

**DRAFT
HAMILTON COVE HOMEOWNERS ASSOCIATION
MINUTES
MEETING OF THE BOARD OF DIRECTORS
MARCH 24, 2018**

The meeting was called to order at 10:15 AM by President Norris Bishton. The following directors were present:

Norris J. Bishton, Jr.
Martin Curtin
Mike Owens
Bart Glass
Richard Kirschner

5 Owners were present.

APPROVAL OF MINUTES

The minutes of the Board Meeting of December 9, 2017 were approved.

EXECUTIVE SESSIONS

The Board met immediately before the meeting to discuss litigation and contractual matters. No decisions were reached.

INSURANCE REPORT

The Association's Insurance Broker, Bob Hessler, reached out to every market that might write the Association's insurance and he provided a detailed list of carriers who bid or declined to bid to the Board. He reported that Lloyds did not bid this year, possibly because of \$3 Billion in losses it suffered worldwide last year.. The buildings have been valued at \$81,091,104 up from \$76,337,600. Mr. Bishton informed the meeting that on a comparison basis insurance costs for the last three years and the coming year were as follows:

	2015	2016	2017	2018
PRIMARY PROPERTY	\$168,094.96	\$173,997.68	\$173,997.68	\$173,997.68
EXCESS PROPERTY	\$89,689.00	\$92,785.00	\$94,677.31	\$96,672.31
AUTO	\$9,001.00	\$8,856.00	\$8,779.84	\$8,813.84
GENERAL LIABILITY	\$33,099.74	\$33,214.09	\$33,470.02	\$33,470.02
UMBRELLA LIABILITY	\$10,280.00	\$10,599.00	\$10,599.00	\$10,599.00
DIRECTORS & OFFICERS	\$2,192.00	\$2,314.00	\$5,315.00	\$6,695.00
FIDELITY & FOREGERY	\$1,433.00	\$1,466.00	\$1,397.00	Included
TOTAL	\$313,789.70	\$323,231.77	\$328,195.85	\$330,207.85
BUDGET	\$320,000.00	\$320,000.00	\$300,000.00	\$330,000.00
OVER BUDGET	-\$6,210.30	\$3,231.77	\$28,195.85	\$207.85

PRESIDENT'S REPORT

The commercial laundry in Avalon has closed. There is no information about a replacement. This will impact the rental companies using the commercial laundry.

Nothing has been done about Southern California Edison's proposal to run a line from the Baker Tanks to the Wrigley Reservoir so that desal water can be stored in the Reservoir. Martin Curtin reported that for lack of storage Edison is dumping desal water back in the ocean because the desal process has to run continuously.

The number of Owners using the Internet or AirBNB to rent their units to Short Term Renters continues to increase creating more problems for the Association.

The new trash bins have been a major success and to date people are using them properly and closing the lids. The birds which were a problem seem to have moved on to other locations.

The Association still has had no reply to its letter responding to SCICo's letter regarding sewer smells at Descanso.

The Association continues to repair leaks from the 2016-17 rains with 45 major leaks completed and 26 minor leaks to go. No new leaks occurred as a result of the recent rain. Leak problems are the extensive after extended periods with no rain as the buildings dry out.

The owners of 159 Units have purchased the fee interest and 26 remain.

The annual audit is underway and no problems are anticipated,

VICE PRESIDENTS' REPORTS

Vice Presidents' reports were deferred to the various agenda items.

