

**Second Annual Meeting
Reflection Lane Homeowners Association
Minutes
10 April 2003
6:30 pm**



Location: DuGal residence

Attendees:

David & Kaye Kimbrell

Toni & Lisa DuGal

Bart & Nan Summers

Calvin McDonald (minute's author)

Jim Spaulding

Terry & Stacy Poyzer

Steve & Margaret Marlatt

Todd & Shelly Henry

OVERVIEW

The meeting opened with Toni presenting and reviewing the agenda for the meeting and the major activities of the Board for the past year. 4 handouts were provided, a copy for each lot owner. They were: 1. List of Board Activities, 2. Agenda, 3. Assessment Review Projections, and 4. Financial Record. The first three are included at the end of these minutes as Appendix A, B and C.

Calvin then took a few minutes and reviewed the past years financial activities and the current state of the HOA bank account.

Toni then reported on the changes made in the past year to the Architectural Control process of the HOA. The CC&R's were changed to replace the 3-person AC Committee with a 2/3 written consent, or 6 or 9, of the homeowners. She also reminded the homeowners that they have litigation exposure when not in compliance to the current CC&R's and Amendments. This sparked a conversation about a concern of several in the group that the HOA was getting too picky about certain constraints of the CC&R's (details covered below in CC&R section).

Jim and Terry then took a few minutes to talk about the irrigation system, its current status and why it is not felt that we need a water schedule.

Margaret then reviewed the Assessment Proposals and associated year's costs. Each line-item was covered and explained. Later in the meeting each was discussed in more detail and voted on. Results are discussed below.

Toni then reminded everyone about getting permission when entering other homeowner's property, especially with motor vehicles such as 4-wheelers. She reminded everyone that the speed limit on Reflection Lane is 25 MPH. The last general announcement was the URL of the HOA's web page, which is www.ckmcdonald.com/rl-hoa.

The formal process of electing next years Board was then conducted.

And, lastly there was an Open Discussion period to talk about anything not covered during the meeting.

DETAILS BY TOPIC

CC&R's: There was concern expressed by Jim and Dave that the potential enforcement of the CC&R's was getting too ridged. The Board reminded the group that the CC&R's were in place before the HOA was organized and that every lot owner agreed to abide by the CC&R's when they bought their lots. It was also pointed out that the Board felt it had an obligation to at least notify homeowners that they have legal exposure when they are in violation. The Board stated to the group, for clarification purposes, that the Board itself was not and had no intentions of initiating any legal action against any homeowner. The main concern is the 1-year to complete construction clause. There are currently several in violation of the rule, including Jim and Dave.

Toni suggested that this rule could be formally changed and the CC&R's amended if the group desired. Dave proposed a change what would remove the 1-year construction period altogether. Several voiced opposition. Dave proposed a 2-year to complete rather than 1-year as an amendment change. Dave's motion to amend the CC&R's to allow two years from start of construction to completion was seconded and carried. The Board will undertake making the appropriate amendment to the CC&R's.

Irrigation System: Jim and Terry proposed that, given the upcoming years usage projection, a watering schedule would likely not be needed. There are at least 3 lots that have no intention of using the system this coming year. Calvin reminded the group that the system was intended to supply pressurized water and that using it to flood irrigate could require a schedule because just 2 or more homeowners using the system this way will create a pressure drop not acceptable to homeowners using it for pressured systems. All members of the HOA agreed that they were not intending on using the system to flood irrigate. It was thus felt that a water schedule would not be needed as the system is believed to be capable of supplying enough water to the 6 or so lots using it without a problem. This will be reviewed as needed during the year if a problem arises.

Jim formally requested of the group permission to paint the pump house the same color as his home. No one had a concern about this and a vote was taken. It passed.

Jim and Terry also reported that the irrigation pond is now connected to the adjacent canal. This will allow us to run water through the pond to help keep it clear of algae.

The system is currently being worked on as there is a suspected leak in it near the North Entryway. Agralines (the systems installer) is digging the area up looking for a problem. We have experienced power bills that may be too high and a leak in the system would help explain this.

The system should be coming on for the summer soon.

Reflection Lane: Toni reported to the homeowners that Reflection Lane belongs to the HOA and that during the last year the Board discovered the property was incorrectly deeded with a piece of property still owned by Rich Porter. This was taken care of and the property is now correctly deeded to the HOA.

