

Transcriber's note: The first five minutes of the meeting transcript as they were private discussion between some participants. **Transcriber's corrections and comments are in red.**

00:04:56:27 - 00:05:03:18

Okay. I'm going to send I'm sending you guys the roll call. What I have right now for the meeting to the board meeting email.

00:05:05:15 - 00:05:07:09

Okay. Really?

00:05:08:28 - 00:05:18:19

All right. All yours, Aaron. All right. Okay. Well, thank you, everyone, for joining. As we discussed at the last quarterly directors meeting, this will.

00:05:18:21 - 00:05:50:14

Be the annual members meeting. And for the purposes of this meeting, we're here to have a little bit of a Q&A for you guys. The next director's meeting is where we will approve the financials. We've been working through that with the external accountants, and so we'll finalize those at this point in time. And we have met with the TAC or the the provisional provisional tax **TAC**¹. So, you know, we're we've been listening.

00:05:50:16 - 00:06:10:23

We're we're open to hear from you guys today. We've set aside an hour for this meeting if it's required. But otherwise we'll just answer questions until until there are none. And and then we'll proceed. And the next meeting is scheduled with the directors on December 2nd, which would be ten business days after today's meeting.

00:06:12:11 - 00:06:15:14

Okay. Hey, Aaron, can I. Can I take a few shots here?

00:06:16:07 - 00:06:20:13

Yeah, absolutely. Why don't you provide us an update on the HOA for everybody?

00:06:20:15 - 00:06:52:10

All right. So, so far, I just want to talk about maintenance. We had some tree trimming near lot 5958 area along the park. Um, that is mostly been done. There's still do there's still due to come back and trim up along one of the fence lines regarding the the retaining wall for the hedge along McAndrews and Clyde Geotech is reviewing that for the safety and security of that wall. It's it's in their in their hands at this moment to to give a report. I'm not sure when we'll get that probably by the first year.

00:06:53:04 - 00:07:27:05

¹ What is a "provisional" TAC?

Um, there's an issue with the drainage pond that we're worried about or folks are worried about the ingress of rodents causing damage in there. So we'd have inadequate, perhaps inadequate draining that has been dispatched to a local plumber, local, to see if they can come up with a plan there, prevent rodents from going into that large ten inch pipe. Um, the ag buffer is currently we have a signed contract with Gary Krauss for updating and taking care of that add buffer.

00:07:27:26 - 00:07:42:10

Um, there's concerns about seeds². Are they going to take what have you? Gary Krauss is the one who installed that. He's going to be reaching out to us about fixes and how to take care of certain things that that for example, the

00:07:43:26 - 00:08:19:27

if seeds don't take, he has extra seeds. He's confident that coming through this winter that some of those seeds will take root. And not to worry he's he did the install and that he's now maintaining that area he said it'll work out. We'll just be in contact with that. Um, with the drainage pond on Palermo, trees have been trimmed and it no longer looks like a fire hazard and I think looks pretty good overall. Um, save for some of the contractors who have been parking and creating a hardship by blocking intersections or what have you.

00:08:19:29 - 00:08:52:08

I've been reaching out directly to some of them this last week just to get them to play better with others, and it seems like they are starting to do that as far as not block traffic as much. And regarding banking, we are putting all funds, all community funds in a into three bank accounts³ that are in the care, custody and control of the HOA board and making me a signer⁴. We have the the those bank accounts have been opened and within the next 2 or 3 days will be functional.

00:08:52:23 - 00:09:17:27

We'll be in the process of ordering pre pre digital pre checks that are ordered to have numbers on them. So here within the next 30 days or so, we should be operational with all those all those monies transferred into the accounts for the HOA as according to the operating the reserve account and the construction deposits other net. I think that pretty much sums up what I have to say.

00:09:22:16 - 00:09:23:18

Teachers invisible.

00:09:28:06 - 00:09:28:24

Lots of love.

00:09:29:21 - 00:09:32:24

² Seeds? For what? There should be native, drought-free, deer-resistant shrubs in the buffer.

