



Hermitage Hills Home Owner's Association

Fall 2011 Resident Meeting

**Please be courteous to others and
mute all cell phone ringers.**

Agenda

- Welcome and Introduction
- Recap of board's actions since elected
- State of the subdivision
- Financial reports
- Road conditions
- Ballot Items
- Questions and Answers
- Conclusion
- Collection of Ballots

Board Actions since Aug '10

Aug 2010:

- Board was elected

Sept 2010:

- Met with previous trustee to obtain records and balance of subdivision's funds.
- Began organizing and updating records.

Board actions since Aug '10 (cont):

Oct 2010:

- Affidavit filed in Hillsboro
- New PO box established
- New bank account established
- New Website activated
- First newsletter mailed out
- Accounting software purchased and old assessment records were accessed
- 2010 assessment billing mailed

Board actions since Aug '10 (cont):

Nov 2010:

- Assessment collection began
- Snow plowing service contracted

Dec 2010:

- Hermitage Drive entrance light turned on.
- Snow removal 3 times

Jan 2011:

- Newsletter mailed out with 2010 income expense statement
- Snow removal 5 times
- Trustees received a summons in regard to NB West lawsuit from 2002

Board actions since Aug '10 (cont):

Feb 2011:

- Indenture Amendment petition mailed
- Hermitage Hills HOA incorporated as a not-for-profit entity
- '07-'10 Assessment billing mailed
- Entrance sign damaged by vehicle
- Chancellor Farms ingress/egress billing mailed
- Snow removal 3 times

Board actions since Aug '10 (cont):

March 2011:

- One trustee resigned
- Specific Road Repair areas identified
- Bids received for emergency road repairs and HOA liability insurance
- Insurance claim submitted for entrance sign repair
- Snow removal 1 time

Board actions since Aug '10 (cont):

April 2011:

- HOA Liability insurance purchased
- Emergency Road repairs completed (gravel)
- Common ground and lake rules created
- 3rd Newsletter mailed
- Asphalt Road repair bids solicited
- Insurance check received for entrance sign damage, bids solicited for repairs

Board actions since Aug '10 (cont):

May 2011:

- Required number of petitions approving amendment received
- Weed control for lake applied
- Entrance sign repaired
- New 4th trustee appointed

June 2011:

- Entrance sign landscaping completed
- Continued solicitation of road repair bids, accurate road measurements obtained
- Preliminary planning for general meeting started

Board actions since Aug '10 (cont):

July 2011:

- Attorney drafted legal document to file as amendment to indentures.
- Solicitation of road repair bids continued
- Planning for general meeting continued
- Estimates of cost for purchase of street signs being gathered

Board actions since Aug '10 (cont):

Aug 2011:

- Met with 4 property owners on Lazy Oak Lane to discuss maintenance of Lazy Oak.
- Had final results of amendment petition approval verified by 3 impartial residents
- General meeting planning continued and meeting location secured
- Solicitation of road repair bids continued

Board actions since Aug '10 (cont):

Sept 2011:

- Amendment to indentures filed
- Bid for road repair accepted
- Road repairs completed
- General meeting notice mailed
- General meeting planning continued
- Snow plowing bids being solicited

Board actions since Aug '10 (cont):

Oct 2011:

- General meeting planning continued
- One trustee resigned
- 4th Newsletter mailed

State of the Subdivision

Amendment to the indentures:

- Because now only 2/3 approval of all voting lot owners is required, we are now have a chance to make the changes needed to improve our subdivision's condition
- A fifth board member will prevent tie votes by the board.
- 3 other items allow the board to serve you better.

Trustees needed:

- The board is currently short of 2 trustees.
- If you are interested in serving on the board, please contact us.

Entrance Sign:

- Damaged by a privately owned vehicle
- After insurance claim, it only cost us \$55 dollars to upgrade from wood to stone.
- Topsoil, flowers, and mulch paid for from HOA funds

Lake and Common Grounds:

- Mowing was not done this year, but it is currently planned into next year's budget.
- Weed control is being applied by a volunteer, the chemicals required are paid for from HOA funds.
- Lake and common ground rules will be posted soon because it is a requirement of our liability insurance

Snow plowing: Snow plowing is a 2 tier plan

- For light snow falls, only steep hills and entrances will be salted and plowed.
- For heavy snow falls, most paved roads will be plowed
- Some roads cannot be plowed because either the hill is too steep, or the condition of the road is too bad for the plowing equipment to operate.
- Last winter we spent over \$12K on plowing

Assessments:

- The unbilled past assessments have to be collected because it is the fiduciary responsibility of the board of trustees to act in the best interest of the subdivision.
- 2011 Assessment billing will go out as soon as it is ready
- '07-'09 billing went out last Spring
- '04-'06 billing will go out next Spring.

