NORMANDY BY THE SEA COMMUNITY ASSOCIATION

BOARD OF DIRECTORS MEETING MINUTES December 17, 2002

BOARD MEMBER ATTENDANCE:

Ron Wichner, President; Charlotte Gumbrell, Treasurer; Arjon D'Angelo, Director, present; Steve Balch, Vice-President, partial attendance; Stephanie Akerstrom, Secretary, not in attendance.

ALSO PRESENT:

Perla Wichner B32, Maurice & Ree Miller B30, Deborah Marsh A21 and Lenny Kanarvogel, S.H.E. Manages Properties.

CALL TO ORDER:

The meeting was called to order at 5:35PM.

<u>HOMEOWNER INPUT:</u> Unit B30 advised the Board of blockage in her toilet drain six feet in and requested Association re-imbursement for the plumbing expense and suggested it was time for cleaning the common area drains again. Unit A21 informed the Board that termites were spotted in the spa area. Unit B32 suggested that in light of the HOA's financial situation, if there is no discernible difference, the Board consider reducing the housekeeping service to one visit per week.

MINUTES: The Board Meeting minutes of November 25, 2002 were approved with corrections.

<u>FINANCIAL REPORT</u>: The Board approved the Draft copy of the October 31, 2002 financials as presented. They also approved the Draft copy of the November 30, 2002 financials, which did not reflect the interest earned for November. The financial report reflected \$3,889.62 in the operating account. This figure includes a <\$2,757.00> amount not yet paid to the reserves last fiscal year. The reserve account contains \$228,836.69.

COMMITTEE UPDATES/RECOMMENDATIONS:

CC&R Committee - No report.

Finance Committee – The Committee met on December 7th and reviewed the status of the budget and operating account with Directors Balch and Wichner (committee member). On December 10th, the Committee recommended that the Board 1) seek a special assessment of \$300/member to alleviate a tight operating account and cash flow situation, 2) address the Reserve finances in the 2003/2004 budget, 3) move the Reserves funds from Rancho Santa Fe Bank to another Federally-insured institution with higher interest rates and 4) offer the membership the opportunity to vote on whether it wants to reinstate earthquake insurance coverage. The latter would require a special assessment this year as well as an increase in regular dues next year.

Landscaping Committee – Walked the property and made small changes to the landscape. Azalea bushes were removed and Steve Balch was to talk to the landscaper about treating the driveway hedges with a chemical that kills the fungus. Fertilizer was applied to the grounds and should sufficiently invigorate the area until the spring.

Architectural Committee - No report.

Maintenance Committee – The committee reported that Pete Calvi offered to do a test application on the Clubhouse with an oil treatment that seals the shingles.

BOARD OF DIRECTORS - MEETING MINUTES - December 17, 2002 - Continued

ACTIONS ON COMMITTEE RECOMMENDATIONS:

Finance Committee - A motion was carried [D'Angelo, Gumbrell (Aye)and Wichner (No)] to table the vote on the Committee's recommendation for a special assessment until all five members were present. The Board agreed to move the Reserve money market checking account from Rancho Santa Fe Bank to a higher paying account and asked Wichner, after consulting with the Finance committee, to open up an appropriate bank account, not limited to a California Bank. The Board agreed to poll the membership on earthquake insurance after the Board has obtained updated premium quotations.

Maintenance Committee – Since the condition of the shingles on the south and west sides is so poor in places and the shingle refurbishing quotations received were so high, the Board agreed to postpone a decision on Calvi's offer to do a test treatment of the shingles until we obtain proposals for full replacement of the shingle/siding from other vendors.

NEW BUSINESS:

Bids and Proposals -

Fire Services – The Board reviewed the service arrangement from the current vendor (Simplex/Grinnell) and determined their performance to be inadequate. A motion was carried to replace Simplex/Grinnell with Fire Watch, which had been highly recommended by another management company. Since Simplex's contract renewal date is 3/1/03, S.H.E. was to provide a 60-day termination notice letter by 12/31/02.

Elevators – After reviewing proposals from two other elevator companies with approximately ½ the monthly cost of Thyssen, the Board voted to select San Diego Elevator Company to replace ThyssenKrupp Elevator. In addition, SD Elevator's bid to replace the elevator cylinders was the lowest of all three proposals. A termination letter was to be sent to ThyssenKrupp.

Drain Clean-Out - A proposal from Drain Patrol for the HOA's annual drain clean-out was reviewed again. Before any decision is made, Gumbrell was to investigate other chemical treatments and cost available from Drain Patrol for the next board meeting.

Auditors Approval & Multi-year Guarantee - The Board approved the proposal from Sonnenberg to do the Association's Audit for this fiscal year, at a slightly higher fee than last year. Sonnenberg also proposed a two-year cost guarantee for the audit. While the Board agreed with the multi-year concept, Wichner was asked to attempt to negotiate a lower fee with Sonnenberg.

Asphalt Patch & Concrete Grinding - With only one proposal for patching the asphalt, the Board tabled discussion on these two issues until the next board meeting.

Welcoming Committee/Registration Process - The Board recommended that the present form of greeting the new residents should be kept to an informal status. Committee members will continue to informally welcome new residents and provide them with the Rules and Regulations, which is the current practice.

Special Assessments & Earthquake Insurance – See <u>Actions On Committee Recommendations</u>. Risk Management Checklist - Referred to the CC&Rs Committee for review and recommendation.

OLD BUSINESS:

CD Renewal – The Board tabled discussion on the CD renewal pending further clarification of the Association's Reserve needs.

Balcony Project – The Architectural Committee is waiting for a bid/proposal/estimate from GDC Construction; further discussion was tabled.

Termites - The Board again reviewed the two proposals for termite tenting. Harbor Pest Control, matched Antimite's proposal of \$29,350. The Board decided to go with Harbor unless a lower bid was received from Algone Exterminating, highly recommended by B30. Wichner was to request an extension to the Harbor Pest proposal, which currently expires on 12/31/2002.

ADJOURNMENT:

Т	here	being no	further	business,	the m	ieetina v	vas adi	ourned	at	7:30F	РМ

APPROVED:	/s/ Ron Wichner				
	President				