

**Finance Committee Meeting Minutes
For May 5, 2010**

Ms. Latson, Committee Chair, called the meeting to order at 6:12pm.

The following Committee Members were present:

Betty Latson

Dave Beck

Tom Meyers

Angus Shorey

Barbara Grodzins

Judy Barnes

Jay Owens

Barbara Fiacchino

Amy Drew

Gina Zehr

Frances Andrews

Also present: Rich Vicens, Property Manager.

The first topic discussed was the Commitment Letter from the Harris Bank for the loan related to the James unit owner window and balcony project. Ms. Latson indicated that the Commitment Letter was still being negotiated, but she expected a final draft by May 10, 2010. She indicated that the interest rates were good for two weeks, and that the closing on the loan should be two weeks from the date of the Commitment Letter. There was some discussion about the collateral: 83.3% of the capital reserves and an assignment of the direct charge. Ms. Latson made clear that the bank understood that JK would need to use the reserves for other future capital projects and that the reserves would not be frozen during the term of the loan.

Ms. Latson then passed out the draft letter to unit owners and direct charge commitment form for comment by the committee. After a lengthy discussion and suggested changes to the letter

and commitment form by various members, Ms. Latson indicated that she would take the comments into account and forward a final draft of the letter to the Committee Members before it was mailed to the ownership. The goal was to have the letter go out to unit owners by May 17, 2009, and to give the owners a deadline of June 15, 2010 to submit their Commitment Forms. Those who did not submit a Form would automatically be put into the 10 year payment plan category.

Two significant issues came up during the discussion of the letter:

1. How should payments be allocated in the event that someone paid less than the combined total of their monthly assessment and monthly installment payment?

After discussion, the Committee unanimously agreed that a partial payment would be applied first to the unit owner's installment payment and then to the owner's regular association fees and assessments for that month.

2. Can James unit owners make extra payments toward their payment plan balance to decrease their balance owed to the Association?

Mr. Meyers argued that people should be allowed to make extra payments whenever they chose. He felt it would be beneficial to the Association to have the loan paid down faster.

Ms. Latson explained that the Association was not a bank; and we could potentially end up with a multitude of different amortization schedules for many different owners, which would be very unwieldy and difficult, at best, for the Association to handle and could lead to errors. Mr. Owens further confirmed the difficulty in building a computer program to track the prepayments and the ability of the Association to match up loan payments with the Bank.

The Committee agreed to recommend that the Board only accept prepayments in three instances: 1) Initially before the payment plan begins 2) At any time upon the sale of the unit 3) Once a year beginning on August 1st, 2011 and on each August 1st thereafter. Committee Members unanimously agreed to points 1 and 2. All Committee Members agreed to point 3 except for Mr. Meyers who dissented.

The meeting was adjourned at 8:20pm