NB West Lawsuit:

- A Paving company, hired by HH, purchased material from NB West
- NB West filed suit against paving company and HH, when paving company declared bankruptcy after HH had paid for service
- Judge ruled in 2002 that HH had to pay NB West \$17K+ (plus 9%/yr) for the materials.
- Total due as of 2010 was \$24K+

NB West Lawsuit (cont):

- Trustees became aware when notified by summons in Jan 2011.
- NB West attempted to garnish the HH HOA checking account. Was able to collect \$307.82
- We have entered into negotiations with NB West over the balance due and to work out a payment plan
- A good faith payment of \$3000 was made to prevent garnishments while negotiating

Assessment Revenues

	<u>2010</u>	<u>2011</u>
January		\$411.78
February		\$2,412.20
March		\$17,035.23
April		\$8,320.80
May		\$5,965.37
June		\$2,661.25
July		\$1,023.10
August		\$1,499.61
September		\$784.75
October	\$487.25	\$170.00
November	\$7,420.73	
December	\$5,752.81	
Total	\$13,660.79	\$42,295.09
COMBINED TOTAL	\$55,955.88	

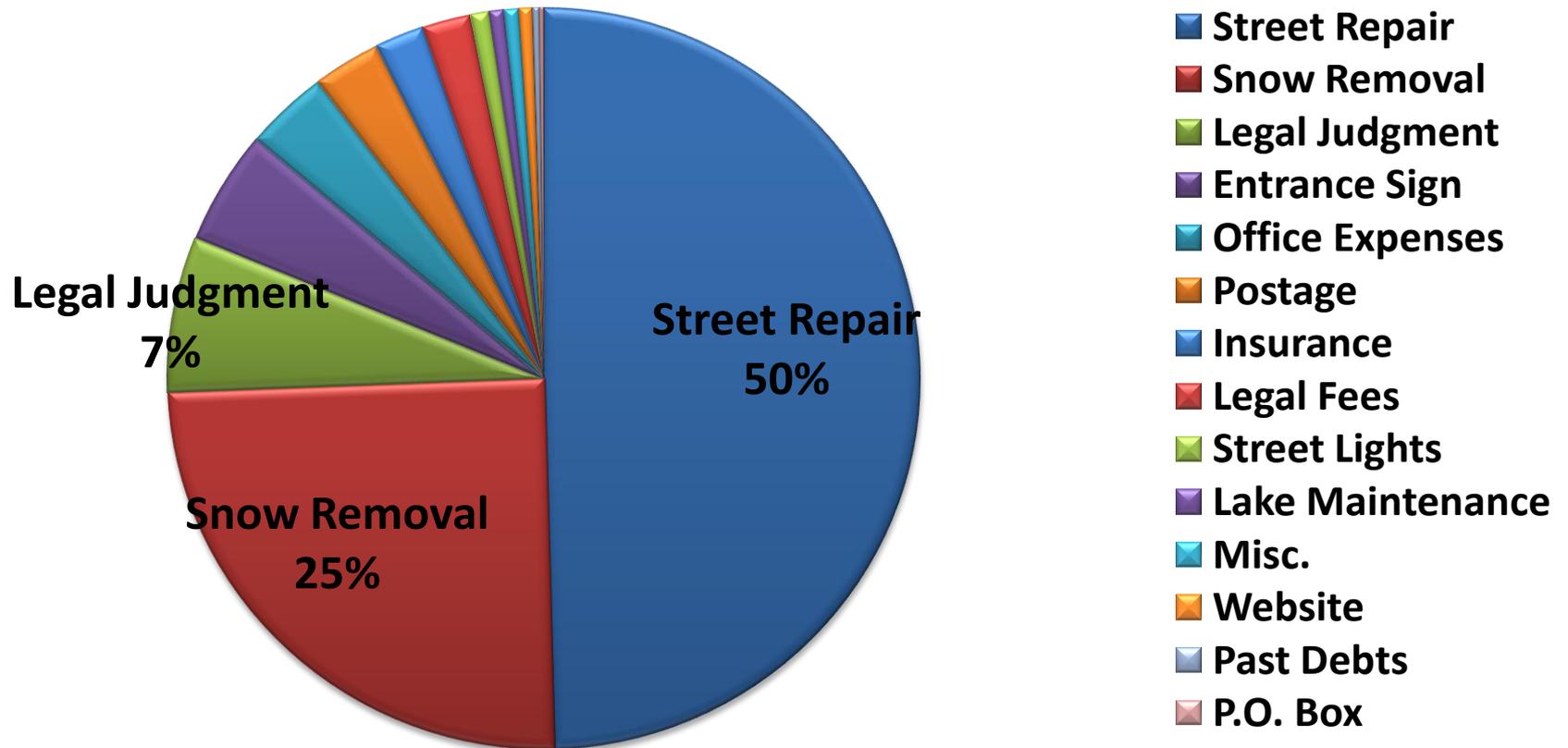
Expenses By Category

<u>Category</u>	<u>2010 (Oct-Dec)</u>	<u>2011 (YTD)</u>	<u>Combined</u>	<u>%</u>
Street Repair	\$0.00	\$24,155.00	\$24,155.00	50%
Snow Removal	\$1,875.00	\$10,215.00	\$12,090.00	25%
