

**Oswego Ridge, A Condominium
2016 Annual Meeting Minutes
March 28, 2016**

Annual meeting - called to order at 6:07pm

Jason Grosz, Attorney, to preside over meeting

Agenda - proof of notice - verified

We exceeded quorum by having 35+ owners present. (only 18 were required)

All proxies have been verified.

Minutes from 2015 meeting, Kevin Holmes moves to adopt minutes. Ben seconded.

Richard - requests that last names be included. Heather provided last names for the record.

Motion passes to approve the minutes.

Outgoing report from James Stewart, current President of our Board. He received a notice from Forensic (Engineering Firm) that we will not be able to begin this project until July 2016. We may receive some conceptual numbers later this month, but we will not have anything firm until July, after decisions have been made.

Wes Finchum gave the following financial report:

Checking Account (Operating Account):	\$ 38,705.94
Money Market Account (Operating Reserve Account):	\$ 25,165.51
Money Market Account (Capital Reserve Account):	\$ 372,019.18
<u>Cash in CDARS Replacement Fund:</u>	<u>\$ 208,283.50</u>
Total Cash Asset:	\$ 644,174.13

Sarah Hanley - From reviewing financial statements from previous years, interest earned from reserves seems low. What was the rate of return? Probably less than 2% because Oregon law requires investing in government insured debt.

Regarding delinquency made from HOA dues - what effort is made to collect? The full policy is laid out on the website - but after 60 days the lawyer sends a demand notice and if they don't pay after 90 a lien is placed on the unit - and at 120 days a lawsuit is filed. At this point, most will attempt to request a payment plan. This is ultimately a Board decision whether to accept, but it is generally only recommended if payment is expected in full within a short period. If they do not pay, other legal actions are taken to recuperate their funds. In most cases, a person cannot sell a unit while a lien is on it. However, even if they do, the lien is still a requirement of the person to pay.

Ad Hoc, neutral inspector of elections, Jodie Paddock volunteered. Ben motioned, Betsy second.

James Stewart - Been on Board for 8 years, secretary for 6 and president for 2.

Bill - lived here for 21 years, been involved in the process and would like to continue

Heather spoke on Behalf of Doug

Macy - lived here since 97, but has been gone for 5. Came back and sees the issues to facing us. He does have some focus on accounting and appreciates an evidence based information. Is willing to assist. She realized that she has not served in the past and wants to now.

Sarah Hanley, new to Oregon and Oswego Ridge. She worked in budgeting and accounting and evidence based processes. She wants to be on the Board because she has the time and wants to make everyone as happy as possible.

There are no nominations from the floor.

Wes is going to pass out ballots. One ballot per unit.

Question - can we add 2 members to the Board? Yes, but only with an amendment of the Bylaws which will require 51% owner vote. It will not happen tonight, but it is something we can address soon.

Ballots were passed out, collected, tallied – 2016 Board Members, remain the same. Jodie certifies the results of the vote count.

For those who ran, but did not win - please consider joining the building committee.

Wes will address the Resolution - we are a nonprofit corporation and we must hold an annual vote regarding what we will do with any cash surplus for this year that it be assigned for the operating costs for the following year. TO avoid taxes on the surplus - Ben moves to adopt, April Seconds motion.

Resolution passes.

Any unfinished business? Or new business for the annual meeting? Ben moves to Adjourn. 1854

1855 - Jason certifies that we have achieved quorum for BOD meeting.

James volunteers for position as Chair. Ronda moves, Bill Seconds. All in favor.

Bill nominates Heather, James seconds. Heather is stuck.

James moves to appoint Sarah as Treasurer, Bill Seconds. Sarah is now Treasurer. She is an officer, but not a director. Non-voting member.

New Business -

Forensic Engineering firm conducted an investigative inspection and they came back with recommendations. We are at the tail end of the investigation phase, and we are getting advice. we are getting quotes from 3 sources now and we will get input on the hierarchy of requirements for the repairs. We do not have funding numbers yet, but encourage everyone not to panic. Likely, we will see an equity bump more than the amount we end up needing to pay.

Question - lump sum payment that each person must make or not? We don't know yet. It would likely be spread out as a series of individual monthly special assessment payments over the course of the loan or you could pay it all up front and not pay any interest. If you do it as a home equity loan, you get to claim it on your taxes. Over the next 3 or 4 months, we will have 3 have bids for conceptual pricing and then we will have construction companies hard bid based on the plans that forensic prepares for us.

They will be coming to meetings to present. So, please be sure to come to the meetings and meet the contractors. Depending on whether we need to borrow money, we will also do meetings with bankers to have them discuss the loan and special assessment structure. We are emphasizing transparency and will make reports available to everyone.

Richard asks - we have Reserves available and why are we not using it to do the repairs? We are expecting to have repairs that will cost over the reserve amount. We cannot spend down our reserves down to zero and although we will be able to use some, we must borrow to cover excess amount.

What percentage is our reserve funded at this point? Probably 50%. Schwindt is a big believer in the Threshold model. Wes would need to check for certain.

The indirect benefit of doing a major project like this one is that it resets the replacement life on these items, which in turn does help the long term financial health of the Association.

How long have Reserve funds been required at Oswego Ridge? Although we don't know now, we do know that we spent too long not increasing assessments.

Sarah asks how we are going to be able to avoid getting into this water damage issue again. Essentially, we will be need to make sure the work is done and we will need to schedule detailed envelopes and do inspections rather than just do the paper version of a reserve study.

Is there a plan to ensure this doesn't happen again? At this point, the first step of is to have Forensic do a comprehensive reserve study based on the new repairs and then we will need to draft plan and ensure that we have a Board that will enforce it. We would also like to create some committees that will keep on these tasks and advise the Board.

April would like to volunteer to serve on a Building Committee. This will happen at the next meeting.

Brenda asks if the damage will affect the basic structure and/or get into the homes. Forensic has a structural engineer of staff and they are looking to see if we have any emergency areas that need immediate attention or are safety issues.

If there are any cracks that start outside the unit and extend into the unit, please tell Wes so that we give the info to Forensic.

Cynthia asks about work related timelines. We will likely we will start the work later this year and goes through the Spring of next year. Forensic is prescreening contractors to ensure they can do work on homes that are occupied. Roof must be done in dry season and the rest can be done in the winter.

Ronda Moves to adjourn, Bill seconds. All in favor