

LAKEVIEW PARK VILLAS HOMEOWNER'S ASSOCIATION

July 27, 2017 10:00 AM

ANNUAL MEETING

EAGLE BEND YACHT HARBOR CLUBHOUSE

Call to Order: The LVPV HOA annual meeting was called to order by President Paul Lentz at 10:00 AM.

Quorum Established: In accordance with the 2016 CC&R's, a quorum is defined as a simple majority of the 33 homeowner's which equals 17 units either in person or by proxy. A total of 18 homeowners were represented fulfilling the quorum requirement.

Introductions: Paul Lentz introduced the Board; Paul Lentz, President; Brian Antweil, Vice President; who was not able to attend the meeting; Ron Ransom, Treasurer. Also introduced was Dave Roberts, Property Manager; Buggy Yarbrough, recording secretary and Bob Lust, Special Project Chairman.

OLD BUSINESS:

A packet was provided for all homeowners containing the 2016 Annual Meeting minutes; a summary of 2016 and 2017 financials; and new business items to discuss. Tony Dyson made a motion to approve the 2016 minutes and Greg Oswald seconded the motion. A vote was taken by voice and the motion passed with unanimous approval.

Legal Issues Review: Paul explained to the members that in the past the ownership of all the common areas had been tied up in the Bankruptcy Court. Brian Antweil, LVPV BOG Vice President, a member and an attorney in Texas, took charge on behalf of all five HOA's. Brian was able to coordinate the effort, working with an attorney in Missoula, a local attorney and the Special Counsel to the Bankruptcy Court, to resolve this issue with the Judge awarding the five HOA's

all common properties that were identified and requested, including the streets, the Pavilion, babbling brook and the two foot bridges. The Pavilion is owned by all five HOA's; one footbridge is owned by Eagle Bend West and Fairway Pines HOA's. The bridge over Babbling Brook is owned by LVPV HOA. The two entry ways, the center and the south entry, are owned by four HOA's. Eagle Bend West is the sole owner of the north entry way. Brian has put in many hours in getting this resolved and the Board is grateful for his commitment to this project.

There are 34 townhomes that make up LVPV HOA and 33 have signed the necessary paper work to form our Association. One member has not signed the new CC&R's and therefore is not a member of LVPV HOA. This townhouse owner was renting out her unit through VRBO on a short term rental basis. LVPV HOA CC&R's require that all rentals need to be for a minimum of 30 days. The Board went to the county offices and reviewed Flathead County law regarding rentals. The County zoning law states that all rentals must be for a minimum of 30 days. The County officials then paid the townhouse owner a visit and shut down the renting of the unit. In the event Flathead County changes the rental policy, Paul thinks that LVPV HOA may possibly have recourse because of our rental restrictions in the CC&R's. If anyone sees that this townhome is being rented for less than 30 days please notify David Roberts the HOA property manager or any BOG member. Ron Ransom noted that in the near future the Board will need to amend the current CC&R's due to the fact that it lists the legal description as "34" townhomes when in fact the correct number is 33. Another item that will need to be changed in the CC&R's is the ownership of the common areas. The Board will be working on these amendments by Board vote. *Treasurer Report Ron Ransom:* The LVPV HOA financials have been mailed to all townhouse owners and are also posted on the web site. Ron was pleased to announce that the financial situation is very sound and all members are current. 2016 finished the year with the expenses under budget, allowing the Board to put \$10,000 into Operational Reserve. The Operational Reserve has increased to \$17,311 and Capital Reserve was increased to \$182,418. . In 2016 \$45,000 was spent for lawn maintenance; special landscaping upgrades were \$12,000; door painting was \$6,000; driveway sealing was \$3000; a flood plain survey was \$5000. Ron

reported that the BOG will approve next year's budget later this summer and that no dues increase is anticipated.

Paul reported that last year several owners received notices from their mortgage company announcing that according to FEMA the townhomes were now in a flood plain. Paul met with the county engineers and he also visited with Dave. Dave then met with Olaf Irvin who conducted a survey for all the townhouse owners. The money and effort spent proved that LVPV HOA was not in the flood plain. Paul stressed that this does not mean owners will never need flood plain insurance, this can be purchased, but it is not compulsory. Over the last two years the LVPV HOA has spent over \$20,000 on landscape upgrades and the Board would like to thank Sharon Kaczmarowski, David and the landscape crew for their work. Last year Dave suggested that LVPV HOA give the landscape crew a small bonus at Christmas for their work. The Board agreed that this was a great idea and approved the expenditure. This bonus was greatly appreciated by the crew of Black Magic.

Ron provided a 2017 mid-year snapshot: All members are current. The Operational Reserve has increased to \$21,900, and the Board is hopeful that they will be able to deposit more funds into this account. Deposits into the Capital Reserve account are made quarterly; this helps the Board to be mindful of their spending. The Capital Reserve is currently at \$196,800. To date expenditures have been \$13,000 on mulch; \$2,700 for special landscape; \$600 on the water feature clean up, and \$1800 for driveway sealing.

