

MINUTES
MASTERS CLUB HOMEOWNERS ASSOCIATION
ANNUAL MEETING
December 20, 2005
Plum Creek Country Club

I. Call to Order

Dan Stevens, MCHOA President, called the meeting to order.

II. Certification of a Quorum

Jo Beth McFadden, Secretary of the Association, certified that there were 52 homeowners either present or represented by Proxy (70%) which would constitute a quorum.

III. Discussion Items – Jerry Orten, Attorney

Street Conveyance to the Town of Castle Rock

Mr. Orten stated that he and the Board have been working very hard to encourage the Town of Castle Rock to take over the MCHOA private streets. We are on the verge of accomplishing this. Mr. Orten suggests that we amend our Covenants. Therefore, the following will need to be accomplished:

(a) **First Amendment to the Declaration of Convenants, Conditions, and Restrictions of Masters Club to Amend the Declaration to Broaden Easements for the Benefit of the Town and to Eliminate First Mortgagee Rights.** This requires 67% approval of homeowners. Such Amendment would serve the following purposes:

- (i) to broaden the Existing Easements for the benefit to the Town of Castle Rock, to facilitate a proposed dedication of the current private streets in the Masters Club Planned Community, so that those streets may subsequently become public streets of the Town of Castle Rock.
- (ii) to allow the Association to create and to grant the town a specific easement for maintenance of the private streets with that easement to be created within an existing 10' utility easement area.
- (iii) to eliminate special First Mortgagee rights provided for under the Declaration so that the Association and the Owners may seek to dedicate the current private streets as public streets without the approval of First Mortgagees and so that future or further amendments can be made to the Declaration without notice to or participation of First Mortgagees, as is currently provided for in the Declaration.

(b) **Consent, Proxy and Individual Easement**

In order for the First Amendment to be approved, it must be consented to or approved by 67% of the total votes in the Association and by 67% of the First Mortgagees. The Town of Castle Rock, in addition to the easement proposed in the Proposed Declaration Amendment, also desires each Owner to grant the Town an individual easement. The Board recommends and solicits a consent and vote in Favor of the Amendment and also recommends that each owner grant the Town an individual easement. The individual easement would be a 10 foot wide strip on each Lot, contiguous and adjacent to the private street and would be a non-exclusive permanent easement to allow the Town, its employees, contractors and agents to construct, operate, maintain and repair certain right-of-way facilities and related appurtenances.

Mr. Orten asked that those in attendance execute this form. Cindy Hawkinson, Association Manager, will need to be notified of name, address and Loan Number of each homeowner's mortgage company. Her email address is: thebottomline@earthlink.net. There are plats available to determine the Lot No as required to fill out the form.

Vote of homeowners authorizing the Association to convey the streets to the Town of Castle Rock.

Since there is a 67% representation at this meeting either by homeowners in attendance or by Proxy, this vote can be taken tonight.

Bob Earhart moved to accept affirmation of support for conveying MCHOA streets to the Town of Castle Rock, Colorado. Jerry McFadden seconded. The vote to dedicate the streets to the town was **approved unanimously**.

IV. Review and Approve 2006 Budget

Jason Blair, Treasurer, presented the following:

(a) Balance Sheet as of 11/30/05 :

Total Checking/Savings	\$110,663.40
Accounts Receivable	<u>3,902.17</u>
Total Current Assets	\$114,565.57

(b) Profit and Loss Budget vs Actual January through November 2005 showing \$4,683.78 over budget for the period.

(c) Homeowner delinquencies for nonpayment of monthly fees of \$3,901.17

(d) Where does the \$80 per month fee go? **See attached breakdown Schedule I.**

(e) 2006 Proposed Budget (**Schedule II**) including \$85 per month fee, an increase of \$5 per month on the basic \$60 fee. \$20 per month is still set aside for the street reserve. A 5% discount is offered if the fees are paid for a year which would make a one time payment of \$969.00.

A motion was made by Sandy Schemmerling to accept the dues increase to \$85 per month. Kathy Walters seconded. **MOTION CARRIED.**

Bob Erhart moved and Sandy Schemmerling seconded a motion to accept the 2006 Budget as proposed by the Treasurer. **MOTION CARRIED.**

Jason Blair, Treasurer is not running for re-election to the Board. The Board expressed its thanks to him for serving on the Board and for performing the Treasurer's duties so efficiently. THANKS, JASON!!!

V. Election of Officers

Dan Stevens asked for nominations from the floor. None forthcoming, he asked the members to consider Carolyn Chandler and Jack Wyard each for a 3 year term on the Board.

