Palomar Reserve Council of Co-Owners

Board Of Directors Meeting

7/20/2026

The monthly meeting of the Palomar Reserve Council of Co-Owners Board of Directors was held on 7/20/2026. The following personnel were in attendance:

- Carrie Hoeller (President)
- Dexter Sprandling (Vice President)
- Baxter Napier (At-Large Member)
- Barry Tilden (Secretary) (by Facetime)
- Ima Lane (At-Large Member)
- Ann Wesley (Property Manager)
- Donna Frazier (multiple committees)
- Becky Lesch (multiple committees)
- Brenda Sprandling (Grdn committee)
- Rosemary Martin (Grdn committee)

Approval of Minutes of Previous Board Meeting. The meeting minutes from the monthly Board meeting held on 6/15/2026 were reviewed. Carrie moved for approval of the minutes, and Baxter seconded the motion. The motion was approved.

1. Financial Report. Ann presented the monthly HOA financial reports for June 2026.

   a. Balance Sheet

   - The total reserve account was approximately $91.2K at the end of June. (~$27.1K and $25.6K in higher interest CDs and $38.5K in a lower interest savings account.)
   - The operating account was around $9.0K at the end of June.
   - The balance on the clubhouse loan was $130.6K at the end of June. The June monthly payment totaled $1526 versus the required minimum payment of $1082.46.
     - $766.99 interest
     - $759.01 principal ($315.47 was part of the minimum mortgage payment, $443.54 was "additional principal.")

     In addition, the following amounts were transferred from checking to CH Loan principal –

     - $5200 from reserve fund to result in closing costs being paid from reserve rather than being financed
     - $125 in CH rental income

   b. Profit & Loss –

   - The HOA income exceeded expenses by $2.7K during the month of June. In addition to "expenses," we paid $0.9K from the operating account in June for principal for our clubhouse mortgage. So, total income of the HOA in June was $1.8K more than total expenditures.
   - HOA income overall was ~$330 over budget in June. General assessment HOA dues collected were $260 under budget and late fees/other income was $590 above budget.
   - Utilities were $1K under budget in June due mainly to lower electric costs.
   - Administrative expenses and Repairs/Maintenance expenses were very close to budget in June. We spent slightly under budget for elevators in June because of the new maintenance contract but spent slightly over in fire protection because last month's charges included $280 for fire extinguisher annual maintenance which was not budgeted.

The elevator expenses included $625 for the annual state elevator inspections (This amount was budgeted for this month.)

c. Profit & Loss Budget Vs Actual YTD. At the end of June 2026, several Year-To-Date expense categories were over or under budget as shown in the table below -

Expense Category	Amount Over Budget	Comment
Income	$3000 over	Caused by collection of parking contribution from FA church in January/April and the December and Spring chocolate raffles.
Administrative & Supplies	--	Very close to budget.
Utilities	$2300 Over	Higher electric bills earlier in the year.
Repairs and Maintenance	$1600 Under	Partly caused by the $900 extermination fee budgeted for March but spent in July, plus savings in plumbing repairs.
Supplies	$300 Under	Timing of supply purchases
Landscaping and Grounds	$ 2500 over	January/February snow removal higher than budget – gaining $125/month due to lower landscaping costs.

d. Open Invoices –

- The report shows that there are 5 past due accounts for Palomar Reserve HOA at the end of June, totaling ~$3.5K. This has decreased by ~ $2.4K since last month. This report is printed on July 15 and reflects payments made before that date.
- $2.2K of this total is against a single account that has been delinquent since May 2023 (). The owners paid $500 HOA dues in June and this is reflected in the June financial reports. These owners also made a large payment in July that will be seen on the July financials. Since this report reflects delinquent accounts as of July 15th, the balance shown for this unit on the Open Invoices report is lower than the amount that June payments would have resulted in. The unit owners have requested another payment plan to bring this unit up to date for HOA dues. Our attorney suggested that we formalize the payment plan with a court order that includes current past due amounts, amounts added for ensuing months and legal fees incurred. If the owners fall behind on the court ordered payment plan, we would resume the foreclosure proceedings that we previously started. The court order would also stipulate that, if they complete the payment plan but then start missing payments again, the HOA would escalate the HOA dues through the end of the year as allowed by our bylaws. Carrie moved that the Board approve the court order as described above and Ima seconded the motion. The motion carried 5-0. [Action – Ann]4
- Three units () are delinquent, each owing a $300 fine for not providing access to their units for the May sprinkler inspection. One unit paid the fine in June and the payment is seen in

