

CASTLE COVE BOARD MEETING

Tuesday, July 7, 2015, 6:30 PM

Castle Cove Shelter

ATTENDEES:

Board Members

<input checked="" type="checkbox"/> Bruce Amrhien	<input checked="" type="checkbox"/> Charlie Spyr
<input checked="" type="checkbox"/> Scott Gallagher	<input type="checkbox"/> Mike Barger
<input type="checkbox"/> Rich Havlin	<input checked="" type="checkbox"/> Lana Stevens
<input checked="" type="checkbox"/> Tom Johnson	<input checked="" type="checkbox"/> Marie Wright
<input checked="" type="checkbox"/> Ron Sans	

Other Residents:

Steve Heyerdahl	Bill Breen
Chris Zell	Jean Kiesel
Shivaji Ganale	Doug Newkirk

Note that all information below may not be presented in the order in which topics were addressed since some of them fell under Committee Reports as well as under Old Business.

- The meeting was called to order by Marie Wright at 6:33 PM. Residents in attendance were welcomed and encouraged to continue attending meetings and to become involved in the community. The board cannot do everything that is required.
- The Board approved the Minutes from the last meeting with the following change needed:
 - What was stated in the May 5th minutes regarding mailboxes is incorrect and will be corrected. The type we require is still available at Nora Ace Hardware and recently at Lowes. The intention to change our Guidelines/Standards was not stated or addressed during that meeting. Those minutes will be corrected.
- The Treasurer's report was approved as reported by Tom Johnson. A final letter to one of the two residents still owing dues was sent from the HOA. Our attorney is already handling the other. See attached Budget Report.
- The property at 8048 Castle Lake Road, in serious disrepair, has been purchased by a company to refurbish and "flip". That company has already agreed to comply with covenants and has been in touch with the Architectural Committee.
- Issues from attending non-board residents
 - The new homeowner of a property on the lake had requested installing a shed. This request was turned down due to interpretation of the Covenants Section 4.3. The

resident was encouraged to bring this up at the Annual Meeting to see if the membership continues to object to sheds on lakefront properties.

- Concern about the continuing increase in the growth of weeds/grass in the lake was expressed. See Lake Committee report on subsequent page.
- Occupants of a home where the owner lives elsewhere are making quite a bit of noise late at night. Due to a language barrier, the reporting resident is unable to make clear the problem. The owner will be contacted.
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- Notes below provided by Charlie Spyr who attended an informational seminar about new laws passed by our state legislature pertaining to HOAs effective as of this July 1st. HOAs can now charge title companies who request dues payment histories \$250 for that service. See the enclosed document on House Enrolled Act 1286 (HEA 1286).

This year a major piece of legislation was passed, and goes into effect 7/1/15 that changes how we on the Compliance Committee must go about our business. There is now a Grievance Resolution Mandate in State Law.

Other changes under this new law (#1236) modify a broad spectrum of minor issues such as:

-allowing gated communities to bar political campaigning, -Formalizes the property tax exemption for HOAs, - Raises Sheriff process server fees to \$25 -Raises Small Claims Court jurisdiction from 6,000 to \$8,000 -Assigns responsibility to Seller to provide HOA documents to buyer, -Formalizes the use (and criminalizes the misuse) of proxies, -Formalizes access to Board Minutes by homeowners.

As you can imagine each of these items above include much fine print and additional details beyond the scope of this e-mail.

The new State Law now requires specific steps including details in the notice to the violator that are spelled out in the law, mandatory face to face meeting with violator / Board if requested by the violator to resolve the issue. If the violator demands arbitration (and pays for the arbitrator himself) the HOA attorney's fees for that step in the process ARE NOT RECOVERABLE from the violator. This Resolution process must play out before any lawsuits can be filed.

