

AUTUMN HEIGHTS CONDOMINIUM OWNERS ASSOCIATION ANNUAL MEETING
MINUTES
JANUARY 6, 2005

The annual meeting of the Autumn Heights Condominium Owners Association was held on Thursday, January 6, 2005, in the Clubhouse of the Autumn Heights COA. Darren Burns, Property Manager, called the meeting to order at 6:06 PM. Mr. Burns gave a brief summary of the major agenda topics to be discussed and the election of one new Board member.

ROLL CALL

The record book indicated that 24 owners were present (in person or by proxy) at this meeting out of 140 units. Four of these were by proxy with the votes to be cast by the designated homeowner representative. Everyone present acknowledged that they received notice of the meeting.

PREVIOUS MINUTES

Betty Howard made a motion to approve the minutes of the previous meeting. The motion carried unanimously. Hence, the January 8, 2004 Annual Meeting Minutes were approved as written.

OFFICERS REPORT

- Claus Weidner, President, stated the first order of business was to thank Heather Gray for her service on the Board. Mr. Weidner also thanked Messrs. Burns and Smith for their service. Another order of business will be to elect a new Board member.
- Mr. Weidner gave a brief overview of the 2004 projects completed:
 1. *Swimming Pool Upgrade.* The swimming pool amenities were outdated and no longer in compliance with EPA regulations. Due to the remodeling, the chemical storage and proper ventilation, the facilities now meet current standards. The AHCOA also replaced the existing wooden clubhouse deck with synthetic maintenance-free material and extended 12 inches the entire length of the deck.
 2. *Exterior Painting and Trim Repair.* This major project was designed to be accomplished in two phases. The first half was completed on time and just a little over budget. The wood trim was in worse shape than anticipated, therefore a bit more money was spent to repair and/or replace. The new trim is now in good shape because the contractor used a better nailing system. The nails go into the wood studs a full inch rather than the ¼ inch depth as the original construction. This is another reason the AHCOA will rigorously enforce rules concerning nailing objects in the wood or stucco.
 3. *Road Seal Coating.* The potholes and cracks were seal coated and the coating was applied this summer with minor disturbance to the residents.
 4. *Rain Damage.* The AHCOA had to spend additional dollars on unforeseen damage throughout the property due to an unprecedented downpour in 2004. Some of the projects comprised: sloping, grading, crawl space flooding, leaky roofs, gutter replacements, etc.
 5. *Landscaping.* Regular maintenance of the landscaping throughout the community continues to be included in the budget. The mature landscaping is an important asset and resource that needs to be preserved. The AHCOA has not replaced the dead trees or shrubs removed due to budget constraints.
 6. *Welcome Committee.* Mr. Weidner stated a welcome committee was established which sponsored two social activities. The Fall BBQ and the holiday wine tasting events. Both events fostered camaraderie within the community.
 7. *2005 Trim Repair and Painting.* As previously mentioned, the AHCOA will complete this project not only to maintain the property but to maintain/increase property values. In addition, we hope to beef up the reserves in 2005 given that the unexpected items have been paid.

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FINANCIAL REPORT

Mr. Burns distributed the balance sheet, budget comparison and 2005 budget; and presented the following report:

ASSETS:

Current Assets

Cash-Operating Account	\$ 2,222.19
Cash-Operating Account 2	\$ 13,060.07
Reserve-Escrow Account-1	\$ 746.14
Reserve-Escrow Account-2	\$ 53,778.46
Reserve-Escrow Account-4	\$ 5,465.48
Accounts Receivable	<u>\$ 2,818.36</u>
Total Current Assets	\$ 78,090.70

TOTAL ASSETS \$ 78,090.70

LIABILITIES & CAPITAL:

Liabilities

Short Term Liabilities

Prepaid Dues	\$ 13,673.00
Insurance Proceeds	\$ -3,396.44
Loan	<u>\$312,873.02</u>
Total Short Term Liabilities	\$323,149.58

Reserves

Reserve Interest Earned	\$ 890.41
Reserve Consolidated	\$ 209,635.11
Reserve-Expense Consolidated	<u>\$-150,535.44</u>
Total Reserves	<u>\$ 59,990.08</u>

Total Liabilities \$ 383,139.66

Capital

Current Retained Earnings	<u>\$-305,048.96</u>
Total Capital	<u>\$-305,048.96</u>

TOTAL LIABILITIES & CAPITAL \$ 78,090.70

Mr. Burns went over the figures, and affirmed the AHCOA has approximately \$78,000 is total assets in three separate accounts. The funds were moved to brokerage accounts rather than retained in a bank in order to ensure the Association had property FDIC coverage and attain better interest rates on reserve investments. UBS Paine Webber includes both SIPC AND FDIC protections, so there is dual coverage.

