



Welcome

Shadow Brook HOA Board & General Meeting

March 4, 2017

Agenda

- Open & Welcome
- Profile of Shadow Brook HOA & Swim Club
- Pool Entry/Membership Card Process
- Finance Update
- 2017 Dues Discussion
- ACC & Fine Policy
- Board Recruitment
- Open Forum/Q&A
- Close of Meeting

Shadow Brook Profile

- **We are registered as a Planned Community Development with CA**
 - **Governed by CCR's, By-Laws, Policies, and Davis-Stirling Act**
- **Corporation, Non Profit 501 c**
 - Taxes – Federal Return and State Return prepared by CPA firm**
 - Registered with the Sec of State of California as an HOA**
- **318 Homeowners and 125 Assoc Members**
- **Annual Operating Budget of over \$225k**
- **Annual Income/Revenue averages \$250k+**
- **Fiscal year is on calendar year as of 2017**
- **Annual average of \$8300 into Workman's Compensation Plan for State of California**
- **We interview, hire, manage and pay 25+ seasonal employees a year**
- **Among the annual filings – State Corporations, Taxes etc.**
- **Insurance Coverage – Liability/Property and Directors & Officers**
- **No Property Manager, Business Manager or Agent**

The Davis-Stirling Common Interest Development Act is the popular name of the portion of the [California Civil Code](#) beginning with section 4000, which governs [condominium](#), [cooperative](#), and [planned unit development](#) communities in California. It was authored by Assemblyman [Lawrence W. "Larry" Stirling](#) and enacted in 1985 by the [California State Legislature](#). In 2012, the Act was comprehensively reorganized and recodified by Assembly Bill 805.

Homeowner Association

Under Davis-Stirling, a developer of a [common interest development](#) is able to create a homeowner association (HOA) to govern the development. As part of creating the HOA, the developer records a document known as the Declaration of Covenants, Conditions, and Restrictions ([CC&Rs](#)) against the units or parcels within the HOA with the county recorder.

Even though it is not a governmental entity, the HOA operates like one in some respects. As recognized by the [Supreme Court of California](#), the Declaration of CC&Rs is the constitution of the HOA and is legally binding upon residents to the extent that it does not conflict with state or federal law. CC&Rs, once properly recorded, are presumed valid until proven otherwise.

The HOA's board may enact rules which are legally binding upon residents as long as they do not conflict with the CC&Rs or state or federal law. Board meetings, like the boards of government agencies, are generally open to HOA members, with some exceptions. As with government agencies, courts generally defer to the broad discretion HOAs enjoy in discharging their duties.

The HOA is also allowed to charge regular fees to homeowners within the development (comparable to taxes). These are used for functions like paying for security guards (including, for gated communities, the operation of a gatehouse) and maintaining common areas like corridors, walkways, parking, landscaping, swimming pools, fitness centers, tennis courts, and so on. The HOA can levy fines or sue homeowners for damages and/or injunctive relief to enforce the HOA's rules and CC&Rs.

POOL ENTRY PROCESS - FEEDBACK

Pool Entry Process & Membership Card Distribution

- Pool Entry Policy
 - Board is soliciting volunteers to provide input into writing Policy
 - Associate Members input - via a volunteer/representative
 - Contact president@shadowbrook.org if interested
 - Time commitment - approximately 10 hours over the next 4 weeks
- Membership Card Distribution
 - Board is soliciting volunteers to assist in processing Card Membership Forms and distributing Cards
 - Assist on specified days prior to pool opening
 - Contact president@shadowbrook.org if interested
 - Time commitment - approximately 10 hours during March/April timeframe

Pool Entry Process & Membership Card Distribution

■ Membership Card Distribution

Four Cards will be issued to Households [Members] and Associate Members as defined by Shadow Brook By-Laws, and not extended family members. Extended family is defined as family members *not* living in the household of a Member or Assoc Member.

–Cards Distributed to Households of Homeowners of Record and Associate Members

–Homeowners of Record who rent their property will be required to transfer pool-use rights to Renter should they choose to allow Renter to use pool. If so, Homeowner of Record gives up pool privileges.

