



Winter 2014-2015

Volume 15

Special points of interest:

- Annual meeting is scheduled for January 24, 9:30 a.m. at the Silverthorn Restaurant
- Please read the important comments from Treasurer Eason

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From the President's Desk by Bob Schneider

As we close out another year the Board and I are pleased with where we are in our community. Our beautification efforts, led by Judy Sauer, resulted in a greatly enhanced overall look. The landscaping and flowers throughout the areas around our front entrance and the three mail box kiosks has made a positive difference. From a financial perspective, the community is far better off than it has ever been since incorporation.

The board has adhered to its Ten-Year Financial Plan and by the end of the year I expect we will have reached our 2014 goal of having about \$150,000 in our Designated Funds (reserve) accounts. (We call our reserves "designated funds" to distinguish them from reserves overseen by Florida Statute.)

Our community is now 33 years old. As you might expect we have a fairly long maintenance and repair list. Most of the work done in this arena is not obvious to the casual observer; however, our maintenance man Mark is kept busy working on the projects on our maintenance list.

Historically (by that I mean the five years I've been our HOA President), the three most common resident complaints I've received concerned the perimeter fence falling down, a failure of our gate personnel to properly implement board policy controlling access, and speeding within the community. The first two issues have been resolved by replacing all of our wooden perimeter fencing and enhancing the oversight of our gate guards (and releasing two).

Vehicle speeding, however, remains a problem. Those who complain to me would probably be satisfied if cars did not exceed 30 to 35 MPH. Unfortunately, there are plenty of vehicles traveling in excess of 35 (or 50!) miles per hour.

A recent change in the Florida Statutes allows a sheriff's deputy to monitor vehicle speed on private roads within private communities (like ours) and issue speeding tickets to those exceeding the posted speed limit. We are in the process of meeting certain requirements to make this happen. I expect the first ten speeding tickets to resolve this last resident issue.

When incorporated in 1982, Lake in the Woods was really in the woods. By 1990 there was one traffic signal between Spring Hill Drive and Route 50. Route 19 was two lanes and totally dark at night- there were no lights or stores in that stretch. Most of the east side, and all of the west side of 19 were pine forests.

Back then, it was not uncommon to see bears in the subdivision. But two recent visitors were not around-- coyotes and wild hogs. Two years ago coyotes started showing up, and there is now a pack of at least five. You can often hear them yelping at night. This year a number of lawns bordering on the Preserve (those on Lake in the Woods Drive and Royal Oak Drive) were severely damaged by the hogs. The yards and two drainage areas looked like a tractor had pulled a plow through them.

The HOA is doing what it can to fight these pests. We put out traps and hired trappers to work in the woods. We've eliminated ten hogs so far (yes, they are good to eat) but have not caught any coyotes.

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Both of these species are considered to be a nuisance and there are no constraints on how or when they can be hunted and eliminated.

We have one additional animal problem. Dogs. I am a dog owner and an absolute dog lover. But I do not cross the line between being a responsible pet owner and a bad neighbor. This distinction is so important that the county has reduced it to law.

Owners are required to have their dog under control at all times. If your dog threatens or scares your neighbor, you must keep your dog away from that neighbor. I do not get involved in the occasional phone call concerning a "bad dog;" i.e., a bad owner. I simply inform the unhappy neighbor to call Hernando County Animal Control. That agency will issue citations and even impound dogs in repeat cases. I don't like that to happen, but our neighbors have a reasonable expectation as well as a statutory right to be free from annoyance by our dogs. As owners we are also responsible to ensure that our dogs do not annoy our neighbors by barking and to pick up after our dog.

Finance Report by Chris McCormack



As the 2014 Lake in the Woods fiscal year draws to a close we are on target to meet

our financial commitments to both our operating expenses and our planned contribution to our Designated Funds.