the June financials. Two other units paid their fine in early July so their payment will be reflected in the July financials.

- One unit () reimbursed the HOA for the charge to recover their keys that they dropped down the elevator shaft -$189.62. This occurred in early July so it will be shown on July financials.
- One unit () still has not paid their charge of $90. This charge was to recover the HOA's expense for removing a washing machine from the unit's patio.
- One unit () consistently pays slightly less than the amount associated with their unit's square footage and therefore, their past due amount increases slightly every month. This unit was also one of the ones fined $300 for failure to provide access to all areas of their unit for the sprinkler inspection. Therefore, their delinquent amount is up to ~$539.

2. Old Business.

a. Reimbursement from Lex Rooter. In previous meeting minutes, there was discussion of Lex Rooter performing work in one of the units in 4235 and damaging the piping resulting in water damage. One item that was damaged was a smoke detector. The HOA had to pay over $770 to replace this detector and Ann is still working to recover this cost from Lex Rooter since they caused the damage. [Action – Ann]

b. Kings III Dialers. Ann reported that Kings III completed the installation of new elevator dialers in early July and we should start experiencing the cost savings about a month later. We should save about $145 per month versus the analog phone lines used previously.

c. Sprinkler inspection. The inspection was held on May 21st. Ann has received a quote from Landmark Sprinklers of $1450 to repair the damaged sprinkler heads found during the inspection. She is coordinating with homeowners to schedule the work. [Action – Ann]

d. Reinvestment of the $25.6K CD. The $25.6K CD matured on July the 14th so we are in the window to renew this CD. Carrie presented several options including renewing for another 6-month CD at 3.633% interest. Other options include longer-term CDs of 24, 36 and 60 months at 3.75% interest. After some discussion, the Board agreed that we should choose the shorter-term CD so that we would have more options at the time of renewal. The elevator capital improvement plan presented at the May Board meeting proposed to use this CD as the Elevator Reserve fund and to add funds every six months. [Action – Carrie]

e. Hallway door hydraulic closer in 4248. Ann's maintenance staff installed a new hydraulic door closer in building 4248 but Board members stated they had not noticed any real improvement in the force needed to open the door.

f. 4218 sidewalk repairs. Ann reported that the 4218 sidewalk work was complete. The Board members all agreed that the work looked good. Baxter will check the drainage from the sidewalk during the next rainstorm and then we can pay the invoice. [Action – Baxter]

g. Reducing electric costs in 4205 and 4235. Last month, Ann contacted Window Genie and they provided a quote of $2.3K per building to install a Huper ceramic film on the front windows to reduce heat transferred into the building. The Board conducted a study of electrical costs over the past three years and produced the graphs shown on attachment 1 to these minutes. The results of the study show that the building with the highest electrical cost is 4205 and the electric costs for Palomar Reserve residential buildings peak in the

winter rather than the summer. From this study, the Board concluded that this type of window film would likely not reduce the electric cost in any of the buildings significantly because it is designed to keep heat out during the summer, not heat in during the winter. Ann suggested that we pursue other options such as an alternate thermostat in 4205 to prevent residents from arbitrarily turning up the heat in the winter. Also, Ann has called Hughes electric to look at these two buildings to see if they could make any suggestions for reducing electric bills. [Action – Ann]

