

**TC HOA Board Meeting
May 1, 2007**

Participants: Linda South, Gayle Voyles, Ken Patrick, Debra Smith (arrived 15 minutes late) and Howard Barewin

Observers: Jim Stasieluk, Ken Ruda, Margaret Long, Brad Buckner, and Jennifer Nearing.

Linda- While we're waiting for Debra let's discuss **Agenda Items for May 17, 2007**

A Motion was made to present the square footage issue and other related events that are dividing the community.

Saturday Coffees – Gerald wondered if it would be possible for residents to bring baked good for sale; like a community bake sale. Gayle shared that she had thought those interested in visiting over coffee might want to take turns bringing refreshments, in order to building community and wondered if a license would be required to have actual sales going on in the clubhouse. A question was raised regarding who would get the profits earned. It was stated that the resident selling the baked goods, or crafts, would reap the benefits. It would be bringing people together and not be open to the outside. The board decided to have Gerald attend the May 17th 6:00 board meeting to present the rationale behind this request.

The meeting was called to order by President South.

Revisions of Declarations and By-Laws Discussion:

Howard examined the Plat of TC Condominiums, which is referred to in the TC Declarations, and prepared by a reputable company--Shafer, Kline; the survey was done by Slagle.

By-Laws: Howard's comments after his review.

I've made notes on the copy I gave Linda of some general tweaks for language changes. Howard said that he noticed Tom Scanlon's proposed changes were not reflected in the latest copy of the revisions (dated 4-18-07). He flagged, for Linda, where these should go.

Howard suggested that the first item we should clarify or address was the Section 6 the majority in a vote issue.

Units vs weighted votes and counting; documents must be clear of whether it is weighted, or not. Quorum (in the next page – section 5) you can't tell from the next whether it is a unit or weighted vote. Section 5 and in the page before, you need to clarify these are weighted votes.

Quorums – things related to (page 3) discrepancy for quorum for increases in assessment and for things not having to do with assessment increases. Howard is speaking of how these would be changed. Original (1/3 is quorum) Howard thinks it was weighted; Ken's understanding is that in the original documents everything was a weighted vote.

Ken – two different views will go forward on this. Ken wanted to just make recommendations necessary for the transition from TC Apartments to Condominium Complex. Linda South added that is why the amendments presented by Tom Scanlon did not appear in this draft of revisions.

Clarification Points: 51% of vote on quorum – as to monetary matters. Debra agreed. Everything else was 1/3. Linda and Debra were in agreement.

Majority (units or people) – quorum for meetings? Total association majority.

Quorum is different if increases in assessments: requires 50% of all eligible votes (weighted). Howard suggested that the revisions should say it more clearly. As described in Reference Section 7: Each vote is a weighted vote. If not related to increase in assessments it requires 1/3 of votes.

Quorum is met for those votes involving an increase in assessment; majority vote of the quorum (requires 51% of weighted vote present) in order for it to pass, the only difference is for a amendment you need a 67% total vote.

Debra – we had it last time 2/3 (of quorum) for special assessment. Page 20: Section 6 – from Debra's memory.

Increased quorum requirement is back where Howard was referring to, earlier.

Members holding 2/3s of quorum; 51% total weighted vote for special assessment. 2/3 of that quorum is required for special assessment.

Debra: The quorum is 67% of 1/3 (Page 3) – No (LINDA) voting on assessments is 51%. All increases in assessments (anytime dealing with money) is

Debra – disagreed with what was being said. It didn't fit with her memory of the previous discussion. Debra asked why it was necessary to add it in Section 5.

Linda responded by saying that the only change in Section 5 was changing the perspective from "disapproved" (Pauls language), revised is our tweek on this, to the perspective of to be approved. Linda then stated that we'd have to refer in Section 7 also, consistent with what had been done earlier.

Debra – least ambiguous in dealing with money. Howard – Section 5 in the back, for normal operating budgets you need 51% of the total vote. Howard stated that he wasn't

sure he agreed with what Debra was saying. Total eligible association vote which is of the quorum. Section 6 – 2/3s for special assessment (of the quorum).

Total eligible vote requires a quorum, however during the discussion Debra stated that she thought it was only when dealing with assessment increases.

Howard then asked what the board wanted.

Debra – I want to stay with this except define special assessments. Howard – but you interpret this as full membership vote/ forgetting quorum.

