

THE HARBOURS CONDOMINIUMS

Issue Bulletin No. 1:

Parking Spaces Conveyed to Kevin Zipperle by the Developer.

Prior to the Developer/Declarant liquidating his Harbours properties, he had often allowed the Association to use one of his condos without compensation for meetings and functions. Typically, the condo would be an up-market, penthouse unit of which homeowners would often comment how nice it is to be able to use for those occasions and that having a permanent space would be advantageous.

In 2006, the President of the Association, Kevin Zipperle, was approached with a proposal from the Developer who was in discussions with a homeowner about the sale of one of his remaining condos. The Developer was aware of the Association's interest in a community space and, to that end, wanted the Association to consider purchasing the homeowner's condo which had a spacious floor plan similar to a penthouse unit. As added value, he was willing to include eight (8) parking spaces to offset the condo purchase and renovation costs. These parking spaces were from the inventory that the Developer had for sale and were regularly advertised by his marketing staff to homeowners. The money needed to close the deal for the homeowner's condo would be in the range of \$350-400,000 including renovation costs.

Because of the amount of money involved and the time required to get approval from homeowners and arrange financing, Zipperle negotiated the best deal that he could for the condo and parking spaces and "guaranteed" the purchase as follows: the condo and parking was first offered to the Association, and if it was refused by a majority of homeowners, Zipperle would make the purchase himself at the negotiated price. This proposal was one of several community space options that were presented on September 12, 2006 at an open meeting attended by Board members and forty homeowners at large. A casual show of hands at the meeting indicated almost no support for an expenditure of that magnitude for that purpose. (The meeting was also held to present the cable TV/internet package to homeowners.)

While the transaction was closing, the parking spaces were assigned a fair value and offered to the Developer and the homeowner in lieu of cash for that amount. Either party could have kept the parking spaces for \$40,000. However, neither wanted the parking spaces, and Zipperle was compelled to take them with the purchase of the condo. Some of the parking spaces have been subsequently sold to other homeowners in separate transactions. Those still in Zipperle's possession as of this date are spaces 443, 601, and 635.



THE HARBOURS CONDOMINIUMS

Issue Bulletin No. 2:

Balcony Railings, Parking Spaces Conveyed by the Developer & Funds gifted to the Association.

In mid 2001, The Harbours at RiverPointe, L.P. entered into a contract with Kessinger Service Industries to paint the balcony railings. The railings were painted with a Porter Paint product. All costs, approximately \$26,000.00, were paid by the Developer/Declarant.

Shortly after application, the materials showed intermittent signs of adherence failure. In August 2002, Porter Paints provided a letter stating "in reference to the spots peeling on the handrails at The Harbours, you will need to lightly sand handrails and then top coat with #2928 DTM Acrylic Gloss Enamel Paint."

A handful of condominiums were repainted in a test effort by Kessinger in October 2002. On 5/1/03, balconies were inspected and it was determined that the balcony rails still continued to "spot" peel. Kessinger was again contacted for a solution.

On 7/2/03, Kessinger requested information as to the original specification of the paint materials of the railings. On 7/3/03, a spec sheet was faxed noting Fluoropolymer coating as the original application. On 8/15/03, Kessinger referred correspondence from Porter, essentially sidestepping responsibility and alleging an interim application of paint. Read Blasi, who has supervised the maintenance of the Property since time of building, denied an interim application. Kessinger had applied the paint over a factory finish.

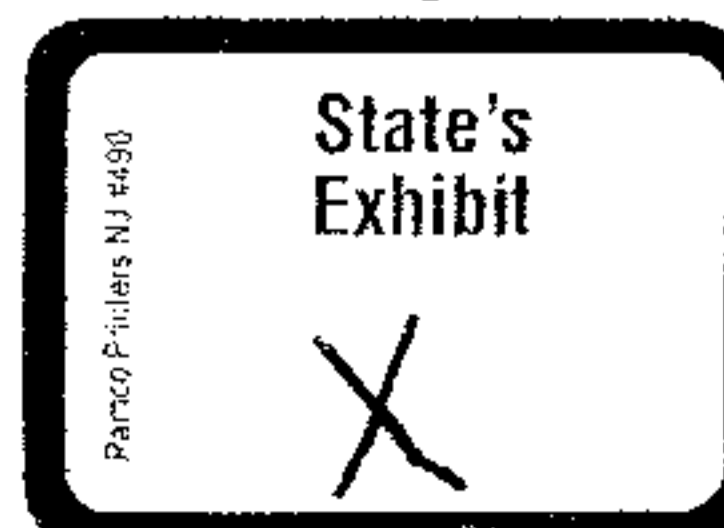
The Association, through its Property Manager, made a request for financing of a solution to the Developer once it became apparent that neither contractor nor supplier would accept responsibility. Subsequently, a decision was made to refer the matter to legal counsel and suit was initiated. All costs were again paid by the Developer. A determination was subsequently made that legal costs could easily outweigh any verdict.

In late 2006, with sales efforts coming to a close, the Developer requested the assistance of the Association to continue to market their unsold parking spaces to interested parties. In return, a majority of the sale price would be given to the Association to remedy the balcony railing issue. (The Developer had clear and legal title to the parking spaces and had no obligation to liquidate them to the advantage of the Association.) The Board ratified the cooperative effort.

In early 2007, the spaces were sold and conveyed by the Developer to a single homeowner (non Board Member or his relation) of multiple condominiums who had previously expressed interest in additional parking. Even though the Association never held title to these spaces, it was paid \$43,000.00 from the proceeds of the sale.

