

PALM LAKE HOMEOWNERS' ASSOCIATION

BOARD OF DIRECTORS

MEETING MINUTES

JUNE 11, 2023

Board members present: Russ Carlson, Fred Lenz, Dr. David Boyer, Tory Wozny and Mike Ketchum

Homeowners present: Scott and Joan Ziegler, Rose Ann Ketchum, Steve Hunter and Katherine Adams

President Russ Carlson called the meeting to order at 6:02 pm.

Mike Ketchum was recognized to present for approval the minutes from the June 1 board meeting. A motion was offered and seconded to approve the minutes and the motion passed without objection.

SECURITY SYSTEM UPGRADES

Russ Carlson, in response to community interest in an upgraded security system, reported on the estimates he received ranging from \$3,000-\$5,000 to upgrade the system's basic recording and playback equipment. He noted there was also interest in an enhanced gate system that would make entrance "piggybacking" more difficult. This would cost in the \$15,000-\$30,000 range and its funding would require a special assessment or substantial gifts from the community. Scott Ziegler felt any upgrading should be done taking into account an assessment of the type crimes being seen recently in the area.

COMMUNITY TREES MAINTENANCE

Fred Lenz reported there was a need for maintenance on some community trees but the more extensive tree trimming could be delayed until next year.

TREE REMOVAL AND ROAD REPAIR AT DUGAN RESIDENCE

Fred Lenz indicated he had obtained pricing totaling approximately \$5,600 for the removal of the Laurel Oak tree and the street and curb repair associated with the tree removal. Russ Carlson indicated an ARB approval form would be required of the homeowner for the project. The homeowner will be responsible for the replacement of the driveway apron.

ARB UPDATE

Russ Carlson provided an update on the status of ongoing efforts by the board to require two Palm Lake homeowners to bring their landscaping into compliance with community standards. He noted new sod had been recently installed at one home with shrub replacement and removal of a dead palm tree yet to occur. Fred Lenz, who has been overseeing the work at the home, stated he was not sure yet what shrubs would be replaced. Carlson indicated a letter has been sent to the other homeowner seeking further clarity on their landscaping plans. Scott Ziegler inquired as to the existence of the required ARB-approved plan for one of the homes and felt a piecemeal approach was occurring. Russ Carlson disputed Ziegler's description of the landscaping work underway.

MANAGEMENT COMPANY

Russ Carlson indicated he was ready to give up on securing a Management Company for Palm Lake as he felt the small size of our HOA was a detriment to gaining their attention. As a result, he is in the process of investigating a piece of software that would automate the ARB process.

ARB STANDARDS REWRITE

Tory Wozny was recognized to provide an update on the ARB standards rewrite. The rewrite has been a focus of the three-person Architectural Review Committee (ARC) which has been overseen by Wozny who reported there were no major ARC concerns with the initial draft. The draft will next go to the board for its review to be followed by review by legal counsel and the development by the board of a communication plan for its distribution to the PLHOA membership.

Mike Ketchum was recognized to brief the board on the opportunity to qualify for and receive an Orange County Neighborhood Improvement Grant in early 2024. He reported the PLHOA could receive a matching grant of up to \$15,000 for community projects outside the Palm Lake gate. A list of proposed projects developed by the board, the Beautification Committee and interested homeowners in 2022 was circulated for board review. In order to prepare for the Oct 12th opening date for the submission of a grant application, Ketchum encouraged the board to determine which proposed projects it wished to pursue and obtain the required three bids for each so they can be priced out. Once the pricing is completed, the board will know the amount of matching funds they will be required to have to set aside in the budget to be certified to the county as the PLHOA match for the project. When these steps are completed, the grant will then be ready for its submission to the county.

PROPOSED LEASE-PURCHASE COVENANT AMENDMENT

In a desire to learn the community's wishes, Russ Carlson advanced for discussion a draft of terms and conditions for permitting the Lease-Purchase of homes in Palm Lake as part of a proposed "carve-out" for Lease-Purchases in the covenants. Fred Lenz saw Lease-Purchases as oftentimes a necessary tool for a seller to have available in a bad real estate market. Mike Ketchum reminded the board that legal counsel had told the board and the PLHOA on several occasions Lease-Purchases are still considered to be rentals under Florida law since the title is not held by the lessee and would not be allowable under Palm Lake's governing documents which currently prohibit rentals. He went on to point out that since they are considered to be rentals, he did not see how any "carve-out" in the covenants would be valid since it would likely conflict with or be superseded by state law. He further added he did not see evidence of any groundswell of community support for Lease-Purchases. Russ Carlson agreed that Lease-Purchases are indeed rentals under state law, but according to legal counsel, a covenant amendment to create an exception to permit Lease-Purchases if accompanied by an option to purchase could be accomplished. To conclude the discussion, Tory Wozny offered a motion which was seconded and approved without objection to table the matter for six months.

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PROPOSED TIMESHARE COVENANT AMENDMENT

Russ Carlson distributed a draft covenant amendment designed to deter time shares or the fractional ownership of homes in Palm Lake. The draft amendment replaced, and was generally considered by board members to be superior to an earlier draft amendment under consideration. In order to further strengthen the draft, it was suggested VRBOs as well as home swapping arranged through commercial

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agencies might also be included along with an enforcement provision in the draft. The board will review a final draft before its submission to the PLHOA for final approval.

PROXY VOTING REFORM

Scott Ziegler was recognized to air his concerns over recent proxy voting practices at PLHOA meetings. He felt the “proxy harvesting” deterred community involvement and participation at meetings and cited the instance of four homeowners who told him they were misinformed about the details of a recent Special Assessment vote and would have either voted or voted differently to approve it. He went on to suggest a return to the protocol of an individual being allowed to submit only one proxy which was the previous PLHOA practice for many years. Russ Carlson indicated a rule to that effect might could be implemented. Katherine Adams also voiced her concerns over the PLHOA voting process and suggested a secret ballot in an unmarked envelope might be considered as an option.

The recent unsuccessful effort to change the current PLHOA voting practice to a “written consent” procedure whereby homeowners would not need to come to a meeting but would have up to 90 days to return their ballot was discussed as a means of promoting greater homeowner voting participation. Concerns were expressed it could tend to discourage attendance at PLHOA meetings and the 90-day period to return ballots needed to be shortened if it was to be adopted.

Fred Lenz stated a homeowner’s voting records should be not be made public. Mike Ketchum responded that all our records, including the voting records, are public records which are required to be open for homeowner inspection under state law and our covenants. Should the PLHOA deny access to them a potential lawsuit could result.

The meeting was adjourned at 8:18 pm.

Respectfully submitted,

Mike Ketchum, Secretary