

HARBOR HOMEOWNERS ASSOCIATION

2014 ANNUAL MEETING MINUTES

June 30, 2015

LOCATION: 500 LAKE MARINA DRIVE – LOBBY

ATTENDEES: Board of Directors: Michael George, Peter Ingrassia, Lisa Schuler. Guests: Caleb Didriksen/Didriksen Law Firm
Bonnie Loftis / Fontaine Management

ROLL CALL: A quorum was confirmed, and meeting called to order.

PROOF OF NOTICE OF MEETING: Proof of Notice of Meeting and Agenda was posted and presented.

READING OF THE MINUTES: A motion to waive reading the minutes was made by Janice _____ and seconded by Cindy _____

REPORTS FROM DIRECTORS:

Peter Ingrassia:

Caleb Didrikson: Litigation Reports

Caleb Didriksen of Didriksen Law Firm was present to give an update on pending legal issues. The Favalora lawsuit (roof damages) is still ongoing. All homeowners were contacted concerning the suit. Some homeowners did not reply, so those units were taken out of the pool for the suit. There are 2 (two) aspects to the litigation. We would like a new roof; the roof does not drain properly and is aging prematurely. We are asking for a new roof paid by the contractor. The Didriksen law firm is working on a contingent fee basis, no money has been paid to the attorneys as of this date for the litigation. The trial date has been pushed up from November 2015 to a new date of February 2016. We are waiting on a mediation date from the courts. We have reached a partial settlement with one of the defendants, Stoll, of \$285,000.00. Net proceeds of \$200,000 were placed in the reserve account. The roof claim and loss of use suit remains pending.

A Class-action suit by Wendy Duhon is still pending. This suit is at the expense of State Farm Insurance Company. Caleb is trying to prevent certification of the class since Duhon is the only person named in the suit and is no longer a homeowner. Caleb does not think the suit against the Homeowners Association will succeed.

There are two (2) litigations which have cost the HHA money. These suits were filed by John McHugh, Alice Atkinson and Andy Oates. We tried to make arbitration but a suit was filed by Atkinson and McCue to declare the amendments which were passed incomplete and unlawful. A suit was also filed by Atkinson and McCue wanting an alphabetical list of all homeowners. They were granted this

information. Every homeowner/tenant/resident was given information concerning several cease and desist letters sent to John McCue due to him harassing and “lying” to homeowners/tenants/residents. Andy Oates is suing for accounting records. He was given all accounting records per his request. His accounting firm wanted more information. They were given the requested information. All of these suits are costing the homeowners money. ANYONE can request accounting information from the office at any time. A homeowner asked about the suits, said homeowner was under the impression it was about the accounting records not being released. The suit was read to all in attendance. So at this time the pending litigation is the Favalora suit and Atkinson and McCue and Oates.

Defense of lawsuits such as the suit filed by Atkinson, McHugh, and Oates, which did not include a demand for money damages, must be defended by the Homeowners Association at your expense. So, in suing the Board, these litigations are costing every one of us money.

Other than the Joyce Phillips unit, Didriksen Law Firm successfully prosecuted all of the collection suits against delinquent homeowners to conclusion, and collected all assessments due, and in addition, most of the associated costs and attorney’s fees for those collection efforts. The Joyce Phillips unit has been empty and unrepaired for five (5) years. The Association, through Didriksen Law Firm, successfully obtained two judgments against Phillips for overdue assessments, interest, penalties, attorney’s fees and costs. Michael George will elaborate further on that.

Michael George:

Audit and Compliance:

Michael George explained in detail the confusion concerning the accounting records. Mr. Oates’ accounting firm was given the HHA QuickBooks account to look at. ANYONE has access to this information. There are nine (9) years of records available, nothing is being hidden. Anyone can get a general ledger of accounting records of the HHA.

Mr. Oates insisted he asked for records and was denied. He asked for information concerning legal fee payments. He passed around information, not examined by the Board, concerning legal fee payments. He expressed the need for more accounting records be made available to him. He insisted on information concerning legal fee payments again. A motion was made to stop the financial and legal discussion by Dwight Chaisson, second by Janet Ingrassia.

Michael George discussed the 2014 Finances and Budget. Information was passed out to all present. Balance sheet was discussed. The HHA has 293k in assets and 248k in a reserve account, the remainder is in the operating account. At the end of the year there was 37k in that account. The HHA also has “Unit 427 as an asset; 6k was paid for it at the Sheriff’s Auction.

A motion was made to be civil, is any further disruptions are caused the person(s) will be expelled.

Unit 427 is gutted. A question was raised concerning the unit: should the HHA sell as is and place the money into cash reserves or renovate and lease. A question was raised concerning the insurance payment for the unit; the insurance money from the unit was put into cash reserves. HOA Fees are ~395k/yr. In 2014 the amount was 408k. This increase was due to back fees being collected.