The overall operating expenses are on-plan. Those of you who review our monthly financial reports on-line at litwoods.com are aware that our total income has allowed the Board to provide both basic services and to continue projects in our maintenance, legal, and beautification areas. Some of our income has come from continued and persistent efforts in the legal area to recoup past assessments and move toward foreclosure on our liens. The combined effect of the legal effort plus the paid assessments for 2014 brought us slightly

beyond our planned income threshold.

Since we were able to collect the total budgeted amount for 2014, the Designated Funds should see an increase of about \$50,000 bringing our total to approximately \$146,000. The final numbers will be realized after the close of the fiscal year on December 31. This supports our Ten-Year Plan that guides our activities and annual budgeting. Each year the Ten-Year Plan is a dynamic product in that it is updated every year to include major expenses anticipated for the ensuing ten years. The Ten Year Plan is also available on our web site (www.litwoods.com).

As important as it is to be able to reach the year end as planned, it is equally important to project where Lake in the Woods will be going next year. Our next fiscal year will be very

different from the past three.

Going forward into 2015 the Board voted to maintain the operating budget essentially the same as in 2014. Our owners will note that the planned assessment increase (in our Ten Year Plan) was pushed off for 2015. This decision was reached based on our successful execution of the 2014 spending plan and the anticipation of manageable increases in service costs. All this noted, we will be facing one major fiscal challenge for 2015. That challenge may arise from a shortfall in income.

Over the past three years the very successful efforts to recover unpaid assessments has bolstered the bottom line income to the point that it met our planned budget. At this time, however, we are still carrying several properties that will not meet the annual assessment requirement and are not good properties to foreclose as they are "upside down" from a mortgage standpoint. Please be sure to read Treasurer Godfrey Eason's report on this lurking problem and the proposed solution.

Architectural Control Committee by Patti Hoffman, Director

The Architectural Control Committee is very pleased with the pride that has been exhibited throughout the community. There were 22 requests for home improvements this past year.

Most of us enjoy living in Florida, but unfortunately part of living in Florida is dealing with mildew. It keeps coming back year after year. (It's like that cousin from up north who invites himself and doesn't know when to leave and you do not know how to get rid of him. You know the one.) It is good thing you can remove the mildew. There are also sealers you can apply to prevent mildew formation that last up to five years.

Please do not feel like you are being targeted if you receive notice to remove mildew. In 2014 the Committee sent over 30 such notices and I am so happy to report that most residents complied.

Thank you for your cooperation in keeping our community beautiful.

Lake in the Woods Owners Association, Inc. Annual Membership Meeting

- Annual Assessments were due January 1.
- Assessments are late as of February 1

Our Annual Meeting is scheduled for Saturday, January 24 from 9:30-11:15 a.m. at the Silverthorn Country Club Restaurant. We must mail out a formal announcement to each owner within 30 days of the meeting, so you will receive that announcement in January.

Please arrive a little early if you have proxies to register. If you do not plan to attend, please give your proxy to a friend or member of the Board of Directors. You may also leave it at the gate house. This is important to ensure we have a quorum (66 properties represented in person or by proxy). We are usually very close to this number of lots represented.

Proxies are available at the gate or you can download a proxy from our web site: www.litwoods.com.

Property Management by Godfrey Eason

There are 217 lots in Lake in the Woods. During 2014 we had 13 homes sold and currently have four homes for rent. We also have four additional rental properties that are not occupied at the moment. There have been fewer than ten homes for rent in our community each of the past three years. There are currently seven homes for sale and six buildable lots remain (presumably all are available for purchase). Our HOA placed liens on 13 properties in 2014 and foreclosed one lien for which the property was sold at public auction. Ninety-six per cent of owners (209 out of 217) paid their 2014 assessment fees. About ten homes are in bank foreclosure of which four will probably be sold at auction in 2015.