Legal Judgment	\$0.00	\$3,307.82	\$3,307.82	7%
Entrance Sign	\$0.00	\$2,425.21	\$2,425.21	5%
Office Expenses	\$1,038.81	\$717.15	\$1,755.96	4%
Postage	\$341.00	\$1,081.00	\$1,422.00	3%
Insurance	\$0.00	\$1,030.00	\$1,030.00	2%
Legal Fees	\$0.00	\$1,000.00	\$1,000.00	2%
Street Lights	\$270.44	\$128.76	\$399.20	1%
Lake Maintenance	\$0.00	\$312.26	\$312.26	1%
Misc.	\$70.60	\$241.43	\$312.03	1%
Website	\$279.02	\$0.00	\$279.02	1%
Past Debts	\$0.00	\$141.99	\$141.99	0.3%
P.O. Box	<u>\$32.00</u>	<u>\$60.00</u>	<u>\$92.00</u>	0.2%
Total Expenses	\$3,906.87	\$44,815.62	\$48,722.49	100%

Note: \$2145 of the Entrance Sign work was covered by the driver's insurance company

Expenses By Category

(Oct 2010-Oct 2011)



****Note: \$2145 of the Entrance Sign work was covered by the driver's insurance company****

2012 Projected Budget

Expense Category	Amount
Snow Removal	\$15,000
Legal Judgment	\$6,800
Legal Fees	\$1,500
Insurance	\$1,100
Postage	\$1,500
Office Expenses (paper, envelopes, etc.)	\$500
Lake Maintenance	\$500
Website	\$150
Street Lights	\$130
Misc.	\$100
P.O. Box	\$60

Total 2012 Projected Budget	\$27,340
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Remaining funds for Street Repair & Street Signs & Common
Ground Maintenance

