

**Lakeview Estates Homeowners Association
Minutes of Annual Meeting
July 29, 2006**

President Edna Winn called meeting to order at 4:14 with 30 lots represented in person or by proxy. Attending in person or by proxy: Rovzar (lots 1, 2 and 33) Kroll (2), Fournier (4), Anastasie (7), Krohn (8), Beamis (9), Simmons (10), Hicks (11), Lourie (13), Jenkins (14), Day (15), Hanley(16), Kinney (18, 19, 54, 55), Sorman (20), Lynch (12), Baack (23), Louis (25, 29, 30), Cowan (26) ,Winn (34), Stone (35), McLennan (37), Parson(44), Wilson (59)

Motion: Kroll/Jenkins to waive reading of 2005 meeting minutes and accept as distributed.
Passed

Reports

President:

Edna acknowledged Richard Hicks for his work on the owners' handbook, By-Law revision committee, the web site, and with marshalling a quorum for the meeting. (Barbara Kinney asked that more handbooks be sent to town hall and local realtors.) Edna thanked Barbara Kinney for her work as liaison with town officials, for the sign at the entrance to Lakeview Estates, and for owning four lots, which protects Basin Pond. Randy Stone was recognized for his work on the road and the common lot.

Treasurers:

Report attached

Motion: (Jenkins/ Hetherly) To accept Treasurer's report as distributed. Passed

Road and Common Committee:

Randy Stone reported that the road has been graded on the hill, that the washboard area has been shaped and graded. Some trenching has been done and a new culvert has been installed near the Kroll's to alleviate erosion. The split rail fence and the retaining wall on the common lot have been repaired.

Motion: (Cowan/Hicks) That Randy Stone, Chet Day and Joe Longtin comprise the road committee and that said committee will make a long-range maintenance plan in collaboration with volunteer road expert, Clyde Walton. Committee will recommend both a plan and budget.
Passed.

Report on legal proceedings:

See attached.

Mailboxes:

Ed will follow up with postmistress. Problems remain with new and old lot numbers. Members are asked to remove all old lot numbers to avoid confusion in emergency response. Barbara Kinney suggested landscaping around the sign. Ed volunteered. Street signs should be on the same post. Barbara will ask town to fix.

Motion: (Louis/Day) That a common lot committee consisting of Susan Louis, Deena Day, Nancy Anastase and Jackie Fournier be created with a budget for lot improvements in an amount to be determined by the board. Passed.

By-Law Committee:

Proposed By-Law changes were distributed (attached)

Motion: (Kroll/Hicks): To accept By-Law changes as proposed. Passed

Motion: (Longtin/Cowen) To raise dues to \$300.00 per year due in two payments of \$150.00 on Oct. 15 and April 15 starting in October, 2006 for fiscal year 2007. Passed

Motion: (Stone/Fournier) That notices of dues be sent to members twice a year. Passed

Edna proposed another common lot cleanup day for Columbus Day weekend on Saturday, October 7, 2006.

Election of Board Member

Mark Rovzar and Randy Stone were nominated for Vice President. Randy Stone was elected.

Motion: (Lynch/Kroll) Adjourn.

Meeting Adjourned at 6:00 P.M

**LAKEVIEW ESTATES HOMEOWNERS ASSOCIATION
REPORT ON LEGAL PROCEEDINGS
AS OF JULY 29, 2006**

In October 2003 LEHA retained the services of John P. McVeigh, Esq., an attorney with PretiFlaherty Beliveau Pachios and Haley, LLC, a law firm with offices in Augusta, Bath, Boston, Concord and Portland. There were no "up-front" legal expenses, and, according to the agreement, the law firm received fifty percent of the proceeds plus reimbursement of certain minimal expenses, such as faxing, filing, photocopying, postage and travel.

A Complaint for Foreclosure of Association Liens was filed in January 2004 in Kennebec Superior Court against seven lot owners, four of whom later paid what they owed to the Association.

A motion for Summary Judgment was filed in April 2005 against the other three lot owners – Richard Cavaco, Michael Strong and Bradley Swinnerton. Mr. McVeigh negotiated an agreement with Mr. Cavaco to sell his property, and pay us \$6,000.00 (\$4,000.00 to the Association and \$2,000.00 to PretiFlaherty.) Kevin Baack purchased Mr. Cavaco's property in October 2005.

Notices of a public sale of the remaining two lots – Michael Strong's and Bradley Swinnerton's – were published in the Kennebec Journal once a week for three consecutive weeks in September 2005, and a public sale was held on October 8, 2005 at the PretiFlaherty office in Augusta, Maine. The public sale resulted in Dale Randall purchasing Mr. Strong's lot and Nancy Sorman purchasing Mr. Swinnerton's lot.

