

7/16 Regular Meeting Agenda and Minutes

- 1. Business Handled w/out a Formal Meeting:**
 - a. Organization Meeting: Officers appointed.
 - b. Grass Inc Contract Extension
 - c. \$50 Water Credits
- 2. Softwashing Project Completed**
 - a. Budgeted Expenses: \$19,600
 - b. Actual Expenses:
 - i. \$19,200: Our Place Softwashing Payment
 - c. Units missed: Credit?
 - d. Review quotes and budget for next year.
 - e. Open discussion.
 - f. Board to vote on budgeting for annual pressure washing moving forward and credit for missed units.
- 3. Street Parking**
 - a. Report issues to Sarah with timestamped photos.
 - b. Board is being cautious with fining until owner of vehicle's address is confirmed.
 - c. Open discussion.
- 4. Collections Schedule and Collections Policy**
 - a. Current Procedure:
 - i. 30 days past due - Delinquent Balance Reminder will be mailed
 - ii. 60 days past due - Delinquent Balance Reminder will be mailed
 - iii. 90 Days past due - Final Notice will be mailed
 - iv. Next step will be the at Board's discretion to determine if lien should be pursued.
 1. 49 members with a balance
 2. 14 members over 90 balance totaling roughly \$9000
 - v. Collection Costs:
 1. Lien: \$175
 2. Demand Letter(s): \$100
 3. File Judgement: \$500+
 - vi. Open discussion and vote to change procedure if necessary.
- 5. Street Sign & Mailbox Maintenance**
 - a. Street signs not budgeted for 2023.
 - b. \$2370.08 budgeted for mailbox maintenance in 2023.
 - c. Open discussion and Board vote to perform maintenance in 2023 or 2024.
- 6. Landscaping Update**
 - a. Grass Inc has been contracted for 10 years at current price.
 - b. Irrigation Repair and Installation Quote:
 - i. Repair Existing System for 9 Buildings: \$12,500
 - ii. Install Irrigation System for 19 Buildings: \$50,000
 - iii. Total Cost: \$62,500
 - c. Watering Responsibility Discussion

- i. Association cannot fulfill this responsibility without an irrigation system.
 - ii. Infrequent watering or zero watering leads to requests for the Association to replace dead bushes. We do not budget for this.
 - d. Proposed Solutions
 - i. Propose Special Assessment to Repair & Install Irrigation System: Requires 2/3 vote from Association's members.
 - 1. \$62,500 / 112 Units = \$558.04 per unit
 - a. \$46.50 per month if assessed over 1 year
 - b. \$23.25 per month if assessed over 2 years
 - 2. Additional maintenance requirements will lead to increased dues
 - 3. Long-term replacement will be a large expense
 - ii. Amend Article 5 to shift watering responsibilities to individual homeowners
 - 1. Amendments require 2/3 vote of Association's members.
 - 2. Subjects homeowners to fines and specific assessments.
 - iii. Budget for Irrigation System Repair & Installation through 2024 Operating Budget.
 - e. Open discussion and Board vote to select a solution.
7. **Maintenance Request Policy & Procedure**
 - a. Board is required to provide equal access to maintenance. Past & current assessments have not generated the funds necessary for the Board to provide equal access to the range of items discussed in Article 5. Current Assets as of 5/31/23:
 - i. Checking (Operating):
 - 1. \$29,219.79
 - 2. These funds can only be spent on projects that benefit all units equally.
 - 3. Funded through General Assessment
 - ii. Normal Reserve:
 - 1. \$47,094.71
 - 2. These funds can be spent on community wide projects/emergencies
 - 3. Funded through General Assessment & Retained Earnings
 - iii. Capital Reserve: \$30,562.26
 - iv. Total Assets: \$106,876.76 (\$954.26 per unit)
 - b. Current Policy of the Board:
 - i. Review maintenance request & determine cost of maintenance by seeking quotes from vendors.
 - ii. Fund requested repairs via Specific Assessment:
 - 1. Requires approval from homeowner in good standing.
 - iii. Board will vote to make each homeowner's General Assessment contribution towards Gen Maint & Repairs available to homeowners in good standing.
 - a. \$178.57 (total amount collected per unit for Gen Maint & Repairs)

- c. Pending Maintenance Requests
 - i. 147 White Heron- Requested her bushes be replaced and the dead ones pulled
 - ii. 147 White Heron- Requesting maintenance on her building for the crack from it shifting.
 - iii. 147 White Heron- Requesting maintenance on her fascia where there is a hole and birds are entering.
 - iv. 147 White Heron- Reporting the exterior maintenance repairs that were performed in 2022 are failing and would like them redone.
 - v. 147 White Heron- Reporting her flashing is peeling from improper installation of roof and inspection.
 - vi. 147 White Heron- Reporting a pipe was broken off in her garden by Grass Inc.
 - vii. 156 White Heron- Requesting her water filters be replaced due to the water being used for the soft washing.
 - viii. 157 White Heron- Requesting the front of his home to be washed. It was not done due to him being out of town and car in driveway.
 - ix. 179 White Heron- Requesting her exterior electrical outlets be repaired/replaced.
 - x. 215 Snowy Egret- Requesting her exterior electrical outlets be repaired/replaced.
 - xi. 215 Snowy Egret- Requesting reimbursement on her glass window panels.
 - xii. 229 Snowy Egret- Requesting reimbursement for a vendor she will hire to pressure wash the back of her home. Was missed due to furniture being left out.
 - xiii. 239 Snowy Egret- Laundry Vent was replaced by him, claims pressure wash project was the reason for the damage
 - xiv. Homeowner inquired about the exterior pest control for the property.
 - xv. Couple of homeowners inquiring about the replacement of their shutters-
- d. Discuss increasing dues to accommodate all maintenance requests that the Association is responsible for.
- e. Discuss amending Article 5 to shift maintenance responsibilities to homeowners.
- f. Board vote to determine action taken for each request.