We are asking all residents who have dogs to please keep them on a leash while walking. The majority of our dog owners is in compliance. I have received several complaints from residents advising me that they are afraid to walk in the community because dogs are not on a leash and owners were not around. I am making a recommendation that you be neighborly and speak with the owner of the dog if known and make every effort to resolve the situation. The Board has no authority to police dogs in the community. This has to become a community effort between you and your neighbor. In a few instances, Animal Control was called and the owner was fined which does not help in maintaining good community and neighbor relationships.

New resident access stickers will be available starting January 5, 2015. Access Officers will be placing these stickers on all residents' vehicles starting on that date. As of February 1, 2015, all cars without a pass or a valid windshield sticker will be stopped at the access gate to record license tag numbers. Sticker requests were mailed to all owners with the 2015 assessment invoice. You may also pick up a sticker request at the access gate.

We hope that all residents appreciate the efforts of our Access Officers in helping to keep our community an enjoyable and safe place to live.

Help the ACC out.
Take time this spring to remove mildew around or on your home.

Lake in the Woods Owners Association, Inc. Access Control

Resident safety and security in our community are of paramount importance to Lake in the Woods Owners Association, Inc. Board of Directors and likely every resident. Many of us (probably a large majority) purchased a home in Lake in the Woods to take advantage of our controlled-entry gate. To be effective Access Control requires the cooperation of residents and gate personnel to follow certain rules and procedures. The current system is working very well with good cooperation by residents and visitors alike.

The following standing rules remain in effect:

A. EVERY single visitor without specific access approval will be stopped and DENIED access. This includes lawn and pool service, pizza delivery, gas and water delivery, friends and relatives and all vendors and contractors. If you failed to call the gate to provide access approval the Access Guards will ask such persons to park and use a cell phone to call you. You are obligated to call the gate personnel to provide access approval. If there is no approval call from you entry will be denied.

B. Access approval may be granted by a resident in several ways.

Call the gate and request access approval for your visitor (this access approval is good for the full current day unless you specifically request otherwise).

Call the gate and request multiple-day access. Gate personnel will provide a paper pass valid for up to 30 days (based on your request). These requests are logged. Residents must call the gate to renew them.

Call the gate and request a long-term pass. Gate personnel will provide a long-term paper pass valid until the end of the . Residents must call the gate to renew a long-term pass. It is up to the resident to request renewal of these passes at the end of the calendar quarter. Gate Personnel may not renew any pass without a resident request, which must be logged.

C. Contractors doing business for Lake in the Woods Owners Association will be allowed access as required.

D. Gate personnel will allow a vehicle access if the driver or passenger is a known and recognized bona fide resident, but every vehicle without a windshield sticker or pass must be logged in (license tag recorded).

Identification proof may be required. Access guards do not necessarily recognize you or your family members. UPS, FedEx, Electric, phone and Hernando County utility trucks and emergency vehicles are also allowed unfettered access. Realtors are allowed entry by showing a Multiple Listing Form with the property address printed on it.

E. Process Servers from the 5th District Court are allowed access. Process servers from other districts and REPO people will be allowed in, but must first make arrangements with the Director of Security or President.

F. Contractors who require continual entrance over multiple days or with multiple vehicles must be logged in. The resident must request access and provide an end date for the access. Contractors may be issued a multiple-day access pass upon resident request.

G. The HOA cannot control where visitors go once they pass the gate.

H. Owners in arrears in payment to the HOA may call in guests and contractors at any time without restriction. However, their contractors and guests will not receive any multi-day passes.

If you are in doubt as to whether you should call the gate, make the call! Our gate personnel are absolutely forbidden to allow entry without proper authorization. The Board would much rather receive a call from a resident angry that a visitor was not allowed in than receive a call with the opposite message. If your pool does not get cleaned, your flowers arrive droopy or your pizza is cold, please do not blame the gate guards. They are doing their job.