At the 2003 annual meeting, a motion passed to change our By-Laws "*to authorize LEHA to place a lien on a property that is delinquent in paying the value of two years of dues.*" Liens were filed on two additional properties, with the owners subsequently paying what they owed in order to avoid foreclosure.

Our Accounts Receivable has gone from \$26,860.30 as of May 31, 2005 to \$648.71 in June 2006. More importantly, we have managed to rid our Association of lot owners who had not paid their dues in years, and had no intention of ever paying their dues. And we have made the point that there are consequences for not paying dues.

We realized \$8,481.64 as a result of our legal action, which took more than two years to complete. This was a hugely successful undertaking, in my opinion. As our expenses continue to increase, we need every lot owner to pay dues every year in order to be able to meet our financial responsibilities at Lakeview Estates.

Respectfully submitted,

Edna Winn
Special Assistant for Legal Issues
Lakeview Estates Homeowners Association

Notes to accompany the Report on Legal Proceedings

- Received from PretiFlaherty:

\$ 180.66 Anthony Cerrato paid \$361.31 to PretiFlaherty in Jan. 2005.

805.98 Alan Moyer paid \$1,674.88 to PretiFlaherty in Mar. 2005.

7,400.00 Nancy Sorman paid \$8,000.00 for Lot 23 in Oct. 2005.

95.00 One-third of an hour of John McVeigh's time billed to Jason Palm.

\$8,481.64 TOTAL

- Paid to PretiFlaherty:

\$ 483.66 Apr. 2005

659.54 Feb. 2006

\$1,143.20 TOTAL

- Additional Liens were filed on:

<u>Name</u>	<u>Lien filed</u>	<u>Amount</u>	<u>Paid</u>	<u>Lien discharged</u>
Kevin Oakley	Jul. 2005	\$725.06	\$725.06	May 2006
Jason Palm	Apr. 2005	\$445.71	\$445.71	Jun. 2006

- PretiFlaherty Accounting (attached)

Disbursements listed on Invoice #1313783, dated January 20, 2006:

11.00	Filing of Moyer lien release - 04/06/05
48.60	Travel expenses - 04/05/05
75.00	Service of process on Swinnerton - 04/25/05
11.00	Filing of Oakley lien - 07/07/05
1,172.34	Miscellaneous advertising: Notice of public sale
58.20	Travel expenses - 10/07/05
20.00	Filing of Cavaco lien dismissal - 10/17/05
5.81	Postage
58.20	Travel expenses - 10/21/05
53.37	Filing expenses - Strong - 10/21/05
21.10	Photocopies - 10/25/05
2.72	Telephone expenses - 10/25/05
4.38	Telephone expenses - 11/22/05
<u>1,541.72</u>	Disbursements Sub-total
<u>4,879.00</u>	Cost of releasing David Strong lien
<u><u>6,420.72</u></u>	Total Disbursements listed on Invoice #1313783

Final Accounting

10,659.93	Fifty percent of \$21,319.85 due to LEHA
(6,420.72)	Total Disbursements listed on Invoice #1313783
(180.66)	Paid to LEHA on 01/24/05
(805.98)	Paid to LEHA on 03/30/05
(695.77)	Costs previously billed to LEHA
<u>2,556.80</u>	Due to LEHA
<u>3,700.00</u>	Fifty percent of Nancy Sorman's payment for Lot 20
<u><u>6,256.80</u></u>	Total Due to LEHA
7,400.00	Cashier's check to be deposited by LEHA
<u>6,256.80</u>	Total Due to LEHA
<u><u>1,143.20</u></u>	Due to PretiFlaherty
483.66	Paid to PretiFlaherty April 2005
<u>659.54</u>	Paid to PretiFlaherty February 2006
<u><u>1,143.20</u></u>	TOTAL paid to PretiFlaherty

**Lakeview Estates Homeowners Association
Treasurer's Report
Fiscal Year 2006**

During Fiscal Year 2006, Lakeview Estates Homeowners Association (LEHA) collected \$11,806.56 in dues (annual Maintenance fees) including interest owed.

This can be broken down as follows:

\$10,459.00	Dues collected for FY 2006
<u>\$ 1,347.56</u>	Dues collected for prior years
\$11,806.56	Total dues paid in FY 2006

Accounts Receivable as of May 31, 2006 totaled \$1493.83.

Checking account balance as of May 31, 2006 was \$17,575.97.