8. Long-Term Replacement Responsibility of Association

- a. Roof Replacement: 2030 - \$35000 per building x 28 buildings = \$980,000
- b. Fence Replacement: 2030 - \$2400 per unit x 112 units = \$268,800
- c. Paint Homes: 2030 - \$1500 per unit x 112 units = \$168,000
 - i. 2030 Expected Expenses = \$1,416,800 or \$12,650 per unit
 - 1. \$12,650 per unit over 6 years = \$2108
 - 2. \$176 per unit per month in addition to General Assessment
- d. Discussion and board vote to propose Special Assessment for Jan 2024-Dec 2029.

9. Rental Cap: 25%

- a. Ballots will be distributed by mail.
- b. Full amendment included on ballot.

10. 2024 Budget Proposal

Meeting called to order 1:57pm

Regular Meeting

All Board members in attendance except for Bob Davis.

The first item of business, organization meeting was held through a email thread. Officer appointments were discussed. Matt Leverett is President, Tina Felder is VP and recording Secretary, Joshua Chausse is member at large, Joyce LaPorte is treasurer. Ruth inquired about why there are 5 Board members why didn't each person have a position? Tina holds the title of two positions because no one volunteered for Secretary. Matt advised that Magnolia will be in person five times a year. 4 Board meetings and one annual meeting.

Bob, Tina, and Matt took on two-year terms, Joshua Chausse and Joyce LaPorte have one year left. Ruth Ann expressed concern about Bob not attending meetings for the past 3 years. And now the first Board Meeting for him being on the Board, he is not here. Ruth expressed that does not sit right with her personally. Ruth questioned Bob's interest. Tina stated she felt Bob became interested with concerns of the HOA. Matt stated it would be nice if a little more people became concerned. Activities in the HOA affect us long term and short term.

Matt explained the Board went into a 10-year contract with Grass Inc. Price to stay the same all the way through the contract. Ruth interjected from the floor and stated Matt was missing the point. And asked if the other Board members are aware the contract was locked in. The entire Board stated they were aware and agreed.

Ruth stated all the discussions are only supposed to happen at the meetings and not a kitchen table or by text. Matt stated this was on the agenda as "Business Handled Without a Formal Meeting" and being reviewed for your benefit. The contract extension for Grass Inc was handled without a formal meeting as well.

Joyce stated the only reason why she went along with this contract is the 30 day clause, that either party can cancel. Joyce could not believe a vendor would go for 10 years at a set price with everything going up with labor and materials. Grass Inc was happy with that number and the Board was happy with that number. Matt asked if this needed to be brought back up for discussion. Joyce stated as long as there is 30 days. Matt stated if there was service issue then it will be addressed with Grass Inc. Reason why Board was comfortable was how good the work has been.

Ruth interjected and said going back to what she stated that all Board in agreement and that Matt had all the answers. Matt said it was the case that the email thread will be included with the minutes of this meeting. Ruth said it is unsettling that Board member has questions. Matt expressed to Joyce that if they were going to continue to conduct business without a formal meeting it is appreciated is concerned are expressed at that time.

Homeowner asked if the 30 day clause was in there or not. Matt asked for the contract from Magnolia. Homeowner stated this is why no one to the meetings because nothing gets resolved and there are no straight answers. Matt stated this was handled without a meeting.

Matt reviewed the contract and there is no 30-day clause to end the contract. We have Grass Inc and we have Grass Inc for 10 years. If we get into a situation, we can get with a lawyer and resolve it. Ruth touched on a previous example with another vendor. Matt stated we are not going to debate whether we are signing it. That email thread with the business handled and concerns are appreciated.

Tina stated we all agreed to this. Tina Felder touched on a clause in the contract where the contract can be altered. For example, if Jason started managing irrigation, we can adjust contract etc.

Ruth wanted to give more feedback about other contracts from the past. Vendor's quality of work went down on the last year of the contract. Ruth stated we got Grass Inc from one of GNO's ex representatives.

Matt went over the \$50 water credits for the pressure washing to homeowners was also handled without a formal meeting. This was brought into play because the vendor did not have a water supply. The water credit was overboard. It was only \$3-\$4 water credit. Next time, this will be avoided with a vendor who supplies water. There was more pushback and outrage with the water use.

Soft washing completed. Budget for \$19,600 and \$19,200 was paid out. There were some units were missed. There is a range of quotes for next year. Joyce stated when she met with Clint and Justin, she thought she was meeting the firemen. Pressure Preaux was another vendor that lived in the neighborhood. It was the same identical price.

