

**WILLOW CREEK TOWNHOMES ASSOCIATION
ANNUAL HOMEOWNERS MEETING
TUESDAY, JULY 8, 2015 – 9:00 A.M.
318 ELK AVENUE, SUITE 24, CRESTED BUTTE**

Present: Allan Kroll, Unit 2
Angela Reeves
Rob Harper - Toad Property Management, Inc.

By Phone: Greg Carver, Unit 3
Jennifer Bossard, Unit 1
Jill Norris, Unit 5
Amy Brimah, Association Attorney

Proxies Received: Taya Sweeden, Trustee, Unit 4 to Allan Kroll

Greg called the meeting to order at 9:04 a.m. and Angela confirmed notice of meeting had been mailed, emailed and posted on the property on June 8, 2015 and all five units were represented at the meeting.

Jill made a motion to approve the July 9, 2014 minutes as distributed. Jennifer seconded the motion and all are in favor with the exception of Allan who is opposed. The motion carries, 3 yes and 2 no.

Angela speaks about the sale of Toad to Rob and that they will continue to be involved for the reasonable future attending meetings and helping with transition. Angela also states that herself, Gordon and Rob have the CMCA designation.

Angela said that the Doug Gorman summary had been sent out and the actual financials through June 4th, 2015. No owners are in arrears and that the expenses have been in line with the budget. Allan discusses how the Association sued him and claimed that his home needed painting it was five years after he purchased it. He also said that it needs staining and painting and does not see where his dues have been accumulating to complete these items. He also commented that according to the 2014 minutes that legal costs for 2014 were above budget and Angela said that for this year these costs are below budget with \$5,000 in the budget and current expenses are \$2,422 through approximately 6 months.

Allan asks how much of the \$550 per month is being earmarked for the reserve capital account. Angela explained that there have been changes over the years for invoicing due to the different attorneys but that legal fees have been using up funds for the Association and that no work has been done on any of the units. Allan describes the disrepair of unit 2 stating that the maintenance done in the past was inferior and that the trees have rubbed the paint from lack of trimming. He said that he suggested in 2008 that the assessments need to be reduced to increase the value of the houses and to remove maintenance and insurance from the dues so that individual owners have that responsibility. Allan also

claims that his house was painted against his will and it looks worse now. He would like to see an amendment to the CC&R's to remove these items without the involvement of the Association attorney.

Angela says that the Board can discuss this at their next meeting. Allan says that this is not a Board function and that Boards do not amend the declaration. Amy Brimah says that this needs to be a meeting called for this purpose and it needs to be on the agenda. Allan does not think the Association attorney should be at this meeting. Greg states that Amy is the Associations attorney and that because of the past litigation and challenges that she represent the HOA and that declarations will go through legal review at the direction of the Board. Allan states that he will file a complaint with the attorney regulation council against Amy if she insists on including herself in this process.

Greg would like to return to the proposed budget and approval. Angela says that expenses were \$10,500 with an annual budget of \$27,000. There should be funds available this year for exterior painting and that this has not been done in the past because of lack of funds. Greg said there would potentially be painting this fall and we would need to look at what is available to complete capital projects. Angela says generally the expenses are in line with the budget.

Allan asks if there is money in the budget to fix the rock work that was damaged by snow removal operations. Angela said that there was work done last year. Allan says that there was other damage as well from the snow removal. Greg would like to see what projects need to be done and if we can prioritize them. Rob said that there was minor things that need repair. Rob would like to see the individual owner repair lists by the end of July to be repaired before winter. Jennifer asks if the individual owner is responsible for window cleaning and Greg says that roof snow removal is as well. Allan asks what provision states that stucco is an HOA cost. The requested repairs will be assessed as to whether they will be owners or HOA expenses.

Greg reiterates that the proposed budget for 2016 will be the same as 2015. Angela explains that the budget does not need to be approved today. Allan would like to propose a change to the budget to remove insurance and maintenance. Angela said that amending the governing documents is a big step and Greg said it needs a separate meeting to discuss. Jill states that the Association will be responsible for levying assessments for common expenses including insurance. Allan agrees. Jill says that changing the governing documents requires approval of the holders of the deeds of trust. In Angela's experience getting the approval of lenders is very lengthy. Angela recommends that this process not be rushed. Allan thinks that an amendment would be doable. Greg proposes a separate meeting to discuss and that he is not prepared to change anything today. Allan is certain that this will raise the value of the property. Greg expresses concern over enforcement of this change. Allan says that an amendment could be written and negotiated and prepared and then we could have a meeting to discuss.

Jill would like to table approving the 2016 budget and look at changing the governing documents at another time, Greg agrees. Allan says that this does not require a meeting

or a vote and it is just a signed instrument. Amy reads from CCIOA section 2-17 that requires an affirmative vote by law to amend the declaration. Allan disputes this saying that except as otherwise provided by the declaration. Greg proposes that there is a separate discussion to come to an agreement for this issue in mid-August. The budget will not be approved until this meeting.

Allan asks Angela if the payment from the trustee is accounted for. Angela says that the statement reflects the refund of assessments to the owners. Allan asks if the owners were given a 1099? Allan asks if the IRS agrees with that.

Election:

Angela said that the notice is correct and that Jill and Greg have completed their terms and this will be an election for 2 directors for 2 year terms. Greg clarifies that he will remain as President and that Jill would be secretary/treasurer. Angela says that the positions will be filled in the following Board meeting and that the election is for the directors themselves. Allan questions the 2013 budget where there was a \$168,030 refund and his documents say \$98,000. Angela will check with Doug Gorman.

Jill and Greg are willing to put their names forward for the election. Allan nominates himself with Taya Sweeden's vote. Angela says that with 3 people running for 2 positions it will require a secret ballot. Allan says that he will waive the requirement for a secret ballot. All are in favor of waiving the secret ballot requirement.

Greg nominates Jill, Jennifer seconds the nomination all in favor except Allan.
Jill nominates Greg, Jennifer seconds the nomination
Taya nominates Allan, Allan seconds the nomination

Angela pauses to confirm the vote. Allan says he has 4 votes and claims that he is elected. Allan says that he knows that it does not work out with her grand schemes. Angela states that there is 2 positions available and Allan says that he has 2 votes per position. Jill says cumulative voting is not permitted. Greg says that Jill, Greg and Jennifer are elected to the Board.

Greg will coordinate with Rob about the meeting in August and the annual meeting will be held the same week in 2016.

New business:

Allan claims that Jennifer's dog is urinating on the grass and killing it near unit #1. Others do not have a problem with this, Greg proposes that they do nothing and let it grow back.

The date of the next meeting was set for Wednesday, July 13, 2016 at 9:00 am.

Rob and Allan will look at his homes this week.

Greg made a motion to adjourn. Jennifer seconded the motion and the meeting adjourned at 10:12 a.m.

Prepared by Rob Harper
Toad Property Management, Inc., Manager
of Willow Creek Townhomes Association

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