

**ANDALUSIA HOMEOWNERS' ASSOCIATION
FREMONT, CALIFORNIA**

**ANNUAL MEETING
January 25, 2006**

MINUTES

ITEM I. – CALL TO ORDER

The Annual Membership Meeting of the Andalusia Homeowners' Association was held on January 25, 2006, at the Recreation Center at 39249 Marbella Terraza in Fremont, California.

ITEM II. – VERIFICATION OF QUORUM

Proof of quorum was represented by 61% of owners present in person or by proxy.

ITEM III. – REPORTS

Neil Chen provided a report regarding refurbishing the fountain and will review the proposal provided by Guarantee Landscaping for the work to be completed.

Steve Huff provided a report on the Clubhouse and the Pool. He advised that one of the umbrellas was replaced and is in the process of replacing some of the pool furniture. In addition, it was suggested that an article be included in May's newsletter advising residents not to throw pennies in the pool or gum on the deck of the pool and general cleanup reminders.

Kevin Potts provided an overview of the parking committee and advised the membership that since he is the only volunteer, another parking committee volunteer is needed.

Sid Chandra provided a report on the Emergency Preparedness. He advised members of the emergency plan that the Association is working on and passed out handouts to the membership. In addition, he asked for volunteers for the committee.

Ron Shore provided an overview of the Landscaping improvements and repairs completed in the Association for the past year.

Charlie Mitchell from Neighborhood Association Management, Inc., advised the residents of the name change for CCPM and provided an overview of the company.

The reserve accounts were discussed and it was noted that after seven years, the funds would be severally reduced due to inadequate finding of the reserves. An increase of the regular assessments or a special assessment spread over a number of years will be needed to properly fund the reserves after that time period.

ITEM IV. – ADOPTION OF LAST YEAR'S ANNUAL MEETING MINUTES

Upon a motion duly made and seconded, the Annual Meeting minutes for January 26, 2005, were adopted by the membership.

ITEM V. – ELECTION OF DIRECTORS

Charlie Mitchell of Neighborhood Association Management, Inc explained how the voting for the two (2) open Board positions and the resolution regarding excess assessments would be conducted. Cumulative voting is allowed by the By-Laws. The candidates were Ron Shore and Sid Chandra. Nominations were then asked for from the floor. No one was nominated from the floor. Upon a motion duly made and seconded, nominations were closed with unanimous approval.

It was MSC by Huff/ Vick to appoint Ron Shore and Sid Chandra for a two-year term. The following resolution regarding excess assessments was also passed:

“Whereas the Andalusia Homeowners' Association is a California corporation duly organized and existing under the laws of the State of California, and whereas the members desire that the corporation shall act in full accordance with the rulings and regulations of the Internal Revenue Service; now, therefore, the membership hereby adopt the following resolution by and on behalf of the Homeowners' Association:

“Resolved that any amounts collected by or paid to the Association in excess of operating expenses for the twelve (12) months of the current fiscal year shall be set aside for operating or reserves as determined by the Board for future financial needs, as provided by the guidelines established by the Internal Revenue Service rulings 70-604 and 75-371. Such amounts shall be deposited into insured interest bearing accounts. Allocation of any amounts so added to operating or reserves shall be allocated to the various components at the discretion of the Board of Directors.”

ITEM VI. – UNFINISHED (OLD) BUSINESS

None at this time

ITEM VII. – NEW BUSINESS

The Board fielded various questions regarding various issues.

ITEM VIII. – NEXT MEETING DATE AND ADJOURNMENT

The next Annual Membership Meeting of the Andalusia Homeowners' Association will be held in December 2006 at a place and time to be announced at a later date.

With no further business to come before the membership, a motion was duly made and seconded, with unanimous approval, to adjourn this meeting at 8:41 p.m.