

**PALM LAKE HOMEOWNERS' ASSOCIATION**

**BOARD OF DIRECTORS MEETING**

**APRIL 28, 2022**

**President Ned Timmer called the meeting to order at 7:06 pm.**

**Board members present: Ned Timmer, Fred Lenz, Steve Hunter, Ben Ellis and Mike Ketchum**

**Homeowners present: JoLee Timmer and Rose Ann Ketchum**

**President Timmer began the meeting by re-ordering from the published Old Business agenda an update and discussion on addressing the lingering Lease-to-purchase issue. Timmer began by presenting and reviewing with the board a recent communication received from PLHOA Legal Counsel Eryn McConnell which provided information on the possible development of a Lease-to-purchase amendment to our governing documents and advised the legal costs to the PLHOA were projected to be in the \$4-5,000 range. He added that Lease to-purchase agreements are considered to be rentals under Florida law and that previous boards had improperly permitted them since our governing documents prohibit rentals.**

**A sustained discussion ensued on the advisability of permitting Lease-to-purchases in Palm Lake with Fred Lenz promoting them as a necessary option during a poor real estate market. Lenz further suggested they should be permitted when there are "hardship" cases. Timmer responded by requesting board members provide him with their thoughts within 7 days on how "hardship" cases might actually be determined. Concerns were mentioned by others on the complexities of how the rules and safeguards surrounding Lease-to-purchase agreements would be structured or administered. A key concern expressed was the loss to the PLHOA of the transfer fee collected at closing when Lease-to-purchases do not actually close as has occurred recently.**

**Mike Ketchum reminded the board of the motion approved by the board at the Feb. 12 Town Hall which encouraged the board to continue to work on a lease-purchase amendment only "if deemed feasible."**

**Following the discussion, a motion was offered and seconded to "Present to the PLHOA information on the legal costs to prepare governing document amendments permitting a Lease-to purchase option for Palm Lake homeowners and determine, if homeowners so desire, whether to schedule a vote on approving a Special Assessment to underwrite the legal costs." Timmer indicated that to avoid spending money unnecessarily it would have to first be confirmed 75% of the 39 homeowners wished to proceed before a vote would be held. He further noted approval would require support from 30 homes.**

**The vote was:**

**Approve: Ned Timmer, Steve Hunter, Ben Ellis and Mike Ketchum**

**Abstain: Fred Lenz**

**The meeting agenda then reverted to the published order of business.**

**SECRETARYS 'REPORT**

Mike Ketchum reported the amended minutes from the PLHOA 2021 Annual Meeting had been posted on the website and will be presented for final PLHOA approval at the upcoming May 21 PLHOA meeting.

The minutes from the Feb. 12 PLHOA Town Hall and the Board of Directors Meeting which immediately followed were next presented for approval. Fred Lenz objected to their approval stating the minutes did not fully portray his advocacy for a Lease-to-purchase option for homes in Palm Lake. Following further discussion on the content of the minutes, a motion was offered and seconded to approve the minutes.

The vote was:

Approve: Ned Timmer, Steve Hunter and Mike Ketchum

Abstain: Fred Lenz

Recusal due to not being a sitting board member on Feb. 12: Ben Ellis

The minutes from the March 31 Board of Directors Meeting followed for approval. A motion was offered and seconded to approve the minutes.

The vote was:

Approve: Ned Timmer, Steve Hunter and Mike Ketchum

Abstain: Fred Lenz

Recusal due to not being a sitting board member on March 31: Ben Ellis

Nee Timmer requested the Secretary provide new board members Steve Hunter and Ben Ellis for their signature the document required under Florida law indicating they had read the Palm Lake governing documents and attesting that they will work to uphold them by faithfully discharging their fiduciary responsibilities to the PLHOA.

**ARB REPORT**

Steve Hunter provided an update on ARB activities. He indicated final approvals for projects at 8661 and 8740 Crestgate Circle were awaiting updated and completed ARB forms respectively.

Discussion next turned to the proposed ARB action plan for enforcement. A number of areas for potential enforcement action were identified by Hunter with comments received from board members. Opinions were expressed as to which of the identified areas should receive priority attention for enforcement along with what are the best methods to achieve homeowner compliance short of legal action. JoLee Timmer suggested a "Monkey Survey" be utilized by the ARB with homeowners to gain their inputs on enforcement priorities.