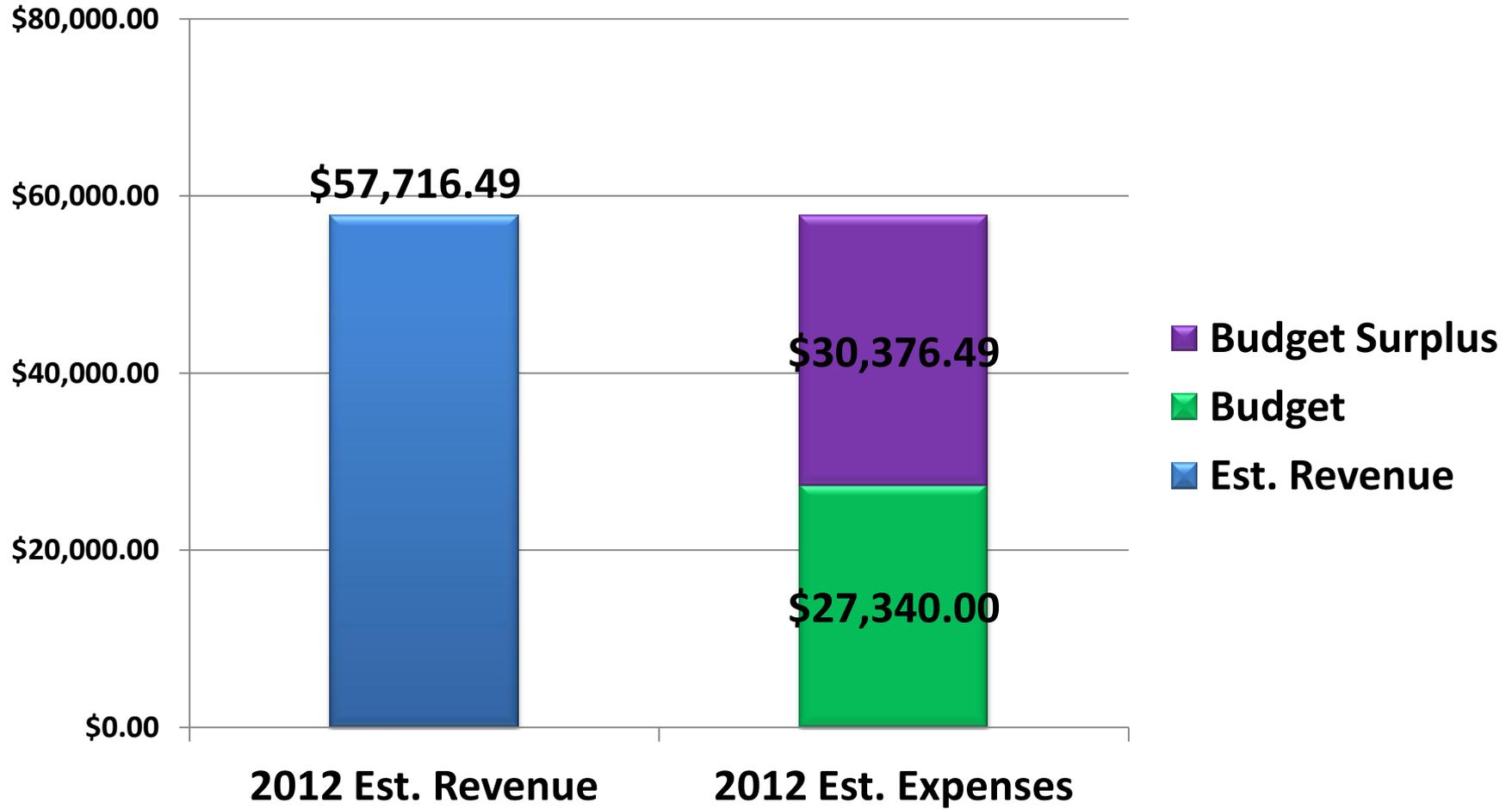
TBD

Projected 2012 Assessment Revenue

• Assessment Billing for 2011 (To be billed the end of October 2011)	\$ 23,041.80
• Assessment Billing for 2004, 2005 & 2006 (To be billed in Spring 2012)	\$ 34,674.69
Total	<hr/> \$ 57,716.49

(Based on 100% collection rate)