Linda – I believe our conversation was 2/3s vote of total eligible weighted vote is only for the amendment to declarations and by-laws. 2/3s of quorum is weighted vote.

Debra – Then the document would need to be changed.

We don't want to have to get a quorum to pass budgets and everything else. Debra stated that she personally did not agree with that.

51% of a quorum isn't very many people.

Howard: Usual practices – quorum sets it. Whoever shows up; weighted vote.

Jim Stasieluk asked a question: Total association vote – how is this ambiguous. All votes require a quorum and all votes are majority of voters. Currently, total eligible association votes. We'd need 1/3 of the votes.

Debra – only ambiguous part is 2/3 of quorum for special assessments. Other than that was a percentage of total association vote.

Linda: Under Section 6: Once a quorum is established (1/3) it would take 2/3s to pass a special assessment. Only thing added is absentee ballots. Debra stated that she had encouraged the term “quorum” in this section during the initial revision meetings.

Linda – Maybe we should go back to the original one. Howard is looking at it. It is subject to interpretation; the board should clarify it. What is it that the board wants?

Debra – four different kinds of votes. She explained that a special assessment required 2/3 of a quorum and changes in the declaration 67% of total association.

Ken said that is why I think housekeeping changes should only be the changes we present to homeowners, at this time.

Debra's request – define what special assessment includes. Budget (approve vs. disapprove language).

Howard – How will these be presented to homeowners? The board is in agreement, or these are the specific parts approved by HOA Board's vote. Ken, again mentioned that there would be different perspectives shared, if we didn't just do the housekeeping type

changes, at this time. Anytime we change the guiding documents from what people bought into we should bring potential changes to homeowners one at a time.

Other than housekeeping...there is the issue regarding the term of officers and having the annual meeting changed to the end of the fiscal year. Ken stated again, that he thought this should be voted on separately because it is a change in policy.

Debra disagreed – The board needs to speak up about issues that board members are not in agreement on.

Ken – only technical changes required for transfer from Pauls Corp. to TC Condominiums. Anything approved by homeowners will stand up. Howard: It seems it is just a strategy question (technical changes only or try to present everything at once).

Policy changes – parking issue – Howard stated that he thought the board would run into trouble with it. Ken doesn't want several issues buried in a fog of change. Each policy change should stand on its own. Next vote, maybe 12 items and homeowners vote yes or no on each of those. Only those with the required number of votes would be approved.

By-Laws – other than the quorum issue is there anything else you see as housekeeping?

No, absentee ballots – is a policy change.

Homeowners Corp., not Pauls Corp., for first revision proposed to homeowners.

How about on the Declarations – Debra said the same thing (only technical changes).

Howard: three or four things he'd suggest we consider putting into the Declarations:

Car ports limited common area. Howard and Ken explained that limited common area is a subset of common area.

Debra – obvious point of note

#7 first paragraph – the act actually says units will be divided par value (or size) we are weighting percentage by size, not par value. Howard added that he thought that would be a change we'd discuss as potentially presenting to the homeowners.

Pauls was covering themselves in the Declarations – we aren't just relying on these figures as measurements, we are calling par value as we see it. Howard explained that the term par value refers to a phrase that designates a number. It is just an assigned number.

Linda asked Debra if she had her petition ready to present? Debra stated, “No, not yet (I have 101 signatures”.

Linda then said, “We’re at a point where we need to talk some more about that. It seems that this effort is totally for the one bedroom homeowners, not for the community at large and is creating an environment where you’re turning neighbors against neighbors.”

Ken stated that the only major action taken by the board was to give one bedroom homeowners the sole use of parking spot that was previously used by all homeowners.

Jim Stasieluk stated that the TC HOA Board didn’t give homeowners a parking spot in front of the unit. The board *interpreted* the rules; no one gave anything away. Gayle agreed with Jim’s statement.

Debra then stated that she was still looking into the Law Enforcement issue with board members using State and Federal email for HOA business and reported that the act is in violation. Next, she mentioned the pettiness of Linda not communicating with Debra in the same way she communicates with others. I applaud you for not sending me emails from your government email address. Debra also shared that she felt Linda’s mention of the Federal Marshall in her reply regarding the mis-use of her government e-mail was used to scare/intimidate her; she added that Linda can’t do that and that she needed to be treated the same as others. Debra continued by saying that this board and the previous board has/had discriminated against Veterans. Next, she added that she had more than 25% of homeowners’ signature required to call a special meeting. She added that she thought the 45% of the community should have at least two HOA board representatives of their condo unit type.

