

Harbour Towne Owners Association, Inc.
Executive Board of Directors Quarterly Meeting
September 4, 2010

Introduction and Ground Rules:

Steve Bradbury called the meeting to order at 9:00 a.m. Attendees were:

- Executive Board: Steve Bradbury, President
Darrell Barber, Treasurer
Diane Roush, Director
Spencer Thomas, Director
Ron Pressley, Association Manager
- Owners: Barb Fleming W507
Rudy and Barbara Holan W204
Mike Miller W905
Don Pogue E801
Mike LeGay W902

Approval of June 5, 2010 Meeting Minutes:

The draft of the June 5, 2010 minutes was approved via e-mail as is the typical process. (This draft was distributed to all Executive Board members on June 8 via e-mail and was subsequently approved by consensus of the Board on June 12, 2010.)

Vote Confirmation:

The following issues were voted and approved via e-mail by the Executive Board in the interim between the June 5, 2010 meeting and the September 4, 2010 meeting:

Votes:

- Approved fire extinguisher service bid
- Approved a request to modify the bath in W 1307
- Approved Pressley Management to handle Secretary of State correspondence
- Approved the June 5 minutes
- Approved \$1000 budget request for the Long Range Planning Committee
- Approved shutting down the pool heaters, to be restarted as needed through the summer
- Approved no wake buoy relocation
- Waived late fee, W 206
- Waived late fee, W 1304
- Approved lot repair at tennis court vault
- Waived late fee, E 603
- Approved stairway repairs

Property Managers Report;

Steve Bradbury made the motion that the property managers report detailed below be approved. Darrell Barber seconded the motion and it passed unanimously via a subsequent yeh/na vote.

- **Building Re-siding:** Siding of the Clubhouse and Buildings E100 and W100 is complete with the exception of the lower levels and lakeside of E100 and W100. A & E Siding & Construction has taken the position that they will not complete completed re-siding of 1) the lower levels of Buildings E100 and W100 since these area were not included in the quotation and 2) the lakesides Buildings E100 and W100 until they are re-reimbursed for

the remainder (\$2,250) of the contracted price. A & E Construction was sent a certified letter on July 23, 2010 advising them that the Executive Board considered them to be in breach of the Contract for Services Agreement (siding of the lakeside facade of Buildings E100 and W100 has not been completed; siding of the east, west, and lakeside lower levels of Buildings E100 and W100 has not been completed; the work site was routinely left in an unacceptable manner with siding, nails, and personal refuse left strewn about the site on an on-going basis through out the project; and the project was not completed within the time frame allowed for in the Contract for Services agreement) executed at the outset of the project and giving them until July 30, 2010 to respond. A copy of the same letter was sent via regular mail. A & E has never picked up the certified letter or acknowledged receipt of the letter sent via regular mail. Darrell Barber uncovered reference to the upcoming sale of A & E's owners' real property in Tuscumbia for back taxes, indicating a financial issue. To facilitate completion of the project quotes detailed below were secured for the 1) siding of the lakeside facade of Buildings E100 and W100 and siding of the east, west, 2) siding of the lakeside lower levels of Buildings E100 and W100 including the installation of building wrap and 3) replacement and/or re-wrapping of the architectural beams on the parking lot side of E100 and W100. On August 31, 2010 the Executive Board approved completion of the siding of E100 and W100 by Ellerman Construction. Work will commence after the Labor Day weekend for completion by October 8th.

