CVPOC BOARD OF DIRECTORS MEETING
March 20, 2010

Call to Order: The CVPOC Board of Directors meeting was called to order on March 20, 2010 at 10:00 a.m. by Vice President Ellen Templar, in the absence of President Jacquie Beveridge. A quorum was present consisting of the following directors: Larry Beveridge, Denise Crowe, Dean Cullop, Charles Dunlap and Kathleen Halverson.

Fill Vacant Board of Directors Seat(s):
Member Michael O'Harrow submitted a letter of willingness to be appointed to the vacant Far West Sector Director position. Mr. O'Harrow was not appointed to the board following a vote by secret ballot of 3 nays and 2 yeas.

Reading of the Minutes:
- Larry Beveridge made a **MOTION** to accept the February 20, 2010 Board of Directors meeting minutes as written. The motion was seconded by Dean Cullop and passed unanimously.

Treasurer's Report:
As of February 28, 2010, Balance Sheet totals were as follows:

Total current assets:	$ 190,487.40
Total fixed assets:	$ 442,581.78
Total assets:	$ 633,069.18
Profit & Loss for February 2010:	
Total income:	$ 41,133.80
Total expense:	$ 34,146.06
Net income:	$ 6,987.74
Profit & Loss for July 2009 through February 2010:	
Total income:	$ 306,579.90
Total expense:	$ 346,081.11
Net loss:	$ (39,501.21)
Budget for July 1, 2009 through June 30, 2010:	
Total income:	$ 434,510.00
Total expense:	$ 444,420.00
Net loss:	$ (9,910.00)

Committee Reports:
***Collections*:** Chair Larry Beveridge reported: excluding the 2 foreclosed properties, there is about $6000 outstanding, including 6 owners close to being turned over to Vial Fotheringham for collection; a small claims action has been filed by CVPOC against the owners of a lot under foreclosure by others.
Five Year Plan: Chair Ellen Templar reported basic data and information has been entered into the reserve study program, and research and organization of component items and related information required for input continues.
Website: Chair Cal Crowe reported everything is going well and Denise Crowe reminded members that unexpected events such as emergency water shutoffs for leak repairs are immediately posted on the notice page of the website.

Maintenance Report:
The April personnel work schedule and maintenance projects list were presented to the board, along with a written report of completed projects submitted by Maintenance Supervisor Frank Brooks. Mr. Brooks also reported the removal of the majority of the debris, including buildings, from Lots 43 and

261, and the repair of two recent water leaks that required the water to be shut off to the entire village.

Old Business:

1) ***Status of Foreclosures:*** Proposals from 3 real estate firms for the sale of CVPOC owned Lots 43 and 261 were presented to the board with commission fees ranging from 5% to 10% and an average selling price of $41,750 for Lot 43 and $53,750 for Lot 261.

- Larry Beveridge made a **MOTION** that the sale of 261 Outer Drive and 43 Easy Street be handled by Rick Cox of Coldwell Banker Coast Real Estate (5% commission fee). The motion was seconded by Dean Cullop and passed unanimously.
- Denise Crowe made a **MOTION** to advocate for Larry Beveridge to represent CVPOC with the realtors. Kathleen Halverson seconded the motion, which passed with 4 yeas and 1 nay (Larry Beveridge).

New Business:

1) ***Budget:*** Dean Cullop, Treasurer and Budget Committee Chair, referred to a current fiscal year-to-date (July 1, 2009 through February 28, 2010) net loss of $39,501 and reported water/sewer costs for the period of July 2008 to March 2009 of $81,120 and July 2009 to February 2010 of $119,439; a difference of $38,319, but mentioned the water/sewer bills recently decreased from around $18,000 to $20,000 per month to around $10,000 per month, currently putting CVPOC in a better financial position. Mr. Cullop stated there are consistent reviews of the budget, line item by line item, reported that unnecessary monies are not being spent, and stated that while some line items are over budget, others are under, and included an explanation for the differences, one major item being attorney fee expenses which were incurred last fiscal year, but were not billed and therefore not paid until this fiscal year. Mr. Cullop also stated he checks with the office manager weekly for current month reports of bank balances, expenses paid, anticipated expenses and due dates, income received and remaining anticipated income. Mr. Cullop reported the Budget Committee has had a number of meetings, continues to monitor income and expenses, and anticipates that with the recent improvement in the financial situation, there may not be a need to consider a special assessment at this time. Mr. Cullop stated, however, that in his opinion, there will need to be an increase of monthly dues in the future, with any increases kept to a minimum but adequate amount; that the current financial situation did not happen this past year, but is an accumulation, over a period of time, of items not being adequately addressed during budget preparation, unanticipated increases in expenses, and a decrease to dues in the recent past; but that unforeseeable circumstances, not any one person or group, is at fault.

