

**AUTUMN HEIGHTS CONDOMINIUM OWNERS ASSOCIATION MEETING
MINUTES
Saturday, January 12, 2008**

The annual meeting of the Autumn Heights Condominium Association Owners Association (AHCOA) was held on Wednesday, January 12, 2008 at the AHCOA Clubhouse. Larry Pierce, President, called the meeting to order at 9:40am. Mr. Pierce gave a brief summary of the topics to be discussed and the election of the new Board members. Board membership included AHCOA Treasurer, Mr. Rick Carlson and Board Secretary, Ms. Donna Winters. Meeting minutes were taken by Ms. Winters.

Representatives from Z&R Property Management included Z&R Senior Manager, Mr. Darren Burns, AHCOA Property Manager, Ms. Linnea Mellinger, and former AHCOA Property Manager, Devin Smith. For future archival use, the meeting was recorded and filmed in its entirety. Attendance by owners totaled 57 which included 23 proxies, meeting required 47 for a quorum.

Ms. Mellinger checked voter eligibility at the Clubhouse door, and verified certification of proxies as well as proof or waiver of notice. (*See agenda on AHCOA website: autumnheightshoa.com.)*)

OFFICERS' REPORTS

1. Mr. Pierce welcomed all attendees. He expressed appreciation to see those neighbors present taking an interest in the affairs of the association. He continued with an overhead presentation which included an overview of the community, the community history, and previous large expenditures as a condominium association. In addition, the presentation included an overview of the 2008 budget, short and long-term goals, discussion of miscellaneous issues, and necessary requirement to elect officers to fill the two vacant positions on the board. Changes included changing of Board members from Thursday to Saturday Mornings to enable more in the Community to attend. (*See Powerpoint presentation on AHCOA website: autumnheightshoa.com.)*)

2. Mr. Pierce turned the floor over to Ms. Mellinger, who provided an overview of 2007, which included: goals achieved and interests served. She reported that AHCOA was able to rebuild cash reserves as presented at 2007 Annual Meeting, while at the same time remained under budget as projected in January 2007. During this portion of the presentation questions were raised regarding balance left on the loan incurred to finance 2003 roof replacement project. Questions included as to whether HOA dues could be reduced if the loan was paid off in full prior to life of the loan, and the cost could be redirected so interest would not have to be paid. In response, Mr. Darren Burns conveyed that the cost of the loan is such in order to prevent any one-time assessment for roof improvements by owners - thus spreading out payment of loan without extreme financial contribution by owners at time of the project initiation.

3. Additional questions ensued regarding monthly dues and the ensuring establishment of healthy reserve base. Mr. Burns assured all present that AHCOA is in good shape and is maintaining a healthy reserve base - as presented in handouts. Discussions continued regarding the increase of dues over the last 5-6 years and that these increases were needed to ensure continued improvement of the buildings, community landscape and the Community as a whole. Mr. Burns assured all present that maintaining of the buildings is of highest importance to protect the Community's investment interest.

4. When asked whether monthly dues could be lowered after the significant roof loan was paid off, as had been mentioned at the 2007 Budget overview meeting. Ms. Winters advised that this was probably not going to happen because of an increasing need for continued maintenance upkeep of the buildings and surrounding property, but that an increase in dues is not expected in the near future.

2008 BUDGET OVERVIEW

1. Ms. Mellinger presented the 2008 Budget as was approved by the AHCOA Board. Handouts of the December 2007 balance sheet and budget comparison cash flow for December were provided to all persons in attendance. (*See Attachment to this Memo*). She briefed those in attendance that adjustments were made to the 2007 Budget to move additional monies into operating expenses which is reflected in the 2008. She reviewed line items as raised by those present, but there were no objections raised toward the Budget as presented.

2. Questions were raised as to the lawn maintenance contract. These included: quality of lawn care, over watering tree and shrubbery care and trimming. Community members present were advised that the

lawn maintenance contract was being re-competed, and that these issues as well as the aging sprinkler system would be addressed within the new contract and with the contractor when selected. Comments from those present ranged from moderate approval to critical of the lawn maintenance company over the 2007 performance year.

2007 PROJECT SUMMARY:

Ms. Mellinger provided a summary of projects completed and under continued operation. These included: gutter cleaning and repairs, stucco repairs, realignment of fire lane signs and replacements as needed, painting of handrails, needed driveway and patio repairs, new carpet in AHCOA Clubhouse, miscellaneous repairs as needed, pool sign replacement, installation of pool key controls, and stricter enforcement of covenants.

2008 OBJECTIVES

1. Ms. Mellinger briefed congregation on 2008 goals and objectives which included: to evaluate and plan for the Autumn Heights Community's future needs and requirements; to continue to build up reserves for future high expense repairs; to continue to maintain the AHCOA by ensuring routine repairs and maintenance, covenant enforcement; and to ensure continued open communication with the Board, property management, and the Community.

OPEN FORUM

1. Mr. Rick Carlson commented on issues of great concern including ongoing concrete and stucco repairs, stating that they had many had not been completed during the 2007 period. As to stucco repairs, Ms. Mellinger responded that the repairs contracted for had been completed, but that this project would continue to be ongoing during 2008 and that additional stucco repairs and painting thereof would be done as had been budgeted for. Continued repairs would also include concrete repairs as needed, which were delayed until after winter 2008.

2. Ms. Hall-Heyduk also commented that some of the trim on her home was in desperate need of repair as well as some of the building stucco. Ms. Mellinger reassured her that these issues would be addressed during the 2008 budget year.

3. Questions reemerged as to the selection of a new lawn maintenance company, and that new contract needs to address all areas of the Community, including those areas located behind the buildings adjacent to Star Ranch Road. Again Ms. Mellinger assured all present that this was on the 2008 agenda for re-completion in March 2008 and selection immediately thereafter. company.

