

**Ranch Cabin Association of Unit Owners
Board Meeting Minutes
May 19, 2012, 1:00 PM
Located at the Sunriver Library Meeting Room**

Call to Order: Terry Glenn called the meeting to order at 1:07 p.m.

Determination of Quorum: Board members in attendance were Terry Glenn, Don Stow, Steve Mahoney, and Michelle Pelletier. With 4 of 5 Board members in attendance, a quorum was established for this meeting.

Treasurer's Report: Steve Mahoney presented the Financial Report as of April 30, 2012. The Operations account held \$21,220 and Reserve account held \$57,261. The funds that have been earmarked from the Association dues have been deposited into the Reserve account and are reflected in the above balance. On the Profit and Loss report, ~~there is only one line item that is significantly over budget year to date; snow removal.~~ However, snow removal has a yearly budget of \$7,000 which leaves approximately \$2,000 remaining for snow removal during the months of November and December 2012. As of April 30, 2012 we are showing a net income of \$31,000. ~~This income will cover expenses incurred through our spring and summer months including costs for our needed tree removal project.~~

The board discussed adding a penalty to anyone who is 60 days overdue with their assessments. ~~Don Stow made a motion to agree to a penalty for past due assessments over 60 days. Michelle Pelletier seconded. The Board agreed stiffer late fees were necessary to encourage timely payment of assessments.~~ Additional discussion took place. ~~Terry Glenn Michelle Pelletier moved that beginning on the second occasion of an owner delinquent by more than 60 days in a 12 month period, the additional late fee will be \$100 and shall increase by \$100 for each subsequent delinquency thereafter. The additional fee cease to increase and return to \$100 if the owner is current for 24 months. Don Stow seconded. Motion carried. made a motion to add a penalty cost to any owner who has fallen into the over 60 days past due category. If an owner falls into this category once, a warning is sent without penalty. If the same owner falls into the category more than once in a two year period, they will be charged \$100 for the second offence, \$200 for the 3rd offence and the fee will increase by \$100 for each additional offence. These penalty fees will be in force consecutively through a 24 month period at which time the penalty will revert back to \$100, and begin again as described. Don Stow seconded. Motion carried.~~ [Example: An Owner pays 2nd Quarter assessment 70 days late, and is also delinquent paying 3rd Quarter. On the 61st day of the 3rd Qtr delinquency, an additional late fee of \$100 would apply. If the 4th Qtr assessment is also delinquent a late fee of \$200 will apply on the first day of that delinquency. If a subsequent assessment is late, the fee will become \$300 and so on. If the owner remains current for 24 months before being delinquent again, the fee would revert to \$100 upon the second delinquency in excess of 60 days, then step up again for subsequent delinquencies. The new late fee is in addition to interest and legal fees that currently exist.]

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Manager's Report:

Winter Report: It was a mild winter in general but when the snows fell the snow was heavy and laden with water. We were required to have 7 removals. We also experienced heavy winds and rain in the very early spring. There was a tree that fell during a storm at Circle 4 Ranch that fell across the Ranch Cabin entry. It destroyed a section of the fence and was repaired by Circle Four Association. During the driving rains some owners experienced leaks when the wind caused the rain to wick up and under flashing.

Old Business:

Land Deed Conversion: Terry Glenn has been working extensively with Richard Bailey of Schwabe, Williamson & Wyatt ~~who are helping to amend the declarations to show that the Association owns Parcel III (the area where the pool is). At the moment there is nothing recorded that states that, even though the common elements on this parcel are being taken care of by the Ranch Cabin Association (attny) on the conversion of the Land to fee simple condominium form of ownership. Currently Ranch Cabins are a Leasehold Condominium and the Board of Directors as Trustees holds fee simple title to the Land. In the course of the mandated review by the Oregon Real Estate Agency (OREA), it was determined the current Declarations establishing Ranch Cabins include Phase I and II but not Parcel III which contains the entry road and pool area. While clearly deeded to the BOD, it was inadvertently omitted from the Condo Declarations. To correct the oversight, OREA regulations require a recent certified Plat and amendment of the Declarations to include Parcel III. Obtaining a new certified Plat is thought to be expensive but the exact cost is not yet known. Mr. Bailey offered three potential courses of action:~~

