

Here are the board meeting minutes for 3/15/14

Present were Jim and Paula Bartholow, Lee Aadahl, Jim Roth and Bob Seltz from the board. Also present were John and Julie Nelsen and Bill Bigler

At 10:15AM Jim B moved to open the meeting. Lee A 2nded the motion.

Bob Seltz exited the meeting at 10:23.

- 1) Jim B moved that Anchor Bank's forensic audit dated Sept. 2013 be the basis for determining our current dues owed (not special assessments) accounting as we move forward to clean up and get a handle on all dues owed by each property/unit. Paula 2nded the motion. It was voted on and passed unanimously by Jim B, Paula B, Lee A and Jim R.
- 2) Jim B moved to raise dues effective June 1st to 0.42/Sq Ft if our bldg if we receive our COO and units can be rented. It was 2nded by Paula Bartholow. The vote was unanimously passed by Jim B, Paula B, Lee A and Jim R.
- 3) Jim Roth moved to have all unpaid or partially paid special assessments from Feb. 2011 from here on out be paid on square footage or \$15,000 per unit which ever is less, over no more than 48 months, although 36 months is preferable. The 36 or 48 months will be determined at a later date before the starting date of the payment plans, which will be June 1st. Lee A 2nded it. The vote was unanimously passed by Jim B, Paula B, Lee A and Jim R.
- 4) Jim R moved and Jim B 2nded that the rooftop HVAC and the 1st floor furnace were common elements and any equipment and expense related to them are paid by the existing special assessment. The vote was unanimously passed by Jim B, Paula B, Lee A and Jim R.
- 5) Paula B moved and Jim B 2nded that we begin the search process to hire an attorney, such as Scott Banas and an accountant/bookkeeper to assist in our financial and deficiencies plan. The motion was unanimously passed by Jim B, Paula B, Lee A and Jim R.
- 6) Jim R moved and Lee A 2nded that no owner can hire or pay anyone to do any work on behalf of the association without consent of the board other than in the case of an emergencies. The motion was unanimously passed by Jim B, Paula B, Lee A and Jim R.
- 7) Lee A moved and Paula 2nded that no alterations or repairs will be made to common or limited common elements without approval of the board. The motion was unanimously passed by Jim B, Paula B, Lee A and Jim R.

Jim B moved to end the meeting at 11:36 AM and was 2nded by Jim R.

These minutes were compiled by Jim Roth and Jim Bartholow and sent out on Jim Bartholow's computer.

