

November 12, 2018

Page 1 of 3

Pat Shine called the November 12, 2018 HRHOA BOD meeting to order at 4pm in Founders Hall. He thanked all Veterans in attendance for their service. Dale Huffman led the Pledge of Allegiance. W F Myers called the roll, all Board members present.

Highlands Ridge Holdings Report. Birdy Whitehouse, Property Manager, gave the following updates. New tables have been ordered for the Golfside Villas pool area that were recently damaged by wind. Repairs were made to a damaged drain leak under the road and replacement of a bridge culvert, both on Carter Creek Drive. HRH has authorized the purchase of a new projector for Founders Hall. Management is still awaiting bids to replace the street signs damaged by Hurricane Irma.

Secretary Report. W F Myers stated the October 2018 Board minutes were posted on HR website, and distributed electronically to the Board. She moved if no additions or corrections, they be approved, seconded by Gary Nielson. Minutes approved .

Treasury Report. Dale Huffman reported that YTD Assessment income is \$10,925. Interest income-October-\$2.19. No expenses for October. Total liabilities and contingency funds—\$51,650.01. He moved for approval for the report, seconded by Walt Chevillet, and approved by the Board. Question from Rick Nicholson regarding Annual Assessment billing. Regarding the 3% of homeowners who have not paid their 2018 Assessment, when the 2019 billings are mailed out, will those who have not paid be billed for the amount(s) in arrears? Dale stated each homeowner who did not pay in 2018 was sent 3 invoices. Rick motioned that all past due HOA assessments be cumulative and are to be billed as such with the 2019 Assessment billing. Motion seconded by Walt Chevillet. Discussion was held and Treasurer will keep running total of delinquent Assessments. Motion passed unanimously.

Regarding the 2019 Annual Budget. Dale will present the proposed 2019 Budget at the December meeting. Members polled for insight. It was deemed that our budget line item for Legal—Covenants would/should be increased for attorney fees regarding Covenants clarification from a specialized law firm.

ACC Report. Rick Nicholson reported for October 2018, 6 applications were received, with 2 completed. Total of 15 prior and current approvals are still open.

November 12, 2018

Page 2 of 3

Covenants Conformance Report. Rick Nicholson reported no new compliance violations. There are 5 outstanding conformance issues, 2 are partially/near resolved. One intervention reported (resident did not secure application before beginning a nonconforming project). Resident has agreed to put the house back to original state. Another resident has reported lamppost lights being unlit or burned out. Email blast request was sent to all residents to help re-light our Community.

Proposed Standard Covenant Non-Conformance Letter. Rick Nicholson presented a Proposed Sample Form Letter For Covenant Non Conformance Issues to the Board. A copy is attached to the website Minutes and the paper copy of the Minutes on file. Discussion was held, motion made by Walt Chevillet to adopt the Sample Form Letter presented, seconded by Gary Nielson. All Board members approved. Upon review and approval by counsel, letter will be disseminated to the HRHOA Community. It is again noted that the Board does not act on a Covenants Compliance issue without a written complaint from a HRHOA member.

Update on Sign at Powerline and Hwy 17. Per Walt, there is a stalemate on negotiations (due to a language barrier) between the property owner and the Board. Discussion on pros and cons of allowing advertisements on the sign to facilitate funds for fabrication. Comments/questions from Sue Nicholson, Fred Seely and Rod Cooper.

Update on Chamber of Commerce Membership. Walt Chevillet visited the Chamber again. Publication that goes out to 250,000 (in November) will show 6 categories that Highlands Ridge will be mentioned in.

Proposal for raising funds to pay for non HOA items. President Pat reiterated to those in attendance the 3 entities that have ownership in Highlands Ridge (HRH LLC, J&P Golf Properties LLC, and Sebring Land LTD Partnership). Paradise Pride was created by a group of residents to augment and supplement work being done at both golf courses. There is no advertising nor promoting of Highlands Ridge to the public. Subsequently, the Board joined the Chamber (no use of Treasury funds). Declarant has no on site presence nor does any marketing, nor participate in Board activities/meetings. Covenants and Bylaws do not allow Board to use Treasury funds for any use other than operation and expenses of the Board. Covenants modification requests have been sent to Declarant with no response.

Pat's suggestion was to send letter with the 2019 Assessment notices asking for a designation of percentage or dollar amount of the \$25.00 Assessment to be set up in a special fund to be set up outside the HRHOA, most likely with the Residents Council.

November 12, 2018

Page 3 of 3

Fund would be used to promote and improve our Community. His suggestion was reviewed by Counsel, who instead recommended to ask the membership for their approval to proceed. Pat then requested discussion in 3 areas.....

1. request for creation of a fund through Residents Council— -- yes or no?
2. is it proper to use of funds in Treasury to use for the outside fund? --yes or no?
3. (if 2 approved), how to get approval from membership?

Discussion followed on the above numbered items.

- 1.— Would we be using existing Treasury funds, future assessments, fund raising, etc?
  - Confusion of competing with Paradise Pride? NO, this would not be for golf course, solely for promoting the Community.
  - Is Paradise Pride only for use of golf course? yes, established by volunteers solely for both golf courses' improvements.
  - Concern with too many entities competing for contributions.
  - If it goes to RC, would MC participate as well?

Pat then made the motion to be empowered by the Board to go to Residents Council to present the issue of the Highlands Ridge Promotion Improvement Fund to see if they will be willing to handle the fund. Motion was seconded by Walt Chevillet. Motion passed by the Board.

2. —on using HRHOA existing funds to seed money to the fund, if created? Is it legal to use existing funds? Membership would have to approve.
  - suggestion to instead vote for bylaw change at annual meeting to create/facilitate fund.

Discussion by Board and residents that ensued led Pat to make a motion based on the above approved motion (meet with RC) for fund establishment for voluntary contributions into such fund. He is postponing "including the use of Treasury funds". Motion seconded by Walt. Discussion....led to concern of too many funds in Community, legality, using past collected funds vs funds going forward. Motion tabled/withdrawn for future discussion. Audience questions & answers followed.

There being no further business, meeting was adjourned at 5:25pm.

Respectfully submitted,

Willie Faye D Myers, Secretary