–Dues/Fees must be current for pool use

–Shadow Brook Swim Club Membership Card Form will be required (new)

–Only Household Members can use the Card as defined:

- Immediate family up to age 26 and/or permanent resident of household (this would include in-laws living in the Household)

- Physically living in the home or claimed dependents

–Guest Fees collected from all Guests – including extended family not part of Household

–Members need to be present at all times with Guests



FINANCE UPDATE

FY 2016 ACTUALS [JAN 2016 TO DEC 2016]

- Dues Income = \$191,420
 - Member Dues = \$116,070 + Associate Dues = \$75,350
- Other Income = \$101,624
 - Swim lessons, swim team, parties, guests, events

Total FY16 Income = \$293,044

- Wages & Taxes = \$ 69,571
- Maintenance/Improvements/Utilities = \$85,186
- Insurance = \$15,493

Total Expenses = \$236,801 **FY16 gain = \$56,350**

Cash on hand \$260,538

NOTE: Budget is inclusive of Swim Team, but **Swim Team is self-funded** and also accounted for separately.

Snapshot of Balance Sheet

Accrual Basis

Shadow Brook Swim Club

Balance Sheet

As of March 3, 2017

Mar 3, 17

ASSETS

Current Assets

Checking/Savings

SB Swim Club Checking	194,365.38
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Capital Future Reserve	103,237.63
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Total Checking/Savings	<u>297,603.01</u>
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Accounts Receivable

Accounts Receivable	5,150.00
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Total Accounts Receivable	<u>5,150.00</u>
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Total Current Assets	<u>302,753.01</u>
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2017 HOMEOWNER DUES

2017 Dues Increase

- Dues vs Assessment
- Homeowner Dues Increase is needed due to
 - Capital needs including new pool deck, piping and drainage system
 - Increase in ongoing costs
- Historical Dues
 - 2005: \$300 > \$325
 - 2009: \$325 > \$340
 - 2014: \$340 > \$365
 - 2017: \$365 > \$400
- Benchmark: Almaden Dues are \$400; Crossgates \$450
- Associate Member Dues were increased from \$495 > \$515 for 2017
- Motion: Move to increase 2017 Homeowner Dues to \$400

Changes to 2017 Invoice Statements

In addition to the Dues increase, Shadow Brook Invoice Statements will contain questions regarding property ownership. HOA's are now required to solicit certain data and Members are obligated to provide such data in a timely manner.

- SB918/Vidak. Signed by the Gov 09/28/16. Requires boards, every year, to solicit specific information from homeowners re (1) the mailing address of the owner where notices may be mailed (2) status of the property, i.e. ownership or rental (3) name and address of legal representative. THIS BILL DOES NOT ABSOLVE THE ASSOCIATION FROM THE PERSONAL SERVICE DEMANDS OF CIVIL CODE 5705(d), i.e. to personally hand to the owner the Notice of Default and the board's vote to foreclose on the lien.

Senate Bill No. 918

CHAPTER 780

An act to add Section 4041 to the Civil Code, relating to common interest developments.

[Approved by Governor September 28, 2016. Filed with Secretary of State September 28, 2016.]

legislative counsel's digest

SB 918, Vidak. Common interest developments.

Existing law, the Davis-Stirling Common Interest Development Act, defines and regulates common interest developments, which are managed by homeowners' associations.

This bill would require the owners of the separate interests in a common interest development to annually provide the association with specified written information for the purpose of receiving notices from the association.

The people of the State of California do enact as follows:

SECTION 1. Section 4041 is added to the Civil Code, to read:

4041. (a) An owner of a separate interest shall, on an annual basis, provide written notice to the association of all of the following:

- (1) The address or addresses to which notices from the association are to be delivered.
 - (2) An alternate or secondary address to which notices from the association are to be delivered.
 - (3) The name and address of his or her legal representative, if any, including any person with power of attorney or other person who can be contacted in the event of the owner's extended absence from the separate interest.
 - (4) Whether the separate interest is owner-occupied, is rented out, if the parcel is developed but vacant, or if the parcel is undeveloped land.
- (b) The association shall solicit these annual notices of each owner and, at least 30 days prior to making its own required disclosure under Section 5300, shall enter the data into its books and records.
- (c) If an owner fails to provide the notices set forth in paragraphs (1) and (2) of subdivision (a), the property address shall be deemed to be the address to which notices are to be delivered.

ACC AND FINE POLICY

SCHEDULE OF FINES FOR VIOLATIONS OF HOMEOWNERS' ASSOCIATION RULES AND CC& R's

The Board of Directors of the Shadow Brook Homeowners Association ("the Association") hereby adopts the following fine policy:

1. Minor Infractions: Rule violations that are nonserious in nature and that do not pose any threat of personal injury, property damage, or diminution in property values may warrant a written warning from the Board of Directors (Association Board) and/or the Association's Manager. Whether a violation constitutes a Minor Infraction is entirely within the discretion of the Association Board.

