

PLEASE REVIEW FOR APPROVAL

Meeting Notes

June 9, 2022

Jim Moeller (President/Treasurer), Sue Weston (Vice President), & Sue Green (Secretary)

24 Household represented

Purpose of the meeting: 1. To discuss and clarify the conditions for rentals in the bylaws and/or pursue additional rental restriction 2. To discuss electing additional board members 3. To get an update from Cheryl Dlouhy on her efforts to find someone to audit. The Bylaws state (please refer to the highlighted areas:

ARTICLE X

1). CONDITIONS OF AND RESTRICTIONS ON OWNERSHIP. USE AND ENJOYMENT

1. Underlying Convenience/Mortgage/Lease. The owners of each Unit shall have the right to sell, transfer or otherwise convey the Unit and the Association shall have no right of first refusal or similar restriction.

However, no owner of a Unit shall convey, mortgage or lease such Unit unless and until all sums due the Association by way of assessment of any kind or other charge and whether evidenced by recorded liens or not are currently paid and not delinquent and in the event of delinquency the grantee, mortgagee or lessee, if notified before paying or disbursing to the owner, shall apply the proceeds of such transaction first to payment of the delinquent amounts before payment of any sum to the owner. The Association shall in any event issue a written statement under signature of an officer or management contractor to such grantee, mortgagee or lessee verifying the status of all delinquencies or upon payment of delinquencies as shown shall constitute conclusive evidence of compliance with this paragraph. No owner of a Unit may rent or lease the Unit without first obtaining the approval of the Board of Directors for such rental and such approval shall not be unreasonably withheld. All leases shall be in writing and in no case shall a lease have an initial term of less than 30 days. Any application for approval to rent a Unit shall be submitted to the Board of Directors and the Board shall respond to the application within 14 days from the date of receipt of the written notice from the owner of the Unit and failure to respond within the 14-day period shall be deemed to be approval of the proposed rental. **The Association shall from time to time adopt objective standards relating to the terms, conditions, and suitability of tenants for rental of Units.**

Discussion and conclusion:

- Not all renters are bad. People behaving badly create problems whether they are owners or renters. If you see something, say something. We can work with the rental property owner.
- Our bylaws give us the flexibility to restrict the number of rental properties to 8 . By completely restricting rental properties, we are limiting the prospective buyers who pay top dollar for desirable property. Investors will often pay premium prices for such properties, which increase the property values of the other units.

- If we impose guidelines on rentals, we must be fair and impose those same guidelines on all residents.
- We will put a statement on our website that we allow 10% or 8 total units to be rental properties. Certain home loans, such as Fanny Mae loans, require certain guidelines and we are a Fanny Mae approved community.
- Therefore, we should keep the current wording in the bylaws.

2). Discussion with regards to adding board members

ARTICLE IV Board of Directors

After the initial board of directors, the board shall consist of such number of directors as shall be fixed and determined by the members from time to time at each annual meeting thereof at which directors are to be elected.

Discussion and conclusion:

- We can elect 2 more board members at our next annual meeting in November. This is an elected position, but not a free dues-position. It is a very important position which requires certain dedicated people that have something to offer to the community. A practical background in bookkeeping or accounting, use of Microsoft or Quicken, landscaping, and basic repair would be helpful.

3). Report from Cheryl Dlouhy regarding audit requirements, suggested method, and costs associated.

General Provisions

1. The Board of Directors may require fidelity bonds from all directors, officers or agents handling or responsible for Association funds, except any insurance trustee, and shall procure an

audit of the accounts and financial records of the Association not less than every two (2) years, and the expense of such matter shall be a common expense of the Association.

- Cheryl has contacted several CPA's about performing an audit. She has not been able to find anyone willing to do it. The cost of the audit would be \$2,000.00 to \$25,000.00. The bylaws do not state the audit must be done by a CPA. There will be an assessment for this fee.
- Cheryl will continue to search. It would be appropriate, however, to have 2 or 3 residents who are knowledgeable to review our financials and report to the association.

There will be an email forthcoming with tasks that need volunteers. We have a few volunteers that are paid an hourly wage for helping the Board.