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Unlike CD's held at a regular bank, The funds automatically roll into the UBS money market account upon maturity, and in the event the CD must be cashed in prematurely, UBS has access to the secondary market to sell the CD to another investor to avoid losing interest, and are not subject to an automatic penalty. The loan balance is just under \$313,000.

The AHCOA spent approximately \$150,000 on the large projects and the unforeseen projects mentioned before. New retaining walls for the building at 340 Autumn Ridge Circle were constructed in conjunction with replacement of 3 front porches to include the stucco walls. A budget comparison will be mailed to any homeowner if he/she requests a copy. We were 8% over the operating budget. Water usage is the biggest culprit. Sprinkler repairs are mounting as the system continues to age. Homeowners are encouraged to conserve water while brushing teeth or shaving not leaving the water running. Exterior watering and washing vehicles is not permitted and adds to the increase. Mr. Burns cited that on December 30, 2004, an unfortunate situation related to an illegal exterior faucet burst. The crawl space was flooded and water was seeping out of the wall. Unfortunately, the homeowner will be financially responsible for this occurrence. The Autumn Heights Townhomes were built over 20 years ago so most fixtures and facilities are original. Colorado Springs Utilities offers rebates on new fixtures that are more water efficient. This may be another option to consider as water is increasing in the next year.

Another variance noted was the siding and stucco repair. The new roofs made the flashing become visible and the extensive rain exposed every hole. There were also ground issues and gutter repairs. The original gutters installed were 4 inch with only 2"x3" downspouts. We now have to install 5 inch gutters with 3"x4" downspouts because the asphalt shingles allow a higher water velocity down the roof and a faster run off. Gutter replacements will be a major expenditure to be addressed in the future.

The Broadmoor Information Service (BIS) patrol was hired and everyone seemed pleased. The security service provides three patrols in a 24-hour time period. The Colorado Springs Police Department (CSPD) did not accept the AHCOA authorization letter and cannot issue parking tickets or speeding tickets. Consequently, the BIS will continue to issue warnings to perpetual parking violators. Then the vehicles will be towed without warning. Recreational vehicles are not allowed to park on the property. They are permitted to load and unload utilizing the hazard lights and must be actively attended, and all requests will be reviewed on a case-by-case basis. The rules were established for the safety for all in the Community. If police cars, fire trucks and/or ambulances were called, the street could get congested very quickly. Active vendors and/or contractors are permitted to park in the fire lane on a temporary basis. Someone from the floor asked about the garages. No garage can be used for anything but for parking as it was designed. The garage is primary #1 for parking. This topic can be addressed in the newsletter.

The Clubhouse maintenance expenditure was the result of vandalism. The sauna light is always on. There was a leak in roof above the sauna, which caused damage to the wall. And there was some water damage to both bathrooms. Also, the fire extinguisher was set off in the hallway and restrooms. Various other violations/vandalism were listed as the pool gate was used to hang on and chairs were thrown into the pool.

We did not meet our goal of funding the reserves and were approximately \$10,000 shy of that goal. The unpredicted rainfall created the additional expenses. On building 440A, the water was flooding into the garage and into the pedestrian garage door. The consumer price increase (CPI) is listed at \$198 for dues for 2005.

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This rise was due to operating expenses and amounts to approximately \$14,000 extra for operating expenses. The water increase cannot be controlled. And natural gas went up 30% for the year. We must note that the last increase was only to pay for the new roofs, which have six years remaining on the loan. In the future, that money can be placed directly into the reserves. It is interesting to note the dues at the Cobblestone Townhomes are in the \$200s and the Strawberry Fields HOA recently increased their dues by \$35.

