

**NORTH SHORE TERRACE
CONDOMINIUM ASSOCIATION**

**Board of Directors Meeting
January 9, 1998**

Directors Present: Gestson, Reynolds, Mishey, Stanley, Carter, Roby and Dotson.

Guests: Becky Dotson – recorder.

Message from the Chairman:

I am pleased to have been selected as a member of the Association Board. With construction complete and final cleanup and landscaping in progress, the time has come for the owners to take full responsibility for the care and maintenance of our condominiums and grounds.

From my experience with Dennis Moore, I am confident that A&D Development will complete the landscaping and cleanup in a "First Class" way. From then on, it is up to us.

I am especially pleased with the other Board members you have selected. Based primarily on our first meeting, I have found them all to be very capable and very eager to take on the challenging tasks facing this first "Owner Board". I am amazed that the process has selected a group of individuals with the diverse backgrounds that appear to provide the knowledge and experience that are necessary to complete the varied tasks required.

As you will note in the minutes, the Board has set forth goals. The one on "no dues increase" will be reflected in the "dues coupons" that you will receive shortly. By the end of the year, the Board plans to have sound basis to establish a "minimum dues".

One of the *General Operating Principles* established by the Board is to "Do-It-Ourselves" when possible to keep costs down. In our first meeting, the board members have taken upon themselves tasks well beyond those normally expected. I hope that if you, as an owner, are asked to volunteer or assist you will respond with the same enthusiasm that I have seen by the Board members.

With your help, we can maximize our property values and minimize our costs.

Chair: Don called the meeting to order at 7:30 p.m. He presented an agenda and explained he would like the board to create a plan for the entire year.

Greetings to the Owners: Don would like to say hello and announce that board meetings will be scheduled for every third Saturday morning of each month at 9:00 a.m. starting in February.

Owners are receiving notice of those board meetings via these minutes. A reminder of meeting dates and times will be reflected at the end of future minutes mailed to each owner.

Owners are encouraged to advise the board of agenda items they wish the board to address. This should be done in writing and addressed to the Chair, Don Gestson. All board meetings are open to all owners. Due to meetings being held in residences with limited space, please advise the Chair if you plan to attend.

The by-laws require a quorum of five out of the seven directors to conduct Association meetings. A motion was passed to ask the owners to vote on amending the by-laws to allow a quorum of four directors. This would almost ensure that there would always be a sufficient number of directors to conduct Association business.

Dennis will mail to owners, one ballot for each unit. This will be done after an attorney has reviewed our by-laws and advises the legal requirements for such a ballot. This may not be completed in time for the next directors meeting however.

To date:

- 1) Both Association accounts have been transferred to the new board. Both accounts were reconciled with Virginia and the bank. Two signatures from the four officers will be required on Association checks.
- 2) Association directors are currently covered by liability insurance, which is part of the Association's coverage. The premium is \$313/year.
- 3) The current bookkeeper is not interested in continuing. Virginia has agreed to perform those duties as treasurer.
- 4) Virginia will order new dues coupon books. The Association will rent a post office box and the new number will appear on the coupons. Owners can send any correspondence for the Association to the new post office number. Dennis will arrange for the box and advise all owners once it is obtained. The cost should be \$58/year.

Don advised that new checks will cost \$15.50/150 checks for each account. Bill advised he thought he could get the bank to lower the cost. He will follow through on that.

Monthly electric bill. Dennis suggested paying the bill for one year's time. That amount is \$160/year. Fewer checks to be written and less bookwork. Other regular billings could also be handled in this manner. Board approved motion.

Bill will contact our insurance carrier regarding insurance rates and billing.

The by-laws state in substance that owners with wood burning fireplaces are required to have their chimney inspected each year and cleaned if necessary. Individual owners bear the expense, not the Association.

The Association is responsible for seeing that owners follow through with this requirement. The board will contact a local chimney sweep and request that the chimneys be inspected. A report will be provided to the board and owners will be notified if their chimneys need cleaning or not. Owners will be asked to arrange for the cleaning in a reasonable period of time. If not arranged for in a reasonable period of time, the board chair will arrange for the cleaning to be performed and the owner billed.

