

Oswego Ridge Condominiums

Board Meeting Minutes

February 13th, 2017

Call to Order 6:06 PM

Board Members, Jim Stewart, Rhonda Haas-Huntze, Austin Phillips, Sarah Hanley present. Community Manager, Wes Finchum and Community Administrator Shannon Hylton from CAP present. Association Attorney, Jason Grosz from Vial Fotheringham, present. Tim Lunsford from Forensic Waterproofing present. Richard Garlock present from Riverview Community Bank present. 16 homeowners present at beginning of meeting. No sign in sheet provided.

A motion was made by Jim Stewart, seconded by Rhonda Haas-Huntze, and passed unanimously to approve meeting minutes for November 15th 2016.

A motion was passed by Jim Stewart, seconded by Rhonda and passed unanimously to approve the February 7th 2017 minutes.

December 2016 financials were reviewed by the Board. No questions or input given by owners. Sarah motioned to approve, Jim seconded, motion passed unanimously.

Jason Grosz begins the construction project discussion by expressing the importance of voting on a contractor today, in order to keep the projects momentum. An owner expressed their preference for I & E construction rather than Charter Construction. The Board expressed that they were leaning towards I&E for various reasons, such as their pricing, company size, and ability to staff their own contractors. Owners were given an opportunity to add additional input. Jason motioned for the Board to approve a contract. Jim motioned for a contract with I&E Construction, seconded by Sarah Hanley, and passed unanimously.

Jason Grosz discusses payment options to cover the cost of the project. When an Association does not have enough to cover the total cost of the project, they typically reach out to a bank for a loan to cover the cost. In order to pay that loan back, each owner will be special assessed a percentage of the total loan amount. This percentage is determined based on the square footage of the unit. Owners can either prepay in full before the first special assessment is collected in order to avoid additional interest, or they can pay monthly payments over a longer term.

Jason grosz explains that in order for the Association to collect on a special assessment, a special assessment resolution needs to be drafted, voted on, and signed by the Board. This resolution vote is on the agenda for the March 2017 meeting.

Jason grosz introduces Richard Graslock from Riverview Community Bank to discuss HOA/ COA loans and the approval process. Richard discusses how monthly payment may differ depending on the pre-payment, or partial prepayment amount. Richard also discusses difference between loan options, such as fixed rate for a longer period, or an adjustable rate to be reviewed after an increment of time. Explains benefits of banking with a community bank vs a national bank. He also confirms that COA/ HOA loans do not have a pre-payment penalty.

Jason and Richard jointly discuss how the association is affected when owners become delinquent in their assessments and the worst case scenario if the Association could not pay the loan back. Jason discusses the collections process and how the Association goes about collecting on large delinquent balances. Jason also mentioned the use for default reserves to cover monies not yet collected. Jason confirms that ultimately the risk of defaulting on this type of loan is very low.

Owner asked how the special assessment is handled at closing, or when a new owner takes place. Jason explains that it is usually negotiated into the final sale price by a realtor. Otherwise, the new owner is responsible for the special assessment as of their closing date, and going forward.

An owner asked if paying the special assessment in full during the initial prepayment window would be more beneficial than agreeing to monthly payments. Jason explains that paying in full is most desired, as it could give a tax break to the owner and helps pay the loan off sooner.

Jason begins the discussion regarding the carports being included in the construction project. Originally there was discussion about leaving them the current tile roofing and only replacing the building rooves to save money. The owners engaged in open discussion about the benefits of finishing the entire project at one time, both financially and aesthetically. Sarah motioned to approve including the carports in the project. Seconded by Jim Stewart and passed by majority.

An owner asked what was included in the scope of the project. Tim from Forensic replied that the expected work would include: replacing building rooves, carports rooves, waterproofing decks and entry ways, siding, doors, railing, *most windows. As windows are an owner responsibility, the materials for the windows will be billed to the owners individually. However, the labor charge is covered in the project scope. Tim expects to receive a hard bid from I & E by end of day tomorrow.

Wes recaps that the Association is looking into loan options with NW Bank, Riverview Bank, and Mutual of Omaha, which will need to be voted on in March.

An owner asked what the expected timeframe was for the project. Tim confirms that, at this time, it is anticipated to take about 8 months.

An owner asked about selecting the tile color for the roof replacement. The owner also asked about painting the exterior of the buildings. The Board and Jason confirm that this will be discussed later in more length, as it is a capital improvement and will require majority owner's vote decide. Also, the Association will need to confirm with Mt. Park regarding restrictions on the aesthetics of these changes.

An Owner asked about window warranty and what is covered by Forensic Most of the windows are to be replaced, expect those that pass inspection to be left in. Forensic will warrant their window replacement, but will not warrant any old material. The labor is warranted for up to a year. Windows will come with manufacturer warranty.

Adjourned at 7:45 PM