

**MAGNOLIA TERRACE HOMEOWNERS ASSOCIATION, INC.**

**MINUTES OF ANNUAL MEMBERSHIP MEETING**

The 2016 Annual Meeting of MAGNOLIA TERRACE HOMEOWNERS ASSOCIATION, INC. was held at the Kirk Park Community Center Building, 17436 Division Street, Montverde, Florida at 7:00 p.m. on April 27, 2016.

**Call to Order:**

The meeting was called to order at 7:05 p.m. by Larry Kontny, as President for Magnolia Terrace Homeowners Association, Inc., (the “Association”) who chaired the meeting. Record of the meeting was kept by the Association’s attorney, Anita Geraci-Carver, Esq.

Mr. Kontny introduced himself, Graham Wells, and Anita Geraci-Carver. Notice of the meeting was mailed by regular U.S. Mail on March 25, 2016, and was also posted on the Association’s two message boards. Mr. Kontny thanked Sal Serrano and John Ardizone for their assistance in collecting proxies from the Association members.

**Confirmation of Quorum:**

Mrs. Geraci-Carver confirmed that a quorum was present based on those in attendance as well as the proxies submitted.

**Approval of 2015 Annual Minutes:**

Larry Kontny read the minutes aloud. Steve Smith moved to approve the minutes from the 2015 Annual Meeting. Laurie Condritch seconded the motion. The minutes were unanimously approved as read.

**President’s Report:**

Mr. Kontny explained that the Association’s biggest project and expense is the Phase I

sprinkler system. There was a break in the line this past weekend. The irrigation system runs under the tree line and the tree's root systems continue to bend the irrigation lines, resulting in breaks. Rotary sprinkler heads need to be changed to spray but the Association needs to understand the impact changes to Ridgewood Avenue may have on the irrigation system. Based on information provided by Lake County, Ridgewood will be crowned, widened perhaps 1.5' on either side, and there is a possibility of sidewalks being installed. It is anticipated that drainage swales will also be installed. However, it does not appear that the Association's property will be taken for this project and the sprinklers will not be affected. Currently the Association fertilizes and maintains the grass to the right of way of Ridgewood so the grass looks better.

**Treasurer's Report:**

Mr. Wells gave the Treasurer's Report. Mr. Wells stated the Association is in a good situation financially, and better than this time last year, with \$29,770 in its checking account. The profit and loss statement is available on the Association's website and is updated through a four month period. Mr. Wells reported good news, in that last year there were \$1,800 in delinquent dues; however, there are no delinquent dues for 2016. The financial records reflect a credit of \$207 where certain member(s) have paid in advance for whatever reason.

At the end of 2015 fiscal year, the Association had a net of \$5,077. More than \$3,000 were collected in estoppel fees and new initiation fees. However, the financial situation is still fragile because the Association was at a loss of \$14,000 in 2014. Additionally, the irrigation system and its maintenance and repairs is costly. The Association has spent the following:

- 2013 - \$17,000
- 2014 - \$6,300

- 2015 - \$9,500

Most of the repairs relate to the tree roots breaking the lines, and the well pump was replaced.

Mr. Wells explained the need for the Special Assessment. The Phase I irrigation system is prone to lightning strikes. A lightning protection system was installed but the Company who installed did not address the surge suppression which was defective. The Company took months to address and in the time of delay lightning struck again. The Association is trying to recover from the Company since it left the Association vulnerable. The new system will have individual suppressors.

**ACB Report:**

Mr. Kontny stated that it has been a busy year. They received the following requests for approval: 18 houses repainted, 7 fences installed, construction of 3 new homes, 1 addition to a house, 1 solar system installed and 1 swimming pool.

**Fine Committee Report:**

Herb Heilmann is chair however he was not in attendance therefore, Larry Kontny gave a report. He named the other members of the Fine Committee and stated they have never had to meet. Fining is a last resort for the Association and usually a 2<sup>nd</sup> letter for compliance is successful.

**Nominations to Board of Directors:**

Mr. Kontny stated there are currently five persons nominated to fill the director positions and that unless there were nominations from the floor, since five is the maximum on the Board, no vote would be needed. He asked for nominations from the floor. There were no nominations from the floor.

Mr. Kontny announced the names of the Board members: Graham Wells, Larry Kontny, Steve Smith, Vanessa Dobson and Steve Berk.

**Covenant Change:**

Mr. Wells explained the covenant change is to address one home because based on its configuration and depth of the lot it cannot meet the 25' rear setback to be able to construct a swimming pool. Lot 65, Phase 1 is the only lot that will benefit from the covenant change and it will allow a 7.5' rear setback rather than 25'.

Mr. Ardizzone explained that the lot owners to the left, right and rear of his lot, Lot 65, Phase 1, were all in favor of the covenant change. Another member stated she had a potential buyer for her lot, but the prospective buyer had a RV. She petitioned the Association to re-look at the declarations and treat RV's as boats are treated. She questioned why that issue was not brought forward to the membership for a vote. She stated in all fairness, they should be treated the same.

Mr. Wells explained that the proposed setback change affects only one lot, whereas the RV's are twice as high as a boat. A boat behind a fence is not necessarily visible, however, a RV would be visible. If a covenant change was allowed for RV's and 50% of the homes had RV's, the character of Magnolia Terrace would change. Mr. Wells stated if there was enough interest it could be brought forward to the membership.

**Special Assessment:**

Mr. Wells explained the special assessment is proposed to be \$150.00. The Association has received two estimates for the irrigation system. One estimate is \$30,000 and the second estimate is \$27,500. There is \$10,000 available in the Association's account. Mr. Wells

explained that if paying the \$150.00 in full is a financial hardship for anyone the Association will work out a payment plan.

**Cast ballots:**

Mr. Wells announced 107 ballots were cast in favor the covenant change and 95 ballots were cast in favor of the special assessment. A total of 87 votes in favor were required, so both measures passed.

**Other Considerations raised by members:**

None.

**New Business**

None.

**Adjournment:**

No further business coming before the meeting, upon motion by John Ardizone and 2<sup>nd</sup> by Jennifer Ardizone, duly made, and carried, the meeting adjourned at 7:53 p.m.

Dated: April 27, 2016

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Graham Wells, Secretary/Treasurer

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Larry Kontny, President