The sale and proceeds were fully reported on the Association's financials for 2007* and the favorable resolution was announced to our homeowners. The funds are currently held in the capital reserve account along with funds accumulated through regular monthly assessments from homeowners. The Board has decided to defer painting the balcony railings until the EIFS (exterior) is scheduled to be repainted in 2012.

* See Independent Auditor's report for 2007.



Date: March 5, 2009

Issued by: The Harbours Condominiums Legal Committee



THE HARBOURS
CONDOMINIUM HOMEOWNERS ASSOCIATION

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE HARBOURS CONDOMINIUM HOMEOWNERS ASSOCIATION HELD ON FEBRUARY 5, 2009

A meeting of the Board of Directors of the Harbours Condominium Homeowners Association was held on February 5, 2009 at 6:00 p.m. in condominium 1110.

Board members present: Sharon Chandler, Gary Davis, Doug Farnsley, Marty Haley, Thom Pike, and Kevin Zipperle. (The arrival of the Secretary, Mary Lou Trautwein-Lamkin was delayed and Cindy Richards kept minutes in the interim.) Board members absent: Ken Quiggins. Judy Finn declined to participate by telephone due to poor audio quality, but could be reached by cell phone if vote was necessary.

Staff present: Read Blasi and Cindy Richards.

The meeting was called to order by the President, Gary Davis.

Homeowners were invited to stand, identify themselves and proceed with their question or comment. The following questions/comments were noted.

Mr. Glenn Thomas, condominium #409: Made formal request of accounting of 15-20 parking spaces turned over to the Association. Where did the money go?

Mr. Walter Kindler, Condominium #619: Made formal objection to the presence of "spy" cameras aimed into common areas. He also had sent this request in writing to the Board. He requested that at minimum the presence of cameras be identified.

Mr. Glenn Thomas, Condominium #409: Acknowledged that he had sent a request for detail of breakdown of investment funds and that the request had been promptly met. He further questioned whether we were dealing with local banks.

Response: Kevin Zipperle explained the investment strategy in detail. Funds are deposited with Fifth Third Securities in Jeffersonville who purchases FDIC insured Certificates of Deposit (CDs). CDs are researched online in advance of the transaction to obtain the most competitive rate.

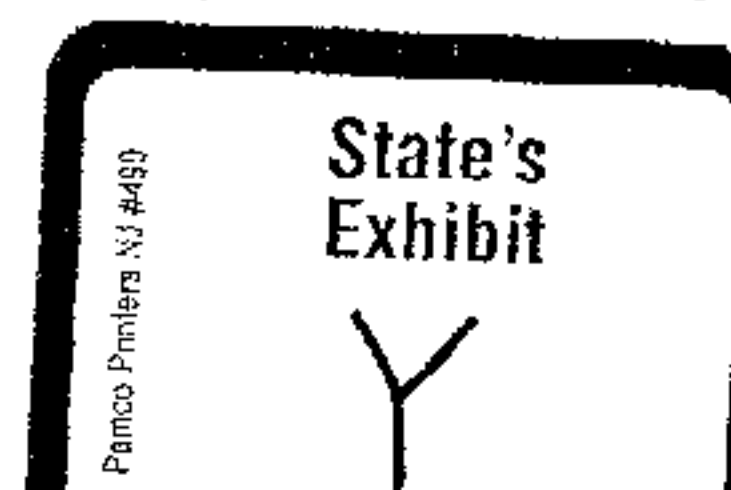
Mr. Thomas then inquired about a CD titled "Private Bank." Cindy Richards responded that Thom Pike had asked the same question. She explained that was the name of the institution that she believed was located in Chicago. Earlier examination indicated that the institution had a sizeable portfolio. Doug Farnsley commented that the Audit committee had reviewed the reserve investments and ascertained that all were FDIC insured and within limits.

Mrs. Betty Cantrell, Condominium #712: Queried the Board on the status of "Association owned" parking space #101 and if the space was available for reciprocal exchange.

The Board had a brief discussion regarding the timing of appropriate reply. The audience was cautioned that the Board might not be prepared to give immediate responses.

Doug Farnsley commented that he had looked into the issue of cameras including giving thought to establishment of policy related to Association owned cameras. He would give his preliminary thoughts as part of the Legal Committee report.

Responding to the earlier inquiry, Doug further requested that any information related to parking space assignment be brought forward, especially if there is a belief that impropriety is involved. Kevin responded that the developer space transfer upon turnover had been summarized in the past. Cindy attempted to clarify the specific request as multiple transaction inquiries have surfaced in the past. She also stated that the information had been presented at last year's Pre-annual meeting. Gary Davis then asked if the document detailing developer transfer to the Association was readily available and suggested it be forwarded to Mr. Thomas.





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Glenn Thomas, Condominium 409: Also questioned who has access to Harbours systems and who has access to condominium keys.

(Mary Lou Trautwein-Lamkin joined the meeting and began taking minutes.)

Betty Cantrell, Condominium 712: Returned to parking space #101 and again contended that this is an Association parking space because it is marked "HC" in the governing documents and should therefore belong to the Association until proven otherwise. This goes back to June of 2000. It was noted by Kevin Zipperle that this space is now in a related dispute between two homeowners.

Kevin Zipperle then read the following statement: "Ken Quiggins couldn't be here tonight, but he wanted me to make a statement on his behalf. First of all, he wants to thank the Board for what he considers to be a vote of confidence for him during last month's meeting. Since that meeting, he has decided on the services of an attorney to represent him. Beyond the defense against the charges alleged against him, he's not sure what direction his legal strategy may go. Until that strategy is decided and maybe even completed, he wants to avoid the chance of making a statement in this forum that he shouldn't have, in the presence of individuals with whom he should maybe limit his contact. Therefore, he has made the decision to temporarily withdraw from regular Board functions and meetings until all of this plays out. In the background, he would like to be kept abreast of Board matters so that he can resume his regular duties at the right time without delay. He wants the Board to understand the situation that he is now presented with and grant him this privilege."