2. Infractions: Rule violations that, in the opinion of the Association Board, are not minor, but pose no threat of bodily injury, property damage, or diminution in property values, shall be pursued according to these rules. Any such violation of the Rules by either a Member or a Member's guest or tenant shall subject that Member to the following penalties:

First Violation:	\$50
Second Violation of the same Rule:	additional \$65
Subsequent Violations:	an additional \$100

3. Chronic Infractions: A continuing violation of any infraction may, in the sole discretion of the Association Board, subject the Member to daily penalties in the amount of \$50 per day.

4. Rule Violations Involving Threat of Personal Injury, Property Damage, or Diminution in Property Value: The penalty for Rule violations involving personal injury, property damage, or diminution in property values will range from \$100 to \$500 per day, as determined in the sole discretion of the Association Board. A Member whose violation causes actual, or a credible threat of, personal injury, property damage, or diminution in property values shall be responsible for the cost of compensation for that damage and/or injury, in addition to the penalty imposed under this schedule. If the violation warrants immediate action to preserve life or property, then the Association Board may impose the penalty immediately and take steps to preserve life or property.

5. Notice and Opportunity to be Heard: When the Association Board plans to meet to consider imposing a fine or penalty for any Violation, the Board shall notify the Member of the hearing in writing by either personal delivery or first-class mail at least 10 days before the hearing. This notice shall detail the nature of the infraction and inform the Member of the date, time, and place of the hearing. This hearing may be held in executive session if the Member so requests.

6. Enforcement: In addition to the imposition of fines, the Board shall have the right to remedy the violation and/or take legal action, the cost of which shall be billed to the Member and collected in the same manner as assessments. Failure to pay any fine shall subject the Member to the same potential penalties and enforcement as failure to pay assessments under the CC&R's.

Shadow Brook HOA Drought Landscaping Rule

The purpose of this Rule is to define the criteria that Homeowners are required to adhere to when installing and or changing existing landscaping. This is in keeping with our existing CCR's which require any Homeowner desiring to make changes to their existing front yard [or structure, painting, roofing etc.] to request review and approval of these plans from the Architectural Control Committee [ACC].

Native plant, low water landscaping

The ACC will require a plan describing the proposed changes including timeline and materials. The plan must include 1) a description of the plants/vegetation being used; 2) accommodation for mulching [or equivalent] between the plants and 3) a system for watering and maintaining the plants. The Homeowner is required to maintain the aesthetic appearance of the landscaping over the lifetime of the approved design. The Homeowner is required to maintain the original look of the plants/vegetation and prevent overgrowth of weeds and other intrusive plants.

Synthetic Turf Installation

The Homeowner shall provide a description of the extent of the installation. Per City of San Jose code, there is a requirement that 50% of the front yard be landscaped. In order to maintain a premium appearance in our neighborhood, the ACC will require that the product used meets the following minimum standards:

1. Material- polyethylene
2. Turf height- minimum 1"
3. Pile facing- minimum 37 oz.

Since synthetic turf can degrade over time or due to poor installation and or maintenance, the Homeowner is responsible to maintain the original appearance of the installation over the lifetime of the approved design. If the material becomes degraded in appearance - including but not limited to changes in color and/or structure, or evidence of poor workmanship - the Homeowner will be required to reinstall or remove the material. The reinstallation or replacement of synthetic turf, or reversion to natural grass or other vegetation, will be done at the Homeowners' expense.

Failure to Maintain Appearance

The ACC and/or Board of Directors will exercise discretion to determine if landscaping or synthetic turf needs to be repaired, reinstalled, or replaced due to changes in appearance or poor workmanship, and will notify Homeowner of its decisions in this regard, while also providing an opportunity to the Homeowner for a hearing before the Board if the Homeowner disagrees with the decision.

BOARD RECRUITMENT AND VOLUNTEERS

Assist your HOA!

