

MINUTES SUBJECT TO NEXT BOARD MEETING APPROVAL

Town & Country Village Homeowner's Association, Inc. Board Meeting Minutes – May, 2004

Date: May 18, 2004
Place: Parker Public Library
Attendees: President – Len Price – Present
Vice President – Alan Hahne – Present
Secretary – Sharon Roybal – Not Present
Treasurer – Vacant
Member at Large – Dawn Fields – Present
Property Manager – Laura Williams – Present
Association Attorney – Myra Lansky – Present

Minutes

1. Call to Order

Meeting called to order at 6:06pm.

2. Approval of Minutes

The minutes from April 2004 board meeting were presented for approval as they are. Alan Hahne made the motion for approval and Dawn Fields seconded the motion.

3. Open Forum Dedicated to Revised Covenants

The Document Committee started meeting on a regular basis last October 2003. We initially had 22 members sign up to participate and had a total of 8 members participate on a regular basis throughout all of the meetings. John Distefano and his wife Virginia chaired the committee and dedicated many long hours to this project. Many thanks to all of you who participated!!!

We will take questions from the floor.

How will we determine amount to be contributed to the long-term reserve? Will there be new reserve study done?

The last reserve study was done in 2001. It stated that we needed an initial contribution of \$1,187,000 and then \$271,072 in annual contributions to fully fund our reserves. The association doesn't have that amount of money so how do we fund the long-term reserves? How does the association determine amount to be assessed? The Documents Committee came up with a plan per lineal feet for long-term anticipated needs. The items that are to be funded out of the long-term reserve fund will be fences, painting, roofs, gutters, etc. A plan put together by the Documents Committee will be based on the necessary annual contributions to the long-term reserves to reach the necessary goal to be able to fund any future capital projects.

According to the new documents, the Board can install water meters (Article 4, Section 7)?

The new documents allow for the installation of water meters in the future **with 51% of all members approval**. Old documents allowed for metering with 67% approval versus the new documents at 51%. There would be readjustment in dues to homeowner paying for their own water. A budget would be prepared and presented to the homeowner's based on expenses necessary for the following year. Without water bills, those expenses would likely decrease initially.

Are Common Expense Assessment (title for Article 4) and Annual Assessment (Section 4.2(a)) the same term for the same thing? What's difference between that and Special Assessment?

Common Expense Assessments and Annual Assessments are different terms for the same thing. The common expense assessment/annual assessment is the equivalent of our monthly assessments. This is based on the annual budget and the common monthly expenses. A special assessment is to fund a project that the annual budget can't handle for capital expenditures. All projects to be funded by the proposed long-term reserves (Art 4, Sec 3) are to be based on projections from reserve studies.

According to Article 4, Section 5 – "Special Assessments", how would future Special Assessments work?

A budget would be set up and based on specifications set up by engineers and bid by appropriate contractors. This budget would be sent to all members and a 'members meeting' would be held to discuss any portions of that budget. It would take 51% to *reject* budget. If it is not rejected by 51%, then it would become automatically ratified with projected budget for specific project in place. These changes are due to CCIOA (Colorado Common Interest Ownership Act). The judicial systems are very aware of the difficulty that associations have in getting ballots back and participation by the majority of their members. Therefore, they made these changes.

How will Long-Term Reserves be invested and who will be in charge?

They will be invested in government bonds, guaranteed funds and no speculation funds. These funds may grow slower but there is less risk. They will be invested with current broker, Dain Rauscher and the Board of Directors will be in charge of these funds. They will become invested on an investment plan developed by the Board of Directors.

What is the current number of renters in Town & Country Village?

The most current number we have is as of March 26, 2004. At that point in time, the numbers were approximately 72% owner occupied and 28% non-owner occupied.

How much remains uncollected from the previous roof assessment?

There is currently approximately \$15,000 that remains uncollected from roof assessment. These accounts are all in some process of collection. They are either making payments to the association or they are at the attorney's office for collection.

Where are we with the painting?

