quorum for the annual meeting was established with the attendance of twenty-one homeowners and proxies delivered for an additional seven homes. This represents 82% of all homeowners. Thirty-two people were present.

The homeowners in attendance were: #1-Ned & Mary Flanders, holding a proxy for #7-Tricia Swift, #5-Helen Wehr, #9-Jim & Doreen Douglas, #11-Sue Naylor, #22-Mildred Hughes, #24-Lyle & Margaret Byers, holding proxies for #20-R. David Bent and #28-Phil & Mimi Martin, #26-Paul Tiao, #31-Diane Reilly, #38-Roger & Faye Baron, #40-Evan Delegeane, #41-Blythe Mickelson, #42-Ruggero Stefanini, #43-Sonja Woodham, #45-Basha Hanner holding a proxy for Virginia Meyer, #46-Evelyn Pavone, #47-Joe Hunt, #48-John & Ann Mulligan, #53-Avice Saint, #55-Chuck & Suha Scurich, holding proxies for #51-Lloyd Reed and for #'s60&62-Elizabeth Scurich, #57-Bob & Ann Schiff, #59-Ed & Rosalind Ono, #61-Pat & Judy Geoghegan. Also in attendance was #62 resident, Barbara Robbins.

Board Members Present: Ann Schiff, President; Rosalind Ono, Vice President; Chuck Scurich, Treasurer; Diane Reilly, Secretary; Mary Flanders, Landscape Chairperson.

III.) Approval of 1997 Annual Meeting Minutes

Bob Schiff made a motion to approve the minutes of the March 7, 1997 Annual Meeting. Evan Delegeane seconded the motion. It was passed unanimously.

IV.) President's Remarks
Acknowledgments

President, Ann Schiff, on behalf of the entire board of directors and the Association, expressed appreciation and thanks to the following homeowners for their spirit of cooperation and volunteerism: Jim Douglas for continuing to shepherd and guide the Association through the issues and questions of Insurance; Bob Schiff for keeping our street well-lit by replacing burned out bulbs and maintaining upkeep of the light fixtures; Ed Ono for continuing to be our representative to CORE and looking out for the interests of the homeowners on Spyglass Hill in relationship to the larger CORE community; Fred Booker for three very important tasks: filling out the EBMUD use permit annually (saving a significant amount of money each year on our water bill), updating the Reserve Study on an as needed basis, and helping with irrigation repairs

and landscape issues; Ned Flanders for helping with irrigation repairs and always being available for consultation on the CC&R's; Steve Cobbley for reading the water meters for the EBMUD use permit.

Ann recognized the unique individual contributions of her fellow board members. She expressed her personal thanks, and the thanks of the Association, to each board member for their participation and camaraderie while serving on the Board during the past year.

Announcement of New Homeowners

Ann announced and offered congratulations to new homeowners on Spyglass Hill: Paul and Kaye Tiao (#26), Roger and Faye Baron (#38), and Udo and Rachel Araktingi (#3).

State of Spyglass Hill

Reserve - The Association currently has approximately \$91,000 in our Reserve Account, and our current costs are approximately \$141,500. This year the Board added and funded a line item in the Reserve Study for Landscape: \$8,000 for irrigation and \$10,000 for plants. The Association's Reserve contingency is at 3%. "Reserve adequacy" is defined as anything over fifty percent; our Association is "adequately funded" at sixty-four percent. The 1998-99 Budget reflects no change in the Reserve contribution level from 1997-98 actuals.

Insurance - The fire insurance premium went up 4.7% this year (an expected cost of living increase). The Association's current premium is \$18,675. The good news is that the Earthquake Insurance premium decreased by \$7,800, combined with a reduction in the deductible from 12.5% to 7.5%. The current Earthquake Insurance premium is \$23,000.

Landscape - Due to the excellent efforts of our Landscape Chairperson, Mary Flanders, the Association has continued with the same landscape company. The 1998-99 budget provides \$3,000 for new plantings.

Repainting of Spyglass Hill Homes - Over the past several months, the board of directors has been involved in communications with W. L. Butler and their representatives regarding paint failure on Spyglass Hill. At this time, the board has correspondence from W. L. Butler outlining their agreement to repaint Spyglass Hill at their cost. The details of the contract, the paint contractor to be chosen, the colors and the timing still have to be worked out. W. L. Butler has hired a paint chemist/consultant to oversee this process.

Questions were taken from the floor:

Sue Naylor acknowledged and thanked Ann Schiff for being instrumental in discussions and negotiations with W.L. Butler for repainting the Spyglass Hill homes.

Ned Flanders brought up the subject of a letter addressed to the Board of Directors from Blythe Mickelson and Fred Booker, dated February 16, 1998, wherein they expressed their concerns about the proper preparation of the buildings prior to repainting. Ned asked Ann Schiff if the current board has made any input to or had any discussions with W. L. Butler, as to what kind of painting preparation the painting contractors who bid on the job should be prepared to do and include in their bid. Ann

responded that this has not yet been done. The Chemist's paint tests indicate that preparation was not the cause of the current failure, but rather poor quality paint. However, the board will review the entire contractual scope of work proposed.

V.) Treasurer's Report

Chuck Scurich presented his Treasurer's Report and explained highlights of the 1997-98 Budget Report and the 1998-99 Budget Proposal.

1997-98 Budget Report

Chuck pointed out that the Net Income amount approved for the 1997-98 budget was \$1,509. Due to a reduction in actual expenses and the reduction of our earthquake insurance premium, the estimated actual income increased to \$10,386.

Chuck explained that the amount approved for the Reserve Fund contribution in the 1997-98 budget was \$6,766. During the term of this board, it was discovered that the budgeted amount was overstated: Interest income received on Reserve Fund monies had not been taken into account. An adjustment was made, resulting in an Annual Reserve Contribution of \$3,677 which is a variance of \$3,089.