Mr. Weidner restated that we all own a portion of this community. And the AHCOA will bump up reserves to be prepared. These dues provide that safety cushion. We all collectively own this property. As we continue to improve the appearance, it will increase property values. A question was asked on how many renters we have on the property. And do we have a restriction in the covenants to limit the number of rental properties? Autumn Heights is currently at about 20% rentals. And there is no restriction in the covenants. If we gain more than 25% rentals, home seekers may lose the ability to get VA or FHA loans due to mortgage requirements. 51% is the central mass number that determines whether people have loans denied. So Autumn Heights is still within the margin. Mr. Burns stated to amend covenants would be a nightmare and could expose the Association civil rights or fair housing claims. On the recent extensive mail out of the amended Rules, it states the AHCOA requires copies of leases be retained in the files. The Rules apply to all Autumn Heights residents whether they are on- or off-site homeowners. Note: The State of Colorado and the Federal government policies permit armed forces tenants to get out of the leases.

Since the revised Rules have been established and filed, Z&R has noted drastically reduced pet violations and complaints. Someone pointed out that residents should not feed the foxes or maintain bird feeders. This increases the chance for bigger critters grazing on the property.

NEW BUSINESS

Introduction/Election of Candidate(s): The official ballot listed two candidates for the Board position: Ms. Grace Lynch and Mr. Cary Smith. Mr. Burns stated that in the spirit of non-competitiveness, Ms. Lynch requested her name be removed from the ballot based on Mr. Smith's previous Board experience. Mr. Burns also stated that anyone can run for a position and asked if there were any other interested candidates; there were none. Mr. Burns then introduced Mr. Smith, the candidate seeking a voting position on the Board. Since, there were no other interested candidates and no nominations from the floor, Jamie Ross made a motion to elect Cary Smith to the Board. Frank Martinez seconded the motion and it carried unanimously. Accordingly, Mr. Cary Smith was chosen to be appointed to the 2005 AHCOA Board by the Board of Directors for a 3-year term. The Board amongst themselves will designate the officer positions.

ANNOUNCEMENTS (Rules Discussion)

- Autumn Heights covenants enforcement will continue to be a priority. Someone from the floor asked if overnight parking is permitted in front of the mailboxes. Parking in front of the mailboxes is considered short-term parking. The Board will determine whether stenciling the street to designate short-term parking will deter the overnight parking.
- To recap, a homeowner must get prior Board approval for any external construction. The homeowner should submit a bid (such as for window replacement), detailing the style, class, etc. The board has already approved vinyl windows with low E glass. The windows should match the same dimensions as before. If the window was a slider before, it should remain a slider. Window replacement makes a huge difference in electric bills and sound reduction.

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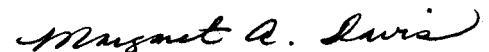
The low E glass reflects the UV rays. Mr. Nicodemus stated that for all the windows in his unit including labor and warranty, the cost was less than \$2,500 at Home Depot. Someone asked when the second part of the paint cycle and trim repair is scheduled to begin. Mr. Burns said that April or May is tentatively planned weather permitting. It will take about four weeks to complete the trim repair project.

- A question was raised concerning garage door replacements. As the original wooden garage doors continue to age, more homeowners will be required to replace the doors with more efficient aluminum doors. The aluminum doors are to be primed and painted to match the original models. A homeowner is required to submit a bid for prior Board approval. Mr. Burns mentioned the AHCOA couldn't condone one company. But instead a company can give discount based on the amount of garage doors replaced within the Community. This is a topic for the newsletter.
- Mr. Burns apologized to Mr. Nicodemus regarding the after-the-fact request to permit the patio modifications to Unit 4210A. The Board failed to properly notify Mr. Nicodemus of the decision to deny the request and restore the patio to its original design, but the Board had denied the patio request within 30 days as required in the Covenants. The discussion confirmed that patio modifications appear as an extension of the exclusive use space. It is encroachment upon the common area. Mr. Nicodemus viewed the modification as a temporary feature that will be taken out when he sells his home. Mr. Nicodemus stated that he would remove the patio tiles and restore to the original form when Ms. Howard takes out the prohibited water faucet installed and the other folks take out the 18 trees planted next to their home. Mr. Burns understood his grievance but used the analogy that a policeman can only catch one speeding violation at a time. It does not excuse the offense if the policeman didn't catch the guy speeding ahead. It is still a violation. Mr. Burns suggested to Mr. Nicodemus to report violations and then re-report violations if they are not followed up on properly. It is the responsibility of the individual homeowners to report the violations just as it is the responsibility of the Board to enforce the Rules.

ADJOURNMENT

There being no further business, the meeting was closed in due form by Mr. Darren Burns at 7:38 PM.

Respectfully submitted,



Margaret A. Davis, Secretary