

CANTERWOOD STEP SYSTEM ASSOCIATION

Minutes of Meeting of the Board of Directors

Date: May 24, 2018

Board Members Present: Ed Caudill, Brice Bledsoe, Dan Lott, Charles Pruitt and Ken Sadoian (Chairman)

The meeting was called to order by Chairman Ken Sadoian at 1 p.m.

Approval of Minutes. The minutes of the meeting held on April 5, 2018 were approved.

Financials. Treasurer Brice Bledsoe reported that Kalles Community Management (Kalles), the entity that manages day-to-day operations for the Association, is going through a transition that includes assigning a new bookkeeper to replace Debbie Ranch in the handling of the Association's financial affairs. One consequence of the transition is that the new bookkeeper has not prepared a current financial report. Mr. Bledsoe is monitoring the situation and reported that he has no reason to believe the Association's finances are not in order.

Administrative. Without a current financial report, the Board could not review delinquent accounts. Because there may be confusion concerning where bimonthly assessments are to be remitted by Association members to Kalles as the result of the switch to Alliance Association Bank. The Board authorized Messrs. Bledsoe and Sadoian to instruct Kalles to waive late fees for first time offenders during this transition period.

Operations. Mr. Sadoian discussed the current status of the Orenco and Parametrics contracts. The Board adopted Mr. Sadoian's recommendation that Association members will be provided copies of any inspection reports relating specifically to their property.

Insurance. The Board decided to renew its general liability and D & O insurance policies at their current limits, but to drop its business auto insurance because the Association owns no autos and has no employees.

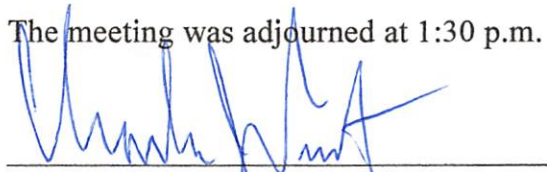
Mapping. Mr. Sadoian reported that Canterwood Homeowners Association, as part of an undertaking to prepare the community for an earthquake or other natural disaster, has commissioned a person to make detailed maps of Canterwood that include utilities and other relevant systems. The Board discussed the desirability of having the maps include the STEP system, including the location of all relevant shut-off valves.

Canterwood Development Corporation. Canterwood Development Corporation (CDC) has, from the Association's inception, provided the Association with record storage and other

administrative services, as well as allowed this Board to hold its meetings in CDC's offices. CDC is in the process of transferring its assets and business to Canterwood Commercial LLC (the LLC). Mr. Sadoian will make it known to the LLC that the Association would appreciate being granted the same treatment and amenities after the transfer.

Sewer Flow Data. The Board reviewed sewer flow data and concluded that the data does not indicate a problem with underground water intrusion into the STEP system.

The meeting was adjourned at 1:30 p.m.



Charles J. Pruitt, Secretary