

Laurel Park HOA Board Meeting Minutes 06/12/2007

Bob Brooks call to order 7:00p.m.

Residents have 3 min for residents to comment, total of 30 min. Open meeting will adjourn at that time.

Boardmembers in attendance: Bob Martin, Buck Reese, Gerald Oliver, Anthony Simmons, Rhee Nelson, Bob Brooks, Representing Herman Management: Kris Milstead, and Kevin Herman.

Open resident session:

Fran Buckalew discussed the issue of the poorly landscaped/designed drainage around her lot. Rainwater flows into and ponds in her backyard. Some water may be draining to a retention pond behind her residence. A lot of water is pooling in the area, at this time it is still under Niblock's concern to remedy the situation, review items are due for Niblock to cover with homeowner. Niblock has looked at the area and the area doesn't drain away from the house, but they advised not to put up a retaining wall since the water would seep through. Suggested the HOA should look at the area while Niblock is still over the control of the area. Bob Brooks suggested bringing the issue up to Niblock at the review and Bob Martin suggested hiring an independent structural engineer to inspect the area as well as an "industrial crack" in the garage floor. Rhee said that Niblock would retain ownership of the area for at least another year.

City of Concord will not be sending an officer to monthly HOA meetings unless the board requests their attendance.

Approval for May 8th and 22nd meeting minutes; motion made by Buck, Gerald Second. Motion passed.

Newsletter updates: Jennifer sent email since she could not attend the June 12th HOA meeting. Bob Brooks read the email to those in attendance. 440 newsletters delivered last month. Budget concerns were reviewed since the development is growing and the letter is delivered monthly. An e-newsletter was recommended to cut costs, with a hard copy being available at the clubhouse. No decision at this time, other than to inform board members.

Swim team updates: upcoming events include meets, pep-rally with pizza & soda, blue & white with team pictures, inter-squad meeting, bingo 6/27. There are currently 78 swimmers and registration is now closed.

Social committee updates: teen night response was low, better response with middle school, but the July event has been cancelled. Neighborhood yard sale is planned for June 23rd. Scrapbook session is planned for June 29th. July 4th festivities are being planned. Bob asked if residents that plan to participate in the yard sale should identify themselves with a balloon, etc to indicate they are participating. Buck suggested a reminder be published in the newsletter regarding no parking in driveways. New year's eve party plans are in process, no venue has been selected yet. Sherise also reported that neighborhood directory updates are in progress, but she is still waiting on the original file.

ARC updates: Sherise reviewed the most recent approvals granted by the ARC. One request was not approved since the plot map was missing from the application package. It was noted

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that a basketball goal that was already attached to a house was approved. It was noted that a screened-in porch at 526 Buffington Ct. has already been built, but was not approved through ARC.

Buck noted that the basketball goals are not allowed on the street. Gerald suggested that basketball goals should not be approved since the covenants state they are not allowed. Anthony recommended that the discussion be taken off line and discussed with the ARC.

Landscape committee – Bob Brooks reported a landscape committee meeting is scheduled for Tuesday, June 19th at 7:00p.m.

Pool/Clubhouse

- A proposal has been received to change the clubhouse rental agreement to add a fine or fee of \$25.00 for security and \$25.00 for late cleaning for renters who do not exit the clubhouse by 11:00p.m. Bob Martin asked if the fine would go to the HOA. Bob Brooks said that the board should make the decision. Kris suggested that if the renter doesn't vacate, then the renter should lose their \$100.00 deposit. Motion for loss of deposit made by Buck if renter is not vacated by 11:30. Second by Rhee, Motion passed.
- Locking closets needed for kitchen supplies, suggestion was made to put a lock on the existing door.
- Shred-it, a shredding company, will service the whole community for \$500.00. Is the community interested and should this be advertised? Buck suggested that the community be surveyed to see who is interested.

Financial report

Total Assets: \$121,250

Money Market and CD's Total: \$115,731

Checking Accounts: \$6,991

Total Home Units: 437 (+6 from April)

Billings of Interest: Clubhouse rentals \$2,970 vs Clubhouse Expenses: \$4,344 (Jan – May)

A \$226 charge for Postage/Print/Copy needs to be charged to the Master account vs Cobblestone account.