Chuck mentioned that there were some expense increases during the year. The Utilities went up from the approved budgeted \$9,900 to an estimated actual \$12,747. Chuck explained that this is because when the 1997-98 budget was prepared the board had been considering installing a separate water meter for irrigation (which would have cost approximately \$12,000). If this had been done, the projected expense savings was to have been about \$2,000 a year. As the 1997-98 board did not pursue installing the separate water meter this year, the actual cost of utilities was higher than projected.

Reciprocally, because the current board did not install a separate water meter, the portion of the 1997-98 Budget Report under Reserve Expenses reflects the \$12,000 reserve funds not spent.

Chuck pointed out under Income, a 1996 Tax Refund of \$1,621 which was unexpected and added to our income.

1998-99 Budget Proposal

Chuck then explained the 1998-1999 Budget Proposal put together by the board of directors, which is to be voted on at this meeting. Chuck explained the board's decision to increase the amount of money spent on Landscaping to \$3,000. More money was allocated to Utilities to allow for any rate increases. There is a built-in cost of living increase in our Insurance premium which the budget reflects.

VI.) Landscape Report

Mary expressed how much she enjoyed her job as Landscape Chairperson and thanked all of the homeowners for being helpful in making the system work. Mary explained that when a homeowner calls her with a concern or request regarding landscaping, she puts it on a list which is faxed to East Bay Landscaping. East Bay then faxes back to Mary a worksheet of what the gardeners will be working on each week.

One of Mary's main projects this year was to enlist the cooperation of the Highlands Country Club to landscape their property known as "the strip", which borders

Spyglass Hill on the west side of the street from the north entrance to the beginning of the paved sidewalk. Last Fall, the Club informed Mary that they would not be improving "the strip" because they did not have funds and because they could not see it from their vantage point. They offered Phase One either \$200 or bark to cover the area. At the Club's Annual Meeting in January a motion was put forth by their Landscape Committee wherein if Phase One would spend \$600 on improving "the strip" then they would match it.

Mary spoke about the map prepared by Fred Booker, identifying ten proposed landscape zones of Spyglass Hill. This map was distributed this month to all homeowners, along with a letter from Mary, asking each homeowner to indicate their preferences as to where the board should spend money to make improvements to the landscape. Of 34 homes, Mary received 16 responses. The majority of the responding homeowners indicated they were most concerned with the improvement of the entrance to Spyglass Hill (zone #4) and "the strip" (zone #5). This information will help the 1998-99 Board of Directors determine where to allocate the monies budgeted for Landscaping.

Questions were taken from the floor:

In response to a question from Sue Naylor regarding what is Spyglass Hill property and what is Club property, Mary explained that "the strip" (zone #5) of land along the west side of Spyglass Hill from the north entrance to the paved sidewalk belongs to the Highlands Country Club, and also the downhill side of zone #4 entrance.

Doreen Douglas asked how zones #4 and #5 would be watered. Mary explained that Highlands Country Club has verbally agreed to provide the water to "the strip". The Club's irrigation system reaches almost to the top of the bowl. Phase One would have to extend the irrigation lines to "the strip", but the Club would provide the water. Doreen further commented that she felt this was not a good time of the year to plant. Mary agreed and stated that by the time all of the planning was done it would be well into summer or fall before any planting could take place. Doreen advised Mary that she had a problem behind her home in that the plants on the hill were not receiving enough water, but that her deck was getting plenty of water. Mary said she would report it to the landscape company and that they would check the irrigation behind her house.

Paul Tiao asked who would pay for the maintenance of zones #4 and #5. Ann Schiff responded that, since the Highlands Country Club has refused, Phase One could plant and maintain these zones, but that the Club has verbally indicated that they would pay for the water.

Ann Mulligan asked if the board had received any estimates as to how much it would cost to improve "the strip" (zone #5) and the entrance (zone #4). Mary stated that Richard Applebaum of East Bay Landscaping, the company that does our landscaping, is very excited about the project and that he has given Mary some landscaping plans. The first step is preparing "the strip" for planting, which would include digging up the old sidewalk and the compacted debris, hauling it away, rototilling the ground and enriching the soil. Estimates range from \$1100 to \$1400. Mary suggested that it was her opinion that the first steps might be to prepare "the strip" for planting, accept the Club's offer of bark to cover the area, then, as we have the money available, push the bark aside to plant and run the irrigation lines to the new

plants. Mary felt it was most important to have a plan, so that we start with the highest priority then plant as we have the money.

Ned Flanders commented on the two homeowner meetings that were held at his and Mary's home. He said there seemed to be a consensus of opinion that something should be done to improve the landscape of Spyglass Hill. Ned felt that the \$3,000 currently projected in the 1998-99 proposed budget was insufficient and needs to be increased.

Ned Flanders made a motion that the consensus of homeowners is that the new board should spend more money on landscape than is currently budgeted. This motion was seconded by Pat Geoghegan. In discussion, Ann Schiff stated she felt that the motion could be considered an "advice" motion which suggests to the new board of directors that this is the direction that the homeowners want the board to move. Ann suggested that in addition to this "advice" motion, that perhaps another motion amending the budget to allocate more funds to landscaping would be appropriate. Judy Geoghegan asked that if this motion was made and passed, would there be an assessment to fund landscaping. Ann responded no, as there is money in the operating surplus to handle an increase in landscaping expenses. Ann asked if there was any other discussion regarding the motion. She called for the vote and it was unanimously passed.

VII.) Budget Approval

Bob Schiff made a motion to approve the 1998-99 Budget Proposal. Judy Geoghegan seconded the motion. Ann called for discussion and then for the vote. The 1998-99 Budget Proposal was unanimously passed.

Questions were taken from the floor:

Ann explained that the Association has approximately an additional \$10,000 surplus in the 1998-99 year and asked if the homeowners want to take some portion of this \$10,000 surplus and add it to the budget for landscape for new planting, based on the earlier "advice" motion.