Attached are the following reports for FY 2006:

- Balance Sheet with Accounts Receivable details as of May 31, 2006
- Cash Flow Comparison for FY 2005 – 2006
- Bank of America Statement dated 05/31/06

Members are asked to review the current Membership List being circulated and make any necessary changes. Also, please provide both your Home address and your LEHA address.

Respectfully Submitted,
Joseph L. Longtin, Treasurer
Lakeview Estates Homeowners Association
July 29, 2006

Lakeview Estates Homeowners Association
Balance Sheet – FY 2006
(6/1/05 to 5/31/06)

ASSETS (As of 5/31/06)

Checking	17575.95
Outhouse	1091.96
Common Lot	3900.00
Accounts Receivable	<u>1493.83</u>
Total Assets	24061.74

LIABILITIES (As of 5/31/06)

Liability	0.00
Other Liabilities	<u>0.00</u>
Total Liabilities	0.00

EQUITY (5/31/06) 24061.74

Note: Accounts Receivable Details (As of 5/31/06)

Lot 30	Jeremy and Mia Pollis	203.00
Lot 52	Jason and Charlotte Palm	445.71
Lot 41	Alan Moyer	439.12
Lot 59	Alan Wilson	203.00
Lot 27	Kevin and Lynn Cote	<u>203.00</u>
	Total	1493.83

Joseph Longtin, Treasurer LEHA
530 College Rd
Greene, ME 04236

Treasurer@leha.org
207-946-5668

Cash Flow Comparison
6/1/2004 Through 5/31/2006

7/19/2006

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Category Description	6/1/2004- 5/31/2005	6/1/2005- 5/31/2006	Amount Difference
INFLOWS			
Uncategorized	0.00	0.00	0.00
Legal Income	1,167.29	7,400.00	6,232.71
Maintenance Fees	11,674.02	11,806.56	132.54
TOTAL INFLOWS	12,841.31	19,206.56	6,365.25
OUTFLOWS			
Bank Charge	11.00	0.00	11.00
Check Printing	17.90	0.00	17.90
Common Lot			
Construction	587.00	0.00	587.00
Dock & Fence Repairs	0.00	102.37	-102.37
Dock In & Out	255.00	780.00	-525.00
General Maintenance	249.31	0.00	249.31
Repairs	0.00	633.33	-633.33
TOTAL Common Lot	1,091.31	1,515.70	-424.39
Insurance	750.00	750.00	0.00
Legal Expense	689.31	669.54	19.77
Meeting Expense	25.00	25.00	0.00
Non-Profit Fees	35.00	0.00	35.00
Photocopy	25.24	15.21	10.03
Postage	39.77	3.92	35.85
Public Rel	0.00	59.88	-59.88
Reimbursement Of Ex...	46.23	681.44	-635.21
Road			
Brush & Dead Trees	0.00	600.00	-600.00
Grade & Gravel	0.00	600.25	-600.25
Plowing & Sanding	8,000.00	8,000.00	0.00
Repairs	2,365.25	3,160.00	-794.75
TOTAL Road	10,365.25	12,360.25	-1,995.00
Supplies	223.88	23.89	199.99
Taxes	78.00	76.62	1.38
Telephone	22.46	6.24	16.22
Trash & Recycling Pick...	410.00	410.00	0.00
TOTAL OUTFLOWS	13,830.35	16,597.69	-2,767.34
OVERALL TOTAL	-989.04	2,608.87	3,597.91

reducing cost

Lake View Estates Homeowners Association

Proposed By-Law changes

LEHA Members: as stated in the 2005 Annual Meeting Minutes, "The association will vote on proposed changes at its next annual meeting". Last year's draft was reviewed by our legal counsel, John P. McVeigh, who made a few changes. The LEHA Board recognized a need for the language in Article VI to be edited to make it gender neutral. Please review these changes prior to the Annual Meeting on July 29, 2006. A motion will be made to accept the changes as presented. This draft was submitted by Richard Hicks, Chair of the By-Laws Committee.

(underlined text = added text ~~strikethroughs~~ = deleted text)

ARTICLE II MEMBERSHIP

Section 5.

In the event of default by any member in paying to the Association the Annual Property Maintenance Charge, such charge shall become a lien upon the member's property as provided in each member's deed to his property. Each unit owner in default shall be obligated to pay interest compounded at 18% per annum ~~the highest legal rate allowed by law~~ on such common charges from the due date thereof as determined by the Association, together with all expenses, including reasonable attorney's fees, incurred by the Association in any proceedings brought to collect such unpaid common charges. Furthermore, each unit owner in default shall not be entitled to make any improvements to Lake View Estates property. Unit owners in default who do make improvements to Lake View Estates property shall be subject to legal actions as determined by the Association, together with all expenses, including reasonable attorney's fees, incurred by the Association in any proceedings brought to enforce this requirement. In addition, a unit owner in default shall not be entitled to vote at any meeting of the Association unless the unit owner brings the charges current prior to the meeting.