2) ***Special Assessment:*** The following legal opinion by Thomas Nicholson, CVPOC attorney, in response to the question "Does the Board of Directors have the authority to levy Special Assessments?", was read for the record: "Answer: Yes. The Oregon Planned Community Act allows the Board of Directors to levy Assessments against the lot owners/lots for common expenses for the benefit of the Association. The Oregon Planned Community Act only references "Assessments" and does not distinguish between Annual Assessments and Special Assessments. Your CCR's specifically authorize Special Assessments "for a limited time to pay for special expenditures" (CCR Section 1.3) and that assessments may be used for operating capital (CCR Section 7.2 A), and that the Board of Directors has the power to levy "assessments" (CCR Section 7.3). Since the adopted budget was insufficient to meet the unexpected dramatic increase in water/sewer fees assessed by the City, the levying of a Special Assessment to meet the Association's cash flow funds "emergency" is warranted, and I believe that after full consideration of the matter by the Board of Directors and an affirmative vote by the Board of Directors to levy the Special Assessment for purposes of remedying this specific cash flow "emergency", that a Court upon review of the matter would uphold the Special Assessment." Ellen Templar reported that, while the Budget Committee does not see the need for a special assessment at this time, it is a possibility in the future; Water will continue to be a large expense problem for the association and it will continue to go up in cost. Fair weather water consumption will continue to increase. Other needed large expenses will continue to occur as time goes along, including

roads and possible infrastructure needs. The new reserve study being compiled will give a much clearer picture of where we actually are with needed maintenance items now, and in the future over the course of the next 30 years.

3) ***Water Metering:*** In response to input from the membership for cost saving suggestions, Buildings and Grounds Committee Chair Ellen Templar requested the board to create a temporary sub-committee attached to the Buildings and Grounds Committee for the purpose of researching the best way to possibly approach metering individual lots and common property.

- Denise Crowe made a **MOTION** to engage a new subcommittee to research water metering. The motion was seconded by Dean Cullop and passed unanimously.

4) ***Recall Petition:*** Due to a question of the validity of a petition for the recall of the Director-at-Large and the potential liability to board members, individually and collectively, if approved by the board, Ellen Templar requested that the board seeks a legal opinion from the corporate attorney.

- Denise Crowe made a **MOTION** to obtain a legal opinion from the corporate attorney as to the validity of the petition for the recall of the Director-at-Large, Jacquie Beveridge, and for an additional legal opinion from the corporate attorney as to any possible liability on the part of the CVPOC board as a whole or as board members individually in connection with the petition. The motion was seconded by Dean Cullop and passed with 4 yeas and 1 abstention (Larry Beveridge).
- Denise Crowe made a **MOTION** for a vote of confidence in Jacquie Beveridge's abilities as Director-at-Large, and that Jacquie Beveridge has and is dispatching well the duties of her elected office. The motion was seconded by Dean Cullop and passed with 4 yeas to 1 abstention (Larry Beveridge).

Ellen Templar informed Mr. Clark that he has the opportunity, if he so wishes, to withdraw the petition by request in writing and submitted to the office, and that anyone who wishes not to be a part of the petition may request so in writing and submitted to the office.

Correspondence:

Ellen Templar assured the membership that all information, correspondence, complaints or concerns provided by any CVPOC member through the proper procedures is distributed in a timely manner and is seen by the board members. However, the board does not act on every piece of information it receives because not all correspondence concerns matters that are appropriate for the board to act upon. Correspondence from member Billy Clark, and a letter of response, was presented to the board for review.

- Charles Dunlap made a **MOTION** to approve the response letter, drafted by Jacquie Beveridge for the board, as presented, and that the letter be sent to Mr. Clark. The motion was seconded by Denise Crowe and passed unanimously.

Adjournment:

- Larry Beveridge made a **MOTION** to adjourn the meeting at 1:00 p.m. Denise Crowe seconded the motion, which passed unanimously.

Denise Crowe
Denise Crowe, Secretary — Date 4/20/2010

Ellen Templar
Ellen Templar, Vice President — Date 4/19/2010