

Nautica's Annual Homeowner's Association Meeting

January 15th, 2004

Members Present: Alan Mirsky, Ted Massart, Sandi Clegg, Ellen Rubin
Jeff Koertzen, Gary Van Ness.

Members Absent: Tim Easter

Kappes Miller: Drew Kelly

Meeting called to order by Alan Mirsky at 713pm.

1. Introduction Alan introduces the board members. Himself as President, Vice President Ted Massart, Secretary Sandi Clegg, Treasurer Jeff Koertzen, Gary Van Ness and Ellen Rubin. Alan asks for anyone who hasn't signed in to do so as we need a quorum to vote in last year's minutes and to elect board members.

2. Report from the President

Alan summarizes some of the accomplishments and issues of the last year.

a. The lawsuit was dismissed and we are at the tail end of repairing all deficiencies found.

b. Now that Comcast has taken over our cable service we will once again put forth a bulk cable package for consideration of the homeowners, on agreement of the new board.

c. The hot tube should be ready for use soon. We are in the process of having the broken pipe replaced. We had to consider this repair carefully since it was expensive and there were many options for repair.

d. Damir's contract has been extended through July 2004. He has taken over many of the projects that used to be given out to individual contractors to complete, saving the association a great deal of money.

e. We have many parking issues that need to be considered in 2004 such as illegally parked vehicles and unused vehicles stored on the property. We have limited parking and so we need to deal with these issues.

f. Please do not dump large items such as appliances and mattresses at the dumpster. It is the owner's responsibility to pay for their removal not the HOA. These items are not taken away by the trash collectors.

3. Comments from Vice President Ted Massart A lot of work has been done in the last year, all of the work has been or will be paid for with the funds from the lawsuit settlement.

Although some of the work that was done may seem trivial it all *had* to be done. All deficiencies found in the lawsuit, no matter how small, had to be repaired. This is required for legal reasons and so that homeowners can be assured that all deficiencies were repaired. Other work being done, such as work on the drainage system had to be done to comply with city regulations and to physically protect the complex from water damage. The drainage system hadn't been properly cared for in the last decade.

4. Comments from Treasurer Jeff Koertzen The 2004 budget passed as written last month. Do to the state of HOA finances and the state of the economy we chose not to increase the HOA dues for 2004. In the future we may see small increases of from 1-5% a year. The Reserve Study has given us some general guidelines to follow so that we can implement small cost of living increases spread evenly over time and still maintain proper funding in our accounts for expenses.

5. Comments from Gary Van Ness We've had a lot of work done on the complex in the last year, all which will be paid for from the lawsuit settlement. We've had repairs to the culvert, the hillside drains checked with cameras and cleaned out, decks resurfaced and re-flashed, paper placement checked on the buildings (no buildings where found to be missing the protective paper, but some of the columns in front of the buildings where). All work regardless of how minor, had to be completed so that we could state such in the resale certificates. Otherwise there could be issues with the sale of property here at Nautica. All fire sprinkler replacements have been done and we are up to fire code safety standards. Some of the recalled Cadet heaters weren't replaced within the time limits and so the HOA had to foot the bill for their replacement. The HOA paid \$1,500 to replace 23 recalled heaters, but the cost is worth it when you consider the damage a faulty heater could inflict. The dryer cages have been replaced and Damir will clean them on a periodic basis.

6. Firewood Storage One homeowner wants to know if it is legal to store firewood behind your parking bay. Gary states that you are not allowed to store anything but your vehicle in or about your parking bay. You can store firewood on your front or rear decks in accordance with fire codes. Alan states that Nautica is our home and that we want people to be happy here. We don't push the issue on such things unless they are causing others problems. The wood that is stored behind the bay behind "E" building is not an eyesore and so nothing has been done as of yet. The homeowner states that if they can store wood then she has things that she would like to store as well. Gary says that that is the problem, when one is allowed to store something then a second and a third pops up and before you know it the complex looks like a junk yard.

7. Financial Report from Drew Kelly of Kappes Miller

- PNWB (Operating)	\$ 35,506.69
- Key Bank (Reserve)	\$ 169662.81
- Key Bank (Insurance)	\$ 5381.61
	<hr/>
	\$ 213,551.11

There are currently 15 homeowners who are delinquent on their HOA dues, some owe a few cents behind and some owe a few hundred dollars, with a total of around \$2,200.00. This is not bad. Many people had to catch up on their dues after the switchover of the water company billing. Some people were billed and paid what was due and some were not and did not, and some were just confused by the whole thing. So that situation is clearing itself up. If you are late on your HOA dues you are issued two reminder letters and then you are put into collections, next a lien can be placed on your property. (Everyone has to do their part. Maintenance *has* to be done and things such as condo insurance and a Management Company have to be maintained for a condo to exist. Monies also have to be collected for future maintenance to be done so that unwelcome special assessments aren't required.) Alan adds that if you're having a financial problem please bring it to the attention of the board, don't let the warning letters pile up. We can work with you so that you are not placed into collections.