Linda shared that in March the board tabled the revisions due to Debra’s issues with the square footage. You were going to make a presentation to the community (at the open meeting)... Debra interrupted and said, “That is a democratic right to get petitions signed and bring an issue to the community.” The board shared they agreed that any homeowner had that right, but, what you’ve done is related to seeking signatures totally of a specific type of unit.

Linda then said, “In January, when you put out your first letter you referred to me calling for your resignation. It was a choice – I explained that you/ a board member can’t represent *only* one type of unit as a board member.”

Debra said, “The By-Laws don’t say that.” Linda shared that board members have a responsibility to the board and to the entire community to do what is best. Debra disagreed.

Linda continued to say that Debra’s e-mails have been threatening, divisive, explosive, and have caused the board to be ineffective (Debra also talked throughout all of Linda’s comments). This is an ineffective way of running a community. What has been divisive?

Linda continued by saying that what the rest of the board would like now is to ask you for your resignation. Debra declined.

I’d entertain a motion to take this to the community; Ken made the motion, and Gayle seconded. A vote was taken and it was approved (3 – 1). A letter will go out before the

May 17th meeting. (anyone who attends the meeting by proxy or at the meeting) Article 3: Section 6 – addressing the issue.

Debra read that section to the board members. Total eligible homeowner vote (in person or by proxy). Jim – the purpose of most petitions *is* to serve those that feel that they are disadvantaged. Square footage calculations would be shared between those individuals.

Howard reminded everyone that the existing square footage figures have not been proven wrong, and the engineer who did the platting is a highly respected engineer. Debra interrupted and the secretary asked her to please let Howard speak because it is hard to get what is said accurately when two people are speaking.

Debra – I spoke to the very guy and a JO CO team and they both came up with the same figures. I spoke to the guy who worked with the legal firm Doug Ferrar, he never did figure out the square footage. But, when asked he did go back and figure it out.

Ken: It will take 2/3 of weighted vote of entire community; since this will never happen why are we going through this? Howard asked to see what Doug Ferrar said about the square footage. Debra stated that he did it for free.

Exhibit – Debra came up with. With actual square footage (to the foot) matching – from two different groups. Different software but same figures. So, this is correct and I think it will uphold in a court of law. One bedroom homeowners are being economically harmed. We can get our overcharged dues back.

Howard: I wonder where Pauls got these figures? Howard suggested that the board find out the source of the sq. footage figures that appear in the Declarations.

Debra stated again that she was going through a peaceful democratic petition and then threatened to sue the board members.

People bought into the complex under the current declarations. **If** it is incorrect, that will be determined down the line.

Howard: It is hard to see that you have reparations going back. Debra stated that the board didn't do due diligence because they didn't check out The Pauls Corp. figures. Again, Pauls came up with those numbers based on a measurement; they didn't just pull them out of the air.

Did all the numbers jump? 83 sq. feet bigger, 45 , 300 sq. feet bigger, 200 sq. feet bigger. They were marketed as bigger than they were.

Howard asked Debra if the figures indicated that the square footage increases were Was pro grata? Mine was 915 and actual is 877. Refer to Debra's handout. Last two columns represent the counties latest figures. Some look proportional; townhomes have the biggest change. The second column is what the square footage is on assessments homeowners receive. They will use the new figures for taxes in the future. Apex software was used.

Debra then asked if there was anything else.

Linda said, No, and thanked everyone for coming.

Jim – The decision to ask for Debra’s resignation was based on her decision to distribute a petition? Ken and Gayle both said, “NO, that wasn’t the reason. Debra does not represent the best interest of all homeowners and has threatened each board member.” Linda added pitting neighbor against neighbor, being divisive; homeowners have complained to the board. It would have been good if Debra had presented her issues at the board meeting. Bashing other board members is not in the association’s best interest.

Jim – Do you see a basis of threat?

Howard- The board has acknowledged the square footage issue and said they were willing to take it to the community’s attention. I find Debra’s types of actions are inconsistent with common board behavior. Those types of actions develop an impossible environment for effective board work.

Linda, this meeting is adjourned. 7:45 PM

Jim – asked the attorney what his hourly fee was. \$300 an hour