³ Why three? The CC&Rs only require two accounts: Operating account and Reserve Account

⁴ What is the board treasurer for? A symbolic appointment?

It's in the office, even though I didn't want to.

00:09:35:21 - 00:09:39:07

Yeah. Very, very tired. This is. This is good.

00:09:41:02 - 00:10:12:15

Thank you, Robert. I mean, think if anybody has any questions on those, we're happy to field them. You know, I think as we continue to go and have been noted to some of you, we have four lots left in the development and we are working towards having the HOA set up for the owner's eventual takeover as we sell those lots out. So part of that is segregating funds, making sure the financials are intact in order so you know, what's being held for construction deposits and where those things set.

00:10:12:17 - 00:10:22:20

So yeah, I mean, we are generally happy with the state of the HOA and how things have been adjusted. But if there are concerns, you know, please definitely just raise them here and be happy to address them.

00:10:25:07 - 00:10:55:24

One of the things that some of the owners have I know I know you guys have been involved in a lot of turnovers. And I think it just out the gate of without giving timelines, we know you're as timelines depending on how sales market goes. Can you can you outline a process for which that that doesn't really need to be a lot of stress on these turnovers? It's actually pretty pretty set forth. If you can just get some outlines on how you see this going when it is time and what the processes are, maybe alleviate some of the concerns that homeowners have, just like understanding some of the processes.

00:10:59:05 - 00:11:00:22

Sorry, could you repeat that question? ⁵

00:11:01:05 - 00:11:13:28

The question is, can you explain a little bit about the turnover process and how that works? And that's that's a lot of the questions that I get from from members. What happens? How does it go into what causes a lot of stress for the unknown?

00:11:15:11 - 00:11:49:20

Well, Charles is currently president of the temporary TAC⁶ is the temporary technically correct name of it. And so they are a body of owners set up that work with Robert on recommending decisions⁷ to us as the declarant and so for the purposes of this development, while we retain ownership of any of the lots, we will retain our declarant rights and and manage the HOA, but very well aware that we only own four of 108 106 lots.

⁵ He is not paying attention!

⁶ What is a "temporary" TAC?

⁷ Crystal Lake stated that a TAC is not a decision making committee.

00:11:49:22 - 00:12:23:18

And so as I told Charles and the team the other night, if there's something that the residents want, we are more than happy to oblige. We are we are less than 4% of the cost if there's extra levies. So we're happy to work with residents to address needs that come up. We want the community to be in great shape and and strong when we when we do sell our final lots that we know that initially we had a program where we were building and selling houses and now we are selling lots and houses don't necessarily get built right away.

00:12:23:20 - 00:12:55:16

So the main primary purpose of any transition will be to ensure that the community is strong. We've been setting up the Capital Reserve reports, making sure things are being set away to reserve for future future maintenance. I know some concerns have been raised about things that are included and I think this is the time to address those and so we'll do that offline. But if anyone has a particular concern about any items in those capital cost reports, we will address that with our with our consultant prior to the 2023 report being issued.

00:12:56:12 - 00:13:18:20

And other than that, the handover will happen just as soon as we close the final sale, we will have everything set up and and that final sale will close or complete in in the parlance. And and then the temporary track will be in in place to run the HOA⁸.

00:13:26:20 - 00:13:38:23

Once there is a turnover. I'm just sort of checking for my own understanding. There is a meeting of all of the homeowners to elect a board immediately after the turnover.

00:13:40:11 - 00:13:52:22

And will that be guided? Is that guided by the tack **TAC** or is it. We can we can assist in that in that meeting to establish the the HOA board at turnover. Okay, good.

00:13:56:10 - 00:13:59:00

Thank you. So

00:14:01:06 - 00:14:01:28

you can be found.

00:14:02:01 - 00:14:03:15

Not guilty by reason of insanity.

00:14:04:10 - 00:14:14:12

James Clerk. Are there any questions? Please, please feel free to to chime in. Make sure you unmute yourself and here's your opportunity to talk with the board.

