

EMERALD HILLS HOMEOWNERS ASSOCIATION, INC.
MINUTES OF BOARD DIRECTORS MEETING

June 13, 2007

Fire Station #19, 4091 Jefferson Avenue, Emerald Hills, CA

7:30 pm

The following are the minutes of a meeting of the Board of Directors (the "**Board**") of Emerald Hills Homeowners Association, Inc., a California corporation (the "**Association**"). The meeting was held on the date and at the time referenced above. Attending the meeting were Directors Steve Hill (Chair), Adriana Botto, Carolyn Chaney, Michael Mangini and Cheryl McGovern. Steve Harper, Lee Lukehart and Milo Medin were absent. Due to a resignation from the Board, the ninth Board seat was vacant at the time of the meeting. Also present at the meeting from the community were residents Nancy Mangini and Harold Shaw. Director Botto acted as Secretary and kept the minutes of the meeting.

A quorum being present, the meeting was called to order.

The Agenda was read and upon a motion duly made and seconded, approved. It was noted that only business which related to the June 25, 2007 Special Member Meeting (the "**Special Meeting**") would be conducted at this Board meeting, and that all other routine business items would be taken up at the next regularly scheduled Board meeting following the Special Meeting.

Director Chaney indicated that she objected to the taping of Association meetings by anyone other than the Association Secretary and that she believed that permission should be requested. It was agreed that this issue would be tabled until the next regularly scheduled Board meeting.

1. Visitor Forum (Comments) / Member Input.

None.

2. Legal Opinion.

Director Chaney summarized the information received from legal counsel Beth Grimm. The committee had asked counsel very specific questions, including whether or not the proposals could be separated and voted upon as separate items, and whether or not the Special Meeting needed to confine itself strictly to the proposals as presented by the 71 Members or whether any alternate proposals could also be included. Per advice received from counsel, as long as any alternate proposals were properly noticed, then they could be included with matters to be voted upon at the Special Meeting.

3. Form of Ballot.

The Board then discussed several forms of ballots that could be used at the Special Meeting, including the methodology and differences of each.

After discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board hereby approves separating petition proposal number 3 into two separate items to be voted upon at the Special Meeting;

RESOLVED FURTHER, that Board hereby ratifies the inclusion of the alternate proposals in the Association newsletter; and

RESOLVED FURTHER, that Board hereby approves placing alternate proposals, as included in the Association newsletter, onto the form of ballot to be used at the Special Meeting.

The Board then discussed the questions to be sent to legal counsel including those related to the form of ballot to be used at the Special Meeting and the vote required for the passing of each proposal.

After further discussion, and upon motion duly made and seconded, it was,

RESOLVED, that pending legal review, the Board hereby accepts the form of ballot to be used at the Special Meeting as approved by legal counsel, together with such changes and amendments as counsel deems necessary.

4. Special Meeting Mechanics.

The Board then discussed the mechanics of the Special Meeting including but not limited to the preparation and distribution of sequentially pre-numbered ballots, the use of a ballot box, the creation of a complete and accurate list of homeowners, the logistics of Special Meeting check-in process, the use of a PowerPoint presentation, the use of the AV system and microphones, and the counting of ballots and the witnessing of such counting.

After lengthy discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board hereby approves and authorizes Director Harper to purchase refreshments for the Special Meeting;

RESOLVED FURTHER, that the Board will not accept any motions from the floor at the Special Meeting;

RESOLVED FURTHER, that four Board members shall count the Special Meeting ballots and that Mr. and/or Mrs. Ford be invited to witness the counting; and

RESOLVED FURTHER, that the Board hereby approves and authorizes the expenditure of funds for the use of the Elks Club facility.

The Board then discussed the use of a professional facilitator to conduct the meeting and the fee structure related to such use.

After discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board hereby approves the use of a professional facilitator from the Peninsula Conflict Resolution Center and approves the expenditure of up to \$650 to secure and use the services of such facilitator.

Director Chaney noted that the Special Meeting is becoming very costly for the Association, and that although the Board did not call the Special Meeting, the Association is bearing the full burden of the costs. Director McGovern requested that as part of the introduction to the Special Meeting, that the cost of the Special Meeting be announced to Members at the Special Meeting, and to remind everyone that the Board has open meetings and that the Board entertains ideas for agendas, and if anybody has any issues they want to bring to the Board's attention, that the Board has an open door policy.

The Board then discussed the agenda to be used at the Special Meeting.

After discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board hereby approves the agenda for the Special Meeting as printed in the Association newsletter.

The Board then discussed the committee's findings with respect to possible recommendations to be adopted by the Board. Director Mangini reported on specific policy resolutions as an alternative to proposal 2.

After discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board hereby approves the following statement with respect to the Board's recommendation on proposal 2:

"The Board of Directors recognizes that the subject of residential land use is an extremely sensitive issue to many in this community. The Board recognizes the community is upset with how land use issues have been handled. The Board also feels that the community may desire the Association to represent them to County government from time to time on various residential land use issues if it is determined by a significant number of Members that it is necessary to do so. The Board will be seeking Member input on how to best address EHHA involvement in land use issues. The Board recommends that petition item number 2 be rejected. "

After discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board recommends that proposal 1 be rejected and asks that homeowners submit potential name changes for consideration at the next annual Member meeting.

The Board then turned to a discussion of proposals 3a and 3b. The Board discussed the possibility of redefining Member.

After discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board recommends that proposal 3a be rejected; and

RESOLVED FURTHER, that the Board will consider an alternative Bylaw amendment regarding the definition of Membership, for consideration by Members, at the next annual meeting.

After discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board recommends that proposal 6 be rejected, and that the alternative to this proposal be approved; and .

RESOLVED FURTHER, that the Board make no formal recommendations with respect to proposals 3b, 4 and 5.

The Board confirmed its next meeting date of July 2, 2007.

5. Acknowledgment of Service.

The Board discussed the receipt of Amy French's resignation. After brief discussion, and upon motion duly made and seconded, it was,

RESOLVED, that the Board hereby thanks Amy French for her service on the Board.

6. Adjourn. 10:15 pm

There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

Adriana Botto
Secretary