- The Board will as our attorney to answer questions about these new laws.
- Committee Reports
 - Architectural Committee no report submitted for the meeting.
 - Common Grounds
 - Due to safety standards regarding how large an area must be to accommodate the type of "riding" equipment (i.e.: horse, ship etc) we'd planned on installing, that is not a possibility. The playground would need to be enlarged in order to do so. This change was not discussed.
 - Recreation Unlimited will be staining the playground equipment when we have a dry day. The staining process for the playground set will start shortly. It was suggested that we look into have a permanent coating put on the playground wood services. This will be investigated the next time we need to have the playground set re-stained.
 - Two new swings and chains have been installed due to wearing off of the plastic coating on the chains.

- Previously the Board approved having trees between the gates entering the parking lot. This was to prevent cars from entering the parking lot via the lawn when the gates are locked. This will be delayed since we are going into the hot months when planting is not recommended. Scott will work on the plans for that project. Lana asked to go on record as objecting to trees since they will need watering and could block the view of the parking lot. Her preference is boulders or upright rough-cut timber posts which had been considered.
 - Repair of the damaged area of the deck began today but, due to the hard rain, completion is postponed.
 - The repair to the serpentine wall is still under investigation. Scott is working with the masonry contractor attempting to match the brick as closely as possible. Concern as to just how the repair will be done remains: a control cut or interlocking the bricks. A control cut could cause eventual lean or separation of that section. Originally the Board had considered postponing the repair but the engineering company doing the project wanted it done immediately. The issues are not resolved. The Board voted to go along with this damage being repaired as soon as the issues are resolved. Future additional damage would be separate claims.
 - Lana will contact the city about the sidewalk that has been crushed by heavy equipment being used during the widening project. This is at southeast side of the corner between Castle Lake Road and Lake Point Court.
 - The issue with the accident on the playground was discussed. A child who was a guest of a resident suffered a broken arm in a fall. The resident reported the incident to a board member. It has subsequently been turned over to our insurance for their handling. The resident had speculated that the Association might be negligent but that is for the insurance company to investigate.
 - Lana will call the city and ask them to tell us which sidewalks they will repair and those that they will not repair as some areas are the responsibility of the homeowner.
- Pool
 - A car left in the parking lot after the pool closed one evening recently prevented the lifeguard from locking the gates at the usual time. This has occurred in the past. Persons seen coming and going from that vehicle were not using the amenities. It is unknown to whom the vehicle belongs. Police were called and the vehicle did leave after the officer did. The officer did not speak with any resident who lives nearby. The board decided to post a sign stating that the lot are locked at 8:30 PM. IMPD encourages us to keep the gates locked overnight as vandalism and suspicious activity has decreased there since we've begun doing so.
 - Another lifeguard will be brought on payroll. There has been a problem with coverage. Rather than keep closing the pool during regular open hours when this happens, a "No Lifeguard On Duty, Swim At Your Own Risk" sign is now

posted on the security gate. There are several weeks that the pool remains open after school reconvenes, so we may be forced to have more unguarded hours rather than delay opening it until guard can get there around 5 after school. Our insurance company has been consulted about this. Revised pool rules will be created to apply during unguarded hours. Currently, children as young as 8 years who have passed a swimming test given by a lifeguard, is permitted to be at the pool without an adult. This raises great concern by some of the Board members. It was suggested that we send a notice to all households on the new rules for unguarded hours. Perhaps we need to have the homeowner sign a document if they expect to use the pool during unguarded hours.