Buildings 66 and 76 are the only buildings with wood burning fireplaces. The other structures are furnished with gas fireplaces and therefore exempt from this requirement.

Bill recommended Coast Chimney Sweep. They do not charge for an inspection.

Don advised that the by-laws provide for compensation to the secretary and treasurer. Both declined any compensation for services rendered.

Dennis will contact an attorney interested in representing the Association on an as needed basis. An IRS# will be obtained for the Association's bank accounts.

Susan will investigate possible changes to by-laws (we have a standard set of by-laws and will need to propose changes to meet N. Shore Terrace's needs). Q: should we change the date for the annual meeting to a summer date rather than in January? A summer date was suggested and supported by directors because it is believed more owners would be present during the summer months.

Any proposed changes to by-laws will be mailed to owners with a ballot and a due date for return.

Don addressed property damage – "Owners are responsible for community actions of family, guests and tenants. Residents seeing potentially damaging activities are asked to request it be stopped or seek immediate attention to have it stopped."

ASSIGNMENTS:

Landscaping	Becky Dotson
By-laws/Investments	Stanley
Structure & Site Maintenance	Carter/Roby (this includes LP siding)
Reserve Account Activity	Carter/Roby
Baywood Coordination	Mishey
Insurance	Mishey (will obtain two quotes for future coverage)

Exterminator	Mishey
Bookkeeping	Reynolds
Legal/IRS	Dotson
Overdue Accounts Action	Dotson
Implement By-law Restrictions	Dotson
Budget	Gestson
Owner Suggestions & Complaints	Gestson

BOARD GOALS:

- Maintain or improve financial condition with no dues increases
- Maintain physical condition of property
- Improve physical appearance of property
- Provide next board with better foundation to start with

A discussion ensued regarding the need for a dues increase. Mike and Dee will examine building and property maintenance costs and project needs for the future. A recommendation will be presented to the owners at the general meeting. A discussion, with no decision, took place regarding the general meeting being rescheduled for the summer.

Board goals adopted and passed upon motion.

GENERAL OPERATING PRINCIPLES

- Checks will be written only for board authorized expenditures, except in an emergency when informal approval of three directors is required.
- Minutes of all board meetings will include a record of all board authorizations, approvals and actions and be provided to each owner.
- Petty expenditures up to \$40.00 are authorized for reimbursement to a director with submittal of receipts.
- Strive for "Do-It-Ourselves" when reasonable and prudent to keep costs down.
- Encourage owner involvement to utilize available talent and energy.

General operating principles adopted and passed upon motion.

AGENDA ITEMS for January 31, 1998 (Sat)

- Preliminary budget
- Investment options
- Review of reserve account and need of future liquidity
- Review of maintenance history and future needs and costs
- Identify exterminator and cost
- Structure and site inspection
- Identify anything for A&D Development

Board agreed that investing Association funds to maximize growth is important. Susan will research options and present them at the next meeting.

NEAR TERM EVENTS - 2 MONTHS

- Complete budget
- Invest appropriate funds
- Establish maintenance vs. reserve cost criteria
- Renew or change insurance
- Establish structural and site maintenance contracts
- Establish grounds maintenance policy and contracts if necessary

MID TERM EVENTS - 6 MONTHS

- Preliminary review of draft of by-law revisions
- Consider Association lawyer review of proposed by-laws
- Establish basis for reserve and minimal annual reserve dues
- Establish minimum annual maintenance dues
- Structure and site inspection
- Review investment plan
- Prepare transition package

Dee suggested that by-laws be amended to accommodate election of directors so that terms are staggered as opposed to all directors possibly being replaced at the same time. Some continuity would be preferred on the board, to provide for stability in board actions. Term limits were also suggested and further discussion will take place at the next meeting.

COMMENTS:

The minutes that Carstens took at the January 6 meeting were delivered to the secretary. They will be sent to owners along with the financial reports prepared by Dennis Moore's bookkeeper. Thank you Kim!

Board approved reimbursing Virginia for toner cartridge for her copier as Association paperwork will be copied on her machine.

Next board meeting is on Saturday, January 31, 1998 at Chair Don Gestson's residence, Unit 96F, at 9:00 a.m.

Respectfully submitted,



Dennis L. Dotson, Secretary