Thom Pike questioned whether the Board needs to put a person in his place. Doug Farnsley stated that there is no vacancy on the Board and it should be business as usual.

MINUTES: Thom Pike questioned portions of the January 23, 2009 minutes as containing unnecessary detail as to what Ken Quiggins stated. Discussion followed. Doug Farnsley moved the minutes be approved as presented. Seconded by Marty Haley. The vote was six in favor with Thom Pike dissenting.

A motion was then made by Thom Pike that future minutes contain only items that call for a vote and on questions from the audience they either be answered then or be taken under consideration and addressed at a later date. The motion died for lack of a second.

COMMITTEE CHAIRPERSONS: President Gary Davis then listed his committee chairpersons as follows: Finance: Mary Lou Trautwein-Lamkin; Building and Grounds, Kevin Zipperle; Hospitality, Debbie Zipperle; Legal, Doug Farnsley; Resolution, Harvey Allen; Audit, Thom Pike; Insurance, Fred Strohm; Design, Sharon Chandler; Nominating Committee, Mary Lou Trautwein-Lamkin; Rules Committee, Walter Kindler; Document review, Gary Davis.

Thom Pike questioned whether chairpersons could recruit their own committee people. Discussion followed. Each chairperson is to forward their list of potential members to Gary Davis before the next meeting and committees will be approved by the Board.

CONFERENCE CALLS: A discussion was held regarding participation of Board members at meetings by teleconferencing. Sandra Snodgrass will be asked to spearhead this project.

TREASURER'S REPORT: Sharon Chandler gave the cash report as non restricted funds, \$201,165.82, working capital, \$135,616.21, capital reserve, \$483,560.21 with total cash and cash equivalents of \$820,342.24. A detailed copy is attached.

SECRETARY'S REPORT: The next meeting will be March 5, 2009 at 6:00 p.m. in condo 1110, subject to change if necessary.

LEGAL COMMITTEE: The revised Board meeting protocols were distributed. A copy is attached.



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A formal complaint was received from Walter and Helen Ryan Kindler requesting the Board to investigate invasion of privacy rights involving the "spy" cameras that some homeowners have placed in their doors. After discussion, the Legal Committee is to investigate further to see if there is a violation of the law by those persons having the cameras and what legal rights the Association has to control their use.

A discussion then ensued regarding who has a right to view tapes from Association cameras. General policy is if there is a suspected violation of rules, Cindy Richards views the tape and consults with the President or Vice President and the Chair of the Legal Committee for appropriate action.

Doug Farnsley stated that some homeowners are calling our Attorney, Jack Vissing, on their own. Doug Farnsley stated that Mr. Vissing will no longer respond to individual homeowner requests and they will be referred to him or Cindy Richards so that we do not incur additional legal fees.

BUILDING AND GROUNDS: Marty Haley stated that the City of Jeffersonville approved our request to make the two parking spaces outside our gate *no parking*. At Association expense, they will be striped and a sign erected. Fred Strohm stated that he appreciated the excellent job that Marty has done in the past as Chairperson of Building and Grounds.

DESIGN: Sharon Chandler stated that they hope to finalize carpet sample selection soon so that homeowners may view them and give suggestions.

AUDIT COMMITTEE: No report.

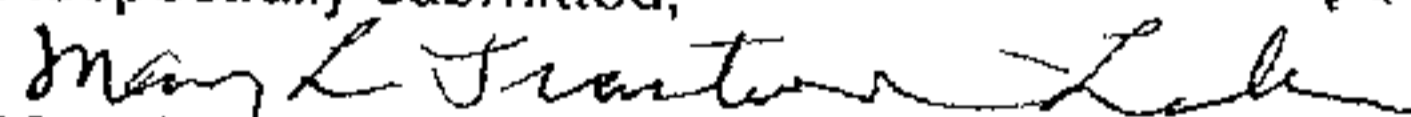
MAINTENANCE: Read Blasi stated that because of the snow the top parking level had to be closed and he thanked everyone for their cooperation. We used 3,000 pounds of salt.

MANAGER'S REPORT: A discussion was held regarding the recycle bills received by homeowners. Cindy Richards is to meet with the Solid Waste Department on February 11 regarding these bills. Three choices exist: #1. Negate the fee. #2. Opt out of the program if possible. #3. Homeowners would be responsible for their own billing. This would probably be a common expense and without it being a budget item, the Board does not have authority to pay that amount.

A motion was made by Gary Davis that Cindy Richards be given the authority to negotiate on behalf of the Association and if fees cannot be waived, she be given the right to seek a wavier for us to opt out of the recycle program. Seconded by Sharon Chandler and approved. No objections were noted.

A motion was made, second and approved that the meeting be adjourned.

Respectfully submitted,


Mary Lou Trautwein Lamkin

Secretary Board of Directors

Cindy Richards

From: <kzipperle@win.net>
To: <crichards@win.net>
Sent: Tuesday, March 03, 2009 7:59 PM
Attach: Issue Bulletin No. 1.doc; Issue Bulletin No. 2.doc
Subject: FW: Draft bulletins
fyi...

----- Forwarded message from Gary.Davis@anthem.com -----
Date: Tue, 3 Mar 2009 18:12:43 -0500
From: "Davis, Gary" <Gary.Davis@anthem.com>
Reply-To: "Davis, Gary" <Gary.Davis@anthem.com>
Subject: FW: Draft bulletins
To: kzipperle@win.net, "Farnsley, Doug" <DFARNSLEY@stites.com>

I approve.

