

Unapproved Annual Meeting Minutes Summary
July 16, 2016
Villages of Oscoda HOA

Call Meeting to Order:

President Randy Moore called the meeting to order at 10:00 a.m. at the Villages of Oscoda Clubhouse. He reminded all present to hold all comments and questions until the end of the meeting during the general discussion period and that this meeting's purpose is for Association business only. The current Board of Directors was introduced. Pledge of Allegiance was recited.

Roll Call:

Present: Randy Moore (President), Don Gauvreau (Vice-President), JoAn Nink (Secretary), Barbara Herc (Treasurer), Mike Munson (Trustee).

Secretary's Report: Approval of Minutes:

Annual Meeting Minutes of July 18, 2015 was included in the meeting packets. JoAn Nink asked if there were any objections to not read the minutes as they were lengthy and took up a lot of time. Hearing no objections, a motion was made to accept the minutes as published by Don G. seconded by Mike M. All Ayes. Motion passed.

Treasurers Report:

Financial Report: Don G. stated the Financials for the General Operating Fund as of March 31, 2016 are:

Revenues: \$148,146.61

Expenses: \$79,734.99

Excess Revenues (net income) for the first 3 months: \$68,411.62

Projected Revenues for the full year: \$535,601.00

Reserve Fund (Major Repair and Replacements Fund): \$56,512.00

Audit Report: Don G. stated that Stephenson, Gracik & Co., P.C. is the company that the Board hired to do the annual review that is required of all condominium associations. The report came back with great reviews and the accounting practices that the Villages of Oscoda have in place are in compliance with accounting principles generally accepted in the United States of America. The audit report is available in the black file holders on the wall by the front door if you would like to pick one up.

President's Report:

Current Housing Status . Randy M. reported the total number of units at 758; Primary homes - 376 or 50%; Secondary homes - 212; or 28%; Non-Owner Occupied Units . 170 units total or 22%; of those homes . Rental Units . 148 units or 20% and Family Owned/Rented Units . 22 units or 3% ; Homes for Sale - 34; Units in foreclosure or are bank owned - 4; Units sold from July 1,2015 through current day . 31 with 5 more pending.

Annual Picnic: Randy M. informed the co-owners that the annual picnic has been scheduled for August 27, 2016 from noon to 3pm. The association will supply the hamburgers, hot dogs, brats, the table settings and drinks (non-alcoholic). Please bring a dish to pass. There will be entertainment, games, prizes, giveaways and more. If you have any homemade or other items that you would like to donate for the prize giveaways, please feel free to contact the office and let them know. The proceeds from the 50/50 Raffle will be going to the upkeep of the General Common Elements. Come and join us and your neighbors for a good time!

Land Purchase: Randy M. gave a report on the updates of the %ld 8000 Area+ purchase the Villages is working on. The Villages of Oscoda has been in the process of purchasing the land that

has been owned by the township since the Air Force vacated and it has been vacant for several years. The township was the one that decided to put the property on the market and since the property is in the backyard of the Villages, the board decided that it would be in the best interest of the community to purchase this parcel from the township. The township originally listed the property for \$70,100. The Villages Board of Directors then decided to make an offer of \$50,000. The township decided to accept the offer. In the meantime, we have solicited your input via the newsletter, website, Facebook page and also mentioning it in the office. Although the Board of Directors have the power to purchase property on behalf of the association (Article 1, Section 4(a)(vi)), we were very interested in what all of you had to say. Out of all the feedback that we received, the overwhelming majority of the responses were to acquire the property. We had very little negative feedback, but the ones that did not want to purchase the property stated that they were on fixed incomes and weren't sure how they would be able to afford it. The Board took that comment and has made sure that we would help those out that needed it and would spread the assessment out over a couple of months. Another negative comment was that if it's contaminated, why do we want it? The Board is taking precautionary measures to make sure the Villages is not on the hook for any contamination that may or may not be under that ground. We are getting a Baseline Environmental Assessment done on that property and if it should come back with negative remarks, the Board will possibly re-think the purchase of this property. The Board feels that acquiring this property will prevent other entities from purchasing this property and turning it into something that would negatively impact Village property values. A perfect example came into the office the other day and stated that he was a contractor working with an investor and they would like to purchase that property from us. He then stated that he and his investor would like to bring in housing, and rent to Kiletta and STS employees only. Now, we don't know about all of you but the Board does not think the Villages need anymore rentals in this community. The Board also knows that unless we make that parcel a part of the association, this new housing project, or any others, would not have to adhere to any of our by-laws. They could essentially do anything they wanted to those properties and we would not have a say in it. The Board does not like these odds and would not like to take a chance with your property values.

