

Draft

Board Meeting

Via Conference Call

November 10, 2011 at 3:00 PM MDT

Meeting Called to order by Brian Wohl, Vice President, at 3:02

Note: By verbal consent Brian Wohl has agreed to conduct the Board meetings in accordance with FCV Policy #1-2010, Conduct of Meetings.

Determination of quorum of Board:

Majority of 3 Directors, Bob Franzese, Mark Murray, Brian Wohl, constitutes a quorum, a quorum is 2 members. An act of the majority of Directors constitutes a quorum and is an act of the Board.

Members Present by teleconference:

Brian Wohl and Mark Murray

Non Board Members Present by teleconference:

Judi Balkind, HOA Manager

Harley Brooke-Hitching, Secretariat

Erin Johnson, HOA Attorney

Lettie Kuehn, Owner

Greg Wohl, Co-owner

Approval of the Agenda:

Motion by Mark Murray to approve the agenda

2nd by Brian Wohl

Motion Carries

Requests to Speak on Agenda Topics:

Owner Lettie Kuehn requested in advance to speak on the agenda topics. Attorney Erin Johnson acknowledged that she would be called to speak on each issue on the agenda.

Approval of minutes of 09/15/2011 Board meeting:

Motion by Mark Murrey to approve the minutes as submitted.

2nd by Brian Wohl

Motion carries

Payment of Murray Note: the balance of note has been paid plus interest in the amount of \$3,894.38. (check #1508)

Lettie Kuehn requested to be sent a copy of the note and a copy of the contract with attorney Erin Johnson. Erin apologized that it had not been sent and agreed to send the document after the meeting.

Sheppard Home: Erin Johnson reported that the home is under contract and that the bank has requested a release of the lien. Erin advised that the HOA not to peruse collection. The property will be bought by Mark Murray.

Ross Home: Ms. Johnson reported that the Ross bankruptcy has been dismissed by the court and that the property is now in foreclosure scheduled for December 5th, 2011.

Income Loss on Balance Sheet: Mark Murray asked if there was a reserve fund to cover income losses (bad debt) and that these receivables should be written off by the end of the year. Erin Johnson agreed and asked Judi Balkind to make the appropriate changes.

Discussion of Financial Statement - January 1st 2011 through November 10th, 2011:

Judi Balkind reviewed the financials that had been distributed to the Board. Erin Johnson clarified that the Board can decide what is appropriate for a reserve fund. She noted the importance of focusing on long term capital needs. Mark Murray asked what was the provision for a portion of the assessments to go to the reserve fund for capital improvements. Judi Balkind commented that 10% of the operating budget should be in the reserve fund and stated that this was now a requirement by most lenders. Erin Johnson concurred.

Update of Governing Documents and Operational Infrastructure: Erin Johnson spoke of the ongoing changes to the bylaws, declaration, and policies required by the Common Interest Ownership Act (CCIOA), and that the draft of these documents will be available for Board review. Erin asked for comments from Board by the November 29th, 2011 Board meeting so the final draft can be sent to the owners and be ratified at the December 22nd, 2011 annual meeting. Mark Murray asked for the documents in word perfect and Brian Wohl expressed no preference.

Power Line Issue: owner Lettie Kuehn asked that the power line issue please be explained to her. Attorney Erin Johnson reminded Ms. Kuehn that the issue was not on the agenda and would not be discussed at this meeting.

2012 Draft Budget Discussion: Judi Balkind outlined 2 segments to the budget.

1) All owners pay 1/8 (12.5%) of the general expenses and reserve budgeted at \$223.09 per month for 1012.

2) Only the 5 lots with residences will pay the replacement expenses of sewer system (20% each) and reserve which is budget at \$188.86 bringing their monthly total to \$411.95.

Erin Johnson noted that the budget adopted by the Board at the November 29th, 2011 meeting, will be the final budget presented to the membership at the annual meeting on December 22nd. According to CCIOA regulations, this budget stands unless overturned by 67% of the membership.

Mark Murray asked Judi Balkind the basis for the numbers she presented in the budget. Ms. Balkind responded that she used historical data and estimates for capital improvements. She noted that once the capital improvements costs were paid, the 2013 budget should drop. Erin Johnson added that she was currently negotiating with owner Lynne Black and that the final price for the easement may be extended over 2 years. Brian Wohl asked if there was an assumption page with the budget. Judi referred to the notes at the bottom of the budget but offered to send more detail before the next meeting. Lettie Kuehn questioned the legal fees contracted with attorney Erin Johnson. Ms. Johnson said she expected the current contract to be wrapped up by the end of the year. She stated that her fees are \$1,000 for a year to be on call by the HOA and expressed that most issues would be covered under the fee. If more time is required, the HOA can buy 10 hours ahead, but recommended that \$1000 in the budget seemed adequate.

Mark Murray asked for the final 2012 budgeted expenses. Judi Balkind responded with the figure \$33,948.66 including the cost of the septic system and reserves. Mark asked if the one time capital improvement of the septic system shouldn't be in a special category. Lotti Kuehn asked who owned the Ross property; was it the bank or Ross. Erin Johnson answered that until foreclosure, Ross remained the owner.

Value of Easement: Erin Johnson is to report to the board with financial analysis to determine value of the easements on the Beck property.

Motion by Mark Murray to pay the \$1,250 bill for legal services provided by Erin Johnson.

2nd by Brian Whol

Motion Carries

Date of next Board Meeting: November 29th at 3:00 PM, MST

Date of Annual Meeting: December 22nd, 2011

Meeting Adjourned: 3:56