

MENTONE CLUSTER DEVELOPMENT OWNERS ASSOCIATION, INC.

Board of Directors Meeting Minutes

October 20, 2011

With a quorum present, the October 20, 2011 meeting of the Mentone Board of Directors was called to order at 6:41 pm by President Patsy Murray in the Mentone Recreation Pavilion.

Directors Present: Patsy Murray (President), Karen Ledee (Vice President), Dave Jenkins (Treasurer), Al Tilly (Secretary), Irv Lampert, Gil Murray

Members Absent: none

Trend Management Solutions Staff Present: Kelly Burch

Resident Comments: Two residents were present to ask for consideration to join the Board of Directors. See New Business section below for action.

Resident present who does not live in the affected area of Pecan Park but expressed concern regarding the increase in assessment for the 16 homes in the fence-crepe myrtle area, and who stated she represented a homeowner in the affected area that could not attend the meeting since they are out of town, initiated a lengthy discussion between all in attendance regarding the possibility of eliminating the fence, trees, and associated assessment. Other items questioned during the lengthy discussion and responses provided by the Board or Management company included number of properties with unpaid assessments, approximate cost of \$13,000 to replace the Pecan Park picket fence, past assessments generating approximately \$6,000, and how will the small increase cover the cost of replacement. When removal of the fence was questioned, Jenkins pointed out that the covenants for the Mentone Development list this fence and assessment specifically. This causes a request for changes be made to be petitioned to the Board by at least 20% of the 16 affected owners and the subsequent vote needing to be approved by a 2/3 majority of homeowners and 100% of mortgage holders in the entire Mentone neighborhood development (341 total homes). Others present stated that prior Boards had also tried to get the 2/3 vote by door to door canvas and were not close to being successful. Several variations were presented on possible ways of avoiding the requirement for 2/3 approval and after finding no way to avoid the necessary items needed to remove the fence by recorded covenants, declarations, and state law the resident asked for a letter to explain the existing covenants on record regarding the fence. Board discussion ensued since, among many other considerations, covenants should be supplied to new buyers at closing. After more discussion, P. Murray volunteered to supply a letter to the resident she will write individually with her non-legal opinion, not representing the Board or Management company, to satisfy the request of the resident.

Consideration of Minutes: No discussion. Motion to approve September 15, 2011 minutes by P. Murray, seconded by Ledee. Approved unanimously.

Reports of Officers:

President – (no report)

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Vice President- (no report)

Secretary – (no report)

Treasurer – Jenkins stated he had reviewed the September financials recently supplied by the Management company and we're on track with where we thought we would be this time of year. It looks like we're over budget but that is because of our transfer between accounts so the money shows up on the balance sheet in another account which is more in alignment with the actual intent for the funds (general reserve fund for unexpected expenses).

Committee Reports:

- A. Financial – (contained in the Treasurer's Report of Officers section above). No additional report.
- B. Playground/Recreation/Pool – (no representative present). No report.
- C. Social – (no representative present). No report.
- D. Welcoming/Love thy Neighbor – (no representative present) No report.
- E. Architectural Review/ARC – No report.

General Manager's Report:

- A. CCR/Landscape: number of letters sent based on last neighborhood drive through (supplied by Burch via e-mail after the meeting): 44 friendly letters, 28 thirty day notice letters, 3 fifteen day intent to fine letters, and 2 fine assessment letters. There were 50 others that had been closed. Additionally, 1 fine was imposed. Less letters have been generated, however, it appears the chronic violators have started to understand how to work the system to avoid fines.

One particular account was again discussed concerning a resident's adequate maintenance of a tree in their yard, particularly the appeal of fine. The fine was appealed through our process to the fines committee. The committee scheduled and conducted a meeting at which the fined amount was upheld. The resident subsequently hired a contractor to prune the tree and was informed by Trend Management that he could petition for the fines to be rescinded. No response from the resident has been received therefore the fine is still being enforced.

Unfinished Business:

- A. Review of Action items: Action items were discussed. (See separate action items list).

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Motion by Lampert to have the association buy a replacement net for one of the soccer goals to allow us to test a solution that will make the nets more stable and last longer. The net will be 3mm, knotted and white. Motion to approve by P. Murray, seconded by Ledee. Approved unanimously.

New Business:

- A. Association Budget discussed. Jenkins informed us the budget had been public information for a few months and three comments had been received which Jenkins had responded to. Jenkins motion to approve budget as presented, seconded by P. Murray. Approved unanimously. P. Murray thanked Jenkins for his many, many hours of work with getting the budget where it is. Thank you Dave for getting us where we are as a stable Association with plans for contingencies and much less of a chance of any budget "surprises" in the foreseeable future.
- B. Jenkins brought us up to date on changes in Florida law regarding limiting access to Association common area amenities due to non-payment of Association dues or fees. The time to sever access has been raised from 31 days to 91 days. After discussion on process and our options a motion was put forth by Jenkins to deactivate the key fobs of accounts more than 91 days behind with any balance owed, from now forward per state law, seconded by Ledee. Approved unanimously.
- C. Discussion regarding Association receivership once the majority of the current Board steps down after the annual meeting in February. We discussed the process and tried to venture a guess at possible costs to the association for handing the affairs of the Association by an Attorney once we go into receivership. We felt it was realistic, maybe even conservative, to estimate an average 12-1/2 hours a month to handle a part of what the Board members currently do monthly now. If that estimate is accurate, using an estimate of \$200/hour for a court-appointed Receiver the cost will be about \$30,000 per year. It could easily be more. This will have to be assessed to owners via a special assessment so as not to deplete reserves in a matter of months. A judge will review the invoice submitted by the Attorney and act on the invoice at the Judge's discretion.
- D. Two of the Board members, Jenkins and P. Murray, attended a seminar on an insurance product, Guaranteed Assessments Program (GAP), that would allow the Association to collect past due accounts as proceeds from the insurance company's collection actions. The intent of the collection actions would be to foreclose on liens established on delinquent properties, which would result in the Association owning those properties. The ideal situation would be to quickly transfer title to the bank which holds the mortgage. If the bank is not interested, the Association would be responsible for long-

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term ownership of the property, to include maintenance, taxes, and insurance. These expenses could be potentially offset by renting the property out, but this would entail the additional expense of professional property management. After discussion of a cost/benefit analysis spreadsheet provided by Jenkins, it was found to not be an acceptable solution for Mentone with the amount of potential recoupment more than offset by the potential liability of taking ownership of abandoned/distressed properties.

- E. The Board was very pleased to accept the petitions of Jeremy Cook and Jay Blaske for Board membership. It is the spirit of those like Jeremy and Jay that make Mentone the neighborhood it is and allow us to maintain the Association for the benefit of all.

We still need Board members for replacement of the many that will be leaving Board service early next year. The possibility of receivership is still very real.

Resident Issues:

- A. No additional resident comments were offered at this time.

Welcome to Jay and Jeremy as our newest Board of Directors members!

Motion to adjourn at 8:02 pm by P. Murray, seconded by Ledee, approved unanimously.

****Pending official Board of Director's Approval at the November 17, 2011 meeting***