- Shadow Brook needs new Board Members
- Shadow Brook needs volunteers
 - Facility Projects & Maintenance
 - QuickBooks Experience
 - Writing & Documenting Processes

[The Pool](#)[Meeting Minutes/Splasher](#)[Associate Members](#)[Swim Lessons](#)[Swim Team](#)[HOA & Swim Club Governing Documents](#)[The Board](#)[Contractor Recommendations](#)[Job Application](#)

*Welcome to Shadow Brook...
Where family is at the heart of the community.*

November Fall General Meeting

Posted on [September 29, 2015](#) by [admin](#)

Our Shadow Brook Fall General Meeting will be held on Wednesday, November 18th at 7:00 PM. The location is the teachers dining room at Bret Harte Middle School. On the agenda:

1. HOA & Financial Update
2. Pool Entry Process & Membership Card Distribution
3. New Policy Review and Discussion: Drought Resistant Policy (including Synthetic Turf)
4. Pool Deck & Parking Lot Replacement
5. Open Forum

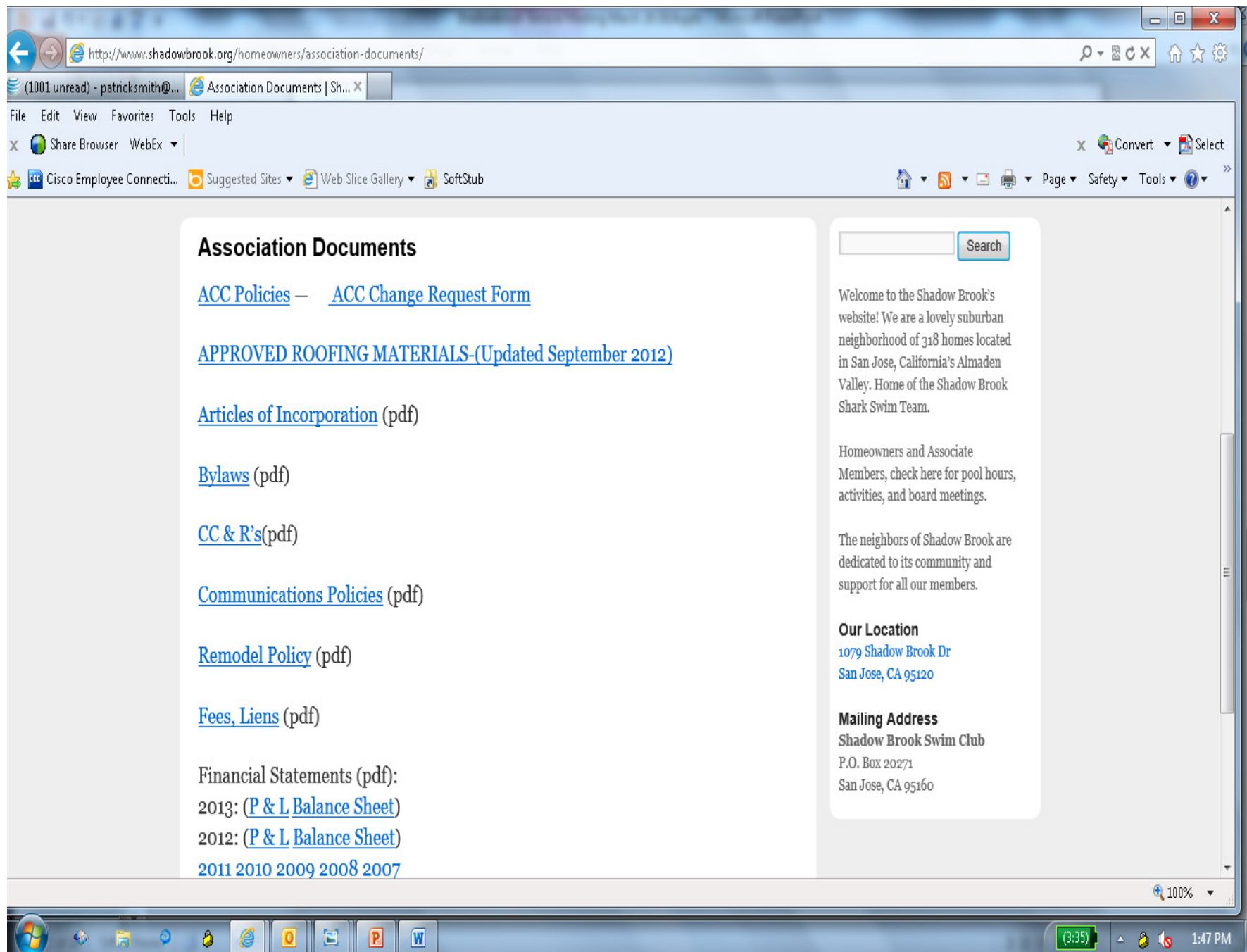
If you have any items you would like to discuss, please join us on Wednesday, November 11th at 7:00 PM. We look forward to seeing you then. As always, you can email the Board with questions or suggestions.

