

Minutes for the Annual Business Meeting of the Shadow Run Home Owners Association

December 14, 2010 6:30 p.m.

The Golf Club at Redlands Mesa
2325 West Ridges Boulevard

Board Members present: Doug Gromann, Chris West, Amy Zuendel

Owners present: 364-Nicolette Bozeman, 360-Amy Zuendel, 358 – Jackie Utt, 356- Ann and Bob McFarland, 347-Doug and Marge Gromann, 345-Tom Warner, 337-Chris West, 352-Lee Krauth: not present but assigned proxy vote to President.

Others present: David Caldwell: owner Heritage Property Management, Debbie Caldwell: employee HPM, Linda Edwards: employee HPM

Call to Order

The second 2010 Annual Meeting of the Shadow Run Home Owners Association was called to order at 6:10 p.m. and owners present were asked to sign in.

Introductions

President, Doug Gromann introduced the officers and the three attending representatives from the association's property management firm, Heritage Property Management. David Caldwell gave a response and the owners were instructed to use the website which can be found at www.hpmgi.com to stay current with the activities concerning Shadow Run HOA as well as to find financial documents and our CCR's .

Welcome and Introductory Remarks

Secretary, Amy Zuendel welcomed all in attendance and gave a brief summary of the situation: our original meeting on September 29, 2010, the discovery of the non-existent nature of our HOA and the resulting work that the board has conducted to prepare for this meeting from the "box of stuff" we received from Michael Bosma to this evening with a property management firm hired, bank accounts established with funds transferred and officers installed. A cause for all owners to feel confident that we now have a structure with which we can build forward and restore the level of property value in which we all originally invested. Doug and Marge Gromann were recognized as the key facilitators in this transition and thanks and appreciation was expressed by all owners.

Establishment of a Quorum

Five owners and two officers are required to establish a quorum and these requirements were recognized and noted. It was also noted that in order to reject the Board's budget, the CCR's require that > 50% of owners (9 out of our current 17) would need to vote to reject it at the meeting.

Reading of the Minutes

The minutes of the last annual business meeting on September 29, 2010 were read and approved as read. These will be filed and posted on our website for all owners to review.

Reports of Committees and Officers

The Shadow Run HOA Cash Flow, Balance Sheet, Proposed 2011 Operating Budget and Preliminary Calculations for the 2011 Assessments were handed to all present and reviewed. It was noted that as owners we were not being billed by the defunct Harvest Homes Development from April 2010 until October 2010 but that we still had expenses for lawn care, management fees and insurance premiums. Home owners were clearly not satisfied with services during this time frame (and even prior to this) and concerns were noted. It was also noted that this was the time frame when no one had a "hand on the rutter" so to speak in terms of overseeing our property as we were at the mercy of CMR Investments out of Boulder, CO who purchased our property out of foreclosure in January 2010.

Old Business

Release of Declarant Control – Heritage Property Management has received an emailed signature from Michael Bosma, president of CMR Investments releasing control of the HOA to our control. We are now a legally established HOA filed with the State of Colorado and will continue to work with Michael Bosma to obtain a hard copy of the signature for permanent record and filing.

American Family Insurance – The new local agent is Mike Daniels and his card was distributed. Owners who would like to review his assessment of the property and billing to the HOA may contact him directly. In summary the units are now valued at \$600,000 and \$800,000 for the 2 unit and 4 unit buildings consecutively. The HOA will receive a \$500 credit for a policy paid on a non-existent unit ("building 11"). Deductibles were inconsistent therefore a vote was taken at the last board meeting to unify all deductibles to the \$2,500 level.

Eagle Landscaping – A contract with much more detail has been written and signed by Humberto, it includes snow removal services. As a result Eagle Landscaping has now completed fall clean-up including dead tree removal, correction of an irrigation drainage problem at the front entrance and weed control for which the City had sent us a citation (on the undeveloped lots). Discussion rose around this topic as to the inadequate landscaping owners on the upper road received compared to the original plan that was presented to us by Bray and Harvest Homes. It was noted that our original plans are filed with the city and that perhaps we should reference those to rectify the situation or at least guarantee compliance to a high standard of quality in any future landscaping work that will be completed. Doug Gromann will research.

Signage Quote – The board has received a quote and approved work to begin with Ornamental Iron Works for the ironwork needed to complete signage on the east side front entrance sign. The finished project will cost the HOA \$600.

The Hole on CMR undeveloped property 366-368 - Liability issues were again discussed in regard to the hole at 366-368. While a fence would meet requirements it was strongly voiced by owners that the only long term acceptable solution for the look and feel of the property is to fill the hole. With the signature in hand from Mr. Bosma the HOA can now begin a formal request process to get that completed. A bid has been received from CM Weaver Excavation provided by David Caldwell for \$6,000 all inclusive (clean fill, men, equipment and time). Owners will be kept posted on the progress of this project. Discussion as to whether or not the HOA should order the work without Bosma's signature on the work order, pay for the work and invoice CMR. The Board agreed that before proceeding any further with plans to fill the hole, Amy would first contact CMR to discuss the issue with them after Michael Bosma and the Board have signed the Organizational Minutes that completely releases the HOA from Declarant Control by CMR Investments.

New Business

Architectural Control Committee – President Gromann called for volunteers to serve on this committee. Nicolette Bozeman and Bob McFarland volunteered. A third owner will be added at a later date.

CCR's and Policies and Procedures – Now that the HOA has nearly completed all the required legal paperwork, the issues with residents not following covenants that have concerned the owners can be formally addressed. The Policies and Procedures will be posted on the website for 30 days and will be sent to all tenants allowing all residents ample time to

be aware of them and fall into compliance with the covenants thereby protecting the safety, security and value of our properties. Discussion arose around this topic that involved ownership of the street: are we a city street or a private street? Doug Gromann will research.

Ratification of the 2011 Budget - The owners voted to approve the 2011 budget as prepared by Heritage Property Management and presented by the board. Our main concern as an HOA is to fund our reserve fund per the guidelines of the professional reserve study that was prepared for the property in 2007. Currently the reserve fund holds \$28,000 total. The study reports that the HOA will need between \$700,000 and \$800,000 in the next 30 years to meet the maintenance and standard upkeep of the property requiring \$21,000 annually in funding, at \$1,800 a month. So, while the board has been able to reduce many expenses to the ownership as was stated during the 2009 Annual Meeting once the HOA was turned over to the local owners we would be required to begin funding the reserve at a normal pace which had not been done by Harvest Homes. The board had approved the funding to begin at 75% to pace at the 12.2.10 Board Meeting. The net results in savings versus adding the reserve funding to our assessment dues is an additional \$18 per month bringing the monthly dues to \$160.41. Individual dues will now include \$75 per month per owner going to the reserve fund. A separate CD account has been established to hold the Reserve Fund at Alpine Bank. (A copy of the reserve study is expected to be posted on the HOA web page soon).

Adjournment -The meeting was adjourned at 7:30 p.m.