- It was suggested that we might consider installing a high-resolution camera for monitoring during unguarded hours. No decision was made.
 - Children of one family with dues in arrears continue gain access to the pool. In some cases, this is considered trespassing. That problem is still being addressed.
 - Monitoring of and control of codes would best be handled if the HOA has a computer designated for that. Such a purchase was approved. The computer can be utilized in other ways by the board. When there are changes in board membership, passing on information and duties will be much less complicated. We need to purchase a laptop and use it to maintain the codes. Lana will check with some other associations to see how they police their pool entrances.
 - It was suggested that we change the pool codes each year. No action was taken.
 - An official job description for lifeguards is needed, along with an employment policy. Since Kyle Goodwin is our paid Pool Manager, he will be asked to do this if he finds that none exist.
 - Bids (2 so far) for replacement of cement around the pool are between \$23,000 and \$30,000. This will have to be completed because of settling that has caused tripping hazards. This will be a separate cost from the recoating of the interior of the pool which we've been told is necessary. Bids for that will be sought later and will come from contractors who specialize in that. It was suggested that the Board should consider increasing the dues next year and possibly in subsequent years as well to help with such known huge expenditures coming up. Covenants authorize the Board to raise annual dues 5% per year without membership approval. No in-depth discussion on this topic took place.
- Compliance
 - Several driveways in need of repair and many mailboxes are still in need of sprucing up. *One home in need of much repair is being addressed by our attorney. That homeowner has been sent multiple letters from the HOA. *A resident forewarned a Board member that a trailer is temporarily parked on his property due to a family emergency. *Another resident has been told that he cannot leave his boat parked on the street or store it on his property.
 - Crime Watch

- Parking lot issue addressed in Common Grounds
 - A resident on Castle Lake Road had his windshield broken. He did report it to the police. When this incident occurred, Block Captains shared it with residents.
 - On two occasions, 3 young men or teenagers were seen walking around the neighborhood around midnight. This, too, was shared by Captains. IMPD ordered extra patrols but nothing was reported back to us.
 - The National Night Out Ice Cream Social is August 4th. Details forthcoming.
- Garage Sale
- It was felt that this year's turnout was poor. Speculation was that the 82nd Street Project might be a cause. It was noted that participation as well as "attendance" is diminishing. Eagle Nest had inquired as to when ours would be so that they could schedule theirs the same days.
- Lake
 - The weeds in the lake are the worst they have even been: tall and thick. A duck, reported to have been stuck in the weeds, struggled about 20 minutes before freeing his legs. . The company that treats the lake arrived today but could not treat the lake due to the large amount of rain. When the rain subsides, they will treat the lake. Even once treated, it may be 30-45 days before we see improvement. According to residents, a 3-3 ½ foot carp is still alive and well. Good-sized bass have been caught recently as well as some very small fish.
- Newsletter
- Audrey Neucks will be moving likely by the end of July. A volunteer is needed to take over doing our MailChimp broadcasts of notices and newsletter. She will be able to spend a bit of time helping whoever steps up.
- Nominating
 - Since the usual 3 Board members' terms expire and at least one will not be running for re-election, a real need exists for those interested in contributing for the good of our neighborhood to come forward. Elections are in November. Residents attending this meeting were encouraged to consider.
- Tennis
 - The cement at the base of a number of the posts along the tennis court fence is deteriorating. Those along the pool appear stable.
- Website
 - Nothing new.
- Welcome
 - All but one resident has been welcomed.
- Old Business
 - Master Repair List- items were addressed within committee reports.
 - Due to the large number of items needing discussion tonight, further review of the Covenants and Standards, was postponed.
- New Business

- The city has dictated that every household use the same large (96 gallon) trash carts. These will be delivered in Castle Cove this month. Residents can request the smaller 63 gallon version but NOT UNTIL AFTER THE LARGER ONES ARE DELIVERED. REQUESTS ARE TO BE MADE BY CALLING “MAC”, THE MAYOR’S ACTION CENTER, AT 327-4622. IF A RESIDENT IS UNABLE TO HANDLE THE SMALLER ONE, A CALL TO MAC EXPLAINING THE PROBLEM IS TO RESULT IN SOMEONE COMING TO THE RESIDENCE TO SEE IF THE RESIDENT QUALIFIES FOR ADA CONSIDERATION. IN THAT CASE, THE RESIDENT WOULD STILL BE GIVEN THE SMALLER CART BUT COULD LEAVE IT CLOSE TO THE HOUSE RATHER THAN TAKING IT TO THE CURB.
- Meeting adjourned 8:30 PM.

