

Arapahoe Ridge Homeowners Association

Board of Directors Meeting

March 18, 2008

MINUTES

CALL TO ORDER

The regular meeting of the Board of Directors was called to order at 6:28 p.m. at 1750 Powell Street. Board members in attendance were Steve Smith, Bill Burnett, Sharleen Bakeman, Mike Dunninger and Ronda Grassi. Community Association Managers Gwen Rohrer, CMCA, AMS and Ginger Cauley, CMCA, AMS were present representing Hammersmith Management.

OPEN FORUM

Homeowner Letter 3074 Stevens Circle – On behalf of the Owner, Ronda Grassi requested the Board reconsider waiving some of the late fees, interest and/or attorney fees incurred on the account, which was turned over to the attorney for collection because the Association has received no payment since 2005. Last month the Owner submitted a letter indicating that they were unaware of the change in Management Companies until just recently. A motion was made and seconded to waive the fees on this account incurred above the actual collection costs paid by the Association and the Owner is to bring the account current within thirty (30) days; motion carried. Hammersmith Management will inform the owner and HindmanSanchez of this decision.

APPROVAL OF PREVIOUS MEETING MINUTES

The February 19, 2008 meeting minutes were reviewed and a motion was made and seconded to approve the minutes with the noted typo change. The motion carried unanimously.

FINANCIALS

Financial Statements – The financial statements for the period ending February 29, 2008 were presented to the Board for review. The US Bank operating account had a month-end balance of \$90,605.82. The First Bank operating accounts had a combined balance of \$38,927.42. The US Bank reserve account had a balance of \$17,981.48. Total reserve funds were \$665,349.56. Total assets for the month were \$860,247.46.

Aging Report – Delinquencies reflected a month-end balance of 27,483.67, a decrease of approximately \$14,603 from the prior month.

Review Invoices/Sign Checks – Invoices were reviewed and checks signed for the month of March. Hammersmith Management will contact Sun & Shade Groundskeeping regarding an invoice for snow removal at a 2" accumulation. Per the contract sidewalks will not be shoveled until a 4" accumulation.

DRC UPDATE

Mr. Burnett mentioned the DRC is still trying to locate members, and contact information for any interested homeowner should be forwarded to him. The Design Guidelines were recently updated by the Association's attorney; however, they have not been adopted by the Board. Hammersmith Management will email the revised guidelines to the DRC and the Board of Directors for review. Any recommendations for changes or additions should be presented to the Board of Directors. It was suggested that pending legislature changes in the Colorado law for Homeowners Associations should be considered during the review process.

UNFINISHED BUSINESS

Restroom Construction Update – Kerry Condin, the general contractor for this project, has been contacted to look at some sections of the new concrete, which are cracking and flaking. He indicated this would most likely be covered under warranty. Kerry will also provide a bid to mount a trash container inside the restroom. It was noted the plumbing for the restroom will not accommodate an industrial stainless steel toilet and the existing toilet will remain.

Resident Directory – Mr. Dunninger has suggested asking homeowners to update their contact information at the pool opening party over Memorial weekend. This suggestion was accepted by all, however, there is still concern over compiling all the information and whether or not it should be comprised of homeowners or residents. Hammersmith Management suggested the Board consider utilizing the website services they offer, which would allow homeowners a secure login and the opportunity to update their contact information. The website is also an interactive directory for any owner interested in sharing their contact information. Hammersmith Management will coordinate with their website administrator to set up a presentation for the Board on website options available.

Management Contract Renewal – The Board reviewed the proposed management contract renewal from Hammersmith Management for a term of one (1) year effective May 1, 2008 – April 30, 2009 for a monthly fee of \$2,950. Also included was a proposal for a Community Specialist to perform and monitor weekly inspections of the community at an estimated cost of \$922.50 per month. The Board tabled this discussion.

Tribunal Hearing – Hammersmith Management has identified homeowner volunteers to serve on the tribunal and are tentatively trying to schedule the hearing for April 7, 2008.