Discussion took place about other vendors and what they offered. Quotes ranged from one end to the other. Matt stated they should budget for \$35k for that account for next year. Josh stated there was a large wasp nest that was knocked down by the soft washing. Matt stated the current vendor will not be given the option to bid again. The scheduling portion of the project was a problem. The vendor was too small and we need to have someone to come in and be done in 2-3 days.

Homeowners stated they were happy with the results. But he did not have water supply.

Ruth stated Magnolia is the one who introduced to RhinoBlast.

Homeowner asked if Magnolia typically has a list of vendors with good relationships. Sarah stated we do but not so much on the Northshore.

Homeowner asked about the balconies and why they were not washed. Matt stated the balconies were not washed at the request of the Board. Vendor was instructed to wash everything he could reach without stepping foot onto the balconies. Matt stated they do not care for the balconies. The HOA does not maintain those balconies and they were not going to put a contractor on the balconies.

Homeowner stated there should be responsibility for the HOA to fix. Matt stated this would be touched on later on. Homeowner stated he spoke to the vendor.

Matt skipped to the units that were missed. Matt posed credit to homeowners who have a whole unit or balcony missed. Board was unanimous with the in favor of the credit.

Homeowner was worried about the balcony and structural issues and what to do going forward. Matt stated if it was his balcony he would get a structural engineer. The credit to be distributed is \$19,200/112. What you do for one you have to do equally for another. There were two people who missed entirely. Agreement ahead of time was to move your car ahead of time. The agreement we had

going in, vendor did not follow through. Vendor was supposed to provide Magnolia a schedule. But instead, he was sticking flyers on doors in the afternoon for the next day.

Joyce stated when she talked to them, she stressed the need for ample time for the patios to be cleared off. Joyce asked about the vendor's insurance. Homeowner provided an example of the insurance.

Matt motioned for pressure washing to take place every year. Board voted unanimously in favor.

The Board without a formal meeting, will select a vendor. Magnolia to start getting quotes in the fall for another pressure wash project in 2024.

Matt offered anymore conversation on the softwash topic.

Section 7 Maintenance Requests, policy and procedures. This Board is required to provide equal access to maintenance past and current assessments have not generated the funds necessary for the Board to provide equal access to the range of items that Article 5 discusses. That's our real issue. Everything in Article 5 that we are responsible as an Association for performing its important everyone realize the current assets (referenced June 2023 numbers). There is \$106,876.76 in total assets.

If you divide that number by 112 units, that is what everyone has, \$954.26 per unit is what is in there.

Operating account really should not be pulled from. Normal Reserve if you have an emergency.

Capital Reserves is saved for planning projects down the road.

Matt opened discussion to room to make sure everyone is all on the same page or to see if there are any changes to be made to the Maint Request policy.

Currently, Board reviews Maintenance requests and determines cost of the requests. By seeking quotes from vendors, that is after someone already reaches out to Magnolia. Funding the request through specific assessments because, the funds are not there to fund maintenance requests. Board is not allowed to use the money out of General Assessment fund that does not benefit all 112 units equally.

Matt stated we are collecting \$20,000 for general maint and repairs account, so why not equally divide that and offer to owner to offset the specific assessment. Joshua stated he has been paying into the account for 10 years and not using, and divide amongst everyone else, then the money is sitting that but he only gets \$200? Matt stated the money is not just sitting there and it is rolling into capital/reserve account.

Tina commented that she was in a newer unit and Josh was in a newer unit, Joyce is in one of the original units. Does that mean she should be into a monthly because she is going to have more use. One for all and all for one. If we are only collecting \$20,000 a year and its only \$178 and some change per unit, we cannot take my \$178 and give it to Joyce even though I may not at this point in time have any issues. Matt confirmed her thought process was correct.

If you are going to spend any money out of that account, it has to benefit equally.

Joyce said try to understand how the older units feel. We paid two and quarter for the longest and never had a problem. Tina and Matt stated they got new roofs but confirmed it was insurance. There was a point when that Board had to put a project on hold because it didn't have the money to fund the next

maint project. They had to wait for revenue from the DSLS homes being built to go back and pay the vendor.

Fence project had a lack of funding to pay vendor. And the payment had to be (multiple people started getting loud) ... Martha started on the history on the fence project and stated the vendor misrepresented his quote. Tina asked if there was a contract in place and if he took a loss? Martha stated yes. And went into additional detail on the project. Matt inquired how the project was funded? Martha stated it was not a special assessment and it was funded by years of dues.

Tina stated to Joyce's point, you have paid \$225 for x number of years and there were others who also paid \$225. But that was the vote to change the \$225. It was not any one person, it was the community. Tina stated she is the last one to raise dues. Matt stated we have a problem with no solution.

Ruth stated the Board knew when the bylaws were changes, this was going to be an issue.

Ruth stated the bylaw stated you are responsible for xyz and the Board is responsible for coming up with a budget and \$20,000 all the time I was on the Board, I previously looked at all the budgets, there was never ever a \$20,000 budget for maint. Ruth stated said this was on the higher end and of course, but if you are going to put in a maint budget, the Board is obligated the HOA to cover whatever repairs. Matt stated no, and we are working our way right back to \$178.57.