	<u>Vizier Construction</u>	<u>Ellerman Construction</u>	<u>Bolivar Insulation</u>
E100			
Side lower level	\$5,250.00		
Side lake side façade	\$3,125.00		
W100			
Side lower level	\$4,250.00		
Side lake side façade	\$3,125.00		
Subtotal	\$15,750.00	\$10,875.00	\$11,400.00
E100			
Replace 1 beam	\$ 625.00		
Wrap 2 beams	\$2,500.00		
W100			
Replace 1 beam	\$ 625.00		
Wrap 2 beams	\$2,500.00		
Subtotal	\$6,250.00	\$3,133.00	
Total	\$22,000.00	\$14,000.00	

- **Water Meters:** Jimmie Chipley has completed installation of the 2 “deduct” water meters for the upper and lower and installation of the 2 “deduct” meters for the irrigation systems.
- **Tennis Court Asphalt Replacement:** Jim Chipley has completed the installation of the heightened concrete curb and recon toured asphalt. He was unable to get the finish grade of asphalt therefore the rougher grade comparable to what was used on the lower level repair was used. Jim will come back in the next couple of weeks and add a sealer to both areas to improve the aesthetics and provide a barrier.

- **Towing for Parking Violations;** The necessary signage to allow the Association to tow illegally parked vehicles in compliance with Missouri law were installed at each entrance prior to the 4th of July holiday.
- **Water Shut Off Valve Replacement:** Replacement of the leaking shut off valve between W100 and W200 was replaced successfully on August, 22, 2010. Another valve adjacent to W600 has subsequently be found to be leaking and will be scheduled for replacement after the Labor Day holiday.
- **Stair Tower Refurbishment:** Refurbishment of the following stair towers is scheduled to commence immediately after the Labor Day holiday.
 - W500/W600
 - W600/W700
 - W700/W800
 - W800/W900
 - W300/W400
 - W100/W200
 - W1200 mid
 - E300/E400
 - E400/E500
 - E700/E800
 - W100 end painting only (if funds allow)

Atlas Dock will be responsible for:

- 1) Removal and storage, for future re-installation, of existing under landing light fixtures, conduit/boxes, and electrical wiring
- 2) Removal and disposal of existing concrete landings and metal pads supporting existing landings
- 3) Installation of temporary landings to allow unit access while stair tower is being refurbished
- 4) Replacement of metal stair tower components found not to be structurally sound.
- 5) Installation of metal support beams and/or flanges to the stair tower necessary to support the concrete tread landing system
- 6) Procurement and installation of the re-enforced concrete tread landing system.
- 7) Installation of the under landing light fixtures, conduit/boxes, and electrical wiring
- 8) Daily site clean up

MidWest Coatings will be responsible for:

- 1) Power tool cleaning of existing stair tower steel to remove rust and corrosion.
- 2) Clean those areas of the existing stair tower steel not cleaned by power tool to ensure appropriate adhesion of the primer and top coat
- 3) Apply Sherwin Williams re-coatable epoxy primer to all of the stair tower steel, including any new steel which is added by Atlas Dock Inc. to either replace structurally unsound steel or new steel installed to support the concrete tread landing system.
- 4) Apply Sherwin Williams's marine epoxy top coat, in a green color matching that of current color, to all of the stair tower steel, including any new steel which is added by Atlas Dock Inc. to either replace structurally unsound steel or new steel installed to support the concrete tread landing system.
- 5) Taking of adequate measures to facilitate temporary access to the units during the above process
- 6) Taking of adequate measures to preclude damage to the wood steps, walkways, supports, and adjacent buildings during the above process.
- 7) Daily site clean up

Atlas is estimating that it will take 5 working days for steps 1-5 and 3 days for steps 6-8. Midwest Coatings is estimating that it will take 3 days for steps 1-4. Both estimates are

predicated upon weather permitting. To expedite completion of refurbishment of the above stair towers this fall, 2 stair towers are anticipated to be under refurbishment at any given time during the project.