Long Range Plan: Ron explained that the Long Range Planning is to build and cover capital and large projects over a 20 year period. This committee needs volunteers to review the Long Range Plan and make adjustments that will be necessary each year. Currently the Committee plans on spending approximately a quarter of a million over the next four years. As this level of spending is significant, homeowner involvement will be important. The projects receiving attention in the next four years will include starting another round of painting which is which is on a 7 year cycle. It is estimated that \$100,000 out of a total painting budget of \$500,000 will be spent. Another project aimed at shoring up

some pond embankments will also need some funding. An engineer has been hired to examine and make recommendations in a report to include best possible remediation options. It is anticipated that approximately \$35,000 will be spent in this initial four year period. The Board is planning upgrading street lighting for safety reasons and have budgeted \$10,000 for this project. The fence that is located throughout the Association needs some maintenance; this fence is made up of stone columns and split rails. The rails require replacement that could cost \$1,000 a year on average. The BOG would like the planning team to develop a less costly alternative such as a wood treatment program. The Patio cleaning and resealing will cost approximately \$10,000 and drainage of gutters and underground piping is estimated to cost \$5,000. *Roofing Warranty:* Ron reported that the CertainTeed Corporation shingles on all of the units will need to be replaced sooner than planned. Dave contacted a local roofer who came and made an inspection of all the roofs. He reported that the gutters were filled with debris and observed some spots of severe wear on one of the townhome roofs. In October 2016, LVPV HOA submitted a warranty claim, as the roofs throughout the complex were guaranteed for 30 years. Ron and Dave worked together and gathered samples of the roofs from each unit age group as well as a special sample from a unit where obvious repetitive wear was observed. The Board then scheduled an inspection with an official at CertainTeed Corporation which was conducted in June.

As a result a report was received stating that the shingles had deteriorated at a sufficient rate and LVPV HOA to grant a reimbursement. The reimbursement was prorated and based on the original cost of the shingles with no coverage for labor as per the terms and conditions of the warranty. CertainTeed's offer to LVPV HOA came in at a bit over \$23,000. The Board thought this was definitely worth the effort and important but was disappointed in the amount. This information was just received allowing time for the BOG to consider a counter offer. With the exception of one unit the shingles are okay for now but the Long Range Planning Team will need to update the current replacement plan which is based on a twenty seven year shingle life. Ron indicated that the Team will make every effort to cover the impact with current dues but that some increase may be necessary in

the future. Right now no special assessment is planned. An owner asked if it matters what type of defect is in the shingle. Ron responded saying that with indicating that a CertainTeed representative indicated that the warranty did not distinguish any type of defect and that the only factor considered was time or age of the shingles. Ron indicated that the award amounted to a reimbursement averages to the equivalent of 43% of the of the original purchase price of the shingles and that current replacement prices are now significantly higher.

Some members expressed a desire to consider shingles that are of better quality than used by the developer. Ron indicated that the current long range plan is based on \$120 per square 30 year shingles. The total cost per duplex unit is currently assumed to be \$20,000 per unit including \$10,800 for labor. *Insurance Policy:* Ron reviewed with the members the existing insurance policy will need upgraded to provide adequate coverage for the Association. The current policy will need to be broadened and coverage's increased for a few reasons. First, the HOA now owns common property. Second, reserves have significantly increased so as to increase the chances for theft with no current theft coverage. Third, law suit damages have continued to increase thus increasing HOA member exposure with no umbrella in the current policy. In addition the LVPV HOA may need a policy that considers the complication of owning property with the other 5 HOA's. Roads and the Pavilion are common areas commonly owned. The Board is asking for quotes to include theft and up to \$5 million in umbrella coverage.

The HOA insurance agency has also advised that certain safety measures will need to be enacted in order to qualify for these upgraded coverage's. As examples the Association will need certain signage. Examples that were given would be signage that would say "No Swimming", And LVPV HOA may have to put a fence around some water areas such as the water feature supply tank. The HOA may also need to enact a more formal policing process for the issue of inappropriate parked cars on the roadway which block traffic. Bottom line the Board is reviewing the insurance policy for the best interests and safety of all of the homeowners. The cost of insurance will increase but will be covered within the current dues structure. When the new insurance policy is purchased it will be posted on the website.

Ron emphasized that each homeowner needs to participate in an overall insurance effort. First each homeowner must provide proof of insurance by January 1, 2018 and every year after. Second each homeowner must have full coverage for each of their units and property. The new 2016 CC&R's states that each owner is required to fully insure their individual townhome and property. Coverage must cover fire and liability and will need to be in force at all times with adequate coverage. A summary sheet of homeowner's insurance policy is to be given to Dave and will be kept at his office.

Web Site: Paul announced that the web site is completed and its primary purpose is a place to record all the necessary documents. Address for the web site is lakeviewparkvillas.com, no password is required. It is also a great marketing tool as some HOA's display the homes that are for sale within the Association. On the web site is a map and photographs of LVPV HOA grounds. All required documents such as CC&R's and Bylaws, news letters written by the president, financials, and the current Long Range Plan can be found on the web site. Dave has been distributing the news letters by hard copy and also by email; the Board will review this and decide if this is a necessary expense. Keith Palmquist, who is a local realtor, said the LVPV HOA is one of the few association that has adequate funds and that this information should be available for potential clients that maybe looking to purchase a townhouse. According to the real estate law, a townhome HOA does not have to disclose their reserves, only a condominium association. Paul is currently writing a quarterly newsletters and he asked if these should be dispensed with? Members said that they did not feel a quarterly letter was necessary. It was recommended annually and on an as a need basis as determined by the President who writes the letter.