Gary M. Davis

Director IT Infrastructure & Midrange Systems
National Government Services (Wellpoint)
502-645-9655

-----Original Message-----
From: kzipperle@win.net [mailto:kzipperle@win.net]
Sent: Tuesday, March 03, 2009 4:31 PM
To: Davis, Gary; Farnsley, Doug
Cc: crichards@win.net
Subject: Draft bulletins

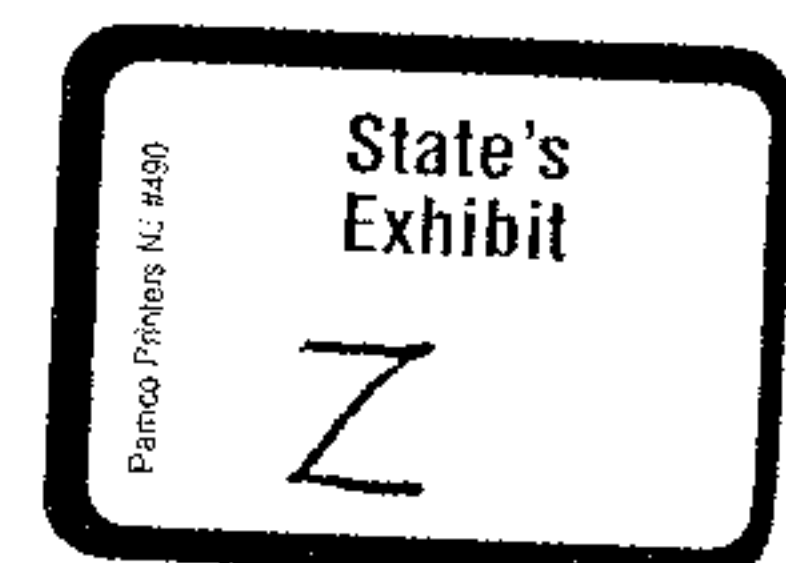
Hey guys,

With Cindy's help, I have drafted a couple of documents (attached) for your review. These are Association "bulletins" that each deal with a topic of interest, typically one that surfaces time and again by different homeowners. We can compose these and keep them on file for future use when a question arises.

Both of these deal with parking space issues and how the current situation came to be in each case. If they're OK with you guys, my suggestion is that we present them to the Board on Thursday for final approval. These and future bulletins will be kept in the office for routine distribution as needed.

Thanks...KZ

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unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender by reply e-mail and destroy all copies of the original message.

----- End forwarded message -----

Cindy Richards

From: "Farnsley, Doug" <DFARNSLEY@stites.com>
To: <kzipperle@win.net>; <Schandler1@aol.com>; <judy_finn@ipsd.org>; <mltraut@insightbb.com>; <Kenquiggins@aol.com>; <gary.davis@anthem.com>; <patokapirate@gmail.com>; <THOMASHPIKE@cs.com>
Cc: <crichards@win.net>
Sent: Monday, March 09, 2009 4:49 PM
Subject: RE: Issue Bulletins 1 and 2

Kevin,

Thank you for your work on these bulletins. They look good to me.

More importantly, thank you for the effort you made to secure a condo for the Association. It appears that your work on that project falls into the category of "No good deed goes unpunished." I am confident that fairminded members of the Association who read the bulletin will understand that you handled this appropriately. If the questions keep coming up, we can keep handing out the bulletin.

Regards, Doug

Douglass Farnsley
 dfarnsley@stites.com
 400 West Market St., #1800
 Louisville, KY 40202
 direct dial: (502) 681-0426
 direct fax: (502) 779-8268

-----Original Message-----

From: kzipperle@win.net [mailto:kzipperle@win.net]
Sent: Monday, March 09, 2009 4:40 PM
To: Schandler1@aol.com; judy_finn@ipsd.org; Farnsley, Doug; mltraut@insightbb.com; Kenquiggins@aol.com; gary.davis@anthem.com; patokapirate@gmail.com; THOMASHPIKE@cs.com
Cc: crichards@win.net
Subject: Issue Bulletins 1 and 2

Attached for your final review are copies of the two bulletins we discussed at last week's Board meeting. I think the topics are pretty self explanatory. I'd like to get everyone's OK to formally adopt these two for distribution to homeowners as needed.

We will continue to draft and publish these as topics arise. The driving forces will be (1) a topic that is somewhat complicated and where time should be taken to explain it accurately, and (2) that same topic should be recurring. If it's a one-off question by someone, that



MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE HARBOURS CONDOMINIUM HOMEOWNERS ASSOCIATION HELD ON MARCH 5, 2009

A meeting of the Board of Directors of the Harbours Condominium Homeowners Association March 5, 2009 at 6:00 p.m. in condominium 1110.

Board members present: Sharon Chandler, Gary Davis, Doug Farnsley, Marty Haley, Thom Lou Trautwein-Lamkin and Kevin Zipperle. Board members absent: Ken Quiggins. Judy F unable to participate by telephone due to difficulty with the telephone system, but could be reached on cell phone if vote was necessary.

Staff present: Read Blasi and Cindy Richards.

The meeting was called to order by the President, Gary Davis.

The first ten minutes was scheduled for open forum for homeowner comments or questions. Homeowners were invited to stand, identify themselves and proceed with their question or comment. The following were noted:

Sandra Snodgrass, condominium 306: Do we have an election committee and, if so, who are its members? Discussion followed regarding a need to identify issues involving the election process. Gary Davis moved that an election committee be formed. Seconded by Thom Pike. In favor: Gary Davis, Marty Haley, Doug Farnsley, Thom Pike and Judy Finn. Opposed: Kevin Zipperle, Sharon Chandler and Mary Lou Trautwein-Lamkin.

