

The Preserve at Deerfield HOA Meeting

April 16th, 2021 – 7:00 PM

Meeting Minutes

Fourteen lots were represented in person or on Zoom.

Board members George Wehner and Ben Zimmerman started the meeting with an overview of the agenda which largely centered around the following three topics.

1. Options for rewriting our Declarations and Covenants
 - a. Option 1 is to modify the existing documents at an estimated cost of between \$1,200 and \$3,400 with the caveat that the cost could be higher.
 - b. Option 2 is wholesale Declaration amendment for a \$4,300 flat fee
2. Review of 2020 expenses and current cash position
3. HOA litigation Summary.

During discussion of the Declaration and Covenant rewrite, the cost was discussed and what the options mean for the members. The key points were

- The HOA has known for several years that the HOA documents, the Declarations and Covenants specifically, have many issues.
- The HOA has formed several committees in the past to rewrite the documents without any success.
- The poorly written documents were a factor in the current HOA litigation.
- While it may be cheaper to modify the existing document, the cost is unbounded and could grow beyond the initial \$3,400 estimate.
- No matter which option is selected, the members by a 2/3 majority will still have to approve the new document.
- Dave Cochran raised the point that it was not worth rewriting the documents if the covenants would not be enforced.

At the conclusion of the discussion Brenda Storey made a motion to proceed with option2, the wholesale Declaration amendment. The motion was seconded by several members.

George asked who was in favor and the majority of members present said yes. He then asked the members attending via Zoom. It was difficult to hear, so he asked if anyone objected. There were no objections.

During the discussion of the cost of the document rewrite someone raised the question of the HOA's financial position. Rob Thomas, the treasurer, offered the following information

For 2020, the overall General fund expenses broke down as follows

Gate operation (phone and electricity) was approximately \$1,000
Snow Plowing accounted for about \$1,000
Weed spraying was about \$1,200
Gate maintenance was \$641
Tax preparation was \$265
Miscellaneous expenses were about \$5,600. \$5,500 of that was for removal of beetle kill trees and fire mitigation in the open space.
Website expense was \$239

In addition to the general fund expenses, we spent \$20,534 from the road fund on road maintenance and sign repair.

2020 General fund Income was about \$84,000 and expenses were about \$56,000

Cash on hand as of 16 Apr 2021

General fund	\$32,764 (this includes about \$1,000 of garbage removal pre-pay)
Road fund	\$41,120

The final planned discussion point was status of the on-going litigation. The following is a timeline of the events

Summer 2018 – Lawsuit filed

April 2019 – Original HOA attorney withdraws, new counsel retained

July 2019 – Voluntary mediation and subsequently first day of trial

November 2019 – Second day of trial

December 2019 – Decision rendered – HOA prevailed

February 2020 – Case appealed to district court

July 2020 – Appellate brief filed by HOA

Feb 2021 – Court of appeals renders ruling in favor of HOA

March 2021 – Petition for rehearing filed and subsequently denied

April 7, 2021 – Petition for extension of time to file writ of certiorari with Colorado Supreme court

A non-legal assessment of the events is as follows

At this point the HOA has prevailed in both the initial case and the appeal. The defendants are attempting to get the Colorado Supreme Court to hear the case.

The HOA has been awarded the bulk of its attorney fees as well as fines. Those fees and fines have not yet been collected.

The topic of snow-plowing was brought up by Dean Jarvis.

For background, the HOA had been using Hughes landscaping for snow removal for several years. In August of 2020 we were informed by Hughes that their plow drivers were stuck in Mexico due to Covid and that they were not doing commercial plowing for the 2020/2021 season.

At that time Bryan Willis offered to do the snow removal for the HOA at the same rate as Hughes.

Sometime during the winter Bryan and Dean had a conversation, and Dean started doing the plowing.

During the meeting everyone agreed they were very satisfied with the job Dean has been doing.

Dean has expressed a desire to keep doing the plowing at the same rate as Hughes had done previously.

To that end, Dean was asked to submit a bid to the board.

Date and time for the next member meeting was discussed and decided upon.

The next member meeting will be 18 May at 7pm at George and Brenda's House.

At that meeting, elections for new board members and setting of the 2021 budget will occur.

Proxy instruction, directions, and meeting agenda will be provided on or before 15 May via email.

The meeting ended at approximately 7:45.