Randy went on to say that several questions have been asked like: What are you going to do with it? Well, the Board does not have any big plans that are set in stone yet. We basically just want to make it ours to start out with by putting up split rail fencing like we do in all the parks. We have thought that we will want to name the park and so a park naming contest will more than likely be in the near future. We have had suggestions such as making one section a place to fly drones or play Frisbee golf. Another suggestion was to mark the roads for those of you who walk and want to know how far you have walked by having track markings on the road or sidewalks. Another suggestion was making a section an arbor, where nothing but plants and trees are to be planted there for the wildlife and residents to enjoy. Another question that some people are asking is: Are my dues going to go up? The Board has mulled this purchase over more than you even know and have looked at every angle that this purchase could affect. At this time, the Board does not believe that the dues will have to be increased to cover any of the costs associated with this property. The taxes have been estimated to be within \$1400-1600 per year. As for the mowing, we will end up putting that area out for bid so that we can get the best price possible to have that area maintained properly. These costs are small enough that they can be absorbed into the operating budget. In summary, the Board feels that this is a good purchase and hopes to have your support.

Committee Reports:

Lawn Maintenance:

Mike M. reports that G & H Lawn Care & Landscaping is still the contracted company that will maintain the property in the Villages of Oscoda. They are contracted through 2018. If you have any compliments or concerns about the lawn care, please do so in writing so that we may handle it more effectively. Any complaints that are received in the office are reported directly to the supervisor and the issue is dealt with as soon as possible. Some weeks are dryer than others and they might make a judgment call on which yards need to be mowed and which ones could stand to wait another week to be cut.

RV Lot:

Don G. reported that the RV Lot is going through some changes right now. Maybe you have noticed that there are some guys that have been going through the lot and putting the poles back up as well as making sure the lots have the correct measurements. In the process of doing this, they have noticed that there are a few lots that have items that are impeding on the neighboring lot. Please make sure your item is on your lot and not partially on your neighboring lot. Some lots are angled and some are straight. We have a map in the office showing which lots are which if you need some guidance. RV Lot mowing letters have gone out to those that need to mow their lots as well. Please make sure that your lot is maintained like it is part of your own yard. The lawn company tries to get as close to your item as they can but they are not required to weed whip around your item. Keeping the grass mowed down will help prevent fires from happening as well as mice or other critters or insects getting into your items. We have suggested spraying grass killer after mowing your lot so that you do not have to worry about the grass for the rest of the season. In the RV Lot billing letter we stated that there may or may not be a mower in the lot due to the abuse that has been taking as well as someone in the Villages has been taking the mower for their own personal use and then bringing it back in worse condition than when they took it. The mower in the RV Lot is bright orange and should not be removed from the lot. If you see the bright orange mower and it is not in the lot, please call the office with the address that you saw it at and maybe we can prevent it from disappearing in the future. We are also updating the security in the lot. There will be a camera at both entrances to the lot now. If you see anything suspicious, please make sure that you let the office know so that we can look into it. As always, we could always use some additional volunteers for the RV Lot. If you are interested in donating a few hours of your time, please contact the office.

ACC Report:

Randy M. reports that the ACC has had roughly 10-15 applications at each meeting from home owners that would like to make improvements on their property. If you would like to make any changes to the exterior of the unit, you will need to submit an application to the committee to do so **before** you start your project. These forms are available in the office or on our website under Association Forms. The ACC meets twice a month during the summer months (2nd & 4th Thursday at 10am in the conference room) and once a month during the winter months (the 2nd Thursday, same time and place). To submit an application for the ACC to review, the request must be submitted the Friday before the meeting. These meetings are open meetings if you would like to attend. If you would like a current copy of the ACC Guidelines, they are found in the black file holder by the front door. If you are interested in becoming a member or even an alternate member on the ACC, please contact the office or put your name on the sign up sheet that is on the information table.

Garden Club:

Mike M. stated that the Garden Club has been hard at work making the Villages of Oscoda a more beautiful place to live and visit. They have planted more trees along Mission St., at the clubhouse and on the playground as well. They have been painting fences, benches and picnic tables. They purchased 5 benches to put up around the Villages. These will replace the ones that need replacing as well as add some new ones. They have planted different plants at the clubhouse, in the beautiful planters that are in the front of the clubhouse and also around the Village parks. They have weeded and watered the flower beds in the Common Areas and have had one new request for a memory tree. If you see a tag that has fallen from a tree, please turn it into the office so that we can have it replaced. As always, the Garden Club could use more volunteers! If you are interested in volunteering your time, there is a sign up sheet on the table by the front door or you can call the office and let them know. Just a couple of hours of your time will help make the work light for the rest of us. Thank you to all the volunteers that have given their time already! Mike wanted to thank John & Becky Davidson for their service to the Garden Club.

Election Report:

JoAn N. reports that there are 3 candidates running for the 3 seats that are open, Mike Munson, JoAn Nink, and Dave Sherman. Make sure that you turn your ballot in by Noon today! We will be counting the ballots on Monday, July 18th at 10am here at the clubhouse. There is a sign up sheet on the

information table at the front door if you would like to help with the counting. We will need 8 volunteers total to help count the ballots. If someone cannot make it that signed up to help count, we will contact the next person on the list. Results from the election will be posted on the website, here in the office, as well as posted in the August newsletter.

By-Law Change Committee Report:

JoAn N. reported that the association attorney has put together a new set of by-laws for them to go through. The %Developer+ will be taken out and the new by-laws will be easier to read & understand. JoAn listed the current members of the committee: Mike McGee, Jacki Gonterman, Mark Miller, Dave & Kathy Bence and Kaitlyn Kazy, along with a few others that have not been able to make the first couple of meetings but are communicating by email. Those people are Jean Howard, Madeline Whitten, Beth Ware & George Moran. They are currently taking the proposed changes section by section and have gone through 11 pages so far. June 28th was their first meeting and it went from 2:30-5pm. July 7th was their 2nd meeting. The next meeting will be on July 29th at 2pm at the clubhouse. She stated that the by-laws need to be updated as they are outdated per the Michigan Condo Act. She suggested that every homeowner take these changes seriously and make sure they cast their vote when this needs to be voted on. There will be additional help needed later to make sure all homeowners can understand the changes and will be needed to walk around to each unit informing homeowners of the changes. Randy added that the by-laws were written by Aspen for Aspen. There have been many, many changes since then and the current book can be very confusing and difficult to enforce. In a lot of sections of the by-laws, they are illegal. He gave an example of the weight of vehicles that are not permitted according to the current by-laws that every vehicle in the parking lot is illegal to be in the association. Copies of the new by-laws will be available for people to read. He re-iterated that these changes need to be taken seriously and encouraged people to volunteer to walk around to try to get the new by-laws changed.

General Discussion: Each homeowner will only have 3 minutes for input.

Margaretha C.: Asked Board members if they can find a company that will give us a deal if a bunch of owners are replacing their roofs at the same time. Randy stated that due to the fluctuating cost in the price of shingles, it would be hard for them to nail down exactly what kind of a discount they can give us but the Board will look into it.

Cheryll J.: Asked the Board if she could replace just her portion of the roof and what happens if the rest of the owners don't want to replace their roof. Randy stated that the whole roof would need to be replaced and if there were leaks in the roof and the other owners do not want to pay to re-roof, the Board would get involved if needed. Randy then stated that these roofs are 50 year roofs and the time is up on them. Mike asked if she has talked to the other owners of that building and she stated that they are renters. Mike told her that she will still need to get into contact with the owners to get the roof put on.