If the phones are not operating you will not be able to call the gate. This is a rare occurrence; your visitors will be asked to call you as in "A" above, and your guests can allow the gate personnel to speak with you on their cell phone. If you are inviting a large group of visitors please provide a list to the gate in advance. If the guards are in the bathroom, the gate remains down for a very short time. A sign is placed in the front to inform persons wanting to enter. This does not happen all that frequently, so please be understanding and patient! Our gates are designed so that they move to the open position in case of power failure. Rarely, a visitor takes this as an opportunity to "run the gate." We have no way to stop that.

Your gate personnel thank you for helping them with Access Control so that there are no embarrassing problems.

Annual Turkey Trot

Last year we froze as the temperature was just above freezing at the start. This year we were lucky to have a beautiful (warm) Thanksgiving morning.

5K winners were (in order of finishing):

MEN: Dave Brockhoff, Thomas Owens, and JB Bowles. First place time for the men was 27:37.

WOMEN: Xiara Bowles, Bonnie Brockhoff, and Abigail Fontano. First place time for the women was 27:09.

Good job all!

Legal Update

This year our Owners Association (HOA) sent out a number of lien notifications to owners not paying their assessment. We did reasonably well in collections as there was only one new owner added to our "delinquent" list for 2014. There are currently six property owners who paid nothing; all are in bank foreclosure and we must await bank action on them. Most have not paid for several years. Our HOA foreclosed on one additional property that the HOA now owns.

We get many questions concerning the lien and foreclosure process. This is the process we follow when an owner does not pay the annual assessment. We first send a "Notice of Intent to Lien" demanding payment. That must be sent via both certified letter and regular first class mail. If that mailing does not produce results, we place a lien on the property. Most owners respond to the lien and we end up getting the money we are owed plus nominal legal costs and interest calculated at 18% per year. These expenses add about \$350.00 to the total owed.

If placing a lien fails, we continue the collection process by foreclosing our lien. The owner is now liable for increased legal fees and interest (at 18% per year). In most cases, that is as far as the process goes because the owner decides to work with our attorney to work out a payment plan to avoid escalating legal fees or losing his or her house. The legal fees will add between \$750.00 and \$4800.00, depending on how long the owner waits to contact our attorney. If the process is allowed to continue the house may be sold at the County Courthouse with any proceeds (or title to the house) going to our HOA.

In an ideal world, this process would always work and we always would get all our money. Unfortunately, Lake in the Woods is not the only creditor. Usually the mortgage holder will start the process by foreclosing its own mortgage lien from. Bank instigated foreclosures progress very slowly. They are moving forward faster now, but our courts are still jammed up with the sheer numbers of foreclosures in Florida. As an example, there are two foreclosure sales every single week at the Hernando County Courthouse, and each results in 15-20 foreclosure sales. Our HOA receives very little from a sale due to a bank foreclosure.

Our HOA has successfully pursued overdue collections through the courts for the past four years. Our legal efforts yielded about \$19,000.00 in past due amounts in 2014, from which we must subtract about \$8,500.00 in legal expenses. We can see that 2014 was a good year for legal efforts and

good for our budget. Most of the court cases involving the last six houses currently in bank foreclosure should be resolved in 2015. Because our HOA receives very little from a sale due to a bank foreclosure, we will not recover much from the lost assessments. That source of income is about finished.

Welcoming Committee, by Paula Morton

I would like to announce the following new owners in our Community:

1. Rick and Donna Alborz; 7392 Royal Oak
2. Bryan and Xiara Bowles; 5071 Cumberland
3. Amy Chaves; 7513 Oak Tree
4. Leigh and Krista Churnick; 7192 Royal Oak
5. Mark and Linda Earley; 6484 Sugar Tree
6. Owen and Gladys Grant; 7395 Royal Oak
7. Joseph Joly; 4548 Lake in the Woods
8. James and Lisa Sanders & Frances Innamorato; 6484 Laurel Oak
9. Frank and Lisa Zinna; 7397 Royal Oak

If there are any other new owners who have not received a Welcome Packet please contact me at (352) 597-4424 (Work) or (352) 247-0727. (Cell). We would be pleased to meet you and deliver a Welcome Packet to you!