Gillian's, the engineer for the roofing project, increased the cost to association for Phase II. The HOA has contracted Steve Bradley. He is supposed to be walking the property this week. He will put together specifications and put them out to contractors for the bidding process. We will proceed with this project whether the documents pass or not. If the new documents are approved, they will be in place for a possible special assessment with the new 8 tier system. If not approved, it will go back to the old 2 tier system which this Board feels is very inadequate. If all goes go right, painting

would be started and finished by October 2004. We have also asked for 2 bids from each contractor painting with and painting without new gutters.

Where did the financial problems develop?

There has been a tremendous increase in water prices and other monthly expenses with very little room to increase the income due to the restrictions of the CPI (Consumer Pricing Index). We feel there may have been some misplanning in the past. The Board members who are in place now were NOT here at that time. The old covenants discuss maximum assessment and the new documents do not. With the current documents, the cost of operation is going up faster than the ability to raise monthly assessment. Any future special assessments will be based on a budget presented to the homeowners.

Is the CPI (Consumer Pricing Index) a standard by other HOA's?

The CPI is no longer used. It is no longer a viable method of calculation.

Can there be better planning of future assessments? Can the Board accept payments? Is there a means by which the Board can take payments?

The possibility of assessments are due to 'unplanned' capital expenditures. The HOA can't take on long drawn out payment plans. They don't have the funds and they aren't a bank. We do have some folks who are paying on a payment plan. The annual interest rate is 18% as set forth in the old documents.

Did the Board look at individuals maintaining their own units?

They did but due to the liability issue in allowing the homeowner to do the projects themselves, we can't allow it. Ultimately, the association would be sued as there is no way to paint or to maintain the exterior of your unit without being on common area.

Would a 'hold harmless' be effective in this case?

It is more fundamental than that. Ultimately, the association is responsible for the exterior appearance.

According to the chart on page 7, has there been some discussion on the measurements to more accurately determine future assessments?

There was more discussion but the time and bookkeeping nightmares would be incredible. Len and Tom went through the community and they measured approximately 50 of 501 units (10%) of the units. These measurements are what was used to develop this chart in conjunction with information from the Douglas County Assessor's Office/Website.

Is it true that the Board gave homeowners permission to paint the trim of their homes?

Yes, the Board did give permission to homeowners to paint the trim *only* of their units as long as they don't just cover up rotted wood. It must be replaced, primed, caulked and prepared properly in order to paint the trim.

Explain again the difference of the Annual/Operating Assessments and the Special Assessments?

The Annual/Operating Assessments are the same as the monthly dues. These are based on the annual budget which is presented to the homeowners for approval at the annual meeting. Any Special Assessment and Long Term Reserve contributions are based on the 8 tier system.

Please explain Article 2, Section 7 – Easements for the Board of Directors?

This is for the Board of Directors and Architectural Control Committees and the like. For example, if there was a complaint about the noxious smells (i.e. Dog poop) coming from someone's backyard. This allows the Board and/or ACC to be able to either look over fence or enter backyard to determine the source of the smell and to perform their obligations as far as getting rid of the smell (i.e. ACC/board letters).

What does Article 6 Section 7 (page 16)-Landscaping Requirements mean? We thought the HOA was responsible for the landscaping?

This is regarding your backyard. The HOA is responsible for the landscaping in front of your unit. Your property line ends at the foundation in the front. The backyard is your responsibility to landscape and maintain.

The old documents refer to pet issues as a 'nuisance' and the new documents refer to them as 'obnoxious'. There is more legal 'standing' behind 'nuisance' than there is 'obnoxious'. Why change?

'Obnoxious' is subject to individual owners complaining and it is more subjective. A 'nuisance' has more legal standards. It is a legal matter and you need to call the police. The HOA can't do anything about it. It basically has to do that it has to be more than one neighbor complaining. The legal standing is stronger for this wording because it allows the police and the court more flexibility whereas 'nuisance' does not.

What is Article 4, Section 8 (page 10) – Real Estate Transfer Assessment?