2012 Revenue vs. Budgeted Expenses



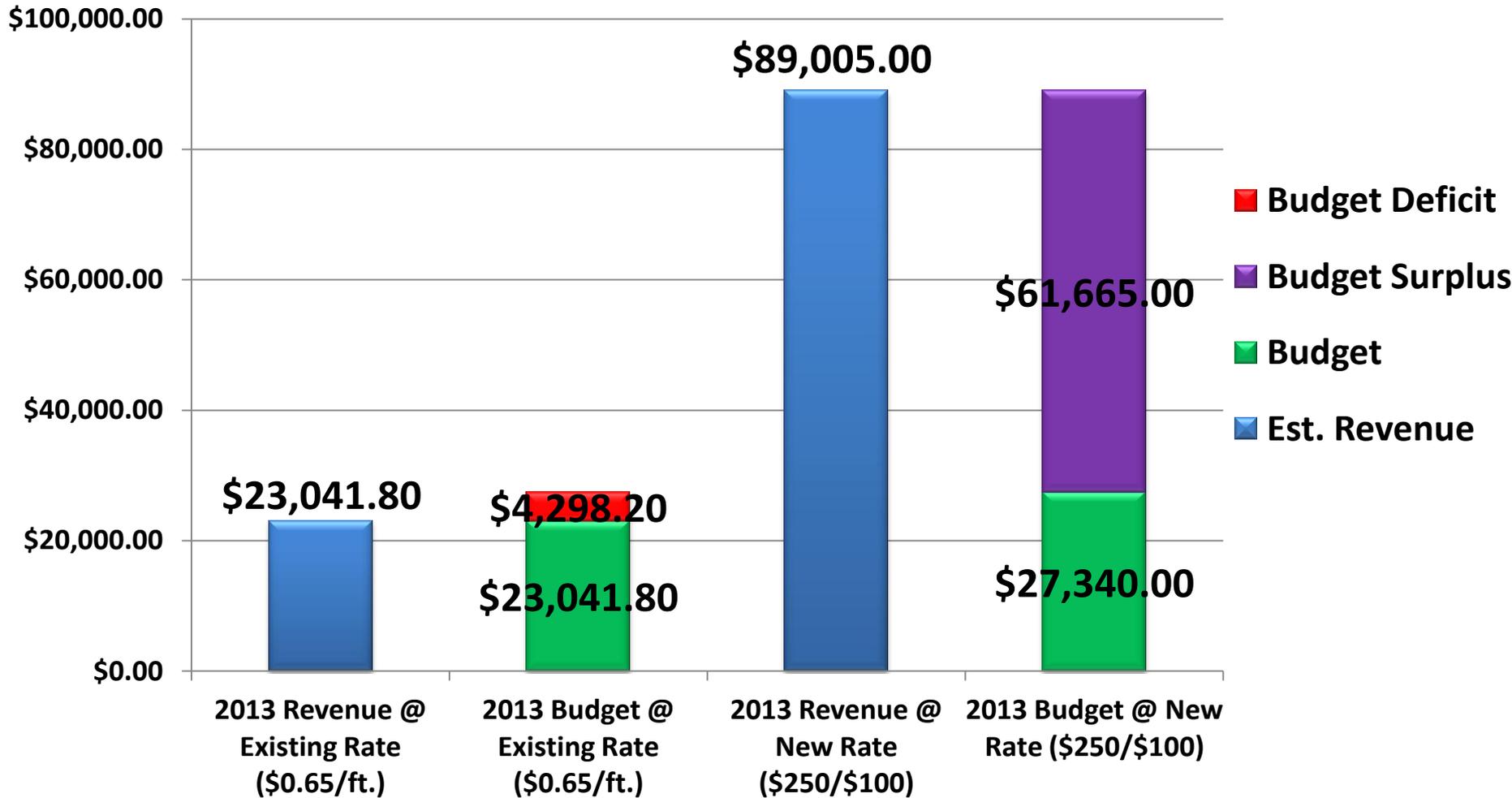
*Annual Budget = \$27,340.00

*** Assumes 100% collection rate

**2012 Revenue includes 2011 assessments & assessments for 2004, 2005 & 2006

2013 Revenue vs. Budgeted Expenses

Current Assessment vs. Proposed Assessment



* Annual Budget = \$27,340.00

** Assumes 100% collection rate

Uncollected Assessments

2010 Uncollected billed assessments

- 68 Lots
- 83.2% collection rate

\$ 3,789.95

2007-2009 Uncollected billed assessments

- 114 Lots
- 71.8% collection rate

2007= \$5,609.89*

2008= \$6,415.95

2009 = \$6,415.95

\$18,441.79

*All partial payments on accounts that already paid 2010, were applied to 2007**

Total Amount Uncollected

\$22,231.74

Hermitage Hills Board of Trustees is currently looking at collections agencies and consulting with the subdivision attorney to handle past-due assessment collection. It is the Board's fiduciary responsibility to collect the un-collected past-due assessments.

Road Conditions

- September 2011, six areas repaired at the cost of \$21,905.
- Most don't have the proper amount of base material underneath the asphalt, causing premature deterioration
- Many aren't crowned properly, causing runoff and drainage problems
- Many have deteriorated to the point that just overlaying with asphalt won't help. The proper amount of base material needs to be installed

Road Conditions (cont)

- Working on long range plan to fix all our roads
- What we can overlay will be repaved
- What needs to be dug up and replaced will have that done
- Will include adding proper drainage to control runoff
- Need to include regular maintenance, seal coating or chip sealing

Ballot Items

Item #3: Rewriting the indentures

- Over 45 years old
- Strictly for guidance
- Cost about \$4,000
- Process overview by Lester

Ballot Items (cont)

Item # 2: “Voice of the lot owners”:

- Any petition signed by 10% of the lot owners would have to be put forward for a vote before the whole subdivision
- Prevents the trustees from blocking votes on items they don't approve of.

Ballot Items (cont):

Item # 1: Change assessment calculation from front-foot per lot to fixed amounts of \$250/yr for a developed lot and \$100/yr for additional or undeveloped lots.

- Current front-foot assessment is very diverse, with ranges of 31 to 270 ft.
- Need to share burden equally
- One amount for a lot with a house, another for an additional or undeveloped lot

Item #1 (cont):

- \$250 is comparable to nearby neighborhoods
- Current assessments do not cover the annual HH operating budget and leave no money for road repair
- Will allow approximately \$60k/yr for funding of road repairs, road maintenance, and other improvements
- Averages to \$20.83 per month

Questions and Answers

- Please be respectful of others point of view
- We have a limited amount of time remaining, if we don't get to your question, leave it with us and we will answer it
- A copy of all questions and answers will be provided to all lot owners along with the election results.