Upcoming meetings:

Regular Board Meeting Wed., Sept. 1st

2016 Budget Planning Meeting Oct. 13th

Annual Meeting Nov. 10th

Submitted by:

Ron Sans - Secretary

Reviewed by:

Lana Stevens Vice President

Castle Cove

Treasurer Report for July 7, 2015

Board of directors meeting @ Club House – 6:00 PM

1.) Bank Balances as of May 5, 2015:

Checking 0946:	\$73,225.91
Savings 4459 (Res):	\$9,094.17
Savings 6573	\$15,344.57
Total:	\$97,664.45

2.) 2015 Dues : All but two homes have paid their dues for 2015. Owner "A" has not paid dues since 2010. I prepared a final notice letter stating the full payment must be paid to our association by July 15th. I also included a balance sheet showing the charges and total. If not paid by that date, we will contact Tanner legal group and begin the legal proceedings. Owner "B" has not paid dues for 2014 and 2015. With Tanner legal, we are taking legal action to recover what they owe.

3) Title/Dues notices for home sales in 2015.

1. 8060 Clearwater Dr - Silcox to Kenneth Miller
2. 8118 Bay Brook Dr – Jablonski to Michael VanOsdol
3. 8141 Bay Brook Dr – Blanchford Prop, LLC to Jonathan Shelley
4. 8037 Bayview Pt – Betty Danner to Stella Janet Font & Daniel Jose Font
5. 8022 Water Trace – Douglas Dickinson to Edward & Abigail Hitze
6. 7960 Clearwater Ct. – Parkside Homes, Inc to Stanley Jones
7. 7959 Springwater Dr. W – Lisa Mercurio to Kendell & Dana Roberts
8. 7957 Castle Lake Rd – Jack Schultz to Matthew Johnson
9. I received a "Just Sold" post card from Tucker stating that 7936 Cove Trace Ct. sold. I am not sure why I was not contacted to get a dues/title letter.

Tom Johnson, Treasurer

Account	Name	6/1/2014 Begin Bal.	Expense Debit	Income Credit	Income Interest	Transfer	\$41,820.00 End Bal
	PNC Bank Checking...0946	\$17,736.61					\$17,736.61
	PNC Bank MM Savings...6573	\$15,345.82					\$15,346.09
	PNC Bank MM Savings...4459(Res)	\$9,094.55	\$379.88				\$8,714.75
	Total In Bank	\$42,176.98					\$41,797.45
	Income Accounts						YTD
DU	Current Dues	\$79,758.00		\$1,512.00			\$81,270.00
DDU	Delinquent Dues Past Yrs.	\$378.00					\$378.00
AI	Advertising Income	\$0.00					\$0.00
IN	Interest Income	\$1.63		\$0.35			\$1.98
IO	Income Other	\$0.00					\$0.00
AFI	Attorney Fees / Court Fees	\$0.00					\$0.00
		\$0.00					\$0.00
LF	Late Fees/Accrued Int. Income	\$84.80					\$84.80
	Total		\$0.00	\$1,512.35	\$0.00	\$0.00	\$81,734.78
	Expense Accounts						YTD
PM	Pool Mgmt - Mgr,Lfgrds,Taxes	\$1,618.12	\$2,789.68				\$4,407.80
PAS	Pool Area Supplies	\$542.24	\$579.16				\$1,121.40
PT	Pool Telephone	\$0.00	\$99.90				\$99.90
PL	Pool License	\$593.75					\$593.75
PGW	Pool Gas & Water Utility	\$333.09	\$232.29				\$565.38
		\$0.00					\$0.00
POC	Pool Open / Close	\$246.00	\$1,720.14				\$1,966.14
PR	Pool Repair	\$0.00	\$30.65				\$30.65
PWT	Pool Water Testing	\$0.00	\$72.00				\$72.00
CM	Common Area Lawn Maint.	\$4,004.99	\$708.33				\$4,713.32
CE	Common Area Electric Utility	\$514.53	\$221.64				\$736.17
CS	Common Area Snow Removal	\$2,150.00					\$2,150.00
CR	Common Area Repairs	\$0.00	\$18.06				\$18.06
CL	Common Area Landscape	\$1,075.00	\$527.41				\$1,602.41
CT	Common Area Tennis Court	\$0.00					\$0.00
CV	Common Area Vandalism	\$0.00					\$0.00
CLM	Common Area Lake Maint.	\$162.00					\$162.00
CP	Common Area Playground	\$0.00	\$331.17				\$331.17
CAR	Common Area Revitalization	\$0.00					\$0.00
OG	Other Garage Sale	\$0.00					\$0.00
OL	Other Legal/Professional/Crt Fees	\$2,067.75	\$934.41				\$3,002.16
OP	Other Printing / Postage	\$0.00					\$0.00
OI	Other Insurance	\$5,559.00					\$5,559.00
OT	Other Property Tax	\$7.14					\$7.14
OM	Other Misc. Business Expense	\$855.86	\$134.52				\$990.38
OC	Contingency Deposit to Reserve	\$0.00					\$0.00
SS	Security	\$0.00					\$0.00
	Monthly Total		\$8,399.36	\$0.00	\$0.00	\$0.00	\$28,128.83
	Monthly Grand Total		\$8,399.36	\$1,512.35	\$0.00		
	Mthly Income Less Expenses						-\$6,887.01
	YTD Income Less Expenses						\$53,605.95