Glen Thomas, condominium 409: Requested a copy of the parking diagram. Answer: Doug Farnsley, chair of legal committee, stated that even though it is public information in the court house by deed and parking assignment, he believes this is a privacy issue here and should not be divulged.

Vicki Hack, condominium 1005: Wants transparency with parking and therefore the list should be made available to board members. Answer: If there is a legitimate reason to know a particular parking place, it could be divulged, but not an overall dissemination of this information.

Betty Cantrell, condominium 712: Requested the parking diagram and raised issues with space 101 and handicap parking.

Betty Cantrell, condominium 712: Raised issues about the testing of the fire alarm and sprinkler systems during the day when someone in her condominium is sleeping. Contends it is an intrusion into her unit.

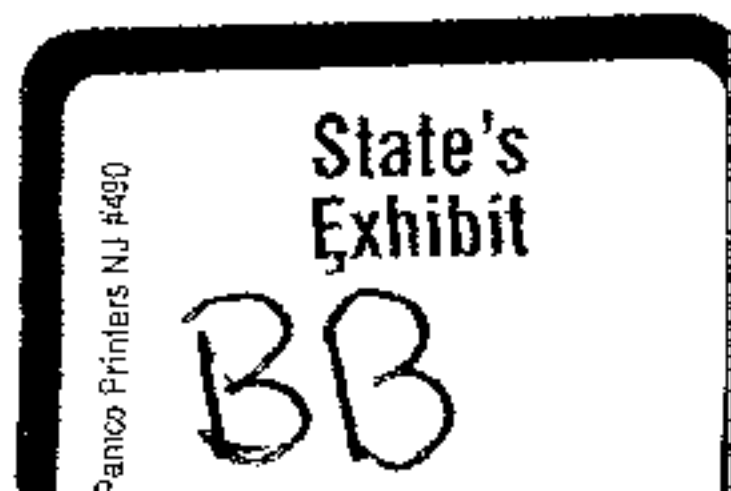
Betty Cantrell, condominium 712: What are the rules for parking space 18: Answer: Short term handicap parking on request.

Betty Cantrell, condominium 712: Requested the rules committee to look at a loading and unloading space by the freight elevator door.

David Finnegan, condominium 306: What is being done about ACH? Answer: The finance committee is bringing this up for review again and may do a pilot project. Cost is \$25.00 per month for limited transactions and 25 cents per transaction thereafter.

Minutes: Doug Farnsley moved acceptance of the February 5, 2009 minutes as presented. Seconded by Sharon Chandler and approved.

Committee member recommendations: President, Gary Davis asked committee chairpersons to list their committee members for approval.



Finance: Chairperson, Mary Lou Trautwein-Lamkin. Members: Harvey Allen, Kim Davis, Tom Fischer, W. T. Roberts and Sharon Chandler as Treasurer.

Building and Grounds: Chairperson, Kevin Zipperle. Members: Marty Haley, Bob Ferguson, Ken Quiggins and Read Blasi.

Hospitality: Chairperson, Debbie Zipperle. Members: Dottie Branham and others as the need arises.

Legal: Chairperson, Doug Farnsley. Members: Kevin Zipperle.

Resolution: Chairperson, Harvey Allen. Members: Andrew Wright, Joann Reas and Ken Quiggins.

Audit: Chairperson, Thom Pike. Members: David Finnegan, Doug Farnsley and Harvey Allen.

Insurance: Chairperson, Fred Strohm. Members: Claire Patenaude and Marty Haley.

Design: Chairperson, Sharon Chandler. Members: Dottie Branham, Peter Steen and Debbie Zipperle.

Nominating: Chairperson: Mary Lou Trautwein-Lamkin.

Rules: Chairperson, Walter Kindler. Members: Pam Vanover, Peter Steen, Teri Wedding, Helen Kindler and Gary Davis.

All committees and members were approved.

TREASURER'S REPORT: Sharon Chandler gave the cash report as non restricted funds, \$158,784.53; working capital, \$137,310.81, capital reserve, \$502,458.25 with total cash and cash equivalents of \$798,553.59. A detailed copy is attached.

SECRETARY'S REPORT: The next Board meeting will be April 2, 2009. Corporate bank resolutions have been finalized regarding change of signers upon the election of new officers.

COMMITTEE REPORTS:

FINANCE COMMITTEE: Mary Lou Trautwein-Lamkin reported that we are currently exploring new avenues for larger returns while remaining FDIC insured on all assets. Thom Pike questioned the current investment strategy. Answer: Kevin Zipperle works with Fifth-Third Investments on this at the request of President, Gary Davis.

BUILDING AND GROUNDS: No report.

LEGAL: Doug Farnsley, chairperson, met with Cindy Richards, Kevin Zipperle and Gary Davis to review the working of Association security cameras. He is comfortable with the way things are managed and any questions should be directed to him.

AUDIT: Thom Pike stated that the letter of engagement for the audit and the tax return are complete. The audit should be done soon.

INSURANCE: Fred Strohm stated that the insurance is due in June. Cindy Richards will do the footwork for the committee.

DESIGN: Sharon Chandler stated that two new wall hanging prints have been ordered for the fitness center and should arrive soon. The committee is still working on hallway carpeting bids.

NOMINATING: No report.

RULES: Walter Kindler presented some rules. Discussion followed. Pool rules were the priority due to the upcoming season. It was felt that we should have a board meeting for the sole purpose of finalizing rules and getting them disseminated to homeowners.