Reflection Lane is a key point in the topic of liability insurance. This is covered in the Insurance section below.

The maintenance of Reflection Lane was heavily discussed. There was an overall concern and desire by most in the group that we keep our base HOA dues low so as not to degrade buyer appeal. This discouraged many from opting in on an annual fee for long-term road care. In general, the vocal part of the group didn't think that road maintenance would require as much money as was outlined in the Assessment Proposal. There was discussion about the HOA members themselves doing maintenance such as filling cracks with tar, etc. When all was said and done, an increase of \$10 per lot was added to the annual dues to cover maintenance supplies. This was voted on and passed.

It was concluded that needed maintenance for Reflection Lane would be reviewed yearly at the annual meeting of homeowners.

Assessments: The yearly Assessment Proposal (see Appendix C) was reviewed, a line-item at a time. It was reminded that our last year's assessment was set at \$200/lot by the original CC&R's and had no historical usage data built into it. Now that the HOA has a year of historical data to base on, the Board presented a line-item list of expenses that have been and potentially will be incurred in the following year. The cost of each item was presented and a discussion was held for each item prior to a vote by the group. The voting outcome per line-item went as follows:

A. Electrical Budget:	Passed as presented
B. Insurance:	Postponed pending additional data
C. Grounds:	Passed as presented
D. Lighting Supplies:	Passed as presented
E. Misc:	Passed as presented
F. Reflection Lane Upkeep:	Passed with an adjusted amount of \$10.
G. Reflection Lane Landscaping:	Postponed pending additional data

This brought the total Assessment to \$213.00 per lot per year, up \$13.00 from last year.

Roadside Landscaping: This topic created the most dissension of the meeting. Toni briefly discussed the topic and then opened it up to members to make proposals on what should be done. The basic issue being the HOA owns the property from the center of Reflection Lane out 30 feet both North and South and this area is not currently landscaped. This includes the area north of the road to the fence of Jim and Terry's lots and south of the road almost to the concrete ditch. This area is currently unimproved in front of most of the lots (including the church lot). As members get their landscaping in, this area looks more and more unkempt and an eye-sore.

Several proposals were presented including:

1. Let everyone do what they want to, pay for and maintain it themselves.
2. Let everyone do what they want with a list of restrictions and they pay for and maintain it themselves.
3. Agree upon theme so that each space is somewhat alike and each member pays for and maintains it themselves.
4. Agree upon a theme and the HOA pays for installation and the member maintains it themselves.
5. Agree upon a theme and the HOA pays for both installation and maintenance.

The main trouble encounter is that not all members are on the same development schedule and financial condition as well as desire in the final outcome. This made it basically impossible to even get to a point where we could vote on a proposal. The final result was a postponement of the topic to a follow-up meeting that we scheduled for May 15, 2003.

The group will gather more data on the subject to help us make a decision. Todd will be getting a quote from a landscaping company to install the entire area.

Insurance: The Board started an investigation a few months back on the HOA's liability of our common area as well as protection for the equipment owned that makes up our pressurized irrigation system. This effort was conducted mostly by Margaret and she presented her findings as one of the line-items of the Assessment Proposal. The \$2000/per year price tag was distasteful to most of the group. We are still waiting for a couple of real price quotes to come in and the price tag of \$2000 is a rough, high estimate.

The voice of the group requested more data both on prices and the actual need for the Association to hold liability insurance. It was proposed that we postpone the vote on insurance until further data could be gathered.

Election: The floor was opened to nominations for the coming year's Board members. The three existing Board members were nominated as a group. This was seconded and the nomination passed a vote of the Association. The re-elected Board members, Toni

DuGal, Margaret Marlatt and Calvin McDonald, then re-appointed themselves President, Vice-President and Secretary, respectively, to serve for another one-year term.