Roger Baron asked about other options for the surplus of funds, such as a rebate or not paying dues for one month in 1998. Ann advised that the board had discussed the option of rebate and decided against it at the present time. She also said that options had been discussed by homeowners during the meetings at Ned and Mary Flanders home. Ann asked Ned to expound on the discussions at his meetings. Ned advised that, rather than a rebate, he felt that most of the homeowners at the meetings would prefer to have the surplus spent on landscaping zones #4 and #5.

Joe Hunt made a motion to increase the 1998-99 Budget for landscape plantings from \$3,000 to \$7,000. Basha Hanner seconded the motion. In discussion, Chuck Scurich asked Mary her thoughts on this matter. Mary stated that she had asked Richard Applebaum for ideas and estimates on landscaping zones #4 and #5, which range from \$2,600 to \$4,200, depending on the number and size of the plants. Ann Mulligan expressed her concern and suggested that traffic safety vis-a-vis the downhill blind spot at the entrance be considered in any landscaping. John Mulligan and many other homeowners agreed. The motion was then passed.

Basha Hanner asked if perhaps a committee of homeowners could be formed to help Mary and the board decide on ideas for landscaping. Mary agreed that it would be welcome and very helpful.

VIII.) Election of 1998-99 Board of Directors

Ann turned the meeting over to Ned Flanders, the nominating committee of one. Ned announced that he had five candidates, who have agreed to serve on the 1998-99 board of directors, to present to the homeowners. The candidates are: Mary Flanders, Diane Reilly, Barbara Robbins, Chuck Scurich and Paul Tiao.

Ann asked for nominations from the floor and none were given.

Lyle Byers made a motion to approve the slate of nominees. Joe Hunt seconded the motion. It was unanimously passed. Ann congratulated the new 1998-99 board of directors, thanked them in advance on behalf of the homeowners for their willingness to serve, and thanked Ned Flanders for serving as the Nominating Chair. Ned Flanders wished the new board good luck and called on all homeowners to work together to support the board, as a democracy, to keep Spyglass Hill a nice place to live.

IX. Q & A; Discussion

Ann Mulligan asked if there is a system in place wherein homeowners can communicate various problems one another might be having with their home, such as condensation on windows and trying to get them replaced. She suggested such a homeowners forum might be established.

Ann Schiff expressed her thanks to Blythe Mickelson for serving as Parliamentarian for the Annual Homeowner's Meeting.

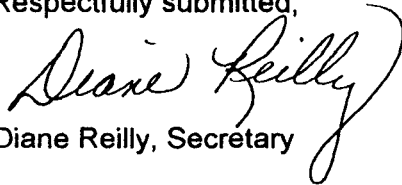
Ann also thanked Diane Reilly for providing all the delicious desserts and refreshments for tonight's annual meeting.

On behalf of the entire 1997-98 board of directors and homeowners, Chuck Scurich thanked Ann Schiff for serving and guiding us so well as our board president and congratulated her on a job well done.

X. Adjournment

Bob Schiff made a motion to adjourn the meeting. The motion was seconded by Judy Geoghegan. It was unanimously passed, and the meeting adjourned at 8:25 PM.

Respectfully submitted,



Diane Reilly, Secretary

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

Board of Director's Meeting
March 30, 1998 - Bobbie Robbins' Home

I) Call Meeting to Order

The newly elected board members of Hiller Highlands Phase One Association met at 7:30 p.m.. Chuck Scurich called the meeting to order. Former Board President, Ann Schiff, attended the meeting to help facilitate the Board transition. The first order of business was to briefly bring new board members up-to-date on how the board functions and issues that the board takes care of on an ongoing basis, and to determine the duties of each officer. The new board will serve as follows:

Chuck Scurich, President
Bobbie Robbins, Vice President
Paul Tiao, Treasurer
Diane Reilly, Secretary
Mary Flanders, Landscape Chairperson

It was M/S/P that the aforementioned board members serve in these positions as Hiller Highlands Phase One board members for the 1997-98 term.

In addition, Diane Reilly agreed to serve as the board member who will be responsible for all homeowner calls (questions, concerns, suggestions, comments, etc.). Mary Flanders will take all homeowner calls related to the landscape.

The new board would like to thank Ann Schiff for her willingness to help and participate in the transition.

II.) Future Meetings

Times and dates for future board meetings were scheduled as follows:

Saturday, April 18th	9AM	Mary Flanders' home
Tuesday, May 19th	7PM	Bobbie Robbins' home
Saturday, June 20th	9AM	Chuck Scurich's home
Saturday, July 25th	9AM	Diane Reilly's home

III.) Treasurer's Report

Chuck Scurich, former Treasurer, advised that as of March 30, 1998, overall assets total \$109,801.34.

IV.) Secretary's Report

Diane Reilly reported that the February 2, 1998 board meeting minutes were M/S/P by the 1997-98 board of directors by way of telephone as the previous board would not be meeting again. These minutes were distributed to all homeowners and residents of Spyglass Hill on March 9, 1998.

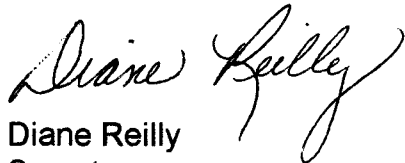
V.) Assets

It was M/S/P that the Phase I Homeowners Association copy machine and fax machine be kept at the home of Secretary, Diane Reilly, as will the Association library. Former President, Ann Schiff, will transfer boxes of Association files to the home of Chuck Scurich.

VI.) Adjournment

It was M/S/P to adjourn the meeting at 10:00 p.m. The next meeting of the board of directors will be April 18, 1998 at the home of Mary Flanders.

Respectfully submitted,



Diane Reilly
Secretary

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

April 18, 1998 - Mary Flanders' Home

I.) Call Meeting to Order

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

II.) Insurance Report

Jim Douglas (#9), who generously volunteers to oversee our insurance matters, addressed the board about the current status of our insurance and answered questions about the Association's insurance coverage.