**COMMUNITY ASSOCIATIONS INSTITUTE
CENTRAL INDIANA CHAPTER
LEGISLATIVE ACTION COMMITTEE**

HOUSE ENROLLED ACT 1286 (HEA 1286)

GRIEVANCE RESOLUTION MANDATE

HEA 1286 will appear as: **IC 32-25-8.5 (Condominium Associations)**
IC 32-25.5-5 (Homeowners Associations)

Effective date: **July 1, 2015**

BACKGROUND INFORMATION

Purpose: These laws were adopted to create a method for both owners and Associations to try and resolve claims and disputes before heading to court and incurring the expenses of a lawsuit

These laws apply to:

1. Any claim or dispute regarding the interpretation, application, or enforcement of the governing documents;
2. Any claim regarding the rights or duties of the Association or the Board of Directors under the governing documents;
3. Any claim relating to the maintenance of the subdivision; or
4. Any other type of claim or dispute among the parties which involves the subdivision or the Association.

These laws do NOT apply to the following "exempt claims":

1. Any claim or action by the Association for unpaid dues and assessments;
2. An action by any party to obtain a temporary restraining order or other emergency relief. a) to maintain the status quo and protect the party's ability to enforce the governing documents; and b) when an emergency condition exists that jeopardizes the health or safety of any residents within the subdivision;
3. A lawsuit regarding a claim or action that cannot be completed under the notice terms of this statute before the statute of limitations would expire (unless all parties agree to toll, or suspend, the statute of limitations in order to complete the grievance procedures in this statute);
4. A dispute that is required by law, contract, warranty agreement, or other instrument to go through mediation, arbitration, or other form of alternate dispute resolution before a lawsuit is filed;
5. A claim that is substantively identical to a) a previously addressed claim between the parties; or b) a claim that has already been resolved in court in favor of one of the parties.

The term "legal proceedings" means any court action (i.e. lawsuit) or any administrative action authorized by law (i.e. Attorney General investigation, Discrimination claim, Employment claim, etc.)

The term "claimant" means any owner, the Association, or the Board that has a claim or dispute against another party. The term "respondent" means the party against whom a claim or dispute is made.

The governing documents of the Association must include grievance resolution procedures that apply to all members of the Association and to the Board of Directors.

THE PROCEDURE

This new law prohibits any legal action (except for exempt claims) regarding a claim or dispute between the parties until the grievance procedures in this statute have been completed.

To begin a claim

The claimant (i.e. the Association) must provide a "notice of the claim" to the respondent (i.e. the violator) that includes the following information:

1. The nature of the claim, or violation, including the date, time, location, persons involved, and the violator's role in the claim, or violation;
2. The basis, or reason, for the claim or dispute, including the provision(s) of the governing documents or other authority (i.e. law, etc.) from which the claim, or violation, arises;
3. What the Association wants the violator to do (or not do) to correct or resolve the claimed violation;
4. Notifies the violator that he/she has a right to meet with the Board of Directors face-to-face to discuss the claim or violation if the violator requests such a meeting in writing within ten (10) business days from the date the notice of the claim, or violation, was given to the violator;
5. Notifies the violator of the name and address of the person from whom a meeting request under #4 above must be made.

