

Two Forty Place Association Winter Quarterly Homeowner Meeting | MINUTES

December 14, 2019 | 1:00 pm | Meeting location South OKC Chamber of Commerce

Meeting called by	Talitha Falconer - President	Talitha Falconer - President
Type of meeting	All Homeowner Meeting	Alex Ceerle – Vice President
Facilitator	Talitha Falconer - President	Ashlee Byrd – Secretary and treasurer
Note taker	Talitha Falconer - President	Rachel Green – Assistant Secretary
Timekeeper	Alex Ceerle - VP	Matthew Green – Committee Chairman

24 homeowners were present and 16 homeowners were represented through proxy for a total of 40 votes

Call to order at 1:00 pm – Matthew Green

Establish how votes will be taken

Went over Oklahoma State Law requirements for HOA voting for amendments to Declaration and how we complied with state law for this meeting.

Oklahoma Statutes Citationized

Title 11. Cities and Towns

Chapter 1 - Oklahoma Municipal Code

Article Article XLII - Vacating Plats and Public Ways

Section 42-106.1 - Amending Restrictive Covenant

Cite as: O.S. §, ___

A. Any restrictive covenant on property contained in a residential addition may be amended if:

1. The restrictive covenant has been in existence for at least ten (10) years and the amendment is approved by the owners of at least seventy percent (70%) of the parcels contained in the addition or the amount specified in the restrictive covenant, whichever is less; or
2. The restrictive covenant has been in existence for at least fifteen (15) years and the amendment is approved by the owners of at least sixty percent (60%) of the parcels contained in the addition or the amount specified in the restrictive covenant, whichever is less.

HOA Insurance

Per annual review of insurance (Article 6 section 7) several sections needed to be changed per State Farm Insurance notification they cannot insure us as it is written in Declaration. Wording must be specific to HOA responsibility only.

Commercial Insurance expert Mark Holland with Universal Insurance Agency was paid a consultation fee to help explain why the changes needed to be made.

Vote to amend Declaration

ARTICLE 11 SECTION 1,2,5,6 INSURANCE All four (4) articles were passed with 95% homeowner vote
The four amendments now read:

1. Public **General** Liability Insurance. Comprehensive public **general** liability insurance shall be purchased by the Association and shall be maintained in full force and effect at all time. Such insurance shall be obtained from reputable insurance companies authorized to do business in the State of Oklahoma having a financial rating by Best's Insurance Reports of **A- or better and a size classification of** class VI or better. The amount of coverage shall be determined by the Board from time to time so as to provide such coverage as the Board may deem prudent, provided, however, that the minimum amounts of coverage shall be \$1,000,000.00 for any one accident or occurrence, and \$1,000,000.00 for property damage. The premiums shall be paid from the assessments levied and collected pursuant to this Declaration. Such policy shall name all Unit Owners as insureds, and also name, as additional insureds, such persons or entities, including the Association, the Board, and any agents or employees of the Board, as the Board, and any agents or employees of the Board, may deem necessary or required in order to insure the Association, **and** the Board, the Unit Owners and their respective agents, guests and invitees, against liability to the public, the Unit Owners, their guests, tenants, family members and invitees, or any other persons, whomsoever in connection with any damage or injury occurring on the Property or resulting or arising as a result of the ownership or use of the Property or any part thereof. Provided, however, such insurance shall not insure against loss caused by injuries to Unit Owners or members of their households occurring in their own Unit. Unit Owners shall maintain their own personal liability insurance pursuant to Paragraph 5 hereafter and indemnify and hold harmless the H.O.A. and its Board from their personal actions and the actions of family members, guests and invitees. Such policy shall otherwise be in such form and content and contain such endorsements as the Board may deem appropriate. Such policy shall otherwise be in such form and content and shall contain a severability of interest endorsement which shall preclude the insurer from denying the claim of a Unit Owner because of negligent acts of the Association or other Unit Owners and such other endorsements as the Board may deem appropriate.

