

BELVEDERE NEIGHBORHOOD ASSOCIATION
Board of Directors Meeting
November 17, 2008

At 4:15 p.m. Drew Holzwarth called the meeting to order at the offices of Stonehaus, LLC. Directors present were Bob Hauser, Drew Holzwarth and Mike Ball and Secretary, Peter Primiani. L.J. Lopez was also present representing the developer, Stonehaus, LLC.

The minutes of the previous meeting held on September 17, 2008 were read. Holzwarth moved that the minutes be approved. Hauser seconded. Motion carried.

The Income Statement from October 2008 was presented showing net income YTD of \$8,336.72. Hauser moved that the financial report be approved. Ball seconded. Motion carried.

Management Report

Peter Primiani presented the Management Report. He reported that four properties have now closed in the community. The HOA is now paying for both trash collection and Infrastructure. The developer continues to cover the landscaping maintenance and probably will do so throughout 2009.

Current builder lots include 13 lots to Eagle Construction and 36 lots to Hauser Homes. Union Bank also owns two lots.

Discussion next centered on obtaining the required HOA insurance per the management contract. Peter reported that the proposed policy covered \$1,000,000 general liability coverage with a \$2,000,000 aggregate. This policy also included a \$25,000 employee dishonesty bond. The annual cost of this policy is \$528.00.

The second policy was D&O Liability coverage. The property manager can be added to this policy as additional insured to satisfy the requirement for the Property Manager's E&O insurance as required in the management contract. The annual price for this policy is \$831.00.

Bob Hauser moved that the above listed insurance be obtained. Holzwarth seconded. Motion carried.

Peter Primiani presented a resolution that the \$3,000,000 umbrella liability coverage as required in the management contract be deleted. Motion to accept was made by Holzwarth. Hauser seconded. Resolution carried. See attached.

Developers Report

L.J. Lopez presented the developer report. No decision has been made yet as to the location of the playground. High Speed internet should be in place by year's end. He mentioned the developer would come back in 2009 and reseed those areas which grass had not taken.

Old Business

There was no old business

New Business

Primiani presented the proposed budget for 2009. Discussion followed on the property management fee. The management contract calls for a management fee of \$1,200 per month. Primiani suggested a reduced management fee of \$200.00 per month throughout 2009. Hauser motioned that the management fee for 2009 be \$200.00 per month. Holzwarth seconded. Motion carried.

Hauser moved that the 2009 budget be approved as corrected. Ball seconded. Motion carried. See attached.

There being no further business, the meeting was adjourned at 4:52 p.m.

Respectfully Submitted

Peter F. Primiani
Secretary

Resolution
BELVEDERE NEIGHBORHOOD ASSOCIATION
October 1, 2008

By Special Meeting of the Board of Directors of Belvedere Neighborhood Association, Inc. the undersigned Directors hereby resolve that the Insurance Requirement as outlined in EXHIBIT "B" of the Management Agreement dated April 2, 2008 between **Belvedere Neighborhood Association, Inc.** ("Association") and **Stonehaus, LLC** ("Agent"), be modified to delete the requirement of the \$3,000,000 umbrella liability coverage and that the "Revised EXHIBIT "B" be inserted in place of the existing EXHIBIT "B".

Robert Hauser
Director

Drew Holzwarth
Director

Mike Ball
Director

Revised
EXHIBIT B

1. PROPERTY INSURANCE

At all times during the term of the Agreement, and at its sole cost and expense, Association shall obtain and keep in force "all-risk" property insurance, including but not limited to, coverage for vandalism and malicious mischief. "All-risk" or special cause of loss written on a replacement cost basis with limits equal to or great that the amount necessary to replace improvements and personal property of the Association. The Association may elect to include a deductible or self-insured retention under the property insurance program and such deductibility or retention will be the sole responsibility of the Association. Property insurance provided by the Association shall include a waiver of subrogation provision, recognizing the Association's obligations described in Section 4.

2. ASSOCIATION'S GENERAL LIABILITY INSURANCE

At all times during the term of the Agreement, and at its sole cost and expense, Association shall obtain and keep in force, for the benefit of Association and Agent, commercial liability insurance through one or more primary and/or umbrella liability policies against claims for bodily injury, property damage, advertent injury, and personal injury, and such policies shall provide contractual liability insurance as well. The policies shall be written on an occurrence basis with limits not less than \$1,000,000 per occurrence and \$2,000,000 per location general aggregate. Any deductible or self-insured retention under such policy(ies) shall be the sole responsibility of the Association. General liability insurance provided by the Association shall include a waiver of subrogation provision, recognizing the Association's obligations described in Section 4 of the agreement.