Hunter noted the earlier ARB letter sent to homeowners asking them to self-identify and take action on areas that need addressing had not achieved its desired objective. As a result, once ARB enforcement priorities are identified individual violation letters will be sent to homeowners with areas that need to be specifically addressed.

#### OPERATIONS REPORT

Fred Lenz reported on the damaged tree removal at 8660 Crestgate Circle. The tree will be replaced by the PLHOA. JoLee Timmer is gathering price information and working with the board to determine whether a Laurel or Live Oak should be planted. The needed irrigation repair will be undertaken by the PLHOA while homeowner Ben Ellis will assume responsibility for replacing the sod.

Ned Timmer additionally inquired as to the status for spraying on the east wall exterior indicating it was time to proceed with the spraying.

#### TREASURER'S REPORT

Newly appointed Treasurer Ben Ellis reported he will begin posting to the ledger and he, working with Ned Timmer, has undertaken steps to understand the engagement role of the outside CPA under retainer by the PLHOA. Ellis presented for board review the PLHOA Statement of Activity for January-March, 2022. The financials from 2018 and 2019 were circulated for an initial board review and will be further discussed at the next board meeting. Financials from 2020 and 2021 still remain to be reviewed.

Steve Hunter inquired regarding an expected goal date for completion of the financials. Timmer responded stating the goal is to complete the work in May. Fred Lenz expressed his concern that incomplete financials could affect prospects at the May 21 PLHOA meeting for the proposed dues increase and Special Assessment.

JoLee Timmer was recognized to share that Ned Timmer had spent between 60-80 hours in reconciling the financials which were not found to be in good order in recent years.

#### OLD BUSINESS

Ned Timmer requested and received without objection board approval for the purchase of a CD for utilization in the Road Reserves account. The purchase of the CD (likely at 2% or more for 18 months) will occur following the anticipated interest rate increase expected shortly.

Discussion next turned to planning for the upcoming May 21 PLHOA meeting. While approval of a proposed covenant amendment will be an important agenda item, a significant focus of the meeting will be a presentation and review of the PLHOA financials which hopefully can be provided to the PLHOA for their review one week before the May 21 meeting.

Timmer pointed out that in the event the financials are not fully ready for PLHOA review it is possible the planned votes to approve the proposed 2022 dues increase and the 2023 Special Assessment to

provide funds to match the Orange County Neighborhood Grant the PLHOA plans to seek in 2023 may be postponed until later in the year.

Ben Ellis provided to Ned Timmer for his review material he had recently received from the Lot 6 homeowner pertaining to the issues in contention with the PLHOA.

Timmer proposed either May 11 or 12 as dates for the next board meeting and requested a response as to board member availabilities.

To conclude the meeting, Timmer provided an update on current legal actions. He announced a Mediation Conference has finally been scheduled for June 9 at the office of the PLHOA Legal Counsel as a result of the board's second attempt to resolve with the homeowner via mediation pursuant to Florida HOA law all outstanding PLHOA issues relating to Lot 6.

Based on the advice of legal counsel, Timmer requested board members not to discuss or engage in any negotiation of the issues relating to Lot 6.

In an effort to address any misinformation or lack of understanding that may exist among homeowners of the board's actions and its duty to address the issues surrounding Lot 6, it was felt issuance of a board statement advanced by Mike Ketchum and Steve Hunter would be an appropriate means to communicate the board's official position on the upcoming Mediation Conference. Accordingly, a motion was offered and seconded to approve without objection the following board statement:

**PLHOA BOARD STATEMENT ON THE LOT 6 MEDIATION CONFERENCE**

The Palm Lake Board of Directors is pleased to learn of the acceptance by Mr. Saunders of its offer to mediate and hopefully resolve pursuant to Ch. 720.311 Florida Statutes, all issues relating to Mr. Saunders' obligations to the PLHOA. It has always been the intention of the board to resolve these issues in a peaceful, but responsible manner that fully meets the fiduciary responsibilities our board has under Florida law and is in accordance with our PLHOA insurance policy which obligates us to utilize the legal process.

Following approval of the board statement, Fred Lenz asserted the legal process underway could have been avoided had the board given the homeowner more time. Timmer disagreed maintaining the board had granted adequate time to Lenz and other neighbors who attempted to reach an acceptable solution with the Lot 6 homeowner but to no avail.

The meeting was adjourned at 9 pm.

Respectfully submitted,

Mike Ketchum, Secretary