2. Fire and Extended Coverage Insurance. A blanket fire and extended coverage insurance policy shall be purchased by the Association and shall be maintained in force at all times, the premium thereon to be paid from the assessments levied against each of the Unit Owners in accordance with this Declaration. Such insurance shall be obtained from reputable insurance companies authorized to do business in the State of Oklahoma having a financial rating by Best's Insurance Reports of **A- or better and a size classification of** class VI or better and shall insure against loss from fire and such other hazards as the Board may deem appropriate, and shall insure all structures, Units and improvements upon the Property and all personal property owned by the Association or jointly by all the Unit Owners as tenants in common and all other coverage in the kinds and amounts commonly required by private institutional mortgage investors for projects similar in construction, location and use for not less than one hundred percent (100%) of the full insurable replacement cost value thereof (as determined by the Company issuing such policy). Such policy shall contain vandalism and malicious mischief coverage, together with such other coverage, endorsements, and adjustment clauses as the Board deems appropriate. Such policy shall name the Association as insured, as trustee for the benefit of all the Unit Owners. Such policy shall name the respective mortgagees of the Unit Owners, as their respective interests may appear, and shall provide for the issuance of certificates or such endorsements evidencing the insurance as may be required by any insured or an insured's mortgagee and shall provide that the carrier shall notify the first mortgagee named at least ten (10) days in advance of the effective date of any reduction or cancellation of the policy. If the Property is located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards, a "blanket" policy of flood insurance on the Property must be maintained in the amount of the aggregate of the outstanding principal balances of the Mortgage loans on the Units comprising the Property or the maximum limit of coverage available under the National Flood Insurance Act of 1968, as amended, whichever is less. The Board may select such deductible, franchise or franchise deductible provisions which, in its opinion, are consistent with good business practices in connection with the purchase of such policy. The Association is

responsible for the Unit "as sold" for purposes of loss under this paragraph but neither ordinary wear and tear nor routine maintenance nor upgraded interior improvements.

5. Owner Insurance. Each Unit Owner at his sole cost and expense, shall purchase a minimum of \$100,000.00 personal liability insurance. **Each Unit Owner shall be responsible for purchasing and maintaining in full effect individual insurance coverage for interior improvements in their Residences, their personal belongings, and areas over which they have exclusive rights to use.**
- (b) Such insurance shall include:**
- (1) Loss or damage of personal property or improvements not covered by the Association's master policy from fire and other hazards covered by the standard extended coverage and any endorsements, to include but not be limited to all wall covering, floor covering, appliances, light fixtures, plumbing fixtures, etc..**
- (2) Additional perils shall be at the option of the Owner, including coverage of all personal property; and ,**
- (3) Individual liability insurance for accident and injuries occurring within the Residences.**

The owner shall name Two Forty Place Association as an additional insured on owner's policy and provide mailing address of Two Forty Place Association to the insurance company. Proof of such coverage shall be provided to the Association This must be completed within 30 days of purchase of a unit. If owner's insurance company changes, it is owner's responsibility to name Two Forty Place Association as an additional insured on new policy and provide Two Forty Place Association mailing address to insurance company. Notice of such policy change and verification of coverage shall be provided to the Association immediately. Any Owner may, at his option, and at his sole cost and expense, purchase additional personal liability and personal property insurance as he may desire; provided, however, that such policy or policies shall include a waiver of subrogation clause. The existence of such policy or policies shall not alter the obligations of the Association to obtain insurance as herein provided. Under no circumstances shall the Association be required to purchase any insurance covering personal property owned individually by any Unit Owner. The individual Unit Owner shall be responsible for repair and maintenance of the interior of his Unit and for normal wear and tear thereto.

6. Authority of Board. Each of the Owners, and every other person named as an insured in connection with any of the policies, as purchased by the Association, hereby irrevocably delegates to the Board any authority which it may otherwise have to negotiate loss settlements with the appropriate insurance carriers. The Board shall have the sole and exclusive authority and right to negotiate any such loss settlements; provided, however, that any execution of a loss claim form and release form in connection with the settlement of a loss claim shall be binding on all Unit Owners and upon any other person named as an insured on any such policy or policies only upon the execution thereof by a majority of the members of the Board.

Introduction of new board members and explanation of events

In October, three board members resigned.

Bill and Deborah resigned for family issues and being out of state 80% of the year. They felt it wasn't right to make decisions in a community there were rarely at.

Betty Ramos sold her unit and is no longer a homeowner in the community.

Existing board member Talitha Falconer appointed new members Matt Green, Rachel Green, Ashlee, Byrd and both Talitha Falconer and Michael Falconer appointed new member Alex Cecerle to serve out the rest of the term from the resigning members.