MAINTENANCE SUPERVISOR: Spaces have been striped outside the pedestrian gate to the city lot and the signage posted. Crosswalk has been striped outside the service doors and a pedestrian crosswalk sign ordered. We will begin replacement of some HVAC hallway units soon. A system has been installed opposite unit 503 hallway. We will try to do twelve to fourteen per year and ultimately 87 for the building. (Clarification: 55 hallway HVAC units; balance reflects total heater count.)

MANAGER'S REPORT: Cindy Richards reported on the recycle participation. As of the last meeting we will be permitted to opt out as apartment residents have been allowed to do and homeowners should not pay the \$34.00 bill received at this time. However, homeowners will receive a bill from CCSW (Clark County Solid Waste) for \$5.00 to be used for an education fund and each homeowner should pay that when received. A further meeting will be held on March 30, 2009 and further attempts to continue recycle either with the county or a private contractor are continuing.

The February 11, 2009 claim on the service drive through tile damage has been considered a catastrophic (cat) claim and therefore is not calculated in our loss ratios nor should affect our building's insurance rates upon renewal. Ceiling tile work was warranted up to fifty mile per hour winds and the last winds were recorded at approximately seventy-five miles per hour. Stronger clips will be installed by our contractor as repairs are made at no additional charge to the Association.

Moore Security has been sold and Doug Farnsley has reviewed the contract assignment to Securitas and has no objections to the terms.

A new computer will be purchased for the office. Also a new grill and outdoor furniture has been purchased with insurance proceeds. Approximately forty percent of the roof was replaced and it will continue to be inspected twice per year to be warranted.

We will continue with the Thunder Funder program although we fell short of the goal for the last year. We may also want to consider some fundraising for the injured Jeffersonville police officers.

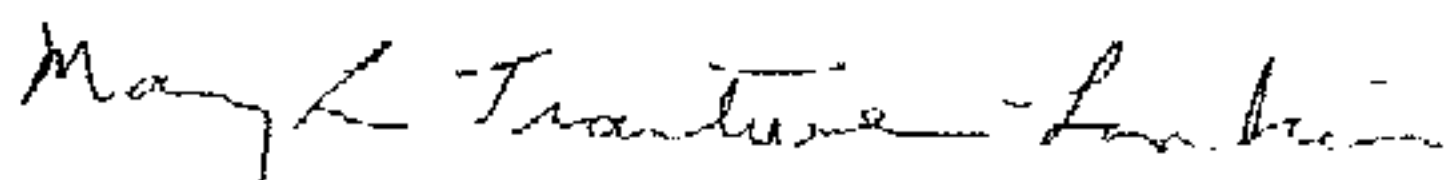
Thunder rules with only minor changes from prior year were presented. Discussion followed. Doug Farnsley moved adoption as presented. Seconded by Gary Davis and approved.

* Kevin Zipperle discussed Bulletin 1 regarding parking spaces conveyed to Kevin Zipperle by the Developer upon purchase of Condo #312, and Bulletin 2 regarding balcony railings, parking spaces conveyed by the Developer and funds gifted to the Association. These have been approved by the Legal Committee and when such issues continue to arise, the bulletins will be the official response. (Copies attached.)

Additional discussion regarding pool rules and specifically guests at the pool ensued. Thom Pike, Betty Cantrell and Glenn Thomas all questioned if we do have problems at the pool. We discussed creating a card system and possibly an enforcement presence on weekends.

A motion was made by Marty Haley that the meeting be adjourned. Seconded by Thom Pike and approved.

Respectfully submitted,



Mary Lou Trautwein-Lamkin
Board Secretary

would not be fodder for a bulletin. Nor would one that can be explained in one or two sentences.

We will normally review these with the Board prior to final publication. I anticipate that Cindy and staff will archive them in the office for routine use.

Thanks for your assistance. KZ

> DFARNSLEY@stites.com writes:

>> Kevin,

>>

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>> Douglass Farnsley

>> dfarnsley@stites.com

>> 400 West Market St., #1800

>> Louisville, KY 40202

>> direct dial: (502) 681-0426

>> direct fax: (502) 779-8268

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>> -----Original Message-----

>> From: kzipperle@win.net [mailto:kzipperle@win.net]

>> Sent: Monday, March 09, 2009 4:40 PM

>> To: Schandler1@aol.com; judy_finn@ipsd.org; Farnsley, Doug;

>> mltraut@insightbb.com; Kenquiggins@aol.com; gary.davis@anthem.com;

>> patokapirate@gmail.com; THOMASHPIKE@cs.com

>> Cc: crichards@win.net

>> Subject: Issue Bulletins 1 and 2

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Cindy Richards

From: <kzipperle@win.net>
To: <THOMASHPIKE@cs.com>; <crichards@win.net>
Cc: <DFARNSLEY@stites.com>; <Schandler1@aol.com>; <judy_finn@ipsd.org>;
 <mltraut@insightbb.com>; <Kenquiggins@aol.com>; <gary.davis@anthem.com>;
 <patokapirate@gmail.com>
Sent: Thursday, April 02, 2009 1:00 PM
Subject: Re: Parking memoranda

My intention here was to give all Board members an advance look at--and the opportunity to comment on--the documents prior to making them available for broad distribution. Except for Doug's feedback and Thom's "good story" comment/email, I received no additional comments from any Board member. By default, in my judgment, that made them acceptable for distribution to homeowners upon request.

In truth, there isn't a need for formal review of documents like these since the originators are the people who were in the middle of the events. The primary reason for Doug's input is to deal with potentially legal issues that may result.