III.) President's Report

Chuck reconfirmed that future board meetings will be held as follows:

May 19, 1998 7:00 pm	Bobbie Robbins' home
June 20, 1998 9:00 am	Chuck Scurich's home
July 25, 1998 9:00 am	Diane Reilly's home

Speeding Van

During the first week of April, a moving van was observed traveling south on Spyglass Hill at a high rate of speed. The van drove through and broke the chain and dislodged the post and the south end of the street. Bobbie Robbins will coordinate the re-welding and repair work.

Re-painting Spyglass Hill

A meeting regarding the paint issue was held on April 10, 1998. In attendance were Chuck Scurich, Ann Schiff, W. L. Butler's attorney, Rob Gagliasso, two paint chemistry analysts from Calcoast Analytical, and a representative from Kelly-Moore Paint Company. Three separate bids from three reputable painting companies using Kelly-Moore Paint are being reviewed and a selection will be made in the very near future.

The board will be selecting a pallet of colors from which homeowners will choose to paint their home. Our goal is to begin painting sometime in June. Homeowners will be receiving a letter from Chuck Scurich regarding the details of the painting. Bobbie Robbins will coordinate the painting schedule with homeowners and the painting contractor.

IV.) Treasurer's Report

On April 18, 1998, Paul Tiao sent a letter to homeowners introducing himself as the new Treasurer, and distributed a set of envelopes and labels for the next twelve months of dues payments.

The board members signed new signature cards for the three accounts (money market, checking and savings) at Great Western Savings in case banking needs to be done by any one of the members.

Paul distributed the most recent account balance, transaction and cash flow reports. As of April 18, 1998, the overall balance is \$112,116.67.

Paul advised that the CD at World Savings was rolled over March 25, 1998 for another year.

Paul has investigated changing banks to enable us to get a higher interest rate, lower monthly fees and on-line electronic banking capability. The board discussed this matter and it was M/S/P to change from Great Western to Wells Fargo Bank.

V.) Secretary's Report

Diane Reilly reported that a new homeowner telephone list was prepared and distributed.

The board discussed distributing a "draft" copy of the 1998 Annual Meeting Minutes to all homeowners and residents. In the past, the minutes of annual meetings were approved by the board of directors, but not distributed until sixty days prior to the following year's annual meeting. The current board of directors thought it might be befitting to distribute a "draft" copy of the Annual Meeting Minutes earlier so that homeowners and residents who could not attend the meeting are informed about issues pertaining to Spyglass Hill. Sixty days prior to the 1999 Annual Meeting these Minutes will be distributed again to be voted on.

It was M/S/P to distribute a "draft" copy of the 1998 Annual Meeting Minutes.

VI.) Landscape Report

Mary is coordinating preparing "the strip" for planting and working with volunteer homeowners to prepare a landscape design. A homeowner has expressed concern about removing the old gravel sidewalk for fear the removal and rototilling of "the strip" will destabilize the hillside. The board is taking this concern under serious consideration.

VII.) Old Business

In a letter dated January 21, 1998, the homeowner at #42 had expressed concern over a stucco crack in the ceiling of the carport under his home. Mike Newland, from W. L. Butler, inspected the ceiling on April 10, 1998. He will prepare a letter to advise the board of the result of his investigation.

VIII.) New Business

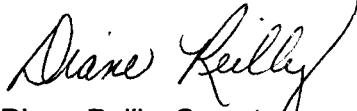
On March 16, 1998 the board received a letter from the homeowner at #41 regarding rust streaks on the exterior of some of the homes on Spyglass Hill. Chuck Scurich discussed this concern with Mike Newland and was advised that the streaks are caused by tannins in the wood used for trim. This problem is being addressed during the repainting negotiations.

A homeowner has expressed their displeasure over finding animal feces in their landscaped areas. The board would once again like to remind homeowners and residents to please keep their animals leashed, and should their animal make a mess please carry a "pooper scooper" or plastic baggie for clean-up. This cooperation will make Spyglass Hill a more beautiful place for all of us to enjoy.

IX.) Adjournment

It was M/S/P to adjourn the meeting at 12:30 p.m.. The next board meeting will be May 19th at the home of Bobbie Robbins.

Respectfully submitted,



Diane Reilly, Secretary

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

Board of Director's Meeting
May 19, 1998 -- Bobbie Robbins' Home

- I.) **Call Meeting To Order**
Board President, Chuck Scurich, called the meeting to order at 7:30 pm, with all board members present.
- II. **Secretary's Report**
It was M/S/P (moved, seconded, and passed) to approve the minutes of the March and April board of directors meetings.
- III.) **President's Report**
Chuck reconfirmed that future board meetings will be held as follows:
- | | | |
|-----------------|---------|----------------------|
| June 20, 1998 | 9:00 am | Chuck Scurich's Home |
| July 25, 1998 | 9:00 am | Diane Reilly's Home |
| August 29, 1998 | 9:00 am | Paul Tiao's Home |
| October 3, 1998 | 9:00 am | Mary Flander's Home |

Paint Report - Negotiations are still proceeding to iron out the details of the repainting of Spyglass Hill.

CORE - The Board would like to thank Ed Ono for his efforts in representing Phase One and for being our liaison with CORE. If anyone is interested in participating in CORE activities, Ed Ono would welcome the help. CORE meetings are scheduled the 2nd Tuesday of each month, 7:30 pm, at the Highlands Country Club. If you have any questions, or need information about what is involved in participating, please call Ed at 841-1826.

Assets - The Phase One Association fax machine is being kept at Chuck Scurich's home. Paul Tiao has the copy machine.

Change of Address - Paul Tiao will send a change of address for Phase One to World Savings.

Old Business - Following W. L. Butler's representative Mike Newland's inspection of a stucco crack in the ceiling of the carport under #42, Chuck Scurich received a letter stating that the crack is the result of normal shrinkage of the stucco. This crack will be repaired during the repainting of Spyglass Hill.

