

Klamath Falls Forest Estates, Unit 1
Homeowners Association, Inc.
P.O. Box 56
Bonanza, Oregon 97623-0056

August 15, 2020

**Minutes of Annual Membership Meeting
August 15, 2020**

Location: Pump House
Time: 5:00 pm
Date: August 15, 2020

Meeting was called to order by President, James Vaughan at 5:09p.m.

The following representative were present at this meeting:

President: Mr. James Vaughan
Treasurer: Mr. Eric Goritz
Secretary: Mrs. Cindy Wilson
Board Member Alternative: Mr. Sam Marquez

President, James Vaughan started off the meeting thanking everyone for coming. He asked everyone to keep social distancing rules and lastly reminded everyone to be peaceful during the meeting otherwise law enforcement would be called.

President, James Vaughan asked Secretary Cindy Wilson to read the meeting minutes from prior meeting. Secretary, Cindy Wilson announced she had forgot them however would post them on the board at the pump house that same day. James then handed the meeting over to Treasurer, Eric Goritz.

Treasurer, Eric Goritz passed out 2 copies to everyone that included the following: Meeting Agenda, Annual Financial Statement from August 2019-July 2020. Eric gave his report of the Annual Financial Statement. Beginning balance is \$41,524.76; Savings beginning balance is \$6,086.50; Checking beginning balance is \$35,428.26, with a total of \$41,514.76. Income included: membership fees \$15,543.04 and interest of \$5.93, totaling \$15,548.97. Expenses, Legal \$35,212.75, Office \$620.58, Power \$1,476.00, Water testing \$200.00, State forester \$141.25, State filing \$50.00, Postage \$809.60, P.O. Box \$76.00, Phone \$127.25, Assessor \$50.00, Taxes \$104.04, Well maintenance/security \$359.65, Website \$311.45, Return check \$64.00, Insurance \$1,009.00. Total expenses was \$40,611.57, leaving an end balance of \$16,462.16. Eric let everyone know a copy would cost \$20.00.

A member asked the Board to give a breakdown on the money collected from the membership and was concerned, the money was paying for the lawsuit. Eric explained the assessment collected by the HOA is paying for the lawsuit against the HOA/Board. He further said no money collected for the well key fee has paid for the lawsuit. The plaintiffs in this case are personally suing the individual Board members as well and the board members have obtained and are paying for their own attorneys.

Eric then explained when you sue an HOA you sue its collective body, which is its members. He further explained if the plaintiffs win their case, the only way for them to collect against the HOA is to assess each member's individual lots. Those lots will be assessed and collected by the courts. The member who is also the plaintiff in the case then said "Let's let the attorney's decide".

Another question was asked how many keys there for the 866 lots in unit 1. Eric replied there was 50 total. The question was then asked if more keys would become available. Eric responded that, that was a possibility in the future but nothing had been put into plan.

A question was then asked what the D & O Insurance was on the Budget that Eric Goritz passed out and explained. Eric Goritz responded it Directors and Officers insurance to cover the HOA.

Treasurer, Eric Goritz continued to explain that there will be a depositions for the plaintiffs in September this year and there would be a judicial mediation on December 6th, 2020. The trial will be March 23rd through March 25th of 2021. The HOA will be short on funding this year due to this lawsuit. Eric would like to have a budget meeting this October 2020. Eric said he will try to continue to collect the outstanding assessments. Someone asked what percent of the assessments have been collected, Eric responded about 40% and some people paid this year but not the previous year and that he would be sending reminder letters over the next month. He further explained there might be another operational assessment in December but will wait until October to commit to that decision. He continued that he has been working with AmeriTitle to collect any outstanding assessments when owners sell their properties and that has been very helpful.

President, James Vaughan reminded everyone that we are in fire season and we are in a drought. No fires or smoking outside at any time. Anyone who smells smoke or sees a fire, please call 911 immediately. He also reminder key holders to please make sure the pump house door gets shut after use. He then thanked everyone who picks up trash, etc., and reminded those who smoke there is a can on the wall to put your butts in. He asked that whomever keeps putting propaganda on the HOA board to please stop, one side is for HOA only.

Board Member Alternative, Sam Marquez let everyone know that there was a situation a couple weeks ago where the pump had go down for a bit. He said there was 8,900 gallons pumped which is 3x the usual amount. The pump had to be turned down to 4 gallons a minute when it is usually at 17.5 gallons per minute. He continued that the pump couldn't keep up with the multiple vehicles and ones with large tanks, back to back. A question was asked if the Board would be getting a new pump, Eric Goritz said that would be a possibility one day.

Treasurer, Eric Goritz then spoke about the key card system. Eric explained that it would allow more security, continuing that even if the door was left open, the pump would not be able to be used.

Treasurer, Eric Goritz announced there was 2 positions on the agenda for vote. The 2 positions were Ms. Michelle Vaughan's position which is the Vice President and the other was Board Member Alternative, Sam Marquez's position for the well maintenance. Eric asked if there was anyone who would like to be nominated or if anyone would like to nominate anyone. No nominations were given.

President, James Vaughan then thanked everyone for coming to the meeting and thanked the Board members for their services.

President James Vaughan adjourned the meeting at 5:34p.m., announcing the next meeting will be posted at the pump house.

Minutes prepared by,
Secretary, Cindy Wilson
KFFE, Unit #1 Homeowners Association, Inc.