Noted Billing:

Install annuals: \$4200 – Woodlands

Repair Irrigation System: \$197 / month for 5 months

Water and Sewer Clubhouse: \$702 4/10/07 and \$443 5/9/07

Locking and Unlocking Clubhouse: \$600 (Jan – May) \$120 / month

Cleaning the Clubhouse: \$1,275 (Jan – May) \$255 / month

Herman Management: 437 Units: \$1,748 (\$4/unit/month)

2006 Federal and State Tax Return: \$250

Newberry, Gordan & Shuford: \$3,500 (Financial Review of 2006 HOA financial records)

- Bob Martin reviewed financial report as of 5/31/07. Cobblestone postage billed to mailing, but should go to master account. Lien notices sent to past due residents. Most residents have paid, only a few are still outstanding. Payment plan of contract for homeowner with past dues reviewed. Irrigation repair costs reviewed. Water/sewer fees reviewed. Expense of locking/unlocking clubhouse was reviewed. Cleaning of clubhouse was reviewed. 2006

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Federal and State Tax return process and expense was reviewed. Interest from HOA is taxable and rental from clubhouse is taxable, but expenses are deducted. Financial review expense was reviewed. Past 3 years review estimate is \$1500 – 2K.

- Anthony asked why sprinkler system costs so much for repairs. Barefoot handles all repairs on irrigation system. Bob Brooks reviewed suggestion by Gerald to turn over repairs to Woodlands. Landscape committee will discuss next Tuesday. Bob Martin suggested that Barefoot make a blueprint of the sprinkler system layout before Woodlands takes over the maintenance. Kevin asked why Barefoot is being contacted when a problem is noticed if Woodlands is mowing. \$250.00 is cap in budget for repairs.
- Bob Martin asked Kevin why the checking and money market accounts are at 2 different banks. Kevin reported that the money market had a better rate at Piedmont bank. The checking account was opened at Piedmont Bank and the money market was opened at First Charter Bank. Bob Martin asked who is authorized to sign for these accts? Currently Kevin, Kris and Kathy Young are authorized to sign, but a board member could be added if the board chooses to do so.
- Bob Martin asked if Herman Management is bonded. Kevin reported that they are bonded with an honesty bond for \$200,000.
- Bob Brooks noted that credit balances appear on some statements due to homeowners that pay in advance.
- Kevin reported that Herman Management is considering including additional pages in HOA dues statements in the future. The additional pages could serve a variety of purposes.

Old Business

- Sidewalk repair updates reviewed by Gerald. Gerald called Mr. Wilson at City of Concord street department. If damage is identified, the city will repair. A resident has already fallen on one of the broken sidewalks and went to the emergency room.
- Street signs have not been straightened yet.
- Silt fence in Keystone natural area has been removed, but no payment will be made at this time until the area is cleaned sufficiently.

Buck suggested that a notice be published in the newsletter that no one is allowed to dump in the Keystone common area and homeowners will be fined if they are caught. Dumping is also occurring around the lake on Fallbrook. Buck made recommendation that no dumping allowed. Buck made motion, Rhee second, Motion passed.

New Business

- Spring litter clean up - LP was fourth this year with 16 bags. The neighborhood will receive a certificate awarded by the City of Concord.
- HOA attorney – Suggestion was made to have an attorney develop rules and regulations for LPHOA. Bob Brooks made a suggestion that the rules be written in layman's terms and then sent to the attorney for review and approval. Kevin suggested that items commonly addressed by the board be included. Motion made by Buck, Second by Gerald, Motion passed.
- ARC - Niblock still has control of the ARC as stated on page nine in the original declaration of covenants. He should send the board a letter stating he no longer wants control of the committee and will not appoint board members.
- New contracts with Woodlands for Danbury park section. Question was asked if HOA has control of Danbury park yet? It was determined that the HOA does not have control yet. Buck asked why the HOA would maintain the area if they don't own it. Niblock advised the board that he would be turning the area over to the HOA. Kevin will ask Lisa if this property

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has been deeded to the HOA yet and the paperwork is in process. William contacted Rhee about this, so Rhee will call him to get an update on this. Danbury contract will be put on hold until the landscaping committee meets. Question was also raised about Woodlands billing the HOA for lots they are mowing that the HOA doesn't own yet. Herman Management has directed Woodlands to bill Niblock for those lots.