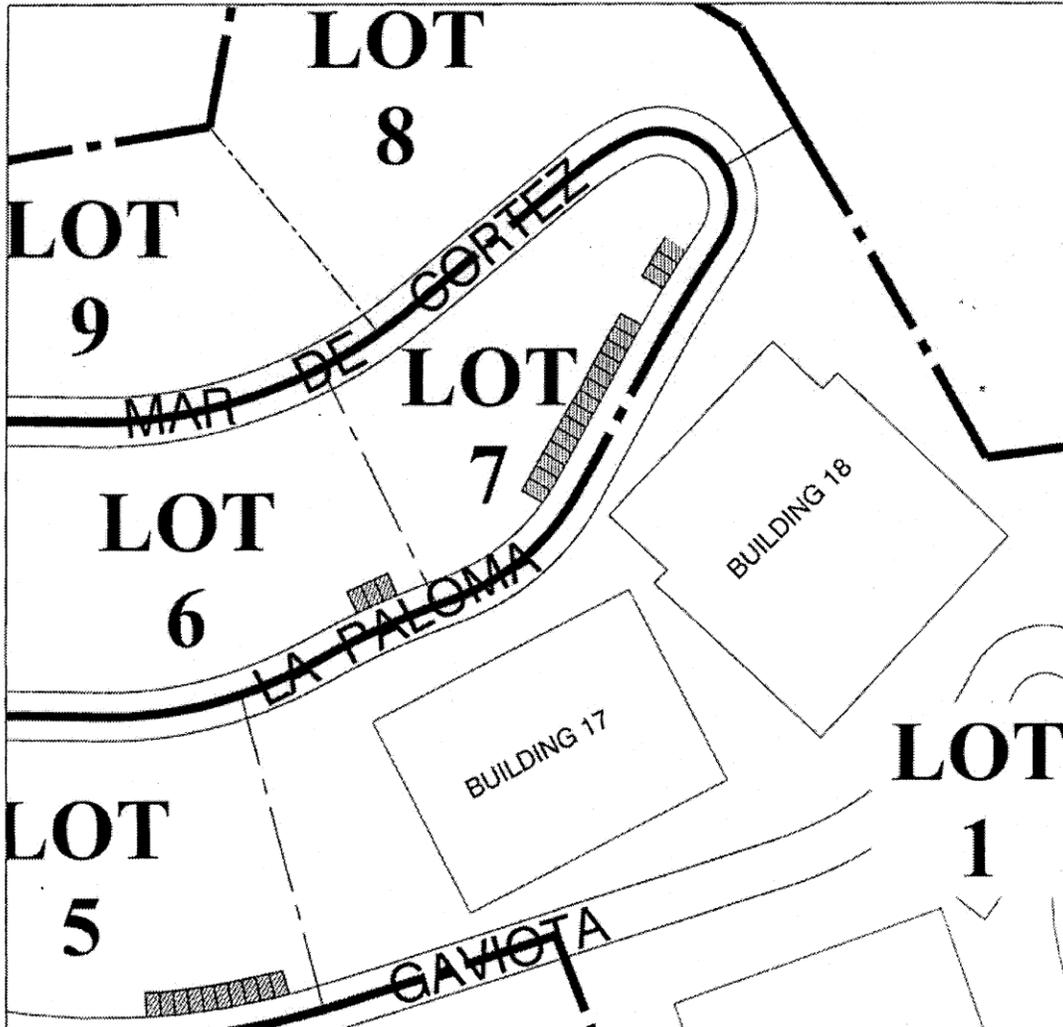
TREASURER'S REPORT

Mr. Bishton reported on the Association's finances through February 28, 2018 were within budget and indicated that the monthly compiled financial statements are available on the Association's web site. He further indicated that there were no problems with collections and thanked the Owners for their prompt payments.

OLD BUSINESS

A. DEVELOPMENT OF REMAINING LAND. Two units are close to completion. The developer states that the owners should be able to move in within six weeks. Two more are under construction and a third will start in September. Mr. Bishton explained that cooperating on the development of the Remaining Land was part of the price paid that allowed Owners to purchase the fee interest in their units. The Association is on constant contact with the developer in an effort to minimize the impact on Owners, but those in close proximity to the construction will incur some problems.

As shown in the drawing below the Association's property line is in the middle of the street. The Association has an easement for golf cart parking on the Remaining Land as depicted. The Developer has had to move some of the parking places further down the street because of the current construction. The Association has no control of parking on the north side of the street other than the golf cart parking places covered by the easement.



B. RICARDO RODRIQUEZ. The former employee who was seriously injured while cleaning the pool died while on a trip to Mexico. The President is trying to determine what effect this has on the pending Serious and Willful Case.

C. TREE REMOVABLE. The Association has been asked to remove a large palm tree which is partially blocking the view from a balcony. The Association has been advised of Avalon City Ordinance Sec. 9-8.102 which mandates that a Coastal Development Permit be obtained before “removal...of large vegetation” within 100 feet from a bluff. The tree in question is within 100 feet of a bluff. It is uncertain whether a permit can be obtained. In accordance with the ordinance the Association will seek a permit for a parking place it added north of Building 11.

D. WATER QUALITY. Edison keep sending Owners notices of potential problems with the fresh water it supply, claiming that the problems are not a health threat. Upon motion duly, made, seconded and unanimously carried it was decided to engage a laboratory to do independent testing of the water.

NEW BUSINESS

A. INSURANCE FOR 2018-2019. After discussion, upon a motion duly made, seconded and unanimously approved, the Officer’s decision to purchase the proposed property and liability insurance described in the written proposal was ratified.

B. LOAN FROM RESERVES TO PAY FOR INSURANCE. After discussion, upon a motion duly made, seconded and unanimously approved, the President was authorized to borrow \$300,000 from the Reserves to be used to pay the insurance premium conditioned upon repayment within one year.

C. SALE OF 1/62. The Quiet Title Action is coming to a close and the court will issue a judgment in the Association’s favor shortly. Upon a motion duly made, seconded and unanimously approved the President was authorized to enter into a listing agreement with Hamilton Cove Realty and to proceed with the sale of the Unit.

D. REVISED RULES. An extensive discussion of proposed changes to the Rules was held participated in by everyone present. Comments and suggestions will be taken into consideration. Prior to the next meeting, Owners will be sent a copy of the proposed restated Rules for their comments and the Board will take up the changes at the next meeting.

E. PADDLEBOARD AND KAYAK STORAGE. The Board has been asked to install paddleboard and kayak storage racks in the beach area. After a discussion it was decided that no action would be taken.

F. CLUBHOUSE UPGRADE. Various ideas to improve the Clubhouse were discussed. In particular, replacing the carpet and tile with wood tile flooring, adding a television set and possibly some better seating more conducive to the uses people make of the Clubhouse.

HOMEOWNERS COMMENTS

Owners were permitted to make comments throughout the meeting.

EXECUTIVE SESSION

Mr. Bishton indicated that the Board was not going to meet in executive session. There being no further business before the Board, the meeting was adjourned.

March_____, 2018

Martin Curtin, Secretary