Town of Erie Discussion – The Board is continuing to monitor the Town of Erie progress in formally transferring maintenance responsibilities of town maintained areas to the Association. Assuming that this change will take place as expected in 2009, Ms. Bakeman will try to meet with other Associations to discuss options regarding maintenance costs.

Safe Deposit Box – At this time the reasons for opening a safe deposit box are no longer valid and therefore, this project will no longer be pursued.

Workers Compensation – The need for a workers compensation policy was briefly discussed. Hammersmith Management explained that anyone compensated for services to the

Association is considered an employee, whether or not the Association labels them as an employee. Therefore, the policy would cover the clubhouse monitor Julie Schirmacher, as she does not maintain her own insurance because the Association agreed to carry the insurance on her behalf for the monitoring, and it would also cover any contractor the Association uses in the event that their policy may lapse. The Board agreed to leave the policy in place and signed the reinstatement form as required by the insurance agent.

NEW BUSINESS

2006 Year End Audit – The Board reviewed the 2006 Year End Audit prepared by Biechle & Associates, Inc. A motion was made and seconded to approve the audit as presented; Ms. Bakeman abstained from the vote. Motion carried. The representation letter was signed as requested.

The Board also discussed the large discrepancy in taxes owed from 2006 to 2007. Biechle & Associates prepared the 2006 State and Federal tax returns, which were filed with no tax obligation to the Association. At the last meeting, the Board approved to have Wiedner & Associates prepare the 2007 State and Federal tax returns, however, they have estimated the Association will owe approximately \$8,000 to Federal and \$1,500 to Colorado. The Board requested Hammersmith Management contact both companies and/or the Controller of Hammersmith Management to discuss this situation.

Grounds Improvement – The landscaping design plans prepared by Sun & Shade were not available for review. The Board discussed the need for improvements throughout the community and agreed to table discussion regarding landscaping improvements. Instead the Board will compile a list of all possible improvements for the community and consider the need for each option. The Board agreed to hold a meeting between regularly scheduled Board meetings to discuss landscaping specifically.

Tree Incentive Program – The Board asked Jason with Sun & Shade to look into the possibility of taking advantage of the tree incentive program offered through the Town of Erie. However, Jason has indicated at this time there are no available locations throughout the community where trees could be planted.

Interior Painting of Clubhouse – The Board reviewed a bid from Eclipse Painting in the amount of \$2,600 to paint the interior of the clubhouse, both upstairs and downstairs. The Board requested Hammersmith Management obtain a revised bid for only the upstairs. The project will most likely be included on the list of all community improvements.

Raise for Julie Schirmacher – The Board considered a request from Ms. Grassi to increase the clubhouse monitoring fee for Ms. Schirmacher from \$25 to \$35 per occurrence. It was noted that Ms. Schirmacher provides a service to the community by overseeing resident usage of the clubroom, ensuring the condition of the clubroom is acceptable after reservations, notifying management of any maintenance problems in the clubroom and ensuring the trash is put out weekly. A motion was made and seconded to increase Ms. Schirmacher's compensation from \$25 per reservation to \$35 per reservation; motion carried.

Clubhouse Rental Fee Increase – The Board considered a request from Ms. Grassi to increase the clubhouse rental fee from \$25 to \$35. At this time it was decided not to implement an increase to the residents.

CORRESPONDENCE & REPORTS

Violation, work order and design review reports were provided to the Board for review.

The Board reviewed requests from three (3) homeowners to waive late fees assessed to their account. A motion was made and seconded to waive the fees assessed above the actual collection costs paid by the Association on the accounts for 1990 Vassar Drive and 1603 Holeman Drive; motion carried. Since the original payment submitted by 2856 Odell Drive was torn and returned by the post office, a motion was made and seconded to split or waive half of the collection fees assessed; motion carried with three (3) Board members in favor and Mr. Burnett and Ms. Grassi opposed.

ADJOURNMENT

The meeting adjourned at 9:33 p.m. The next regular Board of Directors meeting is scheduled for Tuesday, April 15, 2008 at 6:30 p.m. at 1750 Powell Street.