

HILLER HIGHLANDS PHASE ONE ASSOCIATION

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Tom Skelly
506 Holly Oak Lane
Alameda 94501
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Board Member

Chris Mead
535 Boulevard Way
Piedmont 94610
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Board Member

MINUTES: BOARD MEETING

December 11, 1991

The meeting was called to order at 5:00 p.m. by Ned. All Board members were present, plus Ann Schiff. The minutes of the association meeting from December 3, were reviewed, and will be mailed out to all members.

1. **SELECTION OF A CONTRACTOR.** Chris Mead has narrowed the selection process to 2 or 3 likely contractors. He is keeping notes on what is seen and evaluated, and presented information and pictures of examples of work that has been done by these builders to the Board. Blythe Mikelson will be asked to run a reference check on prospective builders, and the final selection will be approved by the Board.
2. **FLOOR PLANS.** Chris reported that the original floor plans of the units are definitely not available. Homeowners are encouraged to complete their floor plans and return them as soon as possible.
3. **INSURANCE.** Jim Douglas reported that we have received \$150,000.00 from Farmers, and that the remaining \$2 million is on it's way. The Board discussed investment options to place the funds in. It was agreed upon to choose the vehicle which would guarantee the principal, have a low risk of failure, and maximize the return on the investment. Jim also reported that Farmers has agreed that the foundations are covered under our policy.
4. **FEMA LOAN.** Ann Schiff distributed forms to be completed by all Board members, as a part of the loan application on behalf of the Association.
5. The meeting adjourned at 6:15 p.m.

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MINUTES: ASSOCIATION MEETING December 3, 1991

The meeting was called to order by Ned at 7:35 PM. After introductions it was clear that the home owners present plus six signed proxies provided a total of more than 27. Thus, Ned announced to the group that there was not only a quorum present (more than 17), but it would be possible to change the CC&Rs should 27 or more owners agree to do so.

Karen Mead and Mary Flanders agreed to act as secretaries in the absence of Ann Romey.

The minutes of the Nov. 12 expanded Board meeting were passed out and discussed by Ned, item by item. Questions were asked and discussed. It was then m/s/p to accept the minutes as written with the possibility that grouping units numbered 33,35, 51, & 53 may be inconsistent in terms of floor plans.

It was announced that Ned had appointed Tom Skelly to replace Vida Ribnikar and Chris Mead to replace Lyle Byers on the Board. Those present were reminded that all Board meetings were open and owners who wished to attend would be most welcome. Anyone who wants a copy of the CC&Rs or our blanket insurance policy should request a copy from Jim Douglas, call 347-6502 and ask for Lynn.

1. NEWS OF FEMA. Ann Schiff discussed the options we all face in the event there is a short fall of insurance for rebuilding. All owners should be sure to complete an application, before 12/23/91, for a loan from SBA through FEMA and thereby to become eligible for the CALDAP family grant program. A SBA application is in addition to the FEMA registration at the Emergency Center. The SBA application makes one eligible to take out a loan at either 8 % or 4 % at a later date. More than one loan is possible. The first loan might be based on personal property loss, a second loan (in addition to the first) can be made to cover an assessment the Board might make should such an assessment be necessary. **THE BOTTOM LINE:** each owner should complete an SBA application even though he or she may anticipate not needing a loan. In addition to individual owners, the Board intends to complete an Association application, but this is not a substitute for individual applications.

2. ASSESSMENT OF FOUNDATIONS. Jim Douglas reported the results of an assessment of the foundations at three sites completed by Failure Analysis Inc. at a cost to Phase I of \$4,000. It appears that some foundations and cement slabs on the uphill side can be repaired especially retaining walls that have earth on one side. Most of the downhill foundations, especially those without piers will be replaced. **THE BOTTOM LINE:** an engineering/contracting firm must recommend which foundations can be repaired and which should be replaced, keeping in mind current building codes, reasonable seismic safety standards, and our limited budget. Three firms will bid on this task.

3. INSURANCE. Jim D. also reported on our \$3,553,000 blanket insurance policy which provides about \$71 per square foot for rebuilding. The extent to which the insurance covers the foundations is under debate. It does not cover fences, walls, grading, underground piers and drains, shrubs, trees, roadways, and sidewalks. These exclusions are typical of policies which are available to condominium associations.