- **E108/E107/E106/E105 Water Leak:** A water leak originating with the fire suppression flow switch in E108 occurred Monday June 28, 2010 at approximately 4:30 p.m. The leak was discovered by the occupant of E107 who noted water dripping from the ceiling when they returned from the pool. Units affected by the leak were E108, E107, E106, and E105. Remediation performed by ServPro commenced immediately thereby minimizing the damage to the extent possible. A claim (# 00-221-193170) was filed through American Family and reconstruction of the units handled by Shipley Paint and Drywall. Repair of all units was completed in mid August. To date American Family has reimbursed the Association \$27,571.92 against this claim, which represents the ACV of the claim plus a supplement for the replacement of the kitchen tile in E105. American Family payment of the difference between the RVC value of the claim and the ACV value is pending.
- **Revised R & R Magnetic Plaques:** Revised Rules and Regulations magnetic plaques were printed and are being placed in each unit.
- **2010 Owners Roster:** Copies of the approved 2010 Owners Roster are being placed in each unit.
- **Tree Trimming;** The 2nd round of tree trimming/removal adjacent to W1300 and W1400 was completed by Colt Tree Service on August 4th and included the removal of the large pine tree to the west of the upper pool which has died.
- **June, July, and August 2010 Work Orders;** Attached is a list of the work orders issued in March, April, and May their current status.
- **Pool Umbrellas:** 12 new pool umbrellas were purchased in July. 6 of the 12 umbrellas were installed on the pool decks to replace previously broken ones. The remaining 6 umbrellas were placed in inventory for future use. As a result of an end of the season sale, the Association was able to purchase 6 umbrellas at \$100.00 each and get 6 umbrellas free. The umbrellas purchased were of a commercial quality with a dual pulley lift/pin lock system which should be more durable than the crank style previously used. Since most of the damage to the umbrellas originates from them being left up in winds, plaques indicating "Please Close Umbrellas" have been installed on all tables equipped with umbrellas. Also the posts of all umbrellas have been drilled to accept the pin which attached the umbrella to the stand.
- **Dock A Underwater Braces:** Atlas Dock inspected the underwater bracing on Dock A on August 6th and indicated that some of the slips on Dock A did not have any underwater bracing and those that did, the bracing was made of inadequate thickness of steel to provide any meaningful rigidity. The location of the dock and the exposure to the open water exacerbates this situation. Atlas quoted \$19,041.23 for the removal of any existing underwater bracing and installation of new "beefier" bracing on all slips. Atlas has agreed to complete these repairs in the 4th quarter of 2010 provided that he is reimbursed for 50% of the repair costs up front with the balance being due in the 1st quarter of 2011.
- **Dock F Railing Painting:** Sanding and priming of Dock F railing is complete. Application of the finish coat is 50% complete and will be completed the week of 9-6.

- **E800- E900 Upper Lakeside Stairwell:** The E800-E900 stair tower to the lakeside has developed a list. This is caused by the cedar tree immediately to the west of the stairs growing into and pushing the west side of the stairs up. In the process the west side stringer has cracked. To resolve this, the tree and stump will have to be removed and the stair way rebuilt. Colt Tree Service has quoted \$300.00 for the removal of the cedar trees and UmFleet Construction has quoted \$1241.76 to remove and replace the existing stairway. Removal of the tree is scheduled for Thursday 9-16 with removal and reconstruction of the stair way scheduled for the week of 9-20.
- **W1208/W1209 Landing and Stairs to Pool:** The post which supports the W1208 landing which was twisted was replaced as was the outer double band board which rest on the post on August 31st. Additionally the stringers which support the stairs to the pool area have started to crack. Replacement of the stairs is scheduled for the week of September 13th.
- **Complexes Stairs:** Pressley Property Management is seeing cracking of the stair stringers comparable to that seen on W1208's stairs through out the complex. This could very well be the cause of the numerous loose steps we have been encountering lately. It is Pressley's recommendation that a long term project to systematically replace the stairs in the complex be considered
- **W1402 Grease Fire:** A grease fire occurred in W1402 on Thursday 8-19-2010 at approximately 2:30 p.m. The occupant of W4102 indicated that he was in the process of cooking a meal and inadvertently left a pan of grease on the stove when he went to pick up a friend. The grease ignited causing the building fire alarm to sound and the fire suppression in W1402 to activate. The fire suppression system extinguished the fire and limited the damage in W1402 to smoke and water. Unit W1401 suffered major water damage. ServPro was called in and emergency remediation commenced at approximately 5:30 p.m.
- **E406, W1202, W1301 Window Leaks:** Repair of water leaks in E406 (around bay window), W1301 (bedroom window), and W1202 (kitchen/living room windows) is being pursued. Initial inspection by both Vizier and Ellerman lead us to believe that these leaks are the function of missing or inadequate flashing around the respective windows. Vizier has quoted between \$1100.00 - \$1200.00 per unit for repairs to each unit versus Ellerman's bid of \$315.00 for W1301. Bill Salzie of Ellerman anticipates that the repair costs for W1202 and E406 would be comparable to that quoted for W1301. Since the majority of the leaks I have encountered have involved the bay window, I had Bill give me a quote for the replacement of the flashing for these windows. His bid for that is \$65.00 per window.
- **Replacement A/C Units:** As existing A/C units using R-22 freon go out it will be necessary for the owners to replace them with units using the new R-410A freon. A/C units using the R410A freon typically have outside compressors with larger footprints than outside compressors using the R-22 freon. This can present problems to associations which have limited space for these outside compressors. We have located 3 manufacturers (Heil, Comfort Star, Carrier, Bryant) who manufacture R410A 12 sear units (the minimum efficiency allowed under Federal law) whose compressors have the same footprint as the current compressors. While it is not appropriate for the Association to stipulate the make of unit installed, it is recommended that the Association establish size limitations for any new compressors installed.
- **Annual Chimney Inspection:** The annual chimney inspection by Dr. Soot has been scheduled for mid October

