

OAKS OF LAKE CITY HOMEOWNERS' ASSOCIATION, INC.

211 SW Theodore O'Connor Cir., Lake City, FL 32024
Arena Viewing Room

Monday, June 23, 2025 at 7:30 p.m.

Emergency Meeting

BOD Members Present:

Lance Drawdy, Rex Mitchell, Bill Dalton, and Theresa (Teri) Patterson

Proper Notice for the HOA BOD Emergency Meeting:

The 2025 monthly scheduled meeting dates, times, and locations of the HOA BOD are posted on the members-only Oaks of Lake City Homeowner's Association, Inc. website. The emergency meeting announcement and agenda was posted on the members-only website on June 20, 2025. On June 20, 2025, the emergency meeting date, time, location, and agenda notice were posted in a conspicuous place attached to the front building. Lance shared the emergency meeting date, time, location and agenda by email and posted it to the BAND neighborhood app on June 20th.

I. **Call to Order:** Lance called the meeting to order at 7:30 p.m.

II. **Agenda:**

Funding the AC repair/replacement for the cottage at the Oaks Equestrian Center.

The air conditioning unit at the Oaks Equestrian Center's cottage has gone out and needs to be replaced. This expense is unexpected and was not included in the budget. We need to discuss and approve funding.

III. **Discussion:**

A significant number of homeowners attended the emergency meeting. Lance began by providing information about the agenda item, which was the replacement expense of the cottage's AC unit. Lance stated that Darren had performed a lot of work over the last few months to keep the unit running; however, it is now irreparable. There is no saving it at this point. We obtained two quotes, one for over \$7,000 and one from Wilson Heat and Air for \$5,970. As some of you may know, the Oaks Equestrian Center has paid for roof repairs to the barn and round pen, which has exhausted the savings in their account. At this point, we are discussing whether to pay the replacement fee from the reserve account. Someone in attendance spoke up over Lance and asked about the reserve account. Lance replied from the HOA reserve account. Another spoke over him and said, 'So, the money comes from everybody?' Lance answered, correct.

Teri provided some accounting information. The reserve account was funded over time from HOA money, which is both equestrian and non-equestrian. Because equestrian lot owners pay a higher percentage than non-equestrian lots, a majority of the reserve funds are equestrian funds. In 2024, Yavonne, with KYB Dressage, leased the Oaks Equestrian Center for \$42,000 annually. The Oaks Equestrian Center, under the management of the volunteer barn committee, has generated an income of \$39,534 as of today, representing almost six months of operation, which is pretty impressive. The funds they have earned have gone back into maintaining and repairing the OEC. They were able to pay for

the \$7,500 roof repair, which was damaged in 2024. The cost of the cottage air conditioning replacement was unexpected. The Oaks of LC Reserve account current balance is \$10,548.78, and the Oaks of LC Operating account current balance is \$38,080.09. Teri sought guidance from the prior treasurer, Tom, and confirmed that we have the option to pay the expense using all reserve funds, HOA funds, or a combination. The current account balance in the OEC operating account is \$2,747.80, which is close to the starting balance at the beginning of the year. The OEC is generating a profit each month, which has enabled them to finance the much-needed repairs they have accomplished. Additionally, they had to acquire extra equipment for OEC maintenance. Indications suggest that their expenses for the remainder of the year will be lower than they were at the start of this year.

Multiple open discussions ensued from those in attendance. A person asked if we have a single reserve account for both sides (equestrian and non-equestrian). The reply was yes.

Bill asked if it would make sense to borrow money from the HOA account to pay for this and then pay it back over a period of time. Teri replied, yes. Someone in attendance asked, 'Pay it back with what?' and Bill replied with the Equestrian Centers' profits over a period of time. Someone in attendance asked about an assessment of equestrian lot owners, and Lance replied that it was not on the agenda at this time because funds are available from the HOA account or the reserve account. Equestrian lot owners have funded the majority of what is in those accounts. Lance added that he thought we are in a good enough financial situation right now to go ahead and pull it all from the reserve account, pay it, and then replenish those funds as more money comes in.

