

Fox Run Condominium Owners Association, Inc.
Board of Directors Meeting Minutes
June 23, 2007 @ 10:00 A.M.

Board President Lou Bertoli called the meeting to order at 10:00 A.M. The meeting location was the offices of Equity Real Estate.

- **Quorum** certified with directors Lou Bertoli, Steve Wallin, and Jesse Vasquez. None were absent.
- **Acknowledgement of notice of meeting.** FRCOA Board of Directors Bertoli, Wallin, and Vasquez verbally acknowledged receiving notice.
- **Minutes.** The May 19, 2007, Board meeting minutes were approved.
- **Reports** of officers:
To be covered under actions items.
- **Meetings** – the next FRCOA Board meeting will be held on Saturday, July 21, 2007, at 10:00 AM at the offices of Equity Real Estate in College Station.
- **Action items-**
 - Fox Run developer Bill Hopper did not attend this meeting, so we do not have any update from him regarding the drainage and foundation issues. Debby (our Equity Real Estate Rep) reported he has not, at this point in time, returned the phone message she left for him over the last two weeks. We have not received from Bill the documentation he promised us on the new drainage system put in around buildings 14 and 15. We also have not received any of the other engineering reports and documentation (e.g., site plans including drainage) he may possess.
 - Building 5: Dr. George Richmond, MD, owner of unit 501, attended the meeting to discuss the foundation issues related to building 5. We advised Dr. Richmond that it is still the Board's understanding that Bill Hopper is not planning to do any drainage work to building 5, but as noted above we do not have any update from Bill since our last meeting. As requested at our May 19, 2007, meeting, Debby obtained two estimates to examine the foundation issues on Building 5. We discussed the proposals from Gessner Engineering and from Philip Buchanan. The Gessner proposal is a firm bid of \$1,500 whereas the Buchanan bid was an open-ended bid of \$95 per hour. Both of the proposals are for a study of the foundation and drainage issues for building 5. This cost does not include any actual remediation work to the foundation or the addition of any drainage. The Board is unclear if a separate topographical study is required or recommended at this point. Jesse reported that he met with E. Hubbard Kennady, a College Station attorney, to discuss any possible legal remedies for this situation. Mr. Kennady submitted a proposal for his time to conduct a limited discovery into which engineers were involved in the Fox Run project and what was in their reports. This initial legal research could possibly uncover information we may need for addressing building 5 foundation issues, plus enable the attorney to advise the Board on our legal rights and possible remedies. We agreed to give Bill Hopper one last chance to supply the Board with our previously requested information in an effort to avoid incurring legal costs to the Association. We agreed to the following steps:
 - It was MSP, to accept the bid (attached), dated June 14, 2007, from Gessner Engineering in the amount of \$1,500 to study the building 5 drainage system and foundation.

- It was MSP, to approve and send the attached letter, dated June 23, 2007, to Fox Run developer Bill Hopper giving him until July 6, 2007, to respond to our requests for information.
 - It was MSP, to accept the bid (attached) from attorney E. Hubbard Kennedy in the amount of \$1,100 if Bill Hopper does not supply all of the information requested in our June 23, 2007, letter from the Board by July 6, 2007.
- As noted at our May meeting, our current property and casualty insurance carrier, Unitrin, decided not to renew our policy. The Board reviewed two proposals for a new insurance policy. The first proposal was received from Guaranty Insurance Services, the agent who placed Fox Run with Unitrin last year. This proposal would keep us at about the same premium as last year (\$46,047 versus \$47,192 last year), but divide the coverage into a primary carrier (Lexington Insurance Company) with a \$5 million property coverage limit and a secondary carrier (Scottsdale Insurance Company) with a \$10 million property coverage. Last year our deductible was \$10,000 for all causes of loss, but this proposal would change our Wind and Hail deductible to \$25,000 while keeping the \$10,000 deductible for other perils. Additionally, each carrier requires a deductible, so that in the event of a catastrophic loss, we would be responsible for both company's deductibles.
- The second proposal was received from the Dexter and Company Agency with a policy through Fireman's Fund Insurance. Stan Jones, from Dexter and Company, attended the meeting to answer any questions we had on their proposal. The Fireman's Fund policy would keep our \$10,000 deductible for all perils, keep the same coverage we had last year (Dexter also represents Unitrin) and would lower our premium to \$38,113. The Board requested a specimen copy of the Fireman's Fund policy to review and compare to the Unitrin policy, which Stan agreed to send to us. It was MSP, that barring any surprises in our review of the specimen policy, to accept the bid from Dexter and Company and place our property and casualty insurance policy with Fireman's Fund Insurance effective July 18, 2007.
- Debby reported that our Crime Policy and Directors and Officers Liability Policy, have already been renewed with the same carrier as last year, through Guaranty Insurance Services agency.
- As we need to start work on the 2008 Budget, we requested that Debby provide a 2007 budget versus actual expenditures at our July meeting. We also requested that Debby develop an initial 2008 Budget based on our 2006 expenditures and the first half of 2007 expenditures. At our July meeting we will review these reports and look at needed maintenance and capitol improvement expenditures to develop a 2008 Budget. Debby advised the Board that she will be unable to attend the July meeting, but that she would provide the reports for us.
 - Dan Nixon, a FRHOA member, reported the preliminary findings of the annual financial audit to the Board. The Audit Committee did not find any problems with our books, but is concerned that it appears Debby is several months behind in reconciling our monthly bank statements. The Board, therefore, requests that Debby start giving us a reconciled bank statement report on at each monthly Board meeting. We also noted that this problem has been exacerbated by the loss of our Treasurer this year. Dan advised that the Audit Committee will prepare a formal report that will be presented at the annual meeting of the owners in September.

- Debby supplied the updated bank account signature cards, which were signed.
- It was MSP, to accept a bid (attached) from Ginny's Printing in the amount of \$362.50 for Fox Run letterhead paper and envelopes. This paper would be used for official mailings to owners when we want it to be very clear the mailing is from the Association, not from Equity Real Estate.
- The Board noted that there are three units (601, 1004, and 1604) that do not seem to understand the rule against BBQ's and asked Debby to notify these owners of the violation, and request they use the Fox Run owned BBQ by the pool.
- The Board noted that someone in unit 402 is parking their motorcycle on their patio and has attached a chain to the exterior wall of the building to secure the motorcycle. The Board requests that Debby have a contractor repair the damage to the building, and to send the bill and notice of violation to the owner of unit 402.

Meeting adjourned by the chair at 2:10 P.M.

Steve Wallin
Secretary