Ruth stated we all bought in and stated the Board should sit down and responsible for a logical budget for this is \$25k. If that increases our fees, so be it. Ruth stated we are the only garden home/villa/townhome is this inexpensive. Tina asked if Ruth wanted it to go to that? Ruth stated we are sitting on a nice property and we need to keep up with our property. Ruth continued on with that we are townhomes. The bylaws read the homeowner owns the driveway, the foundation, the walkway, the interior and exterior and roof. So if you want to go along the assumption that you are only going to decide whether it benefits the community, then why don't you sit down and tell them the way we told them with insurance. It is your home, we are not touching interior, exterior, roofs, etc, this is a homeowners responsibility. The maintenance only covers basically the grass area. However, if you don't keep up with your property based on the community wide standards, we are going to notify you to clean up etc. Matt agreed to her point.

Ruth then asked why not do that then this little game? Matt stated there is no game. Matt said out in the open he does not think this association should be responsible for any maintenance except for long term capital projects. (Roof, fence, paint). Each individual homeowner would benefit to handle other maintenance on their own.

Matt stated if you moved in and thought some day down the road you were going to get new siding, where did you think it was going to come from?

Tina said if we are going to continue on that, the dues have to be raised. Matt stated he was okay with either option and was expressing how he felt about it.

Homeowner asked if we go with the way Matt was talking about, a homeowner does nothing about some problem they have with their wall, Board goes after them, and they do not do anything? Matt stated they are assessed a specific assessment and they have to pay it back.

If the homeowner does not fix their house because they do not have the money to pay it, so where do you go from there? Matt stated ultimately, it will be collected. Homeowner then stated you will eventually take their house? Matt stated yes, eventually. Homeowner stated so you would take their house because of a crack in the wall. Tina stated no, homeowner stated that's what you just said. Matt stated a notice would be given to the owner about repairs, notice of vendors and importance of doing the work. Homeowner's account will be specifically assessed. Homeowner stated so you'll lose your house at 90 days for a crack in the wall.

There are currently 49 members with a balance. Homeowners/members started discussing balances off topic.

Homeowner asked what the current process is for repairs. And what is the Board looking for specifically?

Matt stated we field these requests on a regular basis. Cracked window, hole, etc.

Ruth asked about responding to losing home, Matt declined her request and asked to save that for when we get to that portion.

Matt went to the maintenance discussion and the process.

Current system- Request from homeowner sent to Sarah, Sarah notifies Board and asks how they want to proceed.

The only thing approved this year was bushes. All other requests, small maintenance things etc Homeowner stated if they have something small, she would get someone to come get it. If there is something structural, then it should come through Sarah and notify Board. Board would then decide how they are going to proceed based how the funding for project will be. Matt gave the example of balconies. He stated this could be a \$2k repair... and then determined does this repair benefit all 112 units equally? And if the answer is no, it does not benefit all 112 units equally, then the offer is made to find a vendor, make the repair and then assess the individual unit the cost of the project.

Homeowner stated that does not make sense. Matt stated this made perfect sense based on the financial situation. Tina stated it is either that or we need to raise our monthly dues to \$350/month.

Homeowner stated, I don't need bushes, give the homeowner the bushes. Bushes are common property. HOA is in charge of the landscaping. We as a Board do not have a mechanism to water them. Joyce stated she did a study on Indian Hawthorne and last up to 15 years. Matt stated we do not have a way to water the bushes.

Sarah stated the problem is, you don't want to fund for new bushes, homeowner not water, them homeowner reaching out stating bushes are dead, it is an additional expense. That is where the irrigation comes into play.

Tina stated we are townhomes, not condos. Townhomes is a single family home. Montgomery terrace, they are not attached, we are. Some of the community thinks that we are not. And that \$136/month covers everything. Ruth stated maybe that needs to be clarified that we are townhomes. Ruth stated because Article 5 was not ratified, the clear cut would be we are townhomes, this is what you own and we are not touching this, we are only handling this and set the maint fee to \$10k and that is it. Ruth stated this would make more sense than the \$20k budget.

Homeowner stated the method of raining is the way to water the plants.

Homeowner shared the realtors should be aware of the governing documents

Conversation took place between the difference of condos and townhomes . Article 5 is reflective of what would happen at a condo association.

Tina gave the specifics of what a condo is vs. Townhome- Condo is you own a percentage of the community, you do not own the ground under you or greenspace around you. You own walls in. A townhome is you own your land, structure, and everything within the walls of the structure. Difference in a condo association, because there is a percentage wise ownership, pretty much everything is outlined of what is cared for, covered and not. Ruth stated we were always townhomes. Joyce stated what was told to her is that Village at Guste Island was condos. You will have these amenities and dues will go up as amenities increase.

Matt stated this is where those two definitions have to match. If you are going to call it a condo, your fees need to match. Article 5 is what you would expect to see in condos.

Joyce stated she was flat deceived. Tina stated her realtor would not necessarily know. Tina said the liability was on the owner to read the documents received by the realtor. Joyce said we need to settle this.

Matt proposed, any maintenance request that come through, specific assessment based on good standing. And if not in good standing, we will ask homeowner to make the repairs. You have to follow Article 3 and Article 5. Article 3 dictates how the money can be spent. Ruth stated Article 3 contradicts Article 5 but the mistake that was made was putting in the maintenance dollar amount. Matt stated he was glad this mistake was made. It is real clear that \$178.57/unit per year is not enough money to perform work.