⁸ This is outrageous! See ORS 94.604(5): (5) The requirement for a transitional advisory committee shall not apply once the turnover meeting called under ORS 94.609 has been held.

00:14:16:22 - 00:14:18:08
Anything about the stands?

00:14:18:27 - 00:14:20:26
Is there a contract,

00:14:23:02 - 00:14:36:02
the landscape new landscape contract in place for 2023? And I saw that there's a line line item in the budget for and I was just curious do we have a contract from US lawns?

00:14:36:22 - 00:15:20:03
US lawns as of April this year is when they're, when they're, when their contract was up. So we're all the way until the first part of April is, is we're on the the last contract for the last year and a half. He said coming into this year that he would keep keep 2022 rates flat. Um, if we could do a small modification with only one trimming of the hedge per year and and so that that's what we did to keep the costs relatively low at this point, we don't have an idea of what inflation will look like or increased costs out there, but we are looking at about \$720 a month for ag buffer maintenance ongoing.

00:15:20:06 - 00:15:26:26
But it's all all in because of mid-year or fiscal year for consideration.

00:15:31:19 - 00:15:48:00
I know that we engaged Gary Krauss on the egg **AG** buffer to kind of nurture it along and show some real progress there. Is that monthly expense expected to continue as ongoing maintenance costs?

00:15:50:13 - 00:16:02:19
I mean, no matter what, you're going to have to have weed abatement along along that area for indefinitely and also somebody to oversee the irrigation that's there. So, yes, ongoing maintenance costs is is what's going to happen

00:16:04:06 - 00:16:05:18
under the current configuration

00:16:09:02 - 00:16:10:17
is to just come back and.

00:16:13:13 - 00:16:14:26
You should have done six months.

00:16:16:25 - 00:16:17:10
So.

00:16:20:02 - 00:16:22:27

Short meeting, apparently.

00:16:25:10 - 00:16:41:02

Well, this is Laura Wilson. I just had a quick. Hey, again, this was just concerning the area of contractors and being able to access our street. And I know, Robert, you were going to go check on a lot 58 and 59.

00:16:43:06 - 00:16:44:22

I think it is. It is it.

00:16:45:14 - 00:16:51:27

There's quite a few. There's quite a few places that I've I've had talks with down there that were blocking off the streets.

00:16:52:07 - 00:17:15:01

Yeah. Like 58 and 59 actually block a couple streets. So I was just curious. We just drove past today and it was only one car with and yeah, we had to wait for other cars to go around. So I was just curious. I know they're doing a lot of work and there's not a lot of area for them to store their vehicles or.

00:17:16:08 - 00:17:45:18

I went up there yesterday and was evaluating some things and they they have spread out, but they actually have it pretty compact on the lot and they have nowhere to go as far as in yesterday. And they've been dealing with you know, I was giving them a little bit of leeway with that because of the confined space that they already have. But I have had a couple contacts with the homeowner there to please help us keep the neighbors happy.

00:17:47:29 - 00:18:08:09

I believe that some of it is the homeowners, but much of it is the contractors themselves that are parking all the way up to the McAndrews stop sign. You know, they're on both sides of the street. It is quite congested and we may just have to live with it. But it is a nuisance.

00:18:08:24 - 00:18:24:20

Yeah. What's happened is every for every contractor I've talked to and they don't pass the information on and I've talked to each of the owners and it's been a lot of cat and mouse just to get compliance in this area, because as soon as you talk to one contractor, they're fine and then the next one comes in for the next rule of business.

00:18:25:28 - 00:18:28:04

Are they allowed to park in the park.

00:18:30:07 - 00:18:38:09

And the park parking lot? I think in that one particular area, I don't it's they need access to the backyard, to the back part of the property. And that's the only access.

00:18:39:22 - 00:18:50:10

Well that the road and then they can just drive there's an area you can drive over. Yeah but but yeah I was just curious that might allow with a couple lots for him to park.

00:18:51:00 - 00:18:51:15
Well

00:18:52:23 - 00:18:53:08
okay.

00:19:00:19 - 00:19:01:23
Yes. Yes.