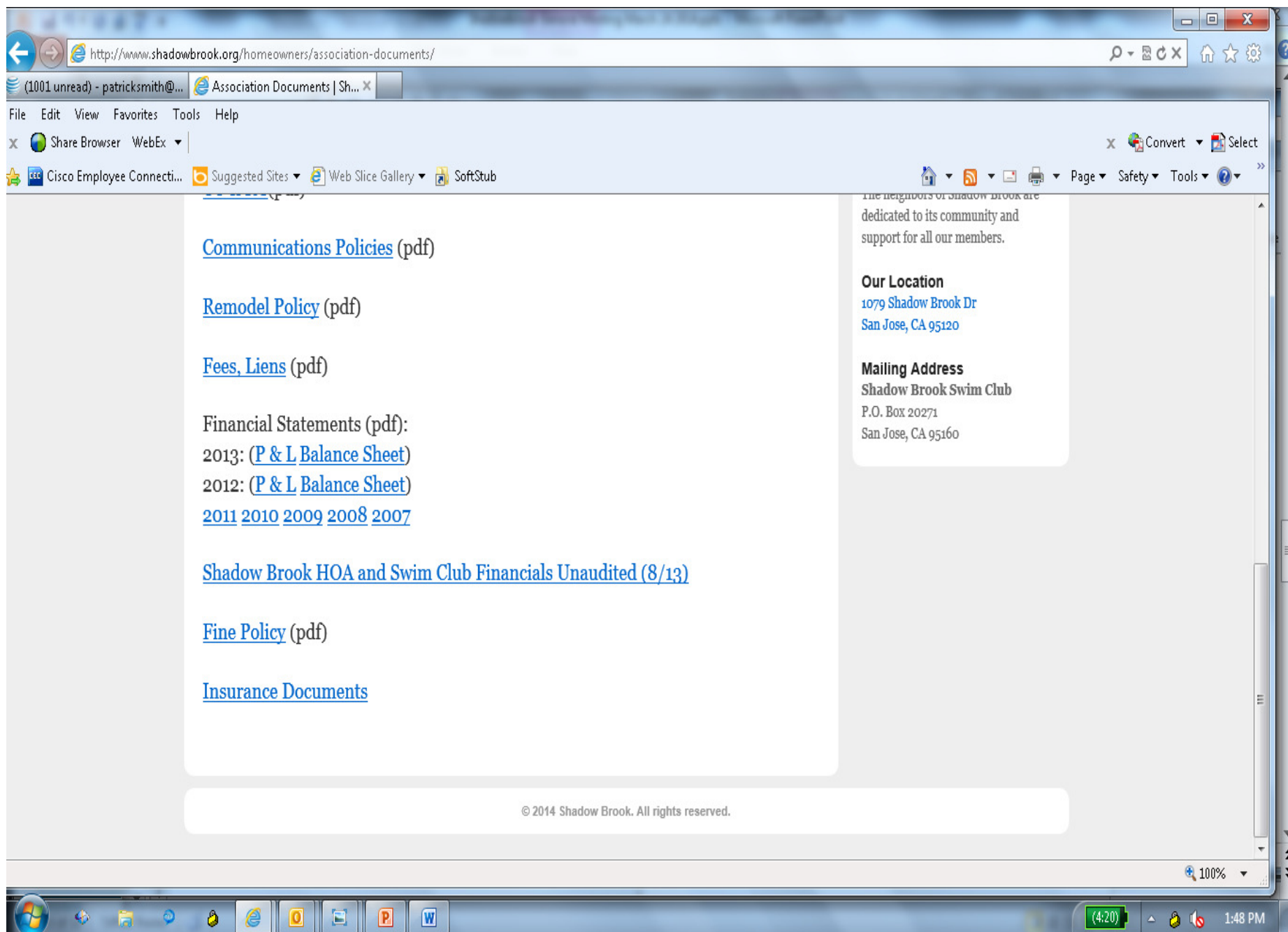
Welcome to the Shadow Brook's website! We are a lovely suburban neighborhood of 318 homes located in San Jose, California's Almaden Valley. Home of the Shadow Brook Shark Swim Team.

Homeowners and Associate Members, check here for pool hours, activities, and board meetings.

The neighbors of Shadow Brook are dedicated to its community and support for all our members.

Our Location
[1079 Shadow Brook Dr](#)





Q&A and Open Discussion

Close of Meeting