If someone has a comment that needs to be aired about either bulletin, please do it now. Thanks...KZ

Quoting THOMASHPIKE@cs.com:

> Hey Doug,
 >
 > I think this is more of a "Minutes" and procedural concern.
 >
 > Kevin's email reflects my recollection: a "discussion". The drafts were
 > presented via email several days afterwards. My concern; the minutes should
 > reflect merely this was discussed and nothing more. I think Kevin's email is
 > evident this was not a foregone conclusion at the last meeting:
 > "Attached for your
 > final review are copies of the two bulletins we discussed at last week's
 > Board meeting".
 >
 > His email also amplifies my second concern. "We will normally review these
 > with the Board prior to final publication."
 >
 > Procedural wise, I ask Gary. Is this a proper way to release these
 > documents? I think if the board is approving these for
 > distribution, then we have
 > skipped a procedure. A motion, second, discussion and vote in an open forum.
 >
 > Thanks for your work and expertise on these legal issues.
 >
 > Thom
 >
 >





MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE HARBOURS CONDOMINIUM HOMEOWNERS ASSOCIATION HELD ON APRIL 2, 2009

A meeting of the Board of Directors of the Harbours Condominium Homeowners Association was held on April 2, 2009 at 6:00 p.m. in condominium 1110.

Board members present: Sharon Chandler, Gary Davis, Marty Haley, Thom Pike, Mary Lou Trautwein-Lamkin and Kevin Zipperle. Board members absent: Ken Quiggins and Judy Finn. Doug Farnsley participated by via teleconference.

Staff present: Read Blasi and Cindy Richards.

The meeting was called to order by the President, Gary Davis.

The first ten minutes was scheduled for open forum for homeowner comments or questions. Homeowners were invited to stand, identify themselves and proceed with their question or comment. The following were noted:

Betty Cantrell, condominium 712: Has there been any movement for the election committee? She made a request to be on the committee. Answer: Gary Davis stated he will be in charge of the committee and she can make a request to be a member of the committee, and he will consider it.

Glenn Thomas, condominium 409: Thanked Cindy Richards for getting back to him on the storm damage information he had requested and thanked Doug Farnsley for getting with him on the parking issue. He will give others copies of the bulletin.

Betty Cantrell, condominium 712: Wants update on Insight.

Fred Strohm, condominium 506: Questioned if lessons had been learned regarding cleaning of the building. Read Blasi stated that the dirt hangs on. They will do test spots on the building and perhaps change colors accordingly before the next scheduled painting in 2012.

Glenn Thomas, condominium 409: Questioned security camera issue. Does anybody on the Board have access? Answer: Cindy Richards only or those she would instruct in her absence.

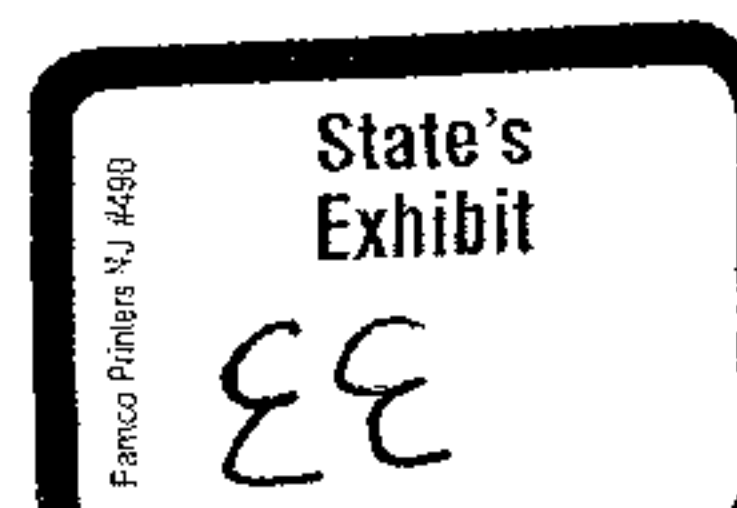
Glenn Thomas, condominium 409: Some time back the Board signed a complaint with the Realtor Association. Did the Board authorize that and did they authorize the staff to participate? Answer: Kevin Zipperle will get back with him on the details.

Vicki Hack: Did any of the Board members authorize Ken Quiggins to take documents from under her door? Answer: Gary Davis said that the Board did not authorize anything.

Betty Cantrell, condominium 712: Complained of lights still being on at 9:00 in the morning. Also there are bird nests in the lights. Answer: Read Blasi will adjust the lights and suggested that ordinary maintenance concerns be forwarded to the office.

MINUTES: The minutes were presented and discussed. Gary Davis moved approval with minor corrections. Seconded by Sharon Chandler and approved.

MAINTENANCE REPORT: Regarding the air conditioning units in the hallways, the Building and Grounds Committee has decided to wait until the last quarter to purchase new equipment due to anticipated changes in freon. The lighting protection on the roof has been restored to current code after storm damage. Annual maintenance on the roof is complete. Eighty percent is "newly" reconditioned. In 2008 they were to replace condensers for downstairs and put in new models. He ran into a problem with the contractor and had to rebid. He would like to proceed with upgrades for condensers in lobby areas. Bids were discussed. Condensers are \$6,000 and upgrades for all zones on the first and second floors are \$11,000. Funding was allocated and approved as a 2008 capital expense. Marty Haley stated that money is in the budget and we are getting better equipment.





THE HARBOURS
CONDOMINIUM ASSOCIATION

TREASURER'S REPORT: Non restricted funds, \$146,853.91; Total working capital, \$137,468.05; Total capital improvement, \$518,815.49. Total cash and cash equivalents: \$803,137.45. Accounts receivable: \$755.70. A copy is attached.