Teri added information about the HOA budget Tom created for 2025; under repair and maintenance, \$5,000 is budgeted; thus far, \$548 has been spent for that. There are budgeted funds available. Lance and Rex asked those in attendance if there were any other thoughts to share. Irene added that the better this place becomes, the more it benefits everybody's home values in the community. Yes, we (equestrian lot owners) are footing the bill for most of the mowing costs in common areas. I have never personally declined to pay an assessment or any additional fees. Many of us are volunteering here, dedicating numerous long and hard hours to restoring this place, and this benefits everyone. Lance, said he agrees with her.

A question was posed: How does the cottage benefit the community? Lance explained the cottage is currently being used as a way to compensate the one employee who works for the HOA. If the AC is not repaired, she may find employment elsewhere. Her employment arrangement benefits the daily operations of the OEC; losing her would be detrimental to the community. Lance added that's his position. It was then asked, what is her pay? Lance replied, 20 hours a week in exchange for cottage rent. Teri added that her employment, in exchange for cottage rent, was approved by the 2024 HOA Board of Directors. The cottage is a source of income for the OEC. He then asked what her hourly pay rate was. Teri replied and apologized for not having those figures memorized, as she had not brought that information to the emergency meeting. The salary information is available within the minutes of the prior HOA regular meetings [see the minutes from the May 6, 2025 regular meeting]. Darren added that the employee's boyfriend pays \$350 per month in rent to the OEC to live with her there. It was asked then, who pays the insurance? Lance replied the OEC. Then it was asked who pays for the electricity. Lance answered the OEC. Someone in attendance replied that's a pretty darn good deal.

Darren replied she works hard. Someone else replied I do not care how hard she works; we are all paying for her living expenses. Someone asked if she receives health benefits as well. Teri replied no. Teri added clarification: For nearly six months now, the OEC's expenses have been covered by its income, including her employment. The person who had asked about the hourly pay rate again asked

the same question. Lance replied that the emergency meeting was to address the air conditioner issue. The salary is a completely separate issue from the \$6,000 for the air conditioner replacement. He then replied, 'That's an equestrian, right?' It is part of the Equestrian Center. We are talking about pulling equestrian lot funds to pay for it. A person added that we are talking about pulling HOA funds that do affect me [as a non-equestrian lot owner] because we pay into that. That is equestrian, and we don't have a share in the barn. We don't have anything to do with the barn, right? Lance replied that the funds are a combination of mostly equestrian lot owner dues. There is no delineation between what portion of this is technically considered residential vs equestrian lot owners. The money that is in there we have the authority to use for those expenses. The person then asked if non-equestrian lot HOA dues and equestrian lot HOA dues are kept in separate accounts. Lance replied that HOA non-equestrian and equestrian dues are kept in a single account, while the reserve funds are maintained in a separate account. Teri added that non-equestrian lots pay about \$8,000 total per year, and equestrian lots pay about \$50,400 annually. Therefore, when examining the funds in the reserve account, you can see how much of that is from equestrian lot funds. Lance then added that the very small portion that residential [non-equestrian] lot owners pay could barely pay for one of the common area mowing. That person then added that equestrian lot owners own 75 percent of the property within the community; therefore, they should be responsible for 75%. [For clarification, according to the Columbia County Property Appraiser's public information, the Oaks of Lake City Homeowners' Association, Inc.'s common areas comprise 146.15 acres. Of the 146.15 acres, these common areas are equal to all non-equestrian and all equestrian lot owners.]