- **Fire suppression Backflow Valve Installation:** The installation of back flow valves on the fire suppression systems by Jim Chipley is scheduled for November. This was scheduled in a low occupancy period to minimize the inconvenience to the occupants. The 2011 installation of the valves in another 2 buildings has been budgeted for March.

Treasurers Report:

Spencer Thomas made the motion that the treasurer's report detailed below be approved. Steve Bradbury seconded the motion and it passed unanimously via a subsequent yeh/na vote.

1. Balance Sheet (As of August 30, 2010):

Checking (Bank Star One)	\$ 17,005.02
Golden Passbook (Bank Star One)	\$ 92,497.21
Money Market @ CBOLO (Breakwater)	\$ 12,688.14
CDARS (#3484) (Great Southern)	\$ 46,102.06
CDARS Invest. Acct. (Great Southern)	\$ 46,110.97
Total Funds	<u>\$ 214,403.40</u>

Accounts Receivable:

As of August 30, 2010, our Accounts Receivable total is \$52,106.21. This is approximately \$7,000.00 less than compared to last quarter. However, \$45,799.09 of this amount is related to seven (7) owners who are three or more quarters in arrears on their unit dues and/or owe the balance of their breakwater assessment.

2. Profit & Loss Budget vs. Actual (As of August 30, 2010):

- Unit Dues (Acct. #610), Condo Dues Insurance (Acct. #611), Cable TV Dues (Acct. #612), Pest Control (Acct. #613); and, Sewer Fees (Acct. #614): The YTD "% of Budget" is 74.0 to 74.4%, but should be 75.0%. Need to double check memorized transactions for errors on these line items.
- Forfeited Amenity Sales (Acct. #650): \$12,000 YTD. This line-item was created to track revenue from garage, boat slip and PWC slip leases that have been forfeited by delinquent owners and leased to other owners by the Association.
- Garage Dues (Acct. #621): The YTD "% of Budget" is 73.5%, but typically should be 75.0%. Lower percentage may be attributable to garage lease(s) forfeited by delinquent owners, which aren't being assessed to anyone.
- Boat Slip Dues (Acct. #631) and PWC Slip Dues (Acct. #633): The YTD "% of Budget" is 74.7% and 71.8%, respectively, but they typically should be 75.0%. Lower percentage may be attributable to boat and/or PWC slip lease(s) forfeited by delinquent owners, which aren't being assessed to anyone.