h. Chain separating Palomar Reserve from Palomar View apartments. Ann did not have time to contact Palomar View apartments about fixing the fence and its attached chain that separates the apartments and our condo complex. It was reported that someone has reinstalled the chain and tightened it back up but we consider this to be a temporary fix. The fence on their property needs to be repaired so that the chain does not keep coming loose. [Action – Ann]

i. Zoning variance. Dexter attended a meeting on 7/9/26 about a zoning variance for solar energy systems (SES) in Fayette County. The Board was concerned that the county may approve installation of solar panels across Old Higbee Mill Road resulting in a solar glare affecting some of our buildings. Dexter reported that there are no SES installations planned for properties close to Palomar Reserve. The zoning plan would not allow any ground-based SES installations in the Urban County Boundary area. Most of the discussion at the meeting was related to SES in rural farmlands not close to our location. The Board thanked Dexter for taking the time to attend this meeting and report on it.

j. Replace ash trees at either end of 4218. Last month, Dexter reported that three ash trees were dying at either end of 4218 and these need to be removed and replaced. Dexter obtained a quote of $900 from a contractor recommended by Ann to remove these three trees and their stumps. Dexter moved that we proceed with this work and pay out of the reserve fund. Carrie seconded the motion and there were no dissenting votes. Ann will arrange for this work to be performed by this contractor. [Action – Ann]

k. Fire extinguisher inspection. Ann reported that the fire extinguisher inspection was complete and the cost was minimized by having her staff take the extinguishers to the contractor site and then pick them up once the maintenance was complete.

l. CH drainage improvements status. Carrie reported that this work was complete and the contractor has returned several times to make sure the grass is progressing well. He even reseeded part of the area where the seed had washed away during heavy rains.

m. Reach Alert – This item was not discussed at the meeting but the Reach Alert system that was discussed in last month's minutes was implemented a few weeks prior to this Board meeting. This will allow messages to be broadcast to all homeowners or a subset of all homeowners. The cost for this system was $186 for the year.

3. <u>Committee reports</u>

a. Future grant committee. Donna is working on the NAMP grant application for 2027. One of the jobs being considered for this application is now being performed in 2026, using the reserve fund (see discussion under Ash trees above). Quotes have been received for the remaining two jobs that were previously discussed, i.e. replacement of CH patio concrete and replacement of 4205 sidewalk. There was some discussion about these quotes and

Donna said she would send out the specifics of the quotes for consideration by the Board. There will be a special Board meeting on 8/3/26 at 4 PM in the CH to discuss these quotes and finalize the grant application. The deadline for submission of the application is 8/13/2026. [Action – Donna]

b. Clubhouse promotion committee.

- The July 4th social was held with very good participation. The raffle of five wreaths raised $400 which will be applied to the CH loan principal next month. Carrie will deposit this money at the bank and specify that it be applied to the CH loan principal. The Board again thanked Ima for donating these wreaths for the raffle. [Action – Carrie]
- Last month, Donna reported that some residents rented the CH for a private event and left it in poor condition afterward. Due to some communication issues, the residents' cleaning deposit was returned to them even though they did not leave the CH in a good condition. To prevent this from happening again, Ann will cc Donna and Becky on the email whenever the CH is rented. Either Donna or Becky or a designee will inspect the CH after the rental is complete. Ann will ensure that cleaning deposits are not returned to those who rent the CH until she has heard from Donna or Becky (or their designee) that the CH condition is satisfactory. [Action – Ann, Donna or Becky]
  Carrie volunteered to use her professional carpet cleaning equipment to clean the CH carpet. She will ask the couple who created this mess to assist her with this task. This work will be done the weekend of July 25th. [Action – Carrie]
- Donna reported that the CH committee would like to paint two of the walls (South wall and wall behind the island) in the CH with a slightly darker shade (accent walls) in preparation for future rentals. Dexter moved that the Board approve this volunteer work and Ima seconded the motion. There were no dissenting votes. [Action – CH committee]