COMMUNITY DIRECTOR'S REPORT: Regarding Insight, we are allocated 350 boxes to receive our HBO signals. Responding to Betty Cantrell's question, the monthly fee is \$6,600 plus. Suggested allocation of boxes per condominium based on square footage was presented. A motion was made by Sharon Chandler to approve allocation. Seconded by Kevin Zipperle and approved.

On Thunder day, Cindy Richards stated that she will be shifting security so that we will scale back coverage in the morning and bring in more people later in the evenings.

A homeowner has made an offer to donate Japanese maple trees to the Association. Mr. Korfhage will evaluate and draw up a long term plan for these.

Andrew Wright, a homeowner, has offered to do a technology seminar regarding internet and cable issues. We will schedule a wine and cheese party and technology seminar together.

SECRETARY'S REPORT: Mary Lou Trautwein-Lamkin stated that the next regular Board meeting will be held on May 7, 2009.

A discussion was held regarding the rules brought forth by the Rules Committee. A meeting will be held on Wednesday, May 13, 2009 to consider rules only. It will be held in condominium 1110 at 6:00 p.m.

FINANCE COMMITTEE: Mary Lou Trautwein-Lamkin stated that the Finance Committee met and reviewed the fourth quarter financials. She then moved to approve the fourth quarter financials for distribution to homeowners. Seconded by Kevin Zipperle and approved.

She stated that the committee revisited ACH and Cindy Richards would like to try it. At first it would be voluntary but as time passes, we might want to require mandatory participation for anyone who is consistently late. Thom Pike questioned why the committee had reversed their stand on this issue. Gary Davis stated that had no bearing and that we should move forward.

Kevin Zipperle had been invited to the committee meeting to discuss variable CD's with the committee. (These CD's were under consideration due to the differential in current rates and the projected return on investment of our capital fund reserves.) While all principal was guaranteed, the Committee did not endorse them (due to variable interest return) and he has now purchased traditional CD's to replace those that had matured.

BUILDING AND GROUNDS COMMITTEE: Responding to concerns related to multiple vehicles parked within one space, discussion was held regarding an alternate parking place for motorcycles, mopeds, etc. The Board concedes that they are double parking which is currently not a violation specifically addressed in our community rules. Tentatively the Board did not endorse establishing an area in the service portion of our common areas. It was suggested that this issue be sent to the Rules Committee for consideration including discussion related to appropriate lengths that vehicles may be (without impeding traffic).

A complaint had received about personal items in the common hallways which posed ingress and egress concerns. A letter was sent to the 7th floor hallway and notation was made in the Pre Thunder newsletters. Some had complied while others did not. A recommendation was made to send a personal letter giving five days and thereafter items should be moved to storage until claimed. Gary Davis moved to enforce the standing rule. Seconded by Sharon Chandler and approved.

LEGAL COMMITTEE: No report.

RESOLUTION COMMITTEE: No report.



AUDIT COMMITTEE: They will be meeting with Cindy Richards on April 14, 2009 at 4:00 p.m. to review requested materials.

INSURANCE COMMITTEE: Fred Strohm stated that Cindy Richards will get quotes and prepare a presentation to the Committee.

DESIGN COMMITTEE: Sharon Chandler stated that new pictures have been purchased and hung in the fitness center.

The Committee has selected a carpet that they feel would be of desired quality. There is a consensus among members that this is their first choice. They continue to explore configuration options to bring this choice in line with budgetary constraints. The Committee hopes to have samples soon to present to the Board and then to homeowners.

She asked permission for the owner of parking spaces 125 and 126 to be allowed to purchase a storage bin to be placed in front of his parking spaces, sign a lease for twelve months and after that it is the property of the Association. Motion tabled.

Wade Morgan, condominium 412 interrupted the meeting to ask about recycling. Cindy Richards stated that she continues to explore options.

NOMINATING COMMITTEE: No report.

RULES COMMITTEE: Pam Vanover stated they have had no meeting.

DOCUMENTS COMMITTEE: No report.

Thom Pike questioned if the Board should not have approved Bulletins 1 and 2 as a matter of protocol prior to distribution and does not want his name attached to the bulletins. Doug Farnsley stated that the information had been prepared by those having direct knowledge, that he was comfortable with the content, and if anyone has any questions, comments or information, they should come directly to him. Thom Pike wants his vote regarding the bulletins to reflect nay.

Vicki Hack again questioned the election committee. Gary Davis stated he will be the chairperson and there are no updates at this time.

OLD BUSINESS: Pool rules were discussed. Due to liability concerns, Doug Farnsley stated that he does not want us to be perceived as having a lifeguard. Discussion was held regarding whether we want to create an ID system for homeowners going to the pool. Doug Farnsley suggested that we defer to Cindy Richards to make a decision on this matter and she can deal with the President and Vice President of the Association until the meeting on May 13. No decisions were reached.

NEW BUSINESS: Deferred until the next meeting.

Gary Davis moved that the meeting be adjourned. Seconded by Thom Pike and approved.

Respectfully submitted,


Mary Lou Trautwein-Lamkin

Secretary to the Board

8. The names of any individuals who provided information to The Harbours Legal Committee in the preparation of the March 5, 2009, Issue Bulletin No. 2: *Balcony Railings, Parking Spaces Conveyed by the Developer & Funds gifted to the Association.*

Response:

The data for Bulletin No. 2 was provided by Community Director, Cindy Richards. The bulletin was formatted by Kevin Zipperle and referred to Legal Committee Chair, Doug Farnsley, Board President, Gary Davis, and Community Director, Cindy Richards, for initial review. The Bulletin was subsequently reviewed by the full Board (organization chart herewith).

Homeowner input was sought as documented at the Board meeting of 2/5/09 requesting any relevant facts be disclosed to Doug Farnsley. No additional information was forwarded to Mr. Farnsley.

