

Special OCV Trustee Meeting August 25, 2015

Roger Lange, Chm Opened the Special Meeting at 2:30 on August 25, 2015

All Trustees were present.

The purpose of the Special Meeting was to follow up on item 8 of the Regular Meeting of August 8, 2015 wherein questions arose concerning what is a "capital improvement" as defined by the current OCV Trust By-Laws. The consensus was that the definition under 5.2.2 needs clarification and updating to better reflect the needs of a HOA. This will require an amendment. At the August 13 Regular Trustee Meeting, Marianne agreed to write up a letter to send to all Unit Owners explaining the Board's concern and alerting them to the upcoming possibility of an amendment. A preliminary copy of her letter was sent to the Trustees for review prior to this Special Meeting and any changes or recommendations would then be addressed at same.

A great deal of discussion ensued concerning the draft letter and the whole issue of "capital improvement". The letter was reworked by elimination and addition to a general agreement for the final version to be mailed to all Unit Owners alerting them to the possible need for an amendment to the By-Laws to better define "capital improvement" as relates to OCV Trust.

On the separate topic of defining "capital improvement" several sources regarding HOA situations on that topic recommend a precise description as to what is a "capital improvement" for an HOA that requires a vote and wording to place a limit on spending for same without requiring a vote. The most common one for the latter is to place a percentage limit (usually 5-10%) annually for amounts under which no vote would be required. Another choice was a specified dollar amount. OCV Trustees feel a 5% limit is reasonable.

Further discussion of the OCV Trust By-Laws brought up concern that Section 5.3, Maintenance, Repair and Replacement of Common Areas and Facilities has no definition of "capital improvement", but does reference Section 5.5 for specific provisions for casualty loss. It is in Section 5.5, Rebuilding and Renovations after Casualty: Improvements under 5.5.2 that "improvement" is defined as "expenditure for goods or services other than that required for the administration and management of the Association". Under that restriction, even replacing a roof could be called into question. If only applicable for casualty losses, there would seem to be no vote required for any improvement. This is clearly not the intent of the By-Laws or the current Board of Trustees.

The current Board is made up of lay persons with limited legal expertise. The main concern is that absent correct legal language a future Board of Trustees could abuse their trust, thus the need for an amendment or amendments.

On a separate unrelated matter, Roger brought up a request from a Unit Owner to allow their son, in his forties, to live with them due to financial hardship until he can attain fiscal stability. The Board voted favorably to allow a stay for the period of one year.

Meeting adjourned at 4:10 PM. Respectfully submitted, Peter H. Garvey, Trustee