c. Garden committee. Becky reported that the committee has been watering the flowerpots and bulbs planted around the property. We received donations of lilies, yucca plants and cala lilies and planted these on the property.
Becky said that the 4248 elevator sump pump discharge is creating some issues in front of the building. There is no place for the water to run off and this has resulted in thick grass growing around the discharge. She asked Ann to have Caudill clear out the thick grass and perhaps create a flow path for the sump pump drainage to be directed to the storm drains in the street. Ann will have her maintenance staff look at this and decide on a good course of action. [Action - Ann]

d. Welcoming committee. No new residents in the HOA complex.

4. <u>New Business.</u>

a. Palomar Reserve library. Before this meeting, the Board approved by email vote to allow a group of homeowners to create a library for books, games and puzzles in the glass storage room in the club house. Guidelines for using the library are included as attachment 2 to these minutes.

b. Letter from a resident. Ann reported receiving a letter from one of the residents who owes the sprinkler inspection fine stating that they will not pay this fine and they are ready to go to court. She read the letter to the Board. It was very disrespectful and unprofessional and approaching the point of harassment. After some discussion, the Board agreed to add this fine to the other delinquent funds that this homeowner owes the HOA. These delinquent

funds constitute a lien against the homeowner's account and will be collected whenever the property is sold or transferred to an heir.

c. Leak into 4235#203 from 303. Ann reported that a faulty dishwasher had resulted in a leak from 4235#303 into unit 203 below, causing ceiling damage. The governing documents of the HOA state that the homeowner causing the damage is responsible for paying for the damage to an adjacent unit. Ann also pointed out that insurance companies that are required to pay for this sort of damage often ask for a copy of the HOA master insurance policy to attempt to discern opportunities to charge some of the repairs to the HOA. In this case, she did not provide a copy of our insurance policy because the responsibility for correcting this damage was not in question.

d. Stolen purse. Ann reported that a purse had recently been stolen from a homeowner's car parked outside their building. The purse was found in 4235 under the stairwell. All credit cards were still in the purse but the cash was missing. We should remind homeowners in our next newsletter not to leave valuables in their vehicles parked outside. [Action – Ann]

e. 4218 Alarm. Ann reported that a fire alarm was recently activated in 4218. When she contacted the security services contractor, they reset the alarm and told Ann it had been caused by a sprinkler issue. Ann informed the fire services contractor to be aware of this, but the alarm has not been repeated.

f. Shrubbery growing over 4219 sidewalks. Dexter reported that the shrubbery was growing over the sidewalk in some locations outside 4219 and this should be trimmed back. Ann will have her maintenance staff perform this work or ask Caudill to do this. [Action – Ann]

g. 2027 budget discussions. Dexter suggested that we reserve a portion of the next Board meeting to receive input from residents on how they would like to see HOA funds spent differently than in the past. There was some discussion on how little flexibility the Board has in spending funds on additional tasks without raising dues to provide additional funding. Dexter suggested that we should consider taking a less aggressive approach to paying off the CH mortgage and use such additional funds on improvement projects and/or to minimize any increases to HOA dues. Barry objected to this approach for several reasons (See Board meeting minutes for November 2025 and March 2026). This issue was tabled until the August meeting. That meeting will commence at 3 PM instead of 4 to allow extra time to discuss this important item.