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| Monthly Expenses and Income | | Per Sq Foot | Per Sq Foot | | | Draft Budget | | | |
|-----------------------------|---------|--------------|--------------|---------------------|--------------------------------------|--------------|--------------|--------------|---------------|
| Unit # | Sq. Ft. | Now | \$ 0.42 | Owner | Expenses | | | Monthly | Annual |
| | | \$0.29 | \$ | | | | | | |
| 328-101 | 1,121 | \$325.09 | \$ 470.82 | LaChappele | Xcel- Gas and Electric | | | \$ 5,000.00 | \$ 60,000.00 |
| 328-102 | 859 | \$249.11 | \$ 360.78 | Bartholow | Alarm System | | | \$ 79.17 | \$ 950.00 |
| 328-104 | 768 | \$222.72 | \$ 322.56 | Foreclosed | Water/Sewer | | | \$ 460.00 | \$ 5,520.00 |
| 328-105 | 482 | \$139.78 | \$ 202.44 | Bartholow | Plowing - Estimate | | | \$ 212.50 | \$ 1,062.50 |
| 328-201 | 1,059 | \$307.11 | \$ 444.78 | Rock Paper Scissors | Popp Telecom | | | \$ 35.00 | \$ 420.00 |
| 328-202 | 1,050 | \$304.50 | \$ 441.00 | Grimshaw | Trash | | | \$ 425.00 | \$ 5,100.00 |
| 328-203 | 1,684 | \$488.36 | \$ 707.28 | Bartholow | Groundskeeping/Shoveling | | | \$ 250.00 | \$ 3,000.00 |
| 328-204 | 532 | \$154.28 | \$ 223.44 | Bartholow | Regular Maintainance/Supplies/Boiler | | | \$ 483.33 | \$ 5,800.00 |
| 328-301 | 992 | \$287.68 | \$ 416.64 | Bartholow | Building Structure Insurance | | | \$ 1,700.00 | \$ 20,400.00 |
| 328-302 | 586 | \$169.94 | \$ 246.12 | Bartholow | Annual Fire Inspection | | | \$ 37.50 | \$ 450.00 |
| 328-303 | 2,011 | \$583.19 | \$ 844.62 | Zzyzx | Annual Sprinkler Inspection | | | \$ 37.50 | \$ 450.00 |
| 328-304 | 511 | \$148.19 | \$ 214.62 | Bartholow | Laundry Room Maintainance | | | \$ 83.33 | \$ 1,000.00 |
| 328-305 | 1,295 | \$375.55 | \$ 543.90 | Foreclosed | Annual Audit/Taxes | | | \$ 83.33 | \$ 1,000.00 |
| | | | | | Legal Fees | | | \$ 333.33 | \$ 4,000.00 |
| 330-101 | 710 | \$205.90 | \$ 298.20 | Zzyzx | City Inspection Fees | | | \$ 250.00 | \$ 3,000.00 |
| 330-102 | 766 | \$222.14 | \$ 321.72 | Shea | Book Keeper | | | \$ 300.00 | \$ 3,600.00 |
| 330-103 | 467 | \$135.43 | \$ 196.14 | Seltz | | | | | |
| 330-104/105 | 2,023 | \$586.67 | \$ 849.66 | Seltz | | | | | |
| 330-106 | 2,030 | \$588.70 | \$ 852.60 | Bartholow | Total | | | \$ 9,770.00 | \$ 115,752.50 |
| 330-107 | 719 | \$208.51 | \$ 301.98 | Kolberg | | | | | |
| 330-201 | 1,343 | \$389.47 | \$ 564.06 | Bartholow | | | | | |
| 330-202 | 926 | \$268.54 | \$ 388.92 | Rock Paper Scissors | 42-cents | | | | |
| 330-203 | 962 | \$278.98 | \$ 404.04 | Bigler | 100% | | | | |
| 330-204 | 1,097 | \$318.13 | \$ 460.74 | Rock Paper Scissors | \$149,325.12 | \$134,392.61 | \$119,460.10 | \$104,527.58 | \$98,554.58 |
| 330-205 | 793 | \$229.97 | \$ 333.06 | Zzyzx | | | | | |
| 330-301 | 914 | \$265.06 | \$ 383.88 | Halverson | | | | | |
| 330-302 | 909 | \$263.61 | \$ 381.78 | Edina Realty | | | | | |
| 330-303 | 902 | \$261.58 | \$ 378.84 | Bartholow | | | | | |
| 330-304 | 941 | \$272.89 | \$ 395.22 | Westrick | | | | | |
| 330-305 | 1,176 | \$341.04 | \$ 493.92 | Willow | Current Unpaid Bills | \$ 25,000.00 | | | |
| Monthly | 29,628 | \$8,592.12 | \$12,443.76 | | | | | | |
| Yearly | | \$103,105.44 | \$149,325.12 | | | | | | |

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| Short Term Financing | | | | | | | |
|--|-----------------|--------------------|-------------------------------|--------------------|--------------|--|-------------|
| Remainder 2014 | | 3 months | 3 months | 2 months | Total 2014 | | |
| | | May, June and July | August, September and October | November, December | | | |
| Foreclosed Unit | 302E | \$ 1,758.00 | | | \$ 1,758.00 | payback of passed dues at sale of foreclosed unit - 6 months at 29-cents, 3 months at 42-cents | |
| Foreclosed Unit | 305W | \$ 3,885.00 | | | \$ 3,885.00 | payback of passed dues at sale of foreclosed unit - 6 months at 29-cents, 3 months at 42-cents | |
| Foreclosed Unit | 104W | \$ 2,304.00 | | | \$ 2,304.00 | payback of passed dues at sale of foreclosed unit - 6 months at 29-cents, 3 months at 42-cents | |
| Foreclosed Unit | 305E | | | \$ 4,139.52 | | payback of passed dues at sale of foreclosed unit - 2 months at 29-cents, 7 months at 42-cents | |
| Monthly Payments Bartholow Properties on a payment plan with Bartholow Foreclosure | 2011 Assessment | \$ 5,941.00 | \$ 8,911.50 | \$ 5,941.00 | \$ 20,793.50 | \$106,938 in monthly \$2970.50 installments | \$ 2,970.50 |
| Monthly Payments LaChapelle on a payment plan | 2011 Assessment | \$ 833.33 | \$ 1,250.00 | \$ 833.33 | \$ 2,916.66 | \$15,000 in monthly \$417 installments | \$ 416.67 |
| Monthly Payments Seltz on a payment plan | 2011 Assessment | \$ 1,184.56 | \$ 1,776.83 | \$ 1,184.56 | \$ 4,145.95 | \$21322 in monthly \$592.28 installments | \$ 592.28 |
| Monthly Payments Zzyzx on a payment plan | 2011 Assessment | \$ 624.83 | \$ 937.25 | \$ 624.83 | \$ 2,186.94 | \$11247 in monthly \$312.42 installments | \$ 312.42 |
| Monthly Payments Willow on a payment plan | 2011 Assessment | \$ 833.33 | \$ 1,250.00 | \$ 833.33 | \$ 2,916.69 | \$15000 in monthly \$417 installments | \$ 416.67 |
| Monthly Payments Kolberg on a payment plan | 2011 Assessment | \$ 586.67 | \$ 880.00 | \$ 586.67 | \$ 2,053.31 | \$10560 in monthly \$294 installments | \$ 293.33 |

