

University Glen Corporation
Board Meeting

Thursday, October 4, 2007
Rescheduled from
Thursday, September 27, 2007

Minutes

The Board of Directors of University Glen Corporation met on Thursday, October 4, 2007 at 4:30 p.m. The meeting was held in the Training Room of the Administration Building, California State University Channel Islands (CSUCI), One University Drive, Camarillo.

Chairperson Robe presided and called the meeting to order at 4:34 pm.

Members Present:

Joanne Coville
Jacquelyn Kilpatrick
Steve Lefevre
Alexandra Mitchell
Bill Robe

Members Absent:

Barbara Thorpe

Public Forum

Chairperson Robe called for public comments. Beatrice de Oca, member of the Homeowners Advisory Council, spoke about concerns regarding the Common Area Maintenance fee increase. Dr. de Oca also discussed the desire of the HAC to have a more direct involvement with the UGC Board of Directors, in the form of membership on the board.

There being no further comments, Chairperson Robe closed the public comment period of the University Glen Corporation Board of Directors.

Approval of Minutes

Chairperson Robe called for the approval of the minutes of the May 31, 2007 regular meeting. The motion to approve was duly made, seconded, and approved 5-0.

Director's report for University Glen Corporation

The director's report was received:

1. UGC Operations

- Cal-PERS has confirmed that health benefits were available to UGC employees effective September 1, 2007.
- Cal-PERS retirement is taking longer due to delays in the review process.
- Special tax for 2007-08. 41 homeowners in Phase IC will be direct billed for this fiscal year as they did not get on the tax rolls in time. 2 homeowners from Phase IA/B will also be direct billed since they closed escrow in the December / January timeline. The county drops the owner if the SA authority owns the home between calendar years. Total amount to be direct billed is \$99,000. Letters were sent to effected homeowners on October 2.

- Phase IC pool. The design of the new pool area has started.
- ATM in Town Center, 3-6 weeks.
- Home re-sales for Phase IA/B/C: There are 2 Letters of Intent to sell and one home currently owned by the SA.
- Phase IA/B/C apartments are 90% occupied.
- Town Center apartments are 50% occupied.

2. Town Center

- 14 total retail spaces
 - a. 7 are leased,
 - b. 2 are in negotiations,
 - c. 5 are available.
- Building A
 - Space 1: CSUCI Preparation School of Music
 - Space 2 & 3: Chabad Center with the Jewish Center on campus
 - Space 4: 5,500 UGC
 - Space 5: 800 retail tenant.
- Building B
 - Space 1&2: In negotiations
 - Space 3: Available
 - Space 4: Bookstore
 - Space 5: Café.
- Building C
 - Space 1: Tortillas, in design
 - Space 2: Available
 - Space 3: Available
- Building D
 - Space 1: Market Tenant, lease executed. Tenant agreed to take the whole space increasing square footage from 5,000 to 7,604.

3. Phase 2A/B Information

- Street improvements commenced Monday August 20, 2007 and are expected to take several months. The sewer is currently being installed.
- Vertical construction should start Dec 2007 with a “possible” delivery of homes beginning July 2008 with the final home available October 2009.

Director's report for the Homeowners Advisory Council

The director's report was received.

- Results of the HAC election in May. Tiina Itkonen was re-elected for a two-year term and Beatrice De Oca was elected for a two year term. 23 or 12% of the homeowners voted.
- David Carlson is chair for another year.

Summary of suggestions and comments from homeowners regarding ways to reduce future increases in CAM fees and related issues (these suggestions came from a special meeting of the homeowners).

- Reduce trash pick-up by either picking up every 2 weeks, or alternating trash and recycling pick up each week. This would reduce the number of trips that the trucks need to make by one-half. Perhaps there are some incentives for recycling.