Sandy W.: Stated that she had someone come out to do estimates on her roof and the contractor decided that the roof would be able to be patched and he only charge a \$100.00 for each unit. Ted Schomaker was the contractor that helped her and thought everyone should know that information and that he is a great guy to help with roofs.

Duane S.: Asked the Board if the homeowners were going to be able to read over the new by-laws before voting on the changes. Randy stated that yes, homeowners will be able to view it beforehand. These by-laws may not be done until next year because we want to make sure we get them right. JoAn stated that the attorney wrote the first draft and that it was very well-written. The by-laws are going to be tailored for our condominium association.

Andy C.: Wants to make sure fireworks will not be allowed in the Villages in the new set of by-laws. Randy stated that there is and there will be a by-law against them. They are not permitted but people are going to try to get away with shooting them off anyway. Mike stated that the HOA can only go so far and to contact the police department if they are going on til 3am. Randy stated that the HOA is not legal authority and are not authorized to deal with issues such as vandalism. Please call the police first and then call the office to let us know.

Eva G.: She stated that her neighbors were shooting off fireworks and the next day they apologized and she told them that it really bothered her dog and the next night they went elsewhere to shoot off the fireworks. She also stated that she supports the purchase of the 8000 area. She and her dog walk through that area all the time and they enjoy it and are glad that we are getting that property.

Quentin H.: Wanted to know if anyone was going to sweep the streets. JoAn stated that the roads are county roads and they would have to be contacted to maintain the roads. He also asked about the main roads if they were going to get redone. Randy stated that the road commission needs to be contacted about that and if enough people call about it then maybe something can be done about those roads.

Gary R.: He commended the board in purchasing the property and protecting our property values. He also stated that the article in the paper doesn't represent his vote and he was offended by that article. He then suggested putting extra lighting through that area for those that walk or ride their bikes. Randy said that was a good suggestion and that he has had suggestions of striping that area for those that walk through there so they can see how far they walk. Randy also suggested that if there are any other ideas for that area to put it in writing and submit it to the office and the Board will take it into consideration.

Donna T.: Asked the Board if the 8000 area had been bought yet. Randy stated that the purchase agreement has been drawn up and gone through with the township attorney and the association's attorney. The purchase agreement was finally settled on and the Board signed the purchase agreement and sent it to the township to sign. Once that is sent back to us, the Association will have a Baseline Environmental Assessment done and it and then we will get the check from the bank for the purchase. He also stated that our bank, First Federal, has been working with us and there is only a 4% interest on the loan and no pre-payment penalty. Once we know all the final costs we will send out the assessment to all the homeowners. She asked who was still responsible for the mowing and Randy stated that he did go down and asked the township to mow it again since the property is still theirs and they did come out and mow it. Donna stated that it wasn't done very well. Randy stated that it's not technically a mower that mows the grass but a bush hog that is used due to the thick growth in that area. Donna also asked how the Board came up with the \$113/sq.ft for dwelling coverage. JoAn stated that there were 3 companies that put a bid on the properties in the Villages and the Board took the bid that was in the middle. JoAn stated that there is a common misconception on insurance coverage. What your house is worth is not what your dwelling coverage is; the dwelling coverage is for the cost to rebuild your structure in the event of total destruction. Donna stated that it is difficult with her insurance company because they don't let her tell them what to insure the house for. JoAn replied with make sure the insurance company knows that they are not insuring a traditional condo but a site condo. Some insurance companies don't realize that and are insuring you incorrectly. **Melissa G.** spoke up and said that was the same with her insurance company. She stated that her insurance company said there were legal issues on why they can't cover what we want for coverage. She stated that she worked for State Farm downstate before and that it was not something she was unfamiliar with. JoAn stated that the Board will look into it.