Covenants Compliance Policy: This policy is addressed in the 2016 CC&R's. This covers the policy regarding dogs off lease; not picking up after your dog; cars parked on the road at night. Cars can be parked on the street during the day time, but should never be on the sidewalks as this deteriorates and blocks the walk ways. Paul wants all owners to be more consistent and tougher on compliance. The Board suggests that if someone is consistently disregarding the Covenants Compliance Policy, please call Dave. He will call the homeowner and

give them a warning, if that does not work then a letter will be written. If the party still disregards these two warnings, then a schedule of fines can be placed. LVPV HOA does not have a schedule of fines and the Board will work to formalize the process. Unpaid fines may become liens on the property. Keith said that Eagle Bend Homeowners HOA has a schedule of fines that begin at \$100 for the first violation and this can escalate at 2nd or 3rd offense.

Sharon who had an issue with the parking of a large pickup on the curb, when she leaves her driveway it is hard to see around. Dave has spoken to this person and hopefully the problem has been taken care of.

New Business: A question regarding the repair of windows was brought up. Paul said this is not a HOA issue. Owners are responsible for their own repairs. Some homeowners have hired Montana Sash and Door for window and frame repairs, and were satisfied with their work. One owner said that there is a 10yr 100% replacement warranty if there is damage to the window glass, but this does not include the window frame. To obtain this warranty you have to be the original homeowner. The HOA is not responsible for windows in the townhomes or the garages.

A questions was asked as to who is responsible for the irrigation. Paul answered that the Association is responsible for the irrigation and if an owner has a sprinkler that is not working please flag this and it will be repaired. Sharon asked if there were plans to fertilize the trees as all the bushes had been fertilized in the spring. Paul said they have plans to fertilize in the fall.

Paul asked the members if they would give approval for the Board to spend a little money and go out for dinner. All in attendance said this is a great idea. The members thanked all the Board for all their hard work and expressed great appreciation.

Nomination: New Board members will be needed in the future as Ron and Brian terms will be expiring. Paul's term expires next year. Ron will continue serving on the Board for one year and Brian has not commented and the Board is hopeful he will continue for another year as Brian has been such a great fit with his

background as a lawyer and has done so much work for the HOA. Paul thanked all the homeowners who served on the various committees as their efforts have made a large difference in the community. The Board cannot do everything and they would appreciate it if there was more involvement from the homeowners. Please think about serving on the Board in the future.

Upper Deck Projects Bob Lust Chairman: Bob would like to add more volunteers to this committee. He is currently obtaining some quotes and the goal is to complete the repairs on the upper deck in the next two years. Bob has been measuring the decks in order to have a total square footage for the carpet replacement and to seal the decks. The order of getting the decks repairs is to first have powder coating done on the railing. Bob has a bid of \$500 per railing with Power Coating of Kalispell, which will include the taking off of the glass and then putting it back on. The railing will be lowered onto a trailer so that they can be powder coated. The contractor will label the railing per address as all are little different by a fraction of inches. His plan is based on replacing railings four at a time. The contractor would like permission to place the glass panels inside the townhomes. After the glass and railing have been removed, the carpet will be replaced. Bob has been looking at carpet colors and is trying to get as close to the original as possible. The carpet comes in a 12 foot roll which would make it seamless on the decks, but there would be four feet that would be scrap. Masterpiece Carpet gave an estimate of \$600 per balcony, and this includes them removing the existing carpet. Bob brought a sample for the members to look at and he mentioned that there is a rubber backing and provides some additional waterproofing. Currently there is a rubber under liner on each of the decks and if this is not damaged during removal then a rubber backing would not be necessary, but Bob cannot guarantee that the liner would not be compromised during removal. Bob said that the new carpet is better than what was originally installed and the original carpet has lasted about 10 years. Another product that Bob looked at was a vinyl, which is twice as expensive and it comes in 6 foot width and would have an overlapping seam. This would cost \$1200 per deck; it is a nice looking material but more money. The vinyl does not need the rubber under liner. Bob will obtain a color board so the members can decide on one color.

Once the order is place it will take two weeks for the product to arrive. Tony Dyson asked Bob if some of the under liner may be a problem. Bob has replaced his carpet already and when he removed the old carpet the rubber under liner was not damaged, but he cannot guarantee that result for all homeowners. The estimates right now are \$500 for the railing to be powder coated and \$600 for the carpet to be replaced which total \$1100. The Board had budgeted \$1200.

Patio Sealing: Many of the patios need to be sealed and different contractors were discussed. The prices range from 80 cents to \$1.00 per square foot. Some of the patios have lost their color so these colors would have to be repainted. The Board would like to have the committee obtain some bids to have this work done.

Adjourned 12:15 PM