Ruth stated surely there is not \$40k worth of repairs. Because there is an error in 2023, well not necessarily an error. Matt stated the budget was always there. Ruth inquired if we have \$10-\$11k worth of repairs. Matt stated we are not touching that money and hope that is enough of a buffer to offset the lack of revenue we have. By the end of the years, we could approach \$20k in unpaid dues.

Ruth stated that has nothing to do with us. Ruth stated we could sue a homeowner. In all the years, one homeowner was sued. Matt stated they would find the money to pay it. Matt diverted back to the original vote.

Ruth gave the example of her replacing her windows and getting the \$178.57 credit. Matt confirmed that is exactly what will happen. Ruth stated if she is having a hard time understanding there are a few board members that have a hard time as well.

Homeowner confirmed that basically they eat what is over \$178.57. Matt confirmed yes. Homeowner stated even though she has paid for 17 years she has to replace the windows? Matt and Tina confirmed. Tina stated this is due to where the account is now.

Matt stated this is the next conversation.

Matt votes in favor of the current policy, \$178.57 is applied to the specific assessment balance on the HOA account. Tina votes yes until a solution is found, Joshua in favor with contingency on a solution,

Joyce agreed under the same contingency with an explanation and we will have a new solution. Unanimously agreed this is the system we will stick. Until we have a good option.

Pending Maintenance Request

- i. 147 White Heron- Requested her bushes be replaced and the dead ones pulled **Done.**
- ii. 147 White Heron- Requesting maintenance on her building for the crack from it shifting.
- iii. 147 White Heron- Requesting maintenance on her fascia where there is a hole and birds are entering.
- iv. 147 White Heron- Reporting the exterior maintenance repairs that were performed in 2022 are failing and would like them redone.
- v. 147 White Heron- Reporting her flashing is peeling from improper installation of roof and inspection.
- vi. 147 White Heron- Reporting a pipe was broken off in her garden by Grass Inc.
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- ix. 179 White Heron- Requesting her exterior electrical outlets be repaired/replaced.
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- xi. 215 Snowy Egret- Requesting reimbursement on her glass window panels.
- xii. 229 Snowy Egret- Requesting reimbursement for a vendor she will hire to pressure wash the back of her home. Was missed due to furniture being left out.
- xiii. 239 Snowy Egret- Laundry Vent was replaced by him, claims pressure wash project was the reason for the damage
- xiv. Homeowner inquired about the exterior pest control for the property.
- xv. Couple of homeowners inquiring about the replacement of their shutters-

Homeowner for 147 expressed concerned about her broken pipe by Grass Inc. Tina asked if it was the hose bib. Matt inquired if we know it was Grass Inc for sure and if homeowner saw it happen? Homeowner stated oh please it is right by the front door and she has had ac problems before and she keeps an eye on it. Matt stated pursuing Jason regarding that repair.

Joshua stated for item 14 there is no exterior pest control and only termite. Grass Inc has been taking care of ant piles.

Ruth stated 215 Snowy Egret was a builder issue.

Tina stated the Louisiana warranty is now 1, 2 and 5.

Homeowners/Board started conversation amongst each other regarding the address confusion.

Board voted to use the current process for all maintenance requests to follow the same procedure. Motion to make the repairs available to the homeowner with the \$178.57 credit to their HOA account. Requests 2-12 Matt is in favor, Tina is in favor, Joshua in favor, Joyce in favor.

Homeowner stated the shutters were funded by insurance payments. Ruth stated there was no insurance payments. Ruth stated we decided what was going to get done. As far as shutters were concerned, fix or remove. In this particular case, shutters were removed because it did not hurt the aesthetic of the community. Request 15- needs more information. Matt votes in favor of the maintenance request through current policy, Tina in favor, Josh stated he wanted to look more into it. Homeowner stated this is stupid and not to worry about it.

Ruth stated going forward can we discuss what will happen in 2024. If you take the position of this and this, then it falls on the homeowner which is clean.

Started the conversation on increasing the dues to cover all maintenance requests. Matt stated a reserve study would be ideal. To ballpark on estimate on what dues would be to match everything in Article 5, he would estimate \$400-\$500 a month.

Matt is not in favor raising dues to accommodate the request by raising dues. Tina is in agreement and states it would slash property value. Tina is not in favor of raising dues. Revising Article 5 if it cannot be changed totally just so everyone is aware. And this eliminates the argument and the big loop. Joyce stated we need to finalize this and everyone be on the same page so poor Sarah is not bombarded.

Ruth stated we should take the position that we are townhomes and reiterated her previous statement.

Homeowner asked Sarah if there is something that can be sent to homeowners. And if need be, if someone still causes an issue, maybe set up a meeting one on one.

Board/Magnolia to draft a procedure document to post to the portal.

Matt proposes an amendment to Article 5 for prior to the next Regular meeting.

Joyce asked for a small intermission.

Rental amendment to go out to neighborhood vote. 25% rental cap. Matt votes to take the current amendment turned into a ballot and distribute to the neighborhood. Ruth asked about how this is going to work because we do not want to get into the same situation as these bylaws. Ruth posed an example to the Board. Matt stated if there are 28 units currently being rented, and anyone attempts to turn in a lease to Magnolia, that lease will be denied and they will have to be on a waiting list.