- Insurance Claim Income (Acct. #660): This account was created to track income from the insurance company, etc. related to damage claims. Claim #00-221-193170 is related to the water damage in the E100 building.
- Chimney Inspection (Acct. #81428): The YTD amount of -\$1,071.00 represents costs for chimney repairs, cleaning, etc. that have been billed out to individual unit owners.
- Pool Supplies (Acct. #81431): The YTD amount of \$12,424.25 includes the cost of the two (2) new pool heaters.
- Lighting Supplies (Acct. #81432): \$248.26 over budget. Pressley has started converting *many* of the light bulbs on the property over to compact fluorescent bulbs which are more energy efficient but the initial replacement cost is more.
- Misc./Contingencies - Other (Acct. #819): \$4,885 YTD for LOMA application related to flood plain designation.
- Insurance Claims & Expenses (Acct. #820): \$29,686.92 YTD for water damage in EI 00 building.
- Propane Gas (Acct. 8275): \$1,781.76 YTD, which is \$8,718.24 under budget. Turning off heaters during the warmer months appears to be saving the association a significant amount of money on propane usage.
- Net Income: The YTD Net Income of \$165,256.27 includes \$65,920.00 in income from the Breakwater Special Assessment and \$3,727.17 in interest expense related to the Breakwater loan.

3. Recommended Amendments to 2010 Budget:

- Transfer \$6,000 from Repairs & Maintenance (Acct. #815) to Pool Supplies (Acct. #81431) to cover cost of pool heaters.
- Transfer \$1,385 from Propane Gas (Acct. #8275) to Misc./Contingencies (Acct. #819) to cover cost associated with LOMA application.

4. Open Invoices (Accounts Receivable) Report (As of August 30, 2010):

As of August 30, 2010, there are twelve (12) units that are one or more quarters in arrears on their assessments. This is down from 14 units last quarter and 16 the previous quarter. They breakout as follows:

- Breakwater Only: 2 Units (Garage & PWC Slip leases forfeited on one unit)
- 1-Quarter: 3 Units
- 2-Quarters: 2 Units
- 3-Quarters: 2 Units
- 4-Quarters: 1 Unit
- 7-Quarters: 1 Unit (Garage & Boat Slip Leases Forfeited)
- 8-Quarters: 1 Unit (Unit foreclosed - Boat Slip Lease Forfeited to the Association)

I personally want to commend Ron Pressley of Pressley Property Management for his efforts to not only lower the overall dollar amount of our Accounts Receivable from delinquent owners, but also lower the number of delinquent owners.

Committee Reports:

- Landscape: The 2nd round of tree removal was completed by Colt Tree Service. Installation of size appropriate berms on the hillside is in the planning phase
- Dock: No report, however installation of new underwater bracing on Dock A is scheduled for the 4th quarter of 2010
- Long Range Planning: The Long Range Planning Committee has identified the following projects for consideration in the 2year to 10 year timeframe.
 - a) Installation of railing along the seawall; This project is rated as a top priority project from a safety and liability standpoint. Bids received to date premised upon utilization of the same Madden Mfg powdered coated railing are \$41,107 from Lake Remodeling and \$63,974 from SunTastic Sunrooms. A quote from Decks N More is pending
 - b) Retaining wall footings E500-E700, E700-E800, and E800-E900: There has been increased deterioration of the rock footing supporting the retaining wall behind the indicated buildings in the last year making this project a priority. If left unchecked this deterioration could eventually lead to undermining of the retaining wall footing. Bids were solicited from Clarks Concrete and Burns Family Concrete for the removal of the loose rock in the existing footing and installation of a rebar reinforced L shaped cap over the rock footing to stabilize these areas. Clarks bid \$57,070 for a 8" thick cap and \$61,270 for a 12' cap. Burns Family concrete after consideration elected not to provide a quote as the scope of the project was larger than they could handle.
 - c) West drive erosion control: This project has been divided into 2 phases. The 1st phase which has been budgeted for 2010 would entail installation of rip rap along the downhill side of the mid to lower portions of the west drive to stabilize the edge of the drive and the slope. The 2nd phase, which to date has not been budgeted, would entail contouring of the roadway so that it slopes back towards existing drainage flume and installation of a curb along the downhill side of the road. Harms engineering developed recommendations for the phase 1 rip rap installation and Cooper Siteworks and Lake Ozark Sand and Gravel were requested to provide bids. Cooper Siteworks provided a time and materials bid of \$11,000, while the Lake Ozark Sand and Gravel bid is pending
 - d) Painting of the deck and building ban boards; Splash Painting has provided a quote of \$3600/building for painting of the band boards and vertical posts around the lakeside decks and \$3240/building for the painting of the side walkway band boards. Alternative quotes will be secured.
 - e) Replacement of the wood section of the lakeside walkway in front of the lower pool with a composite material.
 - f) Redirection of water from the downspouts on the parking lot sides of the buildings
 - g) Replacement of the existing landscape timber along the lakeside of the buildings with new landscape timbers or stone blocks
 - h) Replacement of the edging boards along the lakeside promenade with stone blocks