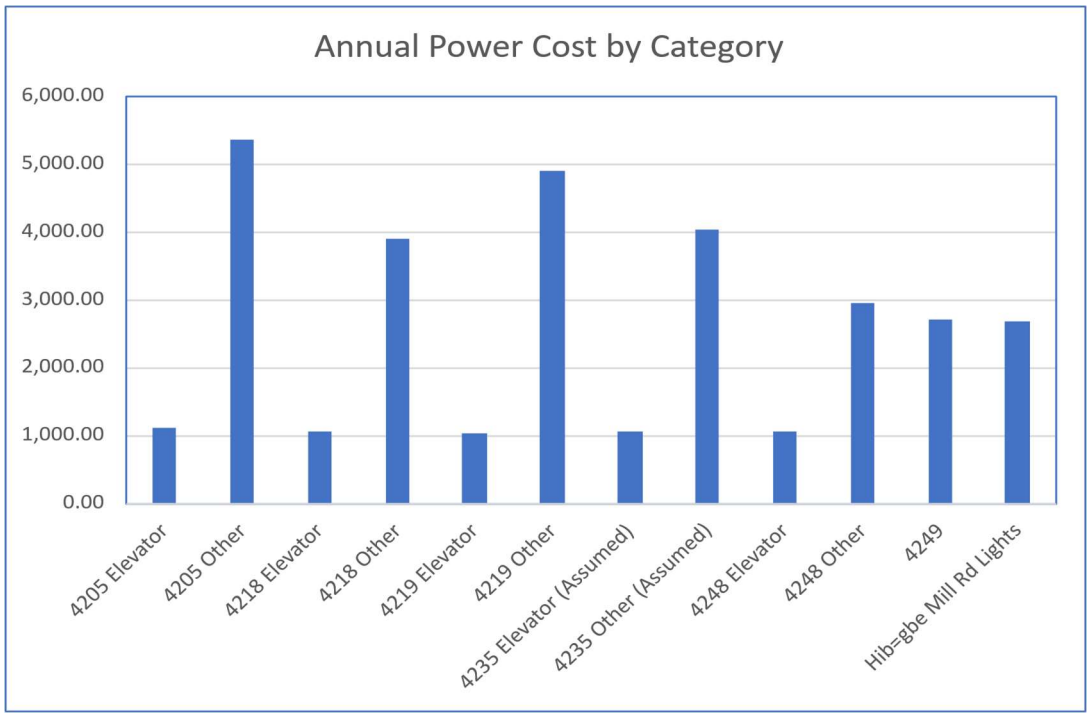
5. Adjourn. The next Board meeting will be held at 3:00 on 8/17/26 in the clubhouse. The meeting was adjourned at 6:35 PM.

Topics Tabled at Previous Board Meetings

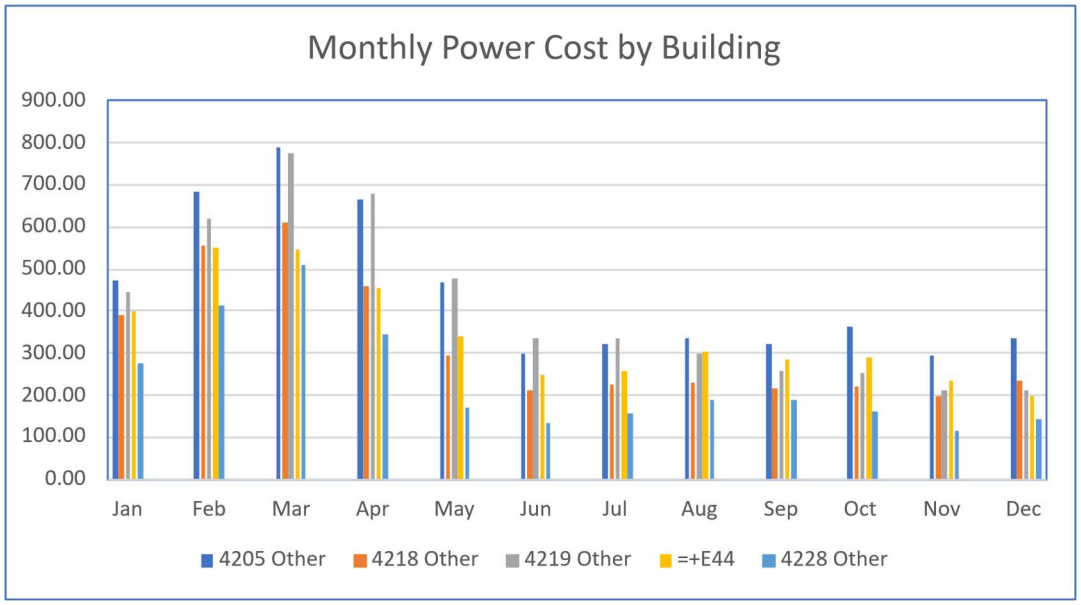
Tabled Item Description	Date Tabled	Reason Tabled	When to Revisit
Elevator Capital Improvement Plan	April 2026	Need to present plan at annual meeting and obtain feedback.	September 2026
Ceiling damage in 4205 garage hallway.	June 2026	No budget for this in 2026	September 2026