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|--|--------------------|--------------|--------------|--------------|--------------|--|-----------|
| Monthly Payments Zachman Foreclosure on a payment plan | 2011 Assessment | \$ 833.33 | \$ 1,250.00 | \$ 833.33 | \$ 2,916.69 | \$15000 in monthly \$417 installments | \$ 416.67 |
| | TOTAL | \$ 18,784.06 | \$ 16,255.58 | \$ 14,976.58 | | | |
| | Grand Total | | | | \$ 50,016.21 | | |
| | | | | | | | |
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| | | | | | | | |

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Pg 2

Deficiency Estimates

Deficiency Code Violations

Year 1

| | | |
|--------------------------|-------------|-------------|
| Heating | \$29,000.00 | \$ 7,000.00 |
| Interest Payments | \$6,000.00 | |
| Nardini | \$1,400.00 | |
| Erickson Horns | \$13,000.00 | |
| Roof and Drainage Repair | \$5,000.00 | |
| Drywall/Fire Seal | \$3,000.00 | \$ 1,100.00 |
| Sprinklers | \$9,595.00 | \$ 8,300.00 |
| Misc. Items | \$2,000.00 | |
| Electrical | \$3,000.00 | |
| Laundry Duct Work | \$250.00 | |
| Gas Piping/Water Heaters | \$10,000.00 | |
| Legal Fees | \$10,000.00 | |

Total \$92,245.00 \$16,400.00

Remaining \$75,845.00

Total Remaining Estimate \$153,845.00

Deficiency Code Violations

Year 2

| | |
|-----------------------|-------------|
| Plumbing/Water Heater | \$10,000.00 |
| Interior Painting | \$3,000.00 |
| Misc. Items | \$2,000.00 |
| Chimney Liner | \$5,000.00 |
| Interior Plumbing | \$5,000.00 |
| Half Reserve | \$10,000.00 |
| Legal Fees | \$5,000.00 |

\$40,000.00

\$40,000.00

Deficiency Code Violations

Year 3

| | |
|-------------------------|-------------|
| 2nd Half Reserve | \$10,000.00 |
| Exterior Painting | \$6,000.00 |
| Carpet/Flooring | \$1,000.00 |
| Window Sashes | \$1,000.00 |
| Garage Tear Down/Repair | \$10,000.00 |
| Legal Fees | \$5,000.00 |
| Exterior Plumbing | \$5,000.00 |

\$38,000.00

\$38,000.00

Here is a timeline for our deficiencies...it is for your review...we will also have a financial plan that we are currently working on that will include payment plans for outstanding assessments and an increase in monthly dues

4/1/14- we will have Maximum Needs complete our basement and common water heater rooms. All unit and common area separations should be complete. All handrails will be complete

5/1/14-Laundry room duct work done

8/1/14-All common area rugs and hallways will be steam cleaned. Exterior handrails will be completed. Work will be started 7/15/14

9/1/14-All common electrical work sited in deficiency list will be completed. Work will begin 6/1/14

9/1/14-basement work to in fill floor at water heater, 3' hallway, notched joists and lighting @ water meter room will be completed. Work will begin 6/1/14

10/1/14-roof drain repairs and general roof maintenance will be completed. Work will begin 7/1/14 and include tuck pointing exterior brick surfaces. There are currently NO LEAKS.

12/1/14-All gas piping, fittings and testing will be completed. Work will be done by Erickson Plumbing and Heating. It will include an assessment of the ENTIRE building and start no later than 8/1/14

6/1/15-All interior plumbing issues will be completed. Work will be performed by Erickson Plumbing and Heating and will be done in the winter of 2014/15 and will include the ENTIRE bldg and individual units.

8/1/15-All exterior plumbing, roof drainage issues and rain leaders will be completed and done by Erickson. It may include excavation work to existing city storm sewer system.

8/1/15-All interior hallways will be repainted. A change in colors is planned.

9/1/16-Any exterior painting and window sash work required will be completed as directed by city.

10/1/16-All garage plans will be finalized and completed by this date. It may include a tear down and increase in parking, or could include rebuilding or repairing existing structure.

I believe that if we collected dues and install payment plans for 36 to 48 months (to be determined by the board in the near future) on the assessments, we could achieve these repairs AND collect a reserves fund.

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