4. Comments made that volunteerism throughout the Community would keep costs down. In response Mr. Burns commented that while it is a good idea in theory, in practicality it can be an insurance nightmare. Wherein residents can help by picking up litter and putting pool furniture back after use, it is another issue to have residents trimming the bushes or repairing the exteriors of their residences. Owners and residents were encouraged to help out in other capacities, such as serving on sub-committees and working with the Board.

5. A question was made regarding costs for keys as noted in the 2007 Budget. Ms. Winters responded that in response to requests made to control access to the pool and spa areas, as raised at the 2007 Annual Meeting, new keys for the pool and spa areas were issued to all residents and owners, and that few problems arose after this was initiated.

6. Ms. Melissa Campen inquired as to use of the clubhouse fireplace. Mr. Pierce and Ms. Winters responded that use of fireplace could be a hazard, and that not all residents would ensure that a fire in the fireplace would be completely extinguished prior to their departure. In continuing her response, Ms. Winters commented that Clubhouse requires that it be cleaned immediately after use, and not the next day or afternoon. Mr. Burns advised that a gas fireplace could be installed, thus making use of the fireplace available to those using the Clubhouse facility. Ms. Mellinger agreed to research this issue for the Board.

7. A question was made as to when to go to the Board and when to go to Z&R. Mr. Burns and Ms. Mellinger advised that residents should advise Property Management of issues and problems first, and that their issues would be raised with the Board. However, residents were also free to contact the Board on issue of importance, but that maintenance and other problems should be sent to Ms. Mellinger

for action as required.

8. Ms. Amber Nicodemus raised issue of asking for resignation of Ms. Winters from the Board, stating that she, Ms. Winters, was a hindrance to the Community, and commented there were others in the Community who wanted to serve, but would not do so under Ms. Winters. When asked by a member of the Community as to the her reasoning for asking for Ms. Winters' resignation, Ms. Nicodemus responded that she had been singled out for discrimination by Ms. Winters regarding the upkeep of her property. Mr. Pierce and Ms. Mellinger responded that Ms. Nicodemus had not been singled out, that adherence to the covenants and enforcement thereof had been reported in the quarterly newsletters and that dozens of letters had been sent to owners during the past year, most of which were positively responded to. In addition, they had received three complaints against the Nicodemus property, and they had acted on these complaints. Commenting on this issue, Ms. Hall-Heyduk reported that she had received a covenant violation notice and complied, noting that it was in the Community's interest.

9. Continuing discussion ensued regarding enforcement of covenants and need of residents to conform as agreed to when they purchased their property units. Ms. Nicodemus accused the AHCOA as being a "tattle-tale environment, to which Mr. Burns responded that a homeowners association is not a "tattle-tell" community, but covenant conformity is required as litigation issue. The Board cannot approve one violation and find against another, this could be misinterpreted or construed as discrimination. To avoid these issues, and possible legal costs to the Community, covenant enforcement is necessary.

10. It is noted that although counseled that this meeting was not the correct process for requesting a resignation, Ms. Nicodemus directly asked Ms. Winters to resign from the Board, to which Ms. Winters responded "no." Discussion on this issue was then closed.

ELECTION OF BOARD MEMBERS

1. The floor was open for nominations to fill the open vacancy on the AHCOA Board, Mr. Pierce advised members present that this is a three-year commitment. Candidates included Ms. Elizabeth Machado, Ms. Betty Howard, and Mr. Rick Carlson. Mr. Pierce asked for any additional nominations from the floor, to which Ms. Amber Nicodemus nominated Ms. Melissa Campen to fill the vacancy. Ms. Campen accepted the nomination.

2. Candidates were asked to provide a short summary of themselves and their reason for seeking a position on the Board.

3. Mr. Rick Carlson requested his name be removed as a candidate, commenting he could not serve on the Board as it was presently being administered.

4. Owners were instructed to strike Mr. Carlson's name from their ballots, and to pencil in Ms. Campen as "MC" on their ballots and those of any proxies in their possession.

5. Candidates were asked to provide a short biographic summary of themselves and their reasons for wanting to serve on the Board. All candidates provided informational overviews prior to the vote being called.

6. Mr. Burns reviewed the voting procedure to all present, advising that the votes and proxies would be kept on file as well as the voting results. Mr. Burns asked for two volunteers to help collect and count the ballots. Mr. Jeff Farrell and Ms. Rosemarie Hal-Heyduk volunteered to help. Ms. Winters also participated in the vote count, confirming results as counted. Z&R officer, Mr. Devin Smith then took possession of ballots, signatures of confirmation, and proxies for archive files.

7. Ms. Elizabeth Machado was elected with a majority of 33 votes, Ms. Betty Howard came in second, and Ms. Campen third.

8. Upon receipt of the results, Mr. Pierce announced to all present that Ms. Machado was elected to fill open position which will expire in 2011.

APPROVAL OF 2007 ANNUAL MEETING MINUTES

Ms. Bonnie Drake motioned to approve 2007 Annual AHCOA Minutes, motion was seconded by Ms. Rosemarie Hall-Heyduk. The minutes were voted on and approved as presented.

RESIGNATION OF LARRY PIERCE

At the closing of the Annual Meeting, Mr. Larry Pierce resigned his position as President of the

Autumn Heights COA Board. Ms. Winters and Ms. Machado will review volunteers for filling this position and make appointment, to be determined. Position would fill Mr. Pierce's open position until January 2009, at which time a new election would be held.

ADJOURNMENT

The meeting was adjourned at 11:20 am.

Respectfully submitted,
Donna B. Winters
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