Attachment 1

Electrical Study Results



4235 does not have separate meters for elevator and other. Used average elevator cost to calculate 4235 "other" cost.
All elevator costs are roughly equal.
4205 is the highest building cost, followed by 4219, 4235, 4218 and then 4248.
Delta between highest and lowest is ~ $2.4K annually.



Graph shows electric bills. It lags actual usage by a month. Peak power usage occurs in January - March.
Heating seems to be more power intensive than cooling.

Attachment 2

CLUBHOUSE LIBRARY EXCHANGE GUIDELINES

- Hours to be the same as the Fitness Center
- The library is available to all residents
- Books, magazines, puzzles, and games can be donated
- Residents do not have to trade: you can take a book even is you do not have one to leave right away
- Residents do not need to return items they have borrowed. Once they finish a book, they can keep it, pass it along to a friend or drop off at any other book-sharing box/place.
- Pay it forward: if residents have a book, magazine, puzzle, or game they no longer want, they can drop it in the donation box located under the counter.

BEST PRACTICES

- Do not empty the entire library at once, especially not for reselling purpose.
- Check the condition of items to be donated: Only donate item in good condition. Damaged or moldy items will be discarded.
- No trash or propaganda: These are for the community and not dumping grounds for flyers, political materials, or garbage.

Action Item Summary

Paragraph	Action	Responsible
1.d 2nd bullet	Communicate with attorney the Board's approval of the court ordered payment plan for delinquent unit.	Ann
2.a	Recover the $770 cost for repair of 4235 detector from Lex Rooter.	Ann
2.c	Coordinate the sprinkler repairs with Landmark and homeowners.	Ann
2.d	Reinvest the $25.6K CD for a 6-month term.	Carrie
2.f	Ensure proper runoff from the 4218 sidewalk and report to Ann so that she can pay the invoice.	Baxter
2.g	Look into installing an alternate thermostat in 4205 and coordinate walkdowns by Hughes electric to find ways to reduce electric costs.	Ann
2.h	Contact Palomar View apartments and ask them to repair the fence that the chain connects to.	Ann
2.j	Get the contractor to perform the work to remove the three ash trees and stumps. Pay from the reserve fund.	Ann
3.a	Distribute quotes to Board members for the 4205 sidewalk work and the CH patio work.	Donna
3.b 1st bullet	Deposit the raffle proceeds in the bank and apply them to the CH loan principal.	Carrie
3.b 2nd bullet	Coordinate to ensure the CH is inspected after rentals and ensure cleaning deposits are not returned if the CH is left in poor condition.	Ann, Donna or Becky
3.b 2nd bullet	Clean the carpet in the CH (WE of July 25th). Approach the responsible homeowners and solicit help.	Carrie
3.b 3rd bullet	Paint two walls in the CH.	CH committee volunteers
3.c	Have Caudill whack the thick grass around the discharge of the 4248 elevator sump pump discharge and investigate methods to direct discharge to storm drains in the street.	Ann
4.c	Include a note in the next newsletter to remind residents not to leave valuables in their vehicles parked outside.	Ann
4.e	Have Caudill or maintenance staff trim back the shrubbery from the 4219 sidewalks.	Ann