New board members are:

Alex Cercle, a homeowner who lives in the community

Ashlee Byrd, a tenant who lives in the community

Rachel Green, a tenant who lives in the community

Matthew Green, a homeowner that does not live in the community

These new board members join Talitha Falconer, a homeowner who lives in the community.

Michael Falconer resigned after the new members were appointed.

The titles of the new board members are as follows:

Talitha Falconer - President

Alex Cecerle – Vice President

Ashlee Byrd – Secretary and Treasurer

Rachel Green – Assistant Secretary

Matthew Green – Committee Chairman

Review of Cox Communications installation project

All exterior wiring on buildings is complete

Interior outlet installs will be performed December 18th between 8am and 6pm and homeowners can email to set an appointment of when they will be home to allow for inside install

Board voted on December 12th board meeting to remove all exterior satellite dishes that are located on community property including the roof and grounds on January 15th and this announcement serves as a 30-day notice.

Review of OG&E street lights

The lights were installed at the end of October.

HOA rents and pays \$26.52 per month per light

Pictures showed the dramatic difference between the old and new lights in both the physical pole and light as well as the actual light provided at night.

Explanation of why the lights stay on all day. They have smart photo controllers and OG&E will have the technology in the next year that will control the lights which then will be off during the day. We are not being charged for extra electricity.

Review of trash dumpsters

Explain that Waste Connections failed to pick up trash the day after Thanksgiving. The property manager called and we received a credit on our bill.

Showed 30 pictures of trash spread around the dumpsters throughout the community so the homeowners can see the importance of the problem and how an on-site manager is needed to pick it up weekly.

Review of pest control company

Massey Services is our new pest control company and a thorough explanation was given why they were chosen and Terminix was terminated. 12 pictures were shown to prove the incompetence of Terminix.

Massey provides termite bait stations and rodent bait stations in our community. Homeowners can pay \$25 to Massey Services for an in-home service spay with a 30-day guarantee. A warning to homeowners to remove all wood (fire wood, wood flower bed boarders) from around all the buildings because wood draws termites.

Review of Signature Landscape

55 pictures were shown of:

Dead bushes removed

Trees that are too close to the buildings with huge roots above ground

Sidewalks that are lifted because of the roots

Building foundation problems

Homeowners were advised of three foundation companies that provided bids after analyzing the buildings and found that two buildings (801-807, 808-819) have foundation issues caused by tree roots from the trees right up against the buildings. The rough estimate to pier both buildings is \$150,000. This is an issue that must be fixed immediately but the community will have to save up money for 5 years. There are other buildings that also have foundation issues from trees but they are minor at this stage compared to the two buildings. When this project takes place, three things will occur: 1. Piers under entire building 2. Sidewalks corrected 3. Chimneys will be re-flashed because the chimneys will move back into place when the piers are installed.

Plumbing issues

\$3,325 was spent in November correcting a broken sewer line caused by tree roots in unit 819.

The plumber investigated an issue at unit 808 and discovered a back-flow valve needs to be installed which will cost around the same amount as the sewer line just fixed in 819.

The plumber investigated a sewer line issue at units 825 and 826. The sewer line has 2 “bellies” and is also not attached correctly at the connection with the main city sewer line. The estimated cost \$6,000 or more and will take 2 days of digging 5 feet down to replace the entire sewer line. Some street concrete will be torn up as well. The Board has elected to conduct these repairs next year in Spring or Summer.

Vote to amend Declaration

The first vote was to amend ARTICLE 8 Amendment of Declaration to change the voting criteria language to reflect the Oklahoma state law criteria. Homeowners requested to vote on this at the next meeting so that the wording reflect directly the same language at the state law. No vote was taken.

ARTICLE 7 Service Agent amendment passed with a 95% vote. The new language now reads:

The name of the person to receive service of process in actions against the Association and the name of the person to receive service of process on two or more Unit Owners in actions relating to the Common Elements or more than one Unit is Don G. Pope, Attorney at Law, 3750 West Main, Norman, OK 73072.

ARTICLE 19 SECTION 8B amendment passed with a 95% vote. The new language now reads:

If to Declarant, whether in its capacity as owner of a Unit, or in any other capacity, addressed as follows:

Two-Forty Place Association, Inc.