Leslie requested to add a comment as a non-equestrian lot owner. She stated it's amazing what they have been able to do with their watch. It's very impressive, and having this making money is awesome. The other side of that is non-equestrian lot owners; everybody has a fear of HOA dues going sky high. When you look at the annual HOA budget, we are barely covering regular maintenance. The Equestrian Center is super important to keep our neighborhood awesome, but so is the general property. I know you guys are in a tough position, so thank you for being on the board, and we all appreciate that. I hope nobody takes anything personally, but both sides are very important. It's a shame that we're in this position, and if you came here thinking you would pay \$250 forever, then that's perhaps why you bought here. Leslie added that nowhere in the documents or amendments does it specify that a certain portion is going to be going here or there. When you start taking money out of the general bucket, what happens if something unexpected happens? If we have another hurricane or another big expense, then a special assessment for the general property owners would come up.

A person then asked if the AC is beyond repair. Darren said yes. Then someone asked for their information; what has changed so drastically that all of a sudden, the barn is actually making money? Lance replied that we took it under self-management. Prior to this year, it was being leased out to a third party, and they were paying a set amount. As of January 1, they did not renew the lease; therefore, we assumed management of it.

Someone stated they have been here for six years. We know they [developers] sold off the other properties that would have been able to fund the community, resulting in this not being feasible to fund it. Previously, it was not managed correctly for many years; it was looked at as a hobby and was a money pit. You guys turned it around and are making money. Making a little money on it is admirable. That's a good thing in my eyes. That's not a long-term solution; that's a short-term solution. At some point, there will be major expenses. We don't know what that is today. Two years from now or ten years from now, there will be major expenses that cannot be funded. And I'm not sure if we realize that. I think your recommendation is to pull it out of the general fund and then, as they make some profit, repay that over time. That's the perfect approach from a business standpoint. But what will happen in

the long term? We don't want to see a precedent up here that all of a sudden, repairs up here, equestrian things, all of a sudden start being pushed into, you know, special assessments. And then say we need a \$200,000 roof. Where am I going to get the money for a \$200,000 or \$300,000 roof? And it's like, hey, everybody pony up. We've had, I understand, offers in the past to sell this area and actually bring a lot of money into the community. This would still be here. Still, it would bring a lot of money into the HOA that could fund all kinds of stuff for a long period of time, and I've never heard anything that has happened since then. So that's where some of our concern comes from. The \$6,000 is noise from business funds from a business standpoint, but when we start seeing some huge bills up here, what's going to happen? That has to be taken into consideration, not tonight, but as far as future planning of what we do with this place.

Another person inquired about the lease agreement with the employee: In the landlord-tenant agreement, is the employee responsible for the AC repair, and who is responsible for general maintenance of the cottage? Lance replied that it is his understanding that we have an agreement with her that we will take care of the maintenance. Then, the person asked if any of the insurance would cover this repair. Lance replied, no. Then, the person mentioned a special assessment amount. Lance answered I think as urgent as this is, having the funds and the time it takes to vote to approve a special assessment, it's summer; we need to transfer the cost.

Darren stated that he wanted to address the suggestion made about a long-term plan. He then shared that we (the volunteer barn committee for the OEC) have plans in the works to cover long-term dates; we are working on this. We are not flying by the seat of our pants. We are running this as a business.

Another person then stated that, as suggested earlier, transferring the money and then repaying it is probably the best option.

A conversation then ensued among many attendees about special assessments and the HOA covenants. They discussed the number of non-equestrian and equestrian lot owners. Someone asked, why don't you set up a PayPal account? Then Donna said we have a reserve account for these situations, and most of the funds in that account came from equestrian lot dues; the funds will be used for the Equestrian Center. This is an emergency; why not use those funds? I'm a non-equestrian lot owner. Lance replied, I agree.

Darren said he would like to say something else about selling this place off. If we sell this off, it could turn into a mobile home park. There's nothing that we can do to stop that. So, selling this off is not a good plan, not for our property values, because there's nothing you can write into the sale that says we will sell it to you; you can only do this with it. So we are doing our best up here to keep the place running and afloat. Number one, it's a fantastic facility. It's getting better every day. Number two, our property values depend on this place. Everybody in this community and our property values depend on it; if they don't, then people should stop saying, 'Hey, this property that's up for sale is located in the wonderful Oaks Equestrian Center neighborhood,' because that's one of the first things that goes on everyone's listing.