00:19:03:15 - 00:19:04:23
Anything else from the floor?

00:19:08:22 - 00:19:09:07
Yeah.

00:19:09:13 - 00:19:18:22
Dana Henderson. Can I ask a question? Absolutely. Dana. Um, at the turnover, will there.

00:19:18:24 - 00:19:37:03
Be a neutral party that will ensure that the contracts and the financials and everything were in order that isn't representative of either side of the turnover that is experienced that will have an opportunity to go over

00:19:38:26 - 00:19:43:13
all of the things that we're going to be handed as homeowners when the decorate **Declarant** leaves.⁹

00:19:44:07 - 00:20:21:03
Uh, can you can you elaborate on, on what you're specifically referencing? I mean, the financials each year will be reviewed already by an external accountant and then any kind of reconciliation will obviously match to bank account statements. So, I mean, we're not it's not a significant amount of money on there. So I would be concerned about, you know, incurring a large cost to the homeowners for for that kind of review unless there was a specific thing that you you know, the contracts are year to year essentially.

00:20:21:05 - 00:20:43:05
So there's no long term contracts. The longest one is is a three year contract with the Capital Reserve account. And that was just to get a discount on the future, the future visits. But other than that, all contracts are year to year for for the HOA and the financials are reviewed externally year to year as well.

⁹ ORS 94.609, 94.616(1), (3), (4), (5) define all the Declarant's duties at Turnover. The Declarant has no responsibility to do anything more. The rest of the Turnover is up to the owners.

00:20:44:19 - 00:21:25:08

Well, my concern would be that the TAC, which is the advisory committee transition advisory Committee, as supposed to be able to have access over the course of these last since they've been established access to all documents that will reflect the declaration turning over all of the material goods as well as the financial goods, the property, everything will be turned over to contracts for things like Charles brought up about the maintenance contract and Cross Krause and Robert brought up that we're paying \$720 a month.

00:21:26:00 - 00:21:39:15

So we'll Charles and the TAC have access to that. And then in turn, will the homeowners have an information before it's just handed to us? At that day of turnover.

00:21:40:06 - 00:22:14:08

We would assemble a package of all existing contracts that are needed. Robert, as as the as, as the community manager maintains the records. So when when Crystal Lake Community Management transitioned out of Medford, all of those documents were transitioned to QPM as the community manager. They're available for inspection. If anybody on the TAC wants to know anything about any of the current contracts were more than happy to share those details and accept their input.

00:22:14:10 - 00:22:35:18

And with regards to year end financials, those financials again, are once once we catch catch up on this one review here on 2021, these financials will be reviewed. And as an owner, you will all have access to the independent review statements for for the issue.

00:22:37:23 - 00:23:09:10

And it can't be definitely needs to be underscored here. But that external review of the CPA is is will handle probably about 90% of your concerns there. Understanding that, you know, going into 2023 and those they will they will offer a report on the financials and and especially in all things concerning the money. And so they are that independent third party for those the most important part, which is the cash, all the contracts and everything that we have on hand here for inspection.

00:23:10:02 - 00:23:17:15

Um, and so there's, there's not really a need for as far as I can see, huge overwatch there.

00:23:19:29 - 00:23:52:22

But the homeowners association and members will be responsible for all the contracts at turnover, everything that has been going up to that day and then changed over the homeowners will then be responsible for and the condition that they're in and whether they've been completed. And at the financials, the money that's there, their the um all of the things it won't be one day there will be an opportunity or there has been a process of an opportunity where TAC has had access to that.

00:23:52:24 - 00:24:02:03

They can look at all those things without the last minute. 24 hour. Okay, sign here. Do I understand that that is open and available to the TAC?

00:24:03:07 - 00:24:03:22

Yeah.