800 Two Forty Place

Oklahoma City, OK 73139

BY-LAWS ARTICLE 2 LOCATION amendment passed with a 95% vote. The new language now reads:

The principal office of the Corporation shall be located at 800 Two Forty Place, Oklahoma City, Oklahoma 73139.

Homeless camp update

78 pictures were shown of the field to the south of the community where a homeless camp had taken over and was flooding into Two Forty Place community. The transients who live in the field walk through the community and often dig in the trash dumpsters pulling trash out on the ground and leaving it. The transients also kick in wooden pickets in the community owned stockade fence to “cut through” our neighborhood. Homeless people have been caught stealing from garages that were left open and our community mailbox has been broken into more often. The pictures reflected a before and after clean up. The Two Forty Place property manager began calling the field’s owner who lives out of state in June 2019. The property manager then called neighboring property owners to combine efforts to implore the owner to do something about the camp. When those calls went unanswered, the Two Forty Place property manager called the City of Oklahoma City to report high grass and weeds. The citation reached the out of state owner who then hired a brush hog worker to mow the grass. The Two Forty Place property manager then talked to the brush hog worker about the homeless camp asking him to please report what he sees to the owner of the field. Upon that communication, the owner of the field then drove from out of state to hire workers to clean up the massive amount of trash and debris, including evidence of fires, human waste, hypodermic needles, and drug paraphernalia. Once that major improvement took place, former board member Michael Falconer spent six weeks working to remove all vegetation that provided a natural shelter for the transients to come back to. By cutting down trees and tree limbs, the field became a clear open space that could be seen clearly from one side to the other. The result is that no transient lives in the field because there is no shelter any longer. The finished product was done in September 2019.

Flooding and trench

In the community area street by the cabana house, it floods every time it rains preventing people to walk to the park with their dog and people getting in and out of cars parked in the small lot. Former board member Michael Falconer dug a trench by hand that now allows all the water collecting on the street to drain out to the creek. There is now no longer any flooding in that area.

Approved light and electrician

The board members approved a specific light which can be installed over the garage on the exterior of the building. The specific light is a Honeywell 5000 Lumen LED Utility Light that is the color gray and model number MA095052-40C and item number 980202384. This light can be purchased at Sam’s Club for \$40. Homeowners can purchase the light then call the property manager to set an appointment for the board approved licensed electrician to install the light. Electrician cost for parts and labor is \$120. Electrician cost for parts, labor, and bringing the light as well is \$160.

Feeding cats and dogs

30 pictures were shown of dog food, cat food, and human food intentionally being put out on front porches and throughout the community in various places. This draws rodents and insects to the community in which the HOA is paying for rodent bait stations to eliminate rodent problems in and around the buildings. The request was made to stop putting food out.

Trash in the community

Article 5 section 5 states that all rubbish, trash, and garbage shall be regularly removed from the units by the unit owners and shall not be allowed to accumulate therein or on the common elements. 69 pictures were shown of trash all over the community which is a daily occurrence. The trash includes: broken glass beer bottles in the parking lots, food thrown on the ground in parking lots, people stopping in the middle of the street and emptying all trash from their car onto the street then driving off, hamburger thrown in the middle of the street, cups, water bottles, liquor bottles, beer cans, beer bottles thrown in the grass and street, beer cans and coffee cups placed in trees, restaurant food in boxes left in the parking lot and street, plates, straws, cigarettes left in street, clothes left in street and in grass, bags of trash left in street, fast food bags of trash left in street, broken glass in the grass, ash trays overflowing with cigarettes on community property,

empty boxes left in street and parking lot, tampons used and unused, condoms used and unused, condom wrappers, toilet paper rolls unrolled and laying all over the street and grass, plastic bottles and cups placed on the “Two Forty Place Townhomes” sign on front wall, residents leaving bags of trash in street and on front porch, deodorant bottles, bed frames, and a pork chop laying in parking lot, hypodermic needles in the street, live bullets in the street.

Community park

6 pictures were shown of dog feces laying all over community including the community park. The community park is open and available for anything resident would like to use the park for. The majority use of the park is residents taking their dogs in to run freely and potty. Since the park can be used for cookouts, children’s birthday parties, or any other occasion, there can be no fecal matter on the ground. The HOA purchased and installed a waste station for owners to clean up their dog’s waste. It is a finable offense from the City of Oklahoma City to leave pet waste in public places.