- Put the streetlights on timers so that only half are on at any given time (but they alternate periodically).
- Perhaps renters could pay more of the operating expenses since more employees are needed to manage rental units compared to the owned homes. *UGC responded to this indicating that all employees associated with the rental program are charged to the rental budget not the CAM budget.*
- Reduce watering. The grass is often muddy, trees are left in several inches of standing water and don't develop healthy, deep root structure. This is causing them to fall down when it's windy, despite having been planted for several years.
- Perhaps homeowners shouldn't pay for the maintenance of the "sports field" since that area was originally going to be used as a school and was not intended to be supported by CAM fees.
- The developer should be accountable for mistakes made that resulted in more open space/greenbelt than originally planned.
- Could the number of people on the University Glen Board increase as the community grows?
- Perhaps there could be elected representatives on the board – or have the HAC be more involved in decision-making.
- Currently, there are no staff members on the board. Perhaps there can representatives from the various constituencies who live at University Glen (staff owners, faculty owners, K-12 owners, other owners).
- What funds paid for the Town Center's bonds during the prolonged construction period? *UGC responded to this indicating that the answer was provided at the last HAC meeting in the form of a letter from the Site Authority.*
- Board meetings were to be held at 4 pm, per an agreement made last year. We'd like to see that continue so that more homeowners may attend meetings.
- How is the property tax money homeowners pay to the county that is subsequently reimbursed to the board spent? *UGC responded to this indicating that the answer was provided at the last HAC meeting in the form of a letter from the Site Authority.*
- There are various different versions of the ground sublease book. Which version is the one that is binding? *UGC responded to this indicating that the ground subleases are generally the same with the exception of making revisions or corrections, the number of these revisions is very small.*

Financial Report

Dr. Blaine briefed the board on the financial report. Ms. Coville presented the new format of the financial statements. The new statements are reflective of the additional work the University Glen Corporation is doing on behalf of the Ste Authority, namely overseeing operations related to rentals, common area management and the Town Center. These changes took effect July 1, 2007 and the more detailed financial reports include four administrative functions, 1) UGC Corporate, 2) Rental Operations, 3) Homeowners CAM, and 4) Town Center CAM. These revised reports will provide UGC Management and the Board of Directors very good information on a monthly basis. Ms. Coville also outlined the distinction between the budgets in that the UGC Corporate and Rental Operations budgets are on the fiscal year and the two CAM budgets are on the calendar year per the terms of the ground sublease.

Common Area Maintenance Budget and Proposed Fee Increase

Dr. Blaine presented the Common Area Maintenance Budget and Proposed Fee Increase to the Board for consideration and discussion. The Board discussed how much was being contributed to reserves and there continues to be an under-contribution to reserves but the multi-year

budget increases the reserve contribution until 2011 when the reserves will be 100% funded. The 2008 Budget calls for the reserves to be contributed at the 50% level and in 2009 at the 70% level.

The Board discussed the idea of approving the budget for 2008 and 2009 in order to provide multi-year information to the homeowners and to prospective buyers for Phase 2A/B. Approving a two-year budget allows Carol Cory to tell potential buyers exactly what the CAM Fee is proposed to be during the sales period of the new homes. Additionally, this also provides the homeowners will long term knowledge of the CAM Fee.

The motion to approve the CAM Budget for 2008 and 2009 was duly made, seconded, and approved 5-0.

It was noted at the Board meeting that should expenses for 2008 be lower than budgeted the additional revenue would be returned to the reserves since they are not being fully contributed, e.g. reserves are being funded at the 50% level. Additionally, should expenses be higher than budgeted in 2008 the additional expense would be charged to reserves and not to the homeowners as a special assessment to balance the budget.

The same reasoning will be used for 2009 as well. However, if during the CAM Budgeting process, which will begin in June 2008, expenses are higher than currently projected, the Board will have to revisit the CAM Fee increase for 2009. I will note that increases to various expenses have already been assumed for 2009, on the other hand, if there are unexpected increases to expenses, then revisiting the 2009 CAM Budget will be necessary

Execution of the Newly Revised Participation Agreement for the AORMA Liability Coverage Program and Workers Compensation Program

The paperwork required to participate in the system-wide auxiliary insurance pool was presented to the Board for consideration. The Liability Coverage Program and Workers Compensation Program documents were discussed. The motion to approve was duly made, seconded, and approved 5-0.

Old Business

There was no old business.

New Business

Chairperson Robe called for the approval of the minutes of the September 17, 2007 special meeting called for the purpose of conducting the exit interview with the UGC Auditor. The motion to approve was duly made, seconded, and approved 3-0-2.

There was no other new business.

There being no further business to come before the Board, the meeting adjourned at 5:47pm.

APPROVED

University Glen Corporation

Barbara Thorpe, Secretary

Date: