

Tuscan Ridge Master Homeowners Association Inc

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Quarterly Board Meeting Saturday – November 14 2009, 4:00 pm Countryside Clubhouse

AGENDA

- I. Establish Quorum
- II. Call to Order
- III. Reading of and approval of Minutes
- IV. Approve Proposed 2010 Budget
- V. Set 2010 Assessment
- VI. Discussion to call Special Members meeting for additional increase in assessment, if required
- VII. Methods of payments and possibility of splitting assessments for payment
- IV. 30 minute members forum to discuss any concerns, i.e., attorney, insurance, Liens, etc.
- V. Adjournment

After establishing a quorum of the Board of the MHOA, Vice President Michele Joseph called the meeting to order at 4:09 p.m. Officers present: Vice President Michele Joseph, Secretary Clarine Leslie, via teleconference, and Board members Jan Yunker and Scott Bragg. President Alan McConnell is recovering from back surgery and unable to attend.

(Member Attendees are listed on an Official Sign-In Sheet filed in the Official Records of the Association.)

Ms. Joseph thanked everyone for coming to the Board meeting. We need to approve the budget and set the assessment. The budget has been prepared by Mr. McConnell and questions or concerns should be sent to him for response.

In the interest of time, it was moved and seconded that the Board waive the reading of the minutes of the September 29, 2009 Board meeting, as they have been posted publicly on the website since October. Ms. Yunker asked that they be read, in compliance with Roberts Rules of Order. There was discussion about the issue of the appropriateness of demanding the reading of minutes, and it was subsequently voted to accept the minutes, and those wishing to hear them read could stay following the meeting and they would be read. The Board members will make any clarifications that need to be made. To approve the minutes: Ms. Joseph-YES; Mr. Bragg-YES; Ms. Leslie-YES; Ms. Yunker-NO.

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The question was asked about opportunity for the members to speak. Mr. Bragg explained that a board meeting is when the 5 members of the Board come together to make decisions for the good of the community. If you want to come and listen because you are interested in what decisions are made, you are welcome to come. When those decisions happen, they are left to the Board. At a members meeting, members are allowed to speak and to vote, but not at Board meetings without advance petition. At Board meetings owners observe, at Members meetings owners participate and vote. The Board has set time aside at the end of this meeting for the voicing and discussion of owners' concerns. Until then, the Board must conduct its business.

The issue of trust was then raised, and Board members pointed out that Boards are elected by a vote of the Members to act in the best interest of all homeowners. The point was made that the members of the current Board sit as a result of necessary "appointment" not "election." Others pointed out that it is hard to trust people you don't even know.

The Board then sought to approve the 2010 budget as presented. Those with questions regarding the budget may contact Mr. McConnell, President. If the budget needs amending, an amended version can be presented at a later meeting, but the budget has to be passed in its present form in order to set the 2010 assessment. By law, the Board is allowed to increase the assessment by no more than 10% per year. After looking at financials, the Board can come together and figure out what is reasonable and what is not. A copy of the final budget will be sent to all homeowners with the 2010 assessment letter.

Ms. Yunker complained that the budget was not distributed until earlier in the day of the meeting. There are questions. It was pointed out that the Board needs to sort the issues out in conjunction with Mr. McConnell, who set the budget.

It was pointed out that there was 30 minutes set aside at the end for homeowners to have open discussion with the board, yet it seems there is continuing constant interruption of the Board's agenda.

The question was asked about insurance and the lapse in the property coverage. It was opined that this could end up affecting every homeowner if a lawsuit is filed for damages. The Directors and Officers liability insurance remains in force and is the only insurance required by Florida law.

There was extended disagreement and discussion from the homeowners. Mr. Bragg pointed out that we cannot continue to rehash history. The fact is that the Master HOA is in a financial pickle, and there was no money for the insurance (\$8000). It gets the MHOA nowhere to continue to accuse people. With the budget being presented, we can get ourselves in a position where we would be able to reinstate that insurance. Like any household that gets into a financial situation, we had to do what we had to do, and try to make sure it doesn't happen again. The Board is made up of volunteers doing the best they can for the benefit of all owners. We need to pull together and decide what to do going forward.

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Mr. Wood stated that the Board spent more than 10% of its budget without members' approval. Mr. Bragg reiterated that it is over and done, and it does no good to rehash it. The point of the matter is that several homeowners did not pay their assessment and the income was less than anticipated.

Ms. Waugh stated that checks and balances were ignored. Perhaps, said Mr. Bragg, but we can't go back. We need to go forward and approve this version of the budget. If there is amending that needs to be done, fine.

Mr. Leslie pointed out that it is important to recognize that since 2006, this association has been operating on a deficit budget, and it is unconscionable not to increase the assessment as much as possible to get us out of this deficit situation. For four years we have avoided increasing the assessment while spending the original surplus. A homeowner asked in 2007 to raise the assessment and it was voted down. It is important to understand that the financial squeeze has been brought about by two things — money spent on improving the appearance of the entrance, where perhaps it shouldn't have been — and a large number of homeowners who did not pay their assessments when it had not been raised significantly enough.

It was asked if the MHOA was pursuing those who did not pay. The answer is yes, once it is determined that records are accurate or homeowners can produce receipts that they did pay, liens will be placed. The intention is to go after all the liens, a few of which were in process, but were terminated with the resignation of the MHOA attorney, Andy Reed. Attorney Andy Reed has given information on liens "in progress" to the Board and we can pursue additional liens.

The suggestion was made that there needs to be a "special" meeting and present more information on the financials and an amended budget. That message will be relayed to Mr. McConnell.

Mr. Bragg pointed out, however, that if the Board doesn't approve some sort of budget and set an assessment so that one is set up for January 1, we will be in a worse pickle. If we take the assessment to \$169, which the Board is allowed to do without a members vote, and then come back to the members for the board to approve an amended budget, we can share more details. If the members choose to increase to \$200, we can set the assessment there, but that will be based solely on a decision by a vote of the Association Members.

Mr. Bragg then moved to approve the budget as it stands, with the option to amend it at a later time if necessary. The motion was seconded and voted: Ms. Joseph-YES; Mr. Bragg-YES; Mrs. Leslie-YES; Ms. Yunker-NO.

The Board then addressed the setting of the assessment at \$169 per unit for 2010. This is actually slightly less than the 10% allowed. This assessment is all the Board is asking for at this time. Options for payment will be the same as last year, and the Board is looking into the Paypal option for overseas owners. Information will be listing on the website and included with the letter setting the assessment at \$169 from last year's \$154. It was moved and seconded to do so, voted: Ms. Joseph-YES; Ms. Yunker-YES; Mr. Bragg-YES; Ms. Leslie-YES.

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Point of order, Ms. Waugh read from the Declaration about assessments Article 4, section 2, annual assessment ...

Then followed discussion about whether it is prudent or necessary to have a special members meeting to increase the assessment to \$200. The Board needs to decide this. It would require a 2/3 vote of the members present or voting by proxy, and at that kind of a special members meeting, a quorum is 30% of the members to be present in person or by proxy. The suggestion was made that those who have not paid their assessment for 2009 should have their voting privileges revoked.

Mr. Leslie pointed out that there were also about 23 owners in the Countryside that did not pay the Countryside 2009 annual assessments.

Mr. Bragg stated that the Board can decide, once an amended budget is ready, whether it wants to call a special members meeting to raise the assessment to \$200. Moved and voted to postpone the decision on calling a special members meeting. Ms. Joseph-YES; Mr. Bragg-YES; Ms. Yunker-YES; Ms. Leslie-YES.

Ms. Joseph thanked Mr. Bragg for running a lot of the meeting. The agenda being completed, he called for 30 minutes for homeowners' discussion. Remarks from that discussion are noted below:

Mr. Wood stated that the Board cannot split payment of the assessment into more than one payment. Mr. Bragg pointed out that the Board was exploring that possibility to make it easier for homeowners to pay, but if it cannot be done legally, we won't. It was also pointed out that you would get most of the money in the first month and a half and spend the rest of the year pursuing those who were dragging it out.

Ms. Joseph cited the example of the association where she is employed, in sending out coupon books, and a bookkeeping nightmare.

Mr. Leslie provided clarification to Mr. Wood's comment. It requires a vote of 75% of the members to change the declaration to enable a biannual payment of the assessment. Most homeowners are responsible for two assessments, depending on which side of Tuscan Ridge they live, i.e., VHOA and MHOA or CHOA and MHOA. It would be immensely helpful to most homeowners if that could be divided into two payments. It is not unrealistic, with proper notice and proxies, etc., that it would be attainable to get 75% of members voting in the affirmative to enable that.

Mr. Bragg stated there are things that would need to be done if we decide to go that way. His particular feeling is that the MHOA is in dire straits and we need to get the assessments in hand as soon as possible. He would suggest putting off biannual payments for a year until the MHOA is financially sound.

Ms. Yunker stated that Attorney Reed suggested in the past that the Village send their assessment letter out with the Master, so it goes in the same envelope, instead of getting two separate mailing, saving postage, etc and could also save money by hand-delivering those letters.

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The question was asked about how much it cost to file liens. There is a \$160 attorney fee to file liens, and those fees are added into the liens. If we do the liens ourselves, we can save some money, and add on to estoppels where the new buyer has to pay the old liens plus interest. Mr. Bragg suggested that there should be a committee to find the most effective way to proceed on this front. He will take that suggestion to Mr. McConnell.

Hypothetically, there could be a means on the website to make a donation above and beyond the assessment. The Board will pursue that, as well.

Ms. Waugh said that, whether the budget is amended or not, the events of last year cannot happen again. Mr. Bragg stated that, again, that is in the past. He also assured her that the money was spent for the benefit of all Tuscan Ridge owners. When money comes in, people don't just sit back and say we have \$\$ in front of us, we'll spend it all on whatever we feel like. Sure, mistakes were made, but this Board promises to keep a close eye on what's done and if things aren't done properly, the Board will answer to the homeowners. He said that he knew it is a leap of faith, but asked that the homeowners to go with it.

Question of lawn care was raised. Landscaping by the highway is the responsibility of the Master HOA, and that is being maintained as we can afford it. Some people have donated their time, and one person has cut and delayed reimbursement. The Board is doing the best it can with the money it has.

Ms. Yunker suggested we look into a volunteer day, such as was done last year.

Regarding the property insurance, Mr. Wood suggested that reinstatement of a policy should be a top priority.

There were other comments that crossed over between different associations. Sprinkler systems and landscape responsibilities in particular are a little convoluted.

Mr. Bragg brought the discussion to a close. The Master HOA could be in better shape. He encouraged homeowners with suggestions to email them to the MHOA email at TRMHOA@aim.com. Some suggestions will be used and others will not; he reminded homeowners NOT to take offense if their suggestion is not utilized. If everyone understands this, we can see forward progress.

Moved and voted to adjourn at 6:00 p.m.

Respectfully submitted,

Clarine Leslie
Secretary
Tuscan Ridge Master Homeowners Association Inc