Community crime

24 pictures were shown of crime in the community as of this year. These include graffiti spray painted on brick wall at the front of the community with offensive language, transients breaking community fence panels and pickets, residents finding bullets on their balconies and front porches, homeless people digging in the trash dumpsters, mailboxes being broken into, gas being siphoned out of cars parked in the parking lot, cars in the parking lots being broken into, cars in the parking lots being stolen, community street signs being removed from the ground and being thrown over the fence outside of the community.

Parking

42 pictures were shown of illegal parking in the community. The offenses include: trucks backed into parking spaces and fully covering the sidewalk, vehicles parking in fire lanes, trucks with trailers attached parked overnight in the street and in the parking lots, vehicles parked in the street for multiple days having major automotive repairs being done, vehicles parked at the entrance of the community where cars drive in and can hit the parked cars, people parking in front of garages with the garage door closed overnight and for multiple days, single vehicles parking in parking lot taking up multiple spaces, vehicle parking in front of garage and another vehicle parked parallel with a small space in the street for other cars to pass through.

Article 18 SECTION 6 PARKING amendment passed with a 95% vote. The new language now reads:

Due to limited parking space in the project, it is specifically required that all vehicles of Unit Owners be parked inside garages of each Unit or in designated off street parking areas. No parking of vehicles will be allowed in streets, on grass of Common Elements or parallel to garage doors. No campers, boats, house trailers, self-contained mobile homes, recreational vehicles of all types, trailers, or trucks of any kind, including panel trucks or pickup trucks (in excess of 1-1/2 ton capacity), shall be permitted to be parked in sight overnight or for an extended period of time along the garage side of any Unit or in designated parking areas.

Temporary parking is allowed parallel to the garage door only if the owner is in the garage with the garage door open and is able to move the vehicle in case of an emergency. No overnight parking parallel to the garage door is allowed.

Parking in a way that takes up more than one (1) parking space is prohibited and is subject to towing.

Parking a truck or any other vehicle backed into a visitor lot is prohibited.

Blocking sidewalks is prohibited.

Absolutely no parking in fire lane. Parking in a fire lane will result in immediate towing.

Working or performing maintenance on vehicles in the street or common areas is prohibited and vehicle will be towed.

Vehicles will be towed at the expense of the Unit Owner/Renter or guest. The Two Forty Place Association Board of Directors reserve the right to tow immediately or provide up to a 24-hour notice before towing at their discretion.

Vote to amend Declaration

ARTICLE 10 SECTION 1 RESTRICTIONS AS TO USE The change to the original language was to restrict further investors from buying into the community until the ratio of investors to homeowner occupied reached 255 to 75%. Currently the community is at 55% investor 45% homeowner occupied. Current investors would be grandfathered in and only upon selling their unit would they have to sell to homeowner occupied. The reason for this is the ability to obtain HOA loans is lessened with more than 25% investors in the community. Also, homeowner occupied potential buyer to receive conventional loan is lessened as conventional loans have similar criteria for investor to homeowner occupied ratio. The vote was 25 for the amendment and 15 against the amendment. There must be 60% voting for amendment before any change can occur. That criteria was not met therefore amendment failed.

ARTICLE 10 SECTION 2 RESTRICTIONS AS TO USE The change to the original language was removing the ability to place rental (for rent) signs on community property. Also, adding the ability to place alarm system signs in front of unit. The vote was 25 for the amendment and 15 against the amendment. There must be 60% voting for amendment before any change can occur. That criteria was not met therefore amendment failed.

Outstanding recognition

Special recognition to homeowner Mike Petro who performs many tasks in the community voluntarily including building a new wood gate when the old gate blew away in a storm. Mike used his own money and labor and donated that and many other projects to the community property. Thank you for everything you do.

Roof and Chimney problems

19 units reported leaks between April and July 2019. The leaks were in the middle of a room upstairs (from the HVAC pipes) or from the chimney area and around the front door.

33 pictures were shown of extensive damage to shingles from blistering, all HVAC pipes coming out of the roof were rusted, broken, and not properly flashed to the roof, missing and broken bricks from chimneys and firewalls that come above the roof.

156 pictures were shown of all 52 units chimneys. Three pictures of each chimney to show the incredible rotten and damaged siding on the back of the chimneys. Every homeowner had the ability to see what their chimney looked like.

