

THE BELLEFONTAINE

Board meeting minutes of 08/16/11

The meeting began at 6:04pm. The following Board Members were present: Carol Venable (chair) Bob Kubie and Tom Fox. Ceosd.net was represented by Al Simonelli. Others in attendance were: Jana/unit 402, Kathy& Sally/unit 901, Hanna & Sandra/unit 1003 and Mary/unit 302.

The following two items passed as part of the Consent Agenda:

BOARD MEETING MINUTES for the meeting held 06/21/11 were approved with the addition of HVAC/ROOF fans under contract meeting.

NEXT BOARD MEETING, 2ND WED was confirmed for 09/14/11 at 6pm in the 12th floor Club Room.

The agenda was amended to include two additional items: Update on Website under Old Business, and Architecture/Aesthetics Committee Proposal at the end of new business.

FINANCIAL REPORTS: Financial Reports for the period ending 07/31/11 were provided by Management. Carol V/Unit 1103 noted an improvement in the recording the transactions, but said proper accounting procedures need to be followed on an on-going basis. Management will check on the water/City Treasurer bill due to the high amount. Master policy premium was paid in full to avoid the annual finance charges.

MANAGER REPORT: The status of the lobby plants was discussed. It was decided PlantPeople will replace the bromeliads this month, but the Contracts/Aesthetics Committee will examine future options. The city conducted its Annual fire inspection and Management directed Gus to replace both stairway lights as needed and remove any debris items from the stairways. The five-year fire certification report conducted by Simplex Grinnell was received and referred to the Board for action at the request of Simplex Grinnell. Backflow testing was completed by TCP. Washers and dryers were purchased for the 10th & 11th floors. It was reported to Management that repairs in unit 803 by Gus are not complete. He will need to return to finish.

RECORDING CC&R's DOCUMENT: Bob K/Unit 203 reported on his research to record each amendment change. Board approved Bob to contact Atty Jay Hansen for the formatting of the changed amendments. After legal formatting, Bob will take to the County for recording.

CONTRACT ITEMS: Tom F/Unit 303 and Hanna S/Unit 1003 reported on the following contract items.

AMERICAN TOWER CONTRACTS: American Tower Corporation (ATC) sent an email August 10 to a former Board member asking Bellefontaine to sign and agree to an assignment of their contract to a newly formed entity of ATC. Tom reported and read a draft Notice of Objection letter per the terms of

BELLEFONTAINE CONDOMINIUM OWNERS ASSOCIATION, INC.

% ceosd.net

tel: 1.855.669.2103 ext 682

PO Box 34398 – 682
San Diego, CA 92163-4398

email: 682@ceosd.net

the current agreement. This letter withholds approval until certain issues per terms and conditions of the agreement are satisfied by ATC. The letter will also be sent to Sean Murphy/Account Project Manager. Management is to contact David Rayl for his mailing address and check the accounting records for a history of past revenue received from for Skytel income in 2008. Carol will contact Epstein & Grinnell's office for a referral on an attorney specializing in this issue.

HEATING & AIR CONDITIONING/FAN CONTRACT: Management to contact Johnson Controls for missing exhibit pages in their current contract which expires at the end of the year. New vendors being contacted for a maintenance contract are Jackson & Blanc and A.O.Reed.

WEB-SITE Committee: Meeting with Kathy P/Unit 901 is scheduled for Monday 08/22/11 at 4pm to share ideas for the web-site.

NEW BUSINESS:

NEW MINUTES PROCEDURES: Minutes are to be drafted immediately after the meeting and provided to the Board for review/editing. Draft minutes are to be posted on site and mailed with monthly statements. The objective is to reduce inaccuracies and omissions, comply with state law, and to provide owners with current information on building issues.

PRIOR TAX RETURNS: Carol V. reported that the management company had been receiving notices from the Franchise Tax Board regarding the tax returns for the years ending 6/30/08 and 6/30/07. Regarding 6/30/08 return-- FTB Notices said payments noted on the return had not been received – thus, they disallowed the recorded payments. In June 2011 Management sent a check for \$3,847.99 to the FTB to cover the 6/30/08 tax year deficiency (\$3,327) and interest (\$520.99). The \$715.14 penalty was not paid. Regarding the 6/30/07 return—FTB Notices said the FTB had received \$2,551 towards the tax year liability, but no tax return was ever received. Management could find no record of the tax return in their file. Management requested a copy from the prior CPA who had prepared the return in 2007. Management prepared a letter and sent a copy of the return to the FTB on August 15, 2011. The letter also requested a statement of all charges and credits. It appears some taxes and interest will be due for this year too. Penalties may also be imposed for each of these years. The Board is waiting for responses from the FTB. Management has been instructed to immediately contact the Board with any notices from any tax or government agencies.

TAX RETURN FOR 6/30/2011: Carol V. reported that a "Review" (not an audit) of the current year financial statements was completed by the current CPA as required by California law. The figures from the adjusted financial statements were used to prepare the tax returns. Carol V. and Al Simonelli signed the representation letter required by the CPA. Carol V. also signed the tax returns. A Board member must sign the representation letter for the CPA before the report can be distributed. Future boards need to be aware of their fiduciary duty to review/approve required documents and comply with state law and the standards required for these reports.

FIRE & SAFETY ISSUES: The five-year Certification inspection of the fire equipment occurred in July. The Board met with the representative of Simplex-Grinnell in August regarding the condition of the standpipes and couplings. Several leaks and an interior obstruction preventing the flow of water to the upper floors was reported. The President called an emergency vote of the Board to approve the

proposal of \$14,906 to expedite the part order and repairs. Work is tentatively scheduled for 08/29/11 and will take 4-5 days. Fire hoses will be replaced at this time. Additional sanding and painting of the pipes will need to be done later this year.

CITY ANNUAL FIRE INSPECTION noted the 5 year certification needs to be completed for the building to be signed off. Stairway emergency light issues were noted as well as some items left in the stairwells.

INSURANCE COMPANY INSPECTION recommended but did not require the painting of step edges. It also recommended posting a notice regarding the safe use of alcohol during Club Room events.

ROOF DOOR: Management to confirm with Fire Marshall if the roof door needs to be left unlocked.

PARKING SPACE AUCTION will be noticed to all owners for the next Board meeting at 6pm. Minimum bid is 150.00 per month. Tenants need to have their owner bid for them.

ARCHITECTURAL/AESTHETICS COMMITTEE: Sally/Unit 901 proposed to redo the gym - paint walls, cover the hole from the old spa, add rubber flooring, etc. with \$300 contributed from units 303, 901 and 1003 if the Board will match those funds. This was approved in principal only. The committee will obtain additional information on what needs to be done and will solicit additional donations from other owners. Billiard Room: Sally & Kathy have offered to donate a sectional couch for the room upon inspection by the Board.

NON-BOARD MEMEBERS CONCERNS: Hanna/Unit 1003 asked about the schedule for cleaning the slate floors. Mary/Unit 302 will discuss this with vendor. Kathy/Unit 901 requested City Treasurer water site access to review the buildings account. Management was asked to have someone fix the outside door to the billiard room because it doesn't close all the time.