

Charterwood at Lakewood Estates
Annual HOA Meeting
March 3, 2008
Annual Meeting Minutes

Call to Order. Rick Forester, President of the association called the meeting to order at 7:00 pm, verified the Notice of Annual meeting, and established that a quorum was present. Eleven homeowners attended and 26 proxies were provided. Notice of the Annual Meeting was mailed to each homeowner.

Minutes of the 2007 Annual Meeting were provided to each attendee. Perry Sant moved to accept the minutes as written. Bill Oliver seconded the motion. Attendees unanimously approved the minutes.

Introductions. Rick Forester noted the names of the other Board members: Mark Stiles, Vice President; Barbara Platt, Treasurer; Diana Cardon, Secretary (present); Etta Alley, Special Operations.

Architectural Control Committee Members: Diane Freed, Elmer Barela, Bill Johnson, Ruth Lang, and Amy Siegel.

Manager's Update:

Financial Status and 2008 Budget

Earl Johnson, Property Manager, Western States Property Services went over the December 2007 financial report. Costs in 2007 included legal fees for legal review of new state requirement, legal collection, water, sewer, snow removal, repair of perimeter fence. In 2007, Charterwood budgeted \$54,327 for expenses, actual costs were \$51,673.16

Tax Resolution. Perry Sant moved to approve the 2008 tax resolution. Bill Oliver seconded the motion. It was unanimously approved.

Annual President's Report.

Electronic Funds Transfer payments for monthly expenses. The board approved payment of the association electric, water, and trash bills by EFT that saves the association about \$36 annually and avoids potential late fees, which could occur if checks are not cycled between Western Properties and board members in a timely manner.

Landscape Contract. The previous landscape contractor was not providing timely service, so the Board requested that Earl Johnson solicit new bids. Four bids were received and the bid from All Phase, which was the lowest per month charge for standard services, was accepted. All-Phase Landscaping also received a good recommendation from the HOA adjacent to Charterwood. Performance thus far has been very good. Part

of our service includes having a sprinkler technician check the sprinklers every 2 weeks. Sprinklers were in a state of disrepair but have now been made functional at a cost in 2007, of \$2,200.

Certificates of Deposit. The association maintains a reserve account to cover rising routine costs, such as trash removal, high variable costs, such as snow removal, and special projects, such as the wooden wall in the detainment pond. The reserves allows the association to deal with rising routine and high variable costs as well as the costs of special projects without raising monthly dues or seeking a special assessment. The reserves were kept in a money market where low interests meant they were losing value over time to inflation. Accordingly, the reserves were used to buy CDs to minimize loss to inflation. There are four one year CDs and one three month CD. A one year CD comes due every three months and the three month CD comes due at a 45 day interval relative to the one year CDs, so a CD comes due every 45 days allowing us to redeem reserve capital given a near term need without a penalty payment.

Charterwood Webpage. Western States Property Services has created a webpage at <http://www.charterwoodestates.com/> for Charterwood documents. The following documents are available—

- Financial Statements
- Annual Meeting Minutes
- Board of Directors Meeting Minutes
- SB-100 Documents
- Covenants
- Declarations
- Bylaws
- SB100

The site is maintained for Charterwood by Western States for \$12 per month. The website complies with rules regarding electronic posting of documents related to transfers of property, and access by title companies and real estate agents.

Charterwood HOA Status. Earl Johnson stated that because Charterwood is a not-for-profit organization, state law gives Charterwood and other HOAs the right to collect a special lien on a foreclosure, so continuing payment of the home owners dues. Charterwood was registered with the state in order to comply with the new laws. Unfortunately passage of such new laws often is done with inexact language resulting in legal fees for the HOA.

Charterwood was audited in accordance with its bylaws in 2007. The results of the audit are posted on the website.

Homeowner's Forum:

Perry Sant asked if \$70,000 in reserves (note reserves are 54k and operating funds are 16k) was excessive without a specific statement of need and asked if the homeowners would support a reduction in monthly dues until some of the available reserves and operating dollars could be spent. See CD discussion above for the rationale of having the reserves. We believe we do have the statement of need both to cover high variable costs that arise as well as special projects. (Following the meeting we learned that replacement of the wooden wall in the detention pond would cost about 30k).

Michael Sullivan asked why the Association couldn't use the money in reserve to replace fences between properties. The association doesn't own interior fences; so can not legally use its funds to pay for repairs, although if the covenants were amended then this might be possible. One concern would be whether such repairs were limited to ageing fences or would include fences damaged by a homeowner. Another suggestion was to put center rails on the exterior fences.

Michael Sullivan asked if All-Phase could plow the entry. Forester noted that the All-Phase snow removal contract includes clearing the entry way when there we get 10 or more inches of snow, but the contract can be changed to include entryway snow removal for all storms of two inches or more of snow.

Thea Rock asked for explanation of the detention pond work. Forester stated that the timbers comprising the retaining wall are going to need to be replaced in the near term future, because many are currently rotted. The replacement could be wood or a key-stone product. This cost isn't in the 2008 budget, but Earl Johnson will request a price quote from Sleighton Brothers. (Estimate for replacement in 2008 dollars will be about 30k)

Other expected expenses include repair of the sprinklers in the pie-shaped common area. The dead spots last year reflect a misplacement of sprinkler heads.

Perry Sant asked if Charterwood expected any foreclosures, with so many foreclosures in the Denver area. Rick Forester answered that there were none in Charterwood at the present time.

Nominations and Election of Directors: There are two terms that will be up soon, Mark Stiles and Etta Alley. Diana Cardon is selling her home, creating another vacancy. Board member duties include attending board meetings, reviewing and approving the budget prepared by Earl Johnson, review of contracts along with selection of contractors when a new contract is warranted and review compliance with HOA covenants and rules.

Jason Koltz volunteered for election to the board and his nomination was passed unanimously.

Amy Siegel has volunteered to service as an ACC member.

There being no further business, Harry Stackhouse moved to adjourn, Perry Sant seconded the motion and it was unanimously approved.