

STONEYBROOK VILLAGE OWNERS ASSOCIATION
SPECIAL MEETING
Thursday, May 8, 2008

A special meeting of the Stoneybrook Village Owners Association was called by the Board of Directors on May 8, 2008, at 3:00 p.m. in the Clubhouse.

Registration of individual owners began at 2:30, and continued until the meeting was called to order by President, Karen Stephenson at 3:10 p.m. Karen introduced members of the Board: Darrell Bibler, Randall Corwin, and Virginia Walter. Our legal counsel, Dan Zimmeroff, of Barker-Martin, was also introduced

The election committee reported that there was a quorum.

The purpose of the meeting was to determine whether or not to approve a special assessment of \$16,000 to support litigation.

Karen summarized the events that have taken place since turnover from Legend Homes on June 1, 2007.

Dan Zimmeroff then told the Association that Legend had retained Western Architecture to do an invasive test in June of 2006. A second test by Western Architecture was done in June of 2007, and other tests have been performed by McCann Engineering, and Charter Construction. These tests have shown that there are problems in the design, in the HVAC (heating, ventilating, and air conditioning) systems, and in the maintenance of the buildings, which has caused deterioration of them. The structure of the buildings is sound.

The question was asked how our By-Laws, Article 4.8 (e) which states that any amount over \$5,000 in legal fees requires a vote of 75 percent of the Association. Dan stated that the \$16,000 assessment we are asking, is for costs. Legal fees will be paid as a percentage of the amount recovered on a contingency basis.

The parties involved are Colson & Colson, Corvallis Development Company, Legend Homes, and Jet Heating. Demand letters have been sent to each of them, with no response. The statute of limitations expires in June, 2008, therefore necessitating action to be taken before that date. There are three options to try to get the parties together: mediation, arbitration, and litigation. Mediation is voluntary by both sides, and can involve no decision. Arbitration is similar to trial, and can be binding or not. Litigation is trial. 95 percent of cases filed for litigation are settled prior to trial.

Dan fielded questions from the audience including the following areas of concern: surety bonds, appreciation costs, the pond as a retention pond by the City, tax deduction expenses, liability of the City, as well as the continuation by Legend to advertise the availability of the facilities without disclosing the problems, and a series of various other questions such as:

What happens if a lawsuit is not filed? The Board decides the scope of repairs required and the amount of the assessment to cover. The investigative costs have already been paid.

What would the total cost be? The estimated total cost is \$400,000.

What is the responsibility of the City? Cities historically are not liable, but the approvals of the City during the construction phases of the project, do not relieve the responsibility of the Declarants or contractors.

Gerry Carr and Renee Senior each provided some background experienced by the Homeowners Advisory Committee (HOVA) and the Transitional Advisory Committee (TAC).

The following motion was made: Because of the investigations and then efforts at negotiation and mediation have been ongoing for approximately a year, without positive results; because the statute of limitations expires next month, June, 2008; and because filing a suit is our only leverage, it was moved that the Board approve a special assessment of \$16,000 to support costs for litigation. The motion was seconded and was unanimously passed.

The floor was then opened for discussion by members of the Association. Jonathan Hayes, Renee Senior, and RobinJean Parks spoke in favor of the assessment.

Lois Palermo, chairman of the elections committee explained how the votes will be tallied, and voter registration reopened until all had registered at 4:30 p.m. The ballot box was open until 4:45 p.m. and then the ballots were counted.

The Board Secretary read the Election Committee's report. Ballots were received and counted for 98 voting rights (assessment units). Of these 14 represented our multi-family, and 84 represented our single family units. The ballot count was 95 "yes" votes and 3 "no" votes. There were no invalid ballots. The Election committee (Gene Brown, Lois Palermo, Warren Sahnaw, Marcia Solomon, and Chuck VandeWetering) registered the voters and counted the ballots.

The meeting was adjourned at 5:15 p.m.

Respectfully submitted,

Virginia Walter, Secretary