Irene added that volunteers have been on the barn committee for several months; it's not just a couple of people. Although Darren and Silja are the two hardest workers here and have done a lot on their own, people are helping them, and there's a committee so that anybody can have input.

Another person stated that we're making a profit; it would be the first time since I've been here that we've had a profit for this place. But what will happen when you go? Who's going to take over? You

people like to do this. Are there going to be five or ten other people to step up and do this? We're talking ten years down the road. People in attendance then talked over themselves. Then that person added he thinks they should have sold it years ago.

A suggestion was then made by another person that there are equestrian management companies out there; you could hire someone to come in and run it. People in attendance then talked among themselves, overlapping each other again, about that is what they had done in the past.

Another person stated that they thought HOA dues for non-equestrian lots and HOA dues for equestrian lots were kept in separate accounts and that it frustrates them to know that is not the case. It's all together, and then you're going to start charging for storage back here. Does that fund the barn so that we don't have situations like this anymore? So you're going to charge \$300 for everything back there, every utility [trailer]. Lance, replied that is a proposal. The person added that they would take theirs out of there. For that much money, you better have electricity. Lance said that the proposal is on the agenda for the next BOD meeting.

Another person, Albert, added the bottom line is Brad Dicks [the developer] screwed us really bad. Yeah, everything is commingled. He [Brad Dicks] assumed that \$1,800 was to pay not only for the equestrian but also for the overall HOA, and that is the problem. So, for him [Brad Dicks] to sell his lots, he made it \$250 forever. So that's why we bought, we say, ' Hey, \$250 a year when we're paying \$600 a month. ' That's a great buy. But then what happened, he [Brad Dicks] could not sell the rest of the stuff. He just sold it to whoever, and we got stuck with only 77 lots. So you are right. They commingled the funds. I started looking at the budgets and the documents; if you read the documents, you'll see that they're all the same. It's all commingled.

Leslie added, the only thing they can't do is have a special assessment of non-equestrians to pay for something equestrian. It's very messed up. Albert added that anything related to the barn that needs to be replaced can be funded from the general fund if they don't have enough money. Let's say they can't cut the laundry; any of the maintenance can't be done now because we have, say, \$100,000 worth of expenses. We get between \$250 and \$1,800, and that's \$60,000. We're short \$40,000. Now, what can they do? Well, that depends on what the assessment is for. If it's for the common area or non-equestrian items, they can assess all of us. Additionally, they can assess the equestrian people again for equestrian-related stuff. But unfortunately, everything is funded together. It's the documents. They are just following the documents. We have read through the documents substantially because she (Leslie) was on the covenant committee. I'm like, this is worded very wrongly; okay, well then I suggest let's break out that \$1800 and say, hey, if we're paying \$250, how much do equestrian people pay toward the normal HOA budget and the rest could go to the equestrian budget, well how do you break that? There wouldn't be enough for us. We would have a special assessment every year because their funding is \$1,800 times the number of lots they have, which is approximately 30 lots. We have only approximately 28 times \$250; you can do the math. It just doesn't work. Someone in attendance stated we have more than 28 residential. A conversation ensued, with many noting that special assessments are per lot and HOA dues are per owner.

Then Lance stated, we have heard from many at this point. Do we have a motion for this?

IV. Motion:

Bill made a motion to fund the unexpected \$5,970.00 replacement expense of the cottage air conditioning unit (HVAC) with funds from the Oaks of Lake City Reserve Account, and the Oaks Equestrian Center will pay \$1,000 per month from

their income Oaks Equestrian Center operating account until the \$5,970.00 has been repaid to the Oaks of Lake City Reserve Account. Rex seconded the motion. The motion carried unanimously.

V. **Adjournment:** Lance adjourned the meeting at 8:09 p.m.

Secretary: Theresa Patterson
Minutes approved as presented.