The explanation of how the roof and chimneys got like this begins six years ago (2013) with an insurance claim with State Farm for a brand-new roof on all 12 buildings. State Farm paid Two Forty Place HOA approximately \$300,000. The HOA board members at that time chose a construction company called "Sanders Brothers Construction" from Shawnee. Looking up the address for the company showed they work out of a house garage with a dirt driveway. They have no official office. Looking on the Better Business Bureau site revealed this company has never been licensed in the state of Oklahoma to perform roof construction for residential roofs and certainly not commercial roofs. The BBB site actually had the word ALERT in red on their file and warned against hiring them. The HOA board members at that time did not have a written contract — only a verbal contract. The files the HOA board members had from that project was shredded by one of the board members a few years after the project was completed. Currently, the HOA has no recourse in a warranty on the roof or suing the company. Insurance claim cannot be done on an installation issue.

The result of the work Sanders Brothers Construction performed was massive blistering on our roof among other issues. Blistering occurs when there is not proper ventilation. Two Forty Place house buildings should have three vents for each unit. The garage building should have two vents per unit. Sanders Brothers Construction placed one on the house and one on the garage. This led to the roof being literally cooked. The

shingles are petrified and are crumbling apart. Every homeowner has complained of massive heat in the upstairs portion of their unit and this is why.

Sanders Brothers Construction informed the HOA board members that \$300,000 from State Farm was not enough money and they needed \$52,000 more. A \$1,000 assessment was placed on each homeowner to pay Sanders Brothers Construction to replace the roof.

When Sanders Brothers Construction was performing work, they noticed quite a few chimneys that had rotten siding on the back. The HOA board members announced to all homeowners they could pay around \$250 to replace the back of their chimney if they wanted to but the HOA was not going to pay for it.

(Another fact that was discovered is that if we did have a roof warranty from a reputable company, it would have been voided because of the multiple satellite dishes bolted into the roof.)

The fix for this situation is to add more vents (the proper amount) to stretch the life out of the really bad roof we have now. We should be able to get five more years if we vent it properly, replace all HVAC pipes and properly flash them, replace the backs of all the chimneys and properly flash them. As far as replacing the roof completely, we can do an insurance claim is a major hail or wind storm happens. Until then, we have to plan on replacing the roof out of our own dues money and the roof will cost between \$500,000 and \$1 million.

Balconies

24 pictures were shown of highly defective, rotten, unsafe, and dangerous balconies in the community. All 8 of the balconies leak excessive amounts of water inside the unit when it rains. The balconies are not safe to stand on. It is cheaper to remove the balconies and replace with a simple covered patio, than to repair the balcony. In order to repair, the construction of the balcony will have to be brought up to building code and balconies now must withstand tornado winds. It would cost far more to replace so the board voted to remove them once and for all and the HOA will never have the expense of the balconies again.

A meeting in August 5th, 2019 with all of the eight owners allowed for discussion and agreement with documents being signed to all the HOA to remove the balconies. Seven of the owners wanted the balcony off as soon as possible. This solution is favorable for everyone.

Vote to amend Declaration

ARTICLE 12 SECTION 2 DESTRUCTION OF IMPROVEMNET, OBLIGATION OF THE BOARD

Amendment passed with a 95% vote and the new language now reads: Upon the partial destruction of one or more of the Buildings, the Board shall obtain bids from at least two **three** reputable contractors and shall call a meeting of the Unit Owners to consider whether reconstruction of the damage should be undertaken. Unless seventy-five percent (75%) of the Unit Owners other than Declarant, elect in writing not to proceed with reconstruction, the Board shall award the contract for the reconstruction to the lowest **best** bidder; provided, however, that the Board shall not be required or authorized to award such contract until it has sufficient monies, or binding commitment for monies, whether from insurance or the collection of special assessments levied in accordance herewith, with which to pay the cost of reconstruction as reflected by the bid to be accepted by the Board. **Said bidder shall be a licensed, certified, insured and bonded contractor. The Board must verify the contractor's credentials with the Better Business Bureau (BBB) and/or the appropriate state licensing boards. All contracts must be signed and kept in perpetuity by the Board.** The Board, upon awarding said contract, shall thereafter be authorized to disburse monies to the contractor in accordance with said contract out of the insurance proceeds held by the Board and the special assessments levied and collected by the Board. It shall be the obligation of the Board to take all steps necessary to assure the commencement and completion of such reconstruction at the earliest possible date. All such reconstruction shall be in accordance with the plans of construction of the Property attached hereto as Exhibit "C".