- Annual Financial review – Rhee reviewed outline of the management service duties and responsibilities.
- Herman Management contract
 - o Rhee asked Kevin if he possesses a property management certification. Kevin responded that he does not hold a certification, that he is a CPA.
 - o Buck reviewed the Property Manager Duties and Responsibilities, which will be combined with Rhee's document for one combined document.
 - o Kevin stated that he would not be opposed to obtaining some of the certifications listed in Rhee's document, but with an agreement with the board that it would be obtained over time.
 - o Kevin stated that his company's responsibilities are spelled out in the contract. Bob Martin summarized that the financial review suggested that Kevin Herman was acting as the board. Kevin stated his company's philosophy is to help the neighborhood increase property values.
 - o Gerald asked if Herman Management signed contracts in place of the board. Kevin and Kris stated that they sign documents and pay bills only after the board has approved them and they are signed as an agent for the board.
 - o Anthony asked why the board couldn't add the duties and responsibilities that Rhee had outlined to the current contract. Anthony stated that Herman Management is already carrying out these duties. If any additional items are needed, the contract should be amended. Anthony suggested that the board and Kevin Herman sign the existing contract to make it official. Bob Martin suggested that our attorney review the contract before it's signed. Anthony made motion that the current contract is signed as written. Bob Brooks second, Motion passed with majority, but 1 opposition noted. Anthony made motion to document any updates to current contract for the remainder of the year. Bob Brooks second. Motion passed with majority, but 2 oppositions noted.
 - o Bob Martin stated that in his opinion performance is more important than certifications. He said that Herman Management should be proactive in preventing neighborhood problems. It would be better to hear about the number of cracked sidewalks that were repaired last month instead of the number of people who had fallen because of them. Weekly drives around the entire neighborhood by his associates would detect construction violations before project completion, and spot yards that are poorly maintained. Kevin stated that board feedback is important so that they know what the board's priorities are.
 - o Sidewalk discoloration is a concern for everyone and several different people have researched and worked with landscaping companies to resolve.
 - o Conflict from previously approved guidelines vs. annual financial review, if an item is unbudgeted, then it must go through the board. If the item is budgeted, Bob Martin will approve up to \$1,000.00. Bob Brooks recommended that we go back to the agreement with the property management company for signing checks. Bob Brooks made motion to withdraw the most recently approved meeting minutes stating that the board must sign checks under \$1,000.00. Anthony second. Motion passed. Kevin stated that bills are paid electronically through CheckFree, which is managed by QuickBooks, so no paper check is generated. Bob Martin suggested that budgeted

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- items and authorized items are not a concern. However, there is concern that bills the board does not want paid are being paid by Herman Management. Kevin re-stated the management company is approved to pay budgeted items only.
- o Anthony made motion to amend the current management contract to extend the approval amount from \$250.00 to \$1,000.00 from previous minutes. Rhee second. Motion passed.
 - o Revisit additional previous three years (2003-2005) financial reviews. Buck asked what Herman Management's fee would be to extract the reports from archive. Kevin stated that one year was a significant effort, so three years would be much more work and he was not prepared to give an estimate at this time. Kevin also stated that the same processes were used in managing the HOA as were used for 2006. Anthony asked why this is needed. Bob Martin stated that this is outlined in the covenants as a task to be completed each year. Bob Brooks stated that the financial review is to identify financial discrepancies and nothing has been identified as a problem. Anthony made a motion to have a high-level review (compile) of previous years, but going forward yearly audits be performed. Bob Brooks second. Motion passed.
- Assignments from annual financial review
- o Bob Brooks –
 - Real estate property book completed, Bob Martin asked if a projection could be made of upcoming properties to be turned over to the board
 - Fixed assets list is almost complete, broken down into pool, common areas and clubhouse area
 - o Rhee Nelson
 - New management contract covered earlier in the meeting.
 - New attorney – selection in process
 - New accounting firm –the same firm that completed last year's audit will be retained
 - o Board
 - Insurance policy renewal was reviewed
 - Five-year plan for the development should be completed by the end of 2007.

Diaz fence issue – board should make suggestion of how to move the fence, ARC committee had previously approved the current placement. Kevin suggested that an attorney be consulted so that the ARC committee or the board does not incur any expense. Buck pointed out that the board is tasked with enforcing HOA covenants. Buck made motion to have an attorney send letter to homeowner. Bob Martin suggested the ARC mistake should be admitted and that the homeowner followed the proper procedure. The homeowner put his fence exactly where the ARC Committee agreed to put it. The homeowner should be notified that the fence must be moved and that the HOA will pay for the fence movement. Bob Brooks made motion to have homeowner move fence and admit ARC mistake and the board will assist in payment to have the fence moved. Second by Buck, Motion passed.

Meeting adjourned at 10:04p.m.