

**Minutes**  
**Magnolia Terrace Homeowners Association**  
**Annual Meeting**  
**June 21, 2017**  
**Reconvened from April 26, 2017**

Article III, Section 4 of the Association's bylaws state that if a quorum is not present or represented, that the meeting can be adjourned until a quorum is present or represented. While notice of the annual meeting was mailed to all members on March 22, 2017 and was also posted on the HOA's 2 message Boards, HOA Board President Steve Smith announced at 7:22 PM on April 26 that a quorum was not present. Herb Gorman moved that the meeting be adjourned until a quorum could be established. Debra Perlet seconded and the motion carried at 7:23. At a Board of Directors meeting on May 19, 2017, the Board decided to obtain additional proxies and to endeavor to get sufficient people to attend a meeting on June 21, 2017 as that would provide a month's notice on the bulletin boards and on the website and have the meeting before existing proxies expired.

Board president Steve Smith called the meeting to order at 7:01 PM on June 21, 2017. He explained that there had been no quorum on April 26 and that the annual meeting had been rescheduled pursuant to the bylaws.

Board secretary Richard Collins advised that, per the bylaws, 39 members had to be present or be represented via proxy to establish a quorum. There were 41 valid proxies and 11 members present. There was a quorum. There were 6 invalid proxies due to proxy holder not being present or proxy giver for April 26<sup>th</sup> being in attendance on June 21.

2016's main activity was the replacement of the irrigation system. The new system has led to reduced maintenance costs. Bert Hayne asked who the current contractor for the irrigation system is. Groundtek is the contractor.

Graham Wells gave the Treasurer's report as he had been the treasurer until recently and the new treasurer had only had those duties for a month. Overall, the Association is in good financial condition. A financial statement for 2016 was distributed and it reflected income of \$76,087.02. Mr. Wells explained that the amount was high due to the \$19,500 special assessment for the Phase I irrigation system. Expenses for the year, which included the new irrigation system, totaled \$72,998.91. The budget for FY 2017 projects income of \$56,180 and expenses of the same amount. As of June 19, there was \$42,042.44 in the checking account. He mentioned that a couple of lot owners owed the Association.

Subsequently, there was a discussion of lot 55, Phase II which began with the observation about its poor condition. The merits of taking action such as foreclosure were reviewed. The cost/benefit of foreclosure were compared to what the Association would gain if the bank's foreclosure efforts succeed. The Association would gain \$540 in estoppel and joining fees which is roughly half of the \$1,000 owed without the costs and time to pursue other options.

There were comments about the condition of the entry areas centered on the need for improvement.

Larry Kontny reviewed Architectural Control Board actions in 2016. Actions included: 3 fences, 1 swing set, 4 repaintings, 2 new house plan reviews, 1 landscape project, 2 enclosures and 1 well. There was a general discussion of what actions required ACB review and approval. The general guideline is that if it changes the exterior appearance, then the lot owner needs to request permission. There was a question about mailboxes. The only provision in the covenants about mailboxes is that they are only permitted with approval of the ACB (section 33 of article VI). There are no other standards but the members can be urged to maintain them. Was also mentioned that in some cases tree roots grow under the mailboxes and affect them. Addressing that problem can be a challenging and time consuming endeavor for a homeowner.

No one from the Fine Committee was present to make a report but no fines had been imposed during the previous year.

The minutes of the 2016 annual meeting were read. Justin Brooks moved to approved the minutes as read. Steve Berk seconded. Minutes were unanimously approved.

The floor was opened to nominations for positions on the Board of Directors in addition to the 4 names on the ballot. There were no nominations from the floor. Ballots were cast and Steve Smith, Steve Berk, Candi Keys and Richard Collins were elected. All received 52 votes and there were no write-ins.

Mr. Wells' role and compensation as bookkeeper were discussed. There was interest in the process and the role of the treasurer. The board had considered hiring a management company at a cost of \$1,000 a month. Mr. Wells had offered to do the job for \$200 a month. At the board meeting on May 19, the board voted to reverse the decision to hire a management company. There had been discussion of paying Mr. Wells \$400 per month but the consensus (including Mr. Wells own assessment) was that \$300 was an equitable amount. The board concluded that \$300 a month given his knowledge of the community and the Association's finances was in the best interests of the Association compared to \$1,000 per month from a management company.

Steve Smith presented Larry Kontny and Graham Wells with Certificates of Appreciation from the Association for their many years of service.

Justin Brooks moved to adjourn the meeting and Steve Berk seconded. Motion to adjourn passed unanimously and the meeting adjourned at 8:20.