Mailbox house

A permanent mailbox house will be built with new mailboxes that are very difficult to break into. This is a one-time permanent fix for the HOA and there should never be a reason to spend money on the mailboxes again.

Payment method

The HOA board voted to receive an HOA loan from an HOA bank to pay for all of these repairs. Alliance Association Bank is an HOA bank that only deals with HOAs. Two Forty Place Association received a \$200,000 loan at 5.25% interest for 10 years. The monthly payment is \$2,151.14 and it is due on the 15th of each month.

Vote to amend Declaration

ARTICLE 17 SECTION 2A ASSESSMENTS, REGULAR MONTHLY ASSESSMENTS Amendment passed with a 95% vote and the new language now reads: Monthly assessments shall be for the period running from the 1st day of a calendar month to and including the last day of the calendar month. Such assessments for the period ending on the last day of any calendar month shall be due and payable by the Unit Owners on the 1st day of the following month. Subject to the provisions of Section 2(b) of this Article, the total of such assessments for all Units for each fiscal year shall total (i) the estimated expenses of the Association in carrying out the obligations described herein for such fiscal year, other than for the maintenance, repair, or replacement of the Common Elements (the "Maintenance Fund Requirement"), plus (ii) an amount, to be determined by the Board, to be set aside during the fiscal year to provide for a reserve fund for the maintenance, repair, or replacement of the Common Elements (the "Reserve Fund Requirement").

ARTICLE 17 SECTION 2B ASSESSMENTS, DECEMBER ASSESSMENT Amendment passed with a 95% vote and the new language now reads: **Within the first 15 days in** December of each year or as soon thereafter as practical, the Board shall meet and determine the total amount of all accrued and unpaid bills for the fiscal year ending on that date. Notwithstanding the provisions of Section 2(a) of this article, the Board shall then set the monthly assessment for each Unit for the period ending December 14th with reference to (i) the amount of accrued bills which reflect expenses incurred by the Association other than for the maintenance, repair, or replacement of the Common Elements and which remain unpaid for the fiscal years and, (ii) the uncollected Reserve Fund Requirement for such fiscal year. The monthly assessment for any Unit for the month ending December 14th shall equal a portion of such charges found by multiplying the total of such charges by each Unit's undivided interest in the Common Elements, as shown in Exhibit "D" (or as recomputed following any expansion as herein provided) attached hereto. At the same time the Board shall set the regular monthly assessment for the succeeding fiscal year.

ARTICLE 17 SECTION 7A ASSESSMENTS, NON-PAYMENT OF ASSESSMENTS; LEIN RIGHTS, REMEDIES, DELINQUENCY Amendment passed with a 95% vote and the new language now reads: Delinquency. Any assessment provided for in this Declaration which is not paid when due shall become delinquent on the date on which such assessment is due (the "date of delinquency"). A late charge as **determined by the Board** for each delinquent assessment shall be payable with respect to such assessment not paid within ten (10) days after the date of delinquency. Assessments not paid within ten (10) days after the date of delinquency shall thereafter bear interest at the rate of **eighteen percent (18%)** per annum from the date of delinquency and the Board, its attorney or other authorized representative may, at its option, at any time after such period, and in addition to other remedies herein or by law or in equity provided, enforce the remedies herein or by law or in equity provided, enforce the obligation to pay assessments in any manner provided by law or in equity and, without limiting the generality of the foregoing, by any or all of the following procedures:

ARTICLE 17 SECTION 7i ASSESSMENTS, NON-PAYMENT OF ASSESSMENTS; LEIN RIGHTS, REMEDIES, ENFORCEMENT BY SUIT Amendment passed with a 95% vote and the new language now

reads: The Board may cause a suit to be commenced and maintained in the name of the Association against any Owner or Owners, or any of them, personally obligated to pay assessments for such delinquent assessments for which they are personally obligated. Any judgment rendered in any such action shall include the amount of the delinquency, together with interest thereon at the rate of **eighteen percent (18%)** per annum from and after the date of delinquency, late charges as provided for by this Declaration, court costs and reasonable attorney's fees in such amounts as the court may award. Suit to recover a money judgment for unpaid assessments shall be maintainable by the Board, or its authorized agent, without foreclosing or waiving the lien hereinafter provided for.

