

**LAKE FOREST - SUMMIT OWNERS ASSOCIATION  
ANNUAL MEMBERSHIP MEETING  
May 12, 2011**

**MINUTES**

1. **Call to Order:** President Poiriroo called the meeting to order at 7:00 PM at the El Dorado Hills Fire Department.
2. **Verification of Quorum:** Association Manager Mimi Menzies, serving as the Inspector of Elections, reported that a quorum had been established with members represented either by secret ballot or in attendance.
3. **Introductions:** President Poiriroo introduced the Summit Board members present, Association Manager Mimi Menzies and Administrative Assistant Marianne Osborne who represented Kocal Management Group, Inc.
4. **Board Election**
  - A. **Nominations from the floor:** Three, two-year Board seats were up for election. The candidates on the secret ballot were Helen Austin, Brian Provencal, Gene Harris and Will Overholtzer. Hearing no additional nominations from the floor, the nominations were closed and the candidates were introduced.
  - B. **Casting of Ballots:** Those members who had not yet cast their ballots were requested to do so. The polls were closed at 7:10 PM.
  - C. **Tabulation of Ballots:** Kocal Management was appointed as the Election Official. In that capacity, Marianne Osborne was to open the ballots. Board Member Terry Cosens recommended that someone other than Kocal Management assist in opening the ballots. Wally Richardson volunteered to assist and both he and Maryanne opened and tallied the ballots.
5. **President's Report:** While the ballots were being tabulated, President John Poiriroo gave his President's report which is attached to these Minutes.
6. **Financial Report:** Treasurer Helen Austin reviewed the current financial statement that was approved as submitted.
7. **Open Discussion**
  - Tom Austin reported on the asset valuations of the association and inquired on how the reserve study was prepared by the Browning Reserve Group.
  - Summit I sub-drainage issues were discussed. It was stated that Summit II does not have the same problems as Summit 1.

8. **Election Results:** Mimi Menzies, the Inspector of Elections, reported that the ballot tabulation was completed and gave the election results as follows:

Helen Austin	51 votes	Bob Bogowitz	35 votes
Will Overholtzer	44 votes	Brian Provencal	51 votes
Tom Hartman	19 write-in votes		

**Carry Over Fund Resolution:** Any excess membership income over membership expenses for the year ending December 31, 2011 will be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604. The Resolution passed with 71 votes in favor and 2 votes opposed.

9. **Adjournment:** The meeting was adjourned to an Organizational Board meeting at 7:50 p.m.

Respectfully submitted,

Wallace Richardson  
Board Member

6/14/12  
May 10, 2012

Unofficial until approved and signed.



**KOCAL MANAGEMENT GROUP**

*A Division of the Management Trust*

## **The Summit Annual Meeting Annual Report – 2011**

I'm pleased to again report that The Lake Forest-Summit Owners Association remains financially healthy, meets its obligations and is conservatively managing its assets. Helping us achieve that are the following individuals:

Brian Provencal is our vice president. His main responsibilities are to oversee the direction of street repairs, for which he calls upon his skills as an engineer to all our advantage. Recently, Ray Myers, president of the Lake Forest Owners Association and someone professional involved in road engineering wrote to me, and I quote, "I am very impressed with Mr. Provencal and his understanding of maintenance priorities needed based on Summit road conditions. The HOA is receiving valuable accurate analysis of level of distress and appropriate corrective action." It has been under Brian's expert guidance that we've been addressing serious deficiencies in our streets and deterioration of them that has resulted from years of wear and tear. And, I am hopeful that his service will continue on the board, as it is so needed.

Helen Austin is our Treasurer. She is quite simply the best financial officer our association has ever had and I'm told, the best of any association that Kocal assists. Our books are reviewed by her with great diligence and intelligence. Through her leadership, we have been able to weather difficult economic times yet stay solvent and not have to slash maintenance or impose special assessments as other HOAs have done. Helen is the inspiration behind our annual holiday lights displays, coordinating with the contractor and assuring that our neighborhood always stands out, as a high end community should.

Will Overholtzer is the Association's Secretary and is our representative to the Master Association Board. In that capacity, Will was responsible for leading the effort to improve landscaping along the Francisco Boulevard corridor, including getting the agreement from Rolling Hills Estates to contribute to the landscaping of the last section of Francisco which had remained un-landscaped. Will has volunteered his time on street maintenance issues, as well, providing his thoughts on what's needed.

Terry Cousins joined the board last year and has contributed greatly, participating in special hearings held to deliberate owner violations, as well as to oversee the forth coming Spring Ice Cream Social at Summit Park. Terry has given a lot of her time to better understand the accrual accounting system used by the management company and has been a dedicated member of the board.

The general economy remains in a state of uncertainty with regularly announced threats of hyper inflation and continued foreclosures, as well as economic recession. There are signs that the country's economic woes may be turning to the better, though caution is still needed, particularly when managing an owners association which is dependent upon a steady flow of assessments.

I think you all know how committed this board has been in defending community standards. Those standards define the kind of neighborhood we all choose to live in and it's not easy to tell one's neighbor that he isn't holding up his end of the agreement we all signed... that of adhering to higher standards of maintenance and conduct than may be found in other communities.