00:24:04:03 - 00:24:35:08

Yeah. I can tell you that anything that we've TAC? asked for, we've gotten in good faith. So we've gotten a response. Everything that we've asked for. What does concern me is what we don't know is attack a TAC what's coming at us.¹⁰ I mean, there's deeds and insurance policies, infrastructure, lots of things I can think of that, um, we as a as a board going forward¹¹, we need to know about. Um, so

00:24:37:14 - 00:24:54:06

that's why we look, we look to maybe you, Aaron to, to guide us a little bit on on, you know what this, what this meeting will entail. We can assemble a roadmap for you, um, and kind of spell out the process. It's good.

00:24:56:00 - 00:25:05:19

And you're right. And some of the roads are HOA owned. So we will spell out the community assets as well that that the HOA, you know, currently holds. Right.

00:25:07:17 - 00:25:23:11

And as far as an audit that I believe Dana was referencing to, you know, the statute states that there should be an independent certified public accountant license through the state to assess it if it exceeds 75,000.

00:25:24:25 - 00:25:32:08

Uh, sorry. I wish like right now the budget is reviewed by an independent third party account. The financial statements are reviewed every year.

00:25:33:12 - 00:25:39:26

And they qualify under the certified public accountant under the state? Yep. Yep. Okay. Yep.

00:25:43:27 - 00:25:48:02

The current contractor doing that is is HOA is one of their specialties.

00:25:48:04 - 00:25:50:07

So what was the name of him?

00:25:50:24 - 00:25:52:03

I'll get that to you here in a minute.

¹⁰ But this is what a TAC was meant to do. ORS 94.604(2) "The committee shall have reasonable access to all information and documents"

¹¹ ORS 94.604(5)(5) The requirement for a transitional advisory committee shall not apply once the turnover meeting called under ORS 94.609 has been held.

00:25:52:07 - 00:25:53:08

Okay, thanks.

00:25:57:00 - 00:26:10:12

Will there be a minutes available for this this meeting and the budget that you showed last time available to the homeowners in the near future?

00:26:11:14 - 00:26:33:00

Absolutely. Just, Robert, I believe Josh is compiling the minutes on this meeting. Sorry, Josh And, um, and yeah, the budget is available. As we said in the last meeting, the budget was actually approved much earlier this year with no increased fees. So yeah, that, that is, that is a all.

00:26:33:09 - 00:26:42:27

It should be noted to that the last minutes and the budget are on your online portal. So if you log in there, you'll be able to see it in the appropriate file.

00:26:46:01 - 00:26:54:04

Okay, I understand. The last time, the last meeting, the budget was approved with some with a 1 or 2 conditional items have removed.

00:26:58:03 - 00:27:13:19

There's still some finalization on management fees and discussion that to have. And we're also holding off on the final the CPA review to have their input before it's all official. But they did approve it with a couple of conditional items for review. That is true.

00:27:15:10 - 00:27:20:16

I'm sorry. It was not clear. Did you say? Yes, it had all has been approved with the conditions.

00:27:20:18 - 00:27:25:29

There's no there's still the next meeting. There'll be some discussion, I'm sure. Okay.

00:27:58:25 - 00:28:01:07

Any any further items or.

00:28:04:16 - 00:28:33:25

I'm going to make a. Based on what I looked at. I just looked at them this morning. The reserve study still is carrying a lot of items that pertain to the fountain, replacing pumps and whatnot that things that we no longer need. That's the version of the reserve study that I got this morning. I saw that some kind of rotation that those items would be removed and that would make perfect sense. Robert you're frowning a bit.

00:28:40:21 - 00:28:41:19

You're muted, Robert.

00:28:44:07 - 00:28:48:16

I'm just. I'm just rolling through, taking a look at something. It's not something.

00:28:48:18 - 00:29:20:15

That we need to address right now, but there's something that is in the document that I saw, the reserve study. I'd be curious to know once we've got the the set of things that we own and their expected end of life, What is what how does that affect our funding? You know, did we make a deposit this year? And those it's quite a few items in there pertaining to maintenance of the fountain. Replacing pumps and lighting and etcetera.

00:29:22:17 - 00:29:23:02

Um.

00:29:23:18 - 00:29:24:11

I have to.