It was referred to as 'working capital' in the old documents. It is the same as 2 times the monthly dues that are collected at closing.

How does Article 9 (pages 21-22) – Insurance change? Who is responsible for what?

The HOA is required by 9.1 to carry insurance on the structure. The owner is required to maintain hazard/liability insurance for 'improvements' that have been made on their lots. That would be your carpentry, any remodels, cabinetry, counter-tops, carpets, etc. If the building were totally destroyed, the HOA would rebuild the *structure*. This includes the floor, the joists, the stairs, the wiring, etc. It is very BASIC. It also includes sheet rock but no paint, floors but no floor covering (linoleum, tile, carpeting, etc.). They would install only grade toilets but no upgrades.

Under Article 6, Section 11 (page 17-18) – Vehicular Parking, Storage, and Repairs are there any changes?

Yes, it no longer bans motorcycles.

How does this affect the Rules and Regulations?

The Documents Committee will reconvene when the new documents are approved. The Rules and Regulations will be revised at that time.

When this packet was mailed out a couple of years ago, it included new Bylaws. There are none included with this packet. What does that mean?

The old Bylaws will remain in effect.

Who is responsible for an inoperable vehicle?

It depends where the vehicle is located. If it is in the driveways, parking lots or private streets, it becomes the responsibility of the HOA to have towed. If it is on Summerset Lane, Victorian Drive or Longs Way, those streets have been deeded to the city and become the responsibility of the Town of Parker.

What do the revised documents do about the pool?

In the new, revised documents, you can do whatever you want with the pool as a member body. You can close it or keep it open. It is up to the member body.

In Article 6, Section 19 (page 19) – Trash Removal Restriction, it refers to ‘no burning’. Can we have a chimnea on our back deck?

It would be illegal by new documents. You can use outside grills.

Can we replace the bushes and trees in front of our units?

Any bush or tree replacement must be approved by the HOA.

Can we put signage outside of our units?

No, any signage can be in your windows on the inside. Nothing can be outside.

What does Article 9, Section 11 (page 23) Adjustments by the Association mean?

If there is a claim filed under the association policy, it is paid to the HOA. And then in turn, the HOA will pay out monies to the contractors. It has nothing to do with individual policies. It also means that the Mortgage companies can't require the checks to be made out jointly with the homeowners.

What happens if we don't receive the 67% from homeowners and first mortgagees that would be required to pass these new documents?

Per C.R.S. 38.33.3-208 - If we receive more than ½ of the required amount of homeowners, you may petition the court to make the documents valid. It is a relatively quick process. The first mortgagees will have the opportunity to veto and the homeowners will have the opportunity to veto. According to the statute, it WILL be approved.

When are these consent forms due? The letter states May 21, 2004.

The May 21, 2004 is NOT a drop-dead date. It is a date that the Board would like to be finished with the receipt of the consent forms. This process can continue indefinitely until the number necessary is received.

What is the fiscal year for Town & Country Village?

Our fiscal year goes from September 1 – August 31.

Why go to a 1 tier system for monthly dues?

All common area expenses do not correlate with the size of your unit. For example, administrative costs, landscaping, snow removal, etc.

How do we make sure that this Board and future Boards are on the up and up?

There are legal means to make sure that the Boards are on the 'up and up' but the most effective and the most enlightening way is for you, as a homeowner, to become and stay involved in the operation of the HOA. If you and the rest of the homeowners are watching the Board and paying attention to

what is going on, then they won't have the opportunity to do anything wrong. The BEST way to keep an eye on them is to get involved, stay involved to become part of the solution.

Are the old documents and the new documents in the same order?

The old documents follow the new relatively close. Sections may be out of order but the information is close to the same place.

There were many kudos given to this Board for their go get 'em attitude. Despite the many obstacles placed in their way, they continue to strive toward the betterment of Town & Country Village. They deserve a huge hand!!

The meeting was adjourned at 8:05pm. The next scheduled meeting is Thursday, June 17, 2004 at 7pm at the Parker Senior Center.