But, those standards are part of why The Summit continues to maintain much higher property values than other neighborhoods in El Dorado Hills. I spoke with Mark Ferry of Lake Forest Realty this afternoon. I first met Mark and his wife Amie after a very pregnant Amie walked up to our door before we moved to The Summit, on a hot summer day, introducing herself and her family's real estate firm. I figured someone that dedicated was just the person I wanted helping to sell my house or searching for a new one for me. Anyway, Mark reported to me that in the past month, three homes have sold in The Summit. They were listed, on average at \$818,000 and sold for \$763,000. The biggest sale was for just over a million on Crocker Drive.

There are three homes for sale in The Summit, two of which are short sales and one additional property on Lockridge is in escrow. I have the report here, if you'd like to see it following the meeting.

Mark said that the higher end in the housing market has been hit the hardest, because banks have not been willing to lend for the higher priced homes, even when the buyer was well-qualified. But he also said that The Summit is definitely the premiere community in El Dorado Hills, even greater than Serrano, because we lack the additional cost of Mello Roos bonds which Serrano residents pay for streets, lighting and schools. Buyers today are taking into account such costs, which gives our HOA an advantage.

Of gated communities, it costs a Serrano resident about \$300 a month for HOA fees and Mello Roos costs. The same for The Promontory. South Pointe is about equal with us at \$169, with fewer streets and services, and larger lots. Of course how much owners need to contribute depends so much on the initial quality of a development's infrastructure, how much the developer contributed to the funding of reserve and so many other factors.

There's not much construction occurring in The Summit, certainly not at the pace it was a decade ago when Summit II was growing. Mostly, we see remodels and maintenance. Though we continue to appreciate the diligence of Tom Austin, chair of the Architectural Committee and ACC members Brian Provencal and Terry Cosens, if you have an interest in architecture and community standards, there's room to serve on this committee and I'm sure Tom would like to speak with you.

Among other committees, the landscape committee is chaired by Joan Poimiroo with John Ryan assisting. No major landscaping changes are planned this year.

Heading the Security Committee is Bob Bogowitz. Despite grave personal injury, Bob has continued to advise us on gate and camera system maintenance. He and John Ryan are designing a new method of camera data being transmitted from the back gate to the front gate that does not require a line of sight link.

And, welcoming new residents to The Summit has been Summit resident Gene Harris, as head of our Welcoming Committee.

We could not have done all this without the support and professionalism of Kocal Management Group, our association management company. Mimi Menzies, Marianne Osborne and Kim Gomez have been a great help to us this past year, as was the entire Kocal staff.

This year, The Summit plans \$244,000 in street repairs. We've held off major street repairs for two years in order to bank enough to make a significant dent in the serious problems we have with our streets.

, the installation of two additional mailboxes along Promontory (which are now in place), repair to dry rot windows and paint at the gate house, maintenance of gate controllers, maintenance of irrigation systems, repairs to fencing, maintenance of street lighting, replacement of missing stop signs, replenishment of children's play surfaces at the park, improvements to underground utilities and other maintenance functions.

Perhaps you've seen the new light that illuminates the children's play area. It was installed to discourage people from gathering there out of sight, at night.

The previous year was a quiet one, but this past year was one in which we worked hard to stop The Summit from being disrupted by commercial deliveries by an owner outside The Summit who was operating a business in a residential zone. We worked with neighbors, the county, County Supervisor Knight, the sheriff's department and many others to stop this illegal intrusion and we were successful. An FBI, ATF and Sheriff's dept raid found a drug operation that stored illegal assault weapons. The leader of the operation was arrested, his house nearby outside The Summit was sold and the owner of the offending property has put the property up for sale.

The extensive work of board members with fellow owners to stop this affront to civility turned things around. So, I hope we're back to being a quiet neighborhood of responsible owners and neighbors who collectively care about the community in which we live.

Foreclosures have not hit us hard. We're lucky. We have people who invested here, to live in The Summit for the long term. The most obviously neglected house in our neighborhood has been purchased and refurbished. Its owners had only planned to flip it, but when they were so warmly welcomed here, they decided to live here.

This is a good place to live. We have nice neighbors who look out for one another and we have high standards, the kind expected of a luxury gated community. The board makes every effort to sustain those standards to protect property values and to honor the contracts given to every owner upon buying a property here, that The Summit will be managed as described in its CC&Rs and Rules.

So, I suppose I have to pass on a couple of notices. First is a reminder to residents that we will be enforcing parking restrictions on Hathaway Court on weekends to prevent non-residents from parking on the street in order to walk to the State Park. Illegally parked cars will be towed. If you are a resident and you wish to park there, you must either have a Summit sticker on your window or display a one-day parking pass.

Tonight, we benefit from the changes to our bylaws that were enacted in 2006, as we have pre-established a quorum. Those of you who attended these meetings prior to 2006 might recall that we hardly ever met the quorum requirements of the old bylaws. That meant added expense and frustration to all of us, as we came to a meeting that couldn't be conducted for lack of a quorum. Also, we changed

our bylaws to make it easier to conduct elections and tonight, our election will occur at half the cost that the same election would have cost before the bylaws were changed.

I'd like to express the board's thanks to everyone who voted or will vote tonight and to all who have contributed to making The Summit one of the finest communities to live in this area.

There are countless folks to thank and many more projects and improvements which I could mention so if I missed anyone, any committee or any project, my apologies. But then I'm reminding myself that the point of approving those CC&R and Bylaws changes was to have more productive meetings. So, I suppose I should conclude my comments and invite any of you who would like to be more involved in this community to volunteer to serve on one of our committees. I know Terry could use a hand for the Ice Cream Social on May 22. See me or any board member after the meeting, if you'd like to participate.

And now, for the business at hand...