

Minutes for the Annual Meeting of the homeowners of the Terraces at North Pointe.
November 10, 2013

In attendance: Marcos Sola-Cruz, Jeremy and Adrian Jensen, Jim Eriksen, Casey Holscher, Eric and Sandra Clark, Paula and Ron Shoup, Janine McCann, Michele Straney, Darcy Allen, Erik and Elizabeth Guilawski, Robert Hendrickson, John and Judy Allen, Carl Oberg, Greg and Adriana Seaman, Donald Ringled, Kelly Godbey and Cindi Snook.

In addition to those in attendance who voted at the meeting, proxies were obtained from: John and Beverly Miller, Karen Kilianek, Ken Riddle, Karen Gormaley, Renate Chaidez, Erich Hamm, James Davis, Mary McKee and Eileen McGill.

In addition to those in attendance at the meeting, ballots were also received from Brad and Sheryl Reed, Karen and John Gormaley, Erich Hamm, Renate Chaidez, James Davis, Eileen McGill, Mary McKee, John and Beverly Miller and Karen Kilianek.

Counting the number in attendance and the number of proxies obtained, we have a total of 26 votes and/or proxies which constitutes a majority of homeowners, which was enough to allow a valid vote with regard to financial issues.

Counting the number in attendance and the number of ballots, we have a total of 26 votes and/or ballots which constitutes a quorum of homeowners, which was enough to allow a valid vote for the election of new board members.

Marcos called the meeting to order and gave a brief discussion on the condition of the west pond. This matter is covered in detail in one of the documents provide to all homeowners prior to the meeting. It is also available to all the Terraces website at:

<http://www.terraces-northpoint.com/>

At present we only have a fund specifically designated to cover the replacement of the fence. This fund cannot be used for any other purpose, unless a majority of the homeowners vote in favor of converting it to a general fund that enables use of available funds of the fence, as well as other major maintenance items.

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The reserve fund would have to be designated to allow expenditures to cover the three major recurring expenses that we have, to wit:

1. Fence replacement
2. Pond maintenance
3. Irrigation system (the well, sprinklers, and pump) and related items.

Jim Eriksen then presented a complete and accurate Treasurers Report and a proposed budget for the coming year. He also recommended an increase in homeowner dues to cover the cost of the operating expenses (both current and projected) and also to increase the amount going into the reserve fund. Copies of his detailed reports are attached hereto. The Treasurer Report and proposed budget were accepted and approved.

The proposal was made by John Allen to revise the scope and description of the current fence reserve fund to cover recurring expenses for the following, which are all a part of the common ground of the neighborhood:

1. Fence replacement
2. Maintenance of the irrigation system and well
3. Dredging and maintenance of the ponds

The motion was seconded by Marcos Sola Cruz and passed with a majority of the 26 votes and/or proxies.

A motion was presented and seconded to increase the homeowner dues, beginning with the next billing cycle, by \$22 per annum, thereby increasing the amount being added to the reserve fund each year to cover the cost of the aforementioned recurring expenses. The motion was approved by all homeowners present at the meeting.

There was discussion of a work crew to complete the needed tree trimming along the perimeter of the subdivision and Jeremy Jensen agreed to lead a work crew. John Allen and Robert Hendricks volunteered to assist and they will be calling for additional volunteers when the time comes.

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A discussion lead by Marcos regarding the repair of the pump and pump house ended with Marcos saying that once the work was completed on the irrigation system and the pump, we will need a crew to build a new pump house. Marcos has paint and shingles that can be used for that purpose.

The new board was officially elected and the new board members are:

- Josh Taylor, President
- Darcy Allen, Vice President
- Cindy Snook, Treasurer
- Robert Hendricksen, Secretary.

Jim Eriksen has been working with irrigation system contractors in an effort to determine the cause of current irrigation system malfunctions. This has not been determined to date. He will continue to work with the new board on the issue of the irrigation system and/or well, which require some repair, until the issue is resolved.

Marcos Sola Cruz agreed to continue to work with the new board on the issue of the dredging of the ponds. It was recommended that the proposal that gains access from Parkway Drive be accepted and that was the agreement of all present. The remaining proposals require access through homeowner properties, as well as the removal of homeowner fences. That approach would inconvenience homeowners and in addition would be significantly more expensive, since the cost of replacing homeowner fences would have to be added to their quotations.

A neighbor brought up the issue of speeding cars and the possibility of speed bumps and/or lowering the speed limit through the neighborhood. Cindy Snook reported that the speed bumps, do not really slow people down, except for just before hitting them and in addition they diminish neighborhood home values. She is correct on both parts of her assessment. Speed bumps do not increase safety and diminish the values of homes in a neighborhood. You may see them in trailer parks, not in upscale neighborhoods or good neighborhoods. The homeowner agreed to contact the proper authorities to see what process would be followed to lower the speed limit within the area to 15 miles per hour, and he will report to the board at the next meeting.

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Eric Clark brought up the discussion of the Neighborhood Watch Program and a lengthy discussion ensued. Cindi Snook (our neighborhood police woman and also our new Treasurer) explained that neighborhood watch does not consist of just watching your neighbor's property, but being alert and watching for any unusual activity and calling the police to report these. It was a good discussion and she also reminded us to keep vehicles locked, garage doors down and homes locked.

The last item discussed was the yard that is dead in the middle of the neighborhood presenting an eyesore to all. It was mentioned that it was obviously an intentional spray so that the lawn may be replaced.

The meeting was adjourned by Marcos Sola Cruz as his last official act as President.

