

Victoria Village at C/S HOA  
Board of Directors Meeting  
March 16, 2010  
Minutes

Meeting was called to order at 7:06 p.m. at Baptist Ranch Church. In attendance were John Smith, Rick Poole, Sydne Ebel, Debbie Feagin, Betty Johnson, Jaime Kerchner, Gayle Pressler, Lauren Holmes (attorney for HOA) and Kerry Cantrell of Z&R Property Management.

OPEN FORUM

3502 – Owner inquired about progress on inspection of outside dryer vent issue. John stated this would be addressed in the President's Report.

3423 – Owner inquired about gun shots fired. John stated this would be addressed in the President's Report.

3648 – Owner stated that covenants needed to be changed, but not everything needed to be changed. At the January meeting for questions and answers, it was not made clear that changes were going to be discussed. There were not sufficient details about what was being changed, or rationale behind changes. There is a lack of transparency for changes. There is a discrepancy in documents- Articles of Incorporation. HOA has been using a 12-page document, and what is on file is a one-page document. Notices and proposals are not adequate to give owners a thorough understanding of what is changing to make an informed decision. Owner asked for clarification of ballot for Articles and Bylaws and Consent for Declaration and deadlines for ballots or consent. Lauren advised that Articles and Bylaws are changed with a ballot vote, with a definitive deadline. The Declarations are changed by Consent, which does not require a deadline. It would be a Board decision to set a deadline when it would require Consent forms to be returned. Owner further inquired about incorporation all the CCIOA regulations. Lauren stated that HOA has incorporated the CCIOA laws that benefit the HOA.

3432 – Owner inquired whether Board's intent was to go through Court procedures to have Declarations passed due to apathy. John stated the Board has not made that determination. Owner informed Board that this process needs to follow letter of the law, it is difficult to compare old documents with new documents, requested a redline version. Lauren advised that revisions were done with a new template and it was not as simple as changing one document to conform with new laws.

3414/3324 – Owner stated it was difficult to compare documents. Owner questioned why rentals were being capped at 30%, when current rental rate is higher. Board needs to enforce rules and regulations. We have quality tenants.

3432 – Owner agreed that we have quality tenants. During difficult economic times is not when we should make rental restrictions.

3640 – Mortgage company stated that when there are too many rentals, the property value goes down.

3616 – There are too many rental signs and it affects property value. We purchase our property in fee simple.

3634 – If we have a 30% rental restriction, what criteria is used to grant a hardship.

Lauren stated that hardships would be on a case-by-case basis. Courts have upheld rental restrictions.

3648 – There should be other ways to control rental restrictions, i.e., future sales. If owner needed to have a hardship granted to rent property, doesn't feel he/she should have to divulge personal financial information to the Board. Perhaps limit number of units an individual can purchase. Economy doesn't support rental restrictions/ too difficult to sell now – can't get value out of property. Suggested waiting until economy turns around to enforce this provision.

3414/3324 – Owner questioned how prospective buyers would find out about rental restrictions. Lauren advised that prospective buyers would need to read the Declarations to determine restrictions.

3616 – Owner stated that it is not realistic to expect prospective buyer to read Declarations. Owner would have to reveal this information.

3314 – Owned since 1987 and has used equity in property for business. Owner stated Board should be proactive and help owners who rent find quality tenants.

3506 – Bought in '04, wants to keep townhome as an investment.

3552 – Will Freddie Mac and Fannie Mae quit lending if rental rate is above 30%? This is not a Victoria Village % - it is set by mortgage companies like FHA, VA, HUD. At this point they are enforcing this for condominiums, not townhomes.

3502 – Articles of Incorporation as recorded should be changed to 12-page document, then approve proposed changes. One page document requires majority of quorum. 12-page document requires 75% of members.

Lauren stated that when Articles are silent about the number of votes required to change Articles, that Colorado law prevails. The one-page document that is on file with the Secretary of State is what applies to Victoria Village, which will follow Colorado law.

3502 – Owner stated that Board should have stopped Articles of Incorporation – would have been more intellectually honest.

3329 – Owner appreciates comments, involvement and respectful way discussion has been handled. Owner wondered whether owners would have attended meetings to revise governing documents. Board should have provided more information regarding changes.

3523 – Interest of renters/investors here tonight. A lot of written material is not understandable and is intimidating to attend meetings.

3630 – Owner would like to see redline version of documents.

Lauren advised she made annotations to changes.

3642 – Owner stated that many rental properties are in disrepair.

Further discussion included comments about evening times difficult for people to attend. Cap on assessments being removed; lower % of votes needed to increase dues.

Request made from owner to have “work sessions” to make changes to proposed documents. First work session meeting will be April 10, 2010 at 1:00. Kerry will advise of location.

Gayle made a Motion to suspend the vote on the proposed governing documents. Betty seconded the Motion. Motion passed unanimously. Kerry will draft letter to mail to owners.

3506 – Owner inquired about shots that were fired. The woman who lives next door was in attendance and needed to leave to return to work. Neighbor stated she was concerned for her and her family’s safety. Board advised that we are waiting on police report to take action, and/or receipt of complaints from neighbors or witnesses. Kerry is working with Lauren on procedures to follow and has requested police report.