John F.: Stated that he was told when he first bought in the Villages that the contamination would be cleared up within 3 years time and now he is hearing that it has gone into Van Etan Lake now too. He said anytime you are around an airport, you're going to have pollution and there's no getting around it. He then asked if the company that is doing our study is an independent company and that they do not have any contact with the township. The Board replied that it is in fact an independent company. He stated that when they tore those buildings down that they buried everything instead of hauling it away. Randy stated that is why we are getting the study done. Randy also stated that the report will be available for homeowners to look at and that the Board does not want to hide anything from the owners. John stated that the Air Force is the one that should have to clean the contamination up. Mike stated that the Air Force is taking an aggressive stand on this and are trying to remediate the contamination as best as they can. He also stated that the levels that are set with the health department and the levels that are showing up in the wells are below the level that would raise concern. Randy reminded everyone that the Villages is on city water and that water is safe to drink and the contaminated water really doesn't affect us directly. Don spoke up and stated that this has been a military base since 1922 and because of all the fuel and other contamination from the base, it might take another 50-60 years before all of that is gone. JoAn reminded him that this problem is not the Board's problem but that it is good to be informed of what is happening in the community.

Sandra W.: Asked who takes care of the upkeep of the fire hydrants and shoveling around them in the wintertime. Mike stated that the homeowner should. Randy said that in the past the township has come around and done that but he hasn't seen that done in a long time. Don stated that the hydrants do get flushed from time

to time. Sandra stated that hers hasn't been flushed once since she has lived there. She asked how often they inspect the hydrants and the Board referred her to the township for that answer.

Carolyn S.: Asked who the company was that is inspecting the land for contamination. Natalie answered that it was Sagasser and Associates. She then asked why there is no vote on the property. She stated that she knew it was in the by-laws that the Board can choose to purchase property but she still wanted to know why a purchase like that is not put out for a vote of the co-owners. She then asked if Sagasser and Assoc. work with the DEQ. Natalie stated that they will work with whomever to get all the information they need on the history of that property. Carolyn then stated that she was never told about any contamination when she bought her unit and so this is all pretty new to her. She went on to say that she knows that the asbestos and everything else was buried in those basements and that she has contacted the Environmental Protection Agency and they stated that they are looking into it. She stated that she has put her house up for sale and is leaving the area as soon as she can. She then went on to ask why we want to purchase a piece of property that is contaminated. She said that no one was going to buy it and spend millions of dollars trying to clean it up. Don spoke up and told her that asbestos is only a problem if it is disturbed. Carolyn answered back that it is disturbed because they buried it in the basement. Don said that it is buried right now; therefore, it is not being disturbed. Randy again pointed out that is why the BEA is being done on that property and if it comes back bad, the Villages has the right to kill the deal. Carolyn then stated that she didn't think that the 4 board members (there are 5 members actually) should be able to decide on something like this. She stated that the guy has been out on the property and that there will be a full investigation into that property and that he knows that she is not in favor of purchasing that property. Randy went on to let her know that the Board of Directors are in charge of several decisions and that is why there is an election to elect who you, the owners, want representing the owners of this association. He then read Article 1, Section 4 (a)(vi) about the Board powers and that purchasing property on behalf of the co-owners is within their powers to do so. Carolyn then spoke up and said that she acknowledged that article but that deciding to hire the lawn service or a secretary is different than buying property. Mike thanked her for her input and then moved on to the next question.

Jerry D.: Stated that he was no expert but that he understood that asbestos is out of the ground and not in it. He then stated that he came from the Detroit area and the Ford Motor Co polluted the rivers down there and every property down there has pollution.

Toure' L.: Stated that he has owned property in the Villages for 11 years and rents his units out with Perfect Landing as a managing agent. He wanted to thank the office staff for the work that they put in on taking care of his units the way they should be. He stated that there was an issue with one of his tenants and that it was fixed within the same day and really appreciated it. He also stated that he was totally in favor of purchasing the property and thanked the board for protecting that land space and the future of our property values.

Mike Munson interjected that we are all in this together. He stated that there is a no soliciting rule in the Villages but want to make sure that the owners are informed. He stated that the Villages is sponsoring a Meet the Candidates meeting in September and hopes that this will be a positive move and if owners want to know about their candidates that they will have a chance to meet them at this meeting. This will be a meet and greet type of meeting. Watch the newsletters for more info.

