

AMENDED KING OAKS BOARD OF DIRECTORS Open Meeting

Date: 05/28/2022 | *Time:* 10:00 AM | *Meeting called to order by* Bob Roseman

Attendees: Bob Roseman, President; Bret Davis, Vice President; Mike Harbeson, Treasurer; Frances Carson, Secretary; Brad Muchow, Member at Large

1. The meeting was called to order at the pavilion at 10:00 AM. All five Board members were present.
2. The only item on the agenda was going over the Berkshire Hathaway Property Management (BH) and Beal Property Management (Beal) proposals for the management contract for the upcoming term.
3. Bob Roseman handed out a matrix identifying differences and issues between the BH and Beal contracts.
4. Frances Carson asked to have wording regarding “assist” POA in enforcing covenants clarified in Beal proposal. It is understood that Beal would be responsible for enforcing the covenants and issuing any fines.
5. Contract term for BH one year and Beal is two years.
6. BH had an unacceptable indemnification clause. Per the BH contract, KO POA would be financially responsible for any actions BH may take, regardless if their actions were approved or known by the POA. Beal had a reasonable indemnification clause.
7. Monthly cost for BH is \$2600 and had no firm cost for contract term. BH has clause in contract that they can raise the cost with a 15 day notice to the POA. Monthly cost for Beal is \$2000 firm.
8. There is no one time set up fee for the BH contract. There is a \$1000 one time set up fee for Beal.
9. Mike Harbeson added that the board should ask for an escalation clause to be added to the Beal contract.
10. BH has a bookkeeper. Beal has an accountant.
11. Question of what Beal would charge for their staff to attend the weekend meetings. The contract allows for four covered quarterly meetings and one covered annual meeting with staff. Any additional weekend meetings would be charged \$75 per hour.

12. KO will retain its current website with documents and calendar.
13. The owner of Beal Properties resides in King Oaks. Beal manages around 30 properties. Many of these properties are similar to King Oaks.
14. Motion was made to accept the Beal contract. Bret Davis made motion to accept contract with the modification of a 2 year contract term. The vote was unanimous.
15. The meeting was adjourned at 10:35 AM. The next POA open meeting will be Saturday, August 27, 2022, 10:00 AM, to review the draft for the 2023 budget at the pavilion.

