LAKE FOREST - SUMMIT OWNERS ASSOCIATION
ANNUAL MEMBERSHIP MEETING
May 8, 2014

MINUTES

1. **Call to Order:** President Doug Harvey called the meeting to order at 7:03 PM in the offices of Kocal Management Group, 1739 Creekside Drive, Folsom, California.

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. **Board Election**
   - **A. Nominations from the floor:** Two, two-year Board seats were up for election. The candidates on the secret ballot were Doug Harvey, Sam Akkad and Joan Poimiroo. 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 7:05 PM.
   - **C. Tabulation of Ballots:** Kocal Management was appointed as the Election Official. In that capacity, Jane Frazee opened and tabulated the secret ballots.

4. **President's Report:** While the ballots were being tabulated, Doug Harvey gave his President's report which is attached to these Minutes.

5. **Financial Report:** While the ballots were being tabulated, Helen Austin gave her Treasurer's report which is attached to these Minutes.

6. **Committee Reports**

   A. Architectural: Tom Austin gave the report stating that solar panels were approved for a home on Hamilton; a new gate was approved on Crocker and there is a new owner at 100 Rock Lane. Helen and Tom met with the new owner who has indicated he has no plans to subdivide or cultivate the property.

   B. Streets: Will Overholtzer stated that Promontory was done during 2013 and looks great. A pot hole on Columbia and Lakecrest was identified that needs to be corrected.

   C. Master: John Poimiroo was present and stated that no decision has been made to add top dressing to Francisco or any sub association common areas. The Master has decided that due to water restrictions, no annual flowers will be planted. Tom Austin spoke about the new fire station that is expected to be completed in 2015.

7. **Open Discussion:** There was no open discussion to come before the membership.

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

Doug Harvey	54 votes
Joan Poimiroo	47 votes
Sam Akkad	15 votes
Wally Richardson	1 write-in vote

Carry Over Fund Resolution: Any excess membership income over membership expenses for the year ending December 31, 2014 will be applied against the subsequent tax year member assessments as provided by IRS Revenue Ruling 70-604. The Resolution passed with 58 votes in favor and no opposing votes.

9. **Adjournment:** The meeting was adjourned to an Organizational Board meeting at 7:45 PM.

Respectfully submitted,

J Poimiroo
Board Member

6-12-14
Date

Unofficial until approved and signed.

The Management Trust
KOCAL DIVISION

The Summit Annual Meeting
Annual Report – 2014
President's Report – Doug Harvey

I'd like to open this report by communicating that The Lake Forest-Summit Owners Association remains financially healthy, continuing to meet its obligations and manage its assets.

Each year, the homeowners elect new members to the five person board. This year, there are two positions to be filled. After the ballots are counted this evening, we'll be announcing the newly elected members.

I'd like to a moment and thank our current board members for their community service. It's been a privilege to work with such a dedicated group of people. I can honestly say that without exception, each cares deeply about our community, and wants to make living in The Summit a great experience for everyone.

Board of Directors: Will Overholtzer
Brian Provencal
Joan Poimiroo
Helen Austin
Doug Harvey

In addition to board members, we are fortunate to have a group of talented committee chairs that provide countless hours of service to our neighbors and community.

Architectural:	Tom Austin
Landscaping:	Joan Poimiroo
Social:	Joan Poimiroo and Helen Austin
Welcoming:	Linda Harvey
Streets:	Will Overholtzer

And last, but certainly not least, we are supported by a very responsive and capable Association Manager, Mimi Menzies. So, I'd like to use this forum to say thank you for your service.

In addition to being the largest part of our budget, maintaining our roads continues to be a major focus of the board. Last year's repaving project was the largest we've done to date, including most of Promontory Point. I hope all would agree that the entire project was well communicated and managed. As a result, we can expect our roads to be well maintained and beautiful for years to come.

Another project currently underway is our work to standardize the look and appearance of all mailboxes. New tops and black powder coating were added to existing mailboxes in Summit 2 to match new boxes in Summit 1 that were previously replaced. Work will be complete by the end of May.

Security continues to be a top priority. The board is currently reviewing the use of patrols as well as several surveillance options. We would welcome your thoughts and ideas on how we can better balance our needs for security with our rights to privacy.

As for the current water situation as it pertains to the drought and restrictions placed on residents by the El Dorado Irrigation District. Each resident should have received a mailing with schedules for landscape irrigation based on your street address ending in either an odd or even number. In addition to watering dates, residents are limited to certain hours of the day for outdoor irrigation.

Also, notices went out regarding lot and yard clearing for 2014. Owners are required to clear undeveloped lots and un-landscaped yards by Memorial Day.

As for our economy, the housing market in The Summit continues to improve. The number of foreclosures continues to decline, and we have had many new residents join our community in the last year. For those that are new to The Summit, welcome! The number of open lots also goes down each year, and as more people move into The Summit, I ask that the new board continue to make our infrastructure within the summit, a priority. We must ensure that needed maintenance and improvements are factored into our reserve plans, so that our neighborhood continues to be a desirable place to live within El Dorado Hills.

Given that this is our annual meeting, and a quorum was met, I'd like to thank everyone who voted, and again thank the current board for their time and commitment.

At this time, I'd like to open the meeting to open forum until which time as the election officials can announce the results. Does anyone have any comments or questions?

Helen M. Austin

From: Helen M. Austin
Sent: Thursday, May 08, 2014 2:03 PM
To: Helen M. Austin
Subject: FW: Summit Financials - May 8, 2014

Lake Forest Summit HOA is a non profit organization

This Boards function is to provide responsible management and prudent use of resources for the benefit of all who live in our community. We have accountability to the membership and as such we also ensure that covenant and law violations are promptly and fairly addressed.

The Summit is comprised of 197 parcels. Each owner's assessment is currently $175 for each lot that they own. Our annual budget is $413,700 ($34,475/mo.) which is the exact total if all assessments are paid each month There are 6 major line items within the budget:

Reserve – All members were mailed an update of our reserve account position last October. The Reserve Fund is a significant item in the Association's budget @ 43% of resources ($180,886). Reserve Funding is used, among other things, to maintain our roads. The Summit is the only village in Lake Forest responsible for its roads. Funding of the reserve account is mandated by Civil Code 1365 more commonly referred to as the Davis Stirling Act.

Administration is the second highest line item @ 32% ($131,984). This line item pays the Lake Forest Master Association dues, Kocal Management fees, legal fees, insurance, and all other administrative costs.

Security for our community amounts to 11% ($46,350)of the annual budget. This pays for the security patrol, the security camera system and the maintenance of the camera system.

Landscaping is self explanatory and comprises 8% ($34,730) of the annual budget.

Lastly repairs and maintenance and utilities @ approx. 3% each ($11,000 ea.).

Your Association is dependent upon all owners paying their assessments in a timely manner. There is a line item on the balance sheet showing receivables (money owed to the Association). At the end of April, receivables totaled over $64,000; assessments (monthly dues) comprise 47% of that total. Non payment of monthly dues is increasing steadily. Not a good trend since the maintenance of our community depends on everyone paying their monthly dues. A collection process is available and is pursued rigorously but is also expensive since it involves hiring an outside collection agency.

At the end of April the operating bank account totalled $22,729 and the reserve balance is $261,456.00