Reserve Study

A Reserve Study was performed on December 1, 2019 by Barrera & Company. Company representative Chris Sanders was on Skype and talked to all the homeowners about his findings.

A reserve study is done for HOA condo communities where an analysis is performed of the physical property and then a financial plan is set forth. The findings of the study were alarming. Two Forty Place Association should have now, and should have had for years \$1.5 million in a reserve account for maintenance of the property. The results of the study revealed item number one that must be fixed immediately is the foundation repairs of the two buildings with issues. Item number two that must be fixed immediately is the siding on all of the buildings must be replaced immediately. The cost of foundation repair is \$150,000. The estimated cost of siding on all 12 buildings is \$300,000. The study advises both of these be performed before the end on 2020.

Although the estimated cost of siding is \$300,000, it will be much more as there will be additional repairs as the siding is being replaced. Any damaged wood framing will have to be replaced before siding can go over it. Also, new porch lights, new gutters, and other unforeseen expenses. Siding will probably cost closer to \$500,00 when all the damage is correctly replaced with new material.

The study goes on to reveal items in order of importance that must be replaced and a given time interval in which to replace them. Each item is on a continuous maintenance plan. For example, based on what type of siding is put on the buildings, it has a life span. If it is a 20-year life, then the money should be in the reserve to replace that in 20 years. It is the same for the fence, street, roof, brick, and each of the other the things the HOA is financially responsible for. It is on a constant rotation of life cycle of repair which is why there must always be \$1.5 million in reserves to pay for these things as they arise.

The Two Forty Place Homeowners Association has \$25,000 in reserve. The study recommended the dollar amount of dues to achieve the goal of fixing the current most important issues is \$850 per month per unit starting January 2020 with \$300 for operations and \$550 going into reserves to complete recommended maintenance within one year.

Property manager job

It was announced at the meeting anyone interested in being the property manager should arrange to meet with the board. One requirement is that you must live on property. The job will pay \$1,000 per month. The current property manager's salary will be evaluated monthly until the construction projects are finished and the community is in a maintenance role. The board anticipates this to be within two months barring any unforeseen issues. Any property manager will need to have their own company the salary is paid to and taxes will be paid for the manager's company.

The current HOA president and property manager, Talitha Falconer, spoke about harassment she has endured. Any further slander, liable, or harassment will not be tolerated and will be charged to the full extent of the law including defamation and character assassination. The focus should be on this community and the major problems here. Not harassing someone who has worked harder than anyone ever has for this community and uncovered massive problems no one else has ever bothered to look in to.

Why was Neighborhood Services fired?

Put dues payments to wrong accounts
Charged late fees and interest without authorization and without need
Financial reports are difficult to understand; not user friendly
Closed lock box without notifying anyone which caused a lot of problems
Refused to send monthly statements to homeowners who requested it
Unavailable nights, weekends, holidays
Took 25 days to reconcile financials from the previous month—every single month
Went six months without notifying people they were delinquent
Their monthly service fee is much higher than competitors
When requested to create custom categories for our expenses, they were unable to do that
Don't return calls
Overcharged homeowner accounts
Not looking out for our community's best interest
Never came to property did any actual work onsite

New Bookkeeping Company

Hutchings Alliance been in business for 10 years and they only manage properties like ours – condo HOAs. Our contact person is Shella Lipscomb. Hutchings Alliance will only handle our finances for now although full management services are available.

New way to pay monthly dues

A full explanation was given of the twofortyplace.com website and step by step process of how to make a payment.

A step-by-step guide is available upon request.

Fees

Starting January 1, 2020 there will be a handling fee of \$10 for any paper payment. Because of this website, there is no need for paper payments. Any personal checks, money orders, and cashier checks will be charged fee. Only exception is if you pay entire year by check.

New monthly dues amount

Starting January 1, 2020, dues are raised \$100 per month which is a total of \$300 per month. There will be an evaluation in December 2020 and another all homeowner meeting to determine the amount dues will be increased in 2021. The dues will be raised each year until we reach the goal of \$300,000 in the savings account.

Meeting ended at 5:00 pm