HHA Liabilities:

SBA loan, 1.27M. This costs us 90k/year = 21% of budget.

Insurance 132k/year= 31% of budget. >52% of the budget we have no control over.

In 2014 we budgeted 30k for repairs, spent 65k (termite damages, etc.) there is an 18k shortage on the 2014 budget.

The 2015 Budget was handed out and explained. A question was brought up concerning some items. Insurance premium: was decreased due to moving the anniversary date to November and raising the deductible. Also the rate was based in the previous year's risk, which was low. It is the same policy. The accounting fee budget was less. It was ~10k previous year due to audits. Michael went into detail concerning the budget and change of By-laws. It was explained that the money to cover the shortage in the budget comes from the reserve account. An explanation was made concerning accounting records. The HHA are now getting quarterly reports.

The 2013 tax returns and compilations have been completed and filed by the CPA firm, and made available upon homeowner request. The 2014 tax return was granted an extension. All of this information is on a disk and scanable. It is available for any homeowner. Send an email to board@harborviewnola.com to get a PDF of all the accounting reports.

Peter Ingrassia;

Old Business

New HD cameras have been installed in the garage and building.

If any homeowner, no longer having a mortgage which does not require insurance, it may be in your best interest to contact Zak Fanberg with Eagan Insurance. For 60.00/month you can get ~30k coverage for an interior policy. Some of these policies even cover assessments and other living expenses.

Pool: there are plans to improve the pump system. We realistically need 2 pumps.

Air conditioning Units: Please make sure when you service your units that the drains are blown out.

Stucco problems: The island units which have stucco have been repaired. Water leakage was tied to the termite damage. There was damage around the windows, which have been replaced. We are trying to find a solution to fix this problem. Pete requested to any homeowners in these units to be cognizant of the small drain holes in the window and clean them on a regular basis to stop water buildup and sheetrock damage. The stucco is traditional, not synthetic.

A homeowner made the suggestion of the HHA getting a termite contract; we are currently looking into this and waiting on a quote.

Walkways and Pool deck: will be coated with Hydro Stop a waterproofing system. Water is getting into the cracks and leaking onto the steel beams in the concrete above the garage. This is a problem. The entire 2nd floor deck and 2nd/3rd floor walkways will be coated. The several lights which are not working have water damage from the walkway leakage. To apply the Hydrostop to the entire building will cost approximately 140-150k. We will hold another meeting within the next 8 weeks to decide on Unit 427 and the Hydrostop coating. We need to get estimates before we can make a decision.

Mr. Oates asked the board if we had a certified termite examination. He said a report was sent to the board that the building is compromised, the west side is termite ridden, per John McCue. Michael George asked for the report. Mr. McCue told the audience that a report by Soule Engineering was sent to the board. A report was never received.

Michael George continued the agenda. He spoke concerning the Sibernagel Firm, who are experts in roof leaks and cracks in the stucco. Charbonnet Firm is working on all of this. We are in talks and in the process of getting estimates concerning Charbonnet installing the Hydro stop coatings in the building. Many residents expressed concern of water leakage and rusty water around balcony doors and windows. Michael explained the problem as per Sibernagel. When stucco is being manufactured, a magnet is run through the stucco before it is packaged, this is to pick up any metal fragments. Apparently the stucco used on the building was prepared with a faulty magnet and metal particles remained in it, thus the rust. Sibernagel is coming out next week to check all damages. If any homeowners have damage or concerns, let Bonnie know so it can be looked into.

Lisa Schuler

Housekeeping items

Please make sure of the following:

Close all pool gates, we have some children living here now.

Please do not leave garbage bags outside of your doors, bring them to the dumpster.

Please remember to turn off the TV and lights in the gym when you leave.

It is imperative that residents pick up after their dogs. We have gotten complaints for nearby residents.

If you see something wrong or something that needs to be fixed, please contact the office.

If it is raining and the front of the building has water, use common sense and go through the back gate.

We have no control over the flooding in front. Pete explained it is a Levee Board/ Street Department issue. They have been alerted of the problem multiple times. The drain was cleaned out this past week.

The fire alarms have been working properly and are monitored 24/7. The problem we had in the last 2 months has been fixed. There was a faulty heater sensor in the back elevator.

We have not had any problems with the elevator since we implemented the new rule of persons moving in/out contact the office and Anthony be present during a move. This is at the expense of the owner.

Peter Ingrassia

Michael George's term was up, and he has agreed to run for another term. There was a call for nominations from the floor. No response from the floor was made. Michael George will continue his term as a board member.

Pete mentioned roll up shutters for any front facing units, especially the French doors. If any homeowner is interested we would like them all to the the same. If you are interested please contact Bonnie.

Notices will be sent out for a new meeting in the next 2 weeks to discuss Unit 427 and the walkway/pool deck coating installation.

A motion was made to adjourn the meeting by Lisa Schuler and seconded by Edgar Staehle.

MEETING ADJOURNED