Appendix A

Reflection Lane HOA Report on Board Activities 4/10/02 -4/10/03

- **First annual Home Owners Meeting 4/10/02**
- **Four Board meetings held 5/28/02; 7/19/02; 9/24/02; 2/13/03**
- **Board (and homeowners) appointed officers (Toni – Pres, Margaret, VP, Calvin, Sec/Tres)**
- **Recorded amendment to CC&Rs to adopt a 2/3's approval policy for ACC control**
- **Transferred HOA to lot owners from developers**
- **Adopted Bylaws for HOA**
- **Transferred title for Reflection Lane to HOA**
- **Managed the repair of front entrance lights and kept lights functional (bulbs replaced)**
- **Managed sprinklers and maintenance at front entrance**
- **Obtained recommendations and quotes on road maintenance**
- **Established an HOA website**
- **Published info about proposed church on website**
- **Published minutes of annual HOA and board meetings on website**
- **Distributed HOA documents to owners (binders)**
- **Invoiced and collected 2002 assessments**
- **Working to repair suspected leak in irrigation system**
- **Filed taxes (1120H Federal; Nonprofit State)**
- **Investigated need for liability insurance**

Appendix B

Reflection Lane HOA - Second Annual Homeowners Meeting

4/10/03

Agenda - NOTES COPY

- Report on Board Activities (4 board meetings – see separate report)
- Financial Report - Calvin
- Architectural Control report
 - No requests for approval
 - Reminders that those not completed with construction within 1 year are in non-compliance with Article II, Section C of CC&Rs and any other homeowner can seek action.
 - Vote of Jim painting pump house
- Irrigation plan/schedule for 2003 - Jim
- Assessment review/voting on proposals – Margaret
 - Requires 60% (5) homeowners to pass
- Announcements/Reminders
 - Speed limit in county is 25 mph unless otherwise posted
 - Please request permission from homeowner before riding horse or motorized vehicles on their property
 - Website at www.ckmcdonald.com/rl-hoa
- Board Election for 2003
 - Will appoint officers
 - Simple majority
- Open Discussion

Appendix C

REFLECTION LANE HOA ASSESSMENT REVIEW PROJECTIONS for 2003-2004 dated 04/06/03

I. BASE ANNUAL EXPENSES:

- A. \$1,548 **Electric bill**
(Based on historic usage for irrigation pump and front entry way; average is \$129.00 per month for 12 months)
- B. \$2,000 **Insurance premium** (Based on estimates; quotes are not finalized yet)
- C. \$140 **Grounds maintenance for front entry** (Based on two visits in nine months by Middleton Lawn & Landscape at rate of \$25.00 per hour. Entry way was constructed using parts of Lots 42A and 42B.)
- D. \$100 **Entry lighting supplies**
(Based on historic usage for past 12 months)
- E. \$38 **Check fees, service charges, postage, taxes, misc. fees**
(Based on historic usage for past 12 months)

F. ROAD OPTIONS:

According to American Paving, materials used in our road were 10" of pit run (sub base), 4" of ¾" road mix (prep), 2 ½" of asphalt, and Ada County ½" mix (ISPC spec). Recommended maintenance is:

1. Crack repairs yearly at a cost of \$150.00 minimum plus \$0.50 per linear foot of crack. This will prevent water from getting in the cracks and causing a shift in the sub materials which could result in potholes. (Est. of \$250 annually)
2. Seal coating every 3 years at a cost of \$0.08 per square foot (our road is 30,700'), or \$2,450.00 This will prevent erosion of the sand and oil in the asphalt. American Paving predicted if we maintain this maintenance schedule that the road will never need to be repaved. However, if we completely ignored the road and did not perform maintenance, a complete repaving would be required in 15-18 years and we would have a bad road in the meantime and experience the down time when it gets repaved. (Est. of \$816 annually)
3. Turning it over to the county. This will be problematic, if not impossible, as testing was not done at time road was built to prove to Canyon County that the road meets its specs.

G. ROADSIDE LANDSCAPING OPTIONS

ASSESSMENT OPTIONS and VOTE

ITEM	TOTAL ANNUAL EST. COST	ANNUAL EST. COST PER PARCEL	VOTE: Approved / Denied
A. Electric	\$1,548	\$172	
B. Insurance	\$2,000	\$222	
C. Grounds Maintenance	\$140	\$16	
D. Entry Lighting Supplies	\$100	\$11	
E. Check, fees, misc.	\$38	\$4	
Subtotal:	\$3,826	\$425	
F. Road			
1.	1. Est. \$250	1. \$28	
2.	2. Est. 816	2. \$91	
3.	3. 0	3. 0	
G. Roadside Landscaping			
TOTAL:			