Cats - There have been continuing complaints about cats. The Board is in the process of addressing this issue.

IV.) Treasurer's Report

Paul Tiao presented the most recent account balance, transaction and cash flow reports. As of this date, the overall balance is \$112,566.73.

The post at the south end of Spyglass Hill was repaired following destruction by a speeding van during the first week of April. The cost of this repair was \$130.00. The board would like to thank Bobbie Robbins for coordinating this repair job.

V.) Insurance

It was M/S/P (moved, seconded and passed) to purchase a Fidelity Bond. This bond is required in the Phase One Association CC&R's.

A motion to increase our earthquake insurance coverage from Ten Million Dollars (\$10,000,000) to Twelve Million Five Hundred Eighty Two Thousand Dollars (\$12,582,000) was brought before the board. After much discussion, the board decided not to raise the coverage at this time.

It was M/S/P to annually increase the building values on items subject to replacement cost by the same percentage that items subject to extended replacement costs are presently increased annually.

It was M/S/P to present the Phase One Association homeowners with proposed changes to the CC&R's, as outlined in Jim Douglas' letter, dated April 27, 1998, at the next annual meeting.

VI.) Landscape Report

Mary Flanders reported that the annual official Notice of Inspection from the Oakland Fire Service Agency was received, and our property is in compliance with the Uniform Fire Code adopted by the City of Oakland, Ordinance #11640.

The board discussed plans to beautify "the strip", the area on the west side of the street north of the concrete sidewalk. There was discussion of concerns and various plans and ideas.

VII.) Adjournment

It was M/S/P to adjourn the meeting at 10:00 p.m.. The next board meeting will be June 20, 1998, 9:00 a.m., at Chuck Scurich's home.

Respectfully submitted,


Diane Reilly
Secretary

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

Board of Directors' Meeting
June 20, 1998 - Chuck Scurich's Home

I.) Call Meeting to Order

Board President, Chuck Scurich, called the meeting to order at 9:00 a.m., with all board members present. Neighbors Fred Booker (#41) and Basha Hanner (#45) were also in attendance.

II.) Secretary's Report

Diane reported that the April 18, 1998 minutes were distributed to all homeowners and residents. It was motioned, seconded and passed to approve the minutes of the May 19, 1998 board of directors meeting.

III.) President's Report

Chuck reconfirmed that future board meetings are scheduled as follows:

July 25, 1998	9:00 am	Diane Reilly's Home
August 29, 1998	9:00 am	Paul Tiao's Home

Re-painting Spyglass Hill

W. L. Butler's attorney, Rob Gagliasso, reported that the insurance companies involved in the paint issue have not yet come to an agreement; and, therefore, the painting is not expected to start until September. It is estimated that the job should take approximately two months.

CORE

Our CORE representative, Ed Ono, has invited the board of directors and any interested homeowners or residents to attend the Tuesday, August 18, 1998 CORE meeting, 7:00 pm, at the Highlands Country Club. An instructor from the Department of Emergency Services will be presenting the newly revised CORE II. The board encourages everyone to attend to learn the latest about disaster preparedness.

Soil Erosion

The board received a letter from the homeowner at #24 regarding concern over soil erosion in the area under the decking of their private back patio and the common area walkway. Rain water is dripping through the decking and onto the bare soil of the slope of the hill. This dripping action is eroding the soil. Fred Booker and Basha Hanner have volunteered to investigate a solution to the problem.

July 4th

The board will take preventative measures to insure that our street is kept safe on the evening of July 4th. Last year a small fire was started from illegal fireworks and the landscaping was trampled by people walking and sitting on the common area at the

south end of the street adjacent to Hiller Drive. Diane will contact EBMUD to request they cut down the weeds on the hillside between Spyglass Hill and their water tank to prevent fire, and the Oakland Police Department to request police presence along Hiller Drive because of all the cars and people who use this area to view fireworks. Fred Booker offered to coordinate with Ed Ono to put up a yellow tape barrier to prevent people from walking or sitting on the landscaping, and to turn on the sprinkler system early in the afternoon. Basha Hanner volunteered that she and Mark will patrol the street.

IV.) Treasurer's Report

Paul Tiao presented the most recent account balance, transaction and cash flow reports. As of this date, the overall balance is \$115,376.22.

V.) Landscape Report

The board reviewed and discussed the job being done by our landscape contractor, East Bay Landscaping. The board agreed that for what we pay each month and the large amount of area our association's property covers, as well as the challenges of our hillside and weather conditions, they are doing a good job and are very responsive to anything our Landscape Chairperson asks them to do. The board feels we can continue to work with East Bay Landscaping to improve Spyglass Hill.

The board will ask East Bay Landscaping to check the water system every summer, when it is in full operation.

A proposed plan for the entrance and strip was presented, and approval of this plan was motioned, seconded and passed by the board. The board carefully considered the liability of Phase I doing the actual planting of the strip and downslope entrance which belongs to the Highlands Country Club. The board decided that the plan should be presented to the Club's board of directors with a request from Phase I that the Club hire the landscaping done and Phase I will pay for the work and plants, or that the Club provide a release of liability to Phase I and Phase I will do the landscaping. Chuck Scurich will present this to the appropriate director of the Club.

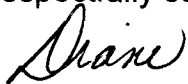
VI.) Old Business

Cats - The board is continuing to work to resolve issues involving complaints by some homeowners in regard to cats. The board is very sensitive to the concerns of everyone involved and is striving to come up with a resolution that will benefit the neighborhood.

VII.) Adjournment

It was motioned, seconded and passed to adjourn the meeting at 12 noon.

Respectfully submitted,



Diane Reilly
Secretary

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

Board of Directors' Meeting
July 25, 1998 - Paul Tiao's Home

I.) Call Meeting to Order

Board President, Chuck Scurich, called the meeting to order at 9:00 a.m., with all board members present, except Bobbie Robbins.