8. Reserve Study We recently had a reserve study done. Drew explains that this is a study that looks 20 years into the future so that we can plan for the upcoming maintenance and improvements that will need to be done, and so that we are fully funded in the coming years. This insures that we have the proper amounts of HOA dues increases over the years which will allow us to pay for things such as replacing a roof, siding, repainting, resurfacing of pavement or other such large one time maintenance items that can cause special assessments if a complex isn't fully funded. A professional has looked at the state of our entire complex and has come up with a plan of action for the next 20 years. His conclusion was that we are 105% funded at this time. That is almost *unheard of* in the condo industry and puts us in an excellent position. It's an excellent sales point and it means that we'll be able to take care of upcoming events without an additional charge to the homeowner.

9. Rental Cap The board is currently having the language written so that we may attempt to in act a rental cap. The purpose is to maintain the current standard of living at Nautica. It can be impossible to sell your home with other than conventional financing if then, if the percentage of rental units is too high. When someone attempts to buy or refinance the loan company has to know what the

rental percentage is. This number will be taken into account when your home is inspected for its property value. Sometimes situations arise and someone has to move but wants to hold on to their property. We want to plan for that, that situation will be a part of the language. We don't want developers buying up a bunch of units just to rent out. A rental cap can prevent that. Some feel that a cap would take away from their homeowner's rights. Everyone is free to speak on this issue. Please come to a board meeting or write something in the Newsletter if you wish. A large majority (70-80%) of homeowner's must vote for the amendment for it to pass, so it's definitely not something that can sneak by you without your approval.

10. Quorum At this time we are waiting for Jeff to return. He has gone out to find more homeowner's to attend this meeting so that we may have quorum. Whether they come in person or by proxy, we need a sufficient number to vote in the new board.

11. Comments by Gary Van Ness Gary has participated in countless projects and donated much time in service to the Nautica HOA. He no longer wishes to participate due to the letter that was distributed by Alan, "The Rape of the Avenue". (Please see the December minutes for more details on this subject) He asked Alan's opinion on the situation with pear trees at or after the board meeting in question, which should have cleared things up, yet still this letter went out. Gary feels that this letter was an unnecessary attack and was filled with incorrect and misleading information. Such as, Danir's contract had already been extended through next summer and so he was in no danger of losing his position. The information given on that matter was mute. He feels that he had the right to an opinion without being hung out to dry with false and misleading information, in front of the homeowner's.

12. Comments by Ellen Rubin Ellen concurs with Gary's comments and she also feels that her family was attacked in this letter. Her name and daughter's unit number were included in the letter, which she says has made them a target of harassment. Her daughter feels like she is the enemy at Nautica. Ellen feels that it was a vindictive action Alan took to get his way. She states that she has served on several HOA boards and has never seen anything like this.

13. Comments by Alan Mirsky Alan feels that he didn't have time to review the information submitted by the tree cutting service, before we took a vote on the issue, and in so doing the vote put the pear trees in danger of being cut down. He was not going to let that happen without the knowledge of the homeowner's. Everyone has their opinion on this matter and he doesn't wish to belabor the issue at this time.

14. Board Member Elections There were 10 names listed on the ballot for board member elections. They were listed as follows:

Gary Anderson C201	Megan Huston E101	Ted Massart C204
Sandi Clegg B303	Alan Mirsky E201	Jeff Koertzen F304
Daniel Enquobahrie A101	Tom Batty E301	Nancy Lukinick B201

Alan asked if there was anyone else who wished to be added as a nominee at this time. One additional nominee was added, Secrette Miller E303. All nominees that were present introduced themselves. Once the votes were tallied we had 6 members and a tie between two nominees. Nominees elected were returning members Alan Mirsky, Ted Massart, Sandi Clegg and Jeff Koertzen. New members elected were Nancy Lukinick and Tom Batty. There was a tie between Daniel Enquobahrie and Gary Anderson. Against the wishes of some Daniel Enquobahrie graciously dropped out of the election. And so Gary Anderson, who was not present, was elected as the seventh board member.

Meeting Adjourned: 855pm

Secretary:

President:

Next Meeting: February 10th at the Nautica Cabana