Jim discussed the possibility of litigation against the Board by members of the Association. The Board does not have liability coverage to defend itself nor to pay damages, thus, any suit would be against individual members of the Board.

One might ask, "Why is the coverage at a level which may prove to be too low after the bids are in?" Jack Graham, our insurance agent for the past six years said the '86, '88, and '89 Boards chose to turn down increases he recommended. In '87, '90, and '91 the Boards increased coverage to the levels recommended by Graham. We might note, in passing, that the present coverage would be quite adequate for a smaller fire, which most of us anticipated, which would destroy less than all the units.

Letters were sent to unit owners requesting copies of their personal property insurance policies and the names and addresses of mortgage holders. There are five areas of coverage in personal property policies which might help the Association without reducing what an owner has received or will receive. These areas are:

additional living expense; debris removal; trees, shrubs, plants, and lawns; loss due to assessments; and improvement coverage. Either Chris or Jim can read policies to determine if additional funds might be collected. The name and address of every mortgage holder is especially important. The Board must notify mortgagees about plans for rebuilding because if we don't, the mortgagees can tie up insurance funds in awkward ways. Please send the name and address of any company or person who has provided a mortgage loan. 2

3. **SELECTING AND WORKING WITH A CONTRACTOR.** Chris Mead has been contacting contractors, going to sites to see examples of their work, and arranging for them to present their proposals to the Board. Chris located Monahan Pacific which we hired to remove the debris for \$58,000 instead of waiting for the City to do it for \$43,000. The Board chose the extra cost to buy precious time which, in turn, reduces living expenses. We are now interviewing general contractors. As soon as one is selected, the firm can start the engineering tests of soil and individual unit foundations.

In the meantime, architectural work can start. It is **IMPERATIVE** that all unit owners cooperate with Mr. Richard Robertson of McGill, Martin, Self to complete drawings of floor plans, as best they can be remembered, and to answer the questions about floor coverings and improvements. This firm has been hired by Farmers Insurance, at their expense, to complete a feasibility study so they can decide their next step with regard to our claim. In turn, the feasibility study will help to speed up the architectural work.

Potential contractors apparently believe it will be possible to rebuild all 34 units with the insurance proceeds to current seismic and structural standards. If there is a shortfall, it would most likely be with interior upgrades which may have to be paid for by owners, but such a procedure must first be discussed by owners.

Ned promised those present that if and when any kind of assessment did become necessary, the Board would prepare recommendations concerning how the expenses should be paid and hold a meeting to discuss them. (NOTE: once it is clear that there is a shortfall, the CC&Rs require the Board to hold a meeting within 30 days to discuss what to do.)

4. **POSSIBLE FEMA GRANT.** Tom Skelly is in contact with individuals from the other five Hiller Highlands phases to apply jointly for federal money which may cover 75 percent of the costs of repairing our roads, street lighting, sidewalks, and similar repairs. If successful, the grant, which need not be paid back, might exceed \$75,000. This would be a big help, wish him good luck.

5. **GENERAL DISCUSSION.** The topic of monthly dues was discussed. The Board has voted to continue monthly dues at \$150. Dues go into the general fund which has been and will continue to be used to rebuild Spyglass. It was moved and seconded to continue paying \$150 dues: 23 voted yes (incl. 6 proxies), 6 voted no, and there was one abstention

Ned requested two "votes of confidence." After appropriate discussion the following motions were executed.

(a) **A motion to approve of Board actions to date** was moved and seconded. The vote was unanimous except that two owners abstained from voting.

(b) **A motion was made and seconded to approve of the next steps** of (1) assess foundations, (2) repair or replace foundations, (3) complete soil analysis, (4) arrange for architectural plans, and (5) select a general contractor with steps (4) and (5) reviewed at a future meeting of unit owners. The motion was approved by a unanimous vote if there is time to arrange the meeting.

(NOTE: The Board plus Ann Schiff met at 6 PM, 12/3/91, to plan the presentations at the meeting of the unit owners, which occurred that same day.)