II.) Secretary's Report

Diane reported that the May 19, 1998 minutes were distributed to all homeowners and residents. It was motioned, seconded and passed to approve the minutes of the June 20, 1998 board of directors' meeting.

III.) President's Report

Dates for future board meetings were set as follows:

Saturday, August 29, 1998 - Diane Reilly's home

Saturday, October 3, 1998 - Mary Flanders' home

On behalf of the homeowners, residents and guests of Phase One, the Board would like to sincerely thank Basha Hanner for organizing and hosting the Spyglass Hill July 4th Picnic at the meadow of the Highlands Country Club. An afternoon of great food, good friends and fun was enjoyed by all who attended. Let's do it again next year!

The board also extends its thanks to Ed Ono, Fred Booker and Bob Schiff for putting up a tape barrier at the south end of Spyglass Hill and along Hiller Drive, and turning on the sprinklers to prevent damage to the landscaping and insure a safe July 4th. With Ed Ono in charge, a group of neighbors voluntarily patrolled the street to make certain no fireworks were discharged on the hillsides. The evening ended with no incidents.

The board welcomes our new neighbors at #51, Amir and Bitu Naini.

Re-painting Spyglass Hill

Chuck reported that the insurance companies have now agreed to provide funding for the re-painting of Spyglass Hill. Ekim Painting will be the contractor. Painting is tentatively scheduled for September 1 through October 31, 1998. The paint color selection process will soon begin.

CORE

Our CORE representative, Ed Ono, was a special guest at this month's board meeting. His presentation on how CORE functions and the role that each homeowner can play in preparing for and helping after a disaster was very informative. Ed encourages all homeowners to be involved in attending CORE I, II and III meetings. A representative from the Office of Emergency Services will present the newly revised CORE II on August 18, 1998 at the Highlands Country Club.

IV.) Landscape Report

A plan was presented to the Highlands Country Club Board of Directors for the landscaping of the club's property at the west entrance and the strip. As this property belongs to the club, the club will contract with East Bay Landscaping to do the landscaping and Phase One will pay for the work. This relieves Phase One of any liability that could arise out of Phase One contracting for the landscaping.

Mary Flanders reported that the City of Oakland and the painters will require the Board to trim, prune and remove some trees in the common area.

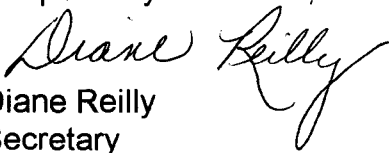
V.) Treasurer's Report

Paul Tiao presented the most recent account balance, transaction and cash flow reports. As of this date, the overall balance is \$118,602.04.

VI.) Adjournment

It was motioned, seconded and passed to adjourn the meeting at 12 noon.

Respectfully submitted,


Diane Reilly
Secretary

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

Board of Directors' Meeting
September 3, 1998 - Diane Reilly's Home

I.) Call Meeting to Order

Due to conflicting schedules, the meeting scheduled for August 29 was held September 3, 1998. Board President, Chuck Scurich, called the meeting to order at 7:00 p.m., with all board members present.

II.) Secretary's Report

Diane reported that the June 20, 1998 minutes were distributed to all homeowners and residents. It was motioned, seconded and passed to approve the minutes of the July 25, 1998 board of directors' meeting.

III.) President's Report

Dates for future board meetings are as follows:

Saturday, October 3, 1998	-	Mary Flanders' home
Saturday, November 7, 1998	-	Bobbie Robbins' home
Saturday, December 5, 1998	-	Chuck Scurich's home

Re-painting Spyglass Hill

By unanimous approval, the board authorized President, Chuck Scurich, to retain an attorney to review and make changes to a Release requested by W. L. Butler Construction. It was further resolved to authorize Chuck Scurich to sign contracts on behalf of the Association with Ekim Painting (the painting contractor), Cal-Coast (the paint consultants), and the Release of Responsibility for W. L. Butler.

The painting will begin the first week of September, beginning with #1 and moving up the east side of the street to #61, and then down the west side of the street from #62 to #20.

The board would like to acknowledge and thank Basha Hanner for her time and effort in coordinating the paint color selection process.

Homeowner Request to Install Air Conditioning

The board received a request from the homeowners at #57 to install an air conditioning unit. It was motioned, seconded and passed to approve the installation.

IV.) Treasurer's Report

Paul Tiao presented the most recent account balance, transaction and cash flow reports. As of this date, the overall balance is \$116,683.66. This figure does not include the September Association dues which have not yet been deposited.

V.) Landscape Report

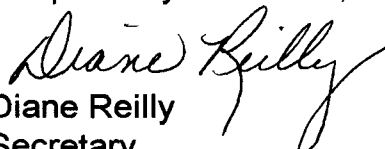
The board acknowledged and discussed the landscape issues presented in a letter from the homeowners at #9 which was sent to Mary Flanders and the board, and copied to all homeowners. Mary Flanders has met with the homeowner to discuss their concerns.

The Highlands Country Club has contracted to begin landscaping "the strip". The area is being irrigated to soften the ground so that it can be rototilled and planted. A temporary fence has been erected along the Spyglass Hill driveway which abuts the strip, and all residents and guests are asked not to park in this area.

VI.) Adjournment

It was motioned, seconded and passed to adjourn the meeting at 8:30 p.m..

Respectfully submitted,


Diane Reilly
Secretary

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

Board of Directors' Meeting
October 3, 1998 - Mary Flanders' Home

I.) Call Meeting to Order

Board President, Chuck Scurich, called the meeting to order at 9:00 a.m., with all board members present, except Paul Tiao. Guests were Blythe Mickelson (#41), Basha Hanner (#45), and Evelyn Pavone (#46).

II.) Secretary's Report

Diane Reilly reported that the July 25, 1998 minutes were distributed to all homeowners and residents. It was motioned, seconded and passed to approve the minutes of the September 3, 1998 board of directors' meeting.