Casey Holscher

Secretary

Attachments:

1. Treasurer's Report
2. Proposed Budget for the year 2014

Terraces HOA Treasurer's Report: November 10, 2013

Financial Status: Total assets of \$14,355.51 as of November 10th, 2012 exist in two forms, a checking account with a current balance of \$12,080.30 and a savings account with a current balance of \$2275.21. Both banking accounts are with Wells Fargo. An additional \$1385.44 in receivables (HOA dues) is currently outstanding with a due date of November 15th. The increase in assets relative to 2012 is largely due to the increase in annual dues established to build up the reserve fund in anticipation of perimeter fence repair and replacement. All received bills have been paid as of this date.

Expenses and Income: Our normal estimated expenses are \$8961/yr, assuming no cost increases on non-discretionary expenses, an increase of \$337 over last year. Expenses in 2013 lead to a reduction in allocation to reserve funds by about this amount. Our estimated 2014 income at 2013 rates is \$11,154 if all homeowners pay their dues, the difference being the allocation for the reserve fund.

Primary recurring budgeted expenses:

- Maintenance of the common area by Dan's Lawn Service costs \$350.00 per month or \$4200 per year.
- Liability insurance expenses of \$1216.15 per year were paid on January 25th of 2013 with Ranew Insurance Agency. The HOA was notified in late October that the 2014 premium would be increased ~5%.
- Cost of treatment of the retention ponds by Ralph Miller /Lakes Alive is \$85.00/month or \$1020 per year.
- Maintenance of common area grounds and equipment, primarily the sprinkler system near the corner of Croton and Parkway, but also including the lighting, trees and fence surrounding the subdivision. We have spent \$290 this year for sprinkler system maintenance and \$1230 per year for pesticide and weed & feed applications by Expert Pest and Lawn Control, at \$205 every two months.
- FPL electricity bills for the entranceway lighting and for the pump on the common grounds. Budgeted monthly cost was \$35.00, though this figure has recently been reduced by the installation of the low energy LED floodlights at both Terraces entrance signs. For 2014, a budget figure of \$26 per month should suffice.
- Florida corporation filing fees are \$61.25, payable prior to a May 1st deadline.
- Administrative expenses for stamps (\$46- \$49), envelopes, paper, printer ink, and miscellaneous expenses are projected to total \$70, with another \$46,99 for the Terraces website.
- General fund miscellaneous expenses totaled \$181.28 and expenses of \$124.05 were incurred in 2013 for new LED lighting at the entrances. Note that thefts of lighting equipment necessitated re-purchases.
- To avoid lump sum assessments, the reserve fund allocation should be increased to ~ \$3125 for next year, in order to cover future costs for sprinkler heads, wells, valves, pond dredging, and fence replacement.

Issues: Three issues exist within the responsibilities of the HOA treasurer worth noting/discussing:

- 1) Revision of the purpose for and scope of the reserve fund to include 1) paying for pond dredging, and 2) irrigation system maintenance and repair, without having to assess all homes with lump sum amounts. This is being included in the proposed 2014 budget and resolved today in accordance with Florida Statutes.
- 2) Financial risk associated with the condition of the perimeter irrigation system deep well, which may or may not need to be replaced in the near future. A new deep well could cost approximately \$2900-\$3200.
- 3) The new board may need to raise the annual dues in order to cover the future cost risks associated with the pond maintenance, irrigation system, and fence replacement.

New Officers for 2013-2014

Pending the new elections on this date, a new treasurer will be responsible for all financial dealings of this HOA. Please provide your support to this person, and to all the new officers. All necessary assistance will be provided to the new officers to facilitate a smooth transition. It has been a pleasure to serve with the members of this retiring board.

The HOA treasurer requests acceptance of this financial report.

**The Terraces at North Pointe Proposed 2014
Annual Budget**

Date: 11/10/13

	Budgeted Income	Semi-Annually	No. Of Homes	Yearly	Basis
I1	Semi-Annual Assessments (Dues) in 2013	\$111.00	50	\$11,154.00	Current dues/6 mo.s
	Budgeted Expenses	Monthly	Bi-Monthly	Yearly	
E1	Lawn Service -Dan Jeffrey	\$350.00		\$4,200.00	Contractual amount
E2	Pesticide Spray & Weed/Feed of Grounds every 2 mos.		\$205.00	\$1,230.00	Contractual amount
E3	Pond Maintenance - Ralph Miller/Lakes Alive	\$85.00		\$1,020.00	Contractual amount
E4	Liability Insurance - Ranew Insurance Agency			\$1,276.96	2013 amount X 5% increase
E5	FPL Power Bills (Average Month)	\$26.00		\$312.00	~Historical average
E6	Florida Corporation Fees (estimated)			\$61.25	FL statute amount
E7	Website Fee			\$46.99	2013 amount
E8	Administrative- Secretary/Treasurer Stamps			\$70.00	Historical/estimate
E9	Sprinkler System Maintenance		\$75.00	\$450.00	Estimate at 1 hr/3 mo.s
E10	Sprinkler System Repair Fund	\$12.71		\$76.26	6 heads/yr
E11	Pond Dredging Payback Fund			\$600.00	\$4200 cost in 7 yrs; reimbursing fence fund
E12	General Fund - Miscellaneous			\$190.00	Estimate w/ Excel buy
E13	Reserve Fund: Pond Dredging and Fence Maintenance			\$2,525.00	\$15K for fence and \$4.2k for dredging in ~8 yrs
E14	Entryway Lighting Expenses			\$28.00	
	Annual expenses excluding reserve fund			\$8,961.45	Relevant sum
	Total			\$12,086.45	Total sum
	Apportionment per Household per year			\$239.81	Total divided by 50.4
	Limit of 10% increase in a year			\$244.20	
	Amount allocated to reserve funds			\$3,125.00	