MINUTES OF THE BOARD, DECEMBER 4, 1991

The Board met at the office of Douglas-Mahlgren at 7:15 PM to interview contractors. All members present except Ann Romey. Blythe Mikelson was a welcome guest. A short business meeting preceded the interviews.

1. It was m/s/p to ask Ann Schiff to prepare an application for a FEMA/SBA loan in the name of the Association.
2. It was m/s/p to invite Ann to become a member of the Board should she wish to do so. (She subsequently declined but said she would continue to help the cause as she has done so generously since the fire.)

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MINUTES OF H.H. Phase #1 ASSOCIATION BOARD 11/4/91

The Board plus guests were called to order at 7:25 PM. Present were --

Lyle Byers
Chris Mead
Martha & Tom Skelly

Jim Douglas
Jim McCarty
Trisha Swift

Ned Flanders (Mary hovered)
Ann Schiff
Ann Romey

This was the first meeting of the Board following the fire Oct. 20, 1991 that completely destroyed all buildings in Hiller Highlands.

Ned announced that Vida Ribnikar requested that Tom Skelly to take her place on the Board. Lyle Byers announced his resignation from the Board due to moving out of town and Ned appointed Chris Mead in his place. Lyle was cited as the most distinguished "lamplighter" of any Board tenure, but the first one who suddenly lost all his sockets.

Ned expressed special thanks to Jim Douglas for outstanding performance beyond the call of duty. His office has served as a message center, almost daily more than one secretary has been kept busy on Association business, Jim keeps answering calls about insurance, and he has spent many hours in contact with Hank Korn, Special Claims Representative, Farmers Insurance to process the claim of our Association due to fire not to mention potential contractors.

Ned recommended that each homeowner be telephoned and urged to complete a FEMA loan application in case there is a shortfall between insurance coverage and rebuilding costs. A motion to do so was M/S/P. Tom agreed to supervise those who agreed to telephone homeowners and then report back. Ann Schiff agreed to file a FEMA loan application for the Association.

Jim has made arrangements with the Jim Cooper Construction Co. to remove debris from #9, #24, & #40 Spyglass, to be paid for by Farmers as an adjustment cost. He proposed that Failure Analysis Associates be paid (estimate \$4,000) to assess the fire damage to the foundations at these three sites.

Chris reported on his contacts with contractors and their opinions about the cost per square foot for reconstruction. He was urged to continue these contacts and to

coordinate his efforts with Gene Kalman, Chair, "Developer Liaison Committee" which will be in contact with all six H.H. Phases.

All homeowners are expected to continue paying the \$150 Association dues and send their monthly check to Bob George, 21 Crest Rd., Piedmont, CA, 94611. Owners should note that these dues normally pay for water, ground lights, gardening, and similar operating expenses which have now been discontinued. Thus, the dues paid after Oct. 20th, might qualify as "additional living expenses" for some homeowners depending on their insurance policies.

After discussion, it was suggested that a new bank account be created for all insurance payments.

Jim Douglas has agreed to send a letter to all homeowners requesting a copy of their personal property insurance policies, if such policies exist. In addition, it will be necessary to identify the names of all mortgage carriers or sources of loans secured by deeds of Spyglass property in order to keep them informed of the steps the Board may take in reconstructing Spyglass buildings. Obviously this can be accomplished only with the cooperation of homeowners who have mortgages or other loans.

Jim McCarty agreed to help search within departments of the City of Oakland for plans of Phase One which might have been submitted for initial planning.

The Board also discussed the desirability of joining any groups that may choose to sue various city, county, state, and federal agencies regarding the fire. There are two sides. On the one hand, the Board should be ready to benefit from suits which others initiate and which are without cost to us. On the other hand, some believe it is immoral and counter productive to engage in suits of this kind. It was agreed that those telephoning homeowners about FEMA loans would also poll homeowners about the advisability of joining such a suit.

The next meeting of the expanded Board will be held on Tuesday, November 12th at 7:00 or 7:15 PM at the offices of Grubb and Ellis, 2220 Mountain Blvd., Montclair. The meeting was adjourned at 9:30 PM.

Respectfully submitted,

Ann Romey