III.) President's Report

Chuck Scurich reconfirmed the dates of future board meetings as follows:
Saturday, November 7, 1998 - Bobbie Robbins' home
Saturday, December 5, 1998 - Chuck Scurich's home

Re-painting Spyglass Hill

Basha Hanner reported to the board regarding the painting project. Basha has been very helpful in acting as a liaison between the painters and the board of directors, and has worked with Mary Flanders to insure a satisfactory job on each home. A few issues came up on the first several homes painted. The issues have either been resolved at this writing or are in the process of being resolved. Overall, the painting project is going very well. Basha will be preparing and distributing a "punch list" form to be completed by each homeowner following the painting of their home. It was motioned, seconded and passed to authorize Basha Hanner to purchase "treats" such as candy and cookies up to Fifty Dollars throughout the two month paint project as a "keep up the good work" thank you to the painters.

Common Area Washers & Dryers

In a discussion, the subject of the common area washers and dryers for units #40 and #46 was brought up. When these homes were rebuilt after the fire, they were built with each home having a washer and dryer in a common area room adjacent to the carports. The Association is responsible for the PG&E bill to operate these machines, as well as any repairs or replacement.

The board will investigate to determine if replacement of these machines is included in the Reserve Contribution Fund, and will look into the purchase of a maintenance agreement for these machines.

IV.) Treasurer's Report

Paul was unable to attend this meeting, but he prepared his report and gave it to Chuck Scurich for presentation to the board. As of this date, the overall account balance is \$266,451.33. This balance reflects the recent insurance settlement checks received to cover the cost of repainting all of the homes on Spyglass Hill. Payments to the painting contractor and paint consultant will be made in installments as the painting progresses.

V.) Landscape Report

Mary Flanders reported that "the strip" has been planted in ivy. The west entrance area was also planted in ivy by mistake. The ivy will be removed and the entrance area will be planted with perennials as stipulated in the contract. Mary is coordinating with East Bay Landscaping to accomplish this years' Phase One second and third landscaping priorities, i.e. cleaning up the hillsides and replanting in existing holes where plants have died.

VI.) New Business

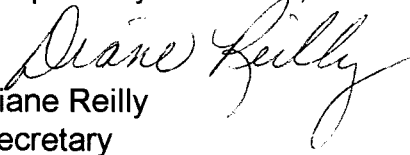
Evelyn Pavone (#46) came to the board meeting to discuss landscape issues and express her concern about the overgrowth of plants and weeds on the west Spyglass Hill hillside which belongs to the Highlands Country Club. Chuck Scurich will speak with a representative of the Club to try to resolve this issue.

Blythe Mickelson (#41) addressed the board regarding her concerns about pets. The board will be distributing a questionnaire to inquire of other homeowners and residents as to whether or not they have any opinion or issues to discuss regarding pets. Two informal meetings will be held for anyone who wishes to attend and express their thoughts.

VII.) Adjournment

It was motioned, seconded and passed to adjourn the board meeting at 12:30 p.m..

Respectfully submitted,


Diane Reilly
Secretary

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

Board of Directors Meeting
November 7, 1998 - Bobbie Robbins' Home

I. Call Meeting to Order

Board President, Chuck Scurich, called the meeting to order at 9:00 a.m., with all board members present, except Mary Flanders. Homeowner, Blythe Michelson (#41) attended the meeting.

II. Secretary's Report

Diane Reilly reported that the September 3, 1998 board of directors meeting minutes were distributed to the homeowners and residents. It was motioned, seconded and passed to approve the minutes of the October 3, 1998 meeting.

A letter will be sent to all homeowners and residents, asking for volunteers to serve on a committee to prepare a slate of nominees for the 1999-2000 board of directors.

A date and time for the 1999 Hiller Highlands Phase One annual meeting will be reserved at the Highlands County Club.

III. Treasurer's Report

Paul Tiao reported that as of this date, the overall account balance is \$223,733.54. This balance reflects insurance payments received for repainting and will be reduced as payments are made to the painting contractor. Paul reported that a payment has been made to Ekim Painting, and more payments will be made as the work progresses; however, 10% of the total cost will be withheld until all work is completed and approved. **Complete your "punch list".**

IV. President's Report

Re-painting Spyglass Hill - A "punch list" has been distributed to all homeowners and residents. This is to be completed and returned to Basha Hanner, our paint coordinator, following the painting of each individuals' home. **It is urgent that all homeowners complete and turn in this "punch list" immediately. Once the Association makes a final payment to Ekim Painting, the job will be considered completed to satisfaction.**

Chuck Scurich received a request from W. L. Butler to sign an Addendum to the Release previously signed regarding the repainting of Spyglass Hill. Chuck will consult an attorney to review the document. It was motioned, seconded and passed to authorize Chuck to sign the Addendum after review and advisement by the attorney.

Common Area Washers & Dryers - Bobbie Robbins will pursue this matter with the homeowners in units 38, 40, 42, 44, 46 and 48 to determine who uses these appliances and what is understood regarding the responsibility for maintenance and/or replacement.

V. Old Business

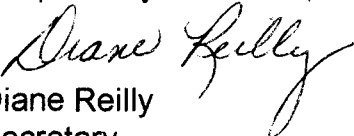
Hillside Overgrowth - Following the previous board meeting, Chuck Scurich spoke with Tim Palmer of Highlands Country Club about weeds on the hillside. Tim advised that the area of the hillside in question belongs to EBMUD. Diane will pursue this matter with EBMUD and ask them to clear the hillside of weeds on a regular basis.

Pet Concerns - The board discussed the results of the questionnaire and the two informal meetings held regarding pets, cats in particular.

VI. Adjournment

It was motioned, seconded and passed to adjourn the board meeting at 12 Noon.