00:29:24:13 - 00:29:45:12

Take issue with, with the comment there. Even though it states that it's a line item there, you'll see that no money has been allotted in those sections. And down there in the comments it says advise to remove from report board as voted to replace water feature with plants. And so there's actually no money allocated, at least what I'm looking at for the 2023 reserve study.

00:29:45:21 - 00:29:55:08

And my mistakes and I, I thought there were line items in there and I just had a quick glance. So sorry. Yeah. Charles, I think I.

00:29:55:17 - 00:29:56:13

You know, to.

00:29:56:22 - 00:30:29:05

Circle back to the report distributed, read through it. Anybody can highlight anything, mark it up, send it to us, and we can go through those all with, with the consultant and the and make sure the report is dialed in for the 2023 review. Yeah. As a TAC member, as we approach a turnover, I'd like to be able to look homeless in the eye and be able to say I have concerns about the reserve study. I think we're in good shape, whatever that answer may be.

00:30:29:07 - 00:30:37:19

I'd like to have a clear understanding myself and that's that's on me to do that. Yep. But reach out to us if you need anything for that.

00:30:43:02 - 00:31:07:11

And hi, this is Laura Wilson again. I just had a question. If there's any legal proceedings when we do the transition and I'm not asking if there are any at this time, but just if there were any legal proceedings, would the board, the HOA board just deal with that, that attorney or whoever's doing the procedure? How would we forward that to the HOA, the homeowner, HOA?

00:31:10:24 - 00:31:26:28

Um, sorry, I I'm uncertain and unclear on on what? Which type of legal proceedings are you discussing? You mean just the legal costs of handling the transition and the signing or. No.

00:31:27:00 - 00:31:31:14

I mean, if there was a homeowner that you had taken legal action.

00:31:32:13 - 00:31:35:09

For? Yeah. Uh.

00:31:35:18 - 00:32:10:14

Yeah, well, that's all done. Like the HOA currently exists, right? So it's just the leadership of the HOA that is, is, is changing. Whereas the declarant, um, you know, BBH, USA Limited partnership can appoint the, the directors of the HOA. You know, we're handing with, with the loss of the different **Declarant** rights as we sell the final lot. It's up to the homeowners to elect their their president, secretary and their board. But all actions taken by the HOA are just assume they've already been done.

00:32:10:16 - 00:32:24:27

They they like we're acting in the best interests of the owners. But the the any anything that we've undertaken to date is still on all of the owners like the HOA exists currently if that makes sense.

00:32:25:01 - 00:32:35:03

It does so they it would just be transferred to the the new board to be responsible for whatever. Okay. That makes sense. Thank you.

00:32:35:05 - 00:33:11:06

This was very important to have with property management because we're going to be the one thing to provide continuity to all this. We have the contracts on here. There's we have a good idea of everybody we've dealt with. We understand the history of maintenance. Tak **TAC** is also on board of that. So it's not going to fall on any one homeowner to know all these things. And so, you know, it's transition isn't something that, you know, while it can cause some anxiety, it's actually a pretty simple process.¹² And, you know, worst case scenario, you know, some of the HOA is retained during transition.

00:33:11:08 - 00:33:29:18

You know, they'll vote to to to have legal counsel of sorts to help them through that transition, to make sure things are set up right. And so, you know, there's a lot of options there that, you know, it should go pretty smooth with with all the things that have been done already.

00:33:36:08 - 00:33:37:02

Thanks, Robert.

¹² It is. ORS 94.604, 94.609, 94.616.

00:33:48:18 - 00:33:49:19

Okay. Well.

00:33:50:10 - 00:34:17:13

Thank you, everybody, for your time. If there is anything else, reach out. Robert has our contact information. He's happy to share it. I'm happy to chat with any of you. And yeah, we'll just continue to move forward. And for those of you who want to join in two weeks for the director's meeting, we should have some other things put together there on the financials and we'll Yeah, with that, I mean, I think we just adjourned.

00:34:18:18 - 00:34:23:00

Thank you. Thank you, Aaron and Robert. Have a good holiday.

00:34:23:16 - 00:34:25:15

Thank you. Thank you, everybody. Thank you.