If you can't attend

the Annual Meeting:

Please give your proxy to a friend or leave it at the gate for any Board member.

This will help ensure we have a quorum!

A small effort in your yard can go a long way to make Lake in the Woods a beautiful place to live.

We have one serious problem affecting our community. Starting in 2003 Lake in the Woods (the HOA) experienced a jump in the number of sinkholes.

Many owners who were paid off by their insurance sold to investors pleased to purchase a cheap house to rent. In 2006 the housing boom collapsed and many buyers found themselves deeply in debt from which there was no hope to recover. They stopped paying their mortgages and stopped paying annual assessments. Most moved out.

By 2009 our HOA had 27 property owners in bank foreclosure who did not pay their annual assessment. Once again investors scooped up those inexpensive distressed properties that were foreclosed. We soon had yet more absentee landlords and our overall community appearance declined. Most absentee landlords and renters are not concerned with the appearance of their property, and some renter misbehavior in Lake in the Woods was extremely problematic and added to our problems.

The Board decided to seek a change to our restrictive covenants to require two years' ownership before a house could be rented. The change was approved by our owners and had the immediate effect of keeping investors away. The number of rentals declined considerably. This was a good outcome for our community.

Currently, the foreclosure crisis continues to overwhelm the banks and the court system. In some cases, the banks started the foreclosure process and owners eventually moved out, but the banks halted further action. Banks often sit on foreclosure actions, occasionally filing court papers to keep the foreclosure active. Even if the banks pursued, with each filing the courts add many months to the process.

There now remain four such properties in Lake in the Woods. Each of these properties has been empty for five to seven years. The average loss through legal costs, lost interest and unpaid assessments **on each of these four houses** is \$7,400 and counting. Each court filing by a bank pushes the foreclosure sale out another three to five months. Our HOA must maintain the outside appearance while losing the assessment income for the entire duration. Our monetary cost is high and we have been helpless to fix it.

Our HOA can stop this! We have liens on each of these four properties. We could have foreclosed our

liens (we can complete a foreclosure in just seven months). Our HOA would then own the house. This would not be a good outcome. It costs about \$4,800.00 to foreclose, and this adds to the cost of our lost assessments (average of \$7400.00 as above).

In addition, since the bank mortgage is still valid, the house is upside down and we can't sell it- no one would buy it. If we were to rent it ourselves, we could recover all our assessments and all our legal costs. Unfortunately, the HOA can't rent such properties because we, too, are bound by the two-year ownership requirement. We are "stuck between a rock and a hard place."

The solution to this is straight forward. We should change our restrictive covenants to allow the HOA to rent property it comes to own. This would not affect any current or future homeowner, as other current covenants (the two-year ownership rental requirement) would remain in place.

Changing our covenants, however, is an extraordinarily difficult process because it requires concurrence from 75% of our owners. It now appears that we must go through the process again. This action would provide an opportunity to recover revenue as a result of foreclosing. This change to our covenants would positively affect our budget and annual assessment fees.

What can you do? That's an easy one. Vote in favor of changing our covenants. Want more information? We'll discuss this issue at the Annual Meeting on January 27.

The Board of Directors sponsors several community activities each year. The purpose is to provide a venue to facilitate meeting your neighbors, as well as to provide a fun event for children and adults. We had great success with our activities in 2014, including the Spring Fling, Fourth of July parade, a Halloween Party and the Turkey Trot. The Fourth of July parade was new this year, and got a great turnout despite withering heat. We hope even more of you will participate in our events for 2015. Remember, you can invite anyone, including your friends who do not live in Lake in the Woods. The food we serve is always free.

There will be some added activities for 2015, so please fill out an Email request form so that we can let you know what is going on and when. Also if you have any suggestion of what you would like to do, or whether you would like to help organize and run an event, let us know.

Patti Hoffman