Ray G.: Stated that he has been an owner for 17 years and stated that he watched when those units were torn down. He said they roped them off and he doesn't believe that they buried everything in the basements. He doesn't believe that property is really that contaminated. Randy stated again that is why the Board is getting the study done on the property and wants to make sure that this purchase is not going to be the downfall of the association. He stated that the Board does not want to jeopardize the owners property values and reminded the audience that the Board owns here too and that this will also affect their property values as well.

Tomi C: Stated that there are test wells on her property and that she trusts that the Board is following up on that testing. She then asked that if the contamination study does come back as negative and the association kills the deal, then wouldn't the township offer it for sale publicly and couldn't someone else buy it and not do their due diligence as we are? The Board answered yes they could and that is why we wanted to purchase this property. The Board wants to prevent someone else from coming in and putting up trailer parks or something like that. Randy asked if everyone knew that the place where the sand is piled up behind the clubhouse used to be residential and that with a zoning meeting that zoning was changed from residential to commercial. That is what could happen in the 8000 area. That property could also be sold in sections and that a contractor could purchase a section and bring his front loaders in and park them there and we would have nothing to say about it. He doubted that anyone would purchase that property and put up million dollar homes. He reminded the

audience about KI Sawyer in the U.P. and what a mess that turned into. JoAn stated that the office staff kept track of who was for and who was against this purchase and the %yes+votes significantly outweighed the %no+ votes.

Eva G.: Wanted to know why people are so concerned about the contamination in that property when every one of the properties we all live in are contaminated? She stated that she is not worried about this contamination and that if she was, she would have to move as her house contains asbestos and lead. Don stated that he was stationed here twice and that he still chose to retire here.

Toure' L.: Asked what the current zoning is on that property? JoAn stated that it is residential. Randy then stated that B & B Construction was rated residential at one time and they were able to change the zoning with the township. JoAn stated that any property could be re-zoned very easily and that was why she was concerned and wanted to purchase that property. Randy then stated that the contractor that wanted to purchase the 8000 area for his modulars, is now looking into buying some land up on F-41 and putting in homes over there. The contractor was very serious about purchasing property for modular homes and will do it one way or the other.

Melissa G.: Stated that she thinks everyone is concerned about the pollution and about property values but is concerned that we did not do our due diligence before we entered into the contract. She understands that we can get out of the contract but said that there could be other issues or technicality on why we wouldn't be able to back out of the contract. Randy stated that is why we want to continue the study. He went on to say if we walk away right now, the association hasn't spent a dime. The study that we are getting is expensive and that is why we built it in to the purchase agreement that if it came back negatively that we could walk away. If we did the study beforehand, we would be out that money. Randy stated that we did do a lot of other due diligence by going to the township and looking through all the files that they had on that property and we couldn't find anything that would make us back out of the deal. The association would not have been able to do the study on that property before having the purchase agreement in place as that was not association property yet.

Ross T.: Asked what the study is going to cost. \$1900.00

Ken S.: Stated that he was glad we purchased the property so that others can't come in and do what was mentioned earlier. He also wanted to know if there was any other kind of contamination in that property besides asbestos. He then stated that asbestos is only bad if it is breathed in. If it is buried then why is it a problem? He said it will not rise out of the ground and cause problems. Randy stated that as far as he knew it has only been forest and then housing and now back to vacant land again. He went on to say that any documents that were searched did not state that there is anything wrong with that property, but the Board wants to make sure.

Christine D.: Concerned about why her ballots were numbered and why are we told that if we wipe out the number, that the vote will not count. She stated that it wasn't anyone's business how she voted. JoAn answered by letting her know that the numbers are control numbers and they are there for checks and balances. Christine interjected and asked why we would have to number them if we are sending them to owners only. Randy then answered that when the ballots get counted they get separated by those numbers to make sure that someone did not forge any ballots by sending in 20 ballots from the same house. That is what the numbers are for. Christine stated that the ballots have never been numbered before. The entire audience answered that yes they have always been numbered. She couldn't remember that and Tammy tried explaining further but Christine told her that was the end of the conversation.

Randy tied up the end of the meeting with %thank you\$+going to Don Gauvreau for being a long time board member and also the office staff for the hard work they do.

JoAn made a motion to adjourn. Mike 2nd. All Ayes. Meeting was adjourned at 11:52am. .