Steve Bradbury made the motion that the Long Range Planning Committee report be accepted. Spenser Thomas seconded the motion and it passed unanimously via a subsequent yeh/na vote.

Old Business:

- Stair towers- Reallocation Vote Report; Combining the attendance, proxy and mail in ballots received on or before the June 25, 2010 deadline, 116 total votes were cast with 112 being in favor of the reallocation and 4 being opposed to the reallocation. The reallocation has therefore passed.
- Installation of fire Suppression Backflow Valves; Installation of backflow valves to protect the potable water is scheduled in each unit of 2 buildings in early November when occupancy is low. This installation will be performed by Jim Chipley based on his quote of April 2009. Installation of comparable backflow valves in 2 additional buildings has been budgeted for April 2011
- Parking Lot Repair; Final repair of the parking lot adjacent to the tennis court where the pit for the backflow valve was installed is complete.

New Business:

- Unit Owners Certificate of Insurance: The Executive Board elected to re-institute the policy of requesting annual confirmation of insurance coverage from each unit owner. Owners who rent their units need to confirmation that they are carrying commercial coverage on their unit. Pressley Property Management will include a request for this confirmation along with the 1st quarter 2011 assessment invoices.
- Trailer/overflow/storage lots: Darrell Barber made the motion that going forward, only empty boat and PWC trailers will be allowed to utilize either the short term or long term. No boats or PWC's will be allowed to be stored on the trailer in either lot. Spencer Thomas seconded the motion and it passed unanimously via a subsequent yeh/na vote.
- Homeowners Meeting Agenda Items: The following items were reviewed for inclusion in the agenda for the annual homeowners meeting:
 1. Annual insurance certification
 2. On-line bill payment
- W701 Floor:
- 2011 Budget Adoption: The attached draft 2011 budget was presented and reviewed by Darrell Barber. Spencer Thomas made the motion that the budget be adopted. Steve Bradbury seconded the motion and it passed unanimously via a subsequent yeh/na vote. The adopted budget will be presented to the owners at the October 9, 2010 annual homeowners meeting for ratification
- West Entrance Drive: Diane Roush (W701) expressed concern that the narrowness of west drive poses a traffic issue when cars are coming in opposite directions on the entrance. She recommended that installation of a traffic light system be investigated which would warn drivers when there was already a vehicle coming from the opposite direction. Pressley Property Management is to look into the feasibility and cost of such a system.

- West drive erosion control – Phase 1: The Cooper Siteworks time and materials bid of \$11,000 discussed under the Long Range Planning Committee report above, was approved. Since there was \$14,000 budgeted for this project, it was agreed that the remaining \$3000 would be used to address the erosion issues in the long term trailer parking lot.

Adjournment:

With no further business to discuss, Darrell Barber made a motion that the regular session of the Executive Board meeting be adjourned. Diane Roush seconded the motion which subsequently passed with a unanimous yeh/na vote. The meeting adjourned at 11:20 a.m.