Meeting was continued until March 23, at 6:30 at Wendy's to finish Board Meeting.

Meeting adjourned at 9:39 p.m.

Victoria Village at C/S HOA  
Board of Directors Meeting  
March 23, 2010  
Minutes (continued from March 16, 2010 meeting)

Meeting was called to order at 6:31 p.m. at Wendy's. In attendance were John Smith, Debbie Feagin, Betty Johnson, Jaime Kerchner, Gayle Pressler, and Kerry Cantrell of Z&R Property Management. Rick Poole and Sydne Ebel were absent (both excused). This is a continuation of the Meeting held on March 16, 2010.

### HEARING

Owner of Unit 3508 was present for hearing regarding gun shots fired by guests of tenants residing in Unit 3508. Violations include (1) nuisance that is offensive or detrimental to property or occupants; and (2) activities that are unsafe or hazardous to person(s) or property. The hearing is to determine the responsibility of the landlord.

Inquiries were made into reference checks performed prior to renting and intent to evict tenants (Breach of Lease) as a result of shooting incident. Discussion was held regarding damages and potential fine. Kerry will provide amounts to Owner.

MOTION was made by Betty based upon owner proceeding to evict tenants, owner will pay for damages to repair property and HOA legal fees; no fine will be assessed. Gayle seconded the Motion. Motion passed unanimously.

### BOARD MEETING

Minutes of the February meeting were reviewed.

Betty requested a change in the wording on page 3, fourth paragraph, to change the word "and" to "caused by".

MOTION was made by Gayle to approve Minutes as amended. Jaime seconded the Motion. Motion passed with 4 votes. Debbie abstained.

### PRESIDENT'S REPORT

Items for future planning for meeting on April 20th: Pool party, newsletter articles prepared so newsletter may be distributed in early May, progress report on governing documents, striping and numbers on parking lot, sweeping and pot hole repairs.

John presented letter Kerry prepared regarding dryer vent issue to be sent to all residents. Goal is to get a group rate for repairs, if appropriate. Discussion was held regarding adding name and unit number, HOA will not be responsible for any repairs.

MOTION was made by Jaime to approve letter as amended. Gayle seconded Motion. Motion passed unanimously.

John presented letter to owners regarding suspension of vote on governing documents. The first meeting is scheduled for April 10, 2010 at the Baptist Church. Discussion was held. Suggestion was made to notify owners that they will be notified of future meetings by checking either HOA website or Mark Olsen's website. Further amendment to letter to ask owners to let Kerry know if they needed notification by e-mail or some other form of notification.

MOTION was made to approve letter to owners regarding meeting on April 10<sup>th</sup>, with changes to reflect posting meetings on both websites and request e-mail address or other means to be notified of future meetings was made by Debbie. Jaime seconded the Motion. Motion passed unanimously.

Betty thanked Marcia for her precise letter regarding inconsistencies with insurance deductibles. Betty left at 7:35 due to weather conditions.

#### TREASURER'S REPORT

At Sydne's request, Debbie presented the Treasurer's Report:

Operating account	\$ 57,424
Reserves	237,174
Accounts Receivables	53,937

There are 50 delinquent accounts. There are 19 accounts that are three or more months past due, which account for 89% of the total Accounts Receivables. There are 2 accounts at collection agency, 12 in legal action with attorneys, 1 public trustee sale pending, 2 public trustee sales completed and awaiting super lien payment, 1 adhering to payment plan and 1 status to be determined.

MOTION was made by Gayle to approve Treasurer's report. Jaime seconded the Motion. Motion passed unanimously.

#### MANAGER'S REPORT

Legal update, work order report, and correspondence were reviewed.

Clarification was requested on four delinquent accounts. Kerry will check into account that is not adhering to payment plan. Attorneys were not recommending foreclosure, just stating in letter that it is an option. Amounts that are written off can not be further pursued if the amount was incurred before bankruptcy proceedings. Kerry further advised that a receivership is when the court appoints a third party to manage property. This is a good option for the HOA because it will get HOA fees from renters.

The proposed pool contracts were reviewed. Kerry stated that the pool filter and pump were not replaced last year. The proposed contracts are similar to last year.

MOTION was made by Debbie to accept pool contracts. Gayle seconded the Motion. Motion passed unanimously.

### ACC REPORT

Kerry met with ACC. Wayne was in attendance and distributed accounting of ACC activities. The ACC has provided Kerry with units that need a violation letter to go out through his office. This will be considered the second violation.

Letter on page 23 of packet was distributed by Ray. John will speak with Ray and inform him that all correspondence needs to be approved by Board.

### OLD/NEW BUSINESS

Kerry will provide an estimate from German Painting for Phase II at the April meeting. A determination of whether to proceed or wait will be made at the April meeting.

Many curb replacements were done two years ago. It is not anticipated that there will be a substantial amount in the near future.

Kerry stated that painting is a higher priority than the wood retaining wall treatment.

The pet weight issue was brought up for discussion. John stated that there would not be changes to any policies until after the governing documents were completed.

Pet registration form will be put on the agenda for next month.

Marcia thanked the Board for addressing the dryer vent issue.

Meeting was adjourned at 8:30 p.m.