3. ADDITIONAL INSURED AND PRIMACY OF ASSOCIATION'S INSURANCE

Agent shall be named as an additional insured on all of the above policies for all purposes connected to this Agreement. It is the intent of the parties that the Association's insurance be primary or any insurance procured by Agent, except with respect to Agent's liability pursuant to Section 4 of this Agreement. Association will secure endorsements to this effect from all insurers of such policies.

4. GENERAL PROVISIONS

All insurance to be obtained by Association under the foregoing provisions shall be written with insurance companies with an A.M. Best's rating of A. All liability and auto insurance shall contain a severability of interest clause. All insurance shall provide that a notice of default or cancellation shall be sent to Agent as well as Association and shall require a minimum of thirty (30) days written notice to Agent prior to any cancellation of or changes to said policies. Association agrees to provide Agent with certificates evidencing such insurance, including the additional insured endorsements, or with duplicate copies of such policies, including all endorsements, within ten (10) days of the execution of this Agreement. If Association fails to do so, Agent may, but shall not be obligated to, place said insurance and charge the cost thereof to the operating account.

5. WORKERS COMPENSATION INSURANCE/TAXES

Agent shall, at Association's expense, maintain and administer a Worker's Compensation Insurance program covering all liability of Agent and the Association under established worker's compensation laws and all other federal and state labor laws, whether such laws provide the such insurance shall be obtained from a third party carrier or from a state fund and whether such payments shall be denominated as insurance premiums or taxes. If Agent elects to include a deductible or self-insured retention under the Worker's Compensation Insurance program, reimbursement or payment of any deductible or retention will be the responsibility of the Agent and not the Association. If the Agent's Worker's Compensation program includes a deductible or self-insured retention, the Association's

expenses shall be based on "standard premium" as if the program was written on a guaranteed cost basis.

6. PROFESSIONAL LIABILITY INSURANCE

Agent shall procure and maintain insurance against the misfeasance, malfeasance, or nonfeasance (errors and omissions) of Agent relating to the management of the Project, with limits of at least One Million Dollars (\$1,000,000) each occurrence.

Belvedere Neighborhood Assn.
Belvedere Neighborhood Assn
Income Statement
For Period of 10-2008