- 1) ~~Do nothing and continue as a Leasehold Condo. While inexpensive, lenders are reluctant to offer loans or best terms on leasehold condos which may affect property values.~~
- 2) ~~Submit only Phase I and II to fee simple condominium ownership and BOD as Trustees will continue to hold Parcel III in fee simple ownership. Since there are no units on Parcel III and no lender, buyer, or title report has observed the omission in 40 years, it may satisfy lenders without incurring survey costs. However, legal work to properly establish maintenance agreements between Ranch Cabins and the BOD Trustees would offset some of the savings.~~
- 3) ~~Obtain a certified survey and Plat and submit Phase I, II and Parcel III to fee simple condo ownership. While likely the most expensive option, it corrects past ills without loose ends. Legal counsel recommends this option.~~

~~It is recommended by council that the Association obtain quotes from local surveyors, which is required, so that Parcel III can be added to the Condominium documents. There was much discussion and of the options placed on the table. After coming to a consensus Michelle Pelletier made a motion to obtain survey bids on all 3 Parcels not to exceed \$15,000 authorizing Terry to obtain bids and expend up to \$15,000 on necessary survey work in pursuit of Option 3 above. The goal of these surveys is to incorporate all 3~~

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parcels into ~~the Association's Fee Simple Deed~~ *Fee Simple Condominium form of ownership*. *The Board will be copied on all bid costs before awarding. Steve Mahoney seconded. Motion carried.* Terry will be contacting Leonard Rydell who helped survey Phase III of the Ranch Cabin Association for the initial point of Circle Four Ranch Phase I to gain more history. The Board discussed how to finance the cost for survey. *Michelle Pelletier made a motion to allow the cost of survey to be borrowed from the reserve funds not to exceed \$15,000. Funds to be paid back within one year. Steve Mahoney seconded. Motion carried.*

[Update 5/25/12: OREA granted approval for Option 2 described above, including a proposed Declarations Amendment which details the circumstances of Parcel III.]

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“Inside the Fence” Pool Yard Project: The trees were removed at the pool area plus the removal of the tree located at the corner of the shed. Gerry has obtained bids to move the fence and to extend the wooden deck. He has also received the cost from Robert Klaver Landscaping to sod the new area. The Board discussed the cost of this project and modifications to the original plan. Because this is a new addition the ~~reserve~~ *Reserve* funds may not be used to fund it. The approximate cost is \$7,994. Note: Phase I; the removal of the trees, has already been completed. *Michelle Pelletier made a motion to submit a ballot to all owners to allow moving forward with the modified version. Upon 75% of owner approval, an assessment to cover the cost will be divided among owners according to their floor plan. The assessment will be due by July 1st. Don Stow seconded. Motion carried.* A copy of the modified pool yard plan will accompany the ballot. If the ballot passes, the work is scheduled to be completed by the end of June so owners may enjoy the area this summer.

Walkway Rebuild: Gerry shared with the Board several bids to widen the existing walkways. The total projected cost of this project will be \$22,167. This cost was calculated within our working reserve study and will be paid out of our existing ~~reserve~~ *Reserve fund*.

New Business:

Paint Schedule: The Board had agreed to extend the paint schedule out by one year. This year the units that are scheduled to be painted are 4, 6, 32, 34, 36, and 38. Gerry reports that this work is already completed with the exception of unit 36 and the doors.

Additional Tree Removal: In order to satisfy the SROA Environmental violation that was received last year, Ranch Cabin was forced to remove several trees that were too close to buildings and chimneys, remove hazardous trees, stump grinding, and general clean up. The cost came in at \$5,650. The stump by the shed will be removed at a later time.

Pool Edge Rebuild: The perimeter of the pool edge is failing due to age, chemicals and weather over the years. The edges will need to be ground to smooth before opening this year. The replacement of the pool edge is not scheduled until 2014 with \$20,000 budgeted. Gerry will get current bids so the budgeted figure can be updated on the reserve study.

Service of Management: The Board discussed the level of service that they desire of their Management team. ~~The board offered their vote of~~ Michelle Pelletier moved to affirm confidence and satisfaction of performance of the management team. Don Stow seconded. Motion carried.

Open Forum: There was an interest among the owners that since there were so many trees removed from the property this year, that some trees be planted to replace trees lost.

Annual Meeting Date: It is confirmed that the Annual Meeting will be held on October 13, 2012. Time and place to be announced.

Adjournment: With no further business to be discussed, this meeting was adjourned at 4:15 p.m.

DRAFT