Matt stated at this current moment this is really getting down to major details. This is just to get a cap in place. The more you include, the more difficult to vote. We need to tackle the cap first. Matt said we are going to amend this article just to get the cap in place. Matt deferred to Board for re-draft option. Joyce inquired about Sutton's price? Matt stated around \$100.

Ruth made some suggestions about what could be added to the bylaws

Sarah re-submitted draft to the Board's email for review.

Joyce asked if her and Josh were consulted? Matt stated that is what we are doing, consulting. Tina stated they were consulted. Matt stated this was sent out via email. Sarah confirmed that Joyce did provide some feedback to the amendment that was provided to the Board.

Matt stated what is being shown (the draft) as it currently reads, the only thing that will be changed is the percentage. Matt briefly went over the draft. Tina stated she does not know that anyone that has come in with less than a year lease.

Homeowner asked if there was a cap on investors in the neighborhood. Tina stated that is what this cap amendment is for.

Matt proposed if you want to enter a conversation with rental and lease restrictions, we shelf that for another time.

This amendment strictly targeting the 25% rental cap. Matt proposed a vote on this to the Board to be distributed to the homeowners.

Matt asked the Board who wants to research for a community, common lease restrictions, what are the restrictions. Josh stated he was out. Tina asked for in depth on the research needed. Matt into detail.

Ruth inquired about lease agreements and if they have been submitted to Magnolia. Ruth stated we should stay on top of that.

Magnolia to follow up with an email blast asking for signed tenant and declaration. Conversation started up about background checks, etc. Conversation for another time.

Street Parking -send issues to Magnolia. When warnings and fines are going out, difficult to pinpoint.

Collection schedule and policy 14 members over 90 days = \$9k. Matt wants to propose liens on the 14, send demand letters, and hopefully get some results. Homeowner inquired if this was accurate. Matt stated this was accurate.

Tina stated if you are one of the 14 that got a letter, she suggest you call Magnolia. Before money is spent on a lien, Board is going to make sure the owner is accurately behind. This should illustrate this is an expensive process. HOA will be in the hole until these past dues are resolved.

Ruth inquired if we want to have the reputation that we are foreclosing on homes for \$400. Magnolia advised the homeowners are notified in the interim. Tina stated there are members that have not paid and the numbers are large.

Matt asked what the threshold is for pursuing legal action at the 90 day mark. Matt is proposing a lien at 90 days, 120 days, demand letter, and by the time a year goes by, judgement filed. Magnolia went over the collection process and when letters are sent out. Magnolia sends the delinquent notices and homeowner should reach out to settle a balance. Matt is in favor of 90 days, liens are filed. Ruth stated this should start at 90 days. Board unanimously agreed (Tina, Josh, Joyce).

Sign Maintenance/ Mailbox Maintenance- Conversation with Grass inc about the weed eater. Matt is in favor 2023 mailbox maint, Board is in favor.

Matt proposed sign maintenance in 2024, Entire Board is in favor.

Homeowner asked if there was street sign warranty, there is not.

Grass INC, contracted 10 years and irrigation discussion.

Install or repair the irrigation, if homeowners cannot take on responsibility. Special assessment for two years for irrigation repairs or replacement in the amount of \$62,500. Will only increase \$23.25 or \$46.50 depending on the route. Problem is we are replacing bushes over and over again. Matt deferred the other Board members. Joyce stated people are not going to be in favor for this. The Board stated we are all in agreement we have a problem whose responsibility is to water. Solution is to amend Article 5 to make homeowners responsible for watering. A specific assessment to be applied anyone who wants bushes replaced in the interim.

Section 8 & 10

2030- Estimating \$35k/building for new roof. Expected expenses explained.

Begin assessing in early 2024. \$176 per unit and that would increase general assessment. What do we do about this? Those bills are coming and maybe could push this back to 2035. This is a conservative estimate. Ruth stated if we go along the assumption that we own all of these things, then we should not have to pay for it. Ruth reiterated her statement.

Matt asked the Board should the expenses be homeowners. Roofs are going to be on the HOA responsibility to replace. Homeowner stated how would that work? Ruth thought the adjuster said we have separate roofs. Tina stated there is typically a line that separates the units. Matt stated he does not trust 112 separate units to be prepared to replace roofs. Magnolia advised of the liabilities. In cases such as this, roofers recommend you do the entire structure.

Matt stated we need to start being prepared for this come 2030. If we are going to put forth a special assessment, it will have to be agreed on by everyone.

Matt proposed making the fences the owner responsibility. Ruth stated Fences are classified as common area because it is not identifying it as an individual. Fence may need to be addressed prior to 2030. Matt asked what do we do? Ruth stated DSLD may need new fencing before the others.

Homeowner asked if there is an act of nature clause. Homeowners started speaking amongst each other. Homeowner asked how long is the brown paper going to hang in Delcina's old unit? It was reported to Magnolia. Notice was sent over. Homeowners started speaking amongst each other and it was unclear.

Ruth shed light on the drape issue in Delcina's old unit. Matt stated if you see something that does not meet the community wide standards, let Magnolia know.

Matt proposed all the future expenses to be the responsibility for the HOA. And we need to be prepared there will be a special assessment in the future for the community. Matt asked if there were any other thoughts. Joyce stated she was good with it.