	Current Period			Prior Year			Year-to-Date			Prior YTD Actual
	Actual	Budget	Variance	Month Actual	Actual	Budget	Actual	Budget	Variance	
Revenue										
OTHER INCOME										
P32010 Residential Assessment Income	365.66	2,080.00	-1,714.34	0.00	684.27	5,120.00	684.27	5,120.00	-4,435.73	0.00
P32020 Homeowner Working Capital Cont	500.00	4,000.00	-3,500.00	0.00	1,500.00	13,000.00	1,500.00	13,000.00	-11,500.00	0.00
P32030 Builder Assessment Income	1,060.00	880.00	180.00	0.00	7,620.00	8,840.00	7,620.00	8,840.00	-1,220.00	0.00
Total OTHER INCOME	1,925.66	6,960.00	-5,034.34	0.00	9,804.27	26,960.00	9,804.27	26,960.00	-17,155.73	0.00
Total Revenue	1,925.66	6,960.00	-5,034.34	0.00	9,804.27	26,960.00	9,804.27	26,960.00	-17,155.73	0.00
Expenses										
GENERAL MAINTENANCE										
P50030 Trash Removal	230.00	400.00	170.00	0.00	230.00	1,600.00	230.00	1,600.00	1,370.00	0.00
P52050 Repairs Maintenance	0.00	100.00	100.00	0.00	0.00	400.00	0.00	400.00	400.00	0.00
P57010 Common Electricity	0.00	667.00	667.00	0.00	0.00	2,668.00	0.00	2,668.00	2,668.00	0.00
Total GENERAL MAINTENANCE	230.00	1,167.00	937.00	0.00	230.00	4,668.00	230.00	4,668.00	4,438.00	0.00
ADVERTISING & PROMOTION										
P70072 Activities	0.00	208.00	208.00	0.00	0.00	832.00	0.00	832.00	832.00	0.00
P70074 Website	0.00	200.00	200.00	0.00	0.00	1,000.00	0.00	1,000.00	1,000.00	0.00
P70076 Newsletter	0.00	150.00	150.00	0.00	0.00	600.00	0.00	600.00	600.00	0.00
Total ADVERTISING & PROMOTION	0.00	558.00	558.00	0.00	0.00	2,432.00	0.00	2,432.00	2,432.00	0.00
FIXED EXPENSES										
P60020 Property Insurance	0.00	292.00	292.00	0.00	0.00	2,628.00	0.00	2,628.00	2,628.00	0.00
Total FIXED EXPENSES	0.00	292.00	292.00	0.00	0.00	2,628.00	0.00	2,628.00	2,628.00	0.00
GENERAL & ADMIN EXPENSE										
P55010 Management Fee Stonehaus	0.00	1,200.00	1,200.00	0.00	0.00	7,200.00	0.00	7,200.00	7,200.00	0.00
P70055 Printing	0.00	0.00	0.00	0.00	726.55	1,200.00	726.55	1,200.00	473.45	0.00
P70075 Misc Admin Expense	84.00	60.00	-24.00	0.00	84.00	240.00	84.00	240.00	156.00	0.00
P70080 Legal	0.00	100.00	100.00	0.00	0.00	900.00	0.00	900.00	900.00	0.00
P70081 Legal Fees Collections	0.00	59.00	59.00	0.00	0.00	236.00	0.00	236.00	236.00	0.00
P70105 Permits License Fees	0.00	25.00	25.00	0.00	427.00	100.00	427.00	100.00	-327.00	0.00
Total GENERAL & ADMIN EXPENSE	84.00	1,444.00	1,360.00	0.00	1,237.55	9,876.00	1,237.55	9,876.00	8,638.45	0.00
CAPITAL IMPROVEMENTS										
P90035 Operating Reserves	0.00	417.00	417.00	0.00	0.00	1,668.00	0.00	1,668.00	1,668.00	0.00
P90040 Replacement Reserve	0.00	833.00	833.00	0.00	0.00	3,332.00	0.00	3,332.00	3,332.00	0.00

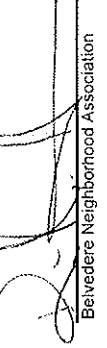
Belvedere Neighborhood Assn.
Belvedere Neighborhood Assn
Income Statement
For Period of 10-2008

	Current Period			Prior Year Month Actual	Year-to-Date			Prior YTD Actual
	Actual	Budget	Variance		Actual	Budget	Variance	
Total CAPITAL IMPROVEMENTS	0.00	1,250.00	1,250.00	0.00	0.00	5,000.00	5,000.00	0.00
Total Expenses	314.00	4,711.00	4,397.00	0.00	1,467.55	24,604.00	23,136.45	0.00
Belvedere Neighborhood Assn Net Income	1,611.66	2,249.00	-637.34	0.00	8,336.72	2,356.00	5,980.72	0.00

**Belvedere Neighborhood Association
2009
Budget**

	Budget Jan	Budget Feb	Budget March	Budget April	Budget May	Budget June	Budget July	Budget Aug	Budget Sept	Budget Oct	Budget Nov	Budget Dec	2009 Budget
Activities/Communications													
Activities	100	100	100	100	100	100	100	100	100	100	100	100	1200
Website	25	25	25	25	25	25	25	25	25	25	25	25	300
Newsletter	25	25	25	25	25	25	25	25	25	25	25	25	300
Total Activities/Communications	150	150	150	150	150	150	150	150	150	150	150	150	1800
Maintenance & Services													
Common Electricity													0
Landscape Maintenance													0
Landscape Enhancement													0
Tree Maintenance													0
Trail Maintenance													0
Storm Water Management													0
Snow Removal Contract	96	96	120	144	168	216	264	288	312	360	360	360	2784
Trash Removal Contract	150	150	180	210	270	330	390	420	450	510	510	510	4080
Community Infrastructure	100	100	100	100	100	100	100	100	100	100	100	100	1200
General Repair & Maintenance													0
Total Maintenance & Services	346	346	400	454	538	646	754	808	862	970	970	970	8064
TOTAL EXPENSE	1851	1061	1115	1169	1253	1361	1469	1523	1727	3085	1685	1685	18994
NET OPERATING INCOME	(401)	399	935	971	977	1549	1621	1157	1043	365	765	765	10146

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Stonehaus, LLC Date 1/20/09

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Belvedere Neighborhood Association Date 1/20/09