ARTICLE VI DUTIES OF OFFICERS

Section 1. PRESIDENT.

The President shall preside at all meetings of the Association and shall appoint such committees as he or she or the Association shall consider expedient or necessary.

Section 2. VICE PRESIDENT.

In the absence of the President, the Vice President shall perform his or her duties, and in the absence of both President and Vice President, the Treasurer shall preside and assume the duties of the President. The Vice President shall also generally assist the President and exercise such other

powers and perform such other duties as shall be prescribed by the Association.

Section 3. SECRETARY.

The Secretary shall keep the minutes of all meetings of the Association and shall, if requested read such minutes at the close of each meeting for approval; and shall mail out all notices for meetings of the Association. He [or she](#) shall perform such other duties as may be required of him [or her](#) by the By-Laws, the President or the Association.

Section 4. TREASURER.

The Treasurer shall have charge of all receipts and monies of the Association, deposit them in the name of the Association in a bank approved by the Association, and disburse funds as ordered or authorized by the Association. He [or she](#) shall keep regular accounts of his receipts and disbursements, submit his [or her](#) record when requested, and give an itemized statement at regular meetings of the Association. He [or she](#), or the President or Vice President, may sign checks and withdrawal slips on behalf of the Association upon any and all of its bank accounts. He [or she](#) shall be authorized to expend funds on behalf of the Association in an amount to be approved by the Association at its first meeting.

ARTICLE IX

NOTICES

All notices to members shall be mailed [or emailed, return receipt](#) to their addresses as given on the books of the Association, and such [distribution of information](#) shall constitute [conclusive](#) evidence of service thereof. [It is the responsibility of each member to advise the Association of current contact information, and the Association shall be entitled to rely on mail, or email service to the last known address given to the Association by any Member who is to be served with notice.](#)

ARTICLE XIII

AMENDMENTS TO BY-LAWS

Section 2. ADOPTION. Amendments to these By-Laws may be adopted only by a two-thirds vote of the members present [in person or by proxy](#) at a regular or special meeting of the Association, provided that notice of the proposed amendment has been stated in the call for the meeting. [Voting by proxy shall require a signed proxy agreement from the absent member in order for the present member to vote the absent member's interest.](#)

JUSTIFICATION FOR A DUES INCREASE

Lakeview Estates Homeowners Association (LEHA) was formed in 1991, and dues were established at \$200.00 a year at that time.

Our dues have been \$200.00 since 1991 – 16 years!

Our expenses obviously have increased significantly since 1991, and we need to increase the dues. Can anyone honestly say that they would have expected the dues to remain at \$200.00 for this long a period of time?

In 1999, LEHA had income of over \$19,000.00 due to several owners paying off overdue balances, and title companies paying what was owed when a lot was being sold. This additional income gave us a financial cushion, which has been diminishing. Each year, after the final payment for plowing and sanding, and before the dues start coming in, the checking account balance is lower and lower – this year it was \$2,378.48. Dangerously low!

Increasing the dues was first discussed in 2002, and has been discussed every year since then. Many were opposed to increasing the dues until the problem with delinquent lot owners was resolved. That problem has been resolved, and it is time to increase the dues.

Our annual income is \$11,800.00 *if* all 59 lot owners pay what they owe – something that has *never* happened.

We have had a negative cash flow for 3 consecutive years:

<u>Fiscal Year</u>	<u>Cash Flow</u>
2003	(864.13)
2004	(1,126.67)
2005	(1,176.52)

In 2006, due to the proceeds of our legal action, our cash flow was positive: \$1,981.68, but this legal income obviously was a one-time occurrence. It does not resolve the problem of our expenses exceeding our income year after year.

Even with \$7,400.00 in legal income in Fiscal Year 2006, our cash flow was \$1,981.68, and in June 2006 – after the end of the Fiscal Year, we paid \$1,900.00 to James & Wheeler Carpentry to repair the retaining wall in the Common Lot.

In Fiscal Year 2006, our road expenses were \$14,360.25 – \$8,000.00 for plowing and sanding and \$6,360.25 for maintenance. In addition to our road expenses, we have expenses for brush cutting, the Common Lot, insurance, taxes, trash pickup, and other miscellaneous expenses to contend with.

We cannot expect to continue to be able to meet our financial commitments with dues at \$200.00 a year. Without a vote to increase the dues at this meeting, we very likely will not have the funds necessary to provide essential services in the future.

Respectfully submitted,
Edna Winn