Bob Earhart moved and Jerry McFadden seconded a motion to unanimously accept Carolyn Chandler and Jack Wyard for 3 year terms on the Board. **MOTION CARRIED.**

VI. Committee Sign-Up

Sign-up sheets for the Architectural Control, Landscaping and Social Committees were circulated for members to volunteer to serve on any of these Committees. Homeowners not in attendance and still encouraged to volunteer and serve on a committee. They can contact any Board member for assistance. The Board will approve the Architectural Committee membership in its January meeting.

VII. Announcements

(a) Dan Stevens announced that the Board is in the process of promulgating Proposed Rules, Regulations, Penalties and Fines which will be put into effect in 2006. The Board is very concerned about noncompliance of some homeowners in regarding current rules and regulations about yard upkeep, maintenance and parking in visitor parking spaces. The proposed Rules and Regulations will set out in detail fines that will be imposed for noncompliance. The Board will abide strictly by these rules and if the fines are not paid, liens will be filed and foreclosure proceedings will ensue. We have tried the good neighbor policy but it isn't working for some, therefore, it is necessary for the benefit of the majority of homeowners to institute more stringent policies.

(b) Senate Bill 100 becomes effective in 2006 and requires homeowner associations to perform in a certain manner and also gives guidelines for homeowner's rights. Sellers have certain obligations under this law to furnish information to buyers or realtors. In order to facilitate some of the information flow in a cost effective and workable manner, the Board has approved establishing a website – www.mastersclubhoa.com. The

- website will contain all information needed for realtors to furnish prospective buyers without the Association Manager having to furnish copies of such information. All homeowners are encouraged to go to the website and become acquainted with its contents. It will be a good place to get up to date information on the financials and will contain the latest Minutes.
- (c) Dan Stevens reminds homeowners that regular Board meetings are open to Association Members and homeowners are encouraged to attend.
 - (d) The Castle Rock Police Department is warning homeowners against leaving garage doors open – this is an open invitation to theft and/or vandalism.

In order to facilitate paperwork required to submit to the Town of Castle Rock on street dedication, the meeting is continued until such time as these items have been resolved.

Jo Beth McFadden, Secretary

IMPORTANT NOTICE REGARDING PAYMENT OF MONTHLY FEES:

Cindy Hawkinson, Association Manager, asked that homeowners who plan to pay fees monthly should request envelopes from her. Phone number: 303-660-8939. Email: thebottomline@earthlink.net.

SCHEDULE I

Where does \$80 per month go?

	<u>Jan - Nov 05</u>	<u></u>
Income		
Assessment Income	67,302.00	82.68
Other Income	<u>731.73</u>	<u>0.90</u>
Total Income	68,033.73	83.58
Street Reserve	16,280.00	20.00
Reserve Contribution	9,900.00	12.16
Expense		
Association Management	19,113.29	23.48
Income Tax	188.44	0.23
Landscape Maintenance	18,025.00	22.14
Fence repairs	0.00	0.00
Miscellaneous Expense	85.00	0.10
Repair/Replacement/New Const	2,648.96	3.25
Social Events	50.00	0.06
Streets	2,213.18	2.72
Utilities	<u>6,929.64</u>	<u>8.51</u>
Total Expense	<u>75,433.51</u>	<u>92.67</u>
Net Income	<u><u>-7,399.78</u></u>	<u><u>-9.09</u></u>

SCHEDULE II

2006 Proposed Budget

	Jan - Dec 06
Income	
Assessment Income	
Regular Assessment	57,720.00
Late charges & fines	600.00
special assessment	17,760.00
Discount	-300.00
Total Assessment Income	75,780.00
 Other Income	
Interest	1,000.00
Total Other Income	1,000.00
 Total Income	 76,780.00
 Expense	
Association Management	
Insurance	
liability, directors & officers	1,050.00
Total Insurance	1,050.00
 Office	 900.00
Professional Fees	
Accounting	4,200.00
legal	8,500.00
Total Professional Fees	12,700.00
 Total Association Management	 14,650.00
 Income Tax	
State	50.00
Federal	300.00
Total Income Tax	350.00
 Landscape Maintenance	 18,725.00
Fence repairs	3,500.00
Repair/Replacement/New Const	
Landscape, common	
Trees	200.00
Flowers	100.00
Landscape, common - Other	300.00
Total Landscape, common	600.00
 Landscape, irrigation system	 300.00

Total Repair/Replacement/New Const	900.00
Reserve contribution	
Payment for Streets	<u>28,560.00</u>
Total Reserve contribution	28,560.00
Social Events	350.00
Streets	
Snow removal	<u>3,000.00</u>
Total Streets	3,000.00
Utilities	
Water	6,500.00
Electric	<u>1,700.00</u>
Total Utilities	8,200.00
Website	<u>600.00</u>
Total Expense	<u>78,835.00</u>
Net Income	<u><u>-2,055.00</u></u>