2024 Budget Proposal

Matt stated there will be some sort of special assessment for the long term expenses and responsibilities.

2024 will look a lot like this year's budget. Matt proposed to Get rid of the roof maint and the gen main and repair accounts. It is not necessary and it does not match the procedures we plan for maint. Matt proposed 35k for pressure washing.

Matt proposed settling on a percentage of people not paying dues and adding \$8-\$10k budget just to compensate for those people. Right now, we are going to make it to the end of the year with a little bit of a surplus. Even with all the extra fluff in the budget, the number may not be reached.

Matt asked if the Board wanted to add something in, assuming probably 10% of the people are not going to pay in regards to the 2024 Budget. Ruth stated to take a look at the shortfall.

Matt explained we are \$10,555 down as of June 30. Should have collected \$91,240 and we have only collected \$80k. The reasoning of the number due to past years of shortage and to go ahead and budget for it.

Legal fees to increase in the budget, Magnolia suggested \$7k-\$10k. Matt went over the expenses of the HOA. Social events and decorations is something we can take out.

Tina felt the budget is down to the necessities.

Trash removal is \$22/unit and there is currently a surplus. Ruth inquired about a new contract but there is not one. Tina asked about other quotes, Ruth stated there were other quotes and WM was the cheapest. Owner asked why one person has two garbage cans? Matt stated you can call and ask for another can. Garbage can issues need to be reported to WM not to Magnolia.

Magnolia/Board to receive additional trash bids. Ruth said previous minutes should show the quotes received.

Sept 1 Budget locked in and 4th quarter meeting to be scheduled around that time. Ruth stated the budget is ratified once the Board decides. It only becomes unratified if 51% of the community comes against it. There is no ratifying of the budget. Matt stated there is a proposed budget from the Board. There is no community wide vote.

Ruth stated anything stated like the trash removal and initiation fees are transferred to the reserve accounts. Initiation fees are to go to the capital reserve account. Additional conversation took place amongst board and residents.

Ruth inquired about the water bill. Matt stated there is a lag in the invoices. Ruth stated up until recently she was still getting the invoices and Ruth stated the board is not approving on time. Ruth requested the invoices be approved in an appropriate amount of time. Board members are aware about invoicing review.

Ruth stated she looked at the history for the last year. And she saw who was approving them and why there were late charges. Magnolia relayed there is a 7 business day delay by the time we receive it and uploaded to strongroom. Ruth stated by the time it shows in the system, it is 2-3weeks. Matt stated he just spent 12 hours doing is due diligence. Tina stated her concern is why is a non-board member still seeing invoices. Ruth stated she is still a homeowner and someone who was no longer a homeowner was still getting the information.

Homeowner interjected and asked about the Facebook page and if that is the normal distribution of information or if it was the newsletter? Sarah advised Magnolia Management services is not affiliated with any Facebook for any HOA. The Facebook page has nothing to do with the Board.

Tina asked why it is named the community name? Ruth stated this is how it was from the very beginning. The original President from the beginning stated this is not something the Board endorses or monitors.

When the complaints started, they tried to take it down but there is a person who hasn't lived here in 10 years and essentially in charge of it, he was asked if he can take it down and he declined. At that point, the Board made it very clear that the Board was not affiliated with the page.

Tina stated her concern is as a realtor, if your client goes to Facebook and searched the HOA and they are getting information that may or may not be accurate and it is hurting property values. Tina stated she was blocked from the group. Matt confirmed that he was also kicked out. Matt stated both Facebook groups need to go. Homeowner stated she did what was asked of her and renamed it.

Homeowner stated the questions to get in the HOA have been updated and address has to be entered. Tina asked how it was vetted. Homeowner stated there is a directory of Magnolia Management's website. Tina asked how they are keeping that up to date.

Ruth asked if there was a directory on the website? Sarah stated there is no directory on the website.

Tina stated that there are 3 properties on White Heron. Matt stated could Facebook break the sale? Probably not. Ruth seemed to think it could hurt it. Homeowner stated she wanted guidance and not threats to the Facebook page. Matt stated the admin need to be Magnolia if they will and Tina felt the Board does not need to be admins.

Ruth stated when Magnolia was hired, they designed a website for us. HOA no longer had to worry about the FB page and realtors should know about the website.

Joyce inquired what state and federal laws were broken? Matt stated you are member of an association and you are sharing information. The homeowner stated they were doing what was previously done. Matt stated the discussions happening on the FB page are discussions that should be discussed in this room or with the Board of Directors. Matt stated there is incorrect information shared and essentially it is stirring the pot.

Ruth stated that personally, she had to go to Daniel and let him know the wrong Budget was posted. Ruth stated the budget came down and went back up incorrectly. Ruth stated she had to spell it out.

Matt stated he and Sarah worked on this for 4 hours. Sarah interjected and said it was a clerical error and it was pointed out 3 months ago, the same thing would have happened. And whatever is discussed on Facebook should be discussed in this room. Sarah informed the attendees she was notified a homeowner reached out to a vendor and filed a corporate complaint.

Ruth stated some are frustrated that we are going around and not getting all the information. When we are preparing the budget, to have these explanations, and have the minutes come out, this will stop a lot of the issues.

Matt stated this piece of paper was in front of people as we went over it and why would the minutes solve this? Ruth stated she did not know what we were discussing.