The face-to-face meeting

If the violator requests a face-to-face meeting with the Board of Directors in writing within ten (10) business days after the date the notice of the claim, or violation, was given to the violator:

- The Board of Directors and the violator must meet in person at a mutually agreed to time and place to try and resolve the claim or violation by good faith negotiation.
- During this meeting, the parties must have full access to any property, if any, that is part of the claim or violation for inspection, if appropriate or necessary.
- If the violator agrees to take corrective action, the Association must provide the violator and his agent's full access to the property to make the corrective action (this appears to be more for condominiums).

Impasse

An impasse (i.e. deadlock) exists when:

1. The violator doesn't request a face-to-face meeting with the Association;
2. Either party fails to show up for a properly requested face-to-face meeting;
3. The parties cannot agree to settle the claim or dispute at a properly held in-person meeting.

If the parties are at an impasse:

- Either party may within ten (10) days of reaching impasse request in writing to the other party that the claim or dispute be submitted to mediation or binding arbitration.
- The party requesting the mediation or arbitration will be fully responsible for the costs of the mediator or arbitrator.

If the parties are at an impasse and:

- Neither party requests mediation or arbitration; or
- IN Mediation or arbitration does not settle the claim or dispute; NOW either party may file a lawsuit or administrative action!

Mediation or Arbitration

If the claim or dispute is settled through negotiation (i.e. the face-to-face meeting), mediation or arbitration:

- The settlement of the claim or dispute must be documented in a written agreement signed by each party.

- If either party fails to abide by the terms of the signed settlement agreement

The other party may now file a lawsuit or administrative action to enforce the settlement agreement!

- If the other party files a lawsuit or administrative action and prevails (i.e. wins), then the party is entitled to recover from the other party (i.e. the losing party!):

- 1) Court costs;

- 2) Attorney fees; and

- 3) All other reasonable costs incurred in enforcing the settlement agreement.

Release and Discharge

The release or discharge of a violator from liability to the Association on one claim does NOT release or discharge the violator from potential claims that may be brought by another person who is not party to that claim or dispute.

Board Authority to Negotiate Settlements

The Board of Directors of the Association may do any of the following without the consent of the members of the Association:

- 1) Negotiate settlements of claims, violation, disputes, or legal proceedings; and

- 2) Execute settlement agreements, waivers, releases of claims, or any other document resulting from proceedings under this law.

Attorney Fees

Except for a party's request to mediate or arbitrate a claim or dispute, each party to a claim or dispute shall bear its own costs for the application of this law, including attorney fees.

How does this Grievance Resolution law impact the Association and Manager?

1. Violation notices and procedures will have to change (can no longer be generic, must cite covenant);
2. The timeline for enforcement will change (extended or shortened, depending on approach);
3. Cost of enforcement may actually increase (which could defeat the purpose of the law!), so Associations should budget better for enforcement;
4. Boards *must* be involved in enforcement process...can no longer avoid a face-to-face exchange with a violator;
5. Associations and Managers will have to do a better job of documenting details of a violation, such as: date, time, location, photos, etc.;
6. If requested, an Association can be forced into binding arbitration;

There are 2 main options for an Association to comply with this Grievance Resolution process:

OPTION #1

The Association or management company provides Notice of Claim to violator before turning the matter over to the attorney for litigation.

Once turned over to the attorney, the attorney can then start seeking reimbursement for his work (assuming the governing documents allow this).

OPTION #2

The Association or management company continues to send their usual violation notices.

When the matter is turned over to the attorney, the attorney will then be required to send the Notice of Claim and make sure the Grievance Resolution process is properly followed before filing a lawsuit.

If this procedure is used, the Association cannot seek reimbursement for the legal fees incurred to comply with the Grievance Resolution requirements.