Respectfully submitted,


Diane Reilly
Secretary

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

Board of Directors Meeting
December 5, 1998 - Chuck Scurich's Home

I. Call Meeting to Order

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

II. Secretary's Report

Diane Reilly reported that the October 3, 1998 meeting minutes were distributed to all homeowners and residents. It was motioned, seconded and passed to approve the minutes of the November 7, 1998 board of directors meeting.

III. President's Report

Future board meetings were scheduled, as follows:

January 11, 1999	7:00 p.m.	Bobbie Robbins' home
February 27, 1999	9:00 a.m.	Paul & Kaye Tiao's home

Annual Meeting

The 1999 Phase One Association Annual Meeting will be held at the Highlands Country Club on Thursday, March 11, 1999, at 7:00 p.m..

It was motioned, seconded and passed to approve Ned Flanders as the 1999-2000 board of directors nominating committee of one. The board would like to thank Ned for volunteering to take on this responsibility.

Rusted Railings & Earth Movement

It has been noticed that some of the stair railings are deteriorating and rusting at the base where they are imbedded in concrete. Also, the homeowner at #24 has inquired about earth movement under the deck on the east side of the property. Mike Newland of W. L. Butler, Inc., will meet with Chuck Scurich on December 7, 1998, to look at and discuss these matters.

Washers and Dryers

The matter of who is responsible for the maintenance and/or replacement of washers and dryers in the common area under units #42 and #48 is being pursued by the board.

Water Usage Spreadsheet

Over the past several years, Fred Booker has developed a spreadsheet for water usage on the street. Each month Steve Cobbledick reads the water meter at each unit and provides the information to Fred. The board would like to thank both Fred and Steve for their efforts in performing this important task. The board will be establishing a method to periodically analyze the water usage to determine any major change or discrepancy in water usage which may indicate a leak.

IV. Treasurer's Report

Paul Tiao reported that as of this date, the overall account balance is \$172,997.82. This reflects the second installment on the repainting project paid to Ekim Painting and two invoices paid to Coatings Control, Inc. (our paint chemist).

On December 9, 1998, the Association's earthquake insurance policy was renewed. The premium this year is \$22,649.00, a savings of \$400 over last years' premium. The board would like to sincerely thank Jim Douglas for continuing to shepherd us through our insurance matters.

V. Old Business

Pet Concerns

The Board of Directors discussed the issue of the cat complaint made by one homeowner. After extensive investigation and deliberation, the Board of Directors decided that they, representing the interests of all the homeowners, have dealt with the problem as best they can.

1. We bought and installed water scarecrows and netting. We purchased and researched several different chemical deterrents for the homeowner. We collected feces around the homeowner's unit over a six week period to attempt to determine the magnitude of the problem.
2. We coordinated a meeting between the two homeowners who were most directly involved in order to facilitate an agreement between those parties.
3. We arranged and conducted two meetings, inviting all members of the Association to attend in order to discuss the problem and possible solutions.
4. We created a questionnaire and conducted a survey to determine the positions of the members of the Association regarding the passing of regulations or spending Association money and labor to solve the problem.

We believe that the survey results are a clear expression of the wishes of the majority of the members of the Association. The results indicate that a resolution involving control of cats is not favored by the membership. It is our duty as a Board to represent the wishes and direction given by the membership. 31 out of 34 members responded to the questionnaire. That is more than a 91% response.

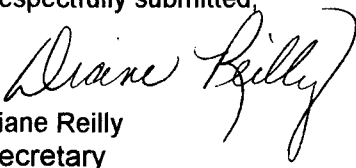
Of those who responded, only 6 members felt that there should be a resolution forbidding cats to run free. Furthermore, only 4 members felt that the Association should pay for the chemicals and/or other cat deterrents.

We board members do have empathy for the homeowner who is complaining. However, we think that the Board has done what it can, given the direction of the membership. We have discussed the problem at length at the last eight (8) board meetings and acted in good faith to solve this problem. We feel that we must take direction from the survey and close the issue without further action by the Board. Also, we would like to express our hope that the two homeowners most directly involved will work together on a solution. There has already been some compromise expressed.

VI. Adjournment

It was motioned, seconded and passed to adjourn the board meeting at 12 noon.

Respectfully submitted,


Diane Reilly
Secretary

**HILLER HIGHLANDS PHASE ONE
BOARD OF DIRECTORS
RESOLUTION
DECEMBER 5, 1998**

The Board of Directors discussed the issue of the cat complaint made by one homeowner. After extensive investigation and deliberation, the Board of Directors decided that they, representing the interests of the homeowners, have dealt with the problem as best they can.

1. We bought and installed water scarecrows and netting. We purchased and researched several different chemical deterrents for the homeowner. We collected feces around the homeowner's unit over a six week period to attempt to determine the magnitude of the problem.
2. We coordinated a meeting between the two homeowners who were most directly involved in order to facilitate an agreement between those parties.
3. We arranged and conducted two meetings, inviting all members of the Association to attend in order to discuss the problem and possible solutions.
4. We created a questionnaire and conducted a survey to determine the positions of the members of the Association regarding the passing of regulations or spending Association money and labor to solve the problem.

We believe that the survey results are a clear expression of the wishes of the majority of the members of the Association. The results indicate that a resolution involving control of cats is not favored by the membership. It is our duty as a Board to represent the wishes and direction given by the membership. 31 out of 34 members responded to the questionnaire. That is more than a 91% response.

Of those that responded, only 6 members felt that there should be a resolution forbidding cats to run free. Furthermore, only 4 members felt that the Association should pay for the chemicals and/or other cat deterrents.

We Board members do have empathy for the homeowner who is complaining. However, we think that the Board has done what it can, given the direction of the membership. We have discussed the problem at length at the last eight (8) board meetings and acted in good faith to solve this problem. We feel that we must take direction from the survey and close the issue without further action by the Board. Also, we would like to express our hope that the two homeowners most directly involved would work together on a solution. There has already been some compromise expressed.