Matt stated we are oversharing. Ruth stated we are entitled to know all of these things and the communication needs to get better.

Homeowner stated the drama with Facebook needs to stop. And he does not think someone not on the Board or related to the board should be the admin. The Board does not want to have anything to do with it.

The Board declined to taking it. Kimberly asked if guidelines should be set and she will make sure it is rainbows and butterflies.

Matt stated that no homeowner related business should be discussed there. Tina stated it is simple and the faces that come to meeting are the ones that always attend. These meetings are always like an arrow thrown at the Board. There is an issue and we need a solution. The us vs. them needs to stop.

Kimberly asked where is it crossing the line when a message is received that you are being sued. Matt declined that happened. Matt stated he would proposed a vote to the Board. Kimberly proceeded to read a message sent to her by Matt.

Homeowner said this is what he talking about regarding facebook drama.

Matt proposed do we want to seek anything with our D&O insurance regarding the facebook posts? Josh stated an attorney is going to say First Amendment right- freedom of speech and there is no way to control.

Matt stated the page is falsely representing the association. go look at the page and tell me the difference between what they are representing and what we are doing right now. They are falsely representing the association.

Ruth stated they need to change the name of that group. But the bigger problem is if a Board member felt that was inappropriate, sending a message to a homeowner before discussing within the Board is inappropriate. Matt stated that was fair enough. Matt proposed keeping this on the table pursuing having the groups shut down or settle for some guidelines?

Josh and Joyce said no to shutting down the groups. Tina stated she has a problem with someone who does not live here having access/control to that group. Matt stated the censorship is going to end up having someone in hot water down the road.

Tina stated there was a home that was for sale with a cash buyer and it all of a sudden fell apart. It concerns her if they may have saw something on Facebook.

Sarah stated this is why Magnolia stays unaffiliated.

Tina stated it should be inclusive of everyone of the community.

Kimberly stated Matt said he had Tina's vote to sue her. Tina went on to say let's build a community that is conducive. Ruth stated this is now the third Board that is trying to do the same thing with making the communication better. Matt stated it has escalated over the past year.

Kimberly stated it escalated last night and to be called and said she was being sued and that she needs to show up at the meeting. Kimberly said she told Matt she was a moderator. Admin is the only one who can delete the page. Matt asked Heather why he reached out to Kimberly? Heather stated she did not

have any power over that page and Matt reached out to Kimberly. Kimberly said she cannot do anything to delete it as a moderator. Matt stated it all falls on you.

Kimberly stated Matt said he had a proxy from Tina and Bob and he did not need input from the other members. Matt confirmed that it was true. Kimberly said he should have contacted Mike instead of contacting Kimberly.

Ruth stated that reaching out to Mike will not work.

Kimberly went on with her encounter with Matt and continued and said she asked Josh if he wanted to take over and Josh said the Board wanted nothing to do with it.

Kimberly asked if she could have contacted Magnolia and Matt said no. Kimberly said if you are going to threaten me with a lawsuit please have the paperwork to back up what I personally did. And she asked if she could contact Sutton because if you are prepared to sue me, Sutton knows what is going on. She proceeded to say that Matt declined her request and that Sutton works for him. Matt said that is not what is said and that Sutton works for the association. Kimberly stated she is being nice and she said she would never come to him for anything.

Kimberly stated she is not the only female who feels this way and has been backed into a corner. She said there is a reason why residents will not give out numbers. Kimberly called Matt egotistical towards women and not men.

Matt stated he was out during the night that he was correcting a parking issue that was brought to his attention by a female. He stated while he was out, let's get some face to face communication.

Ruth stated if this occurred, he owes Heather and Kimberly an apology. Ruth said you have no right to go to someone's house unannounced and that he should go directly to Magnolia.

Matt stated this is a two way conversation. Matt stated there have been attacks on that facebook page about him. And how he's been notified by others about attack plans. Matt stated he felt threatened by what is told to him and the position he sits. Matt stated they have been addressed in a professional manner.

Ruth stated unfortunately, the Board is going to get blamed for everything. Matt stated eventually, if someone gets bad information and it comes back on the Board and we will have to use the insurance to cover themselves.

Ruth stated if there is an issue it needs to be discussed within the Board. This is the reason the Board always says to go through the management company.

Magnolia stated they have no stance on Facebook issues and essentially just the messenger between the Board and homeowner.

Matt stated you either want someone involved with boots on the ground or you don't. Joyce stated to Matt we have no right to intimidate or go to their house at 9:30pm. None of us have that right. If someone feels the need, you cannot do it without all of our approval, not just three. Joyce stated you could get the Board in trouble. Matt replied so could their facebook.

Sarah commented and said this was getting out of hand and its almost 6pm. Everyone needs to be respectful to everyone. Some of the guidelines for the Facebook group that is unaffiliated with the Board or Magnolia needs to have a “no posting of Board members or derogatory language towards board members or homeowner.” The post and member needs to be removed. This has turned into something that it does not need to be. Per the governing documents, there probably should not even be a discussion about this topic and if there is nothing left on the agenda, someone on the Board should motion to adjourn.

Ruth stated she had one small question about the capital account. She wanted to know the difference of where the \$100